

# Federal

## LAWS & ANNOUNCEMENTS

### Labour Relations

Jun 20: Legislation ([Bill C-58](#)) enacted last year that bans federally regulated employers from using replacement workers during a full strike or lockout and increases potential penalties to up to \$100,000 per day took effect. Exceptions apply for certain emergencies and any work that employers and unions agree must continue during the job action.

### New Laws

Jun 30: In continuing response to U.S. tariffs, Ottawa implemented new government contracting policies limiting access to federal procurements to suppliers from Canada and trading partners that provide reciprocal access to suppliers from Canada through trade agreements.

**Action Point:** Find out about the [8 ways the U.S. tariffs will affect](#) Canadian workplaces and HR activities.

### New Laws

Jul 21: To further protect the steel industry, the federal government will establish new tariff rate quotas of 100% of 2024 levels on imports of steel products from non-free trade agreement partners, to be applied retroactively and reviewed in 30 days. Additional tariff measures will be taken over the coming weeks based on “country of melt and pour” for steel and “country of smelt and cast” for aluminum.

### New Laws

Jun 20: Major legislation to ease interprovincial trade and enhance labour mobility passed Third Reading. Under [Bill C-5](#), aka, *One Canadian Economy Act*, goods or services will be deemed to satisfy federal internal trade requirements as long as they meet comparable provincial or territorial rules, thereby making it easier to buy, sell, and transport goods and services across the country. The bill also provides a framework to recognize professional licenses and certifications so that workers authorized to work in a province or territory can also ply their trade in the federal jurisdiction.

### Pay Equity

Jun 30: Women in Canada earned 87 cents for every dollar earned by men doing equivalent work in 2024, according to a [new report](#) from the federal Pay Equity Commissioner. The pay gap for Black, Indigenous and other racialized women is even bigger than the 13% pay gap between men and women.

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

### Payroll

Jun 12: Second Reading for [Bill C-4](#) which proposes to reduce the marginal personal

federal income tax rate on the lowest tax bracket from 15.0% to 14.5% for the 2025 tax year and to 14% for the 2026 and subsequent tax years.

### **Payroll**

Jun 4: Newly tabled [Bill C-204](#) amends the *Income Tax Act* to increase the amount of tax credit for volunteer firefighting and search and rescue volunteer services from \$6,000 to \$10,000 and expanding the definition of “eligible volunteer firefighting services” eligible for the credit.

### **Payroll**

Jun 11: Moving forward in its plan to replace the Phoenix payroll system, the federal government began final building and testing of the new Dayforce HR pay solution. The current pay system is used to deliver pay to an average of 431,000 current and former employees bi-weekly. In 2024, this represented approximately 13.4 million payments, totaling approximately \$40.1 billion.

### **Employment Benefits**

Jun 7: Throwing a potential wrench into Alberta’s plans, newly tabled [Bill C-207](#) would amend the *Canada Pension Plan* to require provinces that want to leave the CPP and provide their own comprehensive pension plan to get the consent of at least two thirds of the provinces that don’t provide such a plan.

### **Immigration**

Jun 5: The House of Commons tabled [Bill C-3](#) providing for Canadian citizenship by descent by making all persons who were born outside the country citizens of Canada if one of their parents was a citizen before the law takes effect. Going forward, citizenship by descent beyond the first generation would also be allowed for a Canadian parent who’s been physically present in the country for at least 1,095 cumulative days (i.e., 3 years) before their child’s birth or adoption.

### **New Laws**

Jun 3: Newly tabled [Bill C-2](#) proposes to beef up border security by giving federal law enforcement and border security personnel new powers to combat transnational organized crime, stop the flow of illegal fentanyl and crack down on money laundering.

### **Young Workers**

Jun 6: The federal government says it will create up to 6,000 more Canada Summer Jobs opportunities for youth, bringing the Summer 2025 CSJ jobs total to a record high of 76,000.

**Action Point:** Find out how to implement a [Game Plan](#) to comply with special OHS and employment standards rules protecting young employees.

### **Accessibility**

May 29: Accessibility Standards Canada published a revised version of its standard for accessibility in employment. Among other things, [CAN/ASC-1.1:2024 \(REV-2025\)-Employment](#) includes new requirements for fostering inclusive, respectful and

positive workplace cultures, ensuring pay equity and developing accessibility support systems to meet the individual needs of disabled employees.

**Action Point:** Find out more about [accessibility laws across Canada](#).

### **New Laws**

May 28: The Senate tabled legislation ([Bill S-206](#)) requiring the Finance Minister to develop a national framework for implementation of a guaranteed livable basic income program throughout Canada for any person over age 17.

### **Privacy**

Aug 5: That's the deadline to comment on the Privacy Commissioner of Canada's [proposed plan](#) to create a separate privacy code to protect the personal information of children in the digital world.

### **Drugs & Alcohol**

Jun 12: Second Reading for [Bill S-202](#) requiring sellers to label packages of beverage products that contain 1.1% or more alcohol by volume listing information about how potent the drink is. Another proposed bill, [Bill S-203](#), imposes new restrictions on marketing alcoholic beverages to young people, including a ban on using real or fictional animals to promote the product.

## **CASES**

### **Workplace Harassment: Loss of Income Not Required to Prove Discrimination**

The Canadian Border Services Agency reassigned a veteran Border Services Officer to a nonenforcement position based on medical testing suggesting that he wasn't physically fit to undergo the rigorous training required to exercise firearm duties. The Officer accused the Agency of disability discrimination and harassment, but the labour board rejected the grievance. Even if there was discrimination, there was no real harm since the Officer was allowed to keep working at the Agency at the same pay, the board reasoned. The Officer appealed and his persistence paid off when the federal court reversed the board's ruling as unreasonable. Exclusion on the basis of disability is illegal discrimination even if the victim doesn't suffer humiliation or loss of income, the court explained in awarding the Officer \$3,500 in legal costs and damages for pain and suffering in an amount for the board to determine [[Matos v. Canada \(Attorney General\)](#), 2025 FCA 109 (CanLII), June 2, 2025].

**Action Point:** This case illustrates that an employee doesn't have to lose salary, wages, or other employment income to prove discrimination and harassment. The mere pain of being on the wrong end of that conduct is enough to warrant damages. All of this adds to the imperative of implementing an effective [Harassment Prevention and Compliance Game Plan](#) at your workplace.

### **Health & Safety: Employer Must Pay \$60,000 for Passive Resistance to Injured Worker's Return**

After missing several months with a torn meniscus in his knee, a truck driver got a medical certificate supporting a gradual return to work over 5 weeks starting at the end of April. But the company wouldn't let him return because 2 health

professionals described the injury as “degenerative.” It also suggested that he get surgery to reduce the risks of reinjury. After 6 months of doing nothing, the company finally began the process of actually having the driver assessed. The federal arbitrator upheld the union’s grievance against the company. “If an employer wants to refuse a return to work after receiving a valid medical certificate, it must react. It cannot remain passive” and simply wait for the employee to provide additional material justifying his return. Result: The company had to pay the driver over \$57,000 for lost benefits and \$2,500 for moral damages [[Teamsters Québec Local 106 c Midland Transport Limitée](#), 2025 CanLII 56190 (CA SA), June 6, 2025].

**Action Point:** Find out how to implement a legally sound [return to work policy](#) for injured workers.