



CANADIAN FEDERATION  
OF NURSES UNIONS  
LA FÉDÉRATION CANADIENNE  
DES SYNDICATS D'INFIRMIÈRES  
ET INFIRMIERS

## POSITION STATEMENT

### Pay Equity

September 2022

#### BACKGROUND AND OVERVIEW<sup>1</sup>

Fair pay means that the work women and men do is equally respected and valued. However, for generations, women in Canada have been paid less than men for work of equal value. Work traditionally done by women – like work in the caring professions – has always been undervalued, as compared to professions dominated by men. No matter what their level of education, or whether they work full or part time, women face wage discrimination across all sectors. Canada is ranked as having the 7<sup>th</sup>-highest gender pay gap out of a list of 47 countries examined by the OECD, based on 2021 data. Comparing annualized earnings, by gender, for both full-time and part-time workers, women in Canada earned an average of 89 cents for every dollar earned by men in 2021.<sup>2</sup> The wage gap is even greater for Indigenous and racialized women, as well as those with disabilities. Women, who make significantly less throughout their working lives, are also more likely to live and retire in poverty.

Thanks to the labour movement, this pay gap is much smaller for women within unions, but the goal of the labour movement is to promote income equality across the board for *all* working women, recognizing the widespread economic benefits inherent in reducing wage gaps. Collective bargaining and pay equity measures significantly reduce the wage gap for women.<sup>3</sup> However, in an economy where the trend is towards precarious labour, short-term contracts or piece work, women are increasingly vulnerable.

On October 29, 1999, the federal government announced its plan to implement the largest pay equity payout in Canada's history, a victory for the Public Service Alliance of Canada, which had filed its original complaint on behalf of its members in 1984 with the Canadian Human Rights Commission.

In 2001, a federal Pay Equity Task Force was appointed, and its report tabled in 2004 made over a hundred recommendations to address the gender wage gap in Canada, providing a proactive roadmap to end wage discrimination. The 2004 report also noted that wage discrimination exists for people with disabilities, Indigenous workers and racialized workers.

Since 2004, the Canadian labour movement, under the leadership of the Canadian Labour Congress, has continued to lobby for change.

Today six provinces have proactive pay equity laws covering both public and private sector workers. Ontario and Quebec already had existing laws on the books before 2019, and they have since been joined by Manitoba, New Brunswick, Nova Scotia and Prince Edward Island. Under these laws, employers must take active steps to identify and eliminate wage discrimination. Several provinces still have no pay equity legislation at all. The Canadian labour movement continues to lobby for proactive pay equity laws in all jurisdictions in Canada to ensure that workers in both the public and private sectors have their rights respected.

In 2018, in an effort to keep the pressure on both federal and provincial governments to move forward on developing and implementing pay equity, the Canadian Labour Congress launched its Done Waiting campaign,<sup>4</sup> which called for an end to wage discrimination, for action on child care, and for an end to sexual harassment and violence.

In December 2018, Canada finally passed a federal *Pay Equity Act*. The *Pay Equity Act* came into force on August 31, 2021, and replaced the complaint-based system in the *Canadian Human Rights Act* with a proactive pay equity system for federally regulated employers in the public and private sector.

Following the enactment of the new pay equity law, employers will have to meet the following requirements:

- Post a notice informing their employees of the establishment of a pay equity plan on or before November 1, 2021;
- Employers of 100 employees or more, or with unionized employees, will need to form a pay equity committee to carry out the steps of the pay equity plan; and
- Create and share their pay equity plan with employees on or before September 3, 2024.<sup>5</sup>

In October 2019, the Government of Canada named Karen Jensen the country's first Pay Equity Commissioner.

The new Commissioner's tenure came shortly before the onset of the COVID-19 pandemic, which greatly exacerbated the precarity women already faced in the labour market. While the World Health Organization's (WHO) July 2022 report revealed that in Canada, the wage divide between men and women working in the health and care sector almost halved over the last decade from 8.5 percent in 2000 to 4.7 percent in 2019, these findings do not fully reflect the employment loss during COVID-19 that disproportionately affected women.<sup>6</sup>

In August 2022, the Pay Equity Commissioner submitted her first annual report to Seamus O'Regan Jr., Minister of Labour, and David Lametti, Minister of Justice and Attorney General of Canada.<sup>7</sup>

## CFNU POSITION

The Canadian Federation of Nurses Unions (CFNU) recommends that:

- The federal government work with unions and employers to develop pay equity regulations in a timely fashion.
- The federal government close any loopholes in regulations that allow employers to avoid meeting their obligations under the law.
- The federal government introduce pay transparency measures, including an obligation to file pay equity plans as well as details about compensation for workers in all equity-seeking groups.
- The federal government ensure that the office of the Pay Equity Commissioner has sufficient funding to implement the pay equity legislation and hold employers accountable.
- All jurisdictions enact proactive pay equity laws covering both public and private sector workers.

---

<sup>1</sup> Government of Canada. <https://www.canada.ca/en/treasury-board-secretariat/services/innovation/equitable-compensation/fact-sheet-evolution-pay-equity.html>; Canadian Labour Congress. <https://canadianlabour.ca/research/issues-research-closing-gender-pay-gap/>

<sup>2</sup> Canadian Women's Foundation. <https://www.canadianwomen.org/the-facts/the-wage-gap/>; OECD <https://data.oecd.org/earnwage/gender-wage-gap.htm>

<sup>3</sup> Institute for Women's Policy Research. <https://iwpr.org/iwpr-publications/fact-sheet/the-union-advantage-for-women-2/>

<sup>4</sup> Canadian Labour Congress. <http://www.donewaiting.ca/>

<sup>5</sup> Canadian Human Rights Commission. <https://www.payequitychrc.ca/en/pay-equity-law-will-close-gender-wage-gap>

<sup>6</sup> World Health Organization. <https://www.who.int/publications/i/item/9789240052895>

<sup>7</sup> Canadian Human Rights Commission. <https://www.payequitychrc.ca/en/federal-pay-equity-commissioners-2021-2022-annual-report-to-the-minister>