EQUAL PAY FOR WORK
OF EQUAL VALUE
IT’S ONLY FAIR!

WHAT TO DO TO ACHIEVE PAY EQUITY

The Pay Equity Act, in force since November 21, 1997, applies to all employers whose enterprise employs at least 10 employees, whether in the private, public or parapublic sectors. Employers whose enterprise employs less than 10 people must respect pay equity as stipulated in the Charter of Human rights and Freedom. Furthermore, the Act does not apply to enterprises under federal jurisdiction.

The Pay Equity Act aims to redress differences in compensation due to the systemic gender discrimination suffered by people who occupy positions in predominantly female job classes.

This document presents the typical process for achieving pay equity. It does not cover all the aspects of the process in a detailed manner. Certain features depend on the context and obligations differ according to the size of the enterprise. You should refer to the Act for details.

Pay Equity: the typical procedure

1. Determine the number of employees

   - The size of the enterprise is determined by the number of employees. This number corresponds to the average number of employees entered on the employer’s payroll per pay period during the reference period provided for in the Act.
   - The notion "employee" refers to any person who undertakes work for remuneration under the direction or control of an employer. (There are, however, certain exceptions provided for in the Act.)
   - The Act applies to full-time, part-time, casual, regular and temporary workers.
2. Determine the number of plans required

- An employer whose enterprise employs at least 50 employees must establish a pay equity plan applicable to all of the employees in his enterprise.
- The basic rule is one pay equity plan per enterprise.
- The Act provides for certain situations where there may be more than one plan per enterprise.

3. Determine the composition of the pay equity committee(s)

- An employer whose enterprise employs 100 or more employees must set up a pay equity committee. An employer whose enterprise is of a smaller size may also decide to form such a committee.
- The committee’s goal is to facilitate the employees’ participation in the pay equity process.
- A pay equity committee is composed of no less than three members:
  - 1/3 of the members represent the employer
  - 2/3 of the members represent the employees and at least 50% of these members are women.

4. Identify the predominantly female job classes and the predominantly male job classes

- The pay equity committee or, in the absence of such a committee, the employer shall identify the job classes.
- A job class groups together the jobs that have the following characteristics in common:
  - similar duties or responsibilities;
  - similar required qualifications;
  - the same remuneration, that is, the same rate or scale of compensation.
- It is possible that a job is unique and cannot be grouped with any other job in the enterprise; it thus becomes a class in itself.
- Once the jobs have been grouped together by job class, they must be identified as belonging to a predominantly female job class, a predominantly male job class or a mixed job class.
- A job class shall be considered predominantly female or predominantly male:
  - If 60% or more of the positions in that class are held by employees of the same sex;
• If the difference between the rate of representation of women or men in the job class and their rate of representation in the total workforce of the employer is considered significant;
• If the historical incumbency of the job class in the enterprise indicates that it is a predominantly female or predominantly male job class;
• If owing to gender stereotypes of fields of work, the job class is commonly associated with women or men.

5. Choose the method and tools to evaluate the job classes and develop an evaluation procedure.

- The method selected by the pay equity committee or, in the absence of such a committee, by the employer for determining the value of job classes must allow the predominantly female job classes to be compared with predominantly male job classes.
- The Act does not specify a particular method for the evaluation of job classes. However, whatever method is used, it must take the following factors into account:
  - required qualifications;
  - responsibilities;
  - efforts required;
  - the conditions under which the work is performed.
- The method as well as the tools and evaluation procedure selected must be free of any discrimination based on gender.

6. Post the results of the job class identification, as well as the choices concerning the evaluation method, the evaluation tools and the evaluation procedure.

- The pay equity committee or, in the absence of such a committee, the employer must post the results of the job class identification, as well as the choices concerning the evaluation method, the evaluation tools and the evaluation procedure selected in places easily accessible to the employees.

7. Evaluate the job classes

- The pay equity committee or, in the absence of such a committee, the employer must determine the value of each job class using the evaluation method selected.
• The evaluation must cover the characteristics of the job class and not those of the people who hold the jobs.
• The application of the evaluation method and the evaluation tools must be free of any discrimination based on gender.

8. Determine the value of differences in compensation.

• The pay equity committee or, in the absence of such a committee, the employer must compare the remuneration of predominantly female job classes to that of predominantly male job classes.
• This comparison may be done using one of two methods, the overall method (comparing each predominantly female job class with the earning curve of all predominantly male job classes) or the individual method job-to-job comparison of a predominantly female job class with a predominantly male job class of equal value).
• The adjustments required to eliminate differences in compensation must be determined at the latest by November 21, 2001 and are not retroactive.

9. Define the terms and conditions of payment of compensation adjustments.

• The employer must determine the terms and conditions of payment of adjustments in compensation after consultation with the pay equity committee or with the certified association with which it jointly established a pay equity program, depending on the case.
• Only predominantly female job classes will be subject to an adjustment.
• Pay equity cannot be achieved by reducing the remuneration payable to the employees in an enterprise.

10. Post the results

• The pay equity committee or, in the absence of such a committee, the employer must post the results of the pay equity program in prominent places easily accessible to the employees.

11. Pay adjustments in compensation

• The employer must begin paying the first adjustment in compensation no later than November 21, 2001 and the adjustments can be spread over a four-year period, ending November 21, 2005.
- If the instalments are spread over a period of time, they must be annual and equal in amount.

12. Maintain pay equity

- The employer must maintain pay equity, notwithstanding changed circumstances in the enterprise.
- Pay equality must be guaranteed when a collective agreement is being negotiated or renewed.
WHAT THE EMPLOYERS MUST DO

For the purposes of applying the Act, employers are subject to obligations that depend on the size of their enterprise.

<table>
<thead>
<tr>
<th>Obligation</th>
<th>100 employees or more</th>
<th>50 to 99 employees</th>
<th>10 to 49 employees</th>
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<tbody>
<tr>
<td>Pay equity program</td>
<td>√</td>
<td>√</td>
<td>optional</td>
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<tr>
<td>Pay equity committee</td>
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<td>optional</td>
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<tr>
<td>Posting</td>
<td>obligatory (after stages 1 and 2 and after stages 3 and 4 of the program)</td>
<td>obligatory (after stages 1 and 2 and after stages 3 and 4 of the program)</td>
<td>obligatory (posting of the results)</td>
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<tr>
<td>Compensation adjustments starting 21-11-2001 (at the latest)</td>
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<tr>
<td>ending 21-11-2005 (at the latest)</td>
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<tr>
<td>Maintaining pay equity</td>
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</tbody>
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Stages of a pay equity program:

1. Identify the predominantly female job classes and the predominantly male job classes within the enterprise;
2. Describe the method and tools to be used to evaluate these job classes and develop an evaluation procedure;
3. Evaluate the job classes, compare them, estimate the differences in compensation and calculate the compensation adjustments;
4. The terms and conditions of payment of compensation
WHAT YOU SHOULD KNOW ABOUT THE PAY EQUITY ACT

Implementing pay equity is:

- assigning to jobs usually held by women a compensation equal to that assigned to jobs usually held by men;
- even if those jobs are different;
- provided that they are of equal value.

The Pay Equity Act makes it possible to effectively redress differences in compensation due to systemic gender discrimination. It is flexible and adapted to the workings of different enterprises.

An agreement, within the enterprise, between the employer and his employees on any question relating to the application of the Pay Equity Act, is key to guarantee the success of the entire process.

WHAT YOUR MUST KNOW ABOUT THE COMMISSION DE L’ÉQUITÉ SALARIALE

The Commission de l’équité salariale is the agency responsible for the application of the Pay Equity Act. The Commission's Secretariat is located in Québec City and the Commission also has an office in Montréal.

The Commission de l’équité salariale must make the Act, the procedure surrounding the development and implementation of pay equity programs known and oversee the establishment of these programs. It must also deal with disputes and with complaints from employees or employers, carry out investigations with a view to promoting a settlement between both parties, render the appropriate decisions and see to the maintenance of pay equity.
The Commission de l'équité salariale is there to help you, be it through its information service, its Internet site, its publications or its information sessions. You can obtain information and support regarding the Pay Equity Act and its application, at any time.

The Commission de l’équité salariale

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The text in this pamphlet is based on the legislation currently in force. It is explanatory and does not constitute as a legal interpretation.