Human Resources Legislative Update

Federal Budget Implementation Bill Introduced (C-38)

Date: April 27, 2012

On April 26, 2012, the federal government introduced *Bill C-38, Jobs, Growth and Long-term Prosperity Act*, omnibus legislation intended to give effect to certain key initiatives outlined in its Budget 2012.

Among other matters, Bill C-38 would, if passed,

- amend Part I of the *Canada Labour Code* ("*Code*") to require each party to a collective agreement to file a copy of the agreement with the Minister of Labour "immediately after it is entered into, renewed or revised," subject to the regulations, as a condition of its coming into force;
- amend Part III of the *Code* to generally require employers that provide benefits to their employees under long-term disability plans to insure those plans. As an exception, however, a new subsection 239.2(2) would allow for an employer to not insure long-term disability benefits under circumstances and subject to the conditions provided for in the regulations. Uninsured long-term disability benefits that are in pay and long-term disability benefits in respect of claims initiated prior to the coming into force of these amendments may, as a transitional measure, continue to be provided on an uninsured basis;
- in addition to a general and significant increase in maximum fines for first, second and subsequent offences under section 256(1) of the *Code*, Bill C-38 would specifically increase maximum fines for non-compliance with the above long-term disability provisions, the employer obligation to provide wage replacement to an employee who is absent from work due to work-related illness or injury section in section 239.1(2), or Group Termination of Employment regulations (section 227) to a fine of not more than $250,000;