

August 1, 2024

VIA EMAIL

The Honourable Arif Virani, P.C., M.P.
Minister of Justice and Attorney General of Canada
mcu@justice.gc.ca

Dear Minister Virani,

RE: Pay Equity Act

I am writing to you today to request the allotment of additional and substantial resources to the Pay Equity Commission to ensure that the organization is fully capable of fulfilling its mandate to administer and enforce *the Pay Equity Act*, resolve disputes in a timely way, and ensure compliance.

As you are aware, the September 3 deadline for federally regulated employers to have pay equity plans in place is fast approaching. Our experience in Unifor-represented workplaces suggests that given the rate at which pay equity committees are progressing, it will be challenging—if not impossible—for many federally regulated employers to meet their obligations ahead of this deadline. Failure to meet these responsibilities has consequences for many workplaces by perpetuating the inequities faced by many people in female-dominated job classes, by causing delays in pay increases, and by undermining the very purposes of the *Pay Equity Act*.

Unifor represents 320,000 workers across the country, many of whom are employed in federally regulated workplaces. In fact, our union bargains with more than 190 federally regulated employers. As of today, we are aware of only six employers who met the recent July 2 deadline to post a draft pay equity plan for comment from employees and their representatives. Out of these six employers, three have concluded that no pay equity adjustments are required, and two others are, in our view, manipulating the process to their advantage by “gaming” the bands in the equal average method to minimize total compensation increases at the expense of pay equity. While we acknowledge that some pay equity plans will require smaller adjustments than others, we question situations in which a plan requires no pay equity adjustments at all.

Unifor members who sit on pay equity committees and Unifor's in-house experts have reported problematic conduct from employers who are, at best, exhibiting a profound lack of understanding of their responsibilities under the *Act*, or, at worst, intentionally ignoring the *Act*. Employers who have failed to allocate adequate time and resources to meet the *Act's* deadline for posting a draft plan are often the worst offenders in exhibiting disregard, intransigence, or both. Having engaged with other employee representatives on these matters, it is clear to us that the challenges outlined in this letter are not unique to Unifor-represented workplaces.

Many employers have refused to disclose their compensation for non-union and/or management employees, creating unnecessary barriers to pay equity. Others ignore the union's meeting requests to establish a committee as one of the first steps. Others refuse to disclose necessary information to employee representatives on the committee and/or refuse to provide committee members with copies of documents so they can adequately review and evaluate job descriptions, classifications, and bands. Some employers are ignoring the requirements for committees by refusing to allow the participation of specific union representatives, making unreasonable demands for exceedingly broad non-disclosure agreements that threaten discipline and termination, and attempting to bully committee members into agreeing to draft plans without engaging in the processes mandated by the *Act*.

Many employers have misunderstood the role of pay equity consultants, and some are attempting to block genuine engagement of pay equity committees. A number of Unifor members sitting on pay equity committees have reported that their employers have appeared at the first pay equity committee meeting simply to present a fully developed and completed pay equity plan prepared by a consultant, as a *fait accompli*. In some instances, employee representatives have been subject to consistent resistance and exclusion from the legally mandated pay equity process.

Although the Pay Equity Commission and staff have worked professionally and diligently to assist parties including our union, the complaint process is bottlenecked. It is evident to us there are inadequate resources dedicated to adjudicating disputes. Recently, it took four months to receive a decision from the Pay Equity Commission after filing a complaint regarding one employer's multiple plans. As a result of the delay in obtaining a decision, the company required an extension to complete the pay equity process.

In the 2021-2022 annual report, the Pay Equity Commissioner reported that the pay equity unit had 24 staff allocated across four business units including Outreach and Research, Intake Services and Technical Implementation, Tools and Training, and Compliance and Enforcement. The 2023-24 annual report does not show an increase in staff but does indicate an increase in the number of requests for information, complaints and disputes. The *Pay Equity Act* applies to more than 5,000 federally regulated employers covering 1.4 million employees. The 24 staff will be responsible for ensuring that 5,000 employers have pay equity plans. The resources currently allocated to the Commission are not adequate to get this job done.

It is because of challenges we have faced doing our part to uphold the requirements of the *Pay Equity Act* that our union was compelled to write to you. We hope that the experiences outlined in this letter will help illustrate the need for timely and significant resources to the team who assists parties in meeting the set objectives.

Unifor believes that achieving pay equity in the workplace is integral to the fight for justice and equality at work. I urge you to consider allocating further resources to meeting the goals set out in the *Pay Equity Act* and in your mandate, and I invite you to contact my office if you would like any further information on Unifor's experience with the pay equity process to date.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lana Payne', written in a cursive style.

Lana Payne
National President

cc. The Honourable Chrystia Freeland, P.C., M.P., Deputy Prime Minister and Minister of Finance; The Honourable Steve MacKinnon, P.C., M.P., Minister of Labour and Seniors; Pay Equity Commissioner Lori Straznicky.

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