

# Bill 148 - Implications For Your Business

Brampton Board of Trade TNT Tuesday



# Contacts



**Yohaán Thommy**  
Partner, MNP

T: 905.220.3211  
E: [yohaán.thommy@mnp.ca](mailto:yohaán.thommy@mnp.ca)



**Susan Crawford**  
Partner, CCPartners

T: 905.874.9343 x 224  
E: [crawford@ccpartners.ca](mailto:crawford@ccpartners.ca)



**Alan Lambert**  
Partner, MNP

T: 416.515.5053  
E: [alan.lambert@mnp.ca](mailto:alan.lambert@mnp.ca)



**Jenna Sweiss**  
Consultant, MNP

T: 647.775.1797  
E: [jenna.sweiss@mnp.ca](mailto:jenna.sweiss@mnp.ca)

# 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

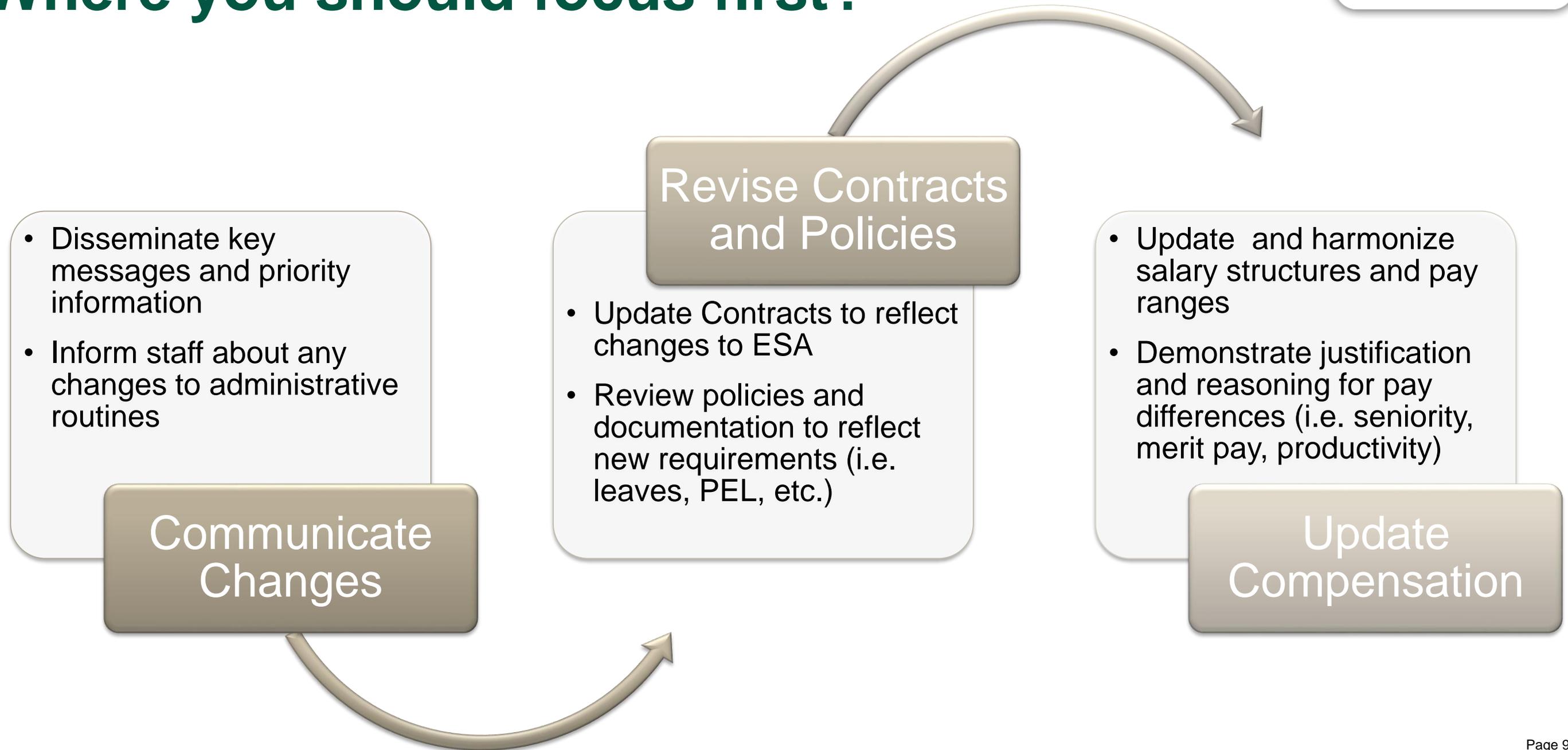
## Heightened Attention and Scrutiny

- 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](#)

CCPartners

[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@mnt.ca](mailto:Bill148@mnt.ca)

The material presented today and contained in these slides contains a general overview of the subject, is provided solely for educational purposes and may not be applicable to a specific case, set of circumstances or facts. This material is based on laws and practices that are subject to change and is current as of the date of publication. This information contained in this presentation is not comprehensive and should not be adopted without regard to other relevant information and the particulars on any situation. Please feel free to contact your local MNP advisor for advice specific to your circumstances.

© MNP LLP 2018. All Rights Reserved.