

# Federal

## LAWS & ANNOUNCEMENTS

### Leaves of Absence

Dec 12: New [regulations](#) give federally regulated employees 3 unpaid days' leave if: i. their or a spouse or common-law partner's pregnancy doesn't result in a live birth; or ii. the pregnancy of a surrogate they intended to have their child doesn't result in a live birth. Leave is paid for employees with 3 consecutive months' service.

**Action Point:** You're going to have to revise your HR leave policies to comply with the new requirements. Find out how to implement a legally sound [Maternity and Parental Leave Compliance Game Plan](#) at your company.

### Leaves of Absence

Dec 12: New [regulations](#) give federally regulated employees 8 weeks' leave if their pregnancy or that of their spouse, common-law partner, or surrogate results in a stillbirth on or after the 20th week of pregnancy or after the fetus attains at least 500 g. The first 3 days of leave are paid for employees with at least 3 consecutive months' service. Employees must give written notice listing the reasons for leave but not a doctor's note to verify it.

### Leaves of Absence

Dec 12: Federally regulated employees are now entitled to unpaid child bereavement leave of up to 8 weeks (rather than 10 days under previous rules) if their child or that of their spouse or common-law partner dies. Leave may be taken starting on the date of death and ending up to 12 weeks after the latest funeral, burial, or memorial service. Employers may require written notice of the reason for leave and any changes to its length. Employers may delay an early return of an employee who's been on leave for more than 4 weeks and don't provide sufficient notice.

**Action Point:** Find out how to implement a [Bereavement Leave Compliance Game Plan](#) at your workplace.

### Leaves of Absence

Dec 12: As before, federally regulated employees are entitled to 10 days' unpaid bereavement leave after the death of an immediate family member or family member for whom the employee was taking compassionate care or critical illness leave. However, under newly effective [regulations](#), the first 3 days of bereavement leave are paid if the employee has completed at least 3 consecutive months of employment.

**Action Point:** Look up the [bereavement leave rules in each part of Canada](#).

### Leaves of Absence

Dec 17: Newly published [regulations](#) provide federally regulated employees up to 16 weeks' unpaid leave to carry out responsibilities related to the placement of a child into their care. The amendments, which haven't yet been declared to be in effect, coordinate *Canada Labour Code* leave rules with changes to the *Employment*

*Insurance Act.*

### **Employment Contracts**

Nov 19: The federal government plans to amend the *Canada Labour Code* to restrict federal employers from including non-compete clauses in employment agreements. Ontario is the only province that currently bans non-compete clauses. The federal proposal will probably be similar to the Ontario ban, which is broad but allows for limited exceptions.

**Action Point:** Courts take a very dim view on non-compete clauses and refuse to enforce them except in very limited circumstances. That's why you should use [non-solicitation instead of non-compete clauses](#) to protect your company against potentially harmful competition by an ex-employee, even if non-competes aren't expressly banned in your province the way they are in Ontario and soon will be under federal employment law.

### **Payroll**

Nov 19: The newly proposed federal budget calls for tougher penalties against employers that misclassify workers who are actually employees as independent contractors to avoid tax and payroll withholdings. The budget would beef up the CRA's ability to track misclassification and wage theft, i.e., failure to pay employees the wages they earn.

**Action Point:** Don't get into trouble! Avoid misclassification errors and penalties by applying [the 4 factors that CRA and the courts use to determine whether a worker is an employee or independent contractor](#).

### **Payroll**

Dec 1: The ESDC launched a new inspection blitz targeting federally regulated trucking companies that misclassify "employees" as "independent contractors" to circumvent minimum wage, paid leave, OHS rights, and other "employee" protections under the *Canada Labour Code* and limit access to EI and CPP benefits. The agency will share its inspection findings with the CRA.

### **Payroll**

Dec 4: The CRA lifted its moratorium on penalties against trucking companies for failing to report fees for services. Businesses with more than 50% of their primary source of income from trucking activities must report payments for services exceeding \$500 in a calendar year made to a [Canadian-controlled private corporation](#) to avoid penalties. Such payments must be reported to the CRA in box 048 – fees for services – of the [T4A slip](#) by February 28, 2026.

### **Payroll**

Jan 1: The EI premium rate for employees in 2026 drops 1 cent to \$1.64 per \$100. Maximum insurable earnings increase from \$65,700 to \$68,900. The maximum employee premium increases from \$1,077.48 to \$1,123.07, while the maximum employer EI premium climbs from \$1,508.47 to \$1,572.30. Different EI rates apply for Québec employers.

### **Employment Benefits**

Jan 1: CPP yearly maximum pensionable earnings (YMPE) for 2026 increase from \$74,600. Maximum contributory earnings rise from \$67,800 to \$71,100, maximum annual employer contributions increase from \$8,068.20 to \$8,460.90, maximum annual employees jump from \$4,034.10 to \$4,230.45. Unchanged are the basic exemption rate at \$3,500 and basic contribution rate at 5.95%.

## **Payroll**

Jan 1: These are the new federal income tax rates for 2026: i. 14% for income under \$58,523; ii. 20.5% for income from \$58,523 to \$117,045; iii. 26% for income from \$117,045 to \$181,440; iv. 29% for income from \$181,440 to \$258,482; and v. 33% for income of \$258,482 and over.

**Action Point:** Find out about the [6 common pitfalls to avoid when balancing your payroll numbers](#) at the end of the tax year.

## **Employment Benefits**

Jan 1: The 2026 basic assessment rate for federally regulated private pension plans will remain at \$12 for assessments invoiced by the Superintendent for plan years ending between October 1, 2025, and September 30, 2026. The Superintendent is also maintaining the maximum going-concern discount rate for defined benefit pension plan actuarial reporting at 6.75%.

## **Immigration**

Dec 15: New legislation ([Bill C-3](#)) took effect 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. Citizenship by descent beyond the first generation is also 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.

**Action Point:** Find out what companies and their HR directors need to know to [navigate the immigration law maze](#) and avoid penalties.

## **Training**

Dec 3: The federal government says it will earmark over \$100 million over 2 years, starting in 2025-2026, to support eligible employers in all sectors with an active Work-Sharing agreement who commit to training employees who work reduced hours. The measure will increase the income replacement for eligible workers, helping up to 26,000 Canadian workers in various sectors, including steel and lumber.

## **Training**

Dec 1: The federal government announced that it will provide nearly \$20 million in funding to a pair of unions to support skilled training initiatives, including: i. the United Brotherhood of Carpenters & Joiners of America to provide virtual reality training on rigging and hoisting to over 4,000 journeypersons and apprentice Industrial Mechanic (Millwrights); and ii. the Carpenter's Regional Council to provide 10 training hubs across the country to prepare 4,000 journeyperson and apprentice carpenters on new and emerging green technologies including installing, repairing, and maintaining the exteriors layers that protect and seal buildings.

### **New Laws**

Dec 5: Ottawa announced significant new measures to protect the domestic steel industry, including tightening the tariff rate quota levels for steel products from non-free trade agreement partners from 50% to 20% of 2024 levels. Canada will also impose a global 25% tariff on targeted imported steel-derivative products such as wind towers, prefabricated buildings, fasteners, and wires. Temporary remission of Canadian tariffs on imports will end on January 31, 2026, for steel used in Canada for manufacturing, food and beverage packaging, and agricultural production.

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

### **New Laws**

Dec 5: The federal government says it plans to work with railway companies to reduce freight rates for transporting Canadian steel and lumber across provinces by 50%. To maximize use of Canadian softwood lumber in housing, Build Canada Homes will prioritize shovel-ready, multi-year projects that use Canadian wood products and can begin within 12 months. The government's new [Buy Canadian Policy](#) also requires that all contracts worth over \$25 million prioritize Canadian materials, including steel and lumber.

### **New Laws**

Dec 11: [Bill C-12](#) proposing a wide range of new legal measures to strengthen Canadian border security and prevent the flow of illegal drugs, human trafficking, money laundering, and organized crime has passed the House of Commons and First Reading in the Senate.

### **New Laws**

Nov 26: The federal government introduced [new draft regulations](#) giving the Commissioner of Official Languages power to impose administrative monetary penalties of up to \$50,000 against Air Canada, Marine Atlantic Inc., VIA Rail Canada Inc., and designated airport authorities for violations of the *Official Languages Act*. The new regulations, which are now open to public comment for 30 days, will take effect in 2026.

### **New Laws**

Feb 11: That's the deadline to comment on the Competition Bureau's updated [Merger Enforcement Guidelines](#) governing how the Bureau reviews proposed mergers and acquisitions to ensure they don't stifle competition.

### **New Laws**

Dec 3: Newly tabled [Private Member Bill C-258](#) proposes to amend the *Criminal Code* to require lower court judges to "stay," that is, end OHS, environmental, and other prosecutions if the period between the day on which a charge is laid and the actual or expected end of trial before the court exceeds 30 months, unless the prosecutor proves that the period is reasonable by demonstrating that exceptional circumstances exist. The legislation essentially codifies the rules set down by the Canadian Supreme Court in a case called *R. v. Jordan* to prevent unfair and

unreasonable prosecution delays that violate defendants' Charter rights to a speedy trial.

### **Accessibility**

Dec 11: The Canadian Human Rights Commission published a [new 3-year plan](#) to make workplaces more accessible for the disabled. Current barriers cited by the report include lack of space for disabled employees to network, unclear and inefficient accommodations processes, lack of established onboarding protocols, and failure to account for the disabled in workplace emergency response and evacuation planning.

**Action Point:** One key aspect of an accessible workplace is ensuring that fire and other emergency evacuation plans accommodate employees with mobility impairments or other disabilities. Find out how to make your own [emergency response plan accessible](#).

### **Accessibility**

Dec 3: Accessibility Standards Canada published the world's first national standard for accessible AI. New CAN-ASC-6.2, *Accessible and Equitable Artificial Intelligence Systems*, sets out guidelines to help product designers and operators ensure that AI systems are accessible, inclusive, and fair starting with their development and proceeding through the entire product cycle.

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

### **Workplace Violence**

Dec 9: Newly tabled [Bill C-16](#) adds new sexual violence protections to the *Criminal Code*, including the creation of a new offence for engaging in a pattern of coercive or controlling conduct toward an intimate partner and making it a first degree murder to commit what's called "femicide" (when the victim is a woman), defined as murder against an intimate partner as part of a pattern of coercive or controlling conduct, sexual violence, human trafficking, or motivated by hate. The bill would also provide for tougher penalties for manslaughter committed in those circumstances while making it easier for victims to prove they were subject to criminal harassment.

### **Workplace Violence**

Dec 2: The Senate tabled [Bill S-242](#) (*Georgina's Law*) requiring the federal government to develop a national action to prevent intimate partner violence and support its victims. The government would have to propose the plan within one year and provide progress reports on its implementation every 2 years.

**Action Point:** Find out [how to protect your employees](#) from the risk of workplace domestic, sexual, and intimate partner violence.

### **Workplace Violence**

Dec 3: [Bill C-225](#), which just passed Second Reading, amends the *Criminal Code* to create new offences for engaging in intimate partner violence and ban peace officers from releasing persons arrested for an intimate partner offence if they've committed such an offence in the last 5 years or are at large on a release order for such an offence.

## Health & Safety

Jan 1: That's the final deadline for complying with the new [GHS 7 WHMIS rules](#) revising the hazard information that must be listed on a Safety Data Sheet in Section 9, which describes a hazardous product's physical and chemical properties, and Section 14, which lists transport information.

**Action Point:** Are you prepared for the January 1, compliance deadline? Find out what you need to know [to comply with the new WHMIS GH 7 requirements](#).

## CASES

### Termination: No EI Benefits for Employee Who Gives Up on Return to Work

A mail carrier tried to go back to work after a 5-month medical absence but found the work too painful to his injured eyes and left after just a day. Canada Post set up a phased accommodation period for 2 weeks later, but the carrier didn't report to work. So, CP gave the carrier 3 more chances to either return or explain why he couldn't do so. A month later, with no return or explanation, CP sent him a termination letter. ESDC concluded that the carrier left his employment voluntarily and rejected his claim for EI benefits. The federal court ruled that the carrier didn't prove he had just cause to quit his job and rejected his appeal noting, among other things, his admission that he had already decided he didn't want to go back to work before CP gave up its efforts to accommodate his return [[Adegoke v. Canada \(Attorney General\)](#), 2025 FCA 229 (CanLII), December 16, 2025].

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

### Health & Safety: National Telecom Company Fined \$260,000 for Fatal Tower Fall

A worker installing the final antenna on a telecommunications tower fell approximately 120 metres and suffered fatal injuries. The company that owns the tower and hired the contractor for whom the victim worked was fined \$260,000 after pleading guilty to 3 OHS violations, including failure to: i. provide a fall protection system for elevated work over 3 meters; ii. ensure workers used the required fall protection; and iii. ensure that workers received instruction in the safe use of fall protection equipment [[Rogers Communications Canada Inc.](#), [Govt. Press Release](#), November 24, 2025].