

Report from Corporate Support Services, Human Resources

Date of Report: April 10, 2018

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Subject: Financial Impact of Bill 148 Fair Workplace, Better Jobs Act, 2017

Recommendation

That the Budget Standing Committee receive the report from Corporate Support Services, Human Resources, regarding Bill 148 Fair Workplace, Better Jobs Act, 2017, for information purposes.

Background

Staff was asked to provide a summary of the financial impact of implementing Bill 148 at the City of St. Catharines.

Report

Several amendments to the Employment Standards Act were included in the passing of Bill 148. The most significant changes that impact all municipalities and a forecast of the financial impact to the City of St. Catharines are outlined below.

Minimum Wage: Effective January 1, 2018

The minimum wage increased from \$11.40/hr to \$14.00/hr.
An increase of approximately \$437,433

Financial impact 2018: discussed and accounted for in the 2018 budget.

Effective January 1, 2019

The minimum wage will increase from \$14.00/hr to \$15.00/hr.

Preliminary estimate for 2019: An increase of approximately \$235,000 is estimated.

Vacation time: Effective January 1, 2018

Employees are entitled to three weeks of paid vacation after five years with the same employer. Currently, all permanent full time employees at the City receive three weeks vacation by the time they reach five years of employment. The financial impact will result from temporary and part time employees who work for the City without a break of service for longer than five years.

Financial impact 2018: an increase of approximately \$7,590 is estimated.

Personal Emergency Leave Days (PEL Days): Effective January 1, 2018

Prior to Bill 148, employees were entitled up to ten (10) unpaid personal emergency leave days to be used for personal illness, injury, medical emergency, or the death, illness, injury, medical emergency or urgent matter of a prescribed family member.

The new legislation provides that the first two days of the leave must be paid at the employee's regular rate of pay. Employees are eligible for this benefit after working five (5) days for an employer.

The legislation allows for PEL days to be applied against existing sick leave and bereavement leave entitlements. Since the City has existing paid sick leave programs and paid bereavement leave for permanent full time employees, this will be considered as greater entitlements than the legislation.

All eligible temporary and part-time employees who do not have paid sick leave and bereavement leave programs are now able to use PEL days and will be paid at their regular rate.

The impact of all eligible temporary and part-time employees utilizing two (2) PEL days would in most cases result in a loss of productivity instead of monetary, as the work time for these employees has been accounted for in the 2018 Operating Budget.

Financial impact 2018: A financial impact would only occur if the absent position has resulted in an employee being upgraded to take on additional responsibilities or the position is backfilled. Utilization will be monitored throughout the year and management will be mindful to stay with budgeted funds.

PEL days for sexual or domestic violence (or threat of such); Effective January 1, 2018

An additional five (5) paid days of leave is provided to any employee who has experienced sexual or domestic violence. It is unclear whether existing leaves such as vacation or paid sick leave can offset these five (5) days for permanent full time employees, and Human Resources staff are reviewing existing policies, seeking legal opinion and conferring with counterparts in other municipalities before determining how the City will apply this benefit.

Temporary and part-time employees are eligible for this benefit.

Financial impact 2018: eligibility for this benefit and any potential financial impact is difficult to estimate.

Equal pay for equal work - Effective April 1, 2018

It will be mandatory for employers to pay:

- casual, part-time, temporary, and seasonal employees who are doing substantially the same work as full-time / permanent employees the same rate of pay as full-time / permanent employees

Bill 148 states that employers cannot pay temporary employees less than full-time employees if they are performing substantially the same work in the same establishment and that work requires substantially the same skills, effort and responsibility under similar working conditions.

Upon review of positions, identified was eight (8) seasonal labourers.

Financial impact 2018: an increase of approximately \$5,376

In general, the City compensates employees equitably and staff will ensure compliance with legislative requirements.

Public Holiday Pay - Effective January 1, 2018

The calculation for public holiday pay has changed to refer to regular wages in the pay period before the holiday divided by the days worked (rather than a four-week period of regular wages divided by 20, as previously calculated).

Financial Impact 2018: an increase of approximately \$98,255

This forecast is based upon calculating public holiday pay with the previous formula and the new formula.

Financial Implications

Estimated financial impacts of Bill 148 are contained within the report.

Conclusion

This legislation is in its infancy, and since it is unclear whether all benefits under the legislation will be utilized by employees, it is difficult to forecast the complete cost to the City. Staff have attempted to provide realistic forecasts where possible based upon the legislation and the City's circumstances.

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