Human Resources Legislative Update

Federal Government Issues Guidelines on Monetary Penalties Under the *Employment Equity Act*

Date: February 16, 2024

On February 13, 2024, Employment and Social Development Canada issued updated guidelines on the Employment Equity Act – Monetary Penalties – IPG-121 (Guidelines).

The Guidelines apply to employers subject to the Legislated Employment Equity Program (LEEP) under the *Employment Equity Act* (*Act*). The LEEP applies to:

- federally regulated private-sector employers with 100 or more employees
- federally regulated Crown corporations with 100 or more employees
- other federal organizations with 100 or more employees

The LEEP employers have reporting obligations under the *Act*. A LEEP employer commits a violation of the *Act* if it fails, without reasonable excuse, to file the employment equity report mandated under the *Act* or fails to include the required information in the report. A violation is also committed if information is included in the report that the employer knows to be false or misleading. When this occurs, the Minister of Labour (through designated officials) may issue a Notice of Assessment of a monetary penalty in respect of the violation.

The stated objectives of the Guidelines are to explain the application of monetary penalties as they apply to the designated violations of the *Act*. The Guidelines discuss:

- the monetary penalties model
- the compliance process
- how penalty amounts are determined
- what is contained in a Notice of Assessment containing a monetary penalty
- how to pay a monetary penalty
- how to request review of a monetary penalty

The *Act* mandates that monetary penalties shall not exceed up to $10,000 for a single violation or up to $50,000 for repeated or continued violations.