

## Federal Post

# New Pay Transparency Measures in Certain Federal Workplaces to Come into Force on January 1, 2021

**Date:** November 30, 2020

New pay transparency requirements under the federal [Employment Equity Act](#) (Act) have been proclaimed into force effective January 1, 2021, together with [supporting amendments](#) made to the *Employment Equity Regulations* (Amended Regulations).

These changes will affect all federally regulated private sector employers who employ 100 or more employees.

## The Legislative Changes to the Act

Federally regulated private sector employers with 100 or more employees are currently required to file an annual report with the Minister that sets out, among other things, “information relating to the salary ranges of its employees and the degree of representation of persons who are members of designated groups in each range and in each prescribed subdivision of the range.” The [Budget Implementation Act, 2019, No. 1](#) added to that requirement “any other information in relation to the salary of its employees that may be prescribed.”

## The Amended Regulations

The implementation details of the new pay transparency requirement is found in the Amended Regulations, which were published on November 25, 2020. They also update other provisions of the *Employment Equity Regulations*. In its Regulatory Impact Analysis Statement, the government states that the amendments to “salary calculation” support the pay transparency requirements enacted as a “measure to raise awareness of wage gaps that affect women, Aboriginal peoples, persons with disabilities and members of visible minorities in Canada.”

Among other things, employers will now be required to report on new salary data for their employees including:

- salary ranges and designated group representation within those ranges
- mean and median hourly wage gaps
- mean and median bonus gaps
- mean and median overtime hours gaps

- proportions of workforce and designated groups receiving bonus and overtime pay.

Employers will have to include aggregated wage gap information in their annual reports on employment equity using the modified Workplace Equity Information Management System. Aggregated wage gap information will be published in the *Employment Equity Act: Annual Report*, as well as through an online application (which is currently in development by the federal government).

Among other administrative amendments, including record-keeping, are the following:

- The Schedule of Census Metropolitan Areas (CMAs) has been repealed with employers now being required to report against all CMAs that are relevant to the reporting employer.
- The Designated Group definitions in the Act are now mandatory for the voluntary workforce surveys that employers are required to conduct.
- Reference to the North American Industry Classification System codes has been added to the *Employment Equity Regulations* to clarify that employers are to use those codes for reporting purposes.

To provide sufficient time to put the new reporting requirements in place, employers will only have to report aggregated wage gap information by June 1, 2022.

Should you have any questions related to the Amended Regulations or the Act, or require assistance with the new reporting requirements, please contact any member of our [Pay Equity](#) group.