

Ontario Introduces Pay Transparency Legislation to Address Wage Gaps

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On March 6, 2018, the Ontario Government introduced Bill 203, the *Pay Transparency Act, 2018*, which is intended address wage gaps and increase pay transparency by requiring employers to track and publish employee compensation details.

If passed, the legislation will:

- Preclude employers from asking job applicants about their past compensation;
- Require employers to include expected compensation rates or ranges in all publically advertised job postings;
- Oblige larger employers to prepare and publish pay transparency reports regarding their workforce composition and differences in employee compensation based on gender and other prescribed characteristics;
- Grant compliance officers broad powers to conduct investigations and compliance audits of employers; and
- Prohibit reprisals against employees for (i) making inquiries about compensation or pay transparency reports, (ii) disclosing their compensation to other employees, or (iii) requesting that employers comply with their pay transparency obligations.

The Ontario Government has indicated that the proposed pay transparency disclosure measures will be phased in, beginning with the public service, followed by employers with more than 500 employees, and finally, extended to employers with more than 250 workers. In addition, consultations will take place regarding which specific diversity characteristics – in addition to gender – larger employers will be required to track and report on with respect to compensation gaps.

If passed, Bill 203 will impact hiring processes for all employers and create significant new compensation tracking and reporting obligations for larger employers.

Bill 203 passed first reading on March 6, 2018, and [the current draft legislation can be found here](#).

We will be monitoring this legislation and will report on any changes as it progresses.

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