

December 2024 MONTH IN REVIEW

Federal

LAWS & ANNOUNCEMENTS

Payroll

CRA issued a reminder of [upcoming changes](#) to electronic T4 filing rules taking effect on January 1. Among other things, the agency will no longer accept single submissions of multiple returns, such as filing a T4A in the same submission as a T4. Submissions will be validated at the return level for summary related errors, multiple slip errors, and missing information on mandatory fields with employers to receive online warnings and options to cancel the submission and correct the errors before submitting.

Action Point: [Beware of "false positives" when validating T4s](#) at year end.

Payroll

Newly tabled [Bill C-418](#) proposes to amend the *Employment Insurance Act* to: i. increase the 2023 maximum yearly insurable earnings by 40%; ii. establish a hybrid criterion for receiving benefits that consists of hours or weeks of work and consequently eliminate the system of major and minor attachment claimants and the concept of a waiting period; iii. allow an extension of the qualifying period for a person who's unavailable for work due to parental leave; iv. increase the maximum number of weeks for which benefits may be paid in a benefit period; v. eliminates the combined weeks of benefits rule, which limits the total number of weeks of benefits to 50 when a person is entitled to both regular and special benefits; vi. increase the maximum number of weeks for which benefits may be paid in a benefit period because of illness, injury or quarantine from 26 to 50 weeks; vii. make weekly insurable earnings equal to the claimant's insurable earnings in the period of 12 consecutive or non-consecutive weeks for which they received the highest insurable earnings; viii. increase the rate of weekly earnings that must be paid to a claimant from 55% to 60%; and ix. provide benefits a person who can't work because of domestic violence, an obligation to assume parental responsibilities or a return to education.

Payroll

CRA announced that maximum annual pensionable earnings in 2025 will increase from \$68,500 to \$71,300, maximum contributory earnings will increase from \$65,000 to \$67,800, and maximum annual employer and employee contributions will increase from \$7,735 to \$8,068.20. The basic exemption amount will remain unchanged at \$3,500 as will the 5.95% basic employer and employee contribution rate.

Payroll

The Senate began final debate on [Bill C-241](#), amending the *Income Tax Act* to allow tradespersons and indentured apprentices to deduct from their income amounts expended for travelling where they were employed in a construction activity at a job site that is located at least 120 km away from their ordinary place of residence. The Bill has already cleared Third Reading in the House.

Immigration

The federal Foreign Credential Recognition (FCR) Program will provide over \$9 million in funding to the United Brotherhood of Carpenters and Joiners of America Canadian District to support efforts to help 1,500 internationally trained skilled workers achieve certification in carpentry, welding, millwright, and other Red Seal trades.

New Laws

From now through January 12, the federal Competition Bureau will be taking public [comments](#) on proposed changes to the [guidelines](#) it uses to determine whether corporate mergers violate antitrust laws. The changes were made in response to recent amendments to the *Competition Act* designed to ensure that big corporate mergers don't harm market competition.

New Laws

To cushion the blow of inflation, the federal government announced that Canadian residents who earned up to \$150,000 in individual net income and qualified for EI, CPP, QPP, or other tax credits in 2023 will be eligible for a one-time tax-free \$250 Working Canadians Rebate, to be paid in the Spring of 2025.

New Laws

That's the deadline for non-profits and private employers with 50 or fewer full-time employees [to apply](#) for Canada Summer Jobs program funding for 2025. This year's program prioritizes employers who hire youth with disabilities, Black, and other racialized youth, Indigenous youth, 2SLGBTQI+ youth, youth in rural and remote areas, and youth in official language minority communities.

Employment Benefits

OSFI published a revised [instruction Guide](#) explaining the actuarial reporting requirements for defined benefit pension plans to reflect updated requirements regarding the maximum going concern discount rate and updated funding requirements for negotiated contribution plans.

Privacy

The federal government created a new agency called the Canadian Artificial Intelligence Safety Institute (CAISI) to help establish rules for safe and responsible use of AI by the research and business communities. CAISI will collaborate with safety institutes in other countries as part of the new International Network of AI Safety Institutes.

Action Point: Find out how to implement a [legally sound AI use policy](#) for your employees.

Health & Safety

The Public Health Agency of Canada confirmed a human case of avian influenza (also known as bird flu) caused by influenza A(H5N1) virus in Canada. Reported in B.C., this is the first domestically acquired human case of H5N1 avian influenza.

Action Point: Find out how to create a legally and clinically sound workplace infectious illness [exposure control plan](#).

Drugs & Alcohol

The Senate tabled [Bill S-290](#) proposing to ban the promotion and marketing of alcoholic beverages with violations resulting in fines of up to \$1 million and 2 years in prison. The bill is sponsored by the same Québec Senator that proposed similar legislation 2 years ago. That bill got through Second Reading before being killed in Committee.

Action Point: Find out how to [effectively control substance abuse](#) at your workplace.

CASES

Drugs & Alcohol: Court Upholds Random Testing of “Safety-Critical” Nuclear Plant Workers

The Canadian Nuclear Safety Commission scored another victory in its court battle with the unions over regulations that require nuclear power plants seeking Class I licences to perform pre-placement and random alcohol and drug testing on “safety-critical workers.” In 2023, a federal court ruled against affected workers who claimed the testing policy violated their Charter privacy rights. In this most recent ruling, the Federal Court of Appeal rejected the workers’ appeal, finding that it wasn’t “erroneous” for the lower court to uphold the policy as reasonable and well within the CNSC’s regulatory powers and reject the workers’ Charter claims [[Power Workers’ Union v. Canada \(Attorney General\)](#), 2024 FCA 182 (CanLII), November 6, 2024].

Action Point: Find out [how to create a legally sound drug testing policy](#) at your

workplace.

Termination: Company Can't Prove 'Authoritarian' Ship Captain Deserved to Be Fired

An oil transport company fired one of its ship captains for an alleged "authoritarian leadership style" that made life on board the vessel "difficult to bear." But the arbitrator ruled that termination amounted to unjust dismissal, finding that the company didn't meet its burden of proving that the captain's personality made him incapable of establishing "courteous and productive interpersonal relationships" with crew members. The federal court concluded that the arbitrator's decision was reasonable and refused to overturn it [[Desgagnés Marine Petro Inc. c. Broudic](#), 2024 FCA 178 (CanLII), October 31, 2024].

Telecommuting: Company Doesn't Need Union Permission to Limit Work-from-Home Arrangement

TELUS Communications declared a new return to work policy requiring Customer Experience Agents that had been allowed to work from home to come to the office at least 3 days a week. TELUS also announced the shutdown of an Ontario call center that forced agents in the province to relocate 150 km to the firm's Montreal office. None of this sat well with the union which organized protests and filed a grievance. The federal arbitrator sided with TELUS, noting that the work from home arrangement had been subject to extensive negotiation over the years and that TELUS had repeatedly made unilateral modifications to the policy without negotiating them with the union. Nor was it unprecedented for TELUS to implement unilateral workforce reduction measures, which until now, went largely unopposed by the union [[Telus Communications Inc. v Telecommunications Workers Union, United Steelworkers Local Union 1944](#), 2024 CanLII 106321 (CA LA), October 28, 2024].

Action Point: Find out [how to end telecommuting arrangements](#) without committing constructive dismissal.