

CLOSING THE GENDER PAY GAP

THE FEDERAL PAY EQUITY COMMISSIONER'S
2021-2022 ANNUAL REPORT TO THE MINISTER



Canadian
human rights
commission

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droits de la personne

Canadian Human Rights Commission

344 Slater Street, 8th Floor Ottawa, Ontario K1A 1E1

Toll Free: 1-888-214-1090 | **TTY:** 1-888-643-3304 | **Fax:** 613-996-9661 |

www.chrc-ccdp.gc.ca

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Pay Equity Commissioner's Message

It is my honour to present this first Annual Report, as Canada's first Pay Equity Commissioner. It is a role that I have come to humbly, with a central goal that is dear to my heart: to demystify pay equity for people in Canada, and help employers see it as an opportunity to attract top talent and build a stronger and more equitable workplace.

The COVID-19 pandemic has had a particularly devastating effect on working women. This is especially true for disabled women, newcomer women, racialized and Indigenous women and for those who are LGBTQ2SI+. For that reason, it is extremely important to ensure that measures to improve the social and economic well-being of women are implemented. Pay equity is one such measure!

Closing the gender pay gap is essential to our country's economic and social recovery, and it is good for business. Today's workforce is looking for a workplace that reflects their value system. They expect equity, diversity and gender equality at their workplace. Pay equity is a concrete way for employers to take action on these values and to demonstrate that they take gender equality seriously.

Employers are expected to deliver their final pay equity plan and notice of pay increases by September 3rd, 2024. This deadline is approaching faster than many realize. It is important that employers understand their pay equity obligations and work to advance the pay equity process within their organization. The clock is ticking.

The Pay Equity Unit of the Canadian Human Rights Commission is here to help. Starting in 2019, in the lead up to the Act coming into force, we began consulting with unions, women's organizations and employer associations to hear their concerns and learn from their experiences. Informed by their invaluable feedback, we have developed tools and guidance resources to support employers as they begin to conduct their compensation analysis and create their pay equity plan. We have set up a dispute resolution process and an auditing process that are both efficient and fair. The foundation is in place.

I strongly believe that the key to success with pay equity is to put into practice what I call the 3 C's: communication, collaboration and compromise. Experience has taught me that when people communicate openly, and are willing to compromise and collaborate, they are much more likely to avoid time-consuming and costly conflict. This will greatly assist in meeting the three-year deadline to develop a pay equity plan. For my part, I look forward to continuing to collaborate with all stakeholders as we work to implement this legislation. Achieving pay equity in Canada's federally regulated workplaces is a challenging, but extremely important goal. And as this first Annual Report will show, the Pay Equity Unit of the Canadian Human Rights Commission has the right tools and the right people to help us all reach that goal

Karen Jensen
Pay Equity Commissioner



Introduction

This first annual Pay Equity Report provides a report on the activities and accomplishments of the Pay Equity Unit of the Canadian Human Rights Commission. It covers the period from October 16, 2019, from Canada's first Federal Pay Equity Commissioner Karen A. Jensen's appointment, to March 2022. The information is organized according to the legislative mandate assigned to the Pay Equity Commissioner under section 104 of the Pay Equity Act ("the Act"). That provision stipulates that the Pay Equity Commissioner's mandate is to administer and enforce the Act, assist persons to understand their rights and obligations under the Act, and to resolve disputes relating to pay equity. In doing so, the Commissioner must:

- (a) monitor the implementation of the Act;
- (b) offer assistance to employers, employees and bargaining agents in relation to pay equity matters and applications, including in relation to complaints, objections and disputes, and decide any matter or application over which he or she has jurisdiction under this Act;
- (c) develop tools to promote compliance with the Act;
- (d) educate and inform employers, employees and bargaining agents of their rights and obligations under the Act;
- (e) undertake and publish research related to pay equity matters; and,
- (f) maintain close liaison with similar bodies or authorities in the provinces in order to coordinate efforts when appropriate

We have organized this Report according to the legislative mandate set out above. After explaining who the Pay Equity Unit has come to be and what we do, we will address the work we have done to advance each of the requirements of the Commissioner's legislative mandate.



Who We Are

The Pay Equity Unit (the Unit) is a team of 24 employees who work with the Federal Pay Equity Commissioner to implement the Pay Equity Act. Established in 2019, the Unit includes four teams: Outreach and Research; Intake Services and Technical Implementation; Tools and Training; and Compliance and Enforcement. Our role is to administer and enforce the Act in federally regulated organizations under the leadership of the Pay Equity Commissioner, Karen Jensen. As part of this role, we provide guidance to employers, bargaining agents, and employees as they develop a pay equity plan for their workplaces. This work includes:

- Responding to questions about pay equity;
- Deciding on requests to modify how the workplace applies the Act;
- Assisting workplace parties to resolve disputes; and
- Monitoring and auditing compliance with the Act.

Laying the groundwork

Over the past few years, we have been busy laying the groundwork for Canada's first federal proactive pay equity program. Developing a new program starts with identifying and understanding the issues, challenges and opportunities. We first established an outreach model to ensure that we heard a diversity of views from industries and stakeholders. The feedback we received from this engagement helped inform our three-year Education and Engagement Strategy. We based the strategy on what employers and other stakeholders told us they need to create a sustainable pay equity plan.

As part of these early outreach activities, we met with domestic and international stakeholders to discuss the Act, the mandate, and broader gender equality considerations. Between November 2019 and March 2020, we organized 24 introductory meetings with advocacy groups, employers and labour stakeholders to understand their needs, concerns and expectations. We also met with governmental and provincial counterparts to gather lessons-learned and seek opportunities for collaboration.

Our Tri-Partite Working Group

Following our successful early engagement work, we created the Stakeholder Tri-Partite Working Group (TPWG) in June 2020. The purpose of the working group is to ensure that our educational tools, materials, interpretations, policies and guidelines meet the needs of diverse workplaces in the federal jurisdiction (for example, providing guidance to employers with distinctive compensation practices and systems). This working group helps to ensure that our pay equity resources are accessible and shared widely among workplace parties. Tri-Partite Working Group members meet regularly and represent federal public and private sector workplace parties covered by the Pay Equity Act: employers, bargaining agents and other employee representatives.

We would like to acknowledge the invaluable contribution of the members¹ of the working group. Their business acumen and willingness to share their experience and specific circumstances made all the difference in the launching of this program.

Our Technical Advisory Group

Expert advice is crucial in helping workplace parties comply with their pay equity obligations and address potential systemic gender-based discrimination in their compensation practices and systems. We have relied on close consultation with technical experts in the areas of pay equity, compensation policy and practice, labour economics, law and other relevant domains. This helped us make sure that our pay equity educational tools, materials, interpretations, policies and guidelines are methodologically sound and align with the Pay Equity Act.

In creating the Technical Advisory Group (TAG) in June 2020, we gathered pay equity experts and practitioners, as well as representatives from non-governmental organizations, businesses, think tanks and academia to provide advice and recommendations. We would like to recognize the invaluable contributions of all TAG members² in helping to shape our guidance material. Their knowledge and know-how have been instrumental as we developed this new federal program.

The Commission benefited from TAG's expertise to develop resources in areas such as:

- Designing pay equity committees (for example, the roles of committee members, training, operating rules and consensus-building);
- Determining gender predominance in a way that complies with the Canadian Human Rights Act and recognizes the non-binary nature of gender identity and expression;
- Assessing and determining the value of work (i.e. job evaluation methodologies, gender-neutral assessment, use of pre-existing values of work);
- Demonstrating how to calculate compensation under various compensation models; and,
- Advising on compliance and enforcement measures (i.e. the development of compliance and enforcement tools, audits, administrative monetary penalties, etc.).

2020–2022 Education and Engagement Strategy

Engaging stakeholders and partners, including the Tri-partite Working Group and the Technical Advisory Group, has been at the heart of everything we have done since 2019. Their input and experience has helped inform our three-year Education and Engagement Strategy, which comprises two main goals: 1) to raise awareness about the requirements of the new Pay Equity Act, and 2) to build capacity amongst the workplace parties to achieve pay equity in their workplaces

¹ See Annex A for a list of the Tri-Partite Working Group members.

² See Annex B for a list of the Technical Advisory Group members.

The Education and Engagement Strategy takes the following iterative approach, grounded in learning and continuous improvement:

- We build our own internal knowledge and understanding of the pay equity requirements and compliance processes;
- We then train employers and Pay Equity Committees, empowering them to do the work;
- We equip workplace parties with the tools they need to carry out the steps of the Pay Equity Plan; and,
- We adjust our educational materials based on lessons-learned, accessibility and accuracy.

Guiding Principles

Based on all the feedback received during our initial outreach activities and close attention to the proactive nature of the Pay Equity Act, we developed a set of guiding principles in 2021. These guiding principles provide an overarching set of core values for the Pay Equity Unit, and help to establish a framework for expected behaviour and decision-making.

Engagement and awareness

We develop guidance through a broad range of engagement and consultation activities. Promotional and stakeholder engagement is key to forging productive relationships. By building awareness and commitment through information, education, guidance materials and tools, we can better support organizations in reaching their pay equity objectives, including the development of their pay equity plans. Engaging employers, sharing information and encouraging best practices helps to create a learning environment and a culture of collaboration and continuous improvement.

Fairness and transparency

Stakeholders need to be confident that we are conducting business in a way that reflects our corporate values. This requires fairness and transparency in the delivery of our pay equity mandate, as well as in the timely reporting on our activities. Providing clear and accessible information about our processes helps stakeholders better understand their rights and responsibilities.

Evidence-based decisions

We use evidence-based decision-making grounded in the best available research and data. This approach leads to well informed decisions by revealing the risks and issues that need to be addressed in order to achieve our program objectives.

Resolution-driven focus

Early resolution saves time and energy for all parties involved. We recognize that disputes may occur during the pay equity process. When they do, we try to intervene as soon as possible with information and facilitated discussions. If initial efforts do not succeed, we offer the parties Alternative Dispute Resolution (ADR). Disputes take time

away from the development of the pay equity plan. It is therefore in everyone's best interest to come to a resolution as soon as possible. Facilitated discussions and mediations are conducted in a way that fosters communication, collaboration and compromise.



What We Do

Proactive regime

The Act establishes a proactive pay equity regime to address gender-based discrimination and inequities in the pay practices and systems of federally regulated employers. Employers who are covered by the Act are required to create and post a pay equity plan within three years of the Act coming into force. Employers who are unionized and/or have 100 or more employees must develop their plans within a committee composed of employee and union representatives. As opposed to complaint-based legislation, a proactive regime puts the onus on employers to put proactive plans, policies and systems in place to address discrimination and barriers to equality, thereby reducing the need for employees to file formal complaints.

Employers and the other workplace parties need considerable support to comply with a proactive law like the Pay Equity Act. Therefore, the Pay Equity Unit has developed a suite of educational and guidance materials and tools. The Unit also provides dispute resolution services to those employers who are required to develop their pay equity plans in committee. Finally, the Unit is developing a compliance and enforcement framework to ensure that employers and unions meet their obligations under the Act.

Application

The Act applies to federally regulated private and public sector employers, as well as parliamentary institutions with an average of 10 employees or more. This covers approximately 4,600 federally regulated employers and 1.3 million employees. Employers who are subject to the Act are required to create and post a pay equity plan, pay any increases in compensation due and report on their plan within three years of becoming subject to the Act.

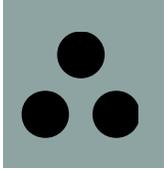
The Act does not currently apply to Territories (Yukon, NWT, Nunavut), or Indigenous governing bodies, including First Nations Governments. Pay equity in these workplaces is still protected under section 11 of the Canadian Human Rights Act or territorial legislation. Employers with an average of fewer than 10 employees also remain subject to section 11 of the Canadian Human Rights Act.

Mandate

We are responsible for providing leadership and direction on the administration and enforcement of the Act and its regulations. Subsections 104(1) and 104(2) of the Act describe the role of the Pay Equity Commissioner and the Unit, and prescribe the ways by which this role is to be achieved.

The emphasis is placed on:

- a) ensuring the administration and enforcement of the Act;
- b) assisting persons in understanding their rights and obligations under the Act;
and
- c) facilitating the resolution of disputes relating to pay equity.



How We Do It

Monitoring the implementation of the Act

As the Pay Equity Unit within the Commission, we are responsible for monitoring the implementation of the Act, including the establishment, the maintenance and updating of federally regulated employers' pay equity plans. Our focus is on applying a proactive compliance model to assist employers in fulfilling their legislated responsibilities and duties under the Act. In our view, a proactive compliance approach means developing and maintaining a collaborative relationship with employers through proactive communication. From there, our audit strategy will move to random audits of employers to ensure compliance with the Act.

Our first role in monitoring the implementation of the Act involved ensuring that employers and other workplace parties are fully aware of their responsibilities under the Act. To that end, from June 2021 to November 2021, the Pay Equity Unit sent 6,262 letters informing employers and workplace parties of the coming into force of the legislation. We reminded them of their first obligation: the posting of a section 14 Notice advising employees of the employer's obligations with respect to pay equity. We sent an additional 1,732 reminder letters to ensure employers were aware of the various tools available to them. Employers and workplace parties were also informed that there is a possibility they will be asked to respond to questions and provide information pertaining to their Section 14 Notice as part of a future audit.

Our second role in monitoring the implementation of the Act involved the development of guidance and a template for the section 14 Notice requirement, which was made available in the Tools and Resources section of our website. In addition, when it has come to our attention that some employers have failed to meet the section 14 Notice requirement, we have reached out to them to provide them with information and guidance on the requirement to post the Notice.

Another way in which the Unit has been monitoring the implementation of the Act is by participating in the development of regulations, which add detail to the requirements under the Act. Over the course of the past two years, we have participated in initial consultations on the Pay Equity regulations. We then provided a submission to the Labour Program (ESDC) on its initial proposal for the Pay Equity Regulations. The objective of this analysis was to determine whether the public administration principles of accessibility, transparency and accountability were reflected in the Regulations. Our key recommendation was to simplify and clarify the regulatory requirements. We believed that this was essential in promoting pay equity compliance amongst employers within the timeframes provided by the Act.

The final component of our monitoring efforts over the past year consists of our contribution to the development of the Administrative Monetary Penalty Regime (AMPs).

The Pay Equity Act allows for financial penalties to be levied against an employer or bargaining agent if they are found to have contravened part of the Act, or applicable regulations. This is the first time the Commission will administer this type of penalty, and the groundwork is currently being developed. We are working closely with the Labour Program on the development of the AMPs, as a means to ensure a sound and robust compliance regime, while providing flexibility in its implementation. Our focus is on assisting parties to achieve compliance voluntarily, without having to resort to enforcement measures such as AMPs. The goal is to have the AMPs regime up and running by 2023.

The monitoring role of the Pay Equity Unit will evolve over time, as the program does. For now, since we are still in the infancy stage of this new federal program, we have focused our monitoring efforts on ensuring that all employers are fully aware of their responsibilities and on providing them with the support to fulfill those responsibilities. We have also worked closely with the Labour Program to support the development of regulations and AMPs that are effective and workable.

Offering assistance to employers, employees and bargaining agents

Under section 104(2)(b) of the Act, we are required to assist employers, employees and bargaining agents with issues that arise during the course of establishing and maintaining a pay equity plan. This includes helping the workplace parties with complaints, objections and disputes. Time is of the essence in resolving these matters. Our role is to provide feasible options to resolve issues in a timely manner so workplace parties can meet the three-year deadline for establishing a pay equity plan. Our approach emphasizes the need to communicate, collaborate and compromise. This includes helping the workplace parties to resolve their own problems by providing tools and information, and where needed, an efficient alternative dispute resolution process.

Requests for information form

All requests for assistance, whether they be to resolve a matter in dispute, to request a presentation from the Pay Equity Commissioner, or to request authorization for a different application of the Act, start with a request for information. A request for information form is the single point of entry into the Pay Equity Unit. The reason for making the request for information the single point of entry is that it enables the Pay Equity Unit to tailor its intervention to the needs of the party making the request and to avoid unnecessary expenditures of time and resources. For example, a member of a pay equity committee may believe that they have a complaint against the employer and therefore, files a request for information from the Pay Equity Unit. Upon speaking with a Pay Equity Officer, the potential complainant may receive the information needed to alleviate the concern and eliminate the need for a complaint. In this way, the effort and resources needed to process a formal complaint are not expended, and the workplace parties are given more time to focus on developing the pay equity plan.

The Pay Equity Unit has developed a [Request for Information](#) form so that parties can contact us to obtain the information they need to engage in these preliminary discussions or inform us of their intent to file a request for assistance.

Each request for information is assessed within 48 hours. For every request, a Pay Equity Officer contacts the requester directly to determine if:

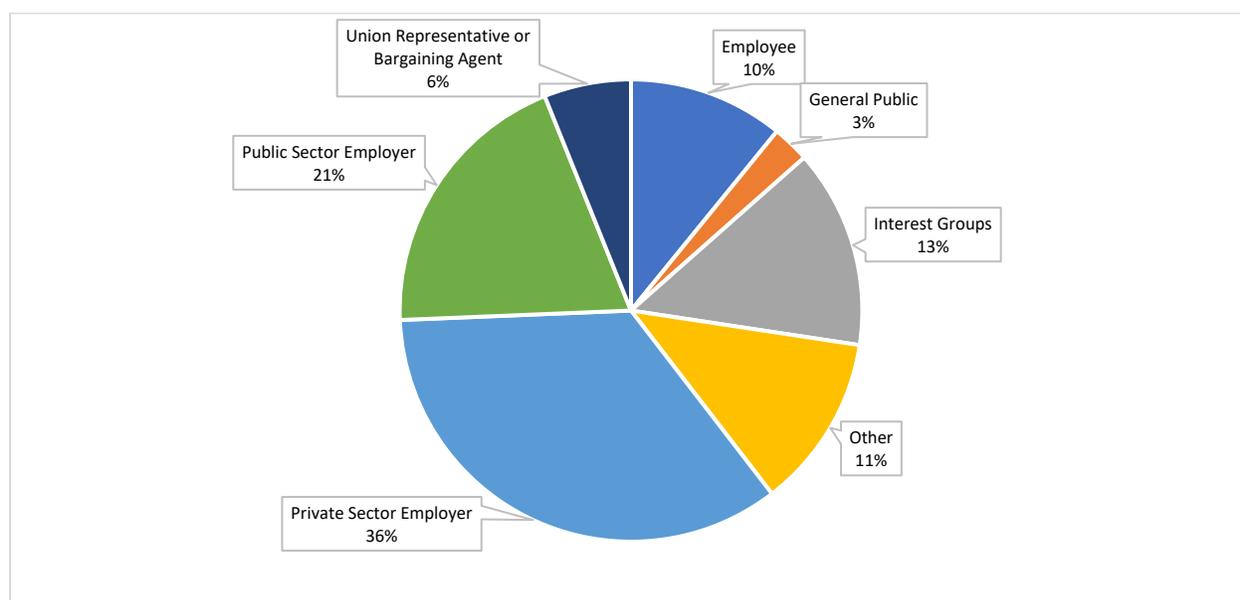
- the matter falls within the Commissioner’s mandate and jurisdiction;
- an early intervention could resolve the situation; or
- a formal authorization request, complaint, notice of matter(s) in dispute or objection is necessary.

This first step of requesting information is very important because we understand that guidance and timely interventions are vital to employers’ progress and success under the Pay Equity Act.

Over the last year, most requests for information have been simply that – requests for information to enable the workplace parties to begin the work on complying with the Act. Requests for information have been steadily increasing throughout the year. Most of the requests we receive are regarding pay equity plan development. Other categories include:

- Presentation or engagement requests;
- General requests on the Act;
- Complaints and other disputes;
- Pay equity committees;
- Posting & notices in the workplace;
- Training;
- Who is covered by Act - Jurisdiction/mandate.

The pie chart below illustrates the different groups reaching out to us for information. Over a third of requests were from private sector employers (36%).



Authorization requests

One key feature of the federal pay equity regime is that the Pay Equity Commissioner can authorize, in certain circumstances, a modified application of the Pay Equity Act. In other words, the Commissioner can decide on a case-by-case basis to give permission to apply the Act in a different way. For example, an employer may require a different composition for its pay equity committee than the requirements specified in the Act. To seek this special permission, employers and workplace parties must make an authorization request.

However, as stated above, workplace parties begin the authorization process by filing a request for information. When we have sufficient information to determine that a formal authorization request is necessary, we send a submission package to the requester. A Pay Equity Officer will then provide specific guidance on how to complete the Authorization Request Form and the procedure to submit the request.

Once we receive an authorization request, we offer Alternate Dispute Resolution (ADR), through facilitated discussions or mediation. Our trained mediators, along with the Pay Equity Officer assigned to the file, will conduct these mediations. If the matter is not resolved through ADR, we will begin a formal assessment of the authorization request.

Developing tools to promote compliance

Under section 104(2)(c) of the Pay Equity Act, the Commission's Pay Equity Unit is required to develop tools to promote compliance with the Act. The Pay Equity legislation is complex and affects different aspects of an organization's work system such as classification, job evaluation, and compensation. It can have an impact on collective bargaining, workplace culture and employee involvement in compensation decisions. In this context, employers and pay equity committees need access to the right tools to help them navigate their pay equity responsibilities.

The Pay Equity Compass

Our initial outreach activities, and our experience with human rights complaints, pointed to the need for an easy way for organizations to confirm that the legislation applies to them. The Pay Equity Compass is a simple and efficient online resource that provides employees, bargaining agents and employers with a series of questions to help determine whether the Pay Equity Act applies to their workplace. We launched the Compass on August 30, 2021.

The Pay Equity Toolkit

Another key tool that was identified early on in our program development was the Pay Equity Toolkit. Once launched, the toolkit will support small and medium sized federally regulated organizations in developing their pay equity plan. The toolkit consists of an Excel Pay Equity Tool, which will calculate the compensation gaps, a User's Guide, a Job Evaluation Guide and a case study. The User Guide provides guidance on navigating through the seven steps needed to develop a plan, including the posting of a final pay equity plan. The Job Evaluation Guide was created to assist with the job evaluation portion of the pay equity plan.

Since July 2021, we have been developing the Pay Equity Toolkit with input from external stakeholders, including testing by external partners for usability and clarity. The testing phase is now completed. The toolkit will be piloted over the upcoming year.

Videos

During our consultations, organizations —especially small employers—indicated that they would benefit from additional promotional products. To respond to this need, we produced two pay equity videos explaining the basics of the legislation. These videos may be used to train committee members on key concepts and have been used to train our own staff.

Infographics

We also produced promotional material in the form of infographic-posters that employers can feature on their website or on office bulletin boards in hallways and boardrooms. The first one is called What is Pay Equity. It explains the difference between pay equity and equal pay for work of equal value, who is covered by the Act, why pay equity is important, how it is achieved and when it must be completed. The second infographic is called Pay Equity Timeline in Canada. It describes the milestones and dates that employers should follow to meet the requirements of the Act. Finally, the third infographic elaborates on the Key steps to creating and posting a pay equity plan, from establishing a solid foundation, to creating a pay equity plan and posting it.

Educating and informing employers, employees and bargaining agents about their rights and obligations under the Act

Educating and informing workplace parties about their rights and responsibilities under the Act has been our primary focus since 2019, and especially over the past year. This work is mandated by subsection 104(2)(d) of the Pay Equity Act. It involves building internal and external capacity to support the implementation of this legislation; developing educational and promotional products, as well as guidance materials; engaging with our stakeholders; and being a knowledge centre for all pay equity inquiries.

The coming into force of the Act

The Pay Equity Act came into force in June 2021. To celebrate this milestone, Commissioner Jensen participated in a joint Facebook live event with the Minister of Labour at the time, the Honourable Filomena Tassi. We also shared information about upcoming key requirements with over 7,000 stakeholders. These included employers who are subject to the Act, employer and labour associations, non-governmental organizations, Indigenous women's groups, and other partners. We disseminated this information through an electronic outreach campaign and through our social media channels, between July and October 2021. During the fall of 2021, we also briefed federal separate agencies, parliamentary institutions, human resource and law associations, and trucking associations on their obligations related to the Act coming into force.

Outreach activities and increased visibility for Pay Equity

Since October 2019, the Pay Equity Unit has participated in 89 events to share information about the new Act, foster engagement, and increase involvement. In 2021–2022, we took part in 24 events reaching at least 1,300 people. In addition, Commissioner Jensen spoke at a number of Canadian events about the new legislation. These events included, among others:

- Presentations to associations and compensation teams representing various federally-regulated industries, such as the Canadian Labour Congress, the Federally Regulated Employers – Transportation and Communication (FETCO), several Maritime Associations, and the Canadian Bankers Association;
- The Canada Labour Code Conference;
- The Women Lawyers Forum of the Canadian Bar Association;
- The Treasury Board Secretariat’s Bargaining Agent Early Engagement Working Group; and,
- A learning event to highlight International Pay Equity Day.

Commissioner Jensen also appeared before the Standing Committee on the Status of Women (FEWO) in February 2021 to testify about the pay equity legislation.

International Work

In February 2020, Commissioner Jensen spoke at an Equal Pay International Coalition (EPIC) forum, held in Berlin. EPIC is led by the International Labour Organization (ILO), UN Women and the organisation for Economic Co-operation and Development (OECD). Its goal is to achieve equal pay for women and men everywhere in the world. It is the only multi-stakeholder partnership working to reduce the gender pay gap at the global, regional and national level.

In addition, the Commissioner participated in an interactive panel discussion at the EPIC forum on “Lessons learned from selected countries on measures adopted to reduce the gender pay gap.” This opportunity enabled the Commissioner to share information about the new Pay Equity Act and to position Canada as a leader in pay equity before a broad and global audience. While abroad in early 2020, the Commissioner engaged with four European leading pay equity and gender equality organizations and their representatives. Commissioner Jensen has since been an active participant in EPIC, as well as other international networks, such as the UN Global Compact Network.

With Canada’s Labour Program chairing the EPIC Secretariat starting in 2022, the Pay Equity Commissioner and Pay Equity Unit will continue to support this initiative and participate in events.

Online platforms

The Pay Equity Unit engages the majority of its public audience through our online platforms. We use our various social media channels, particularly Twitter, to promote pay equity in both official languages, to drive traffic to the Commission’s website, to address commonly asked questions and to mark special pay equity milestones and events.

We also use social media to amplify key messages about pay equity and the work of our provincial counterparts and partners.

The Pay Equity section of the Commission's website is the main tool to access information on pay equity, such as:

- What is pay equity, who is covered by the Act, what are the employees' rights, and what is the bargaining agent's role;
- What are an employer's responsibilities under the Act, and the five milestones that must be completed to develop pay equity plans;
- What notices must be posted, what information must be included in these notices and when must they be posted;
- How can the Pay Equity Unit help;
- What are authorization requests and how will they be processed; and,
- What other tools and resources are available to help achieve pay equity in the workplace.

Educational products

This past year, in support of our Education and Engagement Strategy, we developed a suite of educational materials now available on our website. We designed these materials to meet the needs of different groups: from the public, to workplace parties and employers, and small businesses. To date, these materials have focused on the first milestone of the pay equity process: establishing the foundation of pay equity.

The types of products³ that were developed fall into four categories:

1. Interpretations, Policies and Guidelines (IPGs);
2. Short Explainers;
3. Promising Practices; and,
4. Guides.

The IPGs provide additional information on specific provisions of the Pay Equity Act and related regulations. The IPGs target pay equity practitioners, pay equity committee members and pay equity specialists and advisors within the organizations. The Short Explainers provide the public with general, easy to understand information on pay equity. The Promising Practices series covers areas that an employer could consider to advance its pay equity work. These practices are not prescribed in the legislation, but could be useful to employers who are facing specific challenges and are seeking innovative ways to address them. Finally, our guides range from legislative interpretations, to software guides and how-to documents.

Please visit the [Publications](#) page of our website to consult our publications and educational products.

³ See Annex C for a list of all our products.

Undertaking and publishing research

The Commission has been involved in pay equity since Parliament created the Canadian Human Rights Act in 1977. This gives us valuable historical knowledge on the subject, and positions us to access a broad network of expertise and empirical knowledge from within the Commission. Over the past year, we focused our research efforts on gaining a deeper understanding of the proactive nature of this new legislation and building internal capacity. We realized that the legislation was silent on some important human rights considerations such as inclusive gender data collection. During our consultation with stakeholders, we learned about the challenges that employers are facing regarding the establishment of their pay equity committee, especially when multiple bargaining agents are involved. In addition, we learned that workplace parties are concerned about the way decisions need to be made in a tri-partite setting. They viewed the voting provisions in the Act as encouraging the filing of complaints rather than consensus building. We decided to respond to these challenges by conducting research, as we are empowered to do under section 104(2)(e) of the Pay Equity Act.

Collecting inclusive gender data

We are leading the way in contemporary pay equity practice with guidance on the collection of inclusive gender data. This guidance is the result of research and consultation we undertook in 2021-22 with the Tri-Partite working group and experts. Thanks to this research initiative, we have developed a Promising Practices document entitled “Collecting Inclusive Gender Data” to assist employers in communicating with employees, asking the right questions and ensuring the safety and confidentiality of employee gender identity data in a way that respects the diversity of the Canadian public. The guidance we developed helps employers create their own inclusive gender survey should they decide to embrace this concept. The document “Promising Practices - Gender Inclusive Data Collection” brings a non-binary lens to what has essentially been a gender-binary task in the past, and ensures that the Pay Equity Act is interpreted in a manner that is consistent with the Canadian Human Rights Act. Stakeholders, including the LGBTQ2SI+ community, were pleased with this research and the publication of this document on the website.

Early engagement in the workplace

We also researched promising practices for employers, bargaining agents and employees to develop an early engagement structure. The resulting publications support collaboration and dialogue within the workplace and promote the benefits of having an early engagement structure until a pay equity committee has been established. Early engagement structures can take many different forms and can be tailored to suit the needs and characteristics of a particular workplace. Some options for the structure are: a steering committee, a joint committee, a joint task force and a multi-stakeholder discussion group. The document “Promising Practices – Early Engagement Options” offers realistic options to create an interim governance structure that can transition over time into one or more pay equity committees.

Collaborative decision-making and consensus-building

The Pay Equity Unit examined a broad scope of literature to develop tools to support collaboration and consensus building. Reaching consensus is an important part of how pay equity committee members make decisions. As our stakeholders have pointed out, unless workplace parties strive for consensus, the likelihood of time-consuming complaints and disputes will increase. Pay equity committee members must collaborate and be prepared to compromise in order to make decisions that reconcile diverse perspectives throughout the pay equity process. Although section 20 of the Pay Equity Act provides a voting mechanism to resolve issues arising during the development of a pay equity plan in committee, frequent recourse to voting may result in requests for the Pay Equity Unit to determine the issue when the vote is tied. This may slow down the development of the pay equity plan and result in missing the three-year deadline.

Two Promising Practice documents resulting from the research on collaboration and consensus building are now available on our website.

Collaborating with Provincial counterparts

In accordance with Section 104(2)(f) of the Pay Equity Act, we continue to work closely with Provincial pay equity counterparts, including both Ontario and Quebec's Pay Equity Commissioners.

At the invitation of the Ontario Pay Equity Commission, we participated in an episode of the "Level the Playing Field" podcast, which looked at new artificial intelligence and data-driven software tools being used to analyze and help close gender pay gaps.

At an event organized by the International Labour Organization in October 2021, we worked with the Ontario Pay Equity Commission to prepare a joint panel discussion giving an overview of the respective pieces of pay equity legislation. The panel discussion addressed the similarities and differences in the two laws, and described the initiatives in place to support their application and enforcement.

The Pay Equity Unit also collaborated with the Commission des normes, de l'équité, de la santé et de la sécurité du travail (CNESST) to issue a notice with the CNESST concerning the application of federal and Quebec pay equity legislation during insolvency or bankruptcy proceedings. This notice was circulated by the Office of the Superintendent of Bankruptcy Canada to approximately 1,000 licensed insolvency trustees on February 2, 2022.



Conclusion

Pay equity is a human right. It addresses the pernicious undervaluation of women's work, which contributes to systemic gender wage gaps. Because of stereotypes about women's work and historic biases that have crept into compensation systems, jobs that are commonly held by women tend to be paid less than jobs commonly held by men even when the work is comparable in value based on skill, effort, responsibility and working conditions. The new federal pay equity legislation presents an opportunity for federal employers to improve their workplaces by making their commitment to gender equality a reality. When employees are paid equitably without regard to irrelevant considerations such as gender, the organization's productivity increases by helping to attract the best employees, reducing turnover and increasing organizational commitment.

Raising awareness and informing workplace parties of the new requirements associated with the Pay Equity Act and Regulations is a good start to complying with the Pay Equity Act. But, there is much more work to be done. In the past year, the Pay Equity Unit has dedicated itself to equipping employers and other pay equity parties with the tools, guidelines and resources they need to achieve the three-year goal of developing a pay equity plan.

Over the course of the coming year, we will enter the next phase of the pay equity process during which employers must develop their pay equity plans. With the groundwork in place, we are now positioned to provide expert support and guidance at every step of the process so that no organization will feel alone in their pay equity journey. We are here to help; please reach out through our website at www.chrc-ccdp.gc.ca.



ANNEX A

Stakeholder Tri-Partite Working Group member(As of February 2022)

- Air Transport Association of Canada
- Association of Professional Executives
- Bell Canada
- Brinks Canada
- British Columbia Maritime Employer Association
- Canadian Armed Forces
- Canadian Association of Professional Employees
- Canadian Bankers Association
- Canadian Federation of Independent Business
- Canadian Flight Attendant Union
- Canadian Labour Congress
- Canadian Nuclear Safety Commission
- Canada Revenue Agency
- Canadian Trucking Alliance
- CBC/Radio-Canada
- Centrale des syndicats du Québec
- CN Rails
- Confédération des syndicats nationaux
- Federally Regulated Employers - Transportation and Communications
- Fédération des travailleurs et travailleuses du Québec
- Halifax Employers Association
- House of Commons
- Le syndicat des employées et employés professionnels-les et de bureau – Québec
- Library of Parliament
- Office of the Conflict of Interest and Ethics Commissioner
- Office of the Parliamentary Budget Officer
- Parks Canada
- Polar Knowledge Canada
- Public Service Alliance of Canada
- Senate of Canada
- Syndicat canadien de la fonction publique
- Teamsters
- TELUS
- The Professional Institute of the Public Service of Canada
- Treasury Board Secretariat
- Trucking HR
- UNIFOR
- WestJet



ANNEX B

Technical Advisory Group members

We would like to recognize their work in helping us understand and shape our guidance material.

- Ashley MacIssac-Butler (Catalyst)
- Beth Bilson (University of Saskatchewan)
- Craig Sampson (CPHR)
- Denise Perron (Groupe AEQUITAS)
- Ellen Hollinger (CPHR)
- Fay Faraday (Faraday Law/Pay Coalition of Ontario)
- Frances Woolley (Carleton University)
- François Trottier (Remuglo Conseils Inc. CPHR)
- Ian Cullwick (Mercer)
- Jan Kennedy (Korn Ferry)
- Janet Borowy (Equal Pay Coalition)
- Jean-Jacques Tremblay (J.J. Tremblay & Associates Consulting Services Inc.)
- Johanne Perron (Coalition de l'équité salariale du Nouveau-Brunswick)
- Karen Campbell (Canadian Women's Foundation)
- Karen Harnois (CSQ)
- Katherine Sadovia (EPCOR)
- Nancy Stapley (Canadian Federation of Business and Professional Women)
- Larry Moate (Larry Moate Advisory Services)
- Marie-Thérèse Chicha (Université de Montréal)
- Margot Young (University of BC)
- Craig Faucette (Trucking HR)
- Mary Turan (Gallagher McDWall Associates)
- Nathalie Léger (LEAF)
- Paul Durber (Opus mundi Canada)
- Phil Johnson (Korn Ferry)
- Ruth Rose-Lisée (Université du Québec à Montréal)
- Sandra Haydon (Sanda Haydon & Associates)
- Susan Tang (Gallagher McDWall Associates)
- Tammy Schirle (Wilfrid Laurier University)
- Todd Bassett (CPHR)
- Wendy Cukier (Ryerson University)
- WE EMPOWER



ANNEX C

Education Products for the general public, employees and small businesses.

- 12 Short Explainers, a series of short plain language publications:
 - Introduction – What is Pay Equity?
 - Application – Who will be covered by the federal pay equity legislation?
 - Timelines – What are the key timelines under the new federal pay equity legislation?
 - Definition of employee – Who is an employee under the new federal Pay Equity Act?
 - Employee count – What is an employee count and how is it done?
 - Employer responsibilities – As an employer, what are my main responsibilities?
 - Employee rights – As an employee, what are my rights?
 - Group of employers – What is a group of employers?
 - Pay Equity Committees – What is their role and how are they created?
 - Determining job classes – What is a job class and how are they created?
 - Determining gender predominance – What does gender predominance mean, why is it important and how is it determined?
 - Determining value of work – How is the value of work determined under the federal pay equity legislation?
- Frequently asked questions

Interpretative Guidance and “How To” products for human resources experts, as well as the employer and labour communities.

- 7 Interpretations, Policies and Guidelines (IPG), which are written resources to ensure consistent interpretation of the Pay Equity Act and regulations across federal workplaces:
 - Requirement to keep information confidential
 - Creating groups of job classes
 - Multiple plans
 - Definition of employee
 - Pay equity committee
 - Sharing information with pay equity committee members
 - Determining the female or male predominance of a job class in an inclusive manner
- 5 Promising Practices, a series identifying strategies and techniques that show potential for developing into best practices in federal pay equity:
 - Forming a pay equity committee
 - Working in a pay equity committee: building consensus
 - Working in a pay equity committee: collaboration
 - Early engagement options
 - Collecting inclusive gender data
- The Pay Equity Legislative Guide, a comprehensive written resource on the Act to help stakeholders understand their pay equity rights and obligations