

Statutory Holiday Pay Calculation Back to Old Formula Commencing July 1st

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What you need to know

On Monday, May 7, 2018, the Ontario government announced they are reversing and reinstating the old public holiday pay formula, effective July 1, 2018. The government received a number of complaints from small business owners as a result of the new public holiday pay calculation (to be revoked on July 1), which increased the amount paid to casual and part-time employees. Some businesses found they were paying more in additional holiday pay than for the time worked by the employee. According to business groups surveyed, many employers were confused by the new calculations and discouraged from employing casual and part-time employees due to the higher costs. Others were forced to reduce hours or layoff their current casual and part-time staff.

Following feedback discussions with stakeholders where business owners argued the current calculation is both costly and flawed, the Ontario government conducted a review of the public holiday system under Part X of the Employment Standards Act, 2000 (ESA). The new regulation is a result of the Ontario government's first comprehensive review - Changing Workplaces Review - of the province's labour and employment legislation.

The Changing Workplaces Review helped inform the FWBJA, which amended the public holiday pay formula. This new regulation has been put in place as an interim measure with a goal to have a new system ready by 2020.

If you need help understanding the new laws or assistance with any other compliance issue, please contact HR Performance & Results today!

We can help with all of your human resources and health and safety needs



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Current Public Holiday Rule – January 1, 2018

- The employee's public holiday pay for a given holiday is calculated by dividing regular wages earned in a pay period before the public holiday by the number of days worked in that pay period.

This current public holiday pay formula will be revoked and the public holiday pay that was in effect prior to Bill 148 (the Fair Workplaces, Better Jobs Act - FWBJA) will be reinstated, starting with the Canada Day 2018 holiday.

New Public Holiday Rule – July 1, 2018

- The employee's public holiday pay for a given public holiday shall be equal to the total amount of regular wages earned and vacation pay payable to the employee in the four work weeks before the work week in which the public holiday occurred, divided by 20.