

Legal update

Federally regulated employers take note – proposed amendments to *Employment Equity Regulations*

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Federal employment and labour

In an effort to improve employment equity reporting and ease the reporting burden on employers, as well as support new pay transparency measures, the federal government has proposed amendments to the *Employment Equity Regulations* (the *Regulations*). The *Regulations* provide instructions and prescribe the manner and form by which subject employers are to comply with their obligations under the *Employment Equity Act* (the *Act*).

Following in-person consultations with stakeholders, including employers, about these proposed amendments, the government has now launched an online questionnaire for those unable to participate in the previous consultations (it can be found [here](#)).

A couple of important points to note about these proposed amendments:

- A number of them will not alter the current reporting requirements for employers subject to the *Act*. Rather, they are designed to change how the government reports on the data it receives from these employers, which will support pay transparency measures.
- Many of these proposed amendments relate to salary reporting. Provincially regulated employers with employment equity obligations as part of the Federal Contractors Program do not currently have salary reporting obligations. Accordingly, these amendments would likely have limited impact on those employers (with the exception of the definitions that may be mandated for workforce surveys, discussed below).

Without further ado, below are the proposed amendments of which federally regulated employers should be aware:

Simplified Salary Reporting

Employers will no longer be required to annualize employee salaries. A simpler reporting method would be introduced to allow for reporting based on salary data employers have more readily available (e.g., salary paid in a standard pay period). Salary reporting will also be expanded to include overtime pay, while bonus pay will be removed from “annual salary” and reported upon separately.

In terms of making wage gap information available, the Workplace Equity Information System (WEIMS) will generate employer wage gap reports that will be made available publicly (salaries would not be disclosed).

These changes will support the new pay transparency measures aimed at providing Canadians with online access to wage gap information of federally regulated employers.

Maintaining Records of New Salary Data Elements

Employers will be required to maintain records of new salary data elements including each employee's occupational unit group classifications and code, consistent with the North American Industry Classification System.

Using Consistent Definitions

There will be a mandatory requirement to use the definitions provided in the *Act* for self-identification of designated groups when conducting a workforce survey.

Currently, for the purposes of workplace surveys, employers must use definitions of the designated groups that are "consistent" with those in the *Act*. The purpose of this amendment is to ensure consistency in self-identification data from employer to employer.

Expanding CMAs for Reporting

The annual employment equity reporting requirements will no longer be limited to eight "designated" Census Metropolitan Areas (CMA). The term "designated" will be removed to expand the scope of urban centers analyzed and reported upon by the Labour Program.

Employers are already required to conduct their workforce analysis based on all CMAs and so this change will not impose any additional work on employers.

Aligning Salary Breakdown With Statistics Canada Census

Lastly, the salary sections will be changed to align with the salary breakdown used by Statistics Canada in the census. This means the salary increments above \$100,000 that were not previously analyzed will be captured up to \$250,000.

This change will not have any impact on employers as they collect raw salary information, which in turn is clustered automatically in salary sections by WEIMS.

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