

Month in Review – Ontario



LAWS & ANNOUNCEMENTS

Payroll

May 25: [Bill 105](#), the [Protecting Ontario's Workers and Economic Resilience Act, 2026 \(POWER Act\)](#), which is through Second Reading, bans employers from charging employees for required uniforms, including laundering. The ban covers uniforms that are mandatory, employer-specific, and not reasonably usable by employees outside of work, such as branded or logo apparel.

Action Point: Find out about the [8 important new payroll changes](#) that will affect your current year T4 filings and 2026 source deductions.

Employment Standards

May 25: [Bill 105](#), the POWER Act, amends the rules for enforcing the *Employment Standards Act* (ESA), including with respect to apportioning money collected in enforcement matters, requiring that employees be paid first and that any remaining amounts be divided proportionally among the collector, the Employment Standards Director, and the Minister of Finance.

Employment Standards

May 25: Second Reading for [Bill 105](#) banning talent agencies from charging fees to entertainment workers, except for certain commissions. The Bill also requires talent agencies to provide written statements to entertainment workers and retain related records, while setting out rules for handling compensation received on their behalf, including requirements to deposit funds in a dedicated account and remit payments to workers within specified timelines.

Labour Relations

May 25: Debate continues on [Bill 105](#), which amends timelines set out in the *Labour Relations Act, 1995* relating to the construction industry. Currently, the Act provides for two-month timelines in which another trade union may apply to the Board for certification as bargaining agent for employees to whom a collective agreement applies, and two-month timelines for applying for a declaration that a trade union no

longer represents the employees in a bargaining unit. The Bill would reduce these “open periods” to one month.

New Laws

Apr 24: Ontario’s newly passed budget legislation ([Bill 97](#)) cuts the small business corporate income tax (CIT) from 3.2% to 2.2% over the next three years. The government claims that the 31.25% CIT rate cut will provide over 375,000 Ontario small businesses up to \$5,000 in tax relief each year.

New Laws

Apr 28: Ontario officially launched the [Roadmap to Protecting Ontario’s Forest Sector](#), a 10-year strategy to protect forestry sector workers and businesses impacted by tariffs and preserve the industry’s position as a global leader in manufacturing and selling wood products. Ontario’s forest sector generates close to \$21 billion in revenue and supports over 154,000 jobs across the province. The bad news is that 97% of its exports go to the U.S.

New Laws

May 4: The Ontario Assembly introduced the *Fair Prices and Tax-Free Groceries Act, 2026*, ([Bill 113](#)), requiring the government to create a plan to address the affordability of all food products and non-alcoholic beverages and ensure residents have access to food at fair, stable, and transparent prices. As part of the plan, the Minister of Finance would have to take all necessary steps toward removing the HST on food products and non-alcoholic beverages.

Statutory Holidays

Apr 24: The [Bill 97](#) budget legislation that just received Royal Assent amends the *Retail Business Holidays Act* to allow retail business establishments to open on Victoria Day, provided they pay employees who work the day time-and-a-half premium pay, in addition to full public holiday pay. Retail employees will still have their ESA rights to refuse work on a public holiday.

Action Point: Find out how to avoid costly payroll mistakes and employment standards violations by implementing a [Statutory Holiday Compliance Game Plan](#) at your company.

Privacy

May 21: New Digital Security [regulations](#) require Ontario public hospitals, schools, and other public sector entities to implement cyber security programs that include: i. appointment of employee primary points of contact; ii. annual cyber security maturity assessments; iii. submission of cyber security maturity assessment summaries; and iv. “critical cyber security incident” reporting. Effective date: July 1, 2026.

Action Point: Find out how to implement a [Data Breach Response & Damage Control Game Plan](#) to safeguard your company against cyberattack.

Privacy

Apr 24: Ontario’s newly passed budget bill includes language to modernize the province’s protocols for public sector disclosure of personal information and sensitive data and response to Freedom of Information (FOI) requests. However, the Ontario Information and Privacy Commission (IPC) warns that Schedule 7 of the Bill

would “significantly limit public access to government records held by the premier, cabinet ministers, parliamentary assistants, and political staff, while also weakening privacy protections for Ontarians.”

Action Point: Find out how to guard against AI privacy, discrimination, and other liability risks by implementing a legally sound [workplace artificial intelligence use policy](#).

Employment Benefits

May 14: According to the Financial Services Regulatory Authority of Ontario’s new (FSRA)Q1 2026 Solvency Report, defined benefit pension plans in the province had a 122% median solvency ratio from January 1 to March 31, 2026, a 2% decrease from the previous quarter. The percentage of plans projected to be fully funded on a solvency basis as at March 31, 2026 was 90%, compared to 92% as at December 31, 2025. Only 2% of plans had a solvency ratio below 85%, unchanged since last quarter.

Employment Benefits

Apr 24: Key changes to the *Pension Benefits Act* contained in newly passed [Bill 97](#): i. allow plans to transfer variable life benefits (VLBs) from a defined contribution account; ii. establishment of a death benefit payable to a designated beneficiary in respect of VLBs; iii. new rules for partial wind ups that terminate the part of a pension plan that provides VLBs; and iv. clarification that if the date of wind up is on or after March 26, 2026, an amount of a pension or pension benefit, including any bridging supplement, in excess of \$3,000 is not guaranteed by the Pension Benefits Guarantee Fund.

Training

May 19: Ontario announced that it’s investing \$11 million over two years through the new Women’s Economic Leadership and Legacy (WELL) Fund to help women gain skills in high-demand sectors, including clean energy, construction, and entrepreneurship in technology. There will also be an anti-human trafficking stream to help survivors via peer supports, education, and employment.

Workplace Violence

May 25: Newly tabled [Bill 119](#) revises Ontario’s Sex Offender Registry, which will now apply to persons who are subject to an order or obligation that requires them to comply with the *Sex Offender Information Registration Act (Canada)*. Related amendments are made to the definitions of “sex offence” and “offender” and new definitions of “obligation” and “order” are added.

Workplace Violence

May 4: The Ontario Assembly began debate on [Bill 112](#), the *Accountability and Transparency in the Handling of Sexual Assault Cases*). Section 5 of the Act, aka Lydia’s Law, requires police services that receive a sexual assault complaint from persons who are 16 years of age or older to tell the complainant about the Independent Legal Advice Program.

Action Point: Domestic and sexual violence becomes an OHS issue and liability risk for employers when it happens at the victim’s workplace. Find out [how to protect your employees](#) from the risk of workplace domestic violence.

Workplace Harassment

May 25: Newly tabled anti-crime legislation ([Bill 119](#)) extends the part of the Victims' Bill of Rights protecting mental distress sufferers to victims of criminal harassment. It also allows victims to sue for money damages even if the alleged harasser hasn't actually been charged or convicted of a harassment crime.

Action Point: Find out how to implement a legally sound and effective [Workplace Harassment Prevention and Compliance Game Plan](#) at your workplace.

Health & Safety

May 25: [Bill 105](#), which passed Second Reading, would empower the Ministry of Labour (MOL) to recognize standards for training, PPE, and other equipment that comply with requirements in another Canadian jurisdiction as being in compliance with Ontario OHS regulations. The Bill also allows the MOL to reimburse employers and constructors for the cost of purchasing protective headwear required by the law.

Retaliation

May 25: The [Bill 105](#) employment reform legislation working its way through the Ontario Assembly would provide new reprisal protections to retirement home workers and health professionals who report resident harm or risk to the Retirement Homes Regulatory Authority (RHRA) Registrar.

Action Point: Find out [how to avoid inadvertent reprisals or retaliation](#).

Workers' Compensation

May 25: New employment reform legislation ([Bill 105](#)) proposes to increase workers' compensation Loss-of-Earnings (LOE) benefits from 85% to 90% of a worker's take-home pay. The bill will also allow workers who choose to work past age 65 to continue receiving LOE benefits instead of having to forfeit them the way they do under the current rules. According to Statistics Canada, about 444,000 Ontarians aged 65 and older remained in the workforce in 2025 (about 5.4% of Ontario's labour force).

Workers' Compensation

May 25: Ontario proposed new legislation to extend mandatory workers' compensation coverage to all privately operated residential care facilities, retirement homes, and group homes. If and when [Bill 105](#) passes, it will close a long-standing gap that has left 29,000 personal support workers, registered nurses, social workers, occupational therapists, and other frontline care workers without workers' compensation coverage.

CASES

Employment Contract: Co-Owner Didn't Violate Fiduciary Duties to His Ex-Firm

The owner of a plumbing firm accused his co-shareholder and partner of stealing, creating a tense situation that led to the former's agreement to buy out the latter. But the hostilities continued with the owner filing a lawsuit for breach of fiduciary duties and unlawful competition. The trial court found that the owner lacked credibility and dismissed his claims while also awarding the co-owner a prorated share of his unpaid bonus. The case went all the way to the Ontario Court of Appeal,

which upheld the lower court's ruling and ordered it to pay the co-owner \$48,500 covering the costs of the appeal [[Riva Plumbing Limited v. Ferrari](#), 2026 ONCA 297 (CanLII), April 24, 2026].

Action Point: Find out more about when employees [owe a fiduciary duty](#) to their company.

Employment Standards: Temp Agency, Director Fined \$40,000 for Disobeying MOL Inspector's Order

An Ontario Ministry of Labour inspector ordered a licensed temporary help agency to turn over certain employment records relating to the agency's relationship with a client company. When the agency didn't provide the records within the deadline, the MOL fined it \$30,000; the agency's director was also personally fined \$10,000 for the violation [[1000466616 Ontario Inc., Che Sang Duong, MOL Press Release](#), April 22, 2026].

Action Point: Find out [how to prepare for and manage ESA and other government inspections](#) at your workplace.

Health & Safety: Previous Work Refusals Don't Affect Current OHS Refusal Appeal

Education Assistants (EAs) initiated an OHS work refusal contending that the secondary school where they worked didn't take adequate measures to protect them against the threat of violence posed by a special education student with a history of erratic behaviour. The MOL inspector called in to investigate concluded that there was no danger. The union appealed citing previous work refusals involving the same student. The school argued that the previous refusals were irrelevant and should be struck from the pleadings. The Ontario Labour Relations Board agreed. In ruling on an appeal of an OHS inspector's work refusal determination, we're allowed to consider only "the issues and circumstances that were before the inspector," the Board explained [[Ontario Public Service Employees Union/ Syndicat des Employes de la Fonction Publique de L'Ontario v Peel District School Board](#), 2026 CanLII 35812 (ON LRB), April 13, 2026].

Action Point: Find out how to implement a legally sound [Compliance Game Plan](#) for responding to OHS work refusals at your own workplace.

Health & Safety: Retirement Home Residents Can File COVID Negligence Class Action

An Ontario court gave the green light for Thunder Bay retirement home residents and family members to bring a class action lawsuit against the facilities for gross negligence in failing to protect them against COVID outbreaks at the site. The suit claims that management's alleged "delayed, piecemeal, and grossly deficient acts and omissions constituted a serious and marked departure from the standard of care for Infection Prevention and Control and delivery of care to elderly and vulnerable population" [[Bolduc v. Oxford Living, LLC](#), 2026 ONSC 2461 (CanLII), April 27, 2026].

Action Point: This is a very concerning case for employers to the extent it signals that the door may be open to private lawsuits, including class actions, for negligently failing to prevent people at the worksite or facility against COVID-19 and other infections. Find out how to create a legally and clinically sound workplace [Exposure Control Plan](#) to protect your employees against the risk of COVID and other infectious illnesses.

2026

[March 2026 Month in Review](#)

2025

[December 2025 Month in Review](#)
[February 2026 Month in Review](#)
[November 2025 Month in Review](#)
[January 2026 Month in Review](#)
[October 2025 Month in Review](#)
[April 2026 Month In Review](#)
[September 2025 Month in Review](#)
[May 2026 Month In Review](#)
[August 2025 Month in Review](#)
[July 2025 Month in Review](#)
[June 2025 Month in Review](#)
[May 2025 Month in Review](#)
[April 2025 Month in Review](#)
[March 2025 Month in Review](#)
[February 2025 Month in Review](#)
[January 2025 Month in Review](#)

2024

[December 2024 Month in Review](#)

2023

[December 2023 Month in Review](#)
[November 2024 Month in Review](#)
[November 2023 Month in Review](#)
[October 2024 Month in Review](#)
[October 2023 Month in Review](#)
[September 2024 Month in Review](#)
[September 2023 Month in Review](#)
[August 2024 Month in Review](#)
[August 2023 Month in Review](#)
[July 2024 Month in Review](#)
[July 2023 Month in Review](#)
[June 2024 Month in Review](#)
[June 2023 Month in Review](#)
[May 2024 Month in Review](#)

[May 2023 Month in Review](#)

[April 2024 Month in Review](#)

[April 2023 Month in Review](#)

[March 2024 Month in Review](#)

[March 2023 Month in Review](#)

[February 2024 Month in Review](#)

[February 2023 Month in Review](#)

[January 2024 Month in Review](#)

[January 2023 Month In Review](#)