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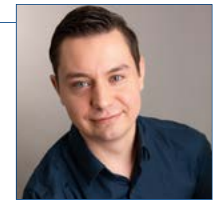

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How to Prepare the List of Events That Can Affect a Pay Equity Audit

In 2025, most municipalities will have to carry out a pay equity audit. With the changes made to the law in 2019, this year's exercise will include some new features that will need to be properly handled, including the list of events.

In Québec, any company with an average of 10 or more employees has four years to complete its initial pay equity exercise. The process is intended to ensure that people in typically or predominantly female jobs receive pay that is equal to people in typically male jobs that have the same or equivalent value to the organization.

After the initial exercise, the employer must carry out a pay equity audit every five years, which is 2025 for the majority of municipalities. The purpose of this exercise is to identify any differences in compensation created by changes the organization has experienced in recent years.

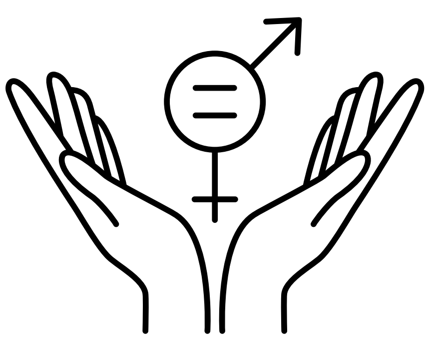
As part of the pay equity audit, the employer must list the events that have occurred in the company that may have affected pay equity, valuate the difference in compensation for each event, post the results of the work for employees, and pay the compensation adjustments.

What is an event?

Events are any changes made by the organization in the last five years that may have had an impact on pay equity. One of the *Pay Equity Act*'s new requirements is to list the events chronologically.

New or abolished positions

This applies when a new position is created, not when a replacement is hired for an existing one. It is important to note when the position was created and at what salary. The list must also indicate abolished positions. Those left vacant do not fall into this category..



Compensation changes

All compensation increases must be documented, unless they are pay increments within the established framework of a specific salary structure. Indirect changes that do not affect all categories of employees, such as pension plans and vacations, must also be taken into account. For example, if a company begins offering an additional week of paid vacation to its professional staff after 10 years of service, the event must be included in the valuation.

Responsibility changes

If a position has been given new responsibilities, that constitutes an event. For example, if Sophie, an administrative assistant, is now supervising the team of administrative officers, the change must be considered an event that triggers a new valuation.

Why prepare a list of events?

As required by the *Pay Equity Act*, the list of events must be included in the posting for employees on the results of the organization's valuation of differences in compensation. Furthermore, the list of events must be subject to consultation with the union, which will suggest modifications if it considers anything to be incomplete or missing.

Avoid having to start over

The list can be prepared in one of three ways: by the employer alone, by the pay equity audit committee, or in collaboration with the union. It is important for both parties to agree on the list of events before starting the valuation of differences in compensation; otherwise, much of the work will have to be redone.

Need support?

Do not hesitate to call on professionals to guide you through the pay equity audit process.