



MANITOBA TRUCKING ASSOCIATION

25 Bunting Street Winnipeg, Manitoba R2X 2P 5

UNDERSTANDING THE CANADIAN PAY EQUITY ACT: KEY ASPECTS AND COMPLIANCE

The Pay Equity Act is a pivotal law in Canada aimed at addressing gender-based wage disparities in federally regulated workplaces. The act requires employers to proactively ensure equal pay for work of equal value, specifically targeting the pay gap between male-dominated and female-dominated jobs. The legislation promotes fairness and transparency, and compliance is mandatory for federal employers with 10 or more employees, this includes employers in the Canadian trucking industry.

What is the Pay Equity Act?

The Pay Equity Act is designed to close the wage gap between men and women by ensuring that employees performing work of equal value receive equal pay, regardless of gender. The act goes beyond the concept of equal pay for equal work, assigning compensation based on the value of the work rather than the gender of the worker.

Why Must You Have a Pay Equity Policy?

Developing a pay equity policy is not only a legal requirement under the Pay Equity Act but also an essential step toward creating a fair and equitable workplace.

Having a policy in place ensures:

- **Compliance with the Law:** Employers must create and implement a pay equity plan to meet the legal requirements of the act.
- **Reduction of Gender-Based Pay Gaps:** The policy ensures that female-dominated jobs are not systematically undervalued, which often leads to lower compensation.
- **Workplace Inclusivity:** A transparent and fair pay structure promotes equality, reduces discrimination, and boosts employee morale.
- **Mitigation of Legal Risks:** Failure to comply with the Pay Equity Act can result in penalties, fines, or legal action from employees or the government.

Key Aspects of a Pay Equity Policy

Employers must create a pay equity plan that outlines how they will assess and address wage disparities. Key elements include:

Milestone 1: Establish the Foundation: For employers with 100 or more employees, a committee must be established, comprising both employer and employee representatives.

Milestone 2: Create a Pay Equity Plan: The plan must include a method for comparing jobs, to determine the value of different positions. Employers must analyze the results of the job evaluation to identify any wage gaps between male- and female-dominated roles.

Milestone 3: Compensation Adjustments: If a gap is found, employers are required to make the necessary wage adjustments to ensure equal pay for work of equal value.

Milestone 4: File Your Annual Statement: This is a report that notifies the Pay Equity Commissioner of the percentages of male- and female-dominated roles and any gaps found.

Milestone 5: Ongoing Maintenance: Pay equity is not a one-time exercise. Employers must regularly review and update their pay equity plans to maintain compliance.

Deadline and Requesting an Extension

The deadline for most federally regulated employers was August 31, 2024 and is now passed.

If an employer did not meet the deadline, they can request an extension from the Pay Equity Commissioner. It is crucial to submit the request immediately as non-compliance penalties can be enforced.

Resources

- [Canadian Human Rights Commission: Pay Equity Act](#)
- [Trucking HR Canada's Federal Pay Equity Act Fact Sheet: Do I Need a Pay Equity Committee?](#)
- [Trucking HR Canada's Federal Pay Equity Act Fact Sheet: Overview](#)

If you have any questions about developing a Pay Equity Plan, please contact Legacy Bowes HR Consultants at tory@legacybowes.com.

Funding provided by:

The Government of Canada

The Manitoba Government