



FULLER LANDAU HR CONNECTION

Linking Human Resources to Your Business



Vol. II No. 1 • February 2010

PAY EQUITY SERIES – WILL YOU BE READY?

PART 1 – INTRODUCTION TO PAY EQUITY

What is Pay Equity?

Pay Equity is defined as equal pay for different but equivalent work. In 1996, the Pay Equity Act was put in place in Quebec to rectify pay differences caused by systematic discrimination in positions which are predominantly held by females.

In May 2009, the Act was officially modified. Among the changes made, the Act now specifies companies' obligations with respect to the maintenance of Pay Equity within their companies. For most companies, the deadline to maintain their program will be December 31, 2010. Until this date, the Pay Equity Commission will not be conducting random inspections, unless the company was responsible to comply with the initial law and they receive a complaint from an employee prior to December 31, 2010.

What are my obligations?

Obligations are determined by the average number of employees working for your company:

Number of employees	Pay Equity Plan	Pay Equity Committee	Posting	Salary Adjustments	Maintain Pay Equity
9 and less	Not affected by the law				
10 to 49	Optional	Optional	Yes	Yes	Yes
50 to 99	Yes	Optional	Yes	Yes	Yes
100+	Yes	Yes	Yes	Yes	Yes

What date do I use to determine my obligations?

Not all companies will necessarily be using the same dates to determine their obligations. The date to use can vary depending on what year the company was created, when the first employee was hired, or the date that the company reached ten employees. Details on the dates to use can be obtained through the Commissions' website, or by simply calling a member of our Fuller Landau HR Consulting Service for more information.

What if I never complied with the Pay Equity Act the first time?

Given that only 50% of companies complied with the initial law, this time the Commission will be cracking down through increased resources, advertising and by having employers complete an annual declaration.

Companies who never complied will still be obligated to produce their initial pay equity

plan. Pay adjustments must be made retroactively to the date that they were originally supposed to be in compliance with the law, plus interest.

What are the steps required to put in place a Pay Equity Plan?

1. Identify and compare predominantly male and female job categories
2. Estimate the pay differences and determine any adjustments, if needed.
3. Post the results
4. Maintain Pay Equity

Stay tuned for Part II of our series in the next edition of the HR Connection.

UPCOMING SEMINAR:

Understanding Pay Equity

On Thursday, February 18, 2010, Fuller Landau LLP is very happy to announce that we will be hosting a breakfast seminar entitled "Understanding Pay Equity".

Space is limited and pre-registration is required. Please visit www.flmontreal.com for more details or to register yourself or a colleague.

This seminar is free of charge.

PREPARING FOR ANNUAL PERFORMANCE APPRAISALS

Evaluating the performance of your employees is as important as producing your company's annual financial reports. It provides you with a regular check-point where you can stop and measure your employee's performance:

- ▶ Are they meeting their goals and targets?
- ▶ What are they doing well and where can they improve?

Here are some things to consider before beginning your next performance reviews:

Be Objective

- Evaluate the employee on the work they did all year as opposed to only recent performance or on a major project/event
- Talk about the performance, not the person. Instead of saying, «You're not doing your job» say «Your performance is not up to standards»
- Rate each performance standard separately - just because an employee has certain weaknesses does not mean that they necessarily deserve low scores in all areas. On the flip side, your star performer surely has areas to improve as well!
- Avoid rating all tasks as average (ex. scoring a 3 on a 5 point scale)

Be Specific

- Use facts. This is made easiest when you've set measurable goals (ex. "You

were expected to sell 100 pairs of shoes but you only sold 80.")

- Use examples for problem areas but also of what your employee is doing right (ex. Don't just say, "Great job." Say, "Great job. Here's an example of a time when we knew we could count on you.")

Hold a Proper Evaluation Meeting

- Schedule the meeting in advance and allow plenty of time
- Choose a private setting, free from interruptions
- Have two people present

Get the Employee's Buy-in

- Explain how the poor performance is affecting the organization. Then describe the change that you'd like to see.
- Develop mutually agreeable goals for the following year. Employees will have greater influence over the goals and therefore are more likely to accept the standards.

Holding regular performance evaluation meetings will not only help your company's performance improve but will give your company and management added credibility when the process is taken seriously. Whether the evaluation was positive or negative, employees should leave the meeting knowing exactly where and how to improve.

ASK AN HR EXPERT

An employee with two years of service, working in the retail industry, would like to take two consecutive weeks of vacation during our busiest month of the year. Can we refuse this request and force the employee to take only one week at a time?

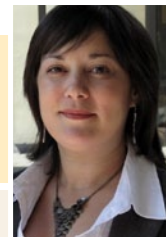
Under the *Act Respecting Labour Standards*, the employer must allow the employee to take two consecutive weeks of vacation if it was requested. The employee also has the right to take an additional week without pay to equal up to three weeks; however, this week cannot be divided into more than one period and does not have to be consecutive to the other two weeks. Similarly, if an employee has five years of uninterrupted service, he or she may request to take three consecutive weeks of vacation and again, the employer cannot refuse this.

That said, an employer does have the right to approve or even select an employee's vacation dates with 4 weeks' notice. So if the dates the employee requested fall during your busiest season you are allowed to deny this request and ask the employee to schedule their vacation at another time.

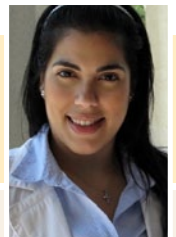
Please do not hesitate to call Fuller Landau LLP's Human Resources Consulting Service with any additional questions or for further details.

Micheline Maillet, CHRP
(514) 908-4772
mmaillet@flmontreal.com

Juliana D'Orso, CHRP
(514) 875-2865, ext. 301
jdorso@flmontreal.com



Micheline Maillet



Juliana D'Orso

Stay tuned for the next edition of the HR Connection with more information on Pay Equity and the next steps to follow. Please note that the information provided in this bulletin consists of general guidelines and that there are many exceptions and special cases that could apply.