

Bill 3 Introduces Pay Transparency Legislation in Ontario: What Does It Mean for Employers?

April 2018

Bill 3, the *Pay Transparency Act, 2018*, passed Third Reading in the Ontario Legislature on Thursday, April 26, 2018. The legislation will require an employer to disclose certain compensation information about, and to, employees and prospective employees, and restrict the information an employer may solicit during the hiring process. The *Pay Transparency Act, 2018* comes into force on **January 1, 2019**. Accordingly, employers (particularly those with more than 100 employees) should prepare now.

What Are the New Obligations under the *Pay Transparency Act, 2018*?

- **An employer may no longer request compensation history information from an applicant.** However, an applicant may voluntarily disclose compensation history and an employer may consider or rely on the information.
- **Every publicly advertised job posting must include the expected compensation or range of expected compensation.**
- **Every employer with 100 or more employees (and any ‘prescribed’ employer) is required to file a pay transparency report by May 15 of each year.** The information to be filed includes a breakdown of the employer’s workforce composition and differences in compensation with respect to gender and other prescribed diversity characteristics. The report must also be posted online or in at least one conspicuous place in the workplace. An employer with 250 or more employees must file its first report by **May 15, 2020**. An employer with 100 or more employees must file its first report by **May 15, 2021**. All reports will be made publicly available by the Ministry. Further details regarding the information to be filed will be set out in regulations not yet enacted.
- **An employer may not penalize an employee for seeking and/or sharing compensation information.**

Next Steps

We will continue to monitor this Bill and its impact on Ontario workplaces, and update readers accordingly. **To learn more and for assistance preparing your workplace, contact Sherrard Kuzz LLP.**

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