

## **Feds Consulting on Gig Work and Right to Disconnect**

The federal government has launched consultations on gig work and the right to disconnect in federally regulated workplaces.

Federal Labour Minister Filomena Tassi said the consultations, which run until April 30, 2021, will help the government make informed decisions on labour standards protections in a time when technology is rapidly changing the way people work.

Gig work is a type of work where workers enter into short-term contracts to complete specific tasks, often using digital platforms. Background documents on the consultation say that while gig work offers the benefits of flexibility for workers, it can leave them lacking protections under labour standards laws because businesses often classify them as self-employed rather than as employees.

The right to disconnect refers to an employee's ability to not engage in work and work-related electronic communication outside of work hours. The background documents say this is a timely issue, given the high number of people working from home during the COVID-19 pandemic. Not being able to disconnect from work can harm work-life balance, risking increased anxiety, depression, and burn-out among staff, especially female employees, the documents said.

During the consultations, the government wants to know what challenges workers and employers face, how often workers work outside of normal business hours using smart phones or other electronic communication devices, and the experiences of gig workers and the employers who work with them. The consultations on gig workers are open to all Canadians, while the discussion around the right to disconnect is focused on federally regulated workplaces.

For more information on the consultations and how to participate, go to <https://www.canada.ca/en/employment-social-development/corporate/portfolio/labour/programs/labour-standards/consultation-right-to-disconnect-and-gig-work.html>.

## **Second Quarter Prescribed Interest Rates Set**

The prescribed rate for taxable benefits to employees and shareholders from interest-free and low-interest loans is 1% from April 1, 2021 to June 30, 2021. The rate is unchanged from the previous quarter.

The interest rate for unpaid source deductions, overdue taxes and insufficient instalments is 5% for the second quarter.

## **Reminder: Good Friday Statutory Holiday Occurs in April**

Just a reminder... Friday, April 2, 2021, Good Friday, is a statutory holiday under employment/labour standards law in all Canadian jurisdictions. In Quebec, employers may

designate either Good Friday or Easter Monday (April 5, 2021) as the statutory holiday.

For information on entitlement to the holiday and how to compensate employees for it, please refer to the applicable jurisdiction in chapter 19, Statutory Holidays.

### **Reminder: Victoria Day is a Statutory Holiday in Most Jurisdictions**

Just a reminder... Monday, May 24, 2021, 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 workplaces. 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.

### **Budget Round-up**

**Alberta:** No payroll-related changes proposed.

**Manitoba:** The budget proposes to raise the thresholds that apply to the province's Health and Post-Secondary Education Tax Levy next year. The tax applies to employers who have a permanent establishment in the province.

Beginning January 1, 2022, the threshold for registering for the levy would rise from \$1.5 million of annual remuneration to \$1.75 million.

The government also proposes to raise the thresholds that determine which tax rate employers pay. Beginning January 1, 2022, employers with an annual payroll between \$1.75 million and \$3.5 million would pay the tax at a rate of 4.3% of accumulated payroll exceeding \$1.75 million. Currently, this rate applies to employers with an annual payroll between \$1.5 million and \$3 million.

Employers with an annual payroll of more than \$3.5 million would pay the tax at a rate of 2.15% of monthly payroll. Currently, the 2.15% rate applies to employers whose annual payroll is more than \$3 million.

The budget reiterated that the government would continue to index the province's personal income tax brackets and the basic personal amount that employees claim on a TD1MB, *Manitoba Personal Tax Credits Return*. For 2022, the basic personal amount is forecasted to be \$10,075.

**New Brunswick:** No payroll-related changes proposed.

**Northwest Territories:** No payroll-related changes proposed.

**Nova Scotia:** No payroll-related changes proposed.

**Nunavut:** No payroll-related changes proposed.

**Ontario:** No payroll-related changes proposed.

**P.E.I.:** The budget proposes to increase the basic personal amount that employees claim on a P.E.I. *Personal Tax Credits Return* (TD1PE) from \$10,500 to \$11,250, effective January 1, 2022.

**Quebec:** The budget proposes to extend a tax credit on employer contributions to the HSF for employees on paid leave to June 5, 2021. The tax credit applies to employers who are eligible for the Canada Emergency Wage Subsidy (CEWS). The CEWS provides qualifying employers with a wage subsidy to encourage them to keep employees on payroll during the Coronavirus disease 2019 (COVID-19) pandemic. The provincial government implemented the tax credit last year and has regularly extended it in line with federal extensions to the CEWS. With the proposed extension, Quebec would add the following three new qualifying periods for the tax credit: March 14, 2021 - April 10, 2021, April 11, 2021 - May 8, 2021, and May 9, 2021 - June 5, 2021. The budget also proposed changes affecting a compensation tax on financial institutions and a tax holiday on large investment projects.

Saskatchewan: No payroll-related changes proposed.

**Yukon:** No payroll-related changes proposed.

### **Reminder: Minimum Wage Rates Rising on April 1**

Just a reminder... Minimum wage rates rose in a number of Canadian jurisdictions to the following amounts on April 1, 2021:

- New Brunswick: \$11.75/hour (currently \$11.70)
- Newfoundland and Labrador: \$12.50/hour (currently \$12.15) \*
- Nova Scotia: \$12.95/hour (currently \$12.55)
- Prince Edward Island: \$13.00/hour (currently \$12.85)
- Yukon: \$13.85/hour (currently \$13.71)

The P.E.I. government also announced that it would keep the maximum amounts that employers may deduct from employees' wages if they provide board and lodging at their 2020 levels, with the exception of single meals. The maximum deduction for single meals increased from \$4.13 to \$4.25 on April 1, 2021.

\*The rate will rise to \$12.75 on October 1, 2021.

### **Reminder: B.C. Minimum Wage Rates Going up June 1**

Just a reminder...Effective June 1, 2021, the provincial government will raise the general minimum wage rate from \$14.60 an hour to \$15.20 and eliminate a separate minimum wage rate for liquor servers.

The increase in the general minimum wage is the final step in the province's multi-year plan to raise the rate to at least \$15 an hour.

With the elimination of the liquor server rate, employers will have to pay these employees at least the general minimum wage rate. The liquor server minimum wage rate is currently \$13.95 an hour.

Other minimum wage rates will also rise on June 1, 2021:

- The rate for live-in camp leaders will increase from \$116.86 for each day or partial day worked to \$121.65.
- The rate paid to resident caretakers working in apartment buildings with nine to 60 suites will rise from \$876.35 per month plus \$35.12 per suite to \$912.28 per month plus \$35.56 per suite.
- The rate paid to resident caretakers working in apartment buildings with more than 60 suites will go up from \$2,985.04 per month to \$3,107.42.

The government has not yet announced whether it will make any changes to piece-work rates paid to agricultural workers who hand-harvest crops. It commissioned a study on the piece-work system in 2018. The last time the government raised the piece-work rates was January 1, 2019.

### **Manitoba Minimum Wage Rising in October**

The province's minimum wage rate will rise from \$11.90 an hour to \$11.95 on October 1, 2021, the government recently announced.

Manitoba adjusts the minimum wage rate on October 1 each year to reflect changes in the province's consumer price index.

### **Ont. WSIB Implements New Policy for Schedule 2 Employers Transferring to Schedule 1**

Effective March 9, 2021, the Ontario Workplace Safety and Insurance Board (WSIB) revised its policy for Schedule 2 employers who wish to transfer to Schedule 1.

Schedule 2 employers include publicly funded organizations, self-funded organizations legislated by the provincial government, and privately owned companies working in federally regulated industries. While Schedule 1 employers operate under the principle of collective liability for compensating workers injured on the job, Schedule 2 employers are responsible for paying the full cost of their workers' accident claims themselves.

Under the amended policy, the WSIB will take into account a Schedule 2 employer's claims experience when calculating its premium rate as a Schedule 1 employer. Previously, the board treated Schedule 2 employers who transferred to Schedule 1 as new employers and assigned them the premium rate for their industry class without considering their previous claims experience.

The WSIB said the change would “ensure all businesses receive fair premium rates that reflect their claims experience.”

Schedule 2 employers planning to transfer to Schedule 1 will now need to provide the WSIB with their insurable earnings and claims experience over a six-year period so that the board can determine their premium rate. The WSIB said the premium rate would apply until the employer is eligible for a risk-adjusted rate based solely on its claims experience as a Schedule 1 employer.

For more information on the policy changes, go to <https://www.wsib.ca/en/policy/policy-updates-clarifications>.

### **Reminder: Quebec Minimum Wage Increasing in May**

Just a reminder...Effective May 1, 2021, the province’s general minimum wage rate will rise from \$13.10 an hour to \$13.50.

Other minimum wage rates in Quebec will also go up on May 1, 2021:

- Employees who receive tips: \$10.80/hour (currently \$10.45)
- Raspberry pickers: \$4.01/kilogram (currently \$3.89)
- Strawberry pickers: \$1.07/kilogram (currently \$1.04)

### **Payroll Q & A**

Question: We are paying a retiring allowance to a long-term employee whose position has been eliminated. Can we include the employee’s unused sick leave credits in the retiring allowance?

Answer: Unused sick leave credits that an individual has acquired can be included in a retiring allowance if the employer is paying out the credits on or after the employee retires or their employment terminates. If the employer pays the unused sick leave credits while the employee is employed by the employer, the payment is considered employment income.