

Bill 148: Ontario's New Proposed Labour Laws

Who will be affected and how to prepare

Presented by:

Karl Baldauf, Vice President, Policy and Government Relations, The Ontario Chamber of Commerce

Alan Lambert, HR Advisor to Public and Private Sector, MNP

Yohaán Thommy, Business Advisory for Private Enterprise, MNP

Introduction



Karl Baldauf

Vice President of Policy and Government Relations
Ontario Chamber of Commerce

Fair Workplaces Better Jobs Legislative Timelines

January 1, 2018	January 1, 2019
\$14 per hour minimum wage	\$15 per hour minimum wage
Vacation Pay	Location change requests
Personal Emergency Leave	Minimum three hours pay
Equal Pay for Equal Work (April 1, 2018)	Refusal of shifts with less than 4 days notice

ELECTION
June 7, 2018

All Labour Relations Act provisions (ie. union certification and bargaining), will occur 6 months after royal assent.

Fair Workplaces Better Jobs

Minimum Wage

Minimum Wage Categories	Current to Sept. 30, 2017	Oct. 1, 2017 to Dec. 31, 2017	Jan. 1, 2018 to Dec 31, 2018	Jan 1 2019 to Sept. 30, 2019
General Minimum Wage	\$11.40 per hour	\$11.60	\$14.00	\$15.00
Students under 18 who work not more than 28 hours per week	\$10.70 per hour	\$10.90	\$13.15	\$14.10
Liquor Servers	\$9.90 per hour	\$10.10	\$12.20	\$13.05
Percentage Increase from Current Minimum Wage		2%	23%	32%

Fair Workplaces Better Jobs Act

Union Certification

- Card-based union certification process for temporary help agencies, building services sector and home care/community services.
- Access to employee lists once union has support of 20% of employees.
- Ontario Labour Relations Board can conduct votes outside the workplace.

Equal Pay for Equal Work

- All employees paid equally when performing the same job for the same employer.
- Temporary Help Agencies paid equally to permanent staff when performing the same job.
- Exemptions for equal wages based on: seniority, merit, production output.

Personal Emergency Leave

- All employees entitled to 10 PEL days/year (2 paid)
- No requirement for doctors notes

Fair Workplaces Better Jobs Act

Scheduling

- Employee requested schedule/location changes after 3 months employment.
- Must be paid 3 hours if a shift is cancelled within 48 hours or an “on-call” employee is not called in for work.
- Ability to refuse shifts if requests less than 4 days in advance.

Paid Vacation

- 3 weeks after 5 years with same employer

Public Holiday

- Average regular daily wage based off of month prior

Enforcement

- 175 more employment standards officers
- Ministry of Labour program to educate SMEs about rights and obligations

Economic Impacts

Two Year Total Amount to Redistribute

Minimum Wage Increases	Equal Pay Provisions	Vacation and Paid Emergency Leave	Scheduling	Unionization	Combination of all
\$13B	\$5.2B	\$1.6B	\$0.4B	\$2.2B	\$22.9B

Economic Impacts

On August 14th, the Keep Ontario Working coalition released the first and only independent economic impact analysis of the impact of Bill 148. The analysis indicates that :

Bill 148 will create \$23 billion hit to businesses over the next 2 years.

- Guided by literature, CANCEA has made an assumption that employers will absorb those costs as follows:
 - Employees bear 50% of the initial cost (\$11.4B of the \$22.9B) Employers will determine how to squeeze this amount out of their labour force
 - Consumers bear 29% of the initial cost (\$6.7B of the \$22.9B) Price increases aren't stimulative
 - Businesses bear 21% of the initial cost (\$4.8B of the \$22.9B) The \$4.8 billion, which will translate into higher salaries and employee benefits, will turn into a stimulatory effect of \$11 billion over two years

\$23 billion	Hit to business
- <u>\$11 billion</u>	Stimulative impact from increased consumer spending
\$12 billion	Problem for our economy

Economic Impacts

- Consumers can expect a 50 per cent increase to inflation for this year and the foreseeable future, increasing everyday consumer goods and services by \$1,300 per household on average each and every year.
- About 185,000 jobs are expected to be at risk over the coming years. This will greatly impact Ontario's most vulnerable workers.
 - 96,000 of those at risk are expected to be women.
 - 30,000 of those at risk are under 25.
- Sectors facing the highest risk to jobs include (estimated jobs at risk):
 - Manufacturing (16,800 jobs)
 - Accommodation and food services (17,300 jobs)
 - Retail trades (14,700 jobs)
 - Wholesale trades (16,000 jobs)
 - Professional, scientific and technical services (14,000 jobs)
 - Finance and insurance (13,000 jobs)
 - Private sector health care and social assistance (8,000 jobs)



Steering through Change: Bill 148

Helping Ontario Businesses
Understand and Manage Bill 148

Presented by:

Alan Lambert and Yohaán Thommy

Date:

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INTRODUCTIONS



ALAN LAMBERT
*HR Advisor to Public and
Private Sector Clients*
MNP

Email: alan.lambert@mnp.ca
Tel: 416-515-5053

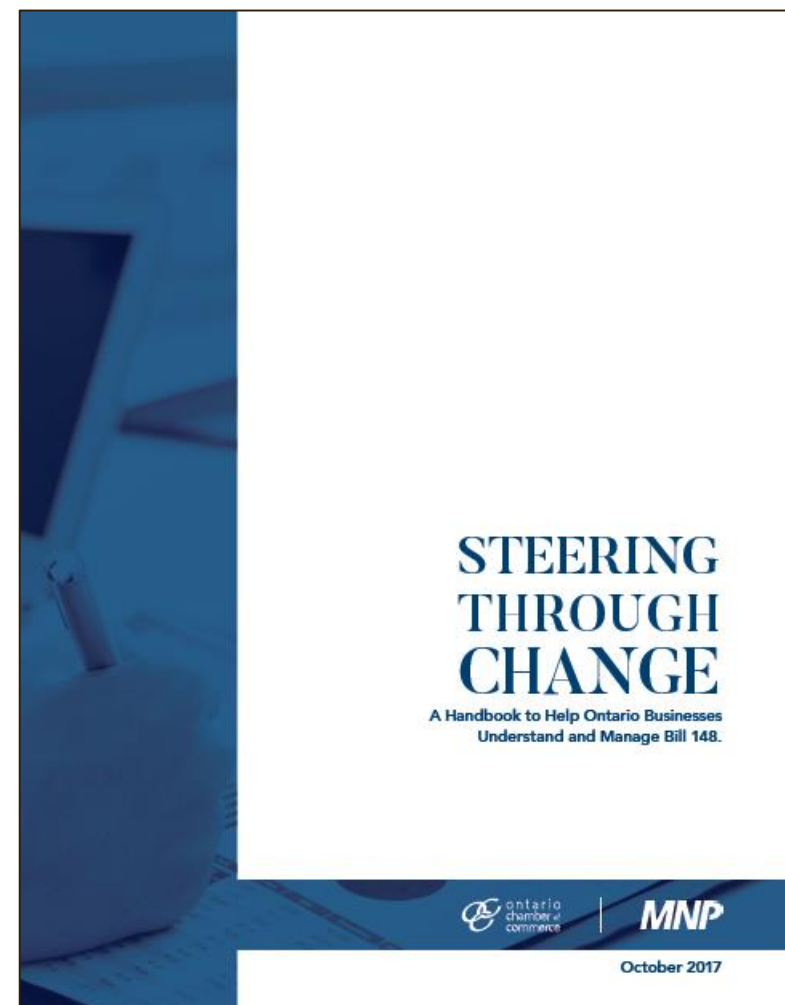


YOHAAN THOMMY
*Business Advisor for Private
Enterprises*
MNP

Email: yohaán.thommy@mnp.ca
Tel: 905-220-3211

AGENDA

- How to Prepare for Bill 148
- HR Strategies to Mitigate the Impact of Bill 148
- Operational Strategies to Mitigate the Impact of Bill 148
- Take action and prepare



HOW TO PREPARE FOR BILL 148

Determine how you are impacted

1

**ASSESS
THE IMPACT**

- Which changes apply?
- What is the financial impact of the changes?

2

**ACTION
PLAN**

- What actions are required to ensure compliance?
- How can you minimize the impact on your organization?
- How can you offset the increased costs and remain competitive?

Strategies to Mitigate the Impact
of Bill 148

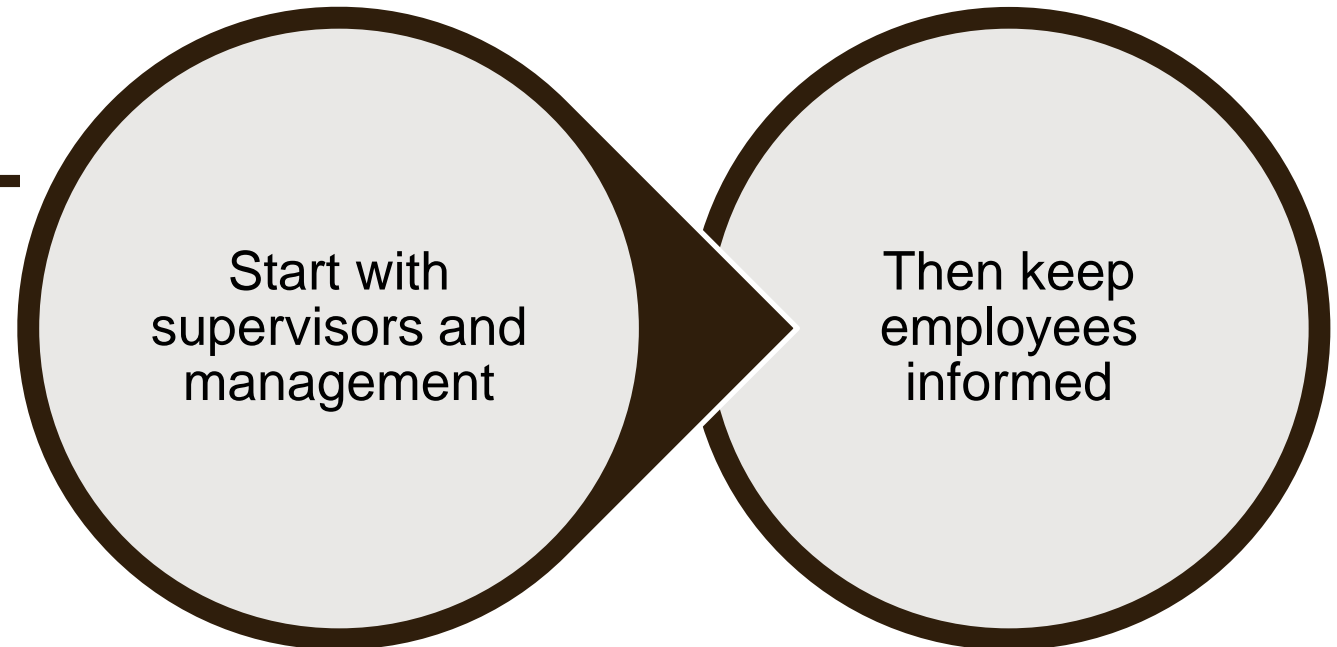
- **HR strategies to mitigate impacts**
- **Operational strategies to mitigate impacts**

Strategies to Mitigate the Impact of Bill 148

HR strategies to mitigate impacts

- **Communication**
- HR “Infrastructure”
- Compensation Structures
- HR IT Systems
(Record keeping)

Operational strategies to mitigate impacts



Strategies to Mitigate the Impact of Bill 148

HR strategies to mitigate impacts

- Communication
- **HR “Infrastructure”**
- Compensation Structures
- HR IT Systems
(Record keeping)

Operational strategies to mitigate impacts

Review and update HR policies and documentation

Adjust administrative routines to put new policies in action

Update offer templates and onboarding check-lists to align with Bill 148

Update employee record-keeping software

Strategies to Mitigate the Impact of Bill 148

HR strategies to mitigate impacts

- Communication
- HR “Infrastructure”
- **Compensation Structures**
- HR IT Systems
(Record keeping)

Update existing salary structures and ranges to ensure alignment with new wage minimums

Also pay attention to jobs slightly above new minimum wage (\$15 - \$17 per hour)

Harmonize salary structures to ensure compliance with new equal pay for equal work requirements

Operational strategies to mitigate impacts

Strategies to Mitigate the Impact of Bill 148

HR strategies to mitigate impacts

- Communication
- HR “Infrastructure”
- Compensation Structures
- **HR IT Systems
(Record keeping)**

Operational strategies to mitigate impacts

Review and understand the new requirements

Review and understand current record keeping mechanisms

Develop approach for collecting, storing, and maintaining information

Understand your business' record-keeping needs

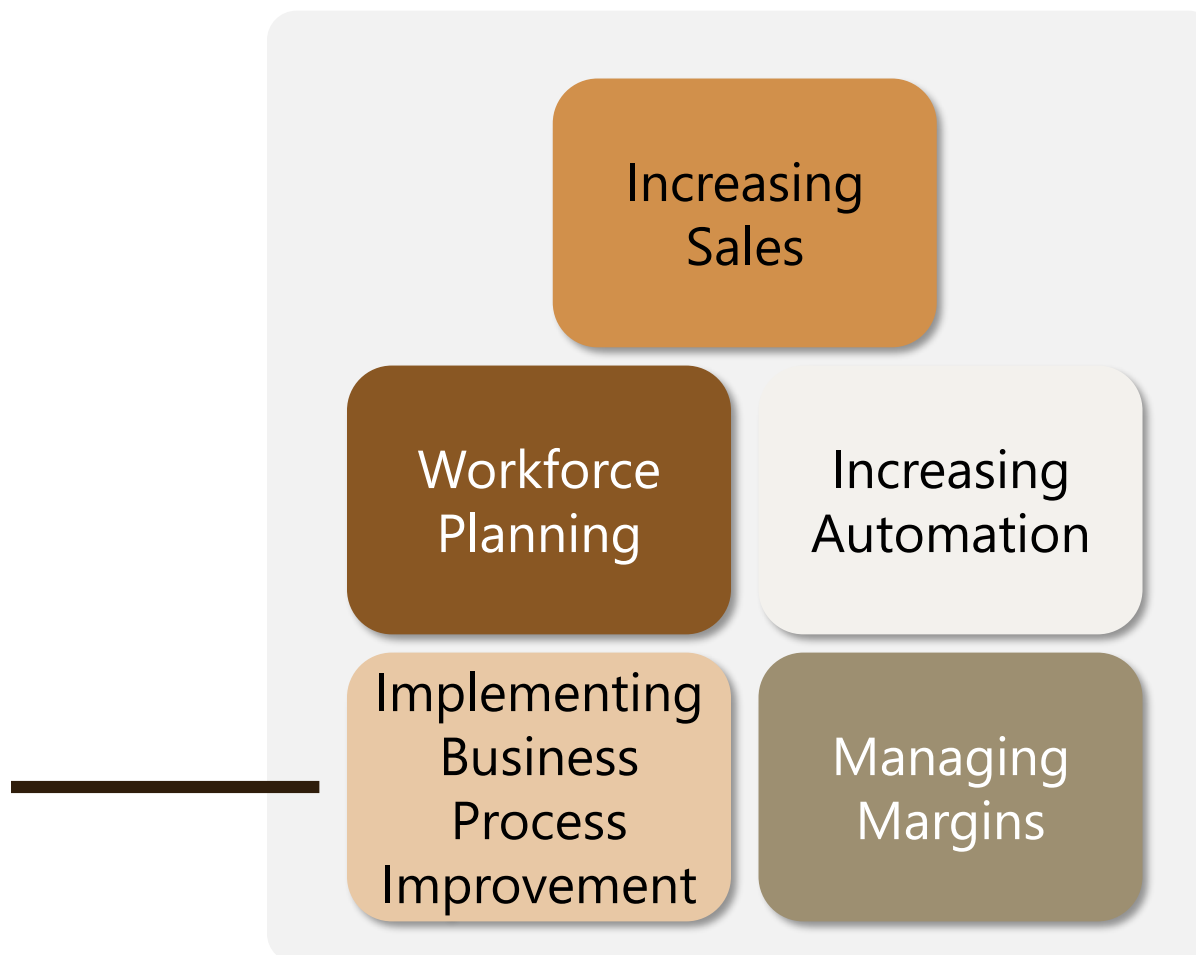
Plan for implementation of new system or process

Strategies to Mitigate the Impact of Bill 148

HR strategies to mitigate impacts

- Communication
- HR “Infrastructure”
- Compensation Structures
- HR IT Systems
(Record keeping)

Operational strategies to mitigate impacts





SALES GROWTH

SALES GROWTH

- Improved Margin Management
- Strategic services (new products / services, new customers, new markets)
- The differentiator: Focused **Sales Execution**



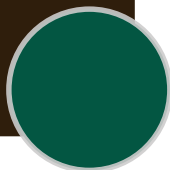
ROUTINE
MANAGEMENT
&
SALES EXECUTION



STRATEGIC WORKFORCE PLANNING



STRATEGIC
WORKFORCE
PLANNING



- Improve Redundancy Planning
- Manage Risk
- Workforce Development (Skills)

Improved
Productivity

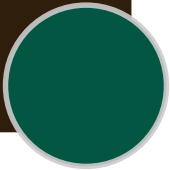
Improved Planning

Pay Increase is
netted out with
Skills Improvement

LABOUR PRODUCTIVITY IMPROVEMENT



LABOUR
PRODUCTIVITY
IMPROVEMENT



SCHEDULING PRACTICES

KEY PERFORMANCE INDICATORS

INCREASED VISIBILITY

MANAGEMENT ROUTINES

CASE STUDY: \$60MM MEDICAL DEVICE COMPANY

Client Profile

- Contract Manufacturer
- Growth of 40% over one (1) year
- Cyclical work resulting in planning for redundancy
- Transition from capital to labour intensive product mix (250 employees to 600 employees)



Our Services

- Business Infrastructure to support growth with the same overhead
- Improved business processes to reduce redundancy
- Improved margins to help increase EBITDA by 40%

Where to start?

Impact Assessment and Action Plan

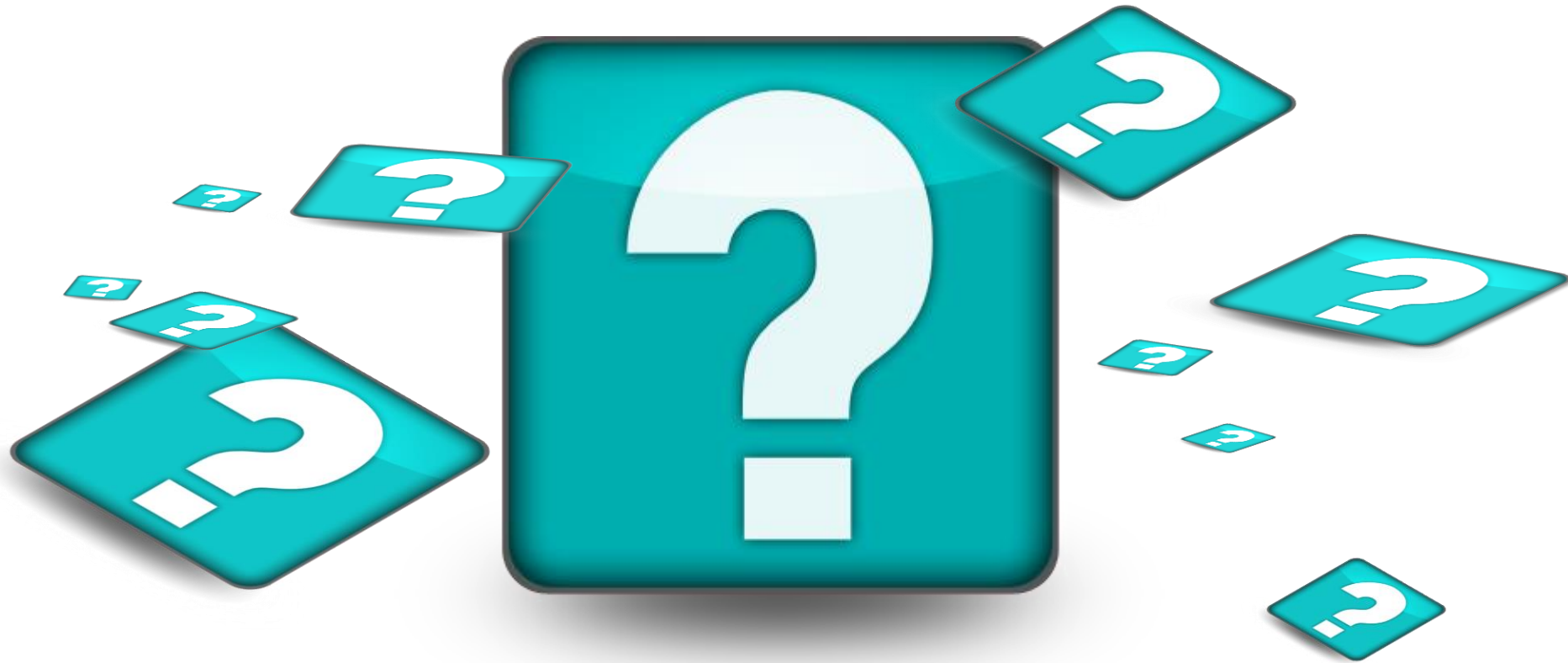
Impact Assessment and Action Plan

- Short assessment to help you understand your impact
- Contact us to find out more

Category	Question	Yes	No
Minimum wage increase	Do you have roles and / or employees that make under \$15/ hour? (or about \$31,200 full time salary)	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have roles and / or employees that currently make less \$20/hour ?	<input type="checkbox"/>	<input type="checkbox"/>
Casual part-time and seasonal employees	Do you have PT, Casual, or Seasonal employees that do the same job as any of your FT employees?	<input type="checkbox"/>	<input type="checkbox"/>
Temp Agency Employees	Do you hire staff from Temporary Help Agencies to do the same job as any of your full-time employees?	<input type="checkbox"/>	<input type="checkbox"/>
Scheduling	Do you have employees who work variable schedules?	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have employees who are on-call?	<input type="checkbox"/>	<input type="checkbox"/>
Paid Vacation	Do you have employees with >5 years service receiving 2 weeks of vacation?	<input type="checkbox"/>	<input type="checkbox"/>
Personal Emergency Leave (PEL)	Do you have less than 50 employees and do not provide personal emergency leave (sick-leave)?	<input type="checkbox"/>	<input type="checkbox"/>
	Do you have an HR policy for Leaves and Absences?	<input type="checkbox"/>	<input type="checkbox"/>
	Does your policy on Leaves and Absences cover - Leave for Death of a Child and Crime-Related Disappearance?	<input type="checkbox"/>	<input type="checkbox"/>
	Does your policy on Leaves and Absences cover - family medical leave?	<input type="checkbox"/>	<input type="checkbox"/>
	Does your policy on Leaves and Absences cover - employees experience or have the threat of domestic or sexual violence	<input type="checkbox"/>	<input type="checkbox"/>
	Does your policy on Leaves and Absences cover - Personal Emergency Leave (for personal illness or family related emergencies)?	<input type="checkbox"/>	<input type="checkbox"/>
Physician Notes	Do you currently require sick notes or medical documentation to support requests for sick leave?	<input type="checkbox"/>	<input type="checkbox"/>
Labour Relations	Do you have unionized employees?	<input type="checkbox"/>	<input type="checkbox"/>
	Are you in a situation where a union is in process of being certified with your workers?	<input type="checkbox"/>	<input type="checkbox"/>
Overtime pay	Do you have staff that hold multiple different types of positions?	<input type="checkbox"/>	<input type="checkbox"/>

Action Items if yes	Readiness G/Y/R
Confirm which roles and employees will require adjustment (consider all changes to min wage requirements - general and speciality such as liquor servers, homeworkers, etc.)	Completed
Calculate cost impact for minimum wage adjustment for preliminary assessment	Unable to complete
Consider the potential implications of minimum wage increases for employees who have seen the gap between their wages and the wages of their minimum wage colleagues shrink	Not started
Following overall financial impact review	
Update compensation structure(s). If not documented, build a simple structure	Not started

QUESTIONS?



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CONTACT DETAILS:



Alan Lambert, HR Advisor to Public and Private Sector, MNP

T: 416 515 5053

E: alan.lambert@mnp.ca



Yohaán Thommy, Business Advisor for Private Enterprises, MNP

T: 905 220 3211

E: yohaán.thommy@mnp.ca



Karl Baldauf, Vice President, Policy and Government Relations, The Ontario Chamber of Commerce

T: 416 482 5222 ext 2320

E: karlbaldauf@occ.ca