

Government Returns to Pre Bill 148 Public Holiday Pay Formula

As previously reported in [November](#) and [March](#), Bill 148, “The Fair Workplaces, Better Jobs Act, 2017”, introduced many significant changes to employment standards and labour relations legislation. One very controversial change, and a change that increased payroll costs for many employers, was the introduction of a new public holiday pay formula which sought to guarantee a day’s pay to employees on a public holiday so long as they worked within the pay period preceding the holiday. Contrast this with the old averaging formula which took the previous 4 weeks’ wages and divided that figure by 20 to determine public holiday pay. The Bill 148 formula was beneficial to many part-time employees who would generally receive a regular day’s pay, instead of a fraction as determined by the old averaging formula.

Given “[feedback and discussions with stakeholders](#)”, the Government has decided to, effective July 1, 2018, revert back to the pre Bill 148 formula until such time as a review can be done. The Government has passed a [Regulation](#) as an interim measure pending the review.

Submissions on public holiday pay can be sent to the Government at: exemptions.review@ontario.ca

This change will be welcome for many employers and may reduce payroll costs to, hopefully, offset the other increases resulting from Bill 148. Employers should immediately instruct those in charge of payroll to reinstate the old formula, effective July 1, 2018. Employers should also consider consulting with employees and unions to ensure that all workplace parties have a clear understanding of public holiday pay going forward. To the extent Collective Agreements are being negotiated, employers should avoid binding themselves to the more costly Bill 148 formula.



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