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Date: December 1, 2017

To: Mayor and Council

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RE: Bill 148 Financial Impacts 2018

Report No.: CS-2017-023

AIM

The aim of this report is to provide council with an update on the financial impacts of Bill 148.

BACKGROUND

On November 27, 2017, Bill 148, the *Fair Workplaces, Better Jobs Act, 2017* ("*Bill 148*") received Royal Assent. *Bill 148* makes significant changes to the Ontario's labour and employment law regime. These changes lead to significant financial implications for employers.

DISCUSSION

Outlined below are a number of the changes that have been made to the *Employment Standards Act*, 2000 ("ESA") and the *Labour Relations Act* ("LRA") as a result of the passing of *Bill 148*. Not all of these changes are in force on Royal Assent. For those changes that are not immediately effective, the date that the provision becomes effective is listed.

1. Requests for Changes to Schedule or Work Location. This is an entirely new provision in the ESA. This section provides a means for employees, who have been employed with their employer for a minimum of three months, to request changes to their work schedule or location. The provision also requires that the employer discuss the request with the employee and respond to same within a reasonable time. If the request is denied, the employer is obligated to provide reasons for the denial. (in force January 1, 2019)

- 2. Scheduling. Bill 148 introduces new scheduling requirements. These include a minimum of three hours' pay for shifts that are under three hours, minimum pay for being on call, a right to refuse requests or demands to work on a day that an employee is not scheduled to work when the request is made with insufficient notice, and entitlement to pay for three hours of work in the event of cancellation with insufficient notice. The existing power to make regulations requiring employers to pay a minimum prescribed amount to employees who work fewer than three hours in a day is repealed. If a collective agreement is in place on January 1, 2019, the collective agreement will override these provisions until January 1, 2020 or the expiry of the collective agreement, whichever is earlier. Our current collective agreement for on call pay is 4 hours at the employees prevailing rate of pay. (in force January 1, 2019)
- 3. **Minimum Wage**. Minimum wage will be increased on January 1, 2018 to \$14.00 an hour. The minimum wage increases again on January 1, 2019.
- 4. **Public Holidays**. The rules for the calculation of public holiday pay under section 24 are amended. The calculation will be based on the number of days actually worked in the pay period immediately preceding the public holiday. Additionally, sections 27, 28, 29 and 30 of the *ESA* are amended to require an employer to provide an employee with a written statement that sets out certain information when a day is substituted for a public holiday. (in force January 1, 2018)
- 5. Vacation With Pay. Employers are now required to provide a minimum of three weeks of vacation, after each vacation entitlement year, to employees whose period of employment is five years or more. (in force January 1, 2018)
- 6. **Equal Pay for Equal Work**. A definition is added that provides that "substantially the same" means "substantially the same but not necessarily identical". This Part of the *ESA* is amended to provide for an entitlement for equal pay from an employer regardless of a difference in employment status. It is important to note that there are four exemptions to the equal pay requirements. Differential pay is permissible if the rate of pay is determined by a seniority system, a merit system, a system which measures quantity or quality of production, or any other factor other than sex or employment status. (in force April 1, 2018)

Additionally, employees from a temporary help agency are captured by the amendments and they too shall receive equal pay if they perform substantially the same work as an employee of the temporary help agency's client.

7. **Leaves of Absence**. The entitlement to six weeks pregnancy leave in certain circumstances is increased to 12 weeks. Section 48 of the *ESA* is amended to provide that a parental leave may begin no later than 78 weeks after the child is born or comes into the employee's custody, care and control for the first time. The entitlement to parental leave is increased from 35 weeks to 61 weeks for employees who take pregnancy leave, and from 37 weeks to 63 weeks otherwise. (in force December 3, 2017)

The entitlement to family medical leave is increased from up to eight weeks to up to 28 weeks. Currently, an employee may take leave to provide care and support to

spouse, parent, or child who has a serious medical condition. That provision has been amended to include any family member, or person considered a family member. (in force January 1, 2018)

Employees are now entitled to take a leave to provide care and support to any critically ill family member. Section 49.5 has also been amended and establishes an entitlement of up to 104 weeks of unpaid leave if a child of the employee dies for any reason. Previously, entitlement to leave was only permitted in the event of a crime-related child death. New section 49.6 retains the entitlement to crime-related child disappearance leave but increases the entitlement from up to 52 weeks to up to 104 weeks. (in force January 1, 2018)

- 8. **Domestic or Sexual Violence Leave**. An employee who has been employed by an employer for at least 13 consecutive weeks is entitled to up to 10 days and up to 15 weeks of leave if the employee or a child of the employee experiences domestic or sexual violence or the threat of domestic or sexual violence. The first five days of leave are to be paid. The leave must be taken for any of the purposes listed in the section. (in force January 1, 2018)
- 9. Personal Emergency Leave. Personal emergency leave is now available to all employees, not just employees of employers who regularly employ 50 or more employees. Additionally, two days of personal emergency leave are now required to be paid days, if the employee has been employed by the employer for one week or longer. The paid days have to be taken before any unpaid days of personal emergency leave in a calendar year. Employers retain the right to require evidence of entitlement to these days but are not permitted to require a certificate from a qualified health practitioner. (in force January 1, 2018)
- 10. **Temporary Help Agencies**. This Part has been amended to add a new section 74.10.1 to the *ESA*. This section requires temporary help agencies to provide an assignment employee with one week's written notice or pay in lieu if an assignment that was estimated to last for three months or more is terminated before the end of its estimated term unless another assignment lasting at least one week is offered to the employee. (in force January 1, 2018)

LINK TO STRATEGIC PLAN

There is no direct link to the strategic plan.

FINANCIAL CONSIDERATIONS

The financial impact of *Bill 148* for 2018 total approximately \$219,311.76 and have been included in the draft budget.

CONSULTATIONS

Diane Broda, Payroll & Billing Supervisor Peggy Van Mierlo-West, Chief Administrative Officer Legislative Assembly of Ontario, Bill 148

Personnel Committee

RECOMMENDATION

That Council receive this report regarding *Bill 148* and the financial implications flowing from the legislated changes for information.

Jennífer Galea

Jennifer Galea, CHRL Human Resources Manager

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Peggy Van Mierlo-West

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