

## Ontario Government Unveils New Employment Legislation That Will Change the Hiring and Recruitment Landscape – Pay Transparency and More!

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On November 14, 2023, the Ontario Government introduced Bill 149, *Working for Workers Four Act, 2023* (the Bill) which, if passed, will introduce important changes to the Ontario *Employment Standards Act, 2000*.

There are three changes that will impact how Ontario employers approach the recruitment and hiring process. We briefly discuss each of these changes below.

### Disclosure of Compensation in Job Postings

Employers will be required to include the expected compensation or expected range of compensation in any publicly advertised job postings. Regulations will prescribe any applicable exclusions, conditions, restrictions, or limitations on the obligation to disclose compensation.

Having navigated this process with our clients in British Columbia over the past year, we strongly encourage our Ontario-based clients to start reviewing and preparing their pay structures and practices well in advance of having to disclose compensation information. This process should include:

1. A consideration of your compensation philosophy. This is about deciding how your company rewards employees and whether your company pays fair market value or at the top of the market. To make this assessment, you need to consider the market your business operates in (i.e., industry, size, and revenue) and where your company fits within that market.
2. Reviewing salary data for your company's specific market and assessing where your current pay ranges fall in relation to relevant market data.
3. Adjusting pay ranges to align with comparable market ranges to ensure your company is competitive.
4. Updated job descriptions to accurately reflect adjusted pay ranges.
5. Preparing to communicate changes to management as well as employees.

Taking these steps will put your business in a good position to disclose compensation information and answer questions from employees.

## Prohibition on Requiring Canadian Work Experience

Employers will be prohibited from including any requirement relating to Canadian work experience in job postings and related application forms. Employers will also be required to retain copies of every publicly advertised job posting, and any associated application form, for three years from when the job posting is removed from the public domain.

## Use of AI in Hiring

Employers will be required to disclose in publicly advertised job postings if they use Artificial Intelligence (AI) to screen, assess or select applicants for the position.

## Conclusion

We will continue to monitor the progress of the Bill and provide updates as further information becomes available. Please contact a member of our Employment & Labour team if you have any questions.

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*This publication is a general summary of the law. It does not replace legal advice tailored to your specific circumstances.*