



**FAIR WORKPLACES,
BETTER JOBS ACT
BILL 148**

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WHAT TO KNOW ABOUT BILL 148

Minimum Wage

Equal Pay for Equal Work

Vacation Entitlement

Leave Entitlement

Scheduling Rights

Three Hour Rule

Enforcement of Bill 148

Unions

Employee Classification

Public Holiday

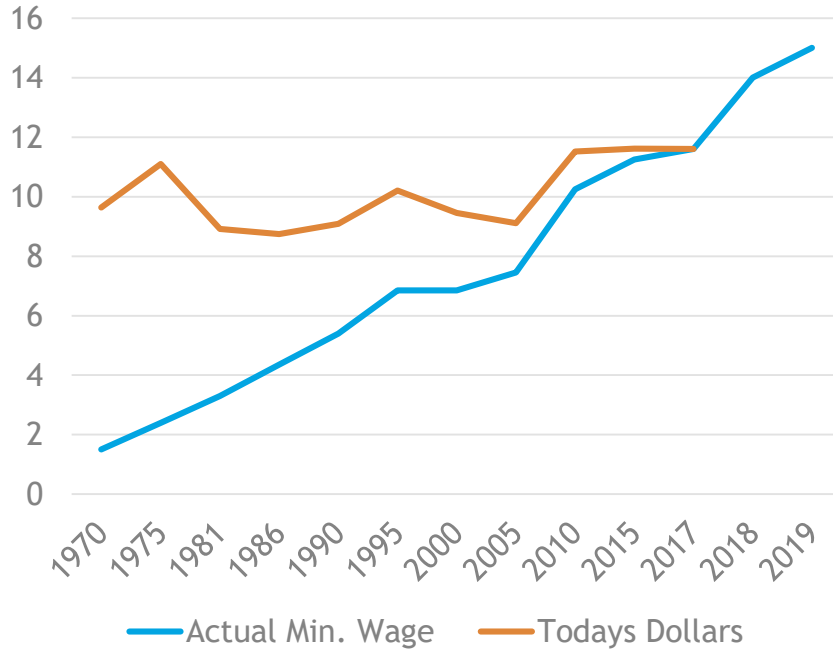
Public Holiday Calculation

Record Keeping

Request changes to schedule

Additional Info

MINIMUM WAGE INCREASE



Minimum wage is set to increase to \$15 an hour come Jan 1st 2019.

From 2017-2018 wages increase by 20%, and another 7% in 2019.

Student minimum wage increased to \$13.15 in Jan 2018, then to 14.10 in 2019

Liquor Servers' minimum wage increased to \$12.20 in 2018 then to 13.05 in 2019

EQUAL PAY FOR EQUAL WORK

Regardless if an employee is part-time, full time or contracted.

Effective April 1st, 2018

All employees will be paid the same rate of pay as regular employees to perform the same work in the same establishment.

Employers could justify differential pay on the basis of seniority, merit, quantity or quality of employee production.

Employees can request a review by their employer.

Prohibits the misclassification of employees

VACATION PAY AND LEAVE ENTITLEMENT

Increase in Vacation from 2 weeks to 3 weeks for employees with over 5 years of service.

Vacation pay will increase from 4% to 6% of wages for those employees.

Every Employer must provide 10 days unpaid personal emergency leave (PEL).

Employer is required to pay for the first two days of the leave.

Employers will no longer be able to require doctors note.

LEAVE ENTITLEMENTS CONT.

Domestic or Sexual Violence

- Must have been employed for at least 13 consecutive weeks
- Entitled to up to 10 individual days of leave and up to 15 weeks of leave if them or their child experiences domestic or sexual violence or the threat of domestic or sexual violence
- The First five days of leave each calendar year will be paid

Pregnancy and Parental

- Miscarriage or still-birth is extended from 6 to 12 weeks
 - Parental leave can begin no later than 78 weeks after the child is born or comes into employee custody
 - If she takes pregnancy leave her entitlement to parental leave is extended to 61 weeks
- If they didn't take pregnancy leave, their entitlement is extended to 63 Weeks

OTHER CHANGES TO LEAVE

Child Death

- Up to 104 Weeks off without pay

Child Disappearance

- 104 weeks off without pay

Employees must have at least 6 months of consecutive service

Care and Support

- Increases from 8 to 27 weeks and extends the qualifying period from 26 to 52 weeks

-Two employees with the same employer can have a combined 27 weeks of leave in respect to the same relative

SCHEDULING RIGHTS AND THE THREE HOUR RULE

Employees can refuse a shift without repercussion if offered less than 96 hour notice.

Three hour rule strengthened to require three hours pay at employees regular rate.

On call workers will get paid three hours minimum.

Employees paid 3 hour wage when a shift is cancelled on less than 48 hour notice.

Employers are only required to pay an employee a minimum of 3 hours wages one time in each 24 hour period.

ENFORCEMENT OF BILL 148

Ministry of labour is attempting to evolve towards a culture of law enforcement

Inspecting 1 in 10 Ontario Workplaces Annually

Hiring 175 new employment standards officers by 2021

UNIONS

Gives a union the right to a list of employee names, numbers and email addresses, where it can show it has obtained membership for 20% of employees.

Extends card-based union certification, will replace the existing vote-based certification process.

Union has support of 40% of the employees, but less than 55% a representation vote will be ordered.

Changes to Strike period of time to return to work.

Maximum Fines under the Labour Relations Act increased, to \$5,000 from \$2,000 for individuals and \$100,000 from \$25,000 for businesses.

EMPLOYEE CLASSIFICATION

ESA Expressly prohibits the misclassification of employees as independent contractors, subject to prosecution and potential monetary penalties as well as conviction

Employers will have the onus to prove that an individual is an independent contract and not an employee

PUBLIC HOLIDAY PAY

New Formula for the calculation of “public holiday pay” reflect an employee’s regular wages.

New Calculation

- Divides the wages earned in the pay period immediately preceding the public holiday by the number of days actually worked to earn those wages

Current Calculation

-Prorates holiday pay for employees who work less than 5 days per week

EXAMPLE OF NEW CALCULATION

New Year's Day - Monday January 01, 2018

Employee works four days a week and earns \$875 in two weeks.

$875/8$ (four days a week, two weeks)

= 109.38 in public Holiday Pay

HOLIDAY PAY CALCULATION

Continued

If the employee works on a public holiday , payment shall be public holiday pay plus premium pay for the hours worked.

Removes the options of providing employees with a substitute day off.

IF the public holiday falls on an employee's day off, the employer will either:

- Provide a substitute day off with public holiday pay.
However, the substitute day shall be either the last work day prior to the public holiday or the first work day after.

OR

- Employers and employees can agree to forego the substitute day off and just pay the public holiday pay for the holiday

RECORD KEEPING

Substitute Holidays

Whenever an employee is provided a substitute holiday, either because the employee worked on a public holiday or because the holiday fell on the employee's day off, the employer must keep a record and provide a copy to the employee of the following:

- A written statement which sets out the public holiday on which the employee will work;
- The date that is the substitute holiday; and
- The date on which the statement was provided to the employee.

ADDITIONAL RECORD-KEEPING REQUIREMENTS

Dates and times employees work or were scheduled to work or be on call;
Cancellations of shifts or on call periods;
Vacation pay and other matters

The retention period for records of vacation time and vacation pay is being extended from 3 years to 5 years.

REQUEST FOR CHANGES TO SCHEDULE OR WORK LOCATION

An employee who has been employed for at least 3 months may make a written request for a change in their schedule or work location.

The employer shall notify the employee of its decision within a reasonable time.

If the request is denied, the employer must provide reasons.

ADDITIONAL INFO

Collective agreements can overrule new provisions until at least Jan 1st 2020.

Penalties for violation for individuals and organizations

Family Day will be a statutory public holiday

Changes to pay in lieu of notice for temp employees

High-heeled shoes cannot be a requirement.

IMPACTS ON BUSINESSES

Profitability

- Margins large enough with rise in business costs
- Identify products and services where margins are too low

Staffing Levels

- Adjust staff levels
- Scheduling and hours of work need to be modified?

Competition

- Staying competitive with new pricing strategies

Taxes

- Increase in Payroll, EI and CPP

IMPACTS ON BUSINESS OWNERS

Update and change company policies and procedures to match new legislation

Added costs, can't simply all be applied directly to the customer

Focus on strengthening core business Activity

Manage Margins

- Inform customers of potential incoming pricing increase

- Sustain that price

- Identify products or services running at a loss

- Phase out low margin products

IDENTIFY AREAS OF IMPROVEMENT

-Misinterpretation of customer needs

-Overproduction/over stocked

-Eliminate errors and waste

- Avoid interest and other additional charges. Consolidate debts if necessary

-Control discretionary expenses that can be controlled.

Ex. Meals and Entertainment

-Switching to a paperless environment can cut down office expenses, less waste and clear out store space.

-Energy review to look for saving in electricity and heat usage, along with other solutions.

IDENTIFY AREAS OF IMPROVEMENT

Continued.

Review marketing and advertising budget.

- Cost vs benefit- by sampling, asking customer how they heard about their business.

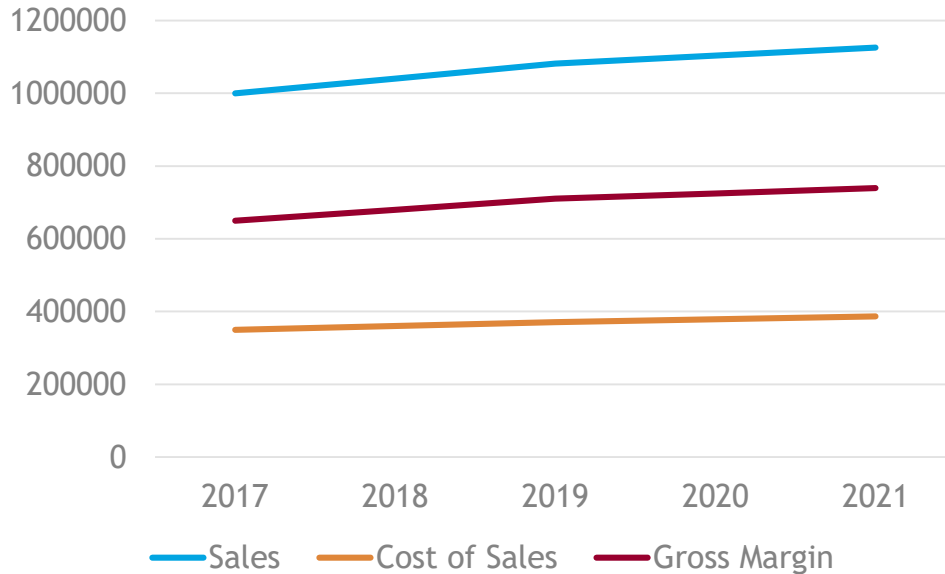
Review insurance expenses with a broker, coverage vs. cost.

Explore different utility options such as telephone and internet, as these can take up a significant amount

Seek professional help to restructure the business, to break unwanted leases, or surrender unwanted assets.

BILL 148 ILLUSTRATION

Total Sales

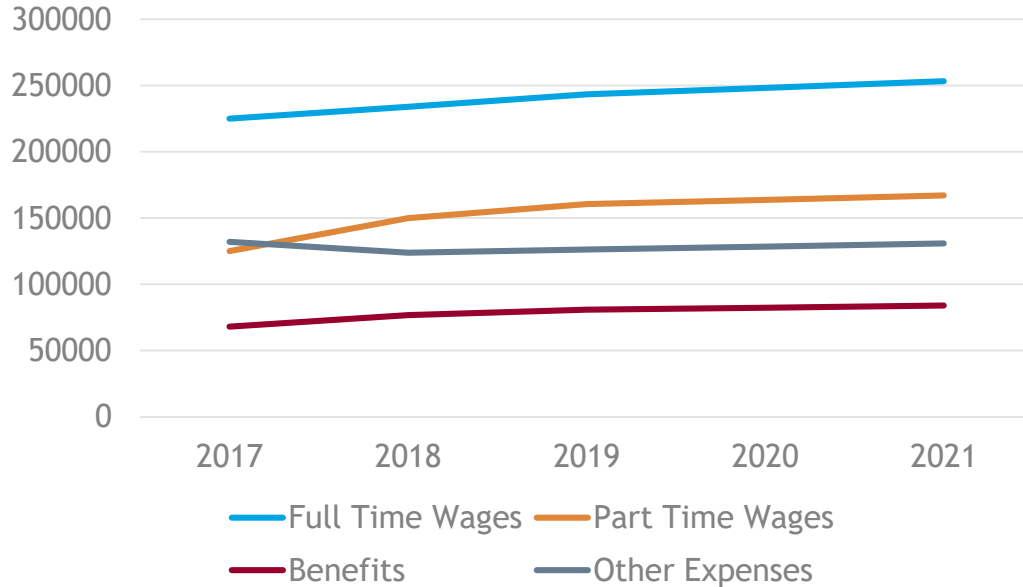


Increase prices by 4% in 2018 and 2019, back to 2% for 2020.

Cost of Sales from suppliers increasing by 3% for 2018 and 2019 then back to 2% for 2020.

HOW WILL EXPENSES BE IMPACTED

Wages and Benefits



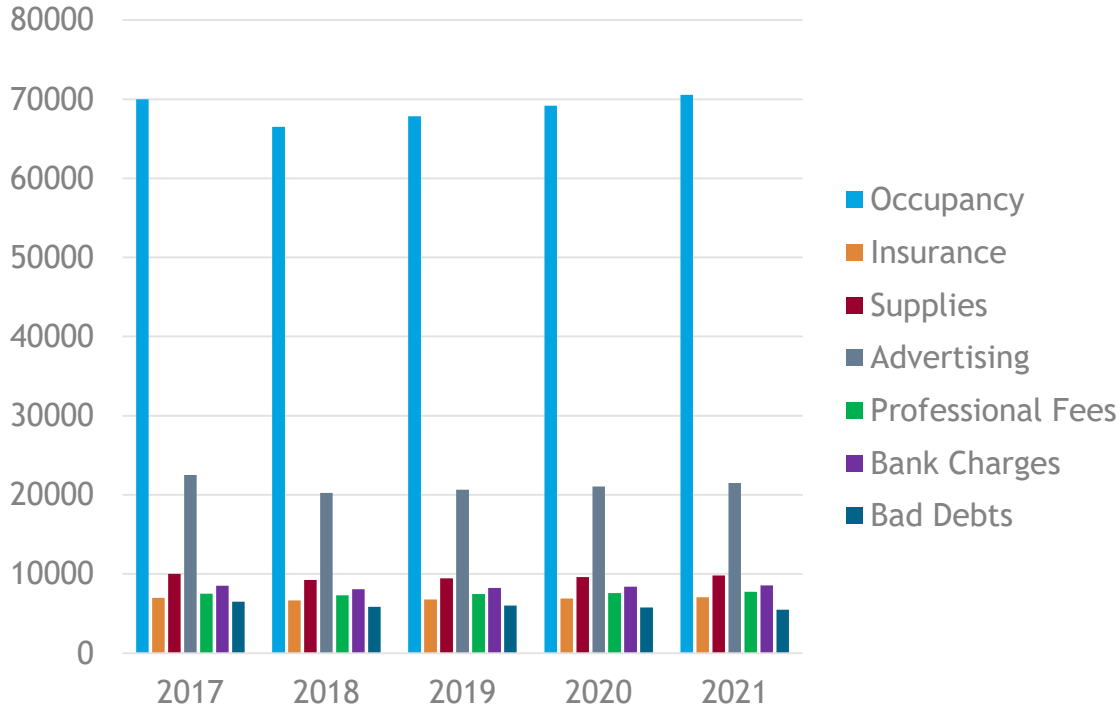
Full time payroll increasing at 4% for 2018 and 2019 and then back to 2% per year

Part time payroll increases by 20% in 2018 and 7% in 2019, then 2% per year

Assume Benefits = 20% of Payroll

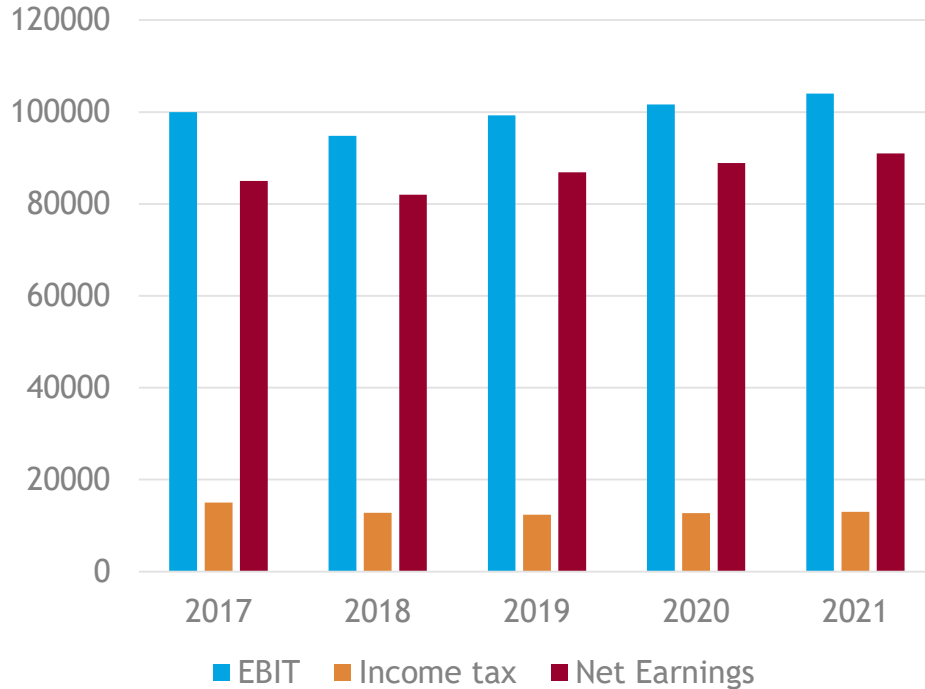
Wage % of total sales increases from 41.8 up to 44.3% in 2018 then stable

OTHER EXPENSES



- Look for Energy and phone savings as part of Occupancy Cost reductions - 5%
- Get Insurance quotes and look at Coverage- 5%
- Cut discretionary Expenses - 7.5%
- Look at ways you advertise -10%
- Increased focus on record keeping, more owner time 2.5%
- Inquire about bank service charge plans-5%
- Focus on customer collections and cut other expenses - 10%

THE BOTTOM LINE



Expected tax rate cuts from 10.5% to 9% federal and 4.5 % to 3.5% provincial

		Base Year 2017	Bill 148 2018	Bill 148 2019	2020	2021
Sales	1	1,000,000	1,040,000	1,081,600	1,103,232	1,125,297
Cost of Sales	2	350,000	360,500	371,315	378,741	386,316
Gross Margin		650,000	679,500	710,285	724,491	738,981
			65.00%	65.34%	65.67%	65.67%
Expenses						
Full time wages (already above min wage)	3	225,000	234,000	243,360	248,227	253,192
Part time wages (\$11.6 to \$14 to \$15)	4	125,000	150,000	160,500	163,710	166,984
Benefits (assume 20% of Salary)	5	68,000	76,800	80,772	82,387	84,035
			41.80%	44.31%	44.81%	44.81%
Occupancy (incl utilities)	6	70,000	66,500	67,830	69,187	70,570
Insurance	7	7,000	6,650	6,783	6,919	7,057
Supplies and office	8	10,000	9,250	9,435	9,624	9,816
Advertising and promotion	9	22,500	20,250	20,655	21,068	21,489
Professional fees	10	7,500	7,313	7,459	7,608	7,760
Bank charges and interest	11	8,500	8,075	8,237	8,401	8,569
Bad debts and other	12	6,500	5,850	6,000	5,750	5,500
		550,000	584,688	611,030	622,881	634,973
		100,000	94,813	99,255	101,610	104,007
Income tax expense	13	15,000	12,800	12,407	12,701	13,001
Net earnings		85,000	82,013	86,848	88,909	91,006
			8.50%	7.89%	8.03%	8.06%

- 1 Increase prices by 4% in 2018 and 4% in 2019 - the market expects it and your competitors will - then 2% thereafter
 - 2 Cost of sales from suppliers increasing at 3% for 2018 and 2019 and then back to 2% per year
 - 3 Full time payroll increasing 4% per year for 2018 and 2019 for GAP adjs and then 2% per year
 - 4 Part time payroll increases by 20% in 2018 and then 7% in 2019 and then 2% per year after
 - 5 Assume Benefits = 20% of payroll
 - 6 Look for energy and phone savings as part of Occupancy cost reductions - 5%
 - 7 Get insurance quotes and look at coverage - 5%
 - 8 Cut discretionary expenses - 7.50%
 - 9 Look at ways you advertise and what is working and whats not (social media vs traditional) - 10%
 - 10 Increased focus on record keeping, more owner time - 2.5%
 - 11 Talk to bank about service charge plans - 5%
 - 12 Focus on customer collections and cut other expenses - 10%
 - 13 Expected tax rate cuts from 10.5% to 9% federal and 4.5% to 3.5% provincial
- *** Assuming NO cut in employee hours or job loss

QUESTIONS?

