

# Federal

## LAWS & ANNOUNCEMENTS

### New Laws

Feb 12: Newly passed income tax relief legislation, [Bill C-19](#), provides a one-time top-up payment equal to 50% of the increase in the maximum annual Goods and Services Tax/Harmonized Sales Tax credit (GSTC), to be paid by June 2026. The new Canada Groceries and Essentials Benefit will also increase by 25% for five years starting in July 2026.

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

### Leaves of Absence

Feb 4: [Bill C-222](#) amending the *Canada Labour Code* to provide that an employee who's entitled to maternity or parental leave to care for a newborn or newly adopted child or a child remains entitled to that leave even if the child dies during the leave period passed Second Reading. "Evan's Law" would also amend the *Employment Insurance Act* to provide that a person to whom EI benefits are payable to care for a newborn or child placed for adoption remains eligible to receive those benefits even if the child dies during the benefit period.

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

### Immigration

Feb 5: [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 is through Second Reading in the Senate, having passed the House of Commons in October.

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

### Labour Relations

Jan 27: Newly tabled [Private Member Bill C-259](#) would revise the *Canada Labour Code* to clarify what constitutes dominating or influencing a trade union by an employer, or person acting on an employer's behalf. Under the Bill, a trade union that's so dominated or influenced would lose its certification, while employers who exercised such dominance or influence would be subject to penalties.

### New Laws

Jan 27: Second Reading for [Bill C-226](#) calling for the development of a national framework for grocery pricing and unit price display practices. The Bill also establishes reporting requirements in relation to the framework to ensure transparency of grocery prices.

### New Laws

Feb 13: The federal government's AgriMarketing Program began accepting applications for funding under two new streams supporting the Canadian agriculture and agri-food sector: [Market Diversification for National Industry Associations](#) and the [Market Diversification for Small and Medium-sized Enterprises](#). The programs will provide \$75 million in funding over five years.

### **New Laws**

Feb 5: The Prime Minister outlined a new national strategy to protect and grow Canada's vital automotive industry based on major investments in clean electricity and electric vehicles, critical minerals for domestic production of batteries, as well as new tax credits for productivity and clean technology, and enhanced deployment of artificial intelligence (AI) and robotics with an eye toward developing safe, self-driving vehicles.

### **Training**

Feb 6: The Canadian Apprenticeship Strategy's Investments in Training Equipment stream is now open for [applications](#). The stream, which offers funding to unions and training providers for training workers in the Red Seals trades, will now cover the costs of shipping and installing training equipment with contributions of up to 70% in remote or infrastructure-limited areas.

### **Accessibility**

March 12 is the deadline for companies to [apply](#) for federal Enabling Accessibility Fund grants of \$500,000 to \$1 million for construction, renovation and retrofit projects aimed at making workplaces safer and more accessible for persons with disabilities. EAF funding is open to non-profits, for-profits, Indigenous organizations and municipal and territorial governments for projects lasting up to 24 months.

**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](#).

### **Health & Safety**

Feb 11: The federal government published updated [Occupational Health and Safety \(OHS\) regulations](#) incorporating significant new "Hazardous Substances" requirements for aviation, maritime, trains, oil and gas, and other federally regulated industries. The regulations require employers to adopt new safety measures for engineered nanomaterials, thermal stress, non-solar ultraviolet radiation, and radon. They also lower permissible exposure levels and clarify air sampling and recordkeeping requirements.

**Action Point:** Find out what you need to know [to comply with the new WHMIS requirements](#).

### **Workplace Violence**

Feb 2: Second Reading for [Bill C-16](#) adding 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 female),

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.

**Action Point:** Domestic and sexual violence becomes an OHS issue and liability risk for employers when it happens at the victim's workplace. Find out [how to protect your employees](#) from the risk of workplace domestic violence.

### **Workplace Violence**

Feb 12: In response to the spate of assaults on healthcare workers, the Senate passed and the House of Commons is now debating [Bill S-233](#) amending the *Criminal Code* to require a court to consider the fact that the victim of an assault is a person who provides health services or a first responder to be an aggravating circumstance for the purposes of sentencing.

**Action Point:** Are you doing enough to protect your employees against violence at work? Find out about the 10 things you must do to [prevent workplace violence](#).

## **CASES**

### **Discrimination: Data Analytics-Driven Restructuring Demotion Is Not Based on Race**

In early 2017, a bank implemented IRIS, a national restructuring initiative designed to cut costs and enhance profitability by eliminating customer-facing positions made redundant by internet banking. Among the IRIS casualties was a Black man of African Caribbean descent who claimed he was demoted from his customer manager position because of his race. The Canadian Human Rights Tribunal dismissed the complaint, based on witness testimony that IRIS uses objective data analytics criteria not based on race or other protected characteristics. The federal court ruled that the Tribunal's determination that race didn't factor into the decision to demote was reasonable and rejected the appeal [[Miller v. Toronto Dominion Bank](#), 2026 FC 150 (CanLII), February 2, 2026].

**Action Point:** Although the employer won, relying on AI and data-driven analytics to make employment decisions can result in inadvertent and unforeseen discrimination to the extent bias is wired into the system. Use the HR Insider [AI Bias Audit Template](#) to uncover and rectify potential discrimination risks in your current AI applications.

### **Drugs & Alcohol: Mixed Test Results, Bizarre Accident Don't Prove Impairment**

A railway signaller exited his vehicle but didn't put it in park; when he got back in, he accidentally hit the accelerator rather than the brake causing a collision resulting in property damage but no injury. While the post-incident breathalyzer and oral fluid swab tests came back negative, the urinalysis tested positive for THC in the amount of 33 ng/ml. So, the railway suspended him for 30 days while requiring him to submit

to random drug testing as a condition to returning to work. The union claimed there were no grounds for discipline. Relying on previous cases involving similar circumstances, the federal arbitrator ruled that the testing results didn't prove that the signaler was impaired. Jumping in and out of the vehicle the way the signaler did was concerning, the arbitrator acknowledged. "Unfortunately, accidents happen [and] do not, by themselves, support a finding of impairment." So, the arbitrator rescinded the suspension [[IBEW, System Council No. 11 v Toronto Terminals Railway Company](#), 2026 CanLII 10266 (CA LA), February 12, 2026].

**Action Point:** While [creating a legally sound drug testing policy](#) is vital to ensuring a sober workplace, the *IBEW* case illustrates that a positive test for marijuana doesn't necessarily prove that an employee was impaired at the time of testing. In this case, the level of THC was simply too low and was offset by the negative results of the breathalyzer and oral fluid swab tests.

### **Attendance & Absenteeism: Even Non-Culpable Absenteeism Is Grounds for Termination When It's Excessive**

Fatigue and short-term illnesses caused a conductor to miss a total of 92 days in 20 months—not counting annual leave and other authorized absences. A railway acknowledged that a conductor's absenteeism due to fatigue and short-term illnesses was non-culpable. But the railway also found it unacceptable. So, it terminated his employment, describing it as an "administrative" rather than disciplinary decision. The union didn't buy it and accused the railway of violating the disciplinary provisions of the collective agreement. The federal arbitrator sided with the railway, reasoning that innocent absenteeism may be grounds for dismissal on administrative grounds when it's excessive. The conductor in this case had missed 92 days over a period of 20 months. Considering that conductors generally work an average of 160 days per year, that's an annual absenteeism rate is slightly more than 34%, which based on previous cases involving absence rates of between 5% and 11% is clearly "incompatible with the fundamental contract of service to the employer" [[Canadian National Railway v Teamsters Canada Rail Conference](#), 2026 CanLII 8560 (CA LA), January 29, 2026].

**Action Point:** Disciplining employees for missing work becomes problematic when absences are non-culpable, that is, caused by illnesses, injuries, disabilities, and other circumstances beyond an employee's control. Such absences may be justified under employment standards leaves of absence rules or as reasonable accommodations for disabilities required under human rights laws. That's why it's essential [to create and implement a legally sound Attendance Management Policy](#) that deals with non-culpable absences.