

JANUARY 2024 MONTH IN REVIEW

Federal

LAWS & ANNOUNCEMENTS

Payroll

Jan 1: The federal limit on deduction of tax-exempt allowances paid by employers to employees who use their vehicles for business purposes increases 2 cents, to 70 cents per kilometer for the first 5,000 km driven, and to 64 cents for each additional km. In the territories, the 2024 rates will be 74 cents per km for the first 5,000 km, and 68 cents for each km after that.

Action Point: Find out which [source deductions are permitted](#) in your province

Payroll

Jan 1: New 2024 automobile deduction limits and amount increases for leased vehicles used by employees for business purposes took effect: i. Class 10.1 passenger vehicles CCA: from \$36,000 to \$37,000; ii. Monthly limit on deductible leasing costs: from \$950 to \$1,050; and iii. Maximum allowable monthly interest deduction: from \$300 to \$350 per month.

Discrimination

Dec 11: A government task force issued a nearly 500-page [report](#) on the current state of implementation of the *Employment Equity Act* in federally regulated workplaces. The report concludes that the Act has become outdated since it was enacted in 1986 and lists 187 recommendations for modernization and improvement.

Action Item: The 8 things you must know to comply with the [federal pay equity law](#)

New Laws

Dec 23: New *Criminal Code* regulations set the interest rate limit on payday loans at 14% of the amount of money advanced to the borrower under the agreement, while clarifying that total cost of borrowing doesn't include a fee, fine, penalty or other charge against the borrower of \$20 or less that's allowed under provincial law for: (a) default of payment; or (b) providing a dishonoured cheque or other dishonoured instrument.

New Laws

Dec 9: The new [*Federal Prompt Payment for Construction Work Act*](#) officially took effect. The Act requires the federal government to pay contractors within 28 calendar days from the submission of a proper invoice; contractors then have 7 calendar days to pay their subcontractors while subcontractors have 7 days to pay their sub-subcontractors, etc.

Hiring & Recruiting

Dec 15: Important [changes](#) to the *Competition Act*, including a new provision making it a crime for employers to fix wages and enter into agreements not to poach each other's employees, received Royal Assent and officially took effect in all parts of the country.

Action Point: [Avoid inducement risks](#) when recruiting employees from other companies

Employment Benefits

Dec 15: OSFI published the new [minimum and maximum amounts](#) that may be withdrawn from a life income fund (LIF), restricted life income fund (RLIF) and variable benefit account in 2024 under the *Pension Benefits Standards Regulations*.

Privacy

Dec 7: Privacy commissions from all across Canada published a [set of principles](#) for the responsive development and use of generative artificial intelligence (AI) programs like ChatGPT. While not legally binding, the principles could serve as a blueprint for future privacy legislation.

Action Point: Guard against ChatGPT risks by implementing a legally sound [workplace artificial intelligence use policy](#)

Health & Safety

Dec 15: New *Canada Labour Code* [regulations](#) took effect requiring federally regulated employers to provide free menstruation pads and tampons at the workplace in a washroom, supply closet or other private location that's accessible to employees who need them while doing their job at the site.

Action Point: Find out more about the [new federal OHS menstruation product rules](#)

Mental Stress

Nov 30: The federal government officially launched the 9-8-8 Suicide Crisis Helpline offering 24/7, compassionate and judgment-free support to troubled callers across Canada.

Action Point: Implement an effective workplace [mental health policy](#) for your employees

Workplace Violence

Dec 15: Controversial [Bill C-21](#) making the national freeze on the sale, purchase and transfer of handguns that was imposed in October 2022 permanent received Royal Assent and officially took effect. The legislation also strengthens criminal law bans and import controls on handguns and assault rifles and increases penalties, including confiscations of guns, for violations.

Action Point: Find out about the 10 things you must do to [prevent workplace violence](#)

CASES

Health & Safety: Site Owner Who Hires Constructor May Still Be Liable as 'Employer'

The most important OHS case in recent years calls into question so-called constructor/prime contractor arrangements that companies have relied on for decades to guard against liability for violations at projects where companies of multiple employers work. The case arose from the tragic death of a pedestrian struck by a road grader while crossing an intersection at a municipal construction site. Controversially, the Ontario top court ruled that the city could be charged as an employer for an OHS violation (failing to ensure that a signaler was in place) even

though it had hired a constructor to oversee the work. In a split decision, the Canadian Supreme Court agreed that a project owner can be liable as an employer even if it's not the constructor in control of the project. **Result:** The city would have to answer the charge and prove that it showed due diligence to comply [[R. v. Greater Sudbury \(City\)](#), 2023 SCC 28 (CanLII), November 10, 2023].

Workplace Harassment: Disrespecting Co-Workers Costs Airline Worker His Job

An Air Canada ground handling attendant got a 10-day suspension for giving a co-worker “the finger” and then storming off the site without permission for 70 minutes to gather his wits. A week later, he got into an altercation and physically pushed his team leader. Lying during the investigation was the final straw, at least in the company's eyes. But the union denied the accusations and filed a grievance. After hearing the evidence, the federal arbitrator found Air Canada's story more believable and upheld its determination to fire the attendant for engaging in conduct that permanently breached the company's trust [[International Association of Machinists and Aerospace Workers \(Local 140\) v Air Canada](#), 2023 CanLII 116713 (CA SA), December 8, 2023].

Action Point: Use the resources on the [Harassment Compliance Centre](#) to prevent harassment and bullying at your workplace

Termination: Employee Fired for Defying COVID Vaccine Policy Doesn't Get EI Benefits

An employee applied for Employment Insurance after getting fired for refusing to comply with his employer's mandatory COVID-19 vaccination policy. The Commission concluded that he had lost his job due to his own misconduct and denied him EI benefits. After a series of unsuccessful appeals, the employee took his case to the Federal Court of Appeal. But it proved to no avail when the Court found the Social Security Appeal Division's ruling against the employee to be reasonable and tossed the latest appeal [[Zhelkov v. Canada \(Attorney General\)](#), 2023 FCA 240 (CanLII), December 12, 2023].

Action Point: Avoid discrimination when [enforcing a mandatory vaccination policy](#)