

Open for Business Act: Changes to Alberta's Employment Standards Code, Employment Standards Regulation and Labour Relations Code

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On May 27, 2019 the newly elected United Conservative Party (the "UCP") introduced Bill 2, *An Act to Make Alberta Open for Business* (the "Bill"), where it also passed its first reading. The Bill reflects numerous campaign promises made by the UCP in the most recent Alberta election. If passed, the Bill will make changes to the Alberta *Employment Standards Code* and the Alberta *Labour Relations Code*. In addition, effective June 26, 2019, the *Employment Standards Regulation* was amended. Such change and proposed changes are summarized below.

AMENDMENT TO THE EMPLOYMENT STANDARDS REGULATION

On May 27, 2019, an Order in Council created the *Employment Standards (Minimum Wage) Amendment Regulation*, which will amend the *Employment Standards Regulation* to change the minimum wage for youth workers to \$13.00 per hour, effective June 26, 2019. The change only applies to:

- (1) Workers who are
 - (a) under 18 years of age; and
 - (b) enrolled in an educational institution.
- (2) Work that is performed
 - (a) during a school break; or
 - (b) in the first 28 hours in a week that does not fall within a school break.

PROPOSED CHANGES TO THE EMPLOYMENT STANDARDS CODE

If passed, the Bill will make changes to employee entitlements, to banked overtime and holiday pay, and should come into effect on September 1, 2019.

Reduction in amount of required overtime pay for overtime agreements

Currently, where a Flexible Averaging Agreement is in place, if an employee works overtime, they are entitled to 1.5 hours of banked overtime for every overtime hour worked. If Bill 2 is passed, employers will only be required to offer paid time off on a one-to-one ratio, meaning that where an employee works one overtime hour, they are only entitled to one hour of paid time off. Flexible Averaging Agreements will no longer be required.

Changes in holiday pay qualifying period and entitlements

Currently, employees are entitled to general holiday pay upon commencing employment. If Bill 2 is passed, to qualify for holiday pay, an employee must work 30 days in the 12 months before a general holiday.

There would also be distinctions between regular and irregular workdays as follows:

	Employee works	Employee does not work
Normal work day	Average daily wage and 1.5 times wage for hours worked OR Wage for each hour worked and paid holiday day at another time	Average daily wage
Not a normal work day	1.5 times wage for the hours worked	No holiday pay

CHANGES TO THE LABOUR RELATIONS CODE

Changes to the union certification process

The Bill proposes restoring mandatory secret ballot vote for union certification applications. If the Bill is passed, the period in which unions are required to provide evidence of employee support for certification will change to 90 days from the current six months. Additionally, the Bill will remove automatic union certification where there is evidence of more than 65% support of employees in the applied for unit.

Supports for employees to be developed

The Bill sets out that the Minister of Labour may establish a program to provide support and assistance to employees with respect to matters under the *Labour Relations Code* and other labour legislation. The specifics of this program have not been released but, if the Bill is passed, they should be in place by October 1, 2019.

This bulletin is intended as general information only and is not to be taken as legal advice. If you have any questions please contact any member of our [Employment Group](#).