

Human Resources Legislative Update

Ontario Passes Pay Transparency Legislation

Date: April 26, 2018

On April 26, 2018, Bill 3, the [Pay Transparency Act, 2018](#), passed Third Reading, as amended by the Standing Committee on Social Policy. [As we previously reported](#), Bill 3 enacts new rules governing the disclosure of information about the compensation of employees and prospective employees. Among other things, it requires “employers” (as the term is defined in the *Employment Standards Act, 2000*) publicly advertising a job posting to include information about the expected compensation for the position, or the range of expected compensation for the position, in the posting.

The Act will come into force on January 1, 2019. Notably, amendments at the Committee stage have clarified employer obligations with respect to mandatory pay transparency reports. Specifically:

- Employers with 100 or more employees (and every prescribed employer) must collect prescribed information for the purposes of preparing a pay transparency report no later than May 15 each year.
- Employers with 250 or more employees must submit the first pay transparency report no later than **May 15, 2020**.
- Employers with 100 to 249 employees must submit the first pay transparency report no later than **May 15, 2021**.

Reports must comply with requirements outlined in the regulations and contain prescribed information relating to the employer, the employer’s workforce composition and differences in compensation in the employer’s workforce with respect to gender and other prescribed characteristics. These reports must be posted online or in at least one conspicuous place in every workplace. In addition, the Ministry will publish or otherwise make available to the public the pay transparency reports.

Editor’s Note: Bill 3 received Royal Assent on May 7, 2018.