Ontario Passes The Pay Transparency Act, 2018, Setting Out New Obligations for Employers

April 27, 2018

As part of Kathleen Wynne's *Then Now Next: Ontario's Strategy for Women's Economic Empowerment*, on April 26, 2018, the Ontario government passed *The Pay Transparency Act, 2018* (the "Act"). A first of its kind among the provinces, the Act creates a number of requirements for employers with respect to compensation disclosure to employees and potential employees, as well as the obligation to file with the government annual pay transparency reports, which the government will make public.

The legislation is substantially similar to the version of the legislation we discussed in detail in our recent article —*Closing the Gender Pay Gap: Ontario's proposed Pay Transparency Act, 2018*. The notable difference is that the Act now sets out additional details with respect to the annual pay transparency reports that will be required of employers with more than 100 employees, and the deadlines that apply.

The Act represents an expansion of employer obligations during hiring and compensation processes, and will require additional steps to ensure compliance. The Act will also result in an unprecedented public disclosure of organizations' compensation practices.

While monitoring the release of regulations under the Act, as a first step, employers should consider performing internal pay equity audits, consulting with legal advisors with respect to strategic considerations relating to audits and reporting, and ensuring that hiring and compensation policies are being applied objectively and in a non-discriminatory manner.

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