



Bill 148 - Implications For Your Business

Brampton Board of Trade TNT Tuesday



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Overview of Bill 148

Key components of new legislation impacting the *Employment Standards Act, 2000 (ESA)*

- Increase in General Minimum Wage – January 1, 2018 \$14.00 increasing to \$15.00 per hour January 1, 2019
- 10 day Personal Emergency Leave (PEL) entitlement now applies to all workplaces with 2 days paid
- Increased Parental Leave Entitlement (up to 61 weeks)
- Equal wages for full time/part time and temporary agency workers
- New Calculation of Statutory Holiday Pay
- New fines for misclassifying workers as Independent Contractors
- Increased vacation entitlement for employees after 5 years of service
- New Scheduling obligations to create more certainty for employees
- New leave entitlements

Overview of Bill 148

Compliance Dates

- Most new *ESA* provisions became effective January 1, 2018 (Minimum Wage, PEL, new leaves)
- Equal Pay provisions effective April 1, 2018
- New Scheduling provisions will not come into effect until January 1, 2019
- Independent Contractor penalties came into effect November 27, 2017
- New Parental Leave Entitlement came into effect December 3, 2017

Impacts on Businesses

- **Increased Labour Costs:** Cost base, redundancy, wage inflation, vacation
- **Temporary Labour:** Equal pay for equal work
- **Increased Overhead:** Increased requirements on record keeping, HR admin
- **Update SOPs:** Employee manuals, job descriptions, understanding the changes
- **Competition:** Costs will increase quicker for smaller businesses (limited automation, increased overhead)
- **Opportunity:** Who will be the quickest to adapt?

Mitigation Strategies for Businesses

- **Implement Business Process Improvement:** Most businesses have 15%+ improvement opportunity
- **Development of a Strategic Workforce Plan:** Improve labour productivity and scheduling
- **Leverage Automation:** Become more strategic about using government funding for Capex
- **Strategic Sales and Margin Management:** Growing your top line and modifying your pricing structure
- **Consolidation:** Consolidation will occur in most labour driven industries – presents opportunities for your business in how you react

Case Study: Medical Device Company

Client Profile

- Contract manufacturer of medical devices
- Anticipated growth of 40% over one (1) year, US competition
- Cyclical work resulting in planning for redundancy
- Transition from capital to labour intensive product mix (250 employees to 600 employees)

Our Impact

- Improved business processes to reduce redundancy
- Improved labour productivity by 30%+
- Improved margins to help increase EBITDA by 40%
- Implemented lean six sigma best practices



Post-Royal Assent Trends

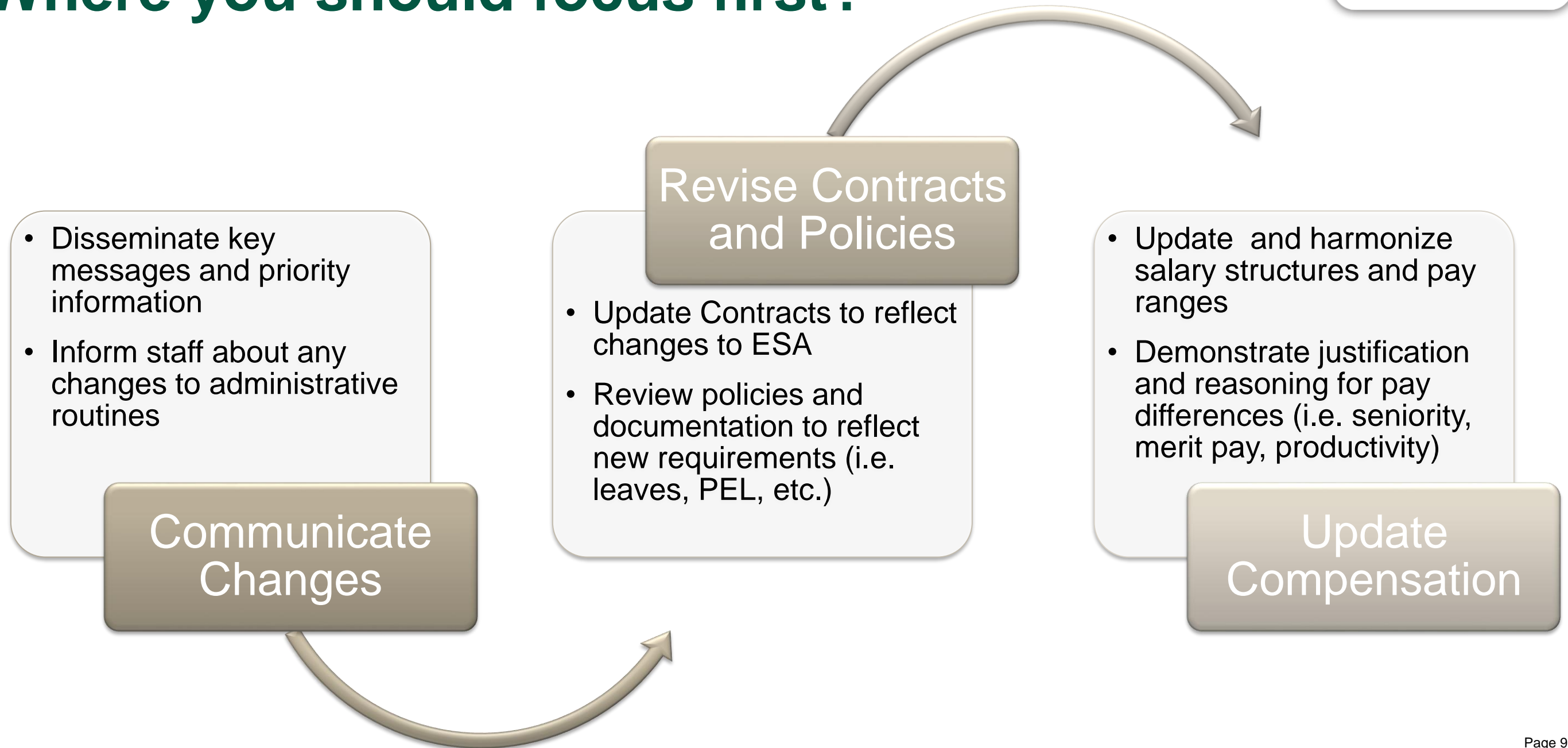
Heightened Attention and Scrutiny

- Media coverage of changes ... backlash
- Government launched media campaign to raise awareness of employee rights and obligations
- 175 new Employment Standards Officers to enforce compliance

Our Observations

- Employees AND Employers are becoming more educated in general about *ESA*
- Companies are adjusting with quick fixes
- For some, it might mean rethinking their workforce mix

Where you should focus first?



Bill 148 Tools

MNP

[Bill 148: Impacts to Ontario's labour laws and employment standards](#)

Ontario Chamber of Commerce and MNP

[Steering Through Change: A Handbook to Help Ontario Businesses Understand and Manage Bill 148](#)

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[Bill 148 Passes Last Hurdle With Further Significant Amendments Proclaimed Into Law](#)

Contact MNP for more information on how Bill 148 will impact you and your organization: Bill148@mntp.ca

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