

Pay Equity: Empowering Women for a Strong Middle Class

The Government of Canada is committed to breaking down barriers to gender equality in education, employment and entrepreneurship, so that women and girls can contribute to—and benefit from—Canada’s growing economy. When women have equal opportunities to succeed they can be powerful agents of change—driving strong economic growth and improving the quality of life for their families and their communities.

The need for progress in Canada is real. For every dollar of hourly wages a man working full-time earns in Canada, a woman working full-time earns about 88 cents. Canada ranks 15th out of 29 Organisation for Economic Co-operation and Development (OECD) countries based on the hourly gender wage gap. This disparity persists despite the fact that pay equity is a human right entrenched in law. As the largest employer in the country, many have called on the federal government to lead by example—and that is what the Government will do.

With Budget 2018, the Government proposes to introduce historic proactive pay equity legislation that will reduce the gender wage gap and ensure that women working in federally regulated industries receive equal pay for work of equal value. This will be included in budget implementation legislation.

The legislation will draw on models in Ontario and Quebec but will take an innovative approach to ensure that on average, women and men in federally regulated sectors receive the same pay for work of equal value. Preliminary estimates suggest that this could improve the gender wage gap from 91.4 cents to 94.1 cents for the core public administration, and from 88.1 cents to 90.7 cents in the federal private sector. This analysis will be refined further as the legislation moves forward.

To address the complexity of the federal sectors, this legislation would:

- Apply to federal employers with 10 or more employees, with pay equity requirements built as much as possible into existing federal compliance regimes.
- Establish a streamlined pay equity process for employers with fewer than 100 employees.
- Set out specific timelines for implementation, and compulsory maintenance reviews.
- Include job types such as seasonal, temporary, part-time and full-time positions.
- Provide independent oversight and robust enforcement.
- Ensure that both wages and other benefits are evaluated in a gender-neutral way.
- Apply to the Federal Contractors Program on contracts equal to or greater than \$1 million, and ensure a robust application of federal employment equity law.
- Repeal previous legislation such as the *Public Sector Equitable Compensation Act* which is inconsistent with the goal of pay equity.



The Government will continue to consult with employers, unions and other stakeholders in the coming months to ensure that the new regime will be applied fairly and will achieve its intended purpose.

While proactive pay equity legislation is an important tool to reduce the gender wage gap, it needs to be part of a broader array of policy tools such as the Government's investments in early learning and child care, enhanced training and learning financing, enhanced parental leave flexibility, pay transparency, and the continued appointment of talented women into leadership positions.

By supporting gender equality, skills training for women and girls, and fundamental fairness for all Canadians, the Government is committed to the full and equal participation of women and girls that is essential to Canada's prosperity.

Pay Transparency

As a related measure, the Government will also implement pay transparency by publishing user-friendly online content on the pay practices of employers in the federally regulated sector. Experience in other jurisdictions has shown it to be helpful in raising awareness about wage gaps.