Blaney McMurtry LLP

PUBLICATION

Employment Update: Ontario Introduces Bill 105, the Protecting Ontario's Workers and Economic Resilience Act, 2026

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Lawyers You Should Know: Sarah Mills , Christopher McClelland, Tyler Matthews

On April 20, 2026, the Ontario government introduced Bill 105, known as the *Protecting Ontario's Workers and Economic Resilience Act, 2026* (the "*POWER Act*"), for first reading. The *POWER Act* proposes to amend various workplace legislation including the *Employment Standards Act, 2000* (*"ESA"*), the *Labour Relations Act, 1995* (*"LRA"*), the *Occupational Health and Safety Act* (*"OHSA"*), and the *Workplace Safety and Insurance Act, 1997* ("*WSIA*"). The legislation would also enact an entirely new statute, the *Strengthening Talent Agency Regulation Act, 2026* ("*STAR Act*"), to regulate the relationship between talent agencies and entertainment workers.

Some of the key proposed changes arising from the *POWER Act* are set out below.

PROPOSED AMENDMENTS TO THE *ESA*

- **No Charging for Uniforms:** Effective January 1, 2027, an employer would be prohibited from requiring an employee to pay for a uniform or other prescribed item that the employee is required to wear while performing work. This prohibition would not apply where the employee loses the uniform, damages the uniform beyond normal wear and tear, fails to return the uniform at the end of employment as agreed, or in any other prescribed circumstances. An employer would also be prohibited from requiring an employee to pay for the repair or laundering of a uniform, unless the employee damages it beyond normal wear and tear. Amounts improperly charged to an employee under these provisions would be treated as wages owing and enforceable through the *ESA*'s existing enforcement mechanisms.
- The proposed definition of "uniform" would be attire that is unique to an employer's business or that is identified with an employer's business, and may include clothing bearing an employer's name, logo or brand.
- **Complaints and Inspections:** The Director of Employment Standards would be authorized to assign certain complaints to an employment standards officer for inspection rather than

investigation. This would apply to complaints relating to employer compliance with job posting requirements, disconnecting from work policies, electronic monitoring policies, and temporary help agency rules. The Director would also be permitted to refuse to assign certain complaints for investigation or inspection if satisfied that the complaint is frivolous, vexatious or an abuse of process, there is insufficient information to substantiate it, or in other prescribed circumstances.

- **Priority in Payment/Collections:** If money collected in enforcing the *ESA* is less than the full amount owing, employees would be paid first, with any remaining amounts divided proportionally among the collector, the Director of Employment Standards, and the Minister of Finance. This is a change from the current rule where collected funds are divided among all parties, including employees, on a proportional basis.

PROPOSED AMENDMENTS TO THE *LRA*

- **Shortened "Open Periods" in the Construction Industry:** The *POWER Act* proposes to shorten the timelines for displacement and termination applications in the construction industry from two months to one month. Specifically, a trade union would have a one-month timeline to apply for certification as bargaining agent for employees to whom a collective agreement applies (a displacement application), and employees in a bargaining unit would have a one-month timeline to apply for a declaration that a trade union no longer represents them (a termination application).

PROPOSED AMENDMENTS TO THE *OHSA*

- **Occupational Exposure Registry:** The Chief Prevention Officer would be authorized to collect personal information directly from workers about their exposure to physical, chemical, or biological agents for the purpose of developing and maintaining a worker Occupational Exposure Registry. The Chief Prevention Officer would not be permitted to disclose personal information collected to any person other than the worker from whom it was collected, unless required to do so by law.
- **Recognition of Extra-Provincial Standards:** The Minister would be authorized to recognize health and safety standards for training, personal protective equipment, and other equipment that comply with requirements in another Canadian jurisdiction. This change is intended to reduce duplicative health and safety requirements for workers and businesses that operate across jurisdictions and is part of a broader effort to harmonize health and safety standards across Canada.
- **Protective Headwear Reimbursement:** The Minister would be authorized to reimburse prescribed employers and constructors for the cost of purchasing prescribed protective headwear. The government has indicated that this program is meant to facilitate a mandatory transition to hard hats offering greater protection on certain construction projects.

ENACTMENT OF THE *STAR ACT*

New Protections for Entertainment Workers: The *POWER Act* would enact the *STAR Act*, introducing government oversight of talent agencies in Ontario for the first time. Key provisions include:

- Prohibiting talent agencies from charging fees to entertainment workers, except for prescribed commissions and other prescribed fees.
- Imposing maximum commission rates.

- Requiring talent agencies to pay entertainment workers within 10 business days of receiving payment on their behalf, unless the regulations provide otherwise.
- Requiring talent agencies to deposit funds received on behalf of entertainment workers into a bank account used exclusively for funds owing to such entertainment workers.
- Requiring written statements to entertainment workers regarding commissions owing to a talent agency and record retention for a minimum of three (3) years.
- Establishing a Director of Talent Agencies and compliance officers to administer and enforce the *STAR Act*, including the authority to conduct inspections, investigations, and issue orders.
- Creating offence provisions and penalties for contraventions by individuals and corporations, including enhanced penalties for repeat corporate offenders.

PROPOSED AMENDMENTS TO THE *WSIA*

- **Benefits After Age 65:** Loss of earnings benefits paid to injured workers by the WSIB may be extended beyond age 65 in certain circumstances. Upon request by an injured worker, the WSIB would determine whether the worker is likely to continue working past age 65 in suitable and available employment. The government has stated this change is intended to align WSIB benefits with labour market trends in which workers remain in the workforce beyond age 65.
- **Increased Benefit Rate:** The loss of earnings benefit rate would increase from 85% to 90% of the difference between the worker's pre-injury net average earnings and post-injury net average earnings. A similar change would be made to survivor benefits under Section 48 of the *WSIA*.
- **Removal of 72-Month Lock-In:** The Bill proposes significant changes to the 72-month lock-in on loss of earnings benefits, though the impact depends on a worker's date of injury. For workers whose date of injury is more than 72 months before the amendment comes into force, the existing lock-in under section 44 would continue to apply. For workers whose date of injury is within 72 months of the amendment coming into force (or after), a new section 44.1 would apply, allowing the WSIB to review a worker's loss of earnings benefits at any time during the life of a claim, subject to prescribed maximum frequency. The WSIB would also be required to reduce a worker's loss of earnings benefits if the total amount of income the worker receives from the WSIB and prescribed payments made under another Act (federal or provincial) or by the worker's employer exceeds 100% of the worker's pre-injury net average earnings. However, disability payments under the Canada Pension Plan or Quebec Pension Plan are explicitly excluded from being prescribed under this offset.

Expansion of Mandatory Coverage: Privately operated residential care facilities and group homes would be deemed to be included in Schedule 1 of the *WSIA's* O. Reg. 175/98, making those industries subject to mandatory WSIB coverage.

COMMENCEMENT DATES

Employers should be aware that the proposed amendments would come into force on different dates. Key commencement dates include:

- **Royal Assent:** *ESA* Complaints and Inspections provisions.
- **January 1, 2027:** *ESA* Uniform provisions.
- **Day to be proclaimed by the Lieutenant Governor in Council:** *ESA* Payment Priority, *LRA* amendments, *STAR Act*, and *WSIA* amendments.

TAKEAWAY

Bill 105 is still making its way through Ontario's Legislative Assembly, which may lead to further changes to the proposed amendments prior to being passed. If the *POWER Act* is passed, employers should pay close attention to the commencement dates applicable to the provisions most relevant to their operations, as some amendments will take effect immediately upon Royal Assent while others will be delayed. We will continue to monitor the progress of Bill 105 and provide further updates as more information becomes available.

If you have questions about the changes proposed by the *POWER Act*, or how it might impact your workplace, please reach out to a member of Blaney's Employment & Labour Group.

The information contained in this article is intended to provide information and comment, in a general fashion, about recent developments in the law and related practice points of interest. The information and views expressed are not intended to provide legal advice. For specific legal advice, please contact us.