

# PROPOSED CHANGES TO ONTARIO'S EMPLOYMENT AND LABOUR LAWS

Following the release of the [Changing Workplaces Review Final Report](#) on May 23, 2017, the Ontario government has announced comprehensive planned changes to Ontario's employment and labour laws.

Highlights of the proposed changes, most of which come into effect January 1, 2018, include:

## MINIMUM WAGE INCREASES

An increase in the minimum wage to \$15.00 as of January 1, 2019, from the present rate of \$11.40. The timetable for changes is outlined below:

General Minimum Wage / Hour	Current Rate	Effective Oct 1. 2017	% Increase	Effective Jan 1. 2018	% Increase	Effective Jan 1. 2019	% Increase
	\$11.40	\$11.60	1.75%	\$14.00	20.69%	\$15.00	7.14%

- Employers should start thinking now about how to manage these additional costs. It begins with a hard look how to remain competitive by finding process efficiencies and investing in automation to increase productivity.
- Employers should also begin to set compensation expectations with their workforce. Those earning more than \$15/hour may expect increases commensurate with increases in the minimum wage and, for many companies that may not be possible or sustainable.

## PAID VACATION

Employees will be entitled to three weeks of paid vacation after five years of service with the same employer. This comes into force on January 1, 2018.

While many employers already meet the requirements, these amendments will increase overall labour costs for many employers particularly small businesses. Employers should examine their administrative and record-keeping practices to ensure they meet increased compliance needs.

## SCHEDULING

The proposed legislation sets out a number of new scheduling rules, effective January 1, 2019, including:

- Employees have the right to request schedule or location changes, or refuse shifts, without fear of reprisal
- Employers must pay employees for three hours work if their shift is cancelled within 48 hours of its scheduled start time

These regulations will reduce employers' scheduling flexibility, and introduce an element of risk. Businesses who reduce staffing, or cancel shifts in response to slow business, may incur financial penalties.

**Employers should ensure that their scheduling processes are rigorous in order to mitigate this risk.**

The ability of organizations to cope with this increased risk will vary according to size and sector, so possible solutions vary as well. However, it is expected that, in general, larger employers will have more flexibility to be able to absorb the extra costs.

### PART TIME/TEMPORARY EMPLOYEES

Under the proposed changes, there will be a requirement that casual, part-time, temporary and seasonal employees are paid the same as full-time employees when performing the same job for the same employer. The rule will apply only to wages and will not require equal benefits and pensions. Similar rules apply to Temporary Help Agency (THA) employees, with the proviso that those employees are protected from retaliation for inquiring about their wage rate.

In light of these pending changes, employers should ensure that jobs are defined rigorously, as it will be critical to be able to articulate the differences in accountabilities between similar part time and full time roles.

Organizations who are unable to clearly explain this difference should examine employees' pay on an ongoing basis, in order to ensure sustainable labour costs. For example, companies who increase pay commensurate with years of service may instead want to look at increasing pay commensurate with hours worked, to accommodate the merging of full-time and part-time pay grids.

### LEAVES OF ABSENCE

There are several changes related to Leaves of Absence, including:

- All employers in the province must provide a minimum of 10 Personal emergency leave (PEL) days to all employees. The first two PEL days are required to be paid days. This includes companies that are now excluded from the obligation because they have fewer than 50 employees.
- Expansion of the qualifying reasons for a personal leave to include experiencing domestic or sexual violence or the threat of sexual or domestic violence.
- An increase to Family Medical Leave from up to 8 weeks in a 26-week period to up to 27 weeks in a 52-week period, aligning with the federal government's Employment Insurance (EI).
- Prohibiting employers from requesting a sick note from an employee taking Personal Emergency Leave.

Similar to the other changes, these new requirements require an examination of reporting processes, to ensure rigorous compliance.

The change most likely to prove controversial is the proposed prohibition on sick notes. Some employers feel strongly that sick notes are the best way to prevent abuse of sick days, but the government has clearly taken the opposite view.

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## PROPOSED CHANGES TO THE LABOUR RELATIONS ACT

The proposed legislation also includes changes to the Labour Relations Act, enhancing the ability of employees to unionize. Changes include:

- Allowing unions to access employee lists and certain contact information if the union can demonstrate it has already achieved the support of 20% of employees
- Establishing card-based union certification for temporary help agencies, the building services sector and home care and community services industries.

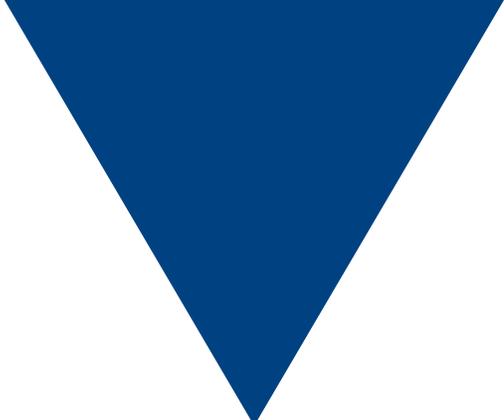
## ENHANCING EMPLOYMENT STANDARDS ENFORCEMENT

In addition to these measures the government proposes strong enforcement of employment standards. They plan to hire an additional 175

employment standards officers by 2020–2021. The goals for the next three years include: resolution of all claims filed within 90 days, and inspection of 10% of Ontario workplaces. There will be a heavy emphasis on education to ensure employers know their duties under the Act and that employees understand their rights and how to enforce them.

More than the others, these changes require employers to ensure rigorous compliance – particularly in terms of overtime and vacation pay, which can often be overlooked. Employers should examine their overtime policies and be certain they are compliant.

[More details of the proposed changes can be found in the Ministry of Labour Backgrounder](#)



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