

Budget Impacts of New Minimum Wage Increase & Other Proposed Bill 148 Changes

Date: November 17, 2017

To: Budget Committee and Executive Committee

From: City Manager and Acting Chief Financial Officer

Wards: All

SUMMARY

This report provides a summary of the anticipated impacts of the legislative proposals and amendments to Ontario's Employment Standards Act, 2000 and Labour Relations Act, 1995 as currently proposed by the provincial government in the Fair Workplaces, Better Jobs Act, 2017 (Bill 148) and the impact of these proposed changes on the City's 2018 and 2019 budget. The changes proposed to the Employment Standards Act, 2000 include a minimum wage increase from the current rate of \$11.60 per hour (effective October 1, 2017) to \$14.00 per hour in 2018, and \$15.00 per hour in 2019.

RECOMMENDATIONS

The City Manager and Acting CFO recommend:

1. That Council receive this report for information.

FINANCIAL IMPACT

Generally, the wages that the City pays to its employees are above the increased minimum wage levels that are proposed in Bill 148 and, therefore, those changes will not have any immediate budgetary impacts for any City divisions and AOCCs, with the exception of Parks, Forestry & Recreation (PF&R), where there will be budgetary impacts.

The table below is summarizing the total impact from the proposed minimum wage change for City Programs and Agencies:

Bill 148 Change	Preliminary Cost Impact (2018-2019)							
	City Programs				Agencies			
	2018		2019		2018		2019	
Minimum Wage	Gross	Net	Gross	Net	Gross	Net	Gross	Net
		\$1.8 M	\$1.4 M	\$1.9 M	\$1.4 M	\$1.2 M	\$0.8 M	\$1.1 M

Parks, Forestry & Recreation

There will be an immediate impact to the PF&R budget as follows:

PF&R	2018	2019
Wages	\$1,101,050	\$1,125,617
Benefits (9%)	\$99,094	\$101,305
Vacation (5%)	\$55,052	\$56,280
Wages & Benefits	\$1,255,197*	\$1,283,203*

**Cost does not include the impact of making any adjustments that may be made to the union wage schedules impacted by the implementation of the proposed minimum wage increases.*

The above costs represent the difference between the 2018 and 2019 anticipated expenditures with a minimum wage of \$11.60 (current minimum wage as of October 1, 2017) and the anticipated expenditures in 2018 and 2019, following the application of the new minimum wage (\$14.00 as of January 1, 2018 and \$15.00 as of January 1, 2019).

Children's Services

Children's Services pays fees or per diems on behalf of clients in receipt of fee subsidies to child care operators with which it has a purchase of service agreement.

There will be an increase in actual costs and in per diems paid by the City for those operators paying below the proposed new minimum wage, as follows:

Children's Services	2018		2019	
	Gross	Net	Gross	Net
Per Diems & Costs paid to Operators	\$500,000	\$100,000	\$600,000	\$120,000

Additional Bill 148 Proposals

In addition, based on the information available at this time, staff have attempted to determine preliminary cost impacts for some of the other changes proposed in Bill 148:

Bill 148 Proposal	Preliminary Cost Impact in 2018 (Gross)	
	City Programs	Agencies
Emergency Leave – 2 Paid Days*	Up to \$2.0 million	Up to \$15.5 million
Public Holiday Pay - change in ESA calculation**	Up to \$0.9 million	Up to \$0.02 million
Minimum 3 hour Standby Pay (for Non-union employees only) <i>*The provincial government announced on November 16, 2017 that it will exempt on-call for essential public services such as fire, utility and snow removal</i>	Up to \$1.5 million <i>(cost is under review based on recent government announcement)</i>	Up to \$1.2 million <i>(cost is under review based on recent government announcement)</i>
Extension of Pregnancy/ Parental Leave – Increased Top-up	Range of \$7.0 to \$13.5 million	Up to \$3.1 million (pending additional details on the requirements)

* TCHC has an additional impact in 2019 of \$0.055 million.

** Toronto Police has an additional impact in 2019 of \$0.001 million.

There is limited information available about these proposals and the interpretation of each of the changes is continuing to evolve. As such, the above costs are very preliminary estimates. The total cost for City Programs of the above changes would represent approximately 0.7% of the City's salary and benefit costs.

Attachment 1 provides a summary of the preliminary costs for the City and its Agencies.

As part of the 2018 budget process, staff are working to identify sufficient funding to set aside as a provision to cover the net costs to the City for the potential increase in

salaries and benefits that may arise from the proposed minimum wage increase for 2018 based on these preliminary estimates.

The Acting Chief Financial Officer has reviewed this report and concurs with the information identified in the financial impact statement section.

DECISION HISTORY

At its meeting on September 26, 2017, the Executive Committee considered the following motion:

1. City Council request the City Manager, in consultation with the Deputy City Manager and Chief Financial Officer, and Division Heads to prepare a preliminary report for the September 5, 2017 Budget Committee meeting showing the immediate budgetary impacts from all affected positions having their hourly wage increased to the new Provincial minimum wage.

The Executive Committee amended the motion as follows:

1. Requested the City Manager, in consultation with the Deputy City Manager and Chief Financial Officer, and Division Heads to prepare a preliminary report for the November 10, 2017 Budget Committee meeting showing the immediate budgetary impacts from all affected positions having their hourly wage increased to the new Provincial minimum wage.

The following is the link to the Executive Committee decision:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX27.29>

COMMENTS

On May 30, 2017 the provincial government announced the introduction of the Fair Workplaces, Better Jobs Act, 2017, ("Bill 148"), which included a broad range of legislative proposals and amendments to Ontario's Employment Standards Act, 2000 and Labour Relations Act, 1995. The broad range of proposed changes include:

- Raising Ontario's general minimum wage to \$14 per hour on January 1, 2018, and then to \$15 on January 1, 2019, followed by annual increases, commencing in October of 2019, at the rate of inflation;
- Mandating equal pay for part-time, temporary, casual and seasonal employees doing the same job as full-time employees; and equal pay for temporary help agency employees doing the same job as permanent employees at the agencies' client companies
- Expanding personal emergency leave to include an across-the-board minimum of at least two paid days per year for all workers;

- Bringing Ontario's vacation time into line with the national average by ensuring at least three weeks' vacation after five years of employment;
- Requiring employees to be paid for three hours of work if their shift is cancelled within 48 hours of its scheduled start time;
- Increasing the length of parental leaves by a total of 26 weeks, which will affect the cost of providing salary top up for employees;

The Bill passed Second Reading on October 18, 2017, and was referred back to the Standing Committee on Finance and Economic Affairs. At the time of writing this report, the Bill was expected to pass third and final reading on November 20, 2017. While it is unknown when the Bill will proceed to Royal Assent and what form the legislation will take at that time, the City as employer needs to be prepared to respond to the substantial changes proposed, as they will have a significant impact on the City's unionized and non-unionized work forces. Once receiving Royal Assent, the Bill is expected to come into force on January 1, 2018.

Minimum Wage

Included in the proposals is an increase of the general minimum wage to:

\$14 per hour on January 1, 2018; and
 \$15 per hour on January 1, 2019

Impact on the City

Generally, the wages that the City pays to its employees are above the increased minimum wage levels proposed in Bill 148 and, therefore, the changes will not have any immediate budgetary impacts for any City Divisions and AOCCs, with the exception of Parks, Forestry & Recreation (PF&R). There will be significant immediate budgetary impacts for PF&R.

Many of the part-time employees (approximately 10,000) within PF&R are covered by CUPE Local 79 Recreation Workers collective agreement. Within this collective agreement there are 7 wage grades that will be impacted by the proposals. This includes 40 job classifications that will be below the new proposed minimum wage on January 1, 2018 and 50 job classifications that will be below the new proposed minimum wage on January 1, 2019 proposed increase. The above numbers take into account the negotiated increases for 2018 and 2019 but do not include the impact of any adjustments that may be made to the union wage schedules after the implementation of the proposed minimum wage increases.

The implementation of the increased minimum wage will significantly impact the current wage schedule with 50 job classifications over 7 wage grades being paid the same wage rate (i.e., the new minimum wage). The City has recently received correspondence from Local 79 requesting a meeting to discuss the impacts on the wage Budget Impacts of New Minimum Wage Increase & Other Proposed Bill 148 Changes

schedule and discuss options to address the issues. Any adjustments to the wage schedule will significantly increase the amounts outlined in the Financial Impacts Section. In the event the parties begin to engage in discussions to make adjustments to the wage schedule, staff will report to the Employee & Labour Relations Committee for direction.

Impact on Children's Services

Children's Services pays fees or per diems on behalf of clients in receipt of fee subsidies to child care operators with which it has a purchase of service agreement. A purchase of service agreement is for operators to accept subsidized clients. It is up to parents to determine which of the City's eligible child care centres they wish to access.

There will be an increase in actual costs and in per diems paid by the City for those operators paying below the proposed new minimum wage. This will result in a fee increase for families that do not access fee subsidies. Since 2015, the City has provided funding, in the form of a General Operating Grant, to eligible licensed child care service providers through a funding model, approved by Council and consistent with the provisions of the Child Care and Early Years Act, 2014, SO 2014, c 11, Sch 1, as amended. The General Operating Grant is a form of base funding intended to address affordability and wages across the sector. It is in addition to per diems paid on behalf of subsidized clients which are calculated based on the actual costs incurred by operators in providing care. In addition, the recently approved Child Care Growth Strategy acknowledged the need to improve salaries in the early learning and child care sector. To account for this preliminary pressure of \$500,000 Children's Services has included funding in the 2018 budget submission.

Impact on Third Party Contracts

At this time it is unclear if there will be any impact on the City's existing third party contracts as a result of the Bill 148 changes. In consulting with Purchasing & Materials Management, the City's standard procurements do not have a specific provision that contemplates an increase in the contract price based on a change to the minimum wage. In addition, Purchasing & Materials Management is not aware of any specific contract that would have such a provision.

As part of the City exercising any option years that may exist in current contracts, the City's standard approach would allow for an increase in prices based on an appropriate index for that procurement, such as a CPI increase. Exercising any option years is always at the City's option.

Based on this information, it is not felt there should be an increase to any contract price until existing contracts expire and the City goes back out to market with a competitive call. In those instances, the City would not be able to determine whether any increase in price in the new contract would be as a result of the minimum wage or other market changes.

Equal Pay for Equal Work Provisions: Casual, Part-time, Temporary & Seasonal Employees

Bill 148 proposes a requirement that casual, part-time, temporary and seasonal employees are to be paid equally to full-time employees when performing the same job for the same employer. There would be exceptions to the requirement for equal wages where a wage difference is based on:

- Seniority system (including one which provides for different pay based on the accumulated number of hours worked)
- Merit system
- Systems that determine pay by quantity and quality of production
- Other factors (excluding sex or employment status).

If passed the proposal would come into force on April 1, 2018.

Impact on the City

The job classification "Head Ice Technician/Facility Operator – Curling Rinks" exists in both the L79 Part-time Recreation Workers Unit and L79 Full-time Unit. These bargaining units have different pay scales. Having a job in both units is an anomaly as Recreation Worker job classifications typically do not work full-time hours and are, therefore, restricted to one affiliation. Further investigation is required to determine if the current wage structure contravenes the proposed legislation.

Equal Pay for Equal Work Provisions and Termination of Assignment: Temporary Help Agency Employees

Bill 148 proposes a requirement that Agency employees (assignment employees) are to be paid equally to permanent employees of the Agency's client when performing the same job.

Agencies, as defined in the legislation, would be required to provide an assignment employee with at least one week's notice when an assignment scheduled to last longer than three months will be terminated early.

If passed, the termination of assignment proposal would come into force on January 1, 2018, and the equal pay provision on April 1, 2018.

Impact on the City

Bill 148 amends the definition section of the ESA, 2000 by adding definitions for "assignment employees" and "client." It defines "assignment employee" as "an employee employed by a temporary help agency for the purposes of being assigned to perform work on a temporary basis for clients of the agency;" and "client," in relation to a temporary help agency, as "a person or entity that enters into an arrangement with the agency under which the agency agrees to assign one or more of its assignment

employees to perform work on a temporary basis". Interestingly, there appears to be no mechanism to require a client to provide pay-related information to the agency.

While this has no impact on the City's own employees, there could be cost implications for Divisions that use assignment employees, if Agencies, as defined in the legislation, are mandated to match the pay of permanent City of Toronto employees performing the same job.

Personal Emergency Leave

Bill 148 proposes a requirement to permit employees to take personal emergency leave, to deal with issues related to personal illness, injury or medical emergency, the death, illness, injury or medical emergency of a "dependent" or an urgent matter that concerns a dependent, for a ten day total annual allotment, two days of which are to be paid. An employee must have worked for an employer for one week before becoming entitled to the two paid days (if a personal emergency leave is required in the first week of employment, it will be taken from the 8 unpaid days). As long as the employee has been employed for a week, the employee's paid days of leave are to be the first of the personal emergency leave days taken by the employee in any calendar year.

Impact on the City

If the Bill is passed in its current form, there will be a cost impact on the City to provide two paid leave days on an annual basis to all employees.

Paid Vacation

Bill 148 amends Part XI of the Employment Standards Act, 2000 in order to provide a minimum entitlement of three weeks' vacation for employees who have been employed for five years or more, beginning after the end of the employee's vacation entitlement year.

Impact on the City

At present, the City's Vacation Policy provides three weeks of vacation for all full-time employees who have completed one year of service. Part-time employees are entitled to three weeks' vacation, on a pro-rated basis, following the completion of one years' paid hours. This requirement will necessitate a review of the number of part-time employees who do not complete one years' paid hours within five years of commencing their employment with the City. It will also be necessary to review the terms and conditions of individuals who will, as a consequence of the other provisions of the Bill, now be considered City employees.

Public Holiday Pay

Bill 148 changes the formula used to determine the amount that an employer must pay an employee who is not required to work on a public holiday.

Impact on the City

This change will primarily impact part-time employees and will necessitate a review of the current formula as well as the proposed formula to determine if there is an increase in cost to the City.

Scheduling

Bill 148 introduces a number of provisions that will compel employers to meet certain scheduling obligations in relation to their employees. Included in those obligations are provisions ensuring that:

- Employees would have the right to request schedule or work location changes after having been employed for three months, without fear of reprisal, and an obligation on employers to consider such requests and provide reasons when the request is denied.
- Employees who regularly work more than three hours per day but who, while required to work, are given less than three hours work despite being available to work longer, are paid three hours at their regular rate of pay.
- Employees can refuse to accept shifts or be on call without repercussion if their employer asks them to work with less than 96 hours' notice prior to the start of the shift.
- If a shift is cancelled within 48 hours of its start, employees must be paid three hours at their regular rate of pay, unless certain conditions apply.
- When employees are "on-call" and not called in to work, they must be paid three hours at their regular rate of pay. This would be required for each 24 hour period or part thereof, that employees are on-call.

If the proposed legislation passes, this proposal would come into force on January 1, 2019.

The first reading version of Bill 148 gave collective agreement scheduling provisions primacy over the provisions of the Bill. However, at Committee, the legislation was amended in order to provide that if a collective agreement that is in effect on January 1, 2019 contains a provision that addresses such scheduling matters and there is a conflict between the provision of the collective agreement and that section of the Bill that addresses those matters, the provision of the collective agreement prevails until the earlier of the date upon which the collective agreement expires or January 1, 2020.

On November 14, 2017 the provincial government announced that it was proposing to add exemptions to the "on-call" pay and the 96 hours' notice scheduling rules. The requirement for "on-call" pay would not be required where the reason for the "on-call" is to ensure delivery of essential services, such as, fire, utility and snow removal services. In addition, the employee's right to refuse work within 96 hours would not apply if the reason for the request is to ensure the continued delivery of essential public services.

Impact on the City

Currently while the City's collective agreements contain provisions that address employee scheduling, they do not contemplate an automatic right to request schedule changes after three months of employment. The majority of the City's collective agreements contain general provisions that deal with a change in location or "transfer" processes. The City has no comparable policy for non-union employees.

The City's collective agreements all have language dealing with scheduling, and these would prevail in place of some of the scheduling rules. There could be impacts in the Long Term Care Homes & Services Part-Time and Unit B Part-Time collective agreements, and divisions including Long Term Care Homes & Services, Children's Services, Shelter, Support, Housing and Administration, 311, Toronto Paramedic Services and the AOCC's, if the Bill is passed in its current form.

Should these provisions ultimately form part of the Bill, as passed, the City will potentially need to consider their impact when developing its collective agreement proposals in anticipation of the bargaining with its CUPE unions. A review will need to be undertaken of the existing collective agreement language and scheduling practices through-out the City.

Based on the above November 14th announcement, staff are continuing to review the potential impacts.

Pregnancy and Parental Leave

Bill 148 increases the length of pregnancy leave for employees who suffer a still-birth or miscarriage from 6 weeks to 12 weeks after the pregnancy loss occurs. This change will come into effect on January 1, 2018.

It increases, further, the length of parental leaves by a total of 26 weeks:

From 35 weeks to 61 weeks for employees who took a pregnancy leave; and
From 37 weeks to 63 weeks for employees who did not.

Related amendments to the Employment Standards Act, 2000, proposed by the Bill will adjust the timing of when parental leaves must begin and end to reflect the longer period of leave. These changes will come into effect on December 3, 2017 (for children born on or after December 3, 2017).

Impact on the City

If Bill 148 is passed in its current form, these changes will have a monetary impact on the City as it affects the amount of the bi-weekly top-up (to reach 75% of regular pay) and the period of time during which the City provides salary top up for employees on a parental leave.

Conclusion

This report provides a preliminary summary of changes to existing legislation that are contemplated by Bill 148 and the potential cost impacts of those proposed changes. While it is unknown when Bill 148 will secure final approval and proceed to Royal Assent and what form the legislation will take at that time, the City needs to be prepared, as an employer, to respond to the substantial changes proposed, as they will have a significant impact on the City's unionized and non-unionized work forces.

The information provided and the preliminary costs are provided based on the best information and interpretations available at the time this report was written.

CONTACT

Kerry Pond, Executive Director, Human Resources, Human Resources Division
Phone: (416) 397-4112, Kerry.Pond@toronto.ca

Mike Wiseman, Director, Employee & Labour Relations, Human Resources Division
Phone: (416) 392-5006, Michael.Wiseman@toronto.ca

Barbara Shulman, Director, Strategic Recruitment, Compensation & Employment Services, Human Resources Division, (416) 392-7987, Barbara.Shulman@toronto.ca

Josie La Vita, Executive Director, Financial Planning,
Phone: (416) 397-4229, Josie.LaVita@toronto.ca

SIGNATURE

Peter Wallace
City Manager

Joe Farag
Acting Chief Financial Officer

ATTACHMENTS

Attachment # 1 - Bill 148 - Preliminary Costings - City & Agencies
Attachment # 2 - Bill 148 - Leaves and Other Requirements
Attachment # 3 - Bill 148 - Administrative Changes

Attachment # 1

Bill 148 -Preliminary Costings - City & Agencies

Bill 148 Change	City	AOCCs	TTC	Toronto Police	Toronto Public Library	Exhibition Place	TCHC	Toronto Zoo
Minimum Wage	2018-\$1.755 Gross; \$1.355M Net 2019-\$1.883 Gross; \$1.403M Net	N/I	N/I	2018-\$0.324M 2019-\$0.352M	2018-\$0.112M 2019-\$0.105M	2018-\$0.300M Gross; \$0 Net 2019-\$0.400M Gross; \$0 Net	2018-\$0.092M; \$0 Net 2019-\$0.048M; \$0 Net	2018-\$0.401M 2019-\$0.180M
Emergency Leave - 2 Paid Days	\$2.0M	\$0.03M	\$15.4M Assumes all Employees take 2 days and includes Backfill cost (\$4.1M has been budgeted for 2018)	N/I	\$0.020M	2018 is 1st year of implementation. Historical data and trend regarding total # of days taken/used is not available in order to measure accurate \$ impact	2018-\$0.052M 2019-\$0.055M Total \$0.107M	N/I
Public Holiday Pay	\$0.90M	Under Review	TBD	2018-\$0.021M 2019-\$0.001M	N/I	N/I		N/I
Minimum 3 hour Standby Pay	\$1.5M Under review	N/I	\$1.2M Under review	2018-\$0.509M 2019-Nil	N/I	N/I	N/I	N/I

Bill 148 Change	City	AOCCs	TTC	Toronto Police	Toronto Public Library	Exhibition Place	TCHC	Toronto Zoo
Vacation-minimum of 3 weeks after 5 years	N/I	N/I	\$0.10M	N/I		N/I		N/I
Equity Pay for PT, Casual, Temps, Seasonal	Minimal Impact- One classification - Head ice Technician Under Review	N/I	TBD Third Party Contract under Review	N/I		Local 5116 Security will be impacted: 2018-\$0.029M if pay at \$19.24 (highest rate per union agreement). \$0.090M if pay at grandfather rate of \$22 2019-\$0.035M if pay at \$19.24 (highest rate per union agreement). \$0.090M if everybody is paid at grandfather rate of \$22		2020-1.25M (earlier implementation date of 2020-01-01 due to collective agreement end date of 2021-03-31
Extension of Pregnancy/Parental Leave - Increased Top-up	\$7.0M to \$13.5M	Under Review	\$0.90M	\$0.386M to \$0.798M	\$1.10M	Minimal	\$0.310M	*Need more details on requirements

Bill 148 Change	City	AOCCs	TTC	Toronto Police	Toronto Public Library	Exhibition Place	TCHC	Toronto Zoo
Scheduling - 3 hours pay if cancelled within 48 hours	Under Review	N/I	TBD	N/I		N/I	N/I	N/I

*TTC costings include backfill costs

Note: These are preliminary costs based on the best information that was available at the time this report was written. Staff continue to monitor as amendments are made to the Bill and further review and analysis is being done as further information becomes available.

Attachment #2 Bill 148 - Leaves and Other Requirements

Proposed Change	Overview of Proposal	Impact on the City
<p>Domestic or Sexual Violence Leave</p>	<p>Bill 148 proposes a requirement to permit an employee, who has been employed for at least 13 consecutive weeks, an unpaid leave of absence where that employee or the employee's child experiences domestic or sexual violence or the threat of sexual or domestic violence. The leave must be taken for one of the following reasons:</p> <ul style="list-style-type: none"> • to seek medical attention for a physical or psychological injury or disability caused by the domestic or sexual violence; • to obtain services from a victim services organization; • to obtain psychological or other professional counselling; • to relocate temporarily or permanently; • to seek legal or law enforcement assistance; or • any other prescribed purposes <p>The new leave will be structured as a dual entitlement. In each calendar year, an employee may take up to 10 days of leave and may take up to 15 weeks of leave as well. This structure is intended to provide a greater degree of flexibility to the employee to respond to the circumstances necessitating the leave. Employees are to advise the employer prior to taking leave, where that is possible, and provide evidence reasonable in the circumstances if the employer requests it. The Bill does not provide assistance or direction as to what would constitute reasonable evidence to support the requested leave. The new provision makes it clear that an employee may be able to access other leaves under the ESA, such as personal emergency leave, in addition to the new leave (assuming that the employee qualifies for that other leave).</p>	<p>If the Bill is passed in its current form, this new leave will need to be added to the City's leave policies.</p> <p>*On November 16, 2017 an amendment was made to the legislation to provide for 5 days of paid leave within the 10 day leave. The impact to the City is not known at this time.</p>

Proposed Change	Overview of Proposal	Impact on the City
Leave for the Death of a Child and for Crime-Related Disappearance	Bill 148 establishes an entitlement to up to 104 weeks of unpaid leave if a child of the employee dies for any reason, instead of the current entitlement to leave only in the event of a crime-related child death. While it retains the entitlement to crime-related child disappearance leave the Bill also increases the entitlement from up to 52 weeks to up to 104 weeks.	If the Bill is passed in its current form, the City's "Child Related Crime Leave" policy will need to be amended to reflect the changes that are contemplated by the legislation.
Family Medical Leave	Bill 148 extends the entitlement to family medical leave from up to eight weeks to up to 28 weeks.	If the Bill is passed in its current form, the City's Family Medical Leave Policy will need to be amended in order to reflect the extended duration of the leave.
Physician Notes for Absences	<p>Bill 148 permits an employer to compel an employee who takes personal emergency leave to provide evidence reasonable in the circumstances that the employee is entitled to the leave. However, it prohibits an employer from requiring an employee to provide a certificate from a "qualified health practitioner" as evidence, defining that phrase as including:</p> <p>a person who is qualified to practice as a physician, a registered nurse or a psychologist under the laws of the jurisdiction in which care or treatment is provided, or in the prescribed circumstances, a member of a prescribed class of health practitioners.</p>	The impact of this aspect of the Bill, in its current form, is difficult to assess. If passed in that form, the provision may limit the City's ability to manage absenteeism during these personal emergency leave periods. Additionally, absent the ability to secure a certificate from a qualified medical practitioner, the City may be required to secure such reasonable evidence through alternative means that will result in additional, unpredictable costs to it and to its employees.

Proposed Change	Overview of Proposal	Impact on the City
<p>Exclusions / Exemptions</p>	<p>Bill 148 proposes to amend various exclusions and exemptions that are currently contained in the Employment Standards Act, 2000 and the Labour Relations Act, 1995. These amendments would:</p> <ul style="list-style-type: none"> • Ensure that almost all existing ESA requirements and entitlements would apply to Crown employees. • Ensure that all ESA requirements and entitlements would apply to people receiving training for work through their employer. (However, individuals working as part of an experiential learning program run by a university, community college, private career college or high school would be excluded from the requirements and entitlements under the ESA. If the proposed legislation passes, this proposal would come into force on January 1, 2018.) • Ensure that students who are employed and regularly work more than three hours are paid for at least three hours even if they work less than three hours. If the proposed legislation passes, this proposal would come into force on January 1, 2019. • Ensure that all ESA requirements and entitlements would apply to employees working in a simulated job or working environment for their rehabilitation (commonly known as a "sheltered workshop"). If the proposed legislation passes, this proposal would come into force on January 1, 2019. • Beginning in fall 2017, the Ministry of Labour will conduct a review of ESA exemptions and special industry rules, including consultation with affected stakeholders. This review would include exemptions in place for managers and supervisors. 	<p>Potential impacts on contracts with student placements in various City Divisions.</p> <p>The Ontario Government has also recently announced its intention to hold public consultations which will focus on the following eight occupations currently exempt from employment standards:</p> <p>Architects Domestic Workers Homemakers IT Professionals Managerial and Supervisory Employees Pharmacists Residential Building Superintendents, Janitors and Caretakers Residential Care Workers</p> <p>The City will need to follow the progress of these consultations in terms of their applicability to City workplaces.</p>

Attachment # 3

BILL 148 – ADMINISTRATIVE CHANGES

Proposed Change	Overview of Proposal	Impact on the City
Overtime Pay	<p>Bill 148 requires employees, who have two or more regular rates for work performed for the same employer in a work week and who are working overtime, to be paid at the rate applicable to the work performed during the overtime period.</p> <p>If the proposed legislation passes in its current form, this proposal would come into force on January 1, 2018.</p>	<p>This section repeals blended overtime rates. There is no impact on City Employees as the City's current practice is to pay overtime at the rate of pay of the work being performed.</p>
Paying Employees	<p>Bill 148 will create authority to prescribe additional methods of payment. The proposals would also allow for an Employment Standards Officer to order money to be paid directly to an employee when an employer or Temporary Help Agency client owes money to that employee.</p> <p>If the proposed legislation passes, this proposal would come into force on January 1, 2018.</p>	<p>No impact on City Employees, but might impact methods of payment currently in place for agency employees hired by City.</p>
Employee Contact	<p>Bill 148 proposes to end the requirement for employees to contact their employer before filing claim under the Employment Standards Act (ESA).</p> <p>Under the proposed changes, the Director of Employment Standards could no longer refuse to assign an Employment Standards Officer to investigate an ESA claim due to insufficient information from the claimant.</p> <p>If the proposed legislation passes, this proposal would come into force on January 1, 2018.</p>	<p>This administrative change may result in employees advancing claims to Employment Standards Officers that might have been resolved through direct communication between City staff and the employee, increasing the formality of the process through which such disputes are resolved.</p>

Proposed Change	Overview of Proposal	Impact on the City
Penalties for Non-Compliance of the ESA	Bill 148 provides for the adoption of different penalties, or ranges of penalties, for different types of contraventions of the Employment Standards Act, 2000, by way of regulation.	The impact of this proposal cannot be assessed, in the absence of the adoption of the regulations that introduce those penalties.
Interest on Unpaid Wages	Bill 148 amends the Employment Standards Act, 2000, in order to allow the Director to calculate rates of interest for amounts owing under different provisions of the Act or the regulations and for money held by the Director in trust.	The impact of this proposal cannot be assessed, in the absence of the decisions from the Director that impose such interest amounts.
Collection	Bill 148 amends Part XXIV of the Employment Standards Act, 2000, to allow the Director to accept security for amounts owing under the Act, issue warrants to collect money pursuant to an order under the Act or register a lien respecting money owed pursuant to an order under the Act. These powers may be delegated to collectors. The Director and the collectors may disclose information to each other for the purpose of collecting an amount payable under the Act.	The impact of this proposal cannot be assessed at this time.
Electronic Agreements	Bill 148 permits written agreements in electronic form.	The impact of this proposal cannot be assessed at this time.
Record Keeping for Employers	Bill 148 imposes new record keeping obligations upon employers.	The impact of this proposal cannot be assessed at this time.