



What's New in HR Law

Federal Sector Updates

July 23, 2021

Bottom Line

Federally-regulated employers should be aware of a number of recent legislative changes, including the federal *Pay Equity Act* (“PEA”) coming into force, a new statutory holiday, an increase to minimum wage, and changes to certain leave provisions in the *Canada Labour Code* (“CLC”). These will be reviewed briefly below.

***Pay Equity Act* in Force August 31, 2021**

The *PEA*, introduced by the federal government back in 2018, will come into force on August 31, 2021. It will apply to all federally-regulated employers with 10 or more employees.

Once the *PEA* is in force, employers will have three years to develop compliant pay equity plans. As such, employers will be required to post a finalized version of their pay equity plans on or before August 31, 2024. Once the plan is established, employers will also be required to pay any adjustments that may be required to achieve pay equity. Pay equity plans will then have to be reviewed at least once every five years.

As discussed in our [earlier insight](#), the *PEA* sets out specific processes by which employers must develop their pay equity plans. One of the early steps in that process is to post a notice in the workplace to inform employees about the pay equity process. This must be done by November 1, 2021. Next, a pay equity committee consisting of management and employee representatives must be established, if the employer has over 100 employees, or if some of its employees are

represented by a union. Then, the pay equity committee (if any) or the employer must develop a pay equity plan in accordance with the *PEA*.

The federal government also recently released the [Pay Equity Regulations](#). The Regulations set out detailed requirements concerning certain parts of the *PEA*, including mathematical factors for comparing compensation, methods for developing a pay equity plan when there are no predominantly male job classes, and a process for updating or maintaining pay equity plans.

New Statutory Holiday

The federal government recently passed legislation amending the *CLC* to add a new statutory holiday called the National Day for Truth and Reconciliation. The National Day for Truth and Reconciliation will be observed each year on September 30th, starting September 30, 2021.

Effective August 3, 2021, the National Day of Truth and Reconciliation will be added to the definition of “general holiday” in the *CLC*. This brings the *CLC* up to 10 general holidays per year. The National Day of Truth and Reconciliation is to be treated in the same manner as the other general holidays under the *CLC*.

In 2015, the Truth and Reconciliation Commission of Canada proposed establishing a new statutory holiday to honour residential school survivors and their families, and to ensure that public commemoration of the history and legacy of residential schools remains a vital component of the reconciliation process.

Other Amendments to the *CLC*

Bill C-30, *Budget Implementation Act, 2021, No. 1* (“Budget Bill”) amends a number of provisions of the *CLC*, among other statutes. While the Budget Bill received Royal Assent on June 29, 2021, the amendments come into force on various dates. We summarize the most important of these amendments, including their effective dates, below.

Minimum Wage

The federal minimum wage will be increased to \$15 an hour, effective on or about December 29, 2021, six months after the Budget Bill received Royal Assent.

For federally-regulated employers operating in a province with a higher minimum wage, the higher minimum wage will apply.

The amendments also provide for increases to the minimum wage on April 1st of each year, subject to certain exceptions, based on increases to the Consumer Price Index.

Extension of Leave related to COVID-19 Caregiving Responsibilities

The maximum number of weeks of leave for COVID-19 related caregiving responsibilities is increased to 42 weeks from 36 weeks. This provision is deemed in force as of June 19, 2021.

Extension of Medical Leave

The entitlement to a medical leave of absence as a result of personal illness or injury, organ or tissue donation, or medical appointments during working hours has been increased to 27 weeks from 17 weeks. In addition, quarantine has been added to the circumstances in which an employee will be entitled to a medical leave of up to 27 weeks. These amendments come into force upon proclamation, which as of the date of this update, has not yet occurred.

Leave related to the Death or Disappearance of a Child

The provisions regarding leave related to the death or disappearance of a child have been amended as follows:

- a) to increase the maximum length of leave for a parent of a child who has disappeared to 104 weeks from 52 weeks;
- b) to extend eligibility to parents of children who are over 18 years of age but under 25; and
- c) to limit the exception that applies in the case of a parent of a child who has died as a result of a crime if it is probable that the child was a party to the crime, so that the exception applies only with respect to a child who is 14 years of age or older.

These amendments came into force on June 29, 2021.

Bereavement Leave

In addition to the Budget Bill, a separate bill received Royal Assent on June 29, 2021 that amends the bereavement leave provisions of the *CLC*. Bereavement leave is extended to 10 days of unpaid leave, from the previous five days of unpaid leave. Eligibility for bereavement leave is expressly extended to employees who, at the time a family member dies, are on compassionate care leave or leave related to critical illness in respect of the deceased person. These changes will come into force on or about September 29, 2021, three months after Royal Assent.

Check the Box

Federally-regulated employers should note the above legislative changes and make any necessary changes to their policies and procedures to ensure compliance.

In particular, federally-regulated employers should familiarize themselves with what is required to achieve pay equity in their workplaces. They should determine whether they need to establish a pay equity committee consisting of management and employee members, or whether it may be advisable to establish such a committee voluntarily. The employer should also develop and/or update job descriptions to facilitate the evaluation of job classes. Although three years may seem like ample time to evaluate job classes and develop a pay equity plan, this is time-consuming work.

Need more information?

For more information about pay equity or the changes to the *CLC*, please contact [Melanie McNaught](#) at 416-408-5561, or your regular lawyer at the firm.



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