

Feature

The 2017 Federal Budget: What Employers Need to Know

Amendments to the Canada Labour Code and Employment Insurance Act



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On March 22, 2017, the Trudeau Liberal Government tabled the Government's 2017 Federal Budget ("2017 Budget"). While the 2017 Budget is primarily focused on building a strong middle class through key areas such as innovation, skills training and investments in communities, there are a number of notable proposed amendments which, if passed, will significantly impact employers, and, in particular, federally regulated employers.

The 2017 Budget proposes various amendments to the *Canada Labour Code* which include the following:

- Provisions which will give federally regulated employees the right to request more flexible work arrangements from their employer, such as flexible start and finish times and the ability to work from home.
- New unpaid parental leaves for family responsibilities, to participate in traditional Indigenous practices, to seek care if they are victims of family violence and to make bereavement leave more flexible.
- The elimination of unpaid internships in federally regulated sectors where the internships are not part of a formal educational program; and various measures to ensure that unpaid interns who are part of an educational program are entitled to various statutory protections such as maximum hours of work, weekly days of rest and general holidays.
- An increase of \$13 million over five years, starting in 2017, and \$2.5 million per year thereafter to strengthen compliance and enforcement mechanisms.

Various changes to employment insurance ("EI") benefits are also proposed, including:

- The creation of a new EI caregiving benefit of up to fifteen (15) weeks. The new benefit will cover a broader range of situations where individuals are providing care to an adult family member who requires significant support in order to recover from a critical illness or injury. Parents of critically ill children will continue to have access to up to 35 weeks of benefits, with additional flexibility to share these benefits with more family members.
- Changes to EI parental benefit to allow parents to choose to receive EI parental benefits over an extended period of up to eighteen (18) months at a lower benefit rate of 33 percent of average, or at the existing benefit rate of 55 percent over a period of up to twelve (12) months.
- Changes to allow women to claim EI maternity benefits up to twelve (12) weeks before their due date. This represents an increase from the current standard of eight (8) weeks.
- Changes to the EI program to allow claimants to pursue self-funded training and still maintain their EI status. For unemployed workers in receipt of EI, this will mean that they can return to school to obtain training without losing their EI benefits.

To implement these measures, the 2017 Budget proposes to amend the *Canada Labour Code* to ensure that workers in federally regulated sectors have the job protection they need while they are receiving these caregiving, parental or maternity benefits. Various changes to the *Employment Insurance Act* are also proposed.

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Even if passed, the changes to the *Employment Insurance Act* and the additional benefits provided will not translate into job protected leave for provincially regulated employees unless concurrent changes are made to provincial employment standards legislation. No doubt, if these changes are passed and offer these additional benefits for federally regulated employees, we can expect that there will be added pressure on provincial governments to pass similar amendments and provide similar job protections.

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