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# How much is *he* getting paid?

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An inquiry into ***pay transparency*** as a tool to close the wage gap for women, Indigenous peoples, people with disabilities, people from racialized minorities, and people from the 2SLGBTQ+ community



Coalition for Pay Equity  
Coalition pour l'équité salariale  
New Brunswick • Nouveau-Brunswick



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# Welcome.

In New Brunswick, women earn 92 dollars for every 100 dollars men earn. That's the gender wage gap.

The gender wage gap affects women at all income brackets, all education levels, and all ages.

The New Brunswick government encouraged voluntary measures to address this wage disparity through a five-year plan from 2005-2010. More than ten years later, the wage gap persists.

This workbook invites you to think about a new tool to help reduce the wage gap that persists in New Brunswick: pay transparency.

Watch this broadcast from [CBC News The National](#) from April 27, 2022 which talks about how pay transparency attracts job applicants.



Private sector companies, governments, and equity-seeking groups in North America are seeing the benefits of lifting the curtain of pay secrecy. The Ontario government passed pay transparency legislation that is waiting to be put into effect and British Columbia is considering a similar law. The federal government has a law that applies to federally-regulated private sector employers of more than 100 employees. Meanwhile, companies, such as Whole Foods, are publishing salary range information on their websites on their own initiative.

What's pay transparency all about? Read on to find out how removing the secrecy behind salaries and wages helps to eliminate pay discrimination in every workplace.

## It's about time.

## Let's start with a quick overview of employment in New Brunswick

- ✓ 29% of New Brunswick employees work under a collective agreement.
- ✓ The federal *Employment Equity Act* applies to people in New Brunswick who work in the federal public service, for a federal Crown corporation, or in a federally-regulated industry, such as telecommunications, interprovincial transportation, and banks.
- ✓ The New Brunswick *Pay Equity Act, 2009*, applies to provincial public sector employees: people working for the provincial government, in hospitals and schools, and for provincial Crown corporations.
- ✓ Around a quarter of New Brunswick employees work in the public sector and are covered by existing pay equity legislations.<sup>1</sup>
- ✓ Almost 70% of employed women work in the private sector and most are not covered by these pay equity laws.<sup>2</sup>

At this time, federal and provincial pay equity laws do not apply to most workers in New Brunswick, leaving human rights laws to bridge the gap.

The New Brunswick **Human Rights Act** applies to everyone. It prohibits discrimination based on age, marital status, family status, creed or religion, physical disability, mental disability, race, colour, ancestry, place of origin, national origin, social condition, political belief or activity, sexual orientation, gender identity or expression, and sex (including pregnancy).

Paying women less for equal work or work of equal value is discrimination.

The *Human Rights Act* relies on individuals filing a complaint about the discrimination they are experiencing. A formal complaint might improve the situation of the complainant, but it does not solve the systemic inequities that women face in the workplace.

New Brunswick tracks employment in 16 sectors. **Accommodation and Food Services** is the only sector where women, on average, make more than men, **27 cents more an hour**.

Sector	% GDP	# employed	% women	Wage gap for women / per hour
Accommodation, Food Services	2.4	21,900	64	\$ 0.27
Health Care, Social Assistance	10.2	61,000	83	\$ 0.45
Business, Building, Other Support Services	3.9	16,300	41	\$ 0.59
Construction	6.8	25,000	8	\$ 1.40
Finance, Insurance, Real Estate, Leasing	18.2	16,700	46	\$ 2.07
Retail and Wholesale Trade	9.4	52,100	47	\$ 2.88
Educational Services	6.1	27,500	66	\$ 3.01
Other Services	1.9	14,000	51	\$ 3.31
Transportation, Warehousing	5.2	18,900	25	\$ 3.63
Utilities	3.2	3,600	27	\$ 3.64
Manufacturing	9.8	25,000	25	\$ 3.74
Public Administration	11.8	26,200	53	\$ 3.97
Information, Culture, Recreation	3.1	13,100	41	\$ 4.15
Natural Resources – Forestry, Fishing, etc.	-	-	-	\$ 8.17
Professional, Scientific, Technical	3.5	17,200	45	\$ 9.57
Natural Resources – Agriculture	4.5	16,000	24	\$ 11.15

From "A Labour Economic Profile of New Brunswick – 2019" at NBjobs.

<sup>1</sup> Statistics Canada. [Table 14-10-0288-02 Employment by class of worker, monthly, seasonally adjusted \(x 1,000\)](#)

<sup>2</sup> Statistique Canada. [Tableau 14-10-0288-02 Emploi selon la catégorie de travailleur, données mensuelles désaisonnalisées \(x 1 000\)](#)

## Under 5% of New Brunswick businesses employ 2/3 of the NB workforce

According to Statistics Canada data for 2021, there were 27,169 registered businesses in New Brunswick.<sup>3</sup>

Only 4.7% of all businesses employ 50 or more people, accounting for 2/3 of the workforce. This suggests that a pay transparency law that applies to larger businesses would benefit the vast majority of the province's workforce.

Number of employees	Businesses
1 to 4	13,769
5 to 9	5,177
10 to 19	3,457
20 to 49	3,638
50 to 99	636
100 to 199	304
200 to 499	136
500 +	52

According to the Workplace Gender Equality Agency (**Australia**), the pay gap is almost non-existent when pay is set transparently as compared to 20.6 per cent when pay information is withheld.

From "**Pay Equity A Key Driver of Gender Equality**", International Labour Organization

## What is pay transparency?

Pay transparency means ending the culture of secrecy around pay in your place of work. Pay transparency helps to prevent and expose the unfounded pay differences between workers doing the same work or work of equal value. Pay transparency legislation provides employees with salary information and the pay scales for job categories. This information holds employers accountable for ongoing wage discrimination affecting woman and members of minority groups.

On April 5, 2022, the European Parliament voted to put the European Commission's **Pay Transparency Directive** into effect. The Directive seeks to "strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms."

I started a new job. My employer says I cannot talk to anyone about my salary, or I'll be fired. How do I know that I'm being paid fairly?

### Here's how the Directive describes its objectives:

Pay transparency allows workers to detect and prove possible discrimination based on sex. It also shines light on gender bias in pay systems and job grading that do not value the work of women and men equally and in a gender-neutral way, or that fail to value certain occupational skills that are mostly seen as female qualities.

Since such bias is often unconscious, pay transparency can help raise awareness of the issue among employers and help them identify discriminatory gender-based pay differences that cannot be explained by valid discretionary factors and are often unintentional.

**Pay transparency is thus an essential tool for dispelling doubts on equal pay between men and women and for supporting the elimination of gender bias in pay practices.**

It can also foster change in attitudes towards women's pay by raising awareness and stimulating debate around the reasons for structural gender pay differences. Beyond the simple compliance with the principle of equal pay, it may also constitute a trigger for reviewing gender equality policies more generally at [a] company level, and promote closer cooperation between employers and workers' representatives.

<sup>3</sup> Statistics Canada. [Table 33-10-0493-01 Canadian Business Counts, with employees, December 2021](#)

# Lifting the curtain on salary secrecy: key elements in different laws

## Austria

**The law** requires companies with more than 150 employees to publish a **pay report** every two years. The report provides the number of women and men in each job category and their average income. An online wage calculator gives information on average wages in a sector or region.

## California

Since 2018, **Labor Code section 432.3** prohibits any employer in the state from asking a potential employee about their **previous pay and benefits** during or after the hiring process.

## Iceland

Companies of 25 employees or more must prove that they are paying women and men equally for equal work or work of equal value. There's an Equal Wage Management Standard for companies to use to assess jobs in their organizations. When they meet the standard, they get a **certificate**. Since 2020, companies without a certificate are liable to a daily fine.

## Israel

Beginning on June 1, 2022, companies of 518 employees or more will have to **publish average salaries by gender, position, and seniority**, and the **average pay gap** between women and men for each work category. Previously, **this law** only applied to some public entities including registered not-for-profit organizations, and companies with publicly-traded stock.

## Ontario

Ontario publishes, every spring, the names of public sector and municipal salaried employees who were **paid more than \$100,000** in the previous calendar year. Private companies take the government's "**sunshine list**" and turn it into a searchable database.

## New Brunswick

New Brunswick's Finance and Treasury Board **publishes collective agreements** between the government and public sector employees online. Anyone can read the agreements which cover grievance procedures, seniority rules, vacations, rates of pay, etc. Similarly, the Treasury Board of Canada Secretariat publishes federal public sector collective agreements on its website.

## New York City

Every job posting in New York City **must include information** about the **minimum and maximum salary** for the job beginning in November 2022.

## Norway

The tax returns of Norwegians were posted on town hall walls beginning in 1863. This century, **tax return information moved online**. First, for anyone to view. Now, a user must register to view a summary of a Norwegian's tax return; the taxpayer is notified with the name of the person who accessed their information and when. Finland and Sweden also make everyone's summary tax return information available upon request.

## Vermont

Vermont prohibits public or private sector employers from requiring employees to keep their salaries secret. A **2013 law** makes it illegal for an employer to retaliate when an employee discloses their salary information to anyone.

## Ontario's Pay Transparency Legislation – A model for New Brunswick?

**Ontario's Pay Transparency Act**, 2018 was adopted in April 2018 and was slated to come into force on January 1, 2019 pending consultations on related regulations. After the June 2018 provincial election, the newly-elected government did not bring the law into effect.

The law has three main elements. It would:

- ✓ **Prohibit reprisals** against an employee who asks the employer or another employee about the employee's compensation or who discloses their compensation to another employee. An employer cannot intimidate, dismiss, or penalize an employee for talking about their compensation.
- ✓ Require employers to **include a salary range in job postings**.
- ✓ Require employers of 100 employees or more to file a **pay transparency report** with the government on the compensation differences between women and men in their workforce. The employer would have to post its report in the workplace and the government would publish the submitted reports online.

The **Ontario Equal Pay Coalition** supported the law and submitted recommendations to improve it, including requiring employers to:

- ✓ report total compensation such as bonuses, vacation pay, payments in kind, commissions, and tips when a percentage of salary, along with hourly wage information
- ✓ discuss the causes of the wage gap in their pay transparency reports
- ✓ develop an action plan to eliminate the wage gap
- ✓ examine the wage gap as it relates to race, disability and Indigeneity.

# Frequently Asked Questions

## **Will reporting on compensation cost employers a lot of money?**

Employers have to keep records of their payments to employees as part of their business tax reporting. Their payrolls systems have all the necessary information. No extra accounting is necessary. Categorizing the jobs in a workplace may be simple for some businesses, and more time-consuming for others the first time around. Once it is done, pay transparency reporting can be straightforward.

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## **How will employers benefit from pay transparency?**

Studies show that employees are happier and more productive when they know that they are being fairly paid for their work. Lack of confidence in company policies leads to dissatisfaction and lower worker retention. Younger generations are seeking out socially-responsible employers.

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## **How will pay transparency affect workers who are from racialized minorities, Indigenous people, people with disabilities, and people from the 2SLGBTQ+ community?**

All employees benefit from having information about the wage and compensation range for a position. Pay transparency gives everyone an understanding of the value of the work they are doing, and the fairness of their compensation compared to others.

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## **Will an employer's pay transparency report protect an employee's privacy?**

Unlike Ontario's sunshine list, which provides employees' names, pay transparency reports look at categories of workers and the salary range and gender of the employees in each category. The report is not personal information; it is a collection of payroll information aggregated by position. Except in the very smallest businesses, the categories of employees will include enough people to avoid exposing each employee's specific compensation amount.

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## **Will pay transparency eliminate the need for pay equity laws?**

Pay equity laws look at the value of one type of work and compare it to the value of another type of work, focusing on four factors: skills and qualifications, responsibility, the physical and intellectual effort required, and working conditions. A pay equity review also means comparing female-dominated jobs or job classes with male-dominated jobs or job classes to identify discrepancies in compensation. Pay equity laws are still needed to end wage discrimination. The New Brunswick Coalition for Pay Equity will continue to advocate for pay equity legislation for the private sector.

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## **How will pay transparency help to eliminate the wage gap?**

With accurate information about the range of pay for a particular job, employees will know whether or not their salary is in the range and whether or not their pay is fair. Employers will have to explain the factors contributing to different pay rates. Information will help to right the wage imbalance.



## What should a New Brunswick pay transparency law cover?

The following are some of the approaches that other jurisdictions have taken with regards to pay transparency legislation. Check those that would apply in New Brunswick

### PROHIBIT NON-DISCLOSURE CLAUSES AND REPRISALS WHEN AN EMPLOYEE DISCUSSES THEIR WAGE AND COMPENSATION PACKAGE

- ☐ **Ban employers from preventing employees from discussing their compensation with other employees and other agencies.**

This would end the practice of disclosure penalties in employment contracts and stop employers from prohibiting employees from talking about their pay. It would provide a process to follow should an employer punish an employee for discussing their compensation. The opportunity to compare notes on salaries helps to eliminate discrimination in employment situations.

### REQUIRE JOB POSTINGS TO INCLUDE WAGE INFORMATION

- ☐ **Require employers to include the compensation range – the lowest possible pay and the highest possible pay – and any other compensation elements in all job postings.**

By making a job's compensation range part of the publicized hiring or promotion process, job applicants have a better idea of what to expect. It also provides current employees with information about salaries and compensation ranges for a position.

### PROHIBIT EMPLOYERS FROM ASKING A POTENTIAL HIRE WHAT THEY HAVE BEEN PAID IN THE PAST

- ☐ **Ban employers from asking about a person's pay history.**

Basing a salary offer on an employee's prior work income is one way that new employer's perpetuate pay inequity. The range of pay for a job needs to be part of the job advertising, not geared to the candidate's prior earnings.

### REQUIRE EMPLOYERS TO REPORT ON SALARY RANGES FOR JOB CLASSIFICATIONS

- ☐ **Provide employees with access to wage compensation information according to job classifications so that they can identify wage gaps between men and women in the workplace.**

Gender-based pay differences may be the result of historic practices and prejudices that are unintentionally being continued. Employees who have accurate pay and job grading information by job category will be able to identify any outstanding pay differences. Ending discriminatory practices is beneficial to everyone.

## MAKE IT MANDATORY TO REPORT ON THE WAGE GAP



**Set up a system through which employers file annual reports on the wage gap within their organization.**

Public reports mean that employers will have to examine their employment compensation practices and identify where the disparities exist. Once identified, it is harder to continue paying a different salary for work of equal value to men and to women and people who have been disadvantaged in employment until now.

## REQUIRE FOLLOW-UP WHEN REPORTING SHOWS A WAGE GAP OF MORE THAN 5%



**Ask employers to prove that they are not discriminating against women in their pay rates when compensation reports show a wage gap of 5% or more between women and men doing the same work or work of equal value.**

When an employer cannot show that objective and gender-neutral factors explain a wage gap of more than 5%, require the employer to complete a pay assessment report and identify ways to reduce the wage gap going forward. This adds accountability to pay transparency and puts the onus on the employer to address the problem once it is identified.

**Listen to an 8-minute podcast** from the European Parliamentary Research Services on “Equal pay for equal work between men and women. Pay transparency and enforcement mechanisms.”



## The time has finally come to end wage discrimination

Throughout North America and in Europe the pressure is growing to end wage discrimination by bringing transparency and accountability to every workplace. Many governments and leading corporations are turning to pay transparency as one of the best ways to show employees that they are being fairly paid, and to adjust wages when they are not.

New Brunswick employers need to step up and focus on closing the wage gap in the province. With a labour shortage, workplaces that offer pay transparency and non-discriminatory pay practices will be more attractive to prospective employees. And, for employees who have been underpaid, pay transparency brings the hope of equity and fair treatment.

Wage discrimination is illegal.

**It is time for it to stop.**

At Whole Foods, every employee knows what everybody else is making. It's a practice called "**wage transparency**." The average pay of professional titles of employees is published on the Whole Foods website. Whole Foods CEO John Mackey thinks of wage transparency as a source of motivation for employees. "It gives people something to strive for."

- Catherine Clifford, Money, November 5, 2020



# Workbook Questions

Please fill in this form, which we will refer to, during the June 6<sup>th</sup> workshop. We hope that it will help you to reflect on the information you have just read.

## Your experience in the workplace

What situations have you encountered around sharing salary information?

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How do you know that men and women in a workplace are fairly paid based on the value of the work they are doing and not losing out because of their gender?

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Do people worry that they are not being fairly compensated? Does this affect their work experience and their interest in moving on to other work?

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How might pay transparency requirements have negative impacts?

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How much is *he* getting paid?

How do you see pay transparency requirements improving a workplace?

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What experiences do people you work with have when they talk about pay compensation?

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## Your thoughts on a pay transparency law for New Brunswick

Please think about your answers to the following questions. We'll talk more about them during the workshop.

To whom should the law apply?

- ☐ all public sector employers
- ☐ all private sector employers
- ☐ all employers

Your notes:

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To what size organization should the law apply?

- ☐ more than 500 employees
- ☐ more than 100 employees
- ☐ more than 50 employees
- ☐ more than 25 employees

Your notes:

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How much is *he* getting paid?

## Do you think a pay transparency law should:

- **Give employees the right to talk about their pay with other employees without fear of reprisals?**

Yes ☐ No ☐

Your notes: \_\_\_\_\_

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- **Require employers to include complete and accurate salary range and compensation information in a job posting?**

Yes ☐ No ☐

Your notes: \_\_\_\_\_

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- **Prohibit an employer from asking a prospective employee about their pay history?**

Yes ☐ No ☐

Your notes: \_\_\_\_\_

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- **Provide workers with workplace job classification and compensation information so that they can identify wage discrimination in their workplace?**

Yes ☐ No ☐

Your notes: \_\_\_\_\_

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- **Make it mandatory for employers to file a pay transparency report with the provincial government on the wages and gender wage gap in their organization?**

Yes ☐ No ☐

Your notes: \_\_\_\_\_

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- **Require an employer with a wage gap of more than 5% to do a gender pay assessment to identify how the wage gap can be eliminated or prove that it is reasonable considering objective and gender-neutral factors?**

Yes ☐ No ☐

Your notes: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## What is the best way to get employers to comply with a pay transparency law?

- **Allow employees to file an Employment Standards complaint when an employer takes reprisals against an employee who talks about compensation or when an employer fails to prepare a pay transparency report?**

Yes ☐ No ☐

Your notes: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- **Fine employers for every day that they fail to file pay transparency reports?**

Yes ☐ No ☐

Your notes: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- **Punish employers who fail to correct identified wage discrimination in their organizations with significant fines, for example, \$100,000?**

Yes ☐ No ☐

Your notes: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- **Do you think the time has come for New Brunswick to pass a pay transparency law?**

Yes ☐ No ☐

Your notes: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# More information

## Collective Agreements in the Public Sector

- New Brunswick  
[https://www2.gnb.ca/content/gnb/en/departments/finance/human\\_resources/content/publications/agreements.html](https://www2.gnb.ca/content/gnb/en/departments/finance/human_resources/content/publications/agreements.html)
- Canada  
<https://www.tbs-sct.canada.ca/agreements-conventions/list-eng.aspx>

## Directive of the European Parliament and of the Council to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms

European Commission

[https://www.europarl.europa.eu/doceo/document/A-9-2022-0056\\_EN.html#title1](https://www.europarl.europa.eu/doceo/document/A-9-2022-0056_EN.html#title1)

## Gender pay gap: Parliament backs binding pay-transparency measures

European Union, Media Release, April 5, 2022

<https://www.europarl.europa.eu/news/pt/press-room/20220401IPR26532/gender-pay-gap-parliament-backs-binding-pay-transparency-measures>

## Ontario quietly delays implementation of pay transparency law

The Canadian Press, November 21, 2018

<https://www.cbc.ca/news/canada/toronto/pay-transparency-ontario-1.4915600>

## Pay Secrecy and the Gender Wage Gap in the United States

Marlene Kim, University of Massachusetts Boston, March 1, 2015

[https://www.umb.edu/editor\\_uploads/images/cla\\_d\\_o/pay\\_secrecy\\_IR\\_march\\_1\\_2015.pdf](https://www.umb.edu/editor_uploads/images/cla_d_o/pay_secrecy_IR_march_1_2015.pdf)

## Pay Transparency Act, 2018, S.O. 2018, c. 5 - Bill 3

Ontario

<https://www.ontario.ca/laws/statute/s18005>

## Pay Transparency Tools to Close the Gender Wage Gap

Organization for Economic Cooperation and Development, Report, November 30, 2021

<https://www.oecd-ilibrary.org/>

## Privacy, what privacy? Many Nordic tax records are a phone call away

Alister Doyle, Alistair Scrutton, Business News, April 12, 2016

<https://www.reuters.com/article/us-panama-tax-nordics-idUSKCN0X91QE>

## Strengthening Human Rights Accountability: Pay Transparency to Close the Gender Pay Gap

Ontario Equal Pay Coalition, Pay Transparency Act, 2018 submission, March 21, 2019

<http://equalpaycoalition.org/wp-content/uploads/2019/04/EPC-Pay-Transparency-Act-Consultation-Submission.pdf>