

Pay transparency update in Ontario

January 23, 2025

Summary

Pay transparency has emerged as a key issue in the evolving landscape of employment practices. This Client Advisory will discuss recent developments, including the passage of Ontario's Bill 190, *Working for Workers Five Act, 2024* to mandate pay transparency, effective January 1, 2026.

New pay transparency rules under Ontario's *Employment Standards Act, 2000* will take effect on January 1, 2026. These rules are set out in two separate amendments (Bill 149 and Bill 190) as well as recently released [regulations](#).

The rules will apply to employers with 25 or more employees that post a publicly advertised job posting. A "publicly advertised job posting" will not include a general recruitment campaign or help wanted sign, or a posting for a position that is either restricted to the employer's existing employees or for work outside Ontario (unless it is a continuation of work performed in Ontario).

Beginning January 1, 2026, employers that post a "publicly advertised job posting" must include the expected compensation or range of expected compensation, but only if the expected compensation or top of the range is not more than \$200,000 annually. The range must also not be more than \$50,000 annually (up from \$40,000 in the government's related [consultation document](#)). As a result, a posted salary range of \$100,000 - \$140,000 would be acceptable, whereas \$100,000 - \$160,000 would not.

Employers must also not include a requirement for Canadian work experience in the posting or any associated application form; and they must disclose whether they are using artificial intelligence to screen, assess or select applicants, and whether the posting is for an existing vacancy.

Employers that interview applicants for a publicly advertised job posting must, within 45 days of the final interview (up from 30 days as originally proposed) inform all applicants—in person, in writing, or using technology—as to whether a hiring decision has been made.

Employers must also retain copies of job postings and interview information for three years after the posting is no longer accessible.

In preparing to meet these new pay transparency obligations, employers should:

- Develop a pay transparency strategy that identifies what pay information will be shared, and with whom
- Ensure their job architecture (a process for organizing jobs based on the types of work performed in an organization) and job leveling outcomes (a process for determining the relative value of jobs in an organization) are based on objective criteria that underpin both pay equity and pay transparency requirements
- Inventory their pay policies and practices to understand if they support effective decision making upon hire, promotion or transfer
- Enable their HRIS to meet increased disclosure requirements and analytics.

For more information

This Advisory is not intended to constitute or serve as a substitute for legal, accounting, actuarial or other professional advice. For information on how this issue may affect your organization, please contact your WTW consultant, or:

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