

Reminder To Prince Edward Island Employers: New Paid Sick Leave Entitlements Start October 1, 2024



On October 1, 2024, Bill 106, *An Act to Amend the Employment Standards Act*, comes into effect, expanding paid sick leave entitlements on Prince Edward Island for the first time since 2010, when Prince Edward Island became the first province in Canada to introduce paid sick leave entitlements.

What changes do Prince Edward Island Employers need to be aware of?

Currently, employees who have at least five years of continuous service with the same Employer are entitled to one day of paid sick leave each calendar year. Employees who have been employed for a continuous period of at least three months are also entitled to up to three days of unpaid leave each calendar year.

On October 1, 2024, Prince Edward Island employees will now be entitled to the following paid sick leave benefits:

- After 12 months of continuous employment, an employee earns one day of paid sick leave;
- After 24 months of continuous employment, an employee earns one additional day of paid sick leave; and
- After 36 months of continuous employment, an employee earns a third day of paid sick leave.

Employees will still remain entitled to up to three days of unpaid leave each calendar year after three months of continuous employment with an Employer.

In terms of the payment amount that employees are entitled to for paid sick leave, employees who are paid at an hourly rate are entitled to receive their regular rate of wages for the hours they would have worked if they had not requested the leave, while salaried employees are entitled to receive their regular rate of pay for a day of work.

It is important to note that once an employee is entitled to paid sick leave, employees are entitled to be provided with paid sick leave upon request first, before accessing any unpaid leave entitlements. Furthermore, employees are not entitled to carry forward unused paid sick leave to the following calendar year.

These amendments also impact the current pay statement and payroll record keeping requirements. Starting on October 1, 2024, Employers will be required to include the amount of paid sick leave that an employee is entitled to on the employee's pay statement and make and keep complete and accurate records of the number of days of paid sick leave that the employee has accumulated and used, as part of the Employer's payroll record keeping requirements.

Who do these changes apply to?

These amendments apply to provincially regulated Employers and employees who fall under the application of the Prince Edward Island *Employment Standards Act*. However, there are certain types of employees who are excluded from the application of these new expanded paid sick leave provisions, such as salespersons whose income is derived primarily from commission on sales, farm labourers, or unionized employees, whose terms and conditions of employment are established by collective agreement pursuant to Prince Edward Island's *Labour Act*.

Takeaways for Employers

Employers who currently provide employees with less than the new paid sick leave entitlements under the *Employment Standards Act* will need to review and update their sick leave policies and programs to prepare for their new obligations and ensure compliance.

It also underscores the need to ensure that appropriate attendance management programs and tracking systems are in place to track and record employee paid and unpaid sick leave entitlements and the number of paid and unpaid sick days used by an employee during a calendar year.

The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.

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