

HR Insider Newsletter

Canada's guide to HR Compliance and Management

JULY 2026



This Month's Highlights

In this issue, we explore the return-to-office debate, answer personnel file questions, uncover statutory holiday pay pitfalls, discuss handling harassment complaints with care, and highlight the importance of a summer HR policy audit. Read on for insights, and visit our site to access the full articles.



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Return-to-Office vs. Remote Flexibility

The workplace has undergone a fundamental shift. For HR directors and workplace managers, the debate is no longer simply “remote vs. in-office,” but how to design a model that supports productivity, engagement, and organisational resilience. Understanding the differences between return-to-office (RTO) arrangements and remote flexibility, and how to transition between them thoughtfully, is essential for long-term success.

Understanding the Arrangements

Return-to-office (RTO) policies typically require employees to work on-site full-time or for a set number of days per week. These models prioritise in-person collaboration, visibility, and structured supervision.

Remote flexibility, on the other hand, allows employees to work from home or other locations, either fully remote or within a hybrid model. Hybrid arrangements vary widely, from employee-chosen schedules to employer-mandated in-office days.

The key distinction lies in control and autonomy: RTO models centre organisational control over location, while remote flexibility prioritises employee choice and adaptability.

Sector-Specific Benefits

Not all sectors benefit equally from each model.

Sectors that benefit from remote work:

- Knowledge-based industries (e.g., technology, marketing, finance).
- Administrative and support roles.
- Research, writing, and design-focused work.

These roles often require deep focus and can be performed effectively without a physical presence.

Sectors that benefit from in-office or on-site work:

- Construction, manufacturing, and skilled trades.
- Healthcare and social services.
- Retail and hospitality.
- Education and hands-on training environments.

In these sectors, physical presence is essential for safety, service delivery, or operational continuity.

Pros and Cons

Return-to-Office Advantages include stronger team cohesion and workplace culture, easier onboarding and mentorship, improved spontaneous collaboration and clearer boundaries between work and home.

Return-to-Office Challenges include increased commuting time and costs, potential disengagement if perceived as unnecessary, and reduced flexibility for employees with caregiving responsibilities.

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Remote Flexibility Advantages include increased employee autonomy and satisfaction, access to a broader talent pool, reduced overhead costs for employers and potential productivity gains for focused work.

Remote Flexibility Challenges include risk of isolation and reduced team cohesion, communication gaps or delays, difficulties in performance visibility and management and ergonomic and home office safety concerns.

Accommodating Diverse Preferences

A one-size-fits-all approach rarely works. HR leaders should aim for intentional flexibility, balancing organisational needs with employee preferences.

Strategies include:

- Offering hybrid models with clear expectations but some scheduling autonomy.
- Creating purpose-driven office time.
- Providing equitable access to opportunities regardless of location.
- Supporting remote workers with ergonomic equipment and mental health resources.
- Designing office spaces that encourage collaboration rather than individual desk work.

It's also important to recognise that preferences often align with personal circumstances. Employees with long commutes or caregiving responsibilities may prefer remote work, while others value the structure and social interaction of the office.

Transitioning Between Models with Empathy

Shifting from remote to in-office (or vice versa) requires careful planning and communication. Abrupt changes can damage trust and morale.

Best practices for a gradual and empathetic transition:

Communicate Early and Clearly Provide advance notice of changes, including timelines, expectations, and the rationale behind the decision.

Engage Employees in the Process Use surveys, focus groups, or pilot programmes to gather feedback. Employees are more likely to support changes they helped shape.

Phase the Transition Gradually increase in-office requirements or introduce flexible options over time.

Offer Practical Support and Compensation Cover commuting-related costs where possible, provide stipends for home office equipment in remote arrangements and ensure employees have the tools and technology needed to succeed in any environment.

Train Managers for Hybrid Leadership Managers need skills to lead distributed teams effectively, including communication, performance management, and inclusion.

Monitor and Adjust Track engagement, productivity, and turnover metrics. Be prepared to refine the approach based on what's working and what isn't.

Prioritise Psychological Safety Acknowledge that change can be disruptive. Encourage open dialogue and ensure employees feel heard and supported throughout the transition.

Finding the Right Balance

Ultimately, the goal is not to choose between RTO and remote work, but to design a model that aligns with organisational objectives while supporting employee wellbeing. Flexibility, fairness, and clear communication are the cornerstones of a successful approach.

Ask the Expert

Access to Personnel Files

Employers are often asked whether employees have the right to access documents contained in their personnel file, including performance evaluations. The answer depends on the jurisdiction, the type of employer, and whether any workplace policies, collective agreements, or legal proceedings apply.



Question

Is an employer required to provide performance review documents to an employee from their personnel file?

Answer

Whether an employer is required to provide performance review documents from an employee's personnel file depends on the jurisdiction and the type of employer. In federally regulated workplaces and in provinces such as British Columbia and Alberta, privacy legislation generally gives employees the right to access their personal information, which can include performance reviews, subject to limited exceptions. In unionized workplaces, collective agreements often contain provisions allowing employees to review or obtain copies of documents in their personnel file.

Explanation

Personnel files often contain sensitive personal information, including performance evaluations, disciplinary records, attendance documentation, and investigation materials.

In federally regulated workplaces, employees generally have access rights under the Personal Information Protection and Electronic Documents Act (PIPEDA), while provinces such as British Columbia and Alberta have substantially similar privacy legislation that may also provide employees with access to personal information held by their employer. However, employers may be permitted to withhold portions of records where disclosure would reveal confidential business information, solicitor-client privileged material, or personal information relating to another employee.

In Ontario's private sector, there is currently no broad statutory right for employees to inspect or obtain copies of their personnel file outside of specific circumstances. Despite this, employers may still be required to disclose performance-related documents during legal proceedings, human rights complaints, wrongful dismissal actions, or grievance arbitrations. Employers should ensure their policies regarding personnel files and employee access are clearly documented and consistently applied.

Payroll

Statutory Holiday Pay Mistakes Canadian Employers Keep Making and How HR Can Prevent Payroll Compliance Problems

Statutory holiday pay in Canada often becomes complicated when workplaces involve part-time employees, remote workers, variable schedules, substitute holidays, or employees working across multiple provinces. What appears to be a simple payroll issue is actually a coordination challenge between HR, managers, scheduling and payroll systems. Errors can lead to underpayments, employee complaints, compliance risks and retroactive liability.

One of the biggest mistakes employers make is applying the wrong jurisdiction's rules. Public holiday laws differ significantly across provinces and for federally regulated workplaces. Ontario, British Columbia and federal rules all use different eligibility standards and holiday pay formulas. Employers with remote or distributed teams must identify which employment standards law applies to each employee before calculating holiday pay.

Another common problem is assuming part-time or casual employees are not entitled to statutory holiday pay. In many jurisdictions, eligibility depends on statutory criteria rather than employment status alone. Managers who rely on assumptions instead of checking the applicable rules can create widespread payroll errors.

Employers also frequently misapply qualifying rules. Ontario's "last and first" rule, for example, requires employees to work scheduled shifts before and after the holiday unless reasonable cause exists. Shift swaps,

illness, approved absences and irregular schedules can complicate eligibility decisions, especially when managers make informal judgments without HR or payroll input.

Holiday work creates additional complexity. Employees who work on statutory holidays may be entitled to premium pay, substitute holidays or both depending on the jurisdiction. Accurate time coding and documentation are essential to avoid underpayments or duplicate payments. Vacation pay inclusion rules, overtime exclusions and different provincial calculation formulas add further payroll risk.

Remote work has increased compliance challenges because employees may work in provinces different from the employer's head office. HR must maintain accurate employee work-location records so payroll can apply the correct holiday rules and deductions.

HR should confirm jurisdictions, review eligibility rules, prepare payroll codes, train managers, document substitute holidays and audit calculations regularly. Managers should understand that holiday entitlement depends on employment standards legislation, not assumptions about employee status.

The overall goal is to ensure every eligible employee receives the correct holiday pay, every holiday-worked arrangement is documented properly, and all payments are processed through payroll with accurate deductions and records.

Handling Harassment Complaints with Care

A Guide for HR Leaders

Addressing harassment complaints is one of the most sensitive and high-stakes responsibilities for workplace managers. The way a complaint is handled can significantly impact employee trust, psychological safety, and organisational culture. A thoughtful, empathetic, and structured approach is essential not only to ensure fairness, but to support all parties involved and maintain a respectful workplace.

Understanding the Stakes

Harassment complaints often involve complex interpersonal dynamics, power imbalances, and emotional distress. Employees who come forward may feel vulnerable or fearful of retaliation, while those accused may feel anxious, defensive, or concerned about reputational harm.

For HR leaders, the goal is to balance fairness, confidentiality, and empathy, while ensuring compliance with workplace policies and applicable legislation. A poorly handled complaint can escalate conflict, damage morale, and expose the organisation to legal risk.

First Response: Setting the Tone

The initial response to a complaint sets the foundation for the entire process.

Key priorities include listening without interruption or judgement, acknowledging the concern seriously, avoid making assumptions or conclusions and explaining the next steps clearly.

Supportive language matters. For example:

- “Thank you for bringing this forward. I understand this may not have been easy.”
- “Our priority is to ensure a safe and respectful workplace for everyone.”
- “We will review this carefully and keep you informed of the process.”

Avoid language that minimises or dismisses the concern, such as:

- “Are you sure it was intentional?”
- “This sounds like a misunderstanding.”

Even well-intended comments can make the complainant feel invalidated.

Best Steps for Addressing a Complaint

A consistent, transparent process helps ensure fairness and reduces the risk of bias.

1. Document the Complaint Thoroughly

Record details accurately, including dates, times, locations, and any witnesses. Use the employee’s own words where possible.

2. Assess Immediate Risk Determine whether interim measures are needed to protect those involved (e.g., schedule changes, temporary reassignment). These actions should not be punitive.

3. Maintain Confidentiality Limit information sharing to those directly involved in the investigation. Reinforce expectations around privacy with all parties.

4. Conduct a Fair and Neutral Investigation

Interview all relevant parties separately, ask open-ended, non-leading questions, avoid expressing opinions during interviews and ensure the investigator is impartial (internal or external).

5. Keep Communication Ongoing Provide updates to both the complainant and respondent. Silence can increase anxiety and mistrust.

6. Evaluate Findings Objectively Base conclusions on evidence, not assumptions or personal impressions. Apply organisational policies consistently.

Using Neutral and Inclusive Language

Language plays a critical role in maintaining fairness and preventing further harm.

Best practices include referring to individuals as “the complainant” and “the respondent” rather than assigning labels, focusing on behaviours, not character, using neutral phrasing such as “It has been reported that...” rather than “You did...”, and avoiding emotionally charged or accusatory language.

Avoiding the Perception of Targeting

One of the most common risks in harassment investigations is making individuals feel singled out or unfairly treated.

To mitigate this: Apply policies consistently across all employees, clearly explain the process to both parties, avoid unnecessary visibility (e.g., discreet meeting arrangements), ensure interim measures do not appear punitive to either party and train managers to avoid speculation or gossip within teams.

Transparency about process, not outcomes, helps reinforce fairness without breaching confidentiality.

Resolving the Complaint

Resolution will depend on the findings of the investigation and may include formal disciplinary action (if policy violations are confirmed), mediation or facilitated discussions (where appropriate), training or coaching to address behavioural concerns or policy or workplace adjustments to prevent recurrence.

Regardless of the outcome, it is important to close the loop with both parties. While specific details may be limited, employees should understand that the matter was taken seriously and addressed appropriately.

Strengthening the Workplace Going Forward

Each complaint is also an opportunity to improve organisational practices.

HR directors should consider reviewing and updating harassment policies, providing regular training on respectful workplace behaviour, equipping managers with skills to handle concerns early and promoting a culture where employees feel safe speaking up. A proactive approach can reduce the likelihood of future incidents and demonstrate organisational commitment to a safe and inclusive workplace.

Moving Forward with Care and Accountability

Handling harassment complaints requires empathy, clarity, and professionalism at every stage. By focusing on fair processes, thoughtful communication, and ongoing support, HR leaders can ensure that all employees feel respected and protected.

Ultimately, a workplace that responds to concerns with care is one that fosters trust, accountability, and long-term organisational health.

Month-In-Review

A roundup of new legislation, regulations, government announcements, court cases, and arbitration rulings. Visit [HRInsider.ca](https://hrinsider.ca) for the complete Month-In-Review. Now available by jurisdiction to keep you focused on what's been happening in your area including legal alerts, law announcements, and recent cases.



Federal

Pay Equity: New *Canada Labour Code* “equal treatment” rules ban federally regulated employers from paying employees different wage rates based on their employment status, effective October 20. Employment and Social Development Canada issued guidance listing the criteria and exceptions employers must consider in comparing wage rates to determine whether employees are being treated equally.

Alberta

New Laws: Royal Assent for Bill 21, the *Interprovincial Trade Mutual Recognition Act*, allowing goods and services from other provinces to be sold in Alberta if they meet regulatory standards in their home province. Thus, for example, Albertans could buy equipment manufactured in Ontario that meets Ontario regulations even though Alberta’s regulations governing that particular equipment differ.

British Columbia

Employment Benefits: Bill 33-2023 *Pension Benefits Standards Act* changes take effect in BC on October 30. Highlights: i. Defined contribution plans may offer variable life benefits; ii. Auto-enrolment and auto-escalation of member contributions; and iii. Option of surviving spouses of members who die before retirement to choose a pension

directly from the plan rather than a locked-in transfer.

Manitoba

Leaves of Absence: Manitoba passed Bill 10 giving employees with at least seven consecutive months service up to 16 weeks of unpaid leave if a child is placed into their care through adoption or surrogacy. Employees must provide written notice four weeks before leave begins, unless circumstances necessitate shorter notice. Employers may require “reasonable” evidence of leave entitlement.

New Brunswick

Pay Transparency: New Brunswick passed pay transparency legislation (Bill 24) requiring employers to include salary ranges in job postings, banning use of salary history in hiring, and protecting employees from reprisals for discussing their wages. Employers must also submit annual pay transparency reports to the Pay Equity Bureau listing pay differences among women, Blacks, and other “equity groups.”

Newfoundland and Labrador

Employment Benefits: Under newly published Newfoundland *Pension Benefits Act Regulations* amendments, the transfer value of a pension benefit as of a given date must be determined by multiplying the commuted value by the lesser of 1.00 and the most recently

determined solvency ratio.

Northwest Territories

Minimum Wage: On June 2nd, the Government of the Northwest Territories (GNWT) ended a survey asking the public to weigh in on how the minimum wage is determined and adjusted for inflation each year.

Nova Scotia

Training: The new Canada–Nova Scotia Workforce Tariff Response program will provide \$13.8 million over three years to support workers in steel, softwood lumber, fisheries and seafood, agri-food, and other sectors affected by tariffs. The money will be distributed by the province to unemployed workers seeking new skills for in-demand jobs and workers participating in EI Work-Sharing agreements.

Nunavut

Training: The new Canada-Nunavut Workforce Tariff Response will provide \$1.5 million in funding over three years to help workers in the marine sector access training and employment supports. The money will be delivered by the Nunavut Fisheries and Marine Training Consortium to workers who successfully complete the Bridge Watch Training course for marine vessels operating in international waters.

Ontario

Payroll: Bill 105, the *Protecting Ontario's Workers and Economic Resilience Act, 2026* (POWER Act), bans employers from charging employees for required uniforms, including laundering. The ban covers uniforms that are mandatory, employer-specific, and not reasonably usable by employees outside of work, such as branded or logo apparel.

Prince Edward Island

New Laws: Prince Edward Island launched two new programs to support oyster businesses: i. the Oyster Relief Wage Assistance Program offsetting payroll costs for increased sorting and handling requirements; and ii. the Oyster Industry Interest Relief Program covering interest costs on term debt loans made before May 1, 2026, for businesses with losses of at least 30%.

Québec

Payroll: The Québec Assembly began debate on 2026 Budget legislation (Bill 6) that would, among other things, provide employers in the agriculture, forestry, and fisheries sectors a temporary holiday from having to make contributions to the Health Services Fund.

Saskatchewan

New Laws: The *Saskatchewan Internal Trade Promotion Act* (Bill 24) providing for mutual recognition of goods and services entering the province from other Canadian provinces and territories received Royal Assent and took effect. The Bill is patterned after legislation recently adopted around the country in response to U.S. and Chinese tariffs.

Yukon

Workers' Compensation: The WSCB will distribute \$10 million worth of workers' compensation rebates to Yukon employers in 2026. To be eligible, employers must have held an active account in 2025 and remain in good standing with all reporting and regulatory compliance obligations. Eligible businesses will receive rebates as an automated credit applied directly to their assessment accounts.

Case Alerts

Drugs & Alcohol: Total Ban on Workplace Drug Use by Safety-Sensitive Employees Is OK

Shortly after Canada legalized cannabis in 2018, an airline adopted a new safety policy banning flight attendants, flight directors, and other high-risk employees from consuming any drug, whether legal or illegal, at work. The union claimed the policy was unreasonable and that affected employees' privacy rights outweighed the airline's safety concerns. But based on previous cases upholding similar bans and affirming the employer's overriding need to ensure that safety-sensitive employees are fit for duty, the federal arbitrator disagreed with the union and rejected the grievance [*CUPE, Local 4041 v. Air Transat*, 2026 CanLII 44306 (CA SA), May 6, 2026].

Action Point: This case is another illustration of how fitness for duty policies are easier to enforce than zero tolerance drug and alcohol policies. Find out how to implement an effective [fitness for duty policy to control substance abuse at your workplace](#).

Discrimination: Duty to Accommodate Religion Doesn't Cover Personal Objection to Vaccination

A personal belief that humans are unique and "everyone should have the right to decide what is put into their body" isn't a religion, reasoned a federal court in dismissing a COVID vaccination objector's discrimination lawsuit against the Canadian Armed Forces (CAF) for failing to accommodate his religious beliefs. Protection from religious discrimination doesn't cover personal beliefs, no matter how deeply-held, that aren't

connected to a spiritual faith or religion forming a relationship with the divine, the court explained [*Cholewa v. Canada (Attorney General)*, 2026 FCA 73 (CanLII), April 15, 2026].

Action Point: Find out how to avoid religious and other forms of discrimination when [enforcing a mandatory vaccination policy](#).

Discrimination: Asking About Retirement Isn't Age Discrimination, but Predicting It Is

A 66-year-old employee terminated for cause claimed he was the victim of age discrimination based on a trio of interactions with his new boss over a roughly three-month period. In the first, the boss asked if he'd be open to a payout for resigning; a month later, when the employee raised concerns about planning for the future, the boss allegedly responded "what do you care? You won't be here." During his performance review a month later, the boss asked him when he was going to retire. The employer claimed the exchanges were a legitimate exercise in succession planning. But the Alberta Human Rights Commission refused to dismiss the complaint. Simply asking about retirement plans doesn't necessarily constitute age discrimination, the Alberta Human Right Commission noted. However, the boss' second "what do you care" remark wasn't such an inquiry but an indication that the employee would be retiring soon, whether he liked it or not [*Scherer v. Town of Taber*, 2026 AHRC 53 (CanLII), April 16, 2026].

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

Telecommuting: Making Marketing VP Return to Office Is Constructive Dismissal

A Marketing VP sued a construction firm for constructive dismissal by insisting that she return to the office after letting her work from home for more than three years. The arrangement began when the VP finished maternity leave and continued through the COVID pandemic. While not expressed in the written contract, the VP claimed there was an implied agreement between herself and the Executive VP. The BC court agreed and awarded her 19 months' notice, noting that the Executive VP had told her that she didn't have to return to the office because he knew she was getting the work done and didn't care where she did it. The BC Court of Appeal found the ruling legally sound and rejected the employer's appeal [*Cressey Construction Corporation v. Parolin*, 2026 BCCA 199 (CanLII), May 11, 2026].

Action Point: Wrongful and constructive dismissal litigation by employees required to return to the office after working from home are becoming increasingly common. Find out [how to end telecommuting arrangements](#) without committing constructive dismissal.

Discrimination: Misconduct Firing of CFO Is Discriminatory When Race Factors into Decision

British Columbia's top court upheld a Human Rights Tribunal decision that race factored into the City of Nanaimo's decision to suspend and then terminate Victor Mema as its Chief Financial Officer in 2018. The ruling came after a 19-day Tribunal trial in which 13 witnesses testified culminating in a \$600,000 damage award for wage loss and injury to dignity. While the City's contentions that

the CFO engaged in misconduct might have been true, the fact that race entered into the equation was enough to make the ultimate decision to suspend and terminate racially discriminatory [*Nanaimo (City) v. Mema*, 2026 BCCA 203 (CanLII), May 13, 2026].

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.

Employment Contract: Co-Owner Didn't Violate Fiduciary Duties to His Ex-Firm

The owner of a plumbing firm accused his co-shareholder and partner of stealing, creating a tense situation that led to the former's agreement to buy out the latter. But the hostilities continued with the owner filing a lawsuit for breach of fiduciary duties and unlawful competition. The trial court found that the owner lacked credibility and dismissed his claims while also awarding the co-owner a prorated share of his unpaid bonus. The case went all the way to the Ontario Court of Appeal, which upheld the lower court's ruling and ordered it to pay the co-owner \$48,500 covering the costs of the appeal [*Riva Plumbing Limited v. Ferrari*, 2026 ONCA 297 (CanLII), April 24, 2026].

Action Point: Find out more about when employees owe a [fiduciary duty](#) to their company.



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The Summer HR Policy Audit

A practical summer policy audit should focus on the policies most likely to be tested.

Start with vacation scheduling. Confirm the request process, approval criteria, conflict rules, blackout periods, vacation during statutory holiday weeks and documentation expectations.

Review statutory holiday payroll. Confirm jurisdictional rules, eligibility, premium pay, substitute holidays, payroll coding and source deduction processes.

Update heat stress procedures. Identify high-risk roles, controls, rest and hydration practices, monitoring, supervisor responsibilities, symptom reporting and emergency response.

Review wildfire smoke procedures. Confirm air quality monitoring, communication, modified work, vulnerable worker accommodation, respiratory protection considerations and indoor air quality plans.

Refresh onboarding for students and seasonal workers. Ensure role-specific training, safety orientation, harassment prevention, emergency procedures and supervision are documented.

Clarify dress code and PPE expectations. Separate safety requirements from appearance standards and identify the accommodation process.

Review remote work location approvals. Require pre-approval for cottage work, out-of-province work and international work.

Update workplace event and alcohol policies. Set expectations for respectful conduct, alcohol service, transportation, manager responsibilities and inclusion.

Train managers on summer accommodation triggers. Make sure they escalate disability, pregnancy, family status, religious, medical and smoke or heat vulnerability concerns.

Confirm emergency communication channels. Make sure all employees, including temporary and remote workers, can be reached quickly.

Finally, conduct a post-summer review. Look at complaints, payroll corrections, absences, heat concerns, smoke disruptions, vacation conflicts, event issues, accommodation requests and manager questions.

The HR Takeaway

Summer operations fail when employers treat predictable seasonal issues as one-off exceptions. Vacation conflicts are predictable. Statutory holidays are predictable. Heat is increasingly predictable. Wildfire smoke is increasingly foreseeable in many regions. Students and seasonal workers arrive every year. Dress code questions happen every year. Social events happen every year. Remote work requests rise when employees travel.

HR's job is not to eliminate every summer complication. It is to reduce the risk of avoidable confusion.

The strongest summer HR policies are practical, not overbuilt. They tell managers what they can approve, what they must escalate, what must be documented and where payroll, safety, IT or HR need to be involved. They help employees understand expectations before conflict arises. They help the organization respond to heat, smoke, staffing pressure, vacation requests and social events with consistency.

Summer may feel informal. The workplace is not.