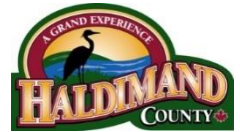


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# HALDIMAND COUNTY

## Report HR-07-2018 Update on Legislative Changes to Employment Standards and Employee Benefits (Bill 148)



For Consideration by Council in Committee on December 11, 2018

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### OBJECTIVE:

To provide Council with an update on the Provincial Legislation, Bill 148 – *The Fair Workplaces, Better Job Act, 2017*, and subsequent legislation affecting the Employment Standards Act and various employee benefits within Ontario.

### RECOMMENDATIONS:

1. THAT Report HR-07-2018 Update on Legislative Changes to Employment Standards and Employee Benefits (Bill 148) be received;
2. AND THAT the County's Student Wage Salary Schedules be updated to reflect the change in minimum wage, as outlined in Attachment 1, 2 and 3.

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**Reviewed by:** Megan Jamieson, Director, Human Resources

**Respectfully submitted:** Cathy Case, General Manager of Corporate & Social Services

**Approved:** Donald G. Boyle, Chief Administrative Officer

### EXECUTIVE SUMMARY:

Significant changes to the minimum employee rights and benefits were made through provincial legislation in 2017, with further anticipated changes coming in 2018. This report provides an update on the financial impacts to date, as well as anticipated future outcomes. Further, it notes recommended actions at this time to ensure ongoing legislative compliance and effective financial planning.

### BACKGROUND:

In 2017, two pieces of legislation were passed changing employee rights and benefits in Ontario, effective January 1, 2018. Specifically, Premier Kathleen Wynne's Liberal Ontario Government passed:

- Bill 127– *Stronger, Healthier Ontario Act*, allowing work-related chronic mental stress claims. The Workplace Safety Insurance Board (WSIB) later provided a framework to govern the administration of such claims.
- Bill 148 – the *Fair Workplaces, Better Jobs Act*, impacting standard working conditions and greater minimum rights/benefits for all employees in Ontario. Although this legislation came into force January 1, 2018, some of the changes were deferred to 2019 and 2020.

Report CS-HR-02-2018 was received by Council on March 7, 2018 and outlined the changes and their likely impact on Haldimand County as a result of these two bills. Through this report, staff committed to providing an update on the impact of both Bill 148 and Bill 127 prior to the end of 2018.

Subsequently, on November 21, 2018, newly-elected Premier Doug Ford's PC Ontario Government passed Bill 47 - *Making Ontario Open for Business Act*, which effectively repeals many of the key changes to workplace laws implemented by Bill 148.

The purpose of this report is to provide an update on the impacts that Bill 127 and Bill 148 had on Haldimand County in 2018, as well as to review the ongoing impacts of Bill 47.

## ANALYSIS:

### Bill 127 – Stronger, Healthier Ontario Act

As outlined in Report CS-HR-02-2018, Bill 127 expanded the eligibility of mental stress claims as compensable under the WSIB from “traumatic” events only to also include “chronic” events. This meant that a diagnosed mental stress injury that occurred over time, may be deemed to be work related, if the predominant cause of the injury included workplace stressors. The WSIB provided a policy to govern the administration and adjudication of this legislation (such as the specific medical professional who makes the diagnosis, eligibility requirements, etc.), however there were many unknowns at the time of writing the report. Unfortunately, there has not been enough case law or experience to provide much more clarity around this issue than originally presented. However, staff can report that, to date in 2018, Haldimand County experienced one new case alleging this type of injury. As of November 15, 2018, the total cost for this claim is approximately \$10,000, with an additional \$5,300 anticipated for the remainder of the year, bringing the overall total to approximately \$15,300 in 2018. This claim remains open and actively managed, however it is likely that further costs will be incurred in 2019.

While it is difficult to anticipate future claims experience and costs, we understand from the WSIB that the top professions for these types of claims are Police, Paramedics and Firefighters, with the Nursing profession noted as one of the fastest growing areas for potential claims in the future. The County directly employs approximately 66 paramedics and over 250 volunteer firefighters all of which are covered under this legislation. The County also employs nursing positions at Grandview Lodge and experiences indirect costs for police through our contract with the OPP. Staff continue to focus on prevention, intervention, claims management and cost mitigation related to this and all workplace illness and injury.

### Bill 148 – The Fair Workplaces, Better Jobs Act

The key areas of Bill 148 were described in Report CS-HR-02-2018. The following chart outlines these areas and provides a summary of the impacts to date. It further highlights areas that have changed through regulation or are likely to be impacted by Bill 47.

Bill 47 received Royal Assent on November 21, 2018 and the majority of the Ontario Employment Standards Act (ESA) changes will come into effect on January 1, 2019.

Key Change	Changes Implemented in 2018	Actual 2018 Financial Impact of Change	Change in Requirements	Outstanding Issues
Minimum Wage	Student Salary Schedules increased to reflect approved minimum wage rates (\$14.00 Jan 1, 2018; \$15.00 Jan 1, 2019).	Increased student 1 wages totalling \$90,000 in 2018 (excluding crossing guard contract).	2019 increase <b>repealed via Bill 47</b> . 2018 rates maintained at \$14. Future increases would be tied to CPI.	Student Salary Schedules to be amended*.

<b>Public Holiday Pay</b>	Administered pay under new calculation methodology. Note, significant administrative burden.	Total incremental cost of \$40,000 for the effective 4 statutory holiday calculations (Jan 1 – June 30, 2018).	<b>Rescinded June 30, 2018 via Reg 375/18.</b> Revert to old calculation of using the previous 4 weeks earnings divided by 20. Bill 47 upholds this decision.	N/A
<b>Vacation with Pay</b>	Amended entitlement thresholds for NU and HCLB groups to meet minimum standards. Also implemented administrative procedure to identify unionized staff who are eligible for progression in line with ESA.	Total cost of \$2,500 in 2018 to meet compliance with existing staff, which was lower than estimated due to staff turnover. Anticipate future increases to be nominal.	<b>Maintained</b>	N/A
<b>Leaves of Absence (unpaid)</b>	Administrative processes put into place to comply with new unpaid leave entitlements.	No financial impact.	<b>Maintained</b>	Collective Agreements to be updated as opportunity arises.
<b>Personal Leave of Absence (paid)</b>	No change for full-time employees who already received a greater benefit through collective agreement or policy.  2 paid Personal Emergency Leave (PEL) days were introduced for part-time and temporary staff.	As of Nov. 9 2018, total wage cost of \$6,000 related to this leave in 2018.	<b>Amended via Bill 47</b> which removes the requirement for any <u>paid</u> PEL days. It introduces a new structure for unpaid sick, family and bereavement days which is in line with current practices.	Outstanding Labour Relations issues associated with this benefit.
<b>Domestic or Sexual Violence Leave (paid)</b>	Administrative practices required to determine when this leave is appropriate.	No experience in 2018 and therefore no financial impact. Anticipate future impact to be nominal.	<b>Maintained.</b>	N/A

<b>Equal Pay for Equal Work</b>	Expanded provisions	N/A	<b>Repealed via Bill 47, except the requirement for equal pay on the basis of sex will remain.</b>	N/A
<b>Scheduling Provisions</b> - <b>Hours of work</b> - <b>On call</b>	Range of new scheduling requirements effective Jan 1, 2019 (not yet implemented).	N/A for 2018.	<b>Repealed via Bill 47.</b>	N/A
<b>Employee Classification</b>	Divisional analysis of current contracts for areas of risk.	None identified.	<b>Repealed via Bill 47.</b>	N/A
<b>Temporary Help Agencies</b>	Changes to be aware of only.	N/A	<b>Repealed via Bill 47.</b>	N/A
<b>Penalites and Administrative amendments</b>	Various changes to be aware of.	N/A	<b>Repealed via Bill 47.</b>	N/A
<b>Labour Relations Act</b>	Various changes to Act to be aware of for future labour relations activity.	N/A	<b>Repealed via Bill 47.</b>	N/A

\* While Report CS-HR-02-2018 approved a revision to the County's student wage model, tying student wages to minimum wage, it presented hourly rates based on Bill 148 entitlements. Now that Bill 47 has passed, the minimum wage will not increase in 2019 and, as a housekeeping issue, the applicable salary schedules will need to be updated, as shown in Attachments 1, 2 and 3.

Staff recommend that, except where required by collective agreement or policy, administration of employee benefits align with the minimum requirements under the Employment Standards Act (ESA), as amended, meaning that practices put in place outside of collective bargaining in order to comply with Bill 148 be repealed upon the passing of Bill 47.

## FINANCIAL/LEGAL IMPLICATIONS:

Council approved an additional \$100,000 of ongoing annual funding to address issues related to Bill 127. As noted above, the County expects approximately \$15,300 direct claims costs for chronic mental health / stress in 2018, with the expectation that this cost will increase in future years. Further, Council, through Report CAO-03-2018, authorized staff to use some of these funds to enhance staffing resources for the purposes of occupational/non-occupational claims management and analysis. Although it is difficult to anticipate future claim trends and associated costs, it is recommended that staff continue to take a conservative approach in preparing the 2019 draft operating budget in order to allow more time to assess. Actual financial needs/recommendations will be included in the 2019 Draft Tax Supported Operating Budget for Council deliberation.

Likewise, the 2018 Tax Supported Operating Budget included \$250,000 to deal with the impact of Bill 148, over and above an estimate of \$120,000 which was included in the base budget to address minimum wage impacts. Actual financial impacts for 2018 are outlined in the chart above and were much lower than anticipated due to turnover of part-time staff, actual experience and repealed legislation. Further, Bill 47 is anticipated to curb future planned increases, and will result in a lower than

anticipated estimate for ongoing annual costs to maintain those 2018 enhancements that will continue (2018 minimum wage and vacation with pay). While this represents a significant savings from what was budgeted last year, it is important to note that, through Report CAO-03-2018, Council authorized the use of \$115,000 of these anticipated savings to offset the costs associated with the recent corporate restructuring. This will be further refined during preparation of the 2019 Draft Tax Supported Operating Budget, and could likely result in a 2019 levy reduction.

### **STAKEHOLDER IMPACTS:**

The current and planned legislation has a significant impact on all County Divisions through administrative practices, compensation to employees and overall management of the costs.

### **REPORT IMPACTS:**

Agreement: No

By-law: No

Budget Amendment: No

Policy: No

### **ATTACHMENTS:**

1. Proposed Non-Union Student Wage Schedule
2. Proposed CUPE Student Wage Schedule
3. Proposed Library Student Wage Schedule