

The Imperative for Manitoba's Overdue Pay Equity Legislation Reform.

1. What is the pay gap, and why is it a problem in Manitoba?

The gender pay gap is the amount of money earned by women for every dollar earned by men. The gender wage gap measures the difference between what women and men are paid. It is calculated by comparing the salaries earned by men and women and expressing this difference as either a percentage or in monetary terms. This ratio highlights the disparity in earnings between men and women.¹ According to average annual salaries, there was a 29 percent difference in Manitoba in 2019 between men and women, with men earning \$52,800 compared to women's \$37,500.

2. Why is this an intersectional issue (including race, gender, ability, etc.)?

Studies consistently show that due to systemic intersectional gender discrimination, Indigenous, Black and women of colour experience worse labour market outcomes compared to non-Indigenous and non-racialized counterparts.²

As can be seen by the table below, the gender pay gap is significantly larger with racialized women.

¹ Anna Evans-Boudreau et al., "Tired of Waiting: Rectifying Manitoba's Pay Gap," Canadian Centre for Policy Alternatives, 6, accessed May 25, 2024, <https://policyalternatives.ca/publications/reports/tired-waiting-rectifying-manitoba%E2%80%99s-pay-gap.>, Regarding the identity markers used in this research, laws often employ binary terminology to identify sex (male or female) and gender (woman or man).

² Statistics Canada Government of Canada, "Income Statistics by Indigenous Identity and Residence by Indigenous Geography: Canada, Provinces and Territories," September 21, 2022, <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=9810028101.>, The quantitative data in our report draws from official sources that categorize data in ways the authors do not always agree with. For example, Indigenous Peoples were included as "not a visible minority" in the 2016 census data.

The Imperative for Manitoba's Overdue Pay Equity Legislation Reform.

Annual earnings gender pay gap by race

	Non racialized	Racialized(B+POC)	Indigenous	First Nations
♀	71% \$15,300 difference	59% \$21,240 difference	58% \$22,176 difference	52% \$24,673 difference

Source: Canadian Centre for Policy Alternatives | Manitoba, Anna Evans-Boudreau, Oyindamola Alaka, Lorna Turnbull, and Jesse Hajer. 2023. "Tired of Waiting: Rectifying Manitoba's Pay Gap." (April). <https://policyalternatives.ca/sites/default/files/uploads/publications/Manitoba%20Office/2023/04/Pay%20Equity%20full%20report.pdf>.

Another important aspect of intersectionality is ability. Statistics from the wage pay gap in 2019 found that among those aged 16 and older, persons with disabilities earn 21.4 percent less than persons without disabilities. Unfortunately, there is no provincial data on the disability pay gap in Manitoba. Pay disparities by gender were also evident, with men and women with disabilities earning less than their non-disabled counterparts.³

3. What is the difference between the wage gap and pay equity?

The wage gap is the difference in earnings between men and women in the labour market.

Pay equity is a tool to close that gap by addressing systemic wage discrimination and inequities in the labour market.

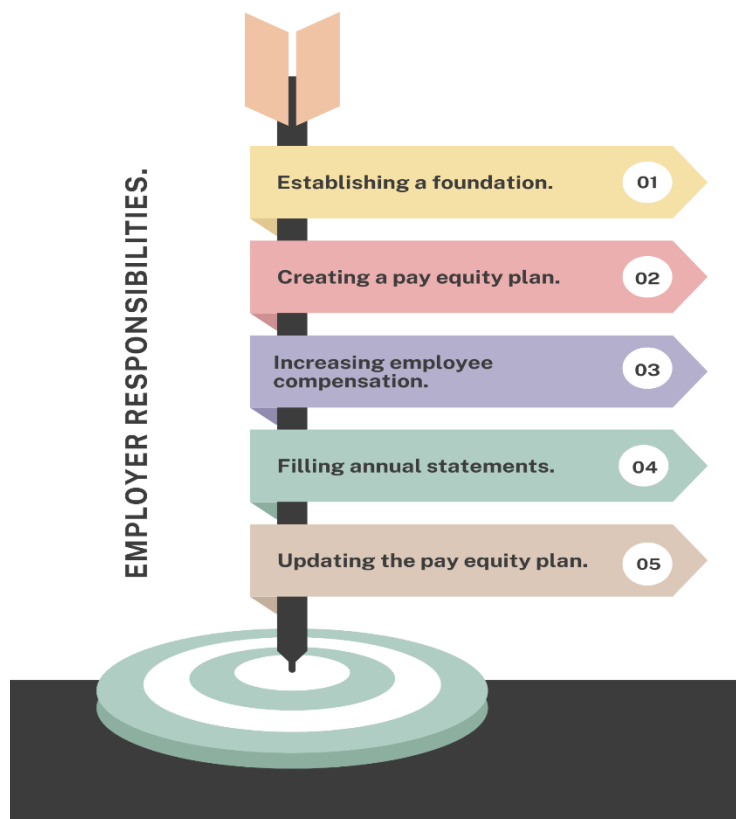
³ Statistics Canada Government of Canada, "The Daily — What Is the Pay Gap between Persons with and without Disabilities?," June 27, 2023, <https://www150.statcan.gc.ca/n1/daily-quotidien/230627/dq230627b-eng.htm>.

The Imperative for Manitoba's Overdue Pay Equity Legislation Reform.

Some other important tools include ensuring that women in all economic sectors have access to decent work, putting an end to violence and harassment against women, making childcare services accessible and affordable, increasing the living wage, promoting access to collective bargaining, and prioritizing the closing of the gender wage gap as a human rights issue.⁴

4. What does a process look like to resolve pay equity?

The Canadian Human Rights Commission has outlined employer responsibilities for pay equity that can also be used for cases where employers are not legally required to act on Pay Equity regulations, such as private sector employers:



⁴ Ontario Equal Pay Coalition, "12 Steps to Closing the Gap – Equal Pay Coalition," accessed May 24, 2024, <https://equalpaycoalition.org/12-steps-to-closing-the-gap/>.

The Imperative for Manitoba's Overdue Pay Equity Legislation Reform.

1. Establishing a foundation: Employers are to notify staff members about the pay equity process within the first three years. They should also create a committee and determine job classes—positions that share similarities.
2. Creating a pay equity plan: Employers should assess which job classes are typically held by men and which by women; and value the labour performed in these job classes. Employers then figure the total pay in dollars per hour for each job class that is dominated by men and women. Employers measure whether jobs of similar value pay differently from each other.

Post a copy of the pay equity plan and inform staff members of their ability to offer feedback on the plan. Upon releasing the pay equity plan's finalized version, they will be notified of increases.

3. Increasing employee compensation: After the third year, employers ought to close any pay gaps after the pay equity plan's final version is posted. This is accomplished by raising the salary of workers in positions where they are not compensated equally for work of equal value.
4. Filing annual statements: Employers share annual statements after the construction and posting of the pay equity plan, and every five years, employers update their pay equity plan.
5. Updating the pay equity plan: The Commission also provides additional tools and resources to assist at every step of the way, from building plans to implementing pay equity in workplaces.⁵

5. Why does the wage gap exist?

⁵ Canadian Human Rights Commission, "Employer Responsibilities," The Pay Equity Act, accessed May 25, 2024, <https://www.payequitychrc.ca/en/about-act/employer-responsibilities>.

The Imperative for Manitoba's Overdue Pay Equity Legislation Reform.

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Structural sexism, systemic inequalities in gender at the macro (state), meso (relational), and micro (individual) levels.



Women spend longer hours doing unpaid care work compared to men.

Women are disproportionately represented in low-wage industries such as healthcare, education, and childcare. Unfortunately, jobs that are predominantly women-dominated are typically undervalued, which perpetuates the wage gap.



A workplace culture that discourages workers with unpaid care responsibilities.



A lack of transparency in hiring processes and negotiations.

The Imperative for Manitoba's Overdue Pay Equity Legislation Reform.

Research demonstrates that implicit biases and discrimination cause the remaining portion of the wage gap.⁶

6. How can we eliminate the gender pay gap?

The 2023 [“Tired of Waiting: Rectifying Manitoba’s Pay Gap”](#) report recommends that Manitoba Legislation, the Pay Equity Act, be amended to:

- a. Provide further context for a contemporary approach to pay equity.
- b. Hold a more explicit purpose and seek to achieve substantial equality.
- c. Clarify employer obligations.
- d. Further define the “women-dominated” class to reduce the percentage of women employees that constitute a “women-dominated class.”
- e. Include the combined representation of gender-diverse, Indigenous, racialized, and/or with disability identities, which accounts for 60 percent or more of the labour class.
- f. Resources should be included in the Act to further the legislative goal. For instance, the Act should create a pay equity legal support center and give Indigenous and community-based organizations funding to achieve pay equity.
- g. Changes to the Employment Standard Code are required as indicators of wage scale discrimination.⁷

The report recommends that the Pay Equity Act incorporate Pay Transparency, which is the practice of openly disclosing salaries and earnings in the workplace. By making pay information more visible, pay transparency helps to reduce the pay gap by bringing unfair compensation

⁶ “The Gender Pay Gap Situation in the EU - European Commission,” Directorate-General for Communication, accessed May 25, 2024, https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/gender-equality/equal-pay/gender-pay-gap-situation-eu_en.

⁷ Anna Evans-Boudreau et al., “Tired of Waiting,” 32.

The Imperative for Manitoba's Overdue Pay Equity Legislation Reform.

practices to light. Having this knowledge gives employees more leverage during the hiring process and when negotiating wages.⁸

7. Why is the gender pay gap a problem, and why is it important to solve?

Manitoba's provincial human rights code and Canada's international commitments uphold fundamental human rights, which include the right to be free from wage discrimination in the workplace and eliminate barriers to economic equality.⁹

The most recent United Nations Human Rights Committee report on Canada presented concerns highlighting the "high level of the pay gap" and the "persistent inequalities between women and men," which "disproportionately affect low-income women, in particular minority and Indigenous women."¹⁰

The gender pay gap is a significant issue because, despite the fact that women's share of household income has increased in recent years, women still face challenges in maintaining financial stability for themselves and their children, mainly due to the gender wage gap. Women are retiring at a higher risk of financial instability and poverty compared to men as a result of long-standing salary disparities throughout their careers.¹¹

The wage gap represents injustice and prejudice based on gender, race and ability. Women spend more time than men doing unpaid caregiving, child rearing, and housework. As a result, they frequently drop out of the labour force, which disadvantages them in the job market and increases their vulnerability to low income, especially in the event of divorce/separation and as they get older.¹²

⁸ Anna Evans-Boudreau et al., 32.

⁹ Ontario Equal Pay Coalition, "12 Steps to Closing the Gap – Equal Pay Coalition."

¹⁰ "CCPR/C/CAN/CO/6: Concluding Observations on the Sixth Periodic Report of Canada," OHCHR, August 13, 2015,

<https://www.ohchr.org/en/documents/concluding-observations/ccprccanco6-concluding-observations-sixth-periodic-report-canada>.

¹¹ Melissa Moyser, PhD, "Measuring and Analyzing the Gender Pay Gap: A Conceptual and Methodological Overview," Government of Canada Statistics Canada., August 30, 2019, <https://www150.statcan.gc.ca/n1/pub/45-20-0002/452000022019001-eng.htm>.

¹² Melissa Moyser, PhD.

The Imperative for Manitoba's Overdue Pay Equity Legislation Reform.

The gender pay gap between men and women reinforces the traditional division of labour. It is financially disadvantageous for families to strive for a more equitable distribution of paid and unpaid work when women earn less than men, even if they work the same amount of hours.¹³

8. Examples of wage gain due to pay equity.

Canada Post

In 2018, an arbitrator ruled that Canada Post's Rural and Suburban Mail Carriers (RSMC) work is of equal value to urban letter carriers and found a wage gap between the two groups. As a result, RSMC obtained wage raises, overtime compensation, and modifications to life disability and pension plans for retired employees.¹⁴ Currently, RSMC represented by the Canadian Union of Postal Workers is ratifying their next agreement with Canada Post, which is expected to improve their working conditions and benefits.

Public Sector Alliance of Canada

Previously, the federal government was not paying some of its workers, primarily women working in a variety of clerical positions, equally for work of equal value. In 1999, this longstanding disagreement between the Treasury Board and PSAC was finally resolved. As a result of the union's success, more than 230,000 current and former women PSAC members received \$3 billion in back pay and interest. In addition, pay adjustments were implemented for specific women-dominated job classifications to ensure that the principle of equal pay for equal work was upheld.¹⁵

9. What are the benefits of implementing pay equity for employers?

Implementing pay equity offers many benefits for employers, which can significantly impact various aspects of a workplace, from its internal culture to its external reputation and financial

¹³ Melissa Moyser, PhD.

¹⁴ "CPC_CUPW_pay_equity_decision_09-20-2018-e. Pdf," accessed May 25, 2024, https://infopost.ca/wp-c/u/2019/02/CPC_CUPW_pay_equity_decision_09-20-2018-e.pdf.

¹⁵ Public Service Alliance of Canada, "PSAC Marks 20th Anniversary of Pay Equity Victory," Public Service Alliance of Canada, October 28, 2019, <https://psacunion.ca/psac-marks-20th-anniversary-pay-equity-victory>.

The Imperative for Manitoba's Overdue Pay Equity Legislation Reform.

health. This could attract top talent and improve employee retention, reputation, and brand image.¹⁶

While the costs and benefits of pay equity policies have not been extensively studied, it is suggested that pay equity reduces recruitment costs and increases attractiveness to skilled workers, which can have medium to long-term financial advantages for employers.

10. What is the difference between Pay Transparency and Pay Equity legislation?

Pay Equity legislation requires employers to pay equal pay for work of equal value and eliminate wage discrimination based on gender. Pay Transparency legislation often demands openness, disallows salary history inquiries, and mandates reporting.¹⁷

11. What other jurisdictions have updated Pay Equity Legislation?

Federal legislation (new): The federal government released proposed regulations to amend the Pay Equity legislation established under the federal Pay Equity Act in 2023.¹⁸

The proposed changes include:

- Creating a process for pay equity committees and employers to update pay equity plans in companies with job classes primarily staffed by men.
- Modifying the calculation of minimum hourly wage to comply with the Canada Labour Code.
- Requiring employers to submit detailed annual reports on work classes primarily staffed by women, including information on the number of women employed in those classes, dates and amounts of pay raises, and the percentage of women in those classes.

¹⁶ People Managing People and Finn Bartram, "Pay Equity: A Complete Guide 2024," People Managing People, March 7, 2024,

<https://peoplemanagingpeople.com/strategy-operations/compensation-benefits/what-is-pay-equity/>.

¹⁷ Pay Analytics, "Pay Equity and Pay Transparency Laws in Canada," November 21, 2023,

<https://www.payanalytics.com/resources/articles/pay-equity-laws-canada>.

¹⁸ Public Works and Government Services Canada Government of Canada, "Canada Gazette, Part 1, Volume 157, Number 46:" (Government of Canada, Public Works and Government Services Canada, Integrated Services Branch, Canada Gazette, November 18, 2023),

<https://www.gazette.gc.ca/rp-pr/p1/2023/2023-11-18/html/reg2-eng.html>.

The Imperative for Manitoba's Overdue Pay Equity Legislation Reform.

· Implementing administrative monetary penalties, which will vary based on the nature of the violation, for employers who breach specific provisions of the Act and Regulations.¹⁹

Quebec: The Pay Equity Act of Quebec was enacted in 1996 and applies to employers in the public and private sectors with ten or more employees. In 2009, the laws were strengthened due to early non-compliance. Employers are now required to conduct an initial pay equity assessment, make the results public, re-evaluate every five years, and provide annual reports.²⁰

There is presently no province-specific Pay Transparency legislation in Québec.

Prince Edward Island: The Pay Equity Act of PEI was first enacted in 1988 and applies to public and private employers. The law mandates that employers identify and rectify gender-based pay discrepancies and ensure equal pay for jobs of equal value. In 2021, PEI also implemented pay transparency laws prohibiting businesses from asking about a job applicant's salary history and requiring all public job postings to disclose the expected pay for the position.²¹

Ontario: Ontario also has laws regarding pay equity, which require private-sector employers to provide equal pay for equivalent work. The Pay Transparency Act for Ontario was passed in 2018 but has not been enacted yet. Once in effect, this law will make it illegal for employers to ask about a candidate's past pay history. It will also require certain companies to disclose demographic pay disparities, such as gender pay gaps, and mandate that all public job postings include a pay rate or range.²²

12. What is Equal Pay Day in Manitoba?

In Manitoba, Equal Pay Day represents the amount of time the average woman needs to work into the following year to earn the same amount of money as the average man did the previous year. By and large, women in Manitoba must work 460 days to make the same amount of money that men make in 365 days, signifying that women need to work an extra three months to catch up to men.²³ In 2024, Equal Pay Day was on April 4.

¹⁹ Government of Canada.

²⁰ Pay Analytics, "Pay Equity and Pay Transparency Laws in Canada."

²¹ Pay Analytics.

²² Pay Analytics.

²³ "Equal Pay Day in Manitoba," accessed June 23, 2024, <https://policyfix.ca/2024/04/04/equal-pay-day-in-manitoba/>.

The Imperative for Manitoba's Overdue Pay Equity Legislation Reform.

Equal Pay Day offers a chance to recognize the strides women have made over the years but focus on the vast ground still to be covered.

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The Imperative for Manitoba's Overdue Pay Equity Legislation Reform.

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