Barrister & Solicitor, Professional Corporation

LAL Comment:

Bill 30 Working for Workers Seven Act, 2025, Schedule 7

June 5, 2025

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A. Introduction

- 1. <u>Bill 30, Working for Workers Seven Act, 2025</u> was introduced for <u>first reading</u> and ordered for second reading on May 28, 2025. <u>Schedule 7</u> amends the *Workplace Safety and Insurance Act, 1997* (WSIA).
- 2. The Bill 30 explanatory note for Schedule 7 does not indicate why these amendments are needed or what triggered the changes.
- 3. This bill warrants serious attention by Ontario employers in my view. The biggest concern is the new penalties and offence for not paying premiums. This is not needed and in my view is quite draconian, and subject to too much WSIB discretion. There are currently suitable remedies available civilly, and there is absolutely no need to make this a quasi-criminal matter. Very concerning.

B. Bill 30, Schedule 7 changes

1. Below I have summarized and excerpted the amendments outlined in Bill 30, Schedule 7 and provided comment and reference to the current WSIA sections.

WSIA amended by adding Section 22.2

2. Schedule 7 amends the WSIA by adding a new section (22.2) that prohibits an employer from making a false or misleading statement or representation to the Board in connection with any person's claim for benefits under the insurance plan.

Prohibition, false or misleading statement

22.2 (1) No employer shall make a false or misleading statement or representation to the Board in connection with any person's claim for benefits under the insurance plan.

Administrative penalty

- (2) An employer who contravenes subsection (1) shall pay the prescribed amount to the Board. This payment is in addition to any penalty imposed by a court for an offence under subsection 149 (1).
- 3. Current section 149 of the WSIA already advises that a person who knowingly makes a false or misleading statement in connection with any person's claim for benefits is guilty of an offence. By adding 22.2 it allows the Board to also issue a fine or penalty (the amount of such a penalty is not outlined). This in effect fines an employer before (and/or in addition to) any possible finding

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of guilt of an offence under s. 149. See the current s. 149 of the WSIA below:

Offences

Offence, false or misleading statement

149 (1) A person who knowingly makes a false or misleading statement or representation to the Board in connection with any person's claim for benefits under the insurance plan is guilty of an offence. 1997, c. 16, Sched. A, s. 149 (1).

Same, material change in circumstances

(2) A person who wilfully fails to inform the Board of a material change in circumstances in connection with his or her entitlement to benefits within 10 days after the change occurs is guilty of an offence. 1997, c. 16, Sched. A, s. 149 (2).

Same

(3) An employer who wilfully fails to inform the Board of a material change in circumstances in connection with an obligation of the employer under this Act within 10 days after the change occurs is guilty of an offence. 1997, c. 16, Sched. A, s. 149 (3).

Same, by supplier, etc.

(4) A person who knowingly makes a false or misleading statement or representation to the Board to obtain payment for goods or services provided to the Board, whether or not the Board received the goods or services, is guilty of an offence. 1997, c. 16, Sched. A, s. 149 (4).

Same, material change in circumstances, s. 12.2 (9)

(4.1) A person who wilfully fails to comply with subsection 12.2 (9) is guilty of an offence. 2008, c. 20, s. 7.

Same, false or misleading statement, s. 12.3 (4)

(4.2) A person who knowingly makes a false or misleading statement or representation in a declaration made under subsection 12.3 (4) is guilty of an offence. 2008, c. 20, s. 7.

Same, material change in circumstances, s. 12.3 (6), (7)

(4.3) A person who wilfully fails to comply with subsection 12.3 (6) or (7) is guilty of an offence. 2008, c. 20, s. 7.

Restitution order

(5) If a person is convicted of an offence under this section, the court may also order the person to pay to the Board any money received by the person or obtained by the person on behalf of another person by reason of the commission of the offence. The money payable to the Board shall be deemed to be an amount owing under this Act. 1997, c. 16, Sched. A, s. 149 (5).

(6) REPEALED: 2001, c. 9, Sched. I, s. 4 (3).

Other remedies

(7) Subsection (5) does not limit the right of the Board to take such other steps as it considers appropriate to recover an amount owing to it. 1997, c. 16, Sched. A, s. 149 (7).

Sections 80 and 89

4. These sections are amended to add an administrative penalty to Sections 80 and 89:

2 Section 80 of the Act is amended by adding the following subsection:

Administrative penalty

- (3) An employer who fails to comply with subsection (1) or who fails to comply with a requirement of the Board under subsection (2) shall pay the prescribed amount to the Board. This payment is in addition to any penalty imposed by a court for an offence under section 152.
- 3 Section 89 of the Act is amended by adding the following subsection:

Administrative penalty

(4) An employer who does not pay premiums when they become due shall pay the prescribed amount to the Board. This payment is in addition to any amounts payable to the Board under subsections (1) and (2) and any penalty imposed by a court for an offence under section 152.1.

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5. Current section 80 pertains to employer record keeping and production of reports and section 89 addresses when an employer defaults in paying premiums:

Record-keeping

80 (1) A Schedule 1 employer shall keep accurate records of all wages paid to the employer's workers and shall keep the records in Ontario. 1997, c. 16, Sched. A. s. 80.

Produce records

(2) The employer shall produce the records referred to in subsection (1) when the Board or any of its officers requires the employer to do so. 2001, c. 9, Sched. I, s. 4 (2).

Default in paying premiums

89 (1) An employer who does not pay premiums when they become due shall pay to the Board such additional percentage on the outstanding balance as the Board may require.

Cost of benefits

(2) An employer who does not pay premiums when they become due shall pay to the Board the amount or the capitalized value (as determined by the Board) of the benefits payable in respect of any accident to the employer's workers during the period of the default.

Exception

- (3) The Board may relieve the employer of making all or part of the payment under subsection (2) in such circumstances as the Board considers appropriate. 1997, c. 16, Sched. A, s. 89.
- 6. Non-compliance with current s. 80(2) is already noted as an offence under s.152 of the Act:

Offences, ss. 21, 78, 80

Offence, statements and records

152 (1) An employer who fails to comply with subsection 78 (1), (2) or (3) or 80 (1) is guilty of an offence. 2001, c. 9, Sched. I, s. 4 (4).

Same

(1.1) An employer who fails to comply with a requirement of the Board under subsection 78 (4) or 80 (2) is guilty of an offence. 2001, c. 9, Sched. I, s. 4 (4).

Same

(2) An employer who provides a statement under subsection 78 (1), (2), (3) or (4) that is not an accurate statement of a matter required to be set out in it is guilty of an offence. 1997, c. 16, Sched. A, s. 152 (2); 2000, c. 26, Sched. I, s. 1 (20).

Same, notice of accident

(3) An employer who falls to comply with section 21 is guilty of an offence. 1997, c. 16, Sched. A, s. 152 (3).

Section 135 is amended to add sections 22.2, 80 and 88

7. Section 135 authorizes the Board to examine and inspect records and premises of an employer. These amendments allow the Board to determine if an employer has contravened sections 22.2,

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80 or 88, in addition to section 22.1 which is currently covered under section 135.

- 4 (1) Paragraph 4 of subsection 135 (1) of the Act is amended by adding "22.2, 80 or 88" at the end.
- (2) Paragraph 5 of subsection 135 (2) of the Act is amended by adding "22.2, 80 or 88" at the end.
- 8. Currently section 135 of the Act applies to section 22.1 only:

Examination, etc., of records

135 (1) The Board or a person authorized by it may examine the books and accounts of an employer and may investigate and make such inquiries as the Board considers necessary for the following purposes:

- 1. To ascertain whether a statement given to the Board by the employer is accurate.
- 2. To ascertain the amount of the employer's payroll.
- 3. To ascertain whether the employer is a Schedule 1 or a Schedule 2 employer.
- To ascertain whether an employer has contravened section 22.1. 1997, c. 16, Sched. A, s. 135 (1); 2015, c. 34, Sched. 3, s. 3 (1).

Inspection of premises

- (2) The Board may enter into the establishment of an employer and the premises connected with the establishment for the following purposes:
 - To ascertain whether the ways, works, machinery or appliances in the establishment or on the premises are safe, adequate and sufficient.
 - To ascertain whether all proper precautions are being taken to prevent accidents to the workers employed in or about the establishment or premises.
 - To ascertain whether the safety appliances or safeguards required by law are used and employed in the establishment or on the premises.
 - For such other purpose as the Board considers necessary to determine the proportion in which the employer should make payments under this Act.
 - To ascertain whether an employer has contravened section 22.1. 1997, c. 16, Sched. A, s. 135 (2); 2015, c. 34, Sched. 3, s. 3 (2).

Order for search and seizure

- (3) The Board may apply without notice to a judge of the Superior Court of Justice for an order authorizing one or more persons designated by the Board (together with such police officers as they may call upon for assistance),
 - (a) to enter and search a building, receptacle or place for books and accounts of an employer and to do so by force if necessary;
 - (b) to remove the books and accounts for the purpose of examining them; and
 - (c) to retain the books and accounts until the examination is completed. 1997, c. 16, Sched. A, s. 135 (3); 2000, c. 26, Sched. I, s. 1 (16).

Same

(4) The court may issue such an order. 1997, c. 16, Sched. A, s. 135 (4).

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9. Current section 22.1 addresses the prohibition of claim suppression:

Prohibition, claim suppression

22.1 (1) No employer shall take any action, including but not limited to the prohibited actions set out in subsection (2), in respect of a worker with the intent of,

- (a) discouraging or preventing the worker from filing a claim for benefits under section 22; or
- (b) Influencing or inducing the worker to withdraw or abandon a claim for benefits made under section 22. 2015, c. 34. Sched. 3, s. 1.

Same

(2) For the purposes of subsection (1), the following actions are prohibited:

- 1. Dismissing or threatening to dismiss a worker.
- 2. Disciplining or suspending, or threatening to discipline or suspend a worker.
- 3. Imposing a penalty upon a worker.
- Directly or indirectly intimidating or coercing a worker with threats, promises, persuasion or other means. 2015, c. 34, Sched. 3, s. 1.

Administrative penalty

(3) An employer who contravenes subsection (1) shall pay the prescribed amount to the Board. This payment is in addition to any penalty imposed by a court for an offence under section 155.1. 2015, c. 34, Sched. 3, s. 1.

New section 152.1 is added

10. The new section under section 152 adds a contravention under s. 88 as an offence.

Offence, failure to pay premiums

152.1 (1) A person who fails to comply with section 88 is guilty of an offence.

Restitution order

- (2) If a person is convicted of an offence under this section, the court may also order the person to pay to the Board any money that is payable to the Board by the person under section 88 for any period prior to the conviction. The money payable to the Board shall be deemed to be an amount owing under this Act.
- 11. The current section 88 addresses employer responsibility with respect to calculating, reporting and paying premiums and applicable penalties:

Payment of premiums

88 (1) Every Schedule 1 employer shall calculate and pay premiums to the Board in accordance with the notice given under section 87.

No liability for benefits

(2) A Schedule 1 employer is not individually liable to pay benefits directly to workers or their survivors under the insurance plan.

Maximum earnings

(3) The premium payable by an employer applies only with respect to the maximum amount of average earnings determined under section 54 for each of the employer's workers.

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Error in calculation

(4) If the Board considers that an employer has incorrectly calculated the amount of the premiums payable and, as a result, has paid an insufficient amount, the Board may require the employer to pay additional premiums in an amount sufficient to rectify the error. The Board may fix the amount of the additional premiums to be paid.

Penalty for error

(5) If an employer has incorrectly calculated the amount of premiums payable for a year and, as a result, has paid an insufficient amount, the employer shall pay additional premiums in an amount sufficient to rectify the error and, as a penalty, shall pay that amount again to the Board.

Relief

- (6) The Board may relieve the employer from paying all or part of the penalty if the Board is satisfied that the incorrect calculation was not intentional and that the employer honestly desired to pay the correct amount. 1997, c. 16, Sched. A, s. 88.
- 12. Section 152, as excerpted above at **para. 6**, currently addresses offences which pertain to employer offences relating to statements and records: Sections 21 (claim suppression); section 78 (annual statements provided to the Board); and 80 (employer record keeping and production of records to the Board when required).

Amends section 158

13. This amends section 158 to provide that persons convicted of two or more counts of the same offence in the same legal proceeding are liable to a maximum penalty of \$750,000. Currently the penalty is \$500,000 for a person that is not an individual (i.e., a corporation) for each conviction – not each count within a conviction. The new section also lists aggravating factors to be considered in determining when a penalty is applied.

6 Section 158 of the Act is amended by adding the following subsections:

Same, two or more convictions for same offence in same proceeding

(1.1) Despite subsection (1), if a person described in paragraph 2 of subsection (1) is convicted of two or more counts of the same offence in the same legal proceeding, the person is liable to a fine not exceeding \$750,000 for each conviction.

Aggravating factors, employer defendant

- (3) Each of the following circumstances shall be considered an aggravating factor for the purposes of determining a penalty under this section for a defendant who is an employer:
 - 1. The defendant was previously convicted of an offence under this Act.
 - The defendant has been convicted of two or more counts of the same offence in the legal proceeding to which the determination of the penalty relates.
 - 3. The defendant has a record of prior non-compliance with this Act.

Other factors still relevant

(4) Nothing in this section shall be interpreted as limiting any factor, submission or inquiry as to penalty the court is otherwise permitted or required to take into account or make, as the case may be.

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14. Current section 158 of the WSIA outlines the penalties for those convicted of an offence:

Penalty

158 (1) A person who is convicted of an offence is liable to the following penalty:

- If the person is an individual, he or she is liable to a fine not exceeding \$25,000 or to imprisonment not exceeding six months or to both.
- If the person is not an individual, the person is liable to a fine not exceeding \$500,000. 1997, c. 16, Sched. A, s. 158 (1); 2015, c. 34, Sched. 3, s. 5.

Fines

(2) Any fine paid as a penalty for a conviction under this Act shall be paid to the Board and shall form part of the insurance fund. 1997, c. 16, Sched. A, s. 158 (2).

C. LAL overall comment on these changes

- 1. In my opinion, these changes and amendments outlined in Bill 30, Schedule 7 are redundant and the current provisions of the WSIA are more than sufficient.
- 2. In addition, there are a number of WSIB policies that address when and how the Board can apply penalties, take administrative action and proceed with civil action. The Board's ability to apply penalties and seek restitution is already broad. See **Appendix B** for a summary of each policy:
 - a. WSIB Policy 22-01-05 Offences and Penalties General
 - b. WSIB Policy 22-01-08 Offences and penalties Employer
 - c. WSIB Policy 14-04-03 Writs of Seizure and Sale
- 3. There has been no factual explanation as to the need for these changes.
- 4. In my opinion these changes are not needed.

D. Suggested action for Ontario employers

- 1. I suggest that Ontario employers write to the Minister to broadly outline the concerns with the Bill and seek an explanation as to the need for theses changes.
- 2. Below is an outline of a draft letter to the Ministry of Labour, Immigration, Training and Skills Development you may wish to use to write to Minister Piccini.
- 3. The Minster can be reached at 416-326-7600 and minister.mlitsd@ontario.ca.

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ADD TO YOUR COMPANY LETTERHEAD

INSERT DATE HERE

The Hon. David Piccini, Minister of Labour, Immigration, Training and Skills Development Ministry of Labour, Immigration, Training and Skills Development 400 University Avenue, 14th Floor Toronto, ON M7A 1T7

Dear Minister Piccini:

Re: Bill 30 Working for Workers Seven Act, 2025, Schedule 7

<u>Bill 30, Working for Workers Seven Act, 2025</u> was introduced for first reading and ordered for second reading on May 28, 2025. We are contacting you with respect to <u>Schedule 7</u> of the Bill which amends the *Workplace Safety and Insurance Act, 1997* (WSIA).

I have concerns with these changes as they appear to be redundant. The current provisions of the WSIA are sufficient and provide the Board with adequate discretionary authority to act when an employer is non-compliant. Already the Board has the broad discretion to impose penalties and fines under the subject circumstances. In addition, WSIB policy provides the Board with sufficient administrative discretion to seek restitution and apply fines in a variety of subject circumstances. It is our opinion that these changes set out in Bill 30, Schedule 7 are not required.

The explanatory note for Bill 30, Schedule 7 does not explain why these changes are proposed. We are seeking an explanation. We would welcome an opportunity to review this with you at your earliest convenience.

I can be reached at INSERT EMAIL ADDRESS and PHONE NUMBER HERE.

Yours truly,

INSERT NAME and TITLE HERE

L.A. Liversidge June 5, 2025

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Appendix A

SCHEDULE 7 WORKPLACE SAFETY AND INSURANCE ACT, 1997

1 The Workplace Safety and Insurance Act, 1997 is amended by adding the following section:

Prohibition, false or misleading statement

22.2 (1) No employer shall make a false or misleading statement or representation to the Board in connection with any person's claim for benefits under the insurance plan.

Administrative penalty

- (2) An employer who contravenes subsection (1) shall pay the prescribed amount to the Board. This payment is in addition to any penalty imposed by a court for an offence under subsection 149 (1).
- 2 Section 80 of the Act is amended by adding the following subsection:

Administrative penalty

- (3) An employer who fails to comply with subsection (1) or who fails to comply with a requirement of the Board under subsection (2) shall pay the prescribed amount to the Board. This payment is in addition to any penalty imposed by a court for an offence under section 152.
- 3 Section 89 of the Act is amended by adding the following subsection:

Administrative penalty

- (4) An employer who does not pay premiums when they become due shall pay the prescribed amount to the Board. This payment is in addition to any amounts payable to the Board under subsections (1) and (2) and any penalty imposed by a court for an offence under section 152.1.
- 4 (1) Paragraph 4 of subsection 135 (1) of the Act is amended by adding "22.2, 80 or 88" at the end.
- (2) Paragraph 5 of subsection 135 (2) of the Act is amended by adding "22.2, 80 or 88" at the end.
- 5 The Act is amended by adding the following section:

Offence, failure to pay premiums

152.1 (1) A person who fails to comply with section 88 is guilty of an offence.

Restitution order

(2) If a person is convicted of an offence under this section, the court may also order the person to pay to the Board any money that is payable to the Board by the person under section 88 for any period prior to the conviction. The money payable to the Board shall be deemed to be an amount owing under this Act.

6 Section 158 of the Act is amended by adding the following subsections:

Same, two or more convictions for same offence in same proceeding

(1.1) Despite subsection (1), if a person described in paragraph 2 of subsection (1) is convicted of two or more counts of the same offence in the same legal proceeding, the person is liable to a fine not exceeding \$750,000 for each conviction.

Aggravating factors, employer defendant

- (3) Each of the following circumstances shall be considered an aggravating factor for the purposes of determining a penalty under this section for a defendant who is an employer:
 - The defendant was previously convicted of an offence under this Act.
 - The defendant has been convicted of two or more counts of the same offence in the legal proceeding to which the determination of the penalty relates.
 - The defendant has a record of prior non-compliance with this Act.

Other factors still relevant

(4) Nothing in this section shall be interpreted as limiting any factor, submission or inquiry as to penalty the court is otherwise permitted or required to take into account or make, as the case may be.

Commencement

7 This Schedule comes into force on the day the Working for Workers Seven Act, 2025 receives Royal Assent.

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Appendix B

A. WSIB Policy 22-01-05 Offences and Penalties – General

- 1. This policy applies to all incidents of suspected wrongdoing discovered by the WSIB.
- 2. The purpose of this policy is to set out the offences under sections 149 to 157 of the WSIA and certain acts that may constitute fraud under the *Criminal Code of Canada* (Criminal Code), the action the WSIB takes in cases where an offence or fraud has or may have occurred, and the penalties that may be imposed.
- 3. The WSIB may also take administrative action when non-compliance occurs. Actions that may be taken include, but are not limited to:
 - levying administrative non-compliance interest and charges
 - levying the applicable administrative penalty
 - suspending and revoking a supplier's billing number, and
 - creating a benefit-related debt.
- 4. In addition to administrative action, when non-compliance occurs, Legal Services may initiate a civil action to recover money or property.

B. WSIB Policy 22-01-08 Offences and Penalties – Employer

- 1. The purpose of this policy is to set out employer offences, the action the WSIB takes when an employer commits or is suspected of committing an offence, and the penalties that may be imposed.
- 2. Actions that may be taken include, but are not limited to, one or more of the following:
 - levying the applicable administrative penalty
 - levying administrative non-compliance charges and interest
 - filing writs of seizure and sale (see 14-04-03, Writs of Seizure and Sale)
 - laying charges and prosecution under the WSIA
 - recommending charges under the Criminal Code of Canada (Criminal Code), and
 - initiating a civil action.
- 3. If the WSIB decides to penalize an employer for inaccurate reporting of earnings and premiums (s.152) or non-payment of premiums (s.89), the employer will be charged for premiums deliberately evaded or withheld, plus interest and any other non-compliance penalties.

C. WSIB Policy 14-04-03 Writs of Seizure and Sale

- 1. The purpose of this policy is to outline when the WSIB will file a writ of seizure and sale against an employer, and once filed, how and when the writ will be enforced.
- 2. If an employer has an overdue balance, the WSIB may file a s.139 certificate with the court against the employer for the full debt owing to the WSIB. At the same time and in almost all cases, to establish a first lien, the WSIB immediately files a writ of seizure and sale in all jurisdictions that contain property of the employer used in connection with the employer's business activity.