

## Proposed Amendments to Canada Labour Standards Regulations

March 2025

In 2019, Sherrard Kuzz LLP reported on Bill C-86, the *Budget Implementation Act, 2018, No. 2* and its introduction of significant amendments to Part III of the *Canada Labour Code* (the “Code”).<sup>1</sup> Bill C-86 received Royal Assent on December 13, 2018 and **has yet to be proclaimed in force**.

On February 22, 2025, the Government of Canada published draft regulations (“Regulations”), to support the yet-to-be enacted amendments **as they relate to Equal Treatment and Temporary Help Agencies**.<sup>2</sup> The Government anticipates that these amendments will come into force by Order in Council in late 2025 or early 2026, depending on the feedback received and time required to make any future changes to the Regulations. The Government has launched a 30-day consultation period which ends on **March 24, 2025 at 11:59pm EST**. Submissions may be submitted [here](#).<sup>3</sup>

### Proposed Amendments under Bill C-86

By way of refresher, these are the amendments proposed under Bill C-86, not yet in force, as they relate to Equal Treatment and Temporary Help Agencies.

#### 1. Employment Status

- **Equal Treatment** – An employer is prohibited from paying one employee a rate of wage that is less than another employee due to a difference in employment status if:
  - They work in the same industrial establishment
  - They perform substantially the same kind of work
  - Performance of that work requires substantially the same skill, effort and responsibility
  - Their work is performed under similar working conditions, and
  - Any other prescribed factor.

**Unless** the difference in the rate of wage is due to a system based on:

- Seniority
- Merit
- Quantity or quality of each employee’s production, or
- Any other prescribed criterion.

---

<sup>1</sup> See our Briefing Note: [“Amendments to Part III of the Canada Labour Code”](#) (9 July 2019).

<sup>2</sup> [“Canada Gazette, Part I, Volume 159, Number 8: Regulations Amending Certain Regulations Made Under the Canada Labour Code \(Equal Treatment and Temporary Help Agencies\)”](#) Government of Canada (February 22, 2025).

<sup>3</sup> There are additional amendments proposed by Bill C-86 that these Regulations do not address, including Group Termination of Employment, Individual Terminations of Employment, Reimbursement of Work-related Expenses, *etc.* See *supra* note 1 at 7.

**An employer cannot reduce an employee's wage rate to comply.**

- **Request for Review** – An employee can request in writing that the employer review their rate of wage.
  - The employer must conduct this review within 90 days and provide the employee with a written response which includes whether an increase is being given or reasons the employee's current rate of wage is compliant.
  - If the rate of wage is increased, it will apply retroactively to the day the request was made.
  - An employer cannot reprise against an employee for requesting a review of wages under this section.

2. **Temporary Help Agencies** – This applies specifically to a temporary help agency employer whose employees work on assignments in an industrial establishment.

- **Prohibition** – A temporary help agency employer is prohibited from:
  - Charging a fee to a person for becoming its employee
  - Charging a fee to an employee for assigning or attempting to assign the employee to perform work for a client
  - Charging a fee to an employee for an assignment or job preparation service, including preparing a resume or for a job interview
  - Charging a fee to an employee for establishing an employment relationship with a client
  - Charging a fee to a client for establishing an employment relationship with an employee if the day the employee starts is greater than six months from the day the employment relationship is established, and
  - Preventing or attempting to prevent an employee from establishing an employment relationship with a client.
- **Equal Treatment** – A temporary help agency employer is prohibited from paying an employee a rate of wages lower than the rate the client pays to its employee. The same conditions for equal treatment apply as set out in the **Equal Treatment** provision above and with the same exceptions. A client is prohibited from reducing the wage rates of its employees to ensure a temporary help agency employer complies with this equal pay requirement.
- **Request for Review** – An employee can request in writing the temporary help agency employer review their rate of wage.
  - The employer must conduct this review within 90 days and provide the employee with a written response which includes whether an increase is being given or reasons the employee's current rate of wage is compliant.
  - If the rate of wage is increased, it will apply retroactively to the day the request was made.
  - An employer cannot reprise against an employee for requesting a review of wages.

## The Proposed Regulations

The Regulations clarify several key definitions and rules regarding equal treatment and temporary help agencies.

- **Definition of Industrial Establishment** – “Industrial establishment” would define the physical or general location where work is being carried out.
  - **Two or more work sites of the same employer** would be considered part of the same industrial establishment if they are in the same Employment Insurance (EI) region.<sup>4</sup>
  - **If an employer has two or more industrial establishments**, an employee works in the industrial establishment of the employer where:
    - The employee most often reports to work in person.
    - Their home terminal, base, station, or port is located – if the employee works in sectors such as road, marine, rail, or aviation.
    - The employee most often reported to work before the remote work agreement took effect, unless the nature of their duties have since changed, including where:
      - The employee attends meetings and receives work materials or instructions.
      - The employee’s supervisor reports for work.
      - The employee would report for work if work was not remote.
- **Definition of Employment Status** – “Employment status” would be defined to clarify differences between full-time and part-time workers as well as between temporary (e.g., fixed-term, casual, seasonal or on-call) and permanent workers. To this end, differences in hours worked and terms of employment will both be considered part of employment status, and only identical types of compensation (e.g., hourly wage, commission rate, mileage rate) would be compared to determine whether two employees are paid equally.
  - **The Regulations will allow differences in pay if:**
    - An employee temporarily retains a higher salary if they are reclassified or demoted to a lower paid position (e.g., red-circling).
    - An employer increases wages to address hiring difficulties during a labour shortage
    - A higher rate applies to a specific geographic area in which an employee works (e.g., a Northern bonus).
    - An employee is in a development or training program.

---

<sup>4</sup> See Schedule I – Regions for the Purposes of Parts I and VIII of the Act in [Employment Insurance Regulations, SOR/96-332](#)

- **NEW Record-Keeping Requirements** – An employer would be required to keep detailed records of:
  - Different wage rates and the employer’s justification of same
  - Any employee’s wage-rate review request and the employer’s response, and
  - Each client’s name for whom the employee performs a work assignment and the dates of the assignment (this only applies to a temporary help agency).
- **UPDATED Notices to be Posted** – In addition to the current requirement to post certain notices in the workplace, the employer would have to post an updated notice to reflect the new equal treatment and temporary help agency provisions
  - Any notice should replace the term “Sick leave” with “Medical leave.”
- **REVISED Administrative Monetary Penalties (“AMPs”)** – The Regulations would amend Schedule 2 of the existing AMPs Regulations to designate certain, additional violations as either Type A (related to administrative provisions), Type B (related to the calculation and payment of wages), and Type C (which could impact the financial security of an individual or group of individuals).<sup>5</sup>

**To learn more or if you have questions about the consultation process or how the proposed regulations may impact your organization, please contact your Sherrard Kuzz LLP lawyer or [info@sherrardkuzz.com](mailto:info@sherrardkuzz.com)**

*The information contained in this presentation/article is provided for general information purposes only and does not constitute legal or other professional advice, nor does accessing this information create a lawyer-client relationship. This presentation/article is current as of **March 2025** and applies only to Ontario, Canada, or such other laws of Canada as expressly indicated. Information about the law is checked for legal accuracy as at the date the presentation/article is prepared but may become outdated as laws or policies change. For clarification or for legal or other professional assistance please contact Sherrard Kuzz LLP.*



LEXPTRANKED



Chambers  
Ranked

---

<sup>5</sup> *Supra* note 2 at *Designation and classification of new Code provisions*