



Canada moves forward on pay, employment equity rules

By Kristin Smith, Fiona Webster and Stephanie Rosseau
4 Dec 2020

Amendments to Canada's Employment Equity Regulations address the reporting of salary data by federally regulated private-sector organizations employing 100 or more employees. The revisions will not apply until the 2021 reporting period (the current regulations continue to apply to the 2020 reporting period, for which data must be submitted by 1 Jun 2021). Pay equity regulations have also recently been issued for consultation.

Background

The regulations support the Employment Equity Act, which requires federally regulated employers to file an annual employment equity report with the Minister of Labour that covers four designated groups (women, Aboriginal peoples, persons with disabilities, and members of visible minorities). The report comprises six prescribed forms covering representation data, employee occupational groups, employee salary ranges, the number of employees hired, promoted and terminated, and provision of an accompanying narrative.

The amended regulations respond to the federal government's 2018-19 budget commitment to introduce pay transparency measures that address wage gaps in the federally regulated private sector. The revised measures aim to update and streamline the regulations, increase clarity, improve data gathering and reduce the reporting burden.

Employment equity regulation highlights

- **Salary definition and calculation.** Employers will be able to submit data elements to determine hourly pay rate wage gaps, bonus pay gaps, overtime pay gaps, and gaps in the number of overtime hours worked.
- **Expanded reporting.** Employer reports must consider all the census metropolitan areas to provide a complete picture of employment equity in the labor market — currently there are 35 such areas.

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- **Mandatory use of designated group definitions.** Employers must use the definitions of the four designated groups covered by the Employment Equity Act. Employers could decide to expand their workforce survey to gather information on other groups in their workforce for internal analysis.
- **Salary reporting.** The salary levels are revised to reflect the current salary levels in Canada, as identified by the national census.
- **Guidance for employers.** The government's Labour Program will issue further guidance and the Workplace Equity Information Management System will be modified to collate the data submitted by employers.

Pay Equity Act update

Separately, the government confirmed it will publish an effective date for the Pay Equity Act, introduced as part of Bill C-86, later in 2021. The Pay Equity Act aims to ensure that women and men in federally regulated workplaces receive equal pay for work of equal value. Supporting regulations were published on 13 Nov 2020, and are subject to public consultation until 13 Jan 2021.

Related resources

Non-Mercer resources

- [Regulations amending the Employment Equity Regulations](#) (Government of Canada, 25 Nov 2020)
- [Backgrounder: New pay transparency measures in federally regulated workplaces](#) (Government of Canada, 25 Nov 2020)
- [Press release](#) (Government of Canada, 13 Nov 2020)

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- [Federally regulated employers in Canada face new pay equity, employee protection requirements](#) (8 Feb 2019)

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