

Second Quarter Prescribed Interest Rates Set

The prescribed rate for taxable benefits to employees and shareholders from interest-free and low-interest loans is 2% from April 1, 2019 to June 30, 2019. The rate is unchanged from the previous quarter.

The interest rate for unpaid source deductions, overdue taxes and insufficient instalments is 6% for the second quarter.

Reminder: Victoria Day Statutory Holiday Coming in May

Just a reminder... Monday, May 20, 2019 is a statutory holiday under employment/labour standards law in the following Canadian jurisdictions: Alberta, British Columbia, Manitoba, Northwest Territories, Nunavut, Ontario, Quebec, Saskatchewan, Yukon, and under the *Canada Labour Code* for federally regulated employers and employees. In New Brunswick, the day is a holiday under the *Days of Rest Act*. In most jurisdictions, the holiday is called Victoria Day. In Quebec, it is called National Patriots' Day. For information on how to compensate employees for statutory holidays, please refer to the applicable jurisdiction in chapter 19, Statutory Holidays.

Reminder: Minimum Wage Rates Rose on April 1st

Just a reminder... On April 1, 2019, minimum wage rates rose in a number of Canadian jurisdictions:

New Brunswick:	\$11.50/hour (previously \$11.25)
Newfoundland and Labrador:	\$11.40/hour (previously \$11.15)
Nova Scotia—experienced workers:	\$11.55/hour (previously \$11.00)
—inexperienced workers:	\$11.05/hour (previously \$10.50)
Prince Edward Island:	\$12.25/hour (previously \$11.55)
Yukon:	\$12.71/hour (previously \$11.51)

BC Government Launches Review of Workers' Compensation System

The provincial government is reviewing the province's workers' compensation system.

In April, the Ministry of Labour announced that it had appointed retired labour lawyer Janet Patterson to carry out a formal review of the system. The review will assess policies and practices that help injured workers return to work and examine ways to modernize WorkSafeBC's culture to "reflect a worker-centric delivery model." The review will also assess WorkSafeBC's policies and practices through a gender- and diversity-based lens and examine the case management of injured workers.

Additionally, the ministry said the review would identify potential amendments to the *Workers Compensation Act*, consider any steps needed to increase confidence in the system, and determine whether there are any other needed improvements.

The review will include public feedback from employers, labour organizations, and injured workers. The ministry said Patterson would provide a report on the review, including possible recommendations, to the government by the end of September.

We will continue to monitor this story and will report on further developments in upcoming releases.

Manitoba Minimum Wage Rising in October

Manitoba's minimum wage rate will rise from \$11.35 an hour to \$11.65, Manitoba Growth, Enterprise and Trade Minister Blaine Pedersen recently announced.

The increase is based on Manitoba's 2018 inflation rate of 2.5% and rounding up to the nearest five cents. Manitoba adjusts the minimum wage rate on October 1 each year to reflect changes in the province's consumer price index.

Manitoba WCB Moves One-time Assessment Payments to May 30

Effective for 2019, the province's Workers Compensation Board has moved the premium payment due date for employers who make one payment per year from March 31 to May 30. In a statement, the board said the change will give employers more time to make their payments after they submit their annual payroll reports at the end of February.

Ontario New Employment Standards Rules take Effect

The Ontario government has eliminated requirements for employers to obtain Employment Standards' permission before employees may work more than 48 hours a week or work under overtime averaging agreements.

The changes are part of Bill 66, the *Restoring Ontario's Competitiveness Act, 2018*, which amended the *Employment Standards Act, 2000*, as well as other legislation, to reduce red tape. The bill received royal assent on April 3, 2019, enacting the employment standards amendments. With the changes, employers no longer have to apply to the director of the Employment Standards Board for approval to have employees work more than 48 hours per week. Employers still need employees' consent for the excess hours. Agreements with employees must include the employees' written or electronic agreement to work a specified number of hours in excess of 48.

Before employees sign the agreement, employers must provide them with the most recent copy of the Labour Ministry's document *Information for Employees about Hours of Work and Overtime Pay*. In signing the agreement, employees must acknowledge that they received it.

Employers also no longer need to apply to the director of the Employment Standards Board for approval to average employees' hours over two or more weeks of separate, non-overlapping, contiguous periods to determine if they are entitled to overtime pay. Employers still need employees' consent to average the hours. Agreements with employees must include the employee's written or electronic consent to have their hours averaged over a specified number of weeks. The averaging period cannot be longer than four weeks or the number of weeks specified in the agreement, whichever is less. To be valid, agreements must include a start date and an expiry date. The maximum length of agreements is two years from the start date if the employee is not covered by a collective agreement, although employers and employees can agree to renew or replace them. For employees covered by a collective agreement, averaging agreements expire no later than the date a new collective agreement applying to the employees comes into effect.

Averaging agreements that were already in effect on April 3, 2019 remain valid until they are revoked, the director's approval expires, or the director's approval is revoked, whichever comes first.

The amendments also eliminated a requirement for employers to put up Employment Standards posters in their workplace. Employers must still give employees a copy of the most recently published poster within 30 days of beginning work.

Bill 66 also amended the *Pension Benefits Act* to eliminate a requirement for private-sector employers to obtain government approval to merge single-employer pension plans into jointly sponsored pension plans.

We have updated Bill 66 in the Status of Legislation; 14.10.1, Maximum and Minimum Hours; and 14.10.4, Averaging Hours, to incorporate the changes.

Ontario Labour Ministry Introduces Online ESA Self-audit Tool for Employers

The Ministry of Labour has developed a new online self-audit tool that employers can use to determine if they are complying with employment standards rules.

Labour Minister Laurie Scott said the online self-audits would replace paper audits previously done by employment standards officers, which she called slow and cumbersome. Scott said the change would make it easier for employers to comply with the *Employment Standards Act, 2000* (ESA) and pay workers outstanding wages faster.

"The digital self-audit tool gives job creators a simple, easy, and convenient way to demonstrate they follow the rules," she said.

Scott said in the past, ESA inspections required employment standards officers to visit businesses during peak hours, question the employer, and audit paper records. Last year, the ministry carried out 2,348 paper audits of Ontario employers.

With the new self-audit tool, she said the ministry will be able to send an employer a link to an online portal where the employer can enter payroll information, submit their audit results, and confirm that they are complying with the ESA.

Scott said the tool is a “win-win-win for workers, businesses, and government,” adding that it will save employers time and money and get unpaid wages to workers faster and without them needing to file a claim. In addition, she said online self-audits will help the government become more efficient and allow the ministry to focus its employment standards enforcement efforts on “real offenders.”

The ministry pilot tested the online self-audits in the Greater Toronto Area last summer, working with employers with fewer than 25 employees. Since then, it has rolled out the audits to all employment standards officers across the province.

Reminder: Quebec Minimum Wage Rates Rising May 1st

Just a reminder...Effective May 1, 2019, the Quebec government will raise minimum wage rates in the province to the following amounts:

- general rate: \$12.50/hour (currently \$12.00)
- employees who receive tips: \$10.05/hour (currently \$9.80)
- raspberry pickers: \$3.71/kilogram (currently \$3.56)
- strawberry pickers: \$0.99/kilogram (currently \$0.95)

Proposed Yukon ESA Amendments would Affect Leaves

The Yukon government has tabled legislation that would change some leaves of absence allowed under the territory’s *Employment Standards Act*.

Bill 31, an *Act to amend the Employment Standards Act*, received first reading on March 12, 2019. It includes the following proposed amendments:

- **Parental Leave:** The length of parental leave would increase from 37 weeks to 63 weeks. The period within which employees would have to complete the leave would be extended from the first anniversary date of the birth or adoption to 78 weeks afterwards. The amendments would specify that the total amount of parental leave that one employee could take for a birth or adoption would be 63 weeks, while the total amount of parental leave that more than one employee could take for the same birth or adoption would be 71 weeks.
- **Compassionate Care Leave:** The length of compassionate care leave would increase from eight weeks to 28 weeks. The period within which employees must complete the leave would be extended from 26 weeks after it began to 52 weeks afterwards.
- **Leave for a Critically Ill Child:** Eligibility for the leave would be expanded to include family members beyond the child’s parents. The period within which employees must complete the leave would be extended from 37 weeks after it began to 52 weeks afterwards.
- **Leave for a Critically Ill Adult Family Member:** The bill would establish a new 17-week unpaid leave of absence for employees providing care or support for a critically ill adult family member. To be eligible for the leave, employees would have to be employed by their employer for at least six months of continuous employment.

The government said it was making the amendments to more closely align Yukon's leave standards with eligibility rules for Employment Insurance benefits.

Payroll Q & A

Question: Is overtime pay included when calculating the amount of vacation pay owing to an employee?

Answer: Under employment/labour standards law, overtime pay is included when calculating vacation pay in all jurisdictions except Alberta and Manitoba. For more information on earnings included and excluded when calculating vacation pay, see Table 21.2, Vacationable Earnings.