

## HR & PAYROLL MONTH IN REVIEW, MARCH 2025

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

# Federal

## LAWS & ANNOUNCEMENTS

### Immigration

Apr 11: Effective today, foreign nationals, including Canadians who travel to the U.S. for personal or business trips lasting 30 days or longer must [register](#) with U.S. Citizenship and Immigration Services. Failure to comply may result in severe fines, penalties and criminal prosecution. While the registration affects all Canadians that come to the U.S. for extended visits, it will likely have the biggest impact on business travelers, including executives, employees, consultants and remote workers.

### New Laws

Mar 13: Canada imposed dollar-for-dollar 25% reciprocal tariffs on U.S. [steel products worth \\$12.6 billion and aluminum products worth \\$3 billion](#), as well as on \$14.2 billion of additional imported U.S. goods, including tools, computers and servers, display monitors, sport equipment, and cast-iron products. These tariffs are in addition to Canada's 25% counter tariffs on \$30 billion of U.S. imports from the U.S., in response to U.S. tariffs.

### New Laws

Mar 7: The Government of Canada announced new measures to support workers and businesses affected by U.S. tariffs, including the Trade Impact Program through Export Development Canada to help exporters reach new markets, favourably priced loans through via the Business Development Bank of Canada, and new Farm Credit Canada financing for the food and agriculture industry.

### New Laws

Mar 22: The federal government took new measures to support parts of the agriculture sector affected by China's decision to impose 100% tariffs on canola oil, canola meal and peas, and 25% tariffs on pork, fish, and seafood products, the federal government announced new support for the agricultural sector via the program, including increasing the AgriStability program compensation rate from 80% to 90% and doubling the 2025 payment cap to \$6 million. To get money to producers faster, Ottawa is also giving provincial and territorial governments the option to enter into agreements to issue interim payments at a higher payment rate and initiate Targeted Advance Payments in case of tariffs.

### New Laws

Mar 7: The CRA and ESDC entered into a new data-sharing arrangement that will make it easier for the government to carry out inspection and enforcement activity in the federally regulated road transportation sector. The arrangement is just the first step in a plan for broader cooperation between the CRA and Labour Program to crack down on worker misclassification, wage theft, and tax law violations.

### **Payroll**

Mar 22: To support employees affected by tariffs, the federal government: i. boosted by 1% regional unemployment rates for determining access to and duration of EI benefits; ii. cut hours required to qualify for EI regular benefits to 630; and iii. increased entitlement by up to 4 additional weeks. These measures will be in effect for 3 months.

### **Payroll**

Mar 22: In response to the new tariffs, the Government of Canada is enabling claimants to receive EI benefits sooner by suspending the rules around treatment of severance, vacation, and other monies upon separation. For 6 months, claimants won't be required to use up these monies before they're eligible to start receiving EI benefits. This measure will be in effect for 6 months. The Government is also temporarily waiving the waiting period to let workers receive EI benefits for the first week of unemployment.

### **Payroll**

Mar 5: The federal government introduced temporary flexibilities to the [EI Work-Sharing Program](#) to increase access and maximum agreement duration. Work Sharing provides EI benefits to employees who agree with their employer to work reduced hours due to a decrease in business activity beyond their employer's control.

### **Payroll**

Mar 14: The CRA updated [its policy](#) on treatment of employer annuity payments. The changes are designed to clarify rather than substantively change the existing rules. As before, employers that make report annuity payments they make to a person and income tax deductions on a T4A slip. Depending on the situation, they may need to fill out a T4RSP, T4RIF, T4-RCA, or NR4 slip instead.

### **Payroll**

Mar 5: The CRA issued a [new administrative policy](#) requiring employers to use the new codes 90, 91 and 92 to report security options benefits and related deductions during the period from June 25, 2024 to December 31, 2024. Employers who haven't updated their payroll system to use the new codes may instead use code 38 to report the benefits and report the deduction as 1/2 of the value reported in code 38 using either code 39 or 41.

### **Health & Safety**

Mar 6: The Chief Public Health Officer reported that there have been more measles cases reported in the first 2 months of 2025 than in all of 2024 due to the spikes in cases associated with outbreaks in New Brunswick, Ontario, Québec and Manitoba. As of March 6, 2025, Canada has recorded 227 measles cases this year, many requiring hospitalization. The majority of cases are unvaccinated or under-vaccinated children

who've been exposed in their communities, such as in social events, daycares, schools and healthcare settings.

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

### Employment Benefits

Mar 22: Remaining eligible Canadians who aren't yet members of the new Canadian Dental Care Plan will be able to [apply](#) for coverage in May. There will be 3 rounds of applications depending on age group. To qualify for the CDCP, applicants must: i. Be age 18 to 64; ii. Not have access to dental insurance; iii. Have filed their individual and spouse or common law partner's 2024 tax return in Canada; iv. Have an adjusted family net income of less than \$90,000; and v. Be a Canadian resident for tax purposes.

### Discrimination

Mar 19: Racialized people seeking management and executive positions in the federal public service still face significant barriers, concludes a new Canadian Human Rights Commission [report](#). The most frequently identified barriers are related to recruitment strategies, selection processes, hiring decisions, career development and workplace culture. Of the 46 departments and organizations that submitted self-assessment surveys, 33 said they had undertaken a review to identify barriers and, among these, 63.6% reported that they had identified barriers. Only 2 of the 18 randomly selected employers audited had a valid Employment Equity plan to increase representation of racialized people in management and executive positions.

**Action Point:** Beware of certain kinds of seemingly legitimate [employment practices](#) that may have the effect of inadvertently perpetuating racial discrimination and increasing your liability risks.

### Training

Mar 21: The federal government announced that it was adding 40,000 student learning opportunities via the Student Work Placement Program which provides funding to organizations that offer work placements and innovative work-integrated learning opportunities—both in-person and virtual—to post-secondary students across Canada. SWPP opportunities may include co-ops, internships, and other work placements.

**Action Point:** Find out how to implement a [Game Plan](#) to comply with ESA and OHS laws governing young employees.

### Privacy

Mar 12: Ottawa announced that it will establish a cyber security standard for companies that handle sensitive unclassified government information in defence contracting. This the first phase in the implementation of the Canadian Program for Cyber Security Certification (CPCSC) to ensure that cyber security certification in Canada is handled by accredited bodies, certified assessors, and government oversight. The program's mandatory cyber security certification requirements will be made up of 3 levels: level 1: requiring an annual cyber security self-assessment; level 2: requiring external cyber security assessments, led by an accredited certification body;

and level 3: requiring cyber security assessments conducted by National Defence.

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

### Privacy

Mar 3: The Canadian Privacy Commissioner is asking a Federal Court to issue an order requiring Aylo, the operator of Montreal-based Pornhub, to comply with privacy laws. The lawsuit comes after an Office of the Privacy Commissioner of Canada [investigation](#) found significant problems with Aylo's privacy practices that allow for highly sensitive and intimate content to be posted online without individuals' knowledge or permission.

### Workplace Violence

Mar 7: The federal government imposed new bans on 179 unique makes and models of assault-style firearms, which can no longer be legally possessed, sold in, or imported into Canada. The bans apply to firearms with semi-automatic action and sustained rapid-fire capability (tactical/military design with large magazine capacity) that are deemed to be not suitable for hunting or sport shooting.

**Action Point:** Find out how to implement a legally sound and effective [Workplace Harassment Prevention and Compliance Game Plan](#) at your workplace.

## CASES

### Labour Relations: Federal Board Lacks Jurisdiction to Certify Local Longshoring Workers' Union

A hydraulics company appealed a Canada Industrial Relations Board Order certifying a union as the bargaining agent for a group of its longshoring workers in Nova Scotia, claiming that the certification issue was subject to provincial rather than federal law. The federal appeals court agreed and quashed the order. Although the company was federally regulated, some aspects of labour relations in longshoring are within provincial jurisdiction. The longshoring workers were "a severable group of employees working exclusively for fishing vessels, which do not constitute a federal undertaking." So, the Board lacked the jurisdiction to certify the union [[East Coast Hydraulics & Machinery \(2009\) Limited v. International Longshoremen's Association, Local 1976](#), 2025 FCA 64 (CanLII), March 20, 2025].

### Discrimination: Punishing Workers for Receiving Pension Benefits Is Age Discrimination

A long-shoring Union implemented a policy, known as the Pensioner Dispatch Rule, under which members who elected to receive Pension income they would be allocated work only **after** other Union members and casual workers were provided work allocation, despite any accrued seniority. Members between ages 65 and 72 claimed the Rule constituted age discrimination; the Union contended that the intent of the Rule wasn't to punish older workers but enhance work and income opportunities for younger workers not collecting a pension. The Canadian Human Rights Tribunal sided with the older members. While agreeing that the Rule had a nondiscriminatory purpose and was applied in good faith, the Tribunal concluded that it wasn't "reasonably necessary" to accomplish the purpose since the harm it did to older

members outweighed its beneficial impact on younger ones [[Sidhu & Kopeck v. International Longshore and Warehouse Union Local 500](#), 2025 CHRT 11 (CanLII), February 6, 2025].

**Action Point:** Find out how to implement a [legally sound age discrimination policy](#) at your workplace.