Cassels

British Columbia Introduces New Pay Transparency Legislation

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In March 2023, the Government of British Columbia introduced Bill 13 – 2023 *Pay Transparency Act* (the Bill). This Bill creates a framework that has a goal of identifying and eliminating pay differences among groups of workers. To date, the Bill has received its First Reading in the Legislative Assembly of British Columbia.

What We Know

In its current form, the Bill provides that as of November 1, 2023, employers will be required to disclose wage or salary ranges on all publicly advertised jobs. Employers will also be unable to (a) ask prospective employees for their pay history (a practice known to contribute to the gender pay gap), or (b) engage in reprisal action (such as dismissal, suspension or demotion) against employees who choose to disclose their pay to co-workers or prospective employees.

Certain employers (referred to in the Bill as “reporting employers”) will also be required to prepare a pay transparency report on or before November 1 each year. The obligation to prepare a pay transparency report is being introduced in stages based on the number of employees an employer employs as of January 1 of a given year. The prescribed reporting thresholds are as follows:

- 2023: British Columbia Public Service Agency and Crown corporations with more than 1,000 employees;
- 2024: employers with 1,000 employees or more;
- 2025: employers with 300 employees or more;
- 2026: employers with 50 employees or more; and
- 2027 and thereafter: employers with more than the lesser of 49 and any number of employees prescribed by regulation.

Reporting employers will also need to publish their pay transparency reports on their publicly accessible website, if one exists. If an employer does not have a publicly accessible website, it must make copies of its annual report available to employees in at least one conspicuous place in each workplace and to members of the public who request to see it.

The regulations that will accompany the Bill are expected to be published sometime in the Fall of 2023. The regulations will provide details regarding how employers will be required to report on their gender pay gap.

In a recent publication, the Government of British Columbia noted that the Ministry of Finance will also publish an annual report by June 1 of each year that will serve as “centralized reporting of gender pay in British Columbia.”

Why Is This Important for Employers?

In the last few years, the compensation gap between men and women who do the same work has become a heavily publicized topic of discussion. There has been a slow but steady shift to not only recognize the existence of pay inequity but to invoke within employers a desire to actively close the gap. Requiring employers in British Columbia to publicly disclose compensation ranges and prepare pay transparency reports, and prohibiting them from making inquiries around a prospective employee’s pay history, are important steps towards closing this gap. We will continue to monitor the developments of the Bill. Please contact a member of our employment & labour team if you have any questions.

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