

October 4, 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, Revised Draft

Ms. Altass;

On behalf of the Greater Charlottetown Area Chamber of Commerce (GCACC) and our over 1,100 members representing over 20,000 employees, I write to follow up on your call for feedback regarding the revised draft of the proposed Paid Sick Leave legislation. While the Chamber appreciates the intentions of the proposed legislation, we continue to have some strong reservations and urge you to consider them as you move forward.

Currently, the [Employment Standards Act Comprehensive Review Panel](#) (ESACRP) is undertaking consultation, which we provided input to earlier in the year, 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.

We are not opposed to a discussion on the employers' role in accommodating paid sick leave, with further consultation with business owners across PEI. However, we oppose the jump to 10 paid sick days, rather than a minimal increase, as well as the annual carry forward provision, which our members have not encountered in the private sector. Any contribution from employers will be determined by the Employment Standards Board, and as such we are copying them in this letter.

Timing and Impacts

We continue to be 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 labour shortage, increasing inflation, and 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 one day of paid sick leave after thirty days of continuous work could result in an effective wage increase of 3.33% for businesses. Such legislation could encourage businesses to limit their staffing numbers to absorb the cost of a legislated paid sick leave.

PEI has continually seen the highest rate of inflation year-over-year in the country, according to [data released by Statistics Canada](#) in August. Businesses have been resilient through the pandemic, but it does not mean they are thriving, especially with such inflation and rising wages.

Part-Time Workers

Based on the draft legislation, it remains unclear 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. While we appreciate the distinction between hourly and salaried employees, there are many full-time jobs that pay hourly, so 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 one paid sick day after four weeks of work, meaning approximately 12.5% 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 one paid sick day at each part-time job they have.

Other Jurisdictions

On PEI, under current legislation, after five years of continuous employment with the same employers, workers are entitled to one day of paid sick leave each calendar year. GCACC will contend that this warrants a discussion.

In Canada, Quebec and British Columbia currently provide paid sick days. In Quebec, the entitlement is two days per year after three months of employment.

British Columbia has implemented a new policy of five paid sick days per year, that becomes active after three months of employment. It also has clear language surrounding the calculation of what is considered sick pay to reflect the differences for those working shifts of varying length and how to account for overtime. Lastly, British Columbia 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.

See below for a chart on sick leave within the other provinces and territories (*note*: this chart does not include additional special COVID programs).

<u>PROVINCE/TERRITORY</u>	<u>PAID SICK LEAVE</u>	<u>UNPAID SICK LEAVE</u>
PEI	0	3
Nova Scotia	0	3
New Brunswick	0	5
Newfoundland	0	7
Ontario	0	3
Quebec	2	
Manitoba	0	3

Saskatchewan	0	12
Alberta	0	5
BC	5	3
Yukon	0	12
NWT	0	5
Nunavut	0	
<i>Average for Canada</i>	0.53	4.69

In short, the Canadian average is 0.53 days of paid sick leave based on all the provinces and territories. GCACC again welcomes a discussion on paid sick leave, but this chart illustrates how extravagant 10 days of paid sick leave is for an employer to offer given the comparative to the rest of Canada.

The average for unpaid sick leave for all provinces and territories is approximately 4.69 days. Most provinces and territories do not offer 10 sick days that are *unpaid*, let alone 10 paid sick days per year.

We would strongly urge you to consider these comparatives as you look to move the legislation forward.

Further, we would ask that you reflect on the kind of a financial impact your legislation would have on the business community of PEI as they would suddenly need to finance 10 paid sick days in a jurisdiction that currently offers less than one day on average.

Funding and Red Tape Burden

While we appreciate the new provision encouraging the Minister to establish a support fund to assist smaller businesses through the transition to paid sick leave, we are worried about the longer term effects

While the proposed legislation encourages the Minister and states there *may* be temporary financial support, it is clear that this funding, if provided, will end. This leaves the business community shouldering the financial costs of paid sick leave for 10 days alone, as well as dealing with any staffing issues that could come from this legislation. The PEI business climate is still recovering and is facing uncertain times as inflation continues to rise.

If this is something the Green Party considers as a necessary safety net for Island workers, then GCACC would propose that the legislation ensure that government fund the increased cost.

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. Further, 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, as well as the COVID-19 Special Leave Fund. 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.

Final Thoughts

To be clear, our members agree that adequate support should be in place when their employees become ill and are required to miss work, and are open to further discussion on the topic. However, they strongly disagree that 10 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 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.

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,



Robert Godfrey
Chief Executive Officer

CC: Hon Bloyce Thompson, Minister of Economic Growth, Tourism and Culture; Erin McGrath-Gaudet, Deputy Minister of Economic Growth, Tourism and Culture; GCACC Board of Directors; PEI Employment Standards Board Chair Wayne Vessey