



CANADA LABOUR CODE AMENDMENTS

– IN EFFECT JULY 9TH, 2023

July 2023



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One of our strategic priorities is to make a company's job easier by delivering a comprehensive collection of up-to-date guides, reports, templates and more to support effective human resources management and recruitment and retention efforts.

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INTRODUCTION

Two amendments to the Canada Labour Code (CLC) came into effect July 9th, 2023. To assist federally regulated fleet employers, Trucking HR Canada created the following document to summarize how these changes will impact your company.

In this document you will find:

- Summaries of key changes;
- Clarification of related timelines;
- Links to helpful resources and templates; and
- Considerations for employers when addressing compliance.

OVERVIEW OF KEY CHANGES

While the *Budget Implementation Act 2018, No. 2* made several changes to the CLC, there are a number that recently came into effect on July 9th, 2023.

As a result of these changes, federally regulated employers will be required to:

- 1) Reimburse employees for reasonable work-related expenses;
- 2) Provide employees with a written employment statement containing specific employment related information within allocated time frames; and
- 3) Provide information regarding the rights of employees and employers under Part III of the CLC.



1) REIMBURSEMENT OF WORK-RELATED EXPENSES

OVERVIEW

Under the “Reimbursement of Work-Related Expenses” amendment, employers will be required to provide reimbursement to employees for reasonable, work-related expenses.

As outlined in the *Regulations*, employers should consider the following when determining if an expense is work-related:

- The expense is connected to the employee’s performance of work;
- The expense enables an employee to perform their work;
- Incurring the expense is required by the employer as a condition of employment or continued employment;
- The expense satisfies a requirement for the employee’s work imposed by an occupational health or safety standard; and
- The expense is incurred for a legitimate business purpose and not for personal use or enjoyment.

An expense is deemed reasonable, as per the *Regulations*, if it is:

- Connected to the employee’s performance of work;
- Incurred to enable an employee to perform work;
- Incurred at the request of the employer;
- Incurred beyond the amount necessary to enable the performance of the work;
- Normally reimbursed by employers in similar industries;
- Authorize by the employer in advance;
- Incur in good faith; and
- Documented, such as a receipt or invoice, that indicates that the expense was incurred.

Examples of work-related expenses that employers will need to reimburse may include:

- Work equipment;
- Travel and accommodations;
- Uniforms;



- Training; and
- Fuel.

TIMELINES

Employers will be required to pay the employee within 30 days of the date in which the employee submits the claim for payment. For unionized employees, the time limit is stated in a collective or written agreement. If there is no agreement, the same timeline previously stated applies – 30 days after the employee submits their expense claim to the employer.

ADDITIONAL NOTES

- This amendment applies only to expenses incurred on or after July 9th, 2023, the day the law came into force.
- Failure to comply with these new laws may result in penalty amounts ranging from \$500 to \$6,000, depending on the size of the business.

RESOURCES

To assist employers, the Federal Government has developed an *Interpretations, Policies and Guidelines (IPG-120)* document. This resource aims to provide clarification through examples and key considerations specific to the application of the “*Reimbursement of Work-Related Expenses*” amendment.

Employment & Social Development Canada: *Interpretations, Policies and Guidelines – Reimbursement of Work-Related Expenses:*

<https://www.canada.ca/en/employment-social-development/programs/laws-regulations/labour/interpretations-policies/reimburse-work-expenses.html>



2) INFORMATION RELATED TO EMPLOYMENT

OVERVIEW

Amendments to the CLC also require employers to provide their employees with a written statement that includes information pertaining to their employment.

The Regulations clearly outline what information must be contained in the employment statement. This includes:

- The names of the parties to the employment relationship;
- The job title of the employee and a brief description of their duties and responsibilities;
- The address of the ordinary place of work;
- The date on which the employment commences;
- The term of the employment;
- The duration of the probationary period, if any;
- A description of the necessary qualifications for the position;
- A description of any required training for the position;
- The hours of work for the employee, including information on the calculation of those hours and rules regarding overtime hours;
- The rate of wages or salary and the rate of overtime pay;
- The frequency of pay days and the frequency of payment of any other remuneration;
- Any mandatory deductions from wages; and
- Information about how the employee can claim reimbursement of reasonable work-related expenses.

TIMELINES

Depending on the situation, when providing employees with their employment statement, the following conditions apply:

- **Current employees:** Employment statements will need to be provided to employees within 90 days of July 9th, 2023.
- **New employees:** Employment statements must be provided to new employees within the first 30 days of their start date.



- **Changes to employment information:** Employment statements must be provided to the employee within 30 days of any changes to information that is contained within the employee's employment statement.
- **Retention of employment statements:** Copies of any employment statements must be retained for a period of 36 months after the employee's employment ends.

ADDITIONAL NOTES

Failure to comply with this new section of the CLC (253.1) may result in penalty charges to employers in amounts ranging from \$200.00 to \$2000.00 depending on the size of the business.

RESOURCES

To aid employers in the development of employment statements for their employees, the Federal Government has provided a template that includes all the information that must be contained in the documents. This is a fillable form but note that you will not be able to save the information. You will need to print and file accordingly. Alternatively, use this template as a guide to create your own template in whatever format works best for your company.

Employment & Social Development Canada: *Employment Statement Template:*

<https://catalogue.servicecanada.gc.ca/content/EForms/en/Detail.html?Form=LAB1210>



3) DISCLOSURE OF INFORMATION REGARDING THE RIGHTS OF EMPLOYEES AND EMPLOYERS

OVERVIEW

Federally regulated employers need to provide employees with copies of any documents or materials made available by the Minister of Labour that pertain to employers' and employees' rights and obligations under *Part III* of the CLC. This includes information such as hours of work, wages, vacation and holidays.

In order to comply with this law, employers need to:

- Post the materials in a place accessible to all employees;
- Ensure that all employees have copies of the most recent materials made available by the Minister; and
- Provide terminated employees with the most current materials published by the Minister that relate to termination.

TIMELINES

Compliance with this amendment includes adhering to specific timelines when distributing and making this information available to employees.

Employers must:

- Provide the materials to employees within 90 days of the latter of July 9, 2023, and the day on which the Minister of Labour first makes the materials available; and
- Provide materials to new employees within 30 days of their start dates.

ADDITIONAL NOTES

Like the employment statements, an employer that does not comply with this section (253.2) under the CLC may be subject to penalties ranging from \$200.00 to \$2000.00.

RESOURCES

For more information on employers' and employees' rights and obligations under *Part III* of the CLC, visit:

<https://www.canada.ca/en/services/jobs/workplace/federal-labour-standards.html>



SUMMARY

Employers will need to take steps to ensure they are compliant with the requirements.

Consider the following as you review and update your processes:

- Review and update expense reimbursement policies and practices;
- Understand the difference between employment statements and offer letters/employment agreements. The law is specific about what is to be included in the employment statement and a robust template and process for distribution within required timelines should be implemented;
- Develop a process to ensure any new materials released by the Minister of Labour can be quickly and efficiently distributed to all employees, including remote workers; and
- Assess the company's onboarding process to see if it can be improved to accommodate the new requirements.





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