SWIFT
Human Resources

Specialists in Pay Equity, Placement and Training & Development

The time to act is now
for companies who are behind on their Pay Equity Program

The amended Loi de l'équité salariale affects all employers with 10 employees or more who are now faced with the task of adjusting their employees' salaries.

What is Pay Equity?

To apply salary equity is to assign jobs traditionally held by women equal pay in comparison to jobs traditionally held by men - even if these jobs are different, provided they are of equal value or comparable value to the company. The principle of pay equity goes further than just stating "equal pay for equal work"; it requires "equal pay for work that may be different but of equal value."

Pay equity refers to the right of people employed in predominantly female positions (jobs traditionally held by women) to receive remuneration equal to that obtained by persons who are employed in predominantly male employments (jobs traditionally held by men).

The Pay Equity Act sets out obligations and responsibilities for employers depending on the number of employees. An employer's obligation increases with the number of employees in the company. There are three categories of business sizes; these range from 10 to 49 employees, 50 to 99 employees and 100+ employees.

In evaluating a job, the multiple aspects of work are discussed in terms of four major factors: qualifications, responsibilities, effort required and the conditions under which the work is accomplished.

The following lists the necessary steps in complying with pay equity regulations:

1. Calculating the size of the company;
2. Determining the pay equity program;
3. Creating the pay equity committee;
4. Classifying job categories;
5. Determining the value of each job category;
6. Calculating wage gaps;
7. Posting findings;
8. Adjusting salaries;
9. Annually maintaining salary equity.

In general, companies who have already complied with the Pay Equity Act have increased salaries by an average of 6.5%.

What if you do not comply?

In the event that an employer does not complete his or her Salary Equity Exercise by December 31, 2010, employees of the company may file a complaint with the Commission. The Commission also has the right to start an investigation of its own free will.

The employer must then pay not only the amount owed in salary adjustments (with interest at the legal rate), but also pay an additional penalty that will be retroactive to the date when the adjustments were originally due. This penalty will be calculated in the manner prescribed by the Ministère du Revenu.

The bill could become steep for employers who fail to meet this new deadline! Wages will have to be paid retroactively to 2001 (the initial deadline in the adoption of the law). Interests and additional payments could increase the bill by 8%.

Employers should also be aware that in the case of the sale of a business that has not complied with the law, this obligation will be considered a liability to the buyer which could reduce the company's value or threaten the transaction.

WHAT CAN SWIFT HR DO FOR YOU?

Having attended seminars and training programs offered, by the Ordre and Commission, we are fully acquainted with the procedures needed to complete the entire pay equity exercise.

We will:

- begin with an initial consultation to assess your company's needs,
- work with you, step-by-step, through the entire process,
- assist you in ensuring that your company adheres to the required regulations,
- help you avoid additional penalties,
- prepare documents in both official languages that prove that your company has completed the Palary Equity Exercise, and
- assist in ensuring the required maintenance of pay equity.

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