Human Resources Legislative Update

Federal Government Publishes Draft Amendments to Pay Equity Regulations

Date: November 24, 2023

The federal government recently published proposed regulations which would amend the *Pay Equity Regulations* (*Regulations*) made under the federal *Pay Equity Act* (*Act*).

The *Act* addresses systemic gender discrimination in compensation practices and pay systems as well as the portion of the wage gap attributable to the undervaluation of work traditionally done by women. The *Act* sets out, among other things, the requirements for the development of a Pay Equity Plan (Plan) as well as the maintenance of such Plan.

Of particular interest to federally regulated employers are the following proposed amendments:

- Establishing a process for employers and pay equity committees to update their Plans in workplaces with no predominantly male job classes. This process would be similar to the current process for establishing a Plan in workplaces without predominantly male job classes.
- Amending the calculation of minimum hourly rates of pay to align with the *Canada Labour Code*.
- When providing their annual statements, requiring employers to state the following regarding predominantly female job classes:
    - the dollar amount of the increases in the hourly rate of pay owed to each predominantly female job class receiving an increase in compensation
    - the date that the increases in pay are made (if the increases are occurring in phases, an employer must provide the amount of each annual increase and the date the increase is to be paid)
    - the number of women holding positions in that predominantly female job class.
- When in breach of designated violations under the Act and Regulation, employers could be subject to Administrative Monetary Penalties. The violations would be designated in the *Regulations* and the amount of the penalty would vary depending on the type of violation.

The federal government has also announced a consultation on the proposed regulations. Interested parties have until **December 18, 2023** to provide comments on the proposed regulations.