

March 2, 2022

Trish Altass, MLA

Critic for Economic Growth, Tourism and Culture

Office of the Official Opposition

175 Richmond Street

Charlottetown, PE C1A 1H8

Delivered via Email

Re: Feedback on Proposed Paid Sick Leave Legislation

Ms. Altass;

On behalf of the Greater Charlottetown Area Chamber of Commerce and our over 1100 members representing over 20,000 employees, I write to follow up on our February 7, 2022, conversation regarding the proposed Paid Sick Leave legislation. While the Chamber appreciates the intentions of the proposed legislation, we have some strong reservations and urge you to consider them as you move forward.

Timing and Impacts

We are concerned that the timing of this type of legislation will disproportionately impact small businesses that can already barely meet payroll due to impacts caused by the ongoing pandemic. This legislation increases the cost of labour, exacerbates the current labour shortage and does so during a historically challenging financial period. Based on the current consultation draft, providing three days of paid sick leave after thirty days of continuous work could result in an effective wage increase of over 10% for businesses. Such legislation could encourage businesses to limit their staffing numbers to absorb the cost of a legislated paid sick leave. Businesses have been resilient through the pandemic, but it does not mean they are thriving.

Part-Time Workers

Based on the draft legislation, it is not clear what sick leave part-time workers would be entitled to should this be enacted. Part-time workers make up a significant amount of the workforce. We ask that the distinction between part-time and full-time be made explicitly clear before this legislation is further inspected. From our understanding, a part-time employee working two shifts per week could accumulate three paid sick days after

four weeks of work, meaning approximately 37.5% of wages earned could be in paid sick leave. This could also cause concern when a worker holds two or more part-time jobs, meaning they could be employed for thirty days while accumulating three paid sick days at each part-time job they have.

Funding and Red Tape Burden

As it is currently outlined, the associated cost this legislation would bring would be fully funded by business. If this is something our elected officials see as a necessary safety net for Island workers, then government should be prepared to fund the increased cost. Businesses are focused on recovery.

This legislation would create considerable red tape for organizations that already have contracts and collective agreements in place. The administration costs alone of introducing this legislation, as well as tracking paid sick days, will distract owners, operators and managers away from what they do best – running their respective businesses. This will hamper the provincial government’s attempt to reduce red tape for business.

Workplace Culture

Chamber members take great pride in providing safe and inclusive workplaces. Our members are understanding when employees become ill and are required to miss work. Our province already has a progressive sick leave policy in place. Our members are unclear as to who is asking for this type of legislation.

Further, the Chamber is concerned about the potential abuse of this legislation that could create unintended consequences on workplace culture. It would also make businesses less competitive in the hiring process by legislating the same sick time across the board.

Other Jurisdictions

On PEI, paid sick days do not accumulate until after five years of employment. From a business owner and employer perspective, we understand why this may need revisiting. Only Quebec and British Columbia currently provide paid sick days based on our initial research. In Quebec, the entitlement is two days per year after three months of uninterrupted service.

While BC has implemented a new policy of five paid sick days per year, it too becomes active after three months, a more common threshold compared to paid and unpaid days across various Canadian jurisdictions. It also has clear language surrounding the calculation of what is considered sick pay to reflect better the differences for those working shifts of varying length and how to account for overtime. Lastly, BC clarifies that the five days do not accumulate from year to year, helping remove an administrative burden for businesses trying to track it each year.

Proper Process

Currently, the Employment Standards Act Comprehensive Review Panel (ESACRP) is undertaking their first round of consultations, and we feel that this type of conversation should occur through this process. While we appreciate the efforts you are putting forward, and certainly the Chamber’s opportunity to comment, the ongoing consultation process for ESACRP would help your efforts at consultation. ESACRP will allow all voices to be adequately heard through a non-partisan review panel and for both businesses and employees to find common ground on the topic of paid sick leave.

To be clear, our members agree that adequate support should be in place when their employees become ill and are required to miss work. However, they disagree that ten days of paid sick leave is a reasonable policy to achieve that. Similarly, our members encourage your caucus to allow for proper consultation through the ESACRP to allow for a balanced policy that would allow businesses to provide support for their employees when they become ill and to recognize the current economic challenges being faced by the business community.

We thank you for putting discussions on sick leave and employment standards at the forefront of your work. The same way you represent your constituents, the Chamber represents our members and their concerns on the given topic. We hope you take these into consideration when bringing forward any proposed legislation and hope to keep an open line of communication on the matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Godfrey', is positioned below the 'Sincerely,' text.

Robert Godfrey

Chief Executive Officer

CC: Hon Matthew MacKay, Minister of Economic Growth, Tourism and Culture; Erin McGrath-Gaudet, Deputy Minister of Economic Growth, Tourism and Culture; GCACC Board of Directors