



# What's New in HR Law

## Ontario Government Begins Consultation on Portable Benefits

October 7, 2022 | By [Micah Fysh](#)

### Bottom Line

On September 27, 2022, the Government of Ontario opened [the consultation process](#) for the [Portable Benefits Advisory Panel](#). The Panel, appointed in March 2022, will advise the Government on the viability of a benefits program that would provide health benefits to workers who do not currently enjoy similar benefits under an employer-provided plan.

### The Portable Benefits Advisory Panel's Consultation Process

The consultation process stems from a recent review by the Ontario Workforce Recovery Advisory Committee (the "Committee"). In June 2021, the Committee was appointed by the Minister of Labour, Training and Skills Development to help lead Ontario's economic recovery following the COVID-19 pandemic. In its [November 2021 report](#), the Committee recommended that the Government appoint an expert to design and test a portable benefits program within the province.

In line with the Committee's recommendation, the Government appointed the Panel to guide the development of a portable benefits program for workers who cannot access traditional benefits programs. The Panel consists of five experts from a range of professions and economic sectors.

The ongoing consultation survey gives employers an opportunity to advise the Panel on how portable benefits would affect their businesses. The consultation closes on December 16, 2022. The Panel will then review the results of the consultation and is expected to release recommendations in 2023.

*This article is for the purposes of only general information and does not constitute legal advice or opinion.*

## What Are Portable Benefits?

“Portable benefits” are benefits that are attached to an individual worker. Portable benefit plans effectively disconnect, to some extent, supplemental health benefits from employment. Rather than having their benefits tied to a specific job or employer, the worker can “carry” their benefits coverage with them from job to job.

There are many different models of portable benefits. Portable benefits could be largely public-funded or the Government could mandate employers and workers to pay into a central account that all eligible workers draw from. Portable benefits could be targeted at temporary, part-time, self-employed, and contract workers, or coverage could be extended to full-time indefinite workers. Moreover, the Government’s benefits could supplement or replace existing employer-provided health benefits. The Panel’s recommendations will likely address issues such as who should fund the portable benefits system and in what proportion, and who should be eligible to draw from the portable benefits system.

## What Does This Mean for Employers?

Employers should consider how different models of portable benefits would affect their business and employment strategies.

A strong benefit package can be a powerful tool for recruiting and retaining top talent, but can also have significant administrative costs for employers. For employers who already offer strong benefit packages, portable benefits could weaken the effectiveness of their benefit package as an employee incentive. In contrast, for employers who do not currently offer a benefits package or who offer smaller packages, portable benefits could provide a competitive advantage in the labour market.

Portable benefits may make it easier for employers who currently use part-time, temporary, or contract workers to change to using more full-time permanent workers. If employers are legislated to contribute to a portable benefits fund in proportion to the hours or wages of part-time, temporary, and contract workers, continuing to heavily rely on such workers may no longer offer significant labour-related savings over full-time permanent workers who would traditionally be offered an employer-provided benefit plan.

On the other hand, portable benefits may make it easier for some employers to transition their workforce to having more part-time, temporary, or contract workers. By helping those workers become more secure and healthy, portable benefits could make using part-time, temporary, or contract workers more attractive in industries that have historically relied on full-time permanent workers. Further, portable benefits could be specifically targeted at part-time, temporary, and contract workers, which could be of particular benefit to employers who engage these types of work arrangements.

Employers will also want to consider the proportion of funds that they wish for each party (i.e., workers, employers, and the Government) to contribute towards the potential portable benefits system.

## Check the Box

Employers have until December 16, 2022, to advise the Panel on how portable benefits could affect their business. Employers are encouraged to take advantage of this valuable opportunity to shape the Panel’s recommendations and the design of the Government’s benefits plan. To participate in the survey, visit: <https://www.ontario.ca/page/consultation-portable-benefits-program>.

## Need More Information?

For more information or assistance with benefits and other employment issues, contact [Micah Fysh](mailto:mfysh@filion.on.ca) at [mfysh@filion.on.ca](mailto:mfysh@filion.on.ca) or your regular lawyer at the firm.



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