



# Finance Bulletin

## Public Holiday Pay Calculation

*Bill 148, Fair Workplaces, Better Jobs Act, 2017* is now in force. Aside from the minimum wage increase, there is another calculation that will affect schools—the public holiday pay calculation.

*Bill 148, Fair Workplaces, Better Jobs Act, 2017* states the following in relation to public holiday pay:

- (1) *An employee's public holiday pay for a given public holiday shall be equal to,*
- (a) *the total amount of regular wages earned in the pay period immediately preceding the public holiday, divided by the number of days the employee worked in that period; or*
  - (b) *if some other manner of calculation is prescribed, the amount determined using that manner of calculation.*<sup>1</sup>

This is a significant change from the previous calculation, which was to take the earnings for the prior four weeks of work and divide by 20 to get an average amount for the holiday pay.

Although this change affects all employees, the biggest impact is probably in the payment of supply teachers. The *OACS/Edifide Compensation Recommendations Report for 2017-2018* recommends a daily rate of \$182.00 for supply teachers (\$166.70 base pay plus \$8.30 public holiday pay and \$7.00 vacation pay (4% on both the daily rate and the public holiday pay)). The public holiday pay allowance was an estimate using the old calculation method. Since that method is no longer valid, public holiday pay needs to be calculated on the base pay of \$166.70 only.

The following is an example comparing new and previous calculations for the New Year's Day public holiday for a supply teacher who only worked on December 18<sup>th</sup>:

	<b>New Calculation</b>	<b>Previous Calculation</b>
	Total earnings in last pay period ÷ number of days worked	Total earnings in past 4 weeks ÷ 20
Pay period prior to holiday (January 1, 2018)	December 17 – 30, 2017	December 17 – 30, 2017
Days worked in pay period	1	1
Earnings in pay period	\$166.70	\$166.70
Holiday pay earned	\$166.70 ÷ 1 = <b>\$166.70</b>	\$166.70 ÷ 20 = <b>\$8.34</b>

**Note:** Vacation pay (a minimum of 4% or 6% for employees with more than five years of service) must be paid on public holiday pay.

<sup>1</sup> **Bill 148, Fair Workplaces, Better Jobs Act, 2017**,  
[http://www.ontla.on.ca/web/bills/bills\\_detail.do?locale=en&BillID=4963](http://www.ontla.on.ca/web/bills/bills_detail.do?locale=en&BillID=4963)

The current calculation can also create an inequity between employees. If two employees earned the same amount in the pay period, but one worked one full day and the other worked two half days, they would get different amounts of holiday pay:

	<b>New Calculation</b>	<b>Previous Calculation</b>
	Total earnings in last pay period ÷ number of days worked	Total earnings in last pay period ÷ number of days worked
Pay period prior to holiday (January 1, 2018)	December 17 – 30, 2017	December 17 – 30, 2017
Days worked in pay period	1	2
Earnings in pay period	\$166.70	\$166.70
Holiday pay earned	$\$166.70 \div 1 = \mathbf{\$166.70}$	$\$166.70 \div 2 = \mathbf{\$83.35}$

**Note:** Vacation pay (a minimum of 4% or 6% for employees with more than five years of service) must be paid on public holiday pay.

The Ministry of Labour has a public holiday pay calculator that can be found here: <https://www.ontario.ca/page/public-holiday-pay-calculator>. It can be adjusted for various pay periods and public holidays, making the calculations for multiple employees fairly simple.

There are a few strategies that schools can use to try to reduce the impact of this new calculation:

- (a) Pay supply teachers weekly.  
If your school has a monthly payroll, a supply teacher that worked on December 1<sup>st</sup> and then again on January 15<sup>th</sup> would be owed the amount earned on December 1<sup>st</sup> as public holiday pay for January 1<sup>st</sup>. If they were paid weekly, there would be no public holiday pay required, because they did not work the week before the public holiday.
- (b) Pick a preferred supply teacher and use them exclusively.  
This would limit the number of supply teachers that would have to be paid for the public holiday.
- (c) Cover supply hours using currently employed part-time teachers.  
You will have to pay them for the public holidays anyway, so the difference in the calculation will be minimal.