

# The impact and implementation of the Québec Pay Equity Act

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# Outline

- Main features of the Québec Pay Equity Act (QPEA)
- The Pay Equity Plan
- Joint participation
- Degree of implementation
- Other impacts
- Conclusion

**Main features  
of the  
Québec Pay Equity Act (QPEA)**

- Enacted in 1997 ; major amendments 2009 and 2015
- Principle:
  - Equal pay for work of equal value (ILO c100)
- Purpose:
  - Erase pay discrimination towards persons working in predominantly female job classes.

- **Main features:**

- **Mandatory and large scope of application : employers with 10 employees or more**
  - 56 000 enterprises,
  - 80% of the labour force = 2 727 000 persons
  - 48% women = 1 300 000 persons
- **Detailed methodology : the Pay Equity Plan**
- **Participatory: employers and employees representatives (unionized or not)**
- **Flexibility: different requirements according to size**
- **Target date of completion: 4 years for the PEP ; 4 years for wage adjustments**

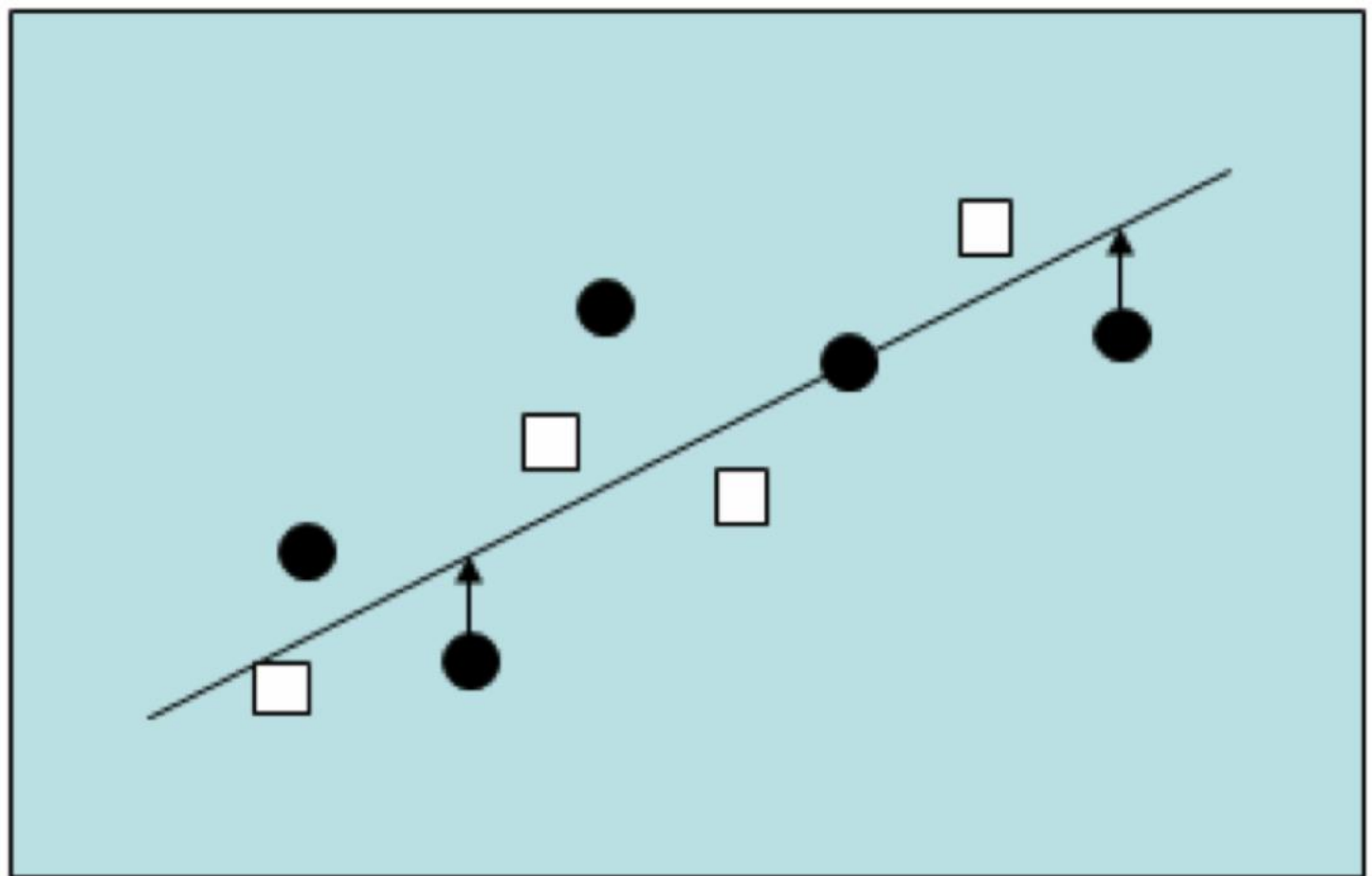
# THE PAY EQUITY PLAN: A FLEXIBLE PROCESS

# PAY EQUITY PLAN

1. Determine the gender predominance of jobs: different indicators
2. Determine the value of the jobs through a gender neutral evaluation method: adapted to size of enterprise and economic sector

# PAY EQUITY PLAN

3. Determine pay gaps between jobs of equal value





# PAY EQUITY PLAN

4. Make pay adjustments to correct the discriminatory pay gaps towards predominantly female jobs.

# Pay equity and market adjustments

- Does pay equity conflicts with market forces i.e with demand and supply wage adjustments?
- How this is taken into account in the Pay equity act?

## Pay equity and collective agreements

Principle: one PEP whatever the number of unions represented in the enterprise

But in most cases, each union has preferred to develop distinct plans with the employer.

Reason: to avoid a strong linkage between all the collective agreements in a given enterprise.

- Québec having a decentralised system of labour relations, in general , pay equity plans are implemented within each entreprise and not by industrial branch or sector.
- Sectoral PEP are allowed

# MANDATORY REPORTING

- Reporting requirements: DEMES
- What is the DEMES used for?
  - □ To make employers annually aware of their obligations under the Pay Equity Act;
  - □ To measure the level of application of the Pay Equity Act in Québec;
  - □ To target support and verification interventions by the Commission in enterprises.

# Reporting requirements: DEMES

## Examples of questions related to Pay Equity

Did you implement pay equity for all the employees in your enterprise?

Date of posting

Have you completed a pay equity audit for all the employees of your enterprise?

Penalties up to 45 000\$ for not filing the form or making a false declaration

Joint participation  
in the development of the  
PEP

# Obligations under the QPEA

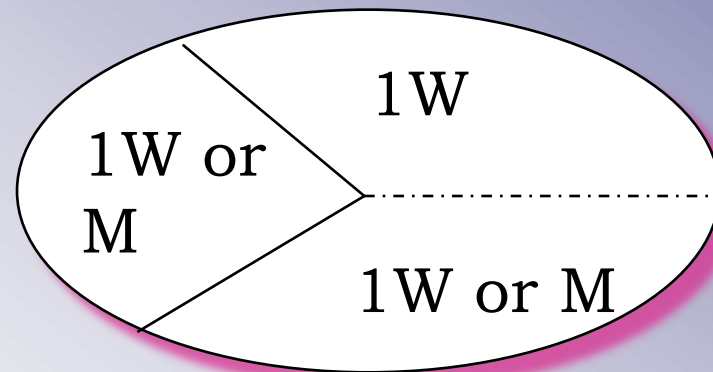
The Act requires:

- A pay equity committee for all enterprises with 100 or more employees: employer-union representatives- non-unionised employees representatives.
- . Joint participation employer-union for all enterprises with 50 to 99 employees



# Participation : Example of Pay equity committee structure

**1/3 are employer  
representatives**



**2/3 are  
employee  
representatives**

**Mandate: Development and implementation of  
the Pay Equity Plan**

# Legal obligations concerning the : pay equity committee

From the part of the employer:

- Training
- Information and Transparency

From the part of employees representatives:

- Confidentiality concerning all data required for the PEP
- Penalties for breach of confidentiality

# Conflicts between the parties

- **Conflicts between employer and employees representatives:**
  - conciliation by the Québec Pay equity commission (very successful).
  - Confidentiality of all the process and the results
  - If conciliation does not work: decision of the Commission
  - If parties do not agree with the Commission's decision, then tribunal.

## Relation with collective agreements

Adjustments in compensation in respect of predominantly female job classes(...) **are deemed to form part of the collective agreement or the conditions of employment applicable to employees holding positions in those job classes. (Section 76.6 PEA)**

# Impacts of joint participation

- ❖ **Ensure better knowledge of jobs**
- ❖ **Avoid use of external consultants**
- ❖ **Develop internal expertise that is highly useful in the long-term**
- ❖ **Improve labour relations**

# Degree of pay equity implementation

# Implementation of the QPEA

- At the beginning of July 2015: 84% of employers have implemented Pay equity
- Highest rate; 94%: enterprises with 100 employees and more.

- **WAGE ADJUSTMENTS:** in Québec, 0.5% of wage bill for SME to 3.76% for public sector. In Ontario: 0.5% to 2.2% of wage bill.



# A few adjustments examples

Partial results indicate that:

The average pay increase given to female-dominated jobs varied between 5.6% and 8.4%

Female-dominated occupations which most often benefit from pay adjustments are:

- Clerks (office, accounting, data entry)
- Secretaries
- Different types of agent (reception, cloakroom, reservations)
- Female packers, wrappers, production operators

# Other impacts

# Benefits

- Better knowledge of the characteristics of jobs
- Contributes to improving various human resource management practices, such as recruiting, selecting and promoting personnel (25% net improvement)
- Achieve better match between applicants' qualities and requirements of the positions to be filled

# Benefits

- Selecting a single evaluation method to measure all of the organization's jobs contributes to simplifying human resource management, including the compensation system (38% net improvement)

# Benefits

- Obtaining a compensation system that is consistent and tailored to the needs of the organization
- Enhanced attractiveness of the organization
- Protection from being sued for wage discrimination

**CONCLUSION**