

Pay Transparency in Canada: Why BC's New Law Matters Everywhere and How HR Can Get Ahead



Canadian HR managers are no strangers to evolving workplace laws. From minimum wage indexing to pay equity legislation, each year seems to bring a new set of compliance challenges. But British Columbia's **Pay Transparency Act** represents more than just a regional tweak—it signals a broader shift in how governments, employees, and the public expect employers to handle pay fairness.

Starting November 1, 2025, employers in BC with 300 or more employees, along with Crown corporations, must publish an annual pay gap report in a format prescribed by government. By November 1, 2026, that requirement will expand to all employers in BC with 50 or more employees. These reports will detail differences in pay between male and female employees, and in time, may also capture non-binary categories.

At first glance, if your organization isn't based in BC, you might wonder why this matters. But ignoring it would be short-sighted. Other provinces, including Ontario, have already signalled interest in similar laws, and the federal government has moved in parallel with its *Employment Equity Act* reforms. Beyond legislation, employees themselves are driving expectations for transparency. A Glassdoor survey found that 67% of job seekers consider salary information essential when evaluating roles. Pay secrecy is increasingly seen as outdated, if not suspicious.

So, whether you operate in Vancouver or Halifax, the smart move is the same: **prepare for a future where transparency isn't optional**. And that starts with learning how to do pay gap reporting well.

Why HR Managers Across Canada Should Care

The BC law is the immediate trigger, but the ripple effects are national. For one thing, many employers operate across provinces. If you're headquartered in Toronto but employ 500 people in BC, you'll be on the hook. For another, these kinds of reforms rarely stay confined to one jurisdiction. When Ontario introduced its *Pay Transparency Act* in 2018 (though implementation was paused), it reflected a broader national and international trend. Québec and federally regulated employers are also under pressure to strengthen equity reporting.

But perhaps the biggest reason HR managers everywhere should pay attention is

cultural. Pay secrecy has historically favoured employers. But in an age of LinkedIn salary surveys, Glassdoor postings, and employee Slack groups sharing compensation data, the ground has shifted. Transparency is coming whether governments legislate it or not. The question isn't *if*, but *when*, and *how prepared you'll be when it arrives*.

Getting Ready: What a Pay Gap Report Actually Involves

At its core, a pay gap report is deceptively simple: it's a document that compares average compensation for men and women across your organization, broken down by categories such as job type or seniority. The government will provide a prescribed template, but the heavy lifting lies in the data you feed into it.

For HR managers, the real challenge isn't the reporting itself—it's cleaning and structuring the data. Anyone who has worked with HRIS systems knows how messy employee records can be. Inconsistent job titles, outdated classifications, missing data fields, and unverified self-identification can all distort your numbers. If you've ever tried to pull a "quick report" only to discover that half your engineers are labelled "software specialist" and the other half "developer II," you know the problem.

That's why preparation is everything. Employers that wait until October 2025 to start will find themselves scrambling, while those that invest in data hygiene now will not only comply smoothly but also gain useful insights to improve compensation strategies.

Cleaning Your HRIS: Why It Matters and Where to Start

Think of your HRIS as the foundation of your pay gap analysis. If the data is incomplete or inconsistent, your report will be inaccurate—and in a public compliance regime, inaccuracies can mean reputational damage.

Take job titles. If one department uses "manager" and another uses "team lead" for essentially the same role, your pay gap analysis may suggest unjustified differences in compensation. Similarly, if gender identity fields are incomplete, you may end up underreporting certain groups or skewing averages.

Cleaning your HRIS starts with auditing what data you currently have. Are gender fields filled in consistently? Are job codes standardized across departments? Do you have clear rules for handling contractors, part-timers, or employees on leave? The audit may feel tedious, but it's the single most important step in building a credible report.

One large Canadian credit union learned this lesson the hard way when conducting a voluntary pay equity review. Inconsistent data meant that IT job families looked underpaid compared to finance roles, when in fact the discrepancy was a coding issue. It took months of reclassification and manual correction to get reliable numbers. The lesson: do the cleaning before the law forces you to.

Methodology Choices: Beyond the Numbers

Even with clean data, employers face methodological questions. Do you calculate mean or median pay? How do you account for bonuses, overtime, or stock options? Should you compare across the whole company or within job families?

The BC government will provide guidance, but employers should think critically. Averages alone can be misleading. For example, if most senior leaders are men and

most junior staff are women, the overall pay gap will look large, even if men and women are paid fairly within each level. That doesn't mean the gap isn't real—it highlights structural issues in promotion and advancement. But if you don't understand what your numbers mean, you risk publishing a report that raises questions you're not ready to answer.

HR should work closely with compensation specialists and legal counsel to choose and document the methodology. Transparency doesn't mean just publishing numbers; it means being able to explain them credibly.

The Communications Challenge

Perhaps the most underestimated part of pay gap reporting is communication. Numbers alone rarely speak for themselves. If you simply publish a report that shows a 12% gap without explanation, you risk public criticism and internal unrest. Employees will ask: *Why is the gap there? What is management doing about it?*

A smart communications plan starts internally. Before the report goes public, employees should hear directly from leadership about the results, the context, and the plan for improvement. This builds trust and prevents surprises. For example, one Canadian tech firm that voluntarily disclosed its pay gap framed it as a journey: "Our analysis shows a 9% gap, primarily due to underrepresentation of women in technical leadership roles. Here's what we're doing to close it: targeted recruitment, mentorship, and transparent promotion criteria."

Externally, tone matters. Acknowledge the gap honestly, explain what it means, and outline steps being taken. Avoid the temptation to spin. In the age of social media, employees and advocacy groups will quickly call out reports that seem evasive. Transparency earns respect only if it's paired with accountability.

The Cultural Payoff

It's easy to see pay transparency as a burden—a new compliance box to check. But handled well, it can be a cultural asset. Employees who believe pay is fair are more engaged and less likely to leave. A 2023 Conference Board of Canada study found that perceived pay fairness was one of the strongest predictors of employee trust and commitment, regardless of the actual size of salaries.

For employers, that means pay transparency can become a competitive advantage. In sectors where recruitment is tight—healthcare, tech, skilled trades—being able to say "we don't just comply, we lead on pay fairness" can strengthen your brand.

Why This Matters Outside BC

Let's return to the original question: why should an HR manager in Calgary or Halifax care about BC's law?

Because history tells us that these reforms rarely stay confined to one province. Ontario's earlier Pay Transparency Act showed political momentum. Federally, the *Employment Equity Act* already requires reporting for certain employers. Internationally, the EU Pay Transparency Directive is setting a high bar, and multinational companies are beginning to harmonize their practices globally.

In other words, pay transparency is not a BC issue—it's a Canadian issue, and soon it will be a global one. HR managers outside BC have a choice: wait until their province legislates, or get ahead now. Those who choose the latter will not only be ready for

compliance, they'll also build a culture of trust that sets them apart.

From Compliance to Opportunity

British Columbia's Pay Transparency Act is a wake-up call for Canadian employers. For those directly covered, the countdown to November 2025 has already begun. For everyone else, it's a glimpse into the future.

The real work lies in cleaning HR data, choosing sound methodologies, and planning communications that build trust rather than fear. Do this well, and pay gap reporting won't just be about compliance. It will be about credibility, engagement, and culture.

The world is moving toward transparency. The only question is whether you'll be pushed into it—or prepared to lead.