

THE PAY EQUITY ACT

WHAT ORGANIZATIONS NEED TO KNOW!

The Pay Equity Act requires organizations with 10 or more employees in Quebec, Ontario and federal organizations to establish and maintain Pay Equity. The objective of the Act is to eliminate systemic pay gaps between female-dominated and male-dominated job classes.

In Quebec:

The Pay Equity Act has been in effect since 1996 in Quebec and is governed by CNESST. By law, all organizations within Quebec must carry out an initial pay equity exercise no later than 5 years after the year in which they reached 10 or more employees, and pay equity must be maintained every five years thereafter. Additionally, once Pay Equity has been achieved, employers are required to post the results of the exercise in a visible location and complete the employer's pay equity declaration annually (DEMES).

In Ontario:

The Ontario Pay Equity Act has been in effect since 1987. The Act states that Pay Equity must be achieved on the day an organization hired its 10th employee. Maintenance is required and it is recommended that it is done on an ongoing basis in order to reflect changes within an organization. Recently, The Pay Equity Commission has re-launched its monitoring efforts and many organizations in Ontario must now prove that an exercise was carried out and is being maintained.

FALSE PERCEPTIONS OF CLIENTS

– “I pay my employees well so I do not have to implement pay equity”.

Even if the organization ensures its employees are paid well, the Pay Equity Act requires that an exercise be completed to prove to government authorities that pay equity has been achieved.

– “I have few women in my organization”.

Once the organization has 1 female job class, it is obliged to comply with the Pay Equity Act.

– “Women and men in my organization do not do the same work”.

Pay Equity is defined as “equal pay for work of equal value”.

THE CONSEQUENCES OF NOT COMPLYING IN QUEBEC

- Could be fined up to \$ 45,000;
- Retroactive salary adjustments, plus penalties and interest at the statutory rate (5%);
- Poor advertising affecting the employer mark (publication of decisions);
- Considerable human and monetary resources required in an audit situation if the exercise is not carried out correctly;
- An increased risk of verification since the establishment of the DEMES;
- A loss of the right to average the payment of adjustments.

THE CONSEQUENCES OF NOT COMPLYING IN ONTARIO

- Could be fined up to \$5,000 in the case of an individual, or \$50,000 in any other case;
- Poor advertising affecting the employer mark (publication of decisions from the Ontario Pay Equity Hearings Tribunal);
- Considerable human and monetary resources required in an audit situation if the exercise is not carried out correctly.



Anne-Catherine is a human resource professional who has contributed to several mandates dealing with compliance, human resource management and tools, diagnostics, and the recruitment of HR managers. She earned her B.A. in Human Resource Management from UQAM, and has obtained her CPHR designation. A highly versatile consultant, Anne-Catherine boasts experience in human resources, accounting, and project management.

Her work as an HR consultant and project coordinator has made Anne-Catherine an effective partner, both for her customers, and the members of her team. She builds long-lasting and fulfilling business relationships that allow her to make an optimal impact on Solertia's clients.

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Helen joins the firm with over nine years of Human Resources experience in various areas of the public sector in Ontario. Having spent the majority of her career working for large unionized organizations within the health care industry, she has developed extensive experience in employment and labour legislation, along with collective agreement interpretation. Most recently, she acted as co-chair for a Joint Occupational Health and Safety committee. Helen holds a Bachelor's degree from Nipissing University in Business Administration and Psychology and is currently working towards her CHRP designation through the Human Resources Professionals Association.

Solertia's clients will benefit greatly from Helen's knowledge of and insight into Labour Management Relations.

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Solertia Consulting Group Inc.

Solertia : latin-ae, fem, (ingenuity, competence)

Solertia is known for its expertise in Pay Equity compliance. Having assisted numerous organizations in both Quebec and Ontario who are under audit, Solertia is able to offer its clients expertise and rigor in the implementation and maintenance of their compliance process.

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