

## HR & PAYROLL MONTH IN REVIEW, FEBRUARY 2025

*A roundup of new legislation, regulations, government announcements, court cases and arbitration rulings*

# Federal

## LAWS & ANNOUNCEMENTS

### Health & Safety

Feb 19: The Public Health Agency of Canada secured an initial supply of 500,000 doses of GSK's human vaccine against avian influenza—Arepanrix™ H5N1 A/American wigeon clade 2.3.4.4b—for use in federal contingency planning to protect those who may be exposed to the virus through animals infected with avian influenza. Canada reported its first domestically acquired human case of H5N1 on November 9, 2024, although current risk to the public remains low.

**Action Point:** Find out how to create a legally and clinically sound workplace [exposure control plan](#) to protect your employees against the risk of H5N1, COVID, or other infectious illnesses.

### Health & Safety

Feb 14: Speaking of infectious illnesses, the Canadian Government used Valentine's Day as an occasion to remind the public of the growing spread of syphilis. Cases of the sexually transmitted disease have nearly doubled from 2018 to 2023, from 6,371 to 12,135 cases. Congenital syphilis cases have also increased over the same period from 17 to 53.

### Payroll

Feb 12: Newly [proposed federal regulations](#) would create an EI Pilot Project offering an additional 300 hours of insurable employment to claimants in areas affected by natural disasters to cushion the impact of forced evacuation. The one-time credit would apply to new claimants who are residents in an area with the postal codes T0E 1E0, T0E 0C0 or R0B 1C0.

### New Laws

Jan 31: The federal government is deferring—from June 25, 2024, to January 1, 2026—the date the capital gains inclusion rate increases from one-half to two-thirds on capital gains realized annually above \$250,000 by individuals and on all capital gains realized by corporations and most types of trusts. The government is also maintaining the Principal Residence Exemption ensuring that Canadians don't pay capital gains taxes when selling their home, while creating a new \$250,000 Annual Threshold to ensure individuals earning modest capital gains continue to benefit from the current one-half inclusion rate and increasing the Lifetime Capital Gains Exemption from \$1,016,836 to \$1.25 million, effective June 25, 2024.

## Immigration

Jan 30: The federal government launched 2 new pilot programs, called the Rural Community Immigration Pilot and the Francophone Community Immigration Pilot, to help rural and French speaking minority communities outside of Québec attract and retain skilled immigrants.

**Action Point:** Find out about the 10 things employers [need to know about hiring temporary foreign workers](#) to avoid being the target of enforcement actions and penalties.

## Training

Feb 21: The federal government will invest over \$75 million through the Sustainable Jobs Training Fund to support 8 projects offering training opportunities enabling over 10,000 workers across the country to gain the expertise needed for jobs in electric vehicle maintenance, green buildings and retrofits, low-carbon energy, and carbon management.

## New Laws

Jan 29: The federal government modernized the Disaster Financial Assistance Arrangements (DFAA) program, which provides money to help provinces and territories recover after being struck by disasters. The changes will take effect on April 1, 2025, including new incentives for risk reduction, pre-disaster planning, and improved hazard awareness to reduce the risks and impacts of disasters.

## Privacy

Feb 6: The federal government rolled out a new long-term [National Cyber Security Strategy](#) to protect Canadian citizens and businesses from digital threats. The new NCSS follows a whole-of-society approach in which all segments of society play a role in building national resilience to cyber threats.

Action Point: Make sure you have the [12 data security policies you need](#) to prevent data breaches at your company.

## Privacy

Feb 11: Canada became the 13<sup>th</sup> nation to sign the Council of Europe Framework Convention on Artificial Intelligence and Human Rights, Democracy, and the Rule of Law, the first international convention designed to regulate AI use.

Action Point: Find out how to guard against AI legal and liability risks by implementing a legally sound [workplace artificial intelligence use policy](#).

## Drugs & Alcohol

Feb 24: The Government of Canada completed 10 days of public consultations on a proposal to implement additional controls on 3 precursor chemicals used to produce fentanyl: phenethyl bromide, propionic anhydride (aka, propanoyl propanoate), and benzyl chloride. Health Canada is also proposing to control the drug carisoprodol, a sedative that's not currently marketed in Canada.

Action Point: Find out how to implement a life-saving [naloxone opioid overdose plan](#) to prevent overdose deaths at your workplace.

## Drugs & Alcohol

Feb 4: The Canadian Government appointed a new Fentanyl Czar to work with U.S. officials to combat fentanyl smuggling. Meanwhile, the RCMP launched a Canada-U.S. Joint Strike Force targeting organized crime, fentanyl, and money laundering in both countries.

## CASES

### **Payroll: CAF Pilot Discharged for COVID Vaccine Refusal Doesn't Get EI Benefits**

The Canadian Armed Forces (CAF) discharged a helicopter pilot for refusing to receive the COVID vaccine. The pilot asked CAF for an exemption from the mandatory vaccination policy based on his belief that receiving a vaccine that was developed via testing of fetal cells violated the tenets of his Roman Catholic faith. While acknowledging the sincerity of the pilot's beliefs, CAF denied the exemption finding that allowing him to go unvaccinated would pose too great a danger to other squadron members. The EI Commission then ruled that the pilot was terminated for misconduct and denied him EI benefits. The Social Security Tribunal upheld the ruling and the case landed in the Federal Court of Appeal, which held that the SST decision was reasonable and refused to overturn it [[Zagol v. Canada \(Attorney General\)](#), 2025 FCA 40 (CanLII), February 19, 2025].

**Action Point:** Find out more about [EI misconduct rules](#) governing terminated employees' eligibility for benefits.