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OVERVIEW: B.C.'s New Pay Transparency Act

In May, British Columbia passed a new *Pay Transparency Act* which applies to all provincially regulated employees in B.C. and aims to enhance transparency around compensation - benefitting both employees and employers.

B.C. is one of four provinces without either pay transparency or pay equity legislation. Last year, women in B.C. earned 17% less than men, which is one of the largest gender wage gaps in Canada, according to Statistics Canada. New requirements for employers will aim to address systemic discrimination in the workplace by going beyond simply reducing the "gender pay gap". A press release from the B.C. government specifically referred to pay gaps for Indigenous women, women of colour, and immigrant women, as well as women with disabilities and non-binary people.

As of November 1, 2023:

- **Pay History** - Employers cannot ask job applicants to disclose their pay history, unless the pay history is publicly available
- **Job Postings** - Employers are required to list expected pay or pay range in publicly advertised job postings
- **Pay Secrecy** - Employers are prohibited from dismissing, suspending, demoting, disciplining, harassing or otherwise imposing a disadvantage on an employee, or threatening to do any of the above, because the employee made inquiries about the employee's pay, disclosed their pay information to another employee or person who has applied for a job with the employer, made inquiries about a pay transparency report, asked an employer to comply with the obligations under this legislation, or made a report to the director of pay transparency about their employer's non-compliance.

Pay Transparency Report - Employers above a certain size will be required to complete and post pay transparency reports by November 1st of each year. This requirement will apply in stages over the next four years:

- 2023: B.C. government and the six largest Crown corporations

- 2024: all employers with 1,000 employees or more
- 2025: all employers with 300 employees or more
- 2026: all employers with 50 employees or more

Benefits for Employers

While the *Pay Transparency Act* places new obligations on employers, it also offers several benefits that can positively impact businesses:

1. **Enhanced Recruitment and Retention:** Transparent pay practices can help attract and retain top talent. By openly discussing compensation, employers can demonstrate their commitment to fair pay, creating a more appealing work environment and boosting employee morale.
2. **Reduced Wage Discrepancies:** Transparent compensation practices can help identify and address any existing wage gaps within an organization. This proactive approach enables employers to rectify disparities and promote equal pay, fostering a more inclusive and diverse workforce.
3. **Improved Employee Engagement:** When employees have a clear understanding of how their compensation is determined, they are more likely to feel valued and engaged. Transparency can build trust and foster a sense of fairness, leading to increased employee satisfaction and productivity.

By embracing the principles of fairness and equality in compensation, employers can not only comply with the legislation but also improve employee satisfaction, attract top talent, and enhance overall business performance. Embracing pay transparency is an opportunity to foster a positive work culture and showcase commitment to the well-being of employees.

If you have any questions regarding the impact of these changes on your workplace, please do not hesitate to contact ClientCare.