

Employee Benefits and The Part-time Worker: Legal and Economic Issues

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FOREWORD

The Industrial Relations Centre is pleased to include this study, Employee Benefits and The Part-time worker: Legal and Economic Issues, in its publication series School of Industrial Relations Research Essay Series. The series is intended to give wider circulation to selected student research essays, chosen for both their academic merit and their interest to industrial relations practitioners and policy makers.

A substantial research essay is a major requirement of the Master's Program in Industrial Relations at Queen's. The essay may be an evaluation of a policy oriented issue; a limited empirical project; or a critical analysis of theory, policy, or the related literature in a particular area of industrial relations.

The author of the essay, Robert F. Campling, graduated from the School of Industrial Relations in November 1986.

I would like to express my appreciation to the author for granting permission to publish this excellent study.

D.D. Carter, Director
Industrial Relations Centre
and School of Industrial Relations
Queen's University

May 1987

ABSTRACT

Part-time employment now stands at 16.6% of total employment in Canada and therefore governments and employers can no longer afford to ignore the demands of part-time workers for improved wages and benefits.

This paper attempts to examine part-time employment from both a legal and economic perspective, looking at the extent of part-time employment, the compensation arrangements for part-time employees with particular emphasis on benefits other than wages, and the apparent inequities in these arrangements. The treatment of part-time workers under existing employment standards and collective bargaining legislation is reviewed and the potential impact of the Charter of Rights and Freedoms is examined. Finally, the actual cost of prorating benefits for part-time workers or paying cash in lieu of benefits is examined within the framework of the model developed in 1982 by Reid and Swartz. Overall, the available data seems to indicate that these costs are not overly excessive.

Interpretation of the Charter, although uncertain at this point in time, may require governments to amend existing employment legislation as it pertains to part-time workers to eliminate any discriminatory elements, and consequently force employers to provide a full range of benefits on a prorated basis.

The time has come to recognize part-time workers as a distinct group and to provide equitable compensation in terms of wages, and especially benefits. This may result in a more satisfied workforce and have positive effects on productivity, turnover, and absenteeism, and thereby assist to a large degree in offsetting the increase in costs of providing the prorated benefits.

I. INTRODUCTION

The last three decades have seen a fourfold increase in part-time employment. Since 1953 (the first year in which Statistics Canada collected data on part-timers) part-time employment in Canada has increased from 3.8% of total employment to the point where it now stands at 16.6% of total employment. Governments and employers could afford to ignore the demands of part-time workers for improved wages and benefits when their numbers were small, but such neglect can no longer be justified. More frequently employers are being forced to reexamine compensation packages for their part-time employees, not only because of increased pressure from the union movement and the employees themselves but also because of important changes in the legal structure, brought about by specific legislative action, such as pension reform, and through the application of Canada's new Charter of Rights and Freedoms.

The situation of part-time employees has been highlighted by the 1983 report of Labour Canada's Commission of Inquiry into Part-Time Work. It remains the definitive study on this segment of the labour force and will be referred to frequently throughout this paper. Joan Wallace, Commissioner of the Inquiry, has recently pointed out that "its major recommendation that labour standards legislation should be amended to ensure that part-timers are treated fairly compared to full-time workers, seems to have been accepted in principle by governments at both the federal and provincial levels".

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Pension reform providing substantial benefits to part-time workers appears to be imminent², and one cannot help but wonder if other legislative changes with regard to employment standards and collective bargaining can be far behind!

This paper attempts to examine part-time employment from both a legal and economic perspective, looking at the extent of part-time employment in Canada, the compensation arrangements for part-time employees with particular emphasis on benefits other than wages, and the apparent inequities in these arrangements. In addition, the treatment of part-time workers under existing employment standards and collective bargaining legislation will be reviewed. The impact of the Charter upon part-time employment is uncertain but it is still necessary to examine the Charter issues that are likely to be raised.

The most frequent defense for unequal treatment of part-timers is that "extension of benefits to all part-time employees would lead to intolerable costs"³, but the validity of this argument needs to be examined. Therefore, this essay will also explore the alternatives for expanding payment of benefits, namely, prorating or cash in lieu of benefits, and their associated costs within the framework of the model developed in 1982 by Frank Reid and Gerald S. Swartz.⁴ This paper also draws heavily on the 1983 study by Frank Reid⁵ which formed the basis of a substantial section of the report by the federal governments Commission of Inquiry into Part-Time Work.⁶ Overall, very little empirical work is available in this area and hence the concentration on the work by Reid and Swartz.

The Reid and Swartz study, although only an estimate or approximation of the costs faced by employers who may wish, or be forced, to provide a larger package of benefits to their part-time

employees, does provide some useful insights. In any event, the data should be used only as guidelines and not as absolutes.

II. PART-TIME EMPLOYMENT - WHAT IS IT?

Before embarking on any study in the area of part-time employment it is necessary to define the term. As Boyer has commented, "one of the difficulties in dealing with the subject of part-time work in a precise way is the abundance of categories and definitions of part-time workers. Part-time workers may be regular, temporary, casual or seasonal. Different eligibility requirements for benefits or protection under different statutes lead to different concepts of part-time work for different purposes".⁷ Some of these substantial difficulties are evidenced by the wide variety of definitions that have been put forward by:

International Labour Office (I.L.O.)

"regular, voluntary work carried out during working hours distinctly shorter than normal"⁸

Statistics Canada, Monthly Labour Force Survey

"those who usually work less than 30 hours per week except those working less than 30 hours who consider themselves fully-employed"⁹

Canada Employment & Immigration Advisory Council: 1981 Report on Part-Time Employment

"any work schedule other than full-time, year-round employment offered by an employer and accepted by an employee"¹⁰

Federal Treasury Board

"an employee with a continuing attachment to the work force who is appointed for a term of more than six months and who is ordinarily required less than the normally scheduled daily or weekly hours of work... but more than one third of these hours"¹¹

Ontario Labour Relations Board

"those working 24 hours per week or less"¹²

United States

"regularly recurring work performed on a schedule of from 16 to 32 hours per week"¹³

The I.L.O. and United States definitions are somewhat narrow as they cover only regular or continuing part-time employees while excluding casual, seasonal, involuntary part-time, and contract workers. The Treasury Board and O.L.R.B. definitions are even more specialized and narrower in scope.

In attempting to illustrate the potential costs of providing fair and equitable benefits to all of a firm's part-time employees a definition that is as broad in scope as possible would be required. A definition that is not based solely on the number of hours worked per week, or weeks per month and would take into account persons working part-time hours for numerous reasons including those illustrated in Table 1.

Such a definition was adopted by the Commission of Inquiry into Part-Time Work; "a part-time worker is one who works less than the normally scheduled weekly or monthly hours of work established for persons doing similar work",¹⁴ and covers all of the following groups of employees:

- i. regular or continuing part-time employees
- ii. short-time employees
- iii. involuntary part-time employees
- iv. casual or temporary employees
- v. seasonal employees

On the other hand it has been suggested that "for legislative clarity and justice, most specialists recommend that law reform recognize two distinct categories of part-time work, each with appropriate levels of protection: permanent regular part-time work as the first, and temporary, seasonal, or casual part-time work as the second".¹⁵

For the purpose of this paper we will be primarily concerned with regular part-time employees. Casual, seasonal or temporary employees, although commented upon throughout, will not be specifically examined. It is however acknowledged that reference to the number of hours worked by these various types of employees can become extremely useful when attempting to draw the line between providing benefits and offering cash payments in lieu of benefits. This is explored in further detail in the economic section of the paper.

Table 1: Reason for Part-Time Employment. December 1985

	Total	Personal or Family Responsibilities	Going to School	Could only find part-time work	Did not want full-time work	Other reasons
Both sexes	1880	175	641	479	550	34
15-24 years	821	13	608	161	37	...
25-54 years	845	146	33	285	361	18
55 years and over	214	16	...	32	152	14
Married	941	164	25	257	473	22
Single	837	5	613	177	34	8
Other	102	5	4	45	43	4
Males	537	5	306	140	69	16
15-24 years	367	...	293	65	7	...
25-54 years	98	...	13	66	10	8
55 years and over	72	...	...	10	52	8
Married	130	...	10	55	50	2
Single	395	...	296	81	12	4
Other	12	...	...	4	7	...
Females	1343	170	335	339	481	18
15-24 years	455	12	314	97	30	...
25-54 years	747	144	20	221	351	11
55 years and over	142	14	...	21	100	7
Married	812	152	15	202	423	...
Single	442	...	317	96	22	5
Other	89	5	...	41	37	...
Newfoundland	20	...	...	13	...	...
P.E.I.	6	...	...	...	...	...
Nova Scotia	59	...	18	22	15	...
New Brunswick	40	...	11	16	10	...
Quebec						
Both Sexes	435	32	139	147	110	7
Males	131	...	69	47	12	...
Females	304	31	70	100	98	5
15-24 years	184	...	130	47	5	...
25-54 years	209	28	9	92	77	...
55 years and over	41	4	...	7	27	...
Ontario						
Both Sexes	733	75	296	127	220	15
Males	211	...	140	33	29	7
Females	522	73	156	95	190	8
15-24 years	353	7	284	46	16	...
25-54 years	291	62	12	73	136	8
55 years and over	89	6	...	8	68	5
Manitoba	87	13	28	18	27	...
Saskatchewan	82	15	22	16	26	...
Alberta	189	20	60	39	67	...
B.C.						
Both Sexes	227	14	60	79	71	...
Males	52	...	27	25	9	...
Females	165	14	32	54	62	...
15-24 years	87	...	56	24	5	...
25-54 years	112	11	...	49	46	...
55 years and over	29	...	...	5	20	...

Note: Persons who usually work less than 30 hours per week but consider themselves to be employed full-time are not included in this table. Such persons are included in estimates of full-time employment.

Source: Statistics Canada, The Labour Force, Catalogue 71-001, December 1985, Table 32.

III. GROWTH OF PART-TIME EMPLOYMENT

"Part-time employment growth has consistently exceeded that of full-time employment over the last quarter century and if the trend continues part-time employment will become even more important in the economy."¹⁶

As illustrated in Table 2 part-time employment over the period 1953-1985 has risen from 3.870 of total employment to the point where it now stands at 16.6% of total employment. A substantial portion of this increase can be attributed to structural changes such as the increased proportion of young people in the labour force, a dramatic increase in labour force participation of women, and an overall shift in employment from goods to service industries. At the present time part-time workers typically include young people working while attending school, parents attempting to juggle child-rearing and career responsibilities, those in retirement or considering retirement but wishing to remain partly active in the workforce, and workers whose hours have been reduced because of economic conditions.

More recently, a growing number of persons are working part-time because it is the only work they can find, "a reflection of poor economic performance, persistent high rates of unemployment, and a lack of full-time employment opportunities".¹⁷

Over the entire 1983-1985 period these part-time workers have been predominantly female and this concentration has in fact increased from 66% in 1970 to almost 72% in 1985 (see Table 2). The Canadian Labour Congress has "pointed out that 70 per cent of part-time workers are women, concentrated in overwhelmingly low-paying job ghettos - sales, service and clerical".¹⁸ Table 3 reveals that trade (wholesale and retail); finance, insurance and real estate; and community, business and personal service have among the largest percentages (25.0%, 12.6%, and 26.0% respectively) of part-timers as a percent of total employees in the industry. Therefore, the cost of providing benefits for part-time employees will be of greater concern to firms in sectors such as retail, banking and health care that have traditionally employed a large percentage of females.

There is every indication that this trend toward increased part-time employment in virtually all sectors of the economy will continue unabated into the future. Retailers of all varieties continue to adopt extended shopping hours in response to customer pressure and the same is true for the banking industry. Another specific example is in the airline industry where American Airlines now uses part-time ground crews in cities where it has few flights. Previously, two shifts of full-time employees were maintained at these sites.¹⁹ A survey of 221 companies with regularly scheduled, non-union part-time employees conducted in October 1985 by Hewitt Associates found that "during the last five years the proportion of part-time employees to full-time employees has increased in 46% of the companies, decreased in 4%, and stayed about the same in the remaining 50% of companies."²⁰

Table 2: Part-Time Employment in Canada, 1953-1985

Year	Total Employment	Full-Time			Part-Time			Part-time as % of total employment
		Both Sexes	Men	Women	Both Sexes	Men	Women	
							thousands	%
1953	5,235	5,038	3,991	1,047	198	72	125	3.8
1954	5,243	5,035	3,970	1,065	208	74	134	4.0
1955	5,364	5,139	4,049	1,091	225	80	145	4.2
1956	5,585	5,342	4,186	1,156	243	79	164	4.4
1957	5,731	5,442	4,231	1,211	289	98	191	5.0
1958	5,706	5,356	4,142	1,214	349	121	228	6.1
1959	5,870	5,503	4,238	1,265	367	125	242	6.3
1960	5,965	5,565	4,234	1,331	400	134	266	6.7
1961	6,055	5,578	4,220	1,358	476	161	316	7.9
1962	6,225	5,728	4,318	1,410	497	170	327	8.0
1963	6,375	5,842	4,391	1,452	532	176	356	8.3
1964	6,609	6,012	4,501	1,511	597	197	400	9.0
1965	6,862	6,205	4,631	1,573	657	210	446	9.6
1966	7,152	6,475	4,772	1,703	678	212	466	9.5
1967	7,379	6,634	4,844	1,791	745	239	505	10.1
1968	7,537	6,708	4,879	1,829	829	267	562	11.0
1969	7,780	6,880	4,979	1,901	900	293	607	11.6
1970	7,879	6,908	4,978	1,931	971	332	639	12.3
1971	8,079	7,067	5,047	2,020	1,012	345	667	12.5
1972	8,329	7,291	5,190	2,101	1,038	343	695	12.5
1973	8,759	7,675	5,419	2,256	1,084	348	736	12.4
1974	9,137	7,972	5,608	2,364	1,166	368	797	12.8
1975	9,308	8,072	5,626	2,446	1,236	390	845	13.3
1975	9,284	8,296	5,602	2,694	988	301	687	10.6
1976	9,479	8,432	5,659	2,773	1,047	306	741	11.0
1977	9,648	8,519	5,702	2,817	1,129	329	800	11.7
1978	9,972	8,764	5,805	2,959	1,203	342	865	12.1
1979	10,369	9,068	5,982	3,086	1,301	365	935	12.5
1980	10,655	9,268	6,048	3,220	1,387	382	1,005	13.0
1981	11,006	9,519	6,146	3,373	1,487	413	1,074	13.5
1982	10,644	9,110	5,823	3,287	1,534	431	1,103	14.4
1983	10,734	9,083	5,765	3,318	1,651	475	1,177	15.4
1984	11,000	9,311	5,878	3,433	1,689	489	1,200	15.4
1985	11,339	9,459	5,954	3,505	1,880	529	1,351	16.6

Sources: Reid & Swartz, Prorating Fringe Benefits for Part-Time Employees in Canada, July 1982, p 21

Statistics Canada, Historical Labour Force Statistics, Catalogue 71-201, 1985

Notes: "Part-time" in this table includes both casual and part-time employees.

The 1953-1975 data relate to the old Labour Force Survey in which part-time employees are those who usually work less than 35 hours per week. The 1975-1985 data relate to the revised Labour Force Survey in which part-time employees are those who usually work less than 30 hours per week (excluding persons in that category who consider themselves fully employed).

Table 3: Part-Time Employment by Major Industry Group, 1985

Industry	Total	Full-Time	Part-Time	Part-Time as Percent of Total Employees in the Industry	Percent of All Part-Time Employees
All Industries	11,339	9,459	1,880	16.6	100.0
Agriculture	440	356	84	19.1	4.5
Forestry, Fishing, and Trapping	95	90	5	5.3	0.3
Mines, Quarries, Oil Wells	191	189	0	0.0	0.0
Manufacturing	1,988	1,905	83	4.2	4.4
Construction	577	531	46	8.0	2.4
Transportation, Communication, and Other Utilities	904	854	50	5.5	2.7
Trade (wholesale and retail)	2,051	1,538	513	25.0	27.3
Finance, Insurance, and Real Estate	643	561	81	12.6	4.3
Community, Business, and Personal Service	3,668	2,717	952	26.0	50.6
Public Administration	783	720	63	8.0	3.4

Source: Statistics Canada, The Labour Force, Catalogue 71-001 December 1985, Table 31.

As well, the labour movement, once fiercely opposed to part-timers as threats to full-time workers wages and benefits, may be having a change of heart. This is due in part to

"pressure from their increasingly powerful female membership, partly because they recognize that the part-time phenomenon is not going to disappear and therefore should be viewed as a potential source of much needed recruits - and partly because they believe they can make higher wages and benefits for part-timers pay off for their full-time members."²¹

This pressure from increasing numbers of part-time workers, from the growing support of the labour movement, and possibly from anticipated changes in employment and pension legislation at both the federal and provincial levels will continue to push the issue of increased benefits to the forefront, forcing employers to react in a positive manner.

IV. BENEFITS: IMPORTANCE IN TOTAL COMPENSATION

Definitions and measurements of benefits can vary considerably, however, there is general agreement that they include a wide variety of "legally required and company-initiated (or company negotiated) plans and programs financed largely by employer payments."²² Reid and Swartz have suggested that "expenditure on benefits is such an important part of employee compensation that the term "fringe benefits" has become a misnomer."²³ A more appropriate term would be "employee benefits" which can be taken as including all benefits and services (other than pay for time worked) to employees that are financed in whole or in part by employer contributions. The major benefit groups can be divided as follows:

- 1) legally required
 - Unemployment Insurance
 - Workman's Compensation
 - Canada Pension Plan/Quebec Pension Plan

- 2) private security and welfare programs
 - pension plans
 - life insurance
 - health insurance

- 3) pay for time not worked
 - holidays
 - vacations
 - sick leave
 - rest periods

- 4) extra compensation plans
 - profit sharing
 - savings plans
 - suggestion awards

- 5) employee services
 - subsidized cafeterias
 - educational assistance
 - merchandise discounts
 - credit card and loan rate discounts
 - legal aid

This paper will concentrate primarily on those benefits falling within the first three categories.

As mentioned, benefits can no longer be considered "fringe" as they form a significant portion of the total compensation package and the total payroll costs. This has been illustrated by several different studies which are reported in Table 4 through Table 6. Table 4 summarizes the results of a 1983 study by the Pay Research Bureau indicating that expenditures by firms on employee benefits added 36.1% to pay for straight time worked. Statistics Canada reporting in 1981 on data collected in 1978 (Table 5) found this figure to be approximately 34%. A Thorne Stevenson Kellogg Survey of Employee Benefit Costs in Canada which has been undertaken every two years since 1953, reports that the average total cost of the employee benefit package in 1984 was 32.5% of gross payroll.²⁴ This particular survey also indicated that the total cost was more than 4% higher in the

United States due primarily to a "higher cost of legally required payments for Old Age Security, Survivors and Disability Insurance, and the considerably larger employer expenditures on pension plans and health benefits."²⁵ Looking at the American data more closely and in particular the latest benefits survey conducted by the Chamber of Commerce of the United States (Table 6) we find that employee benefits are reported to average 36.6% of payroll costs. This data is for 1983 and the total percentage is virtually identical to that reported by the Pay Research Bureau in Canada for the same year.

The figures reported in all instances are similar but differences do arise due to differences in methodology. In any event, "these costs are tremendous...measured most broadly - to include employer pensions, the Canada Pension Plan and workmans compensation - employee benefits amount to between 30 and 40 percent of payrolls."²⁶ These costs are expected to rise even further as pension costs rise due to reforms currently being introduced by federal and provincial governments.

It becomes apparent that firms may be reluctant to extend benefits to their part-time employees because of the high cost of doing so. Reid and Swartz have attempted to estimate these costs²⁷ and we will examine their findings in a later section. However, we must first attempt to discover what benefits part-timers currently receive as this will have a substantial impact on claims of discrimination and inequality of treatment as well as on the increased cost of providing prorated benefits to all part-time employees.

Table 4: Benefit Expenditure per Employee

Item	Mean Dollars per Employee/yr	Percent of pay for Straight time worked
Pay for Straight-Time Worked	\$25,242	100.0%
Paid Time Away from Duty		
- Paid Holidays	1,293	5.1
- Paid Vacations	2,114	8.4
- Paid Sick Leave	620	2.5
- Paid Personal Leave	172	0.7
Straight-Time Pay	29,441	
Pay Supplements		
- Overtime and Holiday Work Pay	641	2.5
- Shift-Work Compensation	54	0.2
Financial Benefits		
- Severance Pay	57	0.2
- Retirement Allowances	179	0.7
Gross Pay	31,038	
Legislated Benefits		
- Workers' Compensation	281	1.1
- Unemployment Insurance	569	2.3
- Canada/Quebec Pension Plans	320	1.3
Group Life Insurance and Related Plans	176	0.7
Health Insurance Plans		
- Provincial Health Care	281	1.1
- Supplementary Health Insurance	569	2.3
- Dental Care Plans	320	1.3
Salary Continuation Plans		
- Sickness Indemnity Insurance	45	0.2
- Long-Term Disability Insurance	110	0.4
- Supplementary Unemployment Insurance	1	0.0
Private Pension Plans	2,102	8.3
Total Compensation	35,021	136.1

Source: Pay Research Bureau Employee Benefits and Working Conditions, Canada, 1984
December 1984, p 151

Note: Pay for rest periods (\$1088 has been included as part of "Pay for Straight-Time worked" for comparability with Statistics Canada data.

Table 5: Benefit Expenditure per Employee 1978

Item	Average annual expenditure per employee	Percentage of total employee compensation	Percentage of basic pay for regular work
Basic pay for regular work	12,301	74.6	100.00
Commissions, incentive bonuses	263	1.6	2.14
Overtime, including premium pay	522	3.2	4.24
Shift work premium pay	46	0.3	0.37
Other premium pay	53	0.3	0.43
Total pay for time worked	13,185	80.0	107.18
Paid absence:			
Paid holidays	586	3.6	4.76
Vacation pay	794	4.8	6.46
Sick leave pay	170	1.0	1.38
Personal or other pay	27	0.2	0.22
Total paid absence	1,577	9.6	12.82
Miscellaneous direct payments:			
Floating COLA	61	0.4	0.49
Bonuses (Christmas, etc.)	51	0.3	0.42
Severance pay	30	0.2	0.24
Taxable benefits:			
Provincial Medicare	82	0.5	0.67
Other benefits	57	0.4	0.46
Other payments	28	0.2	0.23
Total Miscellaneous direct payments	310	1.9	2.52
Gross payroll (total direct payments)	15,071	91.4	122.51
Employer contributions to employee welfare and benefit plans:			
Workmen's compensation	186	1.1	1.51
Unemployment insurance	209	1.3	1.70
Canada or Quebec pension plan	161	1.0	1.31
Private pension plans	558	3.4	4.53
Quebec Health Insurance Board	59	0.4	0.48
Private life and health plans	203	1.2	1.65
Other benefit plans	33	0.2	0.27
<u>Total</u>	1,410	8.6	11.46
<u>TOTAL EMPLOYEE COMEPNSATION</u>	16,481	100.0	133.97

Source: Statistics Canada, Employee Compensation in Canada, All Industries, 1978 Catalogue 72-619, February 1981

Table 6: United States, Employee Benefits as Percent of Payroll, By Type of Benefit and Industry Groups, 1983

Type of Benefit	Total all Industries	Total all Manufacturing	Total all Nonmanufacturing
Total employee benefits as percent of payroll	36.6	38.7	34.9
1) Legally required payments (employer's share only)	9.0	10.1	8.1
a) Old-Age, Survivors, Disability, and Health Insurance (FICA taxes)	6.3	6.4	6.2
b) Unemployment Compensation	1.4	1.8	1.0
c) Workers' compensation (including estimated cost of self-insured)	1.2	1.8	0.8
d) Railroad Retirement Tax, Railroad Unemployment and Cash Sickness Insurance, state sickness benefits insurance, etc.	0.1	0.1	0.1
2) Pension, insurance, and other agreed-upon payments (employer's share only)	13.6	14.2	13.0
a) Pension plan premiums and pension payments not covered by insurance-type plan (net)	5.0	4.4	5.4
b) Life insurance premiums; death benefits; hospital, surgical, medical, and major medical insurance premiums, etc. (net)	7.0	8.4	6.0
c) Short-term disability	0.3	0.5	0.2
d) Salary continuation or long-term disability	0.3	0.2	0.3
e) Dental insurance premiums	0.5	0.5	0.4
f) Discounts on goods and services purchased from company by employees	0.1	--	0.2
g) Employee meals furnished by company	0.1	--	0.2
h) Miscellaneous payments (vision care, prescription drugs, separation or termination pay, moving expenses, etc.)	0.3	0.2	0.3
3) Paid rest periods, lunch periods, wash-up time, travel time, clothes-change time, get-ready time, etc.	2.3	2.4	2.1
4) Payments for time not worked	9.4	9.6	9.6
a) Paid vacations and payments in lieu of vacation	4.8	5.1	4.7
b) Payments for holidays not worked	2.9	3.2	2.7
c) Paid sick leave	1.3	0.9	1.7
d) Payments for State or National Guard duty; jury, witness, and voting pay allowances; payments for time lost due to death in family or other personal reasons, etc.	0.4	0.4	0.6
5) Other items	2.3	2.4	2.1
a) Profit-sharing payments	1.0	1.2	0.9
b) Contributions to employee thrift plans	0.5	0.4	0.5
c) Christmas or other special bonuses, service awards, suggestion awards, etc.	0.3	0.5	0.2
d) Employee education expenditures (tuition refunds, etc.)	0.3	0.1	0.3
e) Special wage payments ordered by courts, payments to union stewards, etc.	0.2	0.2	0.2

Source: Association of Part-Time Professionals, Employee Benefits for Part-Timers, Table 1 p 2

V. EXISTING BENEFIT COVERAGE FOR PART-TIME WORKERS

In their paper Reid & Swartz are operating under the assumption that part-time employees receive substantially fewer fringe benefits than full-time employees and that this "suggests a potential inequity in the labour market which is both substantial and of increasing importance."²⁸ A study by the Pay Research Bureau (Table 7) provides support for this position and indicates that part-time employees are lagging far behind on major items such as holidays, vacations, private pension plans, and life, health and sickness plans. Only 6.9% of part-timers receive overtime for hours above regular part-time hours. The vast majority (82.8%) are eligible for overtime only after working the equivalent of full-time hours and therefore the average firm's expenditure on this benefit would be minimal. Holidays and vacations are two benefits which a reasonable percentage, 39.8% and 52.2% respectively, of part-timers are eligible for on a prorated basis. However, a similarly large percentage receive no more than what is legally required under the Ontario Employment Standards Act or Canada Labour Code, Part III. With pensions and life, health and sickness plans the inequities are strikingly apparent. Of the total 20,027 employees surveyed 77% were not covered by pension plans and 47.7% were not covered by any type of life, health and sickness plan. One might then surmise that these employees receive some sort of cash payment in lieu of these benefits for which they are not eligible. According to the PRB this is not the case as 92.1% of the part-time employees did not receive any such cash payment.

The Hewitt Associates study of the incidence of benefits among non-union, part-time employees (Table 8) clearly shows that the extension of benefits to part-time employees is directly related to the number of hours the employee works per week. It also provides comparative figures for the portion of full-time employees who receive these same benefits. Of those benefits generally offered to full-time employees (ie. capital accumulation plans and group registered retirement savings plans excluded), long-term disability coverage is least frequently extended to part-time employees. Vacation with pay is the most frequently extended benefit, and clearly part-time employees who work less than 20 hours per week receive the fewest benefits in all cases. Pension benefits are extended to full-time employees in 90 of the survey companies but this declines significantly in all companies with fewer hours worked. However, "with the advent of pension reform legislation, the number of part-time employees participating in pension plans will become an increasingly significant issue in 1986 and 1987".²⁹ This is dealt with in further detail later in the paper when the cost of providing pension benefits is examined.

These two studies are quite different in terms of methodology, sampling technique, and presentation of results; however they do tend to support Reid's statement that there is a "broad consensus of opinion and considerable evidence to indicate that part-time workers are underpaid relative to full-time employees particularly with respect to fringe benefits".³⁰ But there are some exceptions. In the banking industry, for example, regular part-timers across the country tend to be paid within the same salary range as full-timers and receive many employer paid benefits. In unionized settings such as the Ontario Nurses Association and various teachers federations part-timers receive a package of benefits virtually identical to those received by full-time employees. These examples, however, do not include casual part-time employees and in fact many employers still argue

"that the vast majority of part-timers already have adequate fringe benefit coverage through their spouses and would resent any further intrusion into their pay cheques. Others say part-timers are often fly-by-nighters who have little commitment to their employers and even less right to a better deal than they are already getting... almost all warn that any government tampering with the part-time labour market will drive up costs and force them to cut back on the number of part-timers they hire."³¹

The first two arguments are extremely shallow and with the distinction between those earning wages and those earning supplemental income disappearing, and with more and more people depending on part-time jobs to help support their families³² they become even more unreasonable and difficult to substantiate. In fact, the results of a survey of federally regulated industries commissioned in January 1985 by Labour Canada and conducted by Hay Management Consultants, indicated that part-time workers are found by their employers to be as productive or more productive than their full-time counterparts; as committed to their jobs and have equal or lower rates of absenteeism.³³ Specifically, 90% of reporting employers stated that permanent part-time workers are at least as productive as full-time employees (more productive in 8% of the cases), and 84% stated part-time workers were at least as committed to their jobs (more committed in 7% of the cases).³⁴

Overall, it would appear that part-time employees have the same basic economic needs, as full-time employees, and despite suggestions to the contrary, a high level of productivity and strong commitment to their jobs. Despite this, part-time employees are frequently paid less than their full-time counterparts,³⁵ may not qualify for Unemployment Insurance, may not be entitled to participate in CPP/QPP, and are often not eligible to participate in employer sponsored pension and benefit plans.

Table 7: Incidence of Benefit Coverage Among Part-Time Employees, 1984

Item	Percent
A) Overtime premiums:	
- Paid after part-time hours worked	6.9
- Paid after full-time hours worked	82.8
- Time-off in lieu only	0.0
- No provisions	2.2
- N/A, no overtime worked	8.1
Total	100.0
B) Holidays:	
- Same policy as for full-time employees	10.1
- Same policy but prorated	39.8
- Legal requirements only	48.1
- Other provisions	2.0
Total	100.0
C) Vacations:	
- Same policy as for full-time employees	4.9
- Same policy but prorated	52.2
- Legal requirements only	41.5
- Other provisions	1.4
Total	100.0
D) Pensions:	
- Same policy as for full-time employees	15.8
- Different policy	3.3
- No coverage	77.0
- Other	3.9
Total	100.0
E) Life, health, and sickness plans:	
- Same policy as for full-time employees	28.8
- Different policy	23.5
- No coverage	47.7
Total	100.0
F) Cash in lieu of insured benefits for which continuing part-time employees are not eligible	
- Paid	7.9
- Not paid	92.1
Total	100.0

Source: Pay Research Bureau, Benefits and Working Conditions: January 1, 1984 Volume 1, Incidence and Characteristics, Canada, Table 32 (Restricted Circulation)

Notes: 1) Percentages were calculated by taking a weighted average of the data for three groups: management/ professional, office and non-office. PRB survey covered a total of 10,027 employees of which 3,122 were management/professional, 3,820 office, and 13,085 non-office.

2) Majority of employees receiving a benefit under the heading “different policy” receive some coverage at a reduced level of 50% to 75%

Table 8: Benefit Availability for Part-Time, Non-Union Employees, 1985

Type of Benefit	Full-Time	Part-Time Hours Regularly Worked per Week		
		30 or More	20 to 29	Less than 20
1. Supplemental medical benefits (employee's own coverage)	96%	60%	49%	22%
2. Supplemental medical benefits (dependent coverage)	96%	58%	46%	19%
3. Provincial Medicare premium (employee's own coverage)*	91%	53%	44%	19%
4. Provincial Medicare premium (dependent coverage)*	90%	52%	42%	18%
5. Dental benefits (employee's own coverage)	95%	53%	45%	18%
6. Dental benefits (dependent coverage)	95%	52%	43%	16%
7. Life insurance	99%	63%	50%	22%
8. Accidental Death & Dismemberment (AD&D)	85%	52%	41%	16%
9. Paid sick leave (based on number of days accrued)	72%	43%	35%	22%
10. Short-term disability benefits	87%	52%	41%	19%
11. Long-term disability benefits	95%	48%	34%	12%
12. Pension plans	94%	49%	35%	18%
13. Capital accumulation plans	22%	12%	9%	3%
14. Group registered retirement savings plan	19%	13%	12%	8%
15. Paid vacation	99%	81%	77%	64%

*The percentage given above indicates the proportion of employers in Ontario, Alberta, and British Columbia who make some contribution towards the employee's premium cost.

Source: Hewitt Associates, Benefits for Canadian Part-Time Employees, 1985, p iii

VI. EXISTING LEGISLATION AFFECTING PART-TIME WORKERS

In a recent paper Geoffrey England includes part-time workers in a broader category of atypical workers who are "afforded substantially inferior treatment under Canadian labour law than their traditional employee counterparts".³⁶ The Commission of Inquiry into Part-Time Work also found evidence of inferior treatment for part-timers including being paid less for work of equal value, not being covered by the same benefits, and benefits which are provided not often being pro-rated but rather fixed at arbitrary, less favourable levels. In addition, unionized part-time workers were found to be somewhat better off but still disadvantaged compared to full-time employees alongside whom they worked, and that their overall level of unionization was much lower than that of full-time workers. Table 9 indicates 15% are unionized compared with 35.2% for full-time workers.

In order to look at this situation in greater detail both employment standards and collective bargaining legislation must be examined. In many jurisdictions part-time employees are excluded from collective bargaining legislation and employment standards, which are "supposed to redress the substantive injustices produced under the individual employment contract",³⁷ in many instances have failed to do so. Benefits of prime importance such as overtime pay, paid vacations and paid holidays will be examined in further detail in this regard. Also, none of the legal jurisdictions in Canada have specific legislation to provide benefits to part-time employees on a pro-rated basis.

i) Employment Standards Legislation

Employment Standards provide a floor of rights or rather a basic minimum set of substantive terms of employment including minimum wages, maximum hours, overtime entitlements, holiday and vacation pay entitlements, maternity leave provisions and equal pay requirements. "They provide a floor in two senses first, that one cannot go lower, and second, that one can build on these rights through the negotiation of a better individual or collective bargain."³⁸ For example, section 4 of the Ontario Employment Standards Act states:

1. An employment standard shall be deemed a minimum requirement only.
2. A right, benefit, term or condition of employment under a contract, oral or written, express or implied, or under any other Act or any schedule, order or regulation made thereunder that provides in favour of an employee a higher remuneration in money, a greater right or benefit or lesser hours of work than the requirement imposed by an employment standard shall prevail over an employment standard.³⁹

These statutory rights "are conferred on all employees, they cannot be taken away by contract nor can they be waived by the employee or a union on his behalf".⁴⁰

Table 9: Union Status of Part-Time and Full-Time Workers, By Occupaton, 1981

Occupation	Full-time			Part-time		
	# (000's)	# Union (000's)	% Union	# (000's)	# Union (000)	% Union
Total	10866	3828	35.2	2702	406	15.0
Managerial & professional	2485	931	37.5	516	178	34.5
Clerical	2016	585	29.0	614	72	11.7
Sales	882	81	9.2	371	21	5.7
Service	1321	359	27.2	716	62	8.7
Primary	442	113	25.6	114	...	n.a.
Processing	1944	903	46.5	111	18	16.2
Construction	841	416	49.5	64	12	18.8
Transportation	450	201	44.7	72	15	20.8
Material Handling and Other	485	240	49.5	124	22	17.7

Source: Labour Canada, Report of the Commission of Inquiry into Part-Time Work, April 1983, Table 19, p.73 (original data from Statistics Canada, Survey of 1981 Work History, unpublished)

However, depending on the jurisdiction part-time employees may be denied certain benefits. For example, in Manitoba, part-time employees who work in a private family home for less than 24 hours/week are excluded from the employment standards legislation.⁴¹ In Ontario, part-time nannies who work less than 24 hours/week are excluded from the Domestic and Nannies Regulation that establishes minimum safeguards for wages, room and board and time off.⁴² Also in Ontario part-time civil servants (those who work less than 24 hours per week) are not entitled to many of the basic protections available to full-timers.⁴³ In British Columbia, part-time instructors in public educational institutions are excluded from the hours of work and overtime provisions in the legislation.⁴⁴

In some instances "the legislation may provide that certain benefits apply to part-time employees but less advantageously than with full-time employees."⁴⁵ For example, the federal Labour Adjustment Benefits Regulations which provide compensation for permanently laid off employees in designated industries only applies to employees with 10 years (a year consists of at least 1000 hours worked) of service in the industry.⁴⁶ In Ontario, part-time employees in the catering industry are subject to different overtime provisions.⁴⁷ Also in Ontario, part-time civil servants have inferior sick leave provisions in that they have to earn 1+ days leave with each month they work, unlike full-time employees who are entitled to unearned sick leave.⁴⁸

Further compounding the problem is the fact that none of the employment standards legislation in Canada differentiates between full-time and part-time employees. That is, "there exists no category of employees who, because of the conditions of their employment are defined as full-time or part-time as the case may be."⁴⁹ Some of the definitions of "employee" do however exclude certain occupations, some of which have a greater than average incidence of part-time employment be it regular, casual or seasonal. Agricultural workers are excluded in most jurisdictions including Alberta, Manitoba, Ontario, Prince Edward Island, Quebec and Saskatchewan. Similarly domestics are excluded in Manitoba and Nova Scotia⁵⁰; construction workers in Alberta;⁵¹ and fishermen, loggers and lumberjacks in British Columbia.⁵²

This brief examination of the legislation in the various jurisdictions indicates that part-time employees receive less favourable legislative treatment than full-time employees. This differential treatment "does not appear to be the result of deliberate discriminatory legislation",⁵³ but is more a result of legislative oversight. Generally speaking, the legislation simply fails to recognize the different position of part-time workers. This omission can be attributed primarily to the fact that when the laws were written part-timers were a small percentage of the workforce who were not considered to warrant special treatment.

As a result of the lack of recognition of part-time employees in Canadian labour legislation it is "continuity of employment" which is the key factor in distinguishing part-time from full-time employees, and this concept is used in "calculating whether a sufficient period of time has passed to entitle an employee to benefit from an employment standard".⁵⁴ In other words, it is the key to open the door to benefits such as paid annual vacation, paid statutory holidays, maternity leave, and notice on termination of employment.

Again the lack of a concise definition or consistent application of the concept of "continuity of employment" makes it difficult to examine the problems faced by part-time employees. Variations

are evident from jurisdiction to jurisdiction and from benefit to benefit. There are some jurisdictions where the statutes or regulations permit broken periods of employment while at the same time maintaining continuity. Alberta, for example, considers separate periods to be a single period if there are no more than three months between these periods, but this approach has been restricted to termination of employment only.⁵⁵ In Nova Scotia, successive periods separated by not more than 13 weeks are considered one continuous period, but this method of calculation applies only to discharge or suspension without cause in the case of an employee with 10 or more years of service.⁵⁶ The broadest definition of continuity of employment is found in Saskatchewan where continuous service is any period of employment not separated by more than fourteen days.⁵⁷

The real disadvantage to part-time employees is that continuity, regardless of its definition or application, only counts where the various periods are with the same employer. The one exception to this is in the federal jurisdiction where longshoremen employed with several different employers are considered to have been in continuous employment with a single employer. In this case the cost of benefits (primarily paid statutory holidays) are met by pooling the costs of the various employers.

For part-time employees in general, however, there is no portability of service as is the case with the Canada Pension Plan and Unemployment Insurance. This failure to recognize portability of service is a major flaw in Canadian minimum standards legislation. Since part-time employees traditionally have shorter periods of employment than full-time employees, lack of portability of service is particularly damaging in the case of standards that require long periods of employment, such as the right to appeal a dismissal which the employee considers unjust.⁵⁸

In order to look at some of the specific inequities resulting from the legislated standards we will examine how the benefits of overtime pay, vacations with pay, and paid holidays apply to part-time employees across all jurisdictions.

Overtime is defined as work in excess of certain standards. The minimum standards of the various jurisdictions are summarized in Table 10. The problem of providing fair and equitable rates of overtime pay for part-time employees centres on the question of whether these employees should receive overtime after working beyond their "normal" or agreed upon part-time hours or alternatively whether it should be paid after working the equivalent of full-time hours. As previously mentioned, the legislation does not differentiate between full-time and part-time employees and therefore the standards for all are those shown in Table 10. It is very seldom that a part-time employee would work more than 8 hours per day or 40 hours per week and therefore for all practical purposes part-time employees are excluded from overtime pay provisions.

The practical difficulty with paying part-time employees overtime rates for hours in excess of their "normal" hours is that the majority of part-timers work a variable number of hours per week, making it extremely difficult to define a "normal" work week. The most convincing argument for excluding part-time workers from overtime provisions, however, is that it is simply not appropriate for part-time employees to receive premium pay for a work week shorter than a full-time work week, since their full-time counterparts would only receive premium pay after working the full work week.

Vacation with pay is a benefit that is intended to provide workers with a break from daily labours and also provide an income during this period. Vacations with pay, however, are denied to most casual or temporary employees in Canada. In almost all jurisdictions the failure to complete one year of employment without interruption results in a payment equal to 4% of earnings for the period, but not time off for vacation. Exceptions to this can be found in Alberta where vacation can be prorated in some circumstances and in Quebec where one day is received for each month of uninterrupted service to a maximum of 10 days.

As illustrated in Table 11 all jurisdictions, with the exception of Saskatchewan, provide for 2 weeks of annual vacation after one year of continuous employment. In Saskatchewan there are 3 weeks of annual vacation after one accumulated year of employment.

In some jurisdictions entitlement to annual vacation depends on the employee working a defined proportion of "regular working hours" in a year. As a result part-time employees may not work sufficient hours to be entitled to vacation benefits, although they would still be eligible to claim a certain percentage of total income earned during the period. If an employee has only one part-time job and consequently plenty of time off he/she may actually prefer the cash payment. However, individuals who have two or more part-time jobs in order to achieve an acceptable standard of living may want, and perhaps need, vacation time off but be ineligible to receive this benefit.

In Manitoba and Newfoundland minimum proportions of 95% and 90% respectively must be worked in order to qualify for vacation benefits. This proportion is based on the individual's normal working hours, not those of the firm, and therefore the minimum proportion has no adverse effect on part-time employees.

On the other hand, in Nova Scotia, New Brunswick and Prince Edward Island the minimum proportion is based on the working hours of the establishment and the negative impact on part-time employees is obvious.

Overall, part-timers who are employed continuously, but work only a fraction of normal hours in any given week are not seriously affected by most employment standards relating to vacation entitlements. There are however exceptions which have been pointed out and for the most part they affect casual and seasonal part-time employees.

Table 10: Overtime Pay

Jurisdiction	Employment Standard
Federal British Columbia Manitoba Saskatchewan Yukon	For work in excess of 8 hours per day or 40 hours per week
Alberta Northwest Territories	For work in excess of 8 hours per day or 44 hours per week
New Brunswick Newfoundland Ontario Quebec	For work in excess of 44 hours per week
Nova Scotia Prince Edward Island	For work in excess of 48 hours per week

Source: CCH Canadian Limited, Master Labour Guide: A Guide to Canadian Labour Law 1986 pp 87-97

Table 11: Vacations With Pay

Jurisdiction	Employment Standard
Federal	<ul style="list-style-type: none"> • 2 weeks after each year of employment, 3 weeks after six consecutive years (year of employment is a period of 12 consecutive months) • Termination before completion of year, 4% of earnings during the period; 6% after six years
Alberta	<ul style="list-style-type: none"> • 2 weeks after each year of employment (year of employment is 12 consecutive months) • Termination before completion of year, 4% of earnings during the period • If common anniversary date and start work after that date, vacation is on a prorata basis
British Columbia	<ul style="list-style-type: none"> • 2 weeks after each year of employment, 3 weeks after 5 years (year of employment not defined) • Termination before completion of year, 4% of earnings during the period, 6% after 5 continuous years • No vacation pay for under 5 days work per year
Manitoba	<ul style="list-style-type: none"> • 2 weeks after each year of service (year of service if worked 95% of the regular working hours for that position) • 3 weeks after 5 or more years were worked 50% of regular working hours in each of 4 years in the preceding 10 year period • Less than one year or one year without sufficient time, 4% of earnings for the period
New Brunswick	<ul style="list-style-type: none"> • 24 hours/week or less excluded from legislation • 2 weeks plus 4% of earnings, if worked 225 days or shifts (period July 1 to June 30) • Under 225 days or shifts, 4% of earnings for the period
Newfoundland Nova Scotia	<ul style="list-style-type: none"> • 2 weeks if worked 90% of normal working hours in continuous 12 month period • Otherwise 4% of earnings for the period
Ontario	<ul style="list-style-type: none"> • 2 weeks for each 12 months of employment • Termination before completion of 12 months, 4% of earnings for the period
Prince Edward Island	<ul style="list-style-type: none"> • 24 hours/week or less excluded from legislation • 2 weeks if worked 90% of regular working hours in continuous 12 month period • Less than 90% of hours or termination before completion of 12 month period, 4% of earnings for the period
Quebec	<ul style="list-style-type: none"> • 2 weeks for one year of uninterrupted service (May 1 to April 30) • Less than one year service, one day for each month of uninterrupted service, max. 10 days
Saskatchewan	<ul style="list-style-type: none"> • 3 weeks after each year of employment • 4 weeks after 10 years (required years may be accumulated years of employment if not separated by more than 182 days) • On termination, 3/52 or 4/52 of earnings for the period

Source: 1) Labour Canada, Federal-Provincial Relations & Liaison, Employment Standards Applicable to Part-Time Workers in Canada pp 14-35
 2) CCH Canadian Limited, Master Labour Guide: A Guide to Canadian Labour Law 1986 pp. 113-127

Legislation for general holidays may be passed by both the federal and provincial governments. These public, general, or statutory holidays (different names in different jurisdictions) are enacted in order to enable the general population to celebrate days of national significance, or days of importance to a particular region such as British Columbia Day, St. John the Baptist Day in Quebec, and St. George Day in Newfoundland. The legislation respecting statutory holidays does not prohibit work on such days, although it does specify an alternative day off with pay as well as the rate to be paid to those employees required to work on the holiday. As indicated in Table 12 these rules or minimum standards vary considerably across jurisdictions. Part-time employees, including regularly scheduled ones may be deprived of statutory holidays as a result of not being assigned sufficient hours or days of work in order to qualify. In many jurisdictions including British Columbia, Manitoba, Newfoundland, Nova Scotia, and New Brunswick (see Table 12) an employee must have worked at least 15 of the 30 calendar days preceeding the holiday. Ontario legislation similarly requires that a person earn wages on at least 12 days in the four weeks preceeding the holiday to be eligible for the paid holiday. The inequities under this legislation are readily apparent. For example, a part-time employee covered by the Ontario Employment Standards Act who works three hours per day, every day would be entitled to statutory holiday pay but one who works eleven full days per month would be excluded. The federal jurisdiction has recently amended its legislation by Bill C-34 such that if an employee has not worked 15 of the required 30 days then they receive prorated holiday pay equal to 1/20 of the wages earned in the last 30 calendar days.

A greater number of part-time employees than full-time employees may also be ineligible for statutory holidays because of typically higher turnover rates. In many jurisdictions the person must have been employed for at least 30 days. This does however vary considerably as evidenced by Saskatchewan where there are no qualifying periods, to Ontario where the person must be employed for at least three months in order to be eligible. Prince Edward Island has no legislated provisions and presumably the employees, full-time and part-time alike are at the mercy of the employer.

A 1984 Labour Canada study has succinctly summarized the existing employment standards applicable to part-time workers:

"the most important factor influencing the benefits secured to part-time workers is interruption of employment. Working less than the normal number of hours in a day or days in a week has far less effect on the guarantees provided to an employee by employment standards legislation than does working even full-time but for relatively short periods of time. Many standards have a threshold of entitlement of one month, three months or even a year (common in the case of annual vacation and maternity leave). Employees who enter and leave the labour force at frequent intervals, or who while remaining in the labour force, frequently change their employment, will run the risk of sacrificing these minimum standards, since in the case of most employment standards there are no provisions permitting two or

more separate periods of employment to be considered as one for the purposes of satisfying a threshold.⁵⁹

Table 12: Paid Holidays

Jurisdiction	Employment Standard
Federal	<ul style="list-style-type: none"> • Must be employed for at least 30 days • Must work 15 of the 30 days immediately preceding the holiday, otherwise prorated to 1/20 of earnings during last 30 calendar days
Alberta	
Northwest Territories	<ul style="list-style-type: none"> • Must work at least 30 days in the preceding 12 months
British Columbia	<ul style="list-style-type: none"> • Must be employed for at least 30 days
Newfoundland	<ul style="list-style-type: none"> • Must work 15 of the 30 calendar days immediately preceding the holiday
Manitoba	<ul style="list-style-type: none"> • Must earn wages in 15 of the 30 calendar days preceding the holiday
Nova Scotia	
New Brunswick	<ul style="list-style-type: none"> • Must be employed for at least 90 days during the preceding 12 calendar months • Must earn wages in 15 of the 30 calendar days preceding the holiday
Ontario	<ul style="list-style-type: none"> • Must be employed for 3 months • Must earn wages on 12 days in the 4 weeks preceding the holiday
Prince Edward Island	<ul style="list-style-type: none"> • No legislated provisions
Quebec	<ul style="list-style-type: none"> • Must be employed for 60 days
Saskatchewan	<ul style="list-style-type: none"> • No minimum qualifying period
Yukon	<ul style="list-style-type: none"> • Must be employed for 30 days • Must work 15 of the 30 calendar days preceding the holiday • Must work an average of 24 hours during the 4 weeks preceding the holiday

Source: 1) Labour Canada, Federal-Provincial Relations & Liason, Employment Standards Applicable to Part-Time Workers in Canada, pp. 14-35

2) CCH Canadian Limited, Master Labour Guide: A Guide to Canadian Labour Law 1986, pp. 129-148

ii) Collective Bargaining Legislation

It is important to examine whether collective bargaining has enhanced the position of part-time employees. As we have seen minimum standards legislation merely provides a "floor" of wages and benefits underlying any other terms that might be negotiated either individually or collectively. More favourable terms of employment may be negotiated by part-time employees, but the outcome of these negotiations will depend on the relative bargaining power of the parties. This section of the paper will examine firstly the extent to which part-time workers have enhanced their bargaining power by unionizing and, secondly, how legislation in the various jurisdictions affects the ability of these part-timers to exercise their right to bargain collectively. In this regard the practices of the Ontario, British Columbia, Canada, and Quebec labour boards will be examined in some detail.

The Commission of Inquiry into Part-Time Work in Canada "heard from many part-time workers on the subject of unionization and membership in professional and other associations that bargain collectively. Generally, it was claimed, membership within unions and these associations would improve the part-time workers situation".⁶⁰ One would expect that this improvement would take the form of wages, benefits, and working conditions over and above those required by employment standards legislation, and also work to close the substantial gap that presently exists between the level of full-time and part-time unionization. Table 9 indicated that in 1981 35.2% of full-time workers were unionized compared to only 15.0% of part-time workers. In addition, the occupations having the highest incidence of part-time employees - sales, service, and clerical - are among the least unionized at 5.7%, 8.7%, and 11.7% respectively.

The average hourly wage for non-unionized part-time employees, across all occupational groups, is significantly lower than for unionized part-timers (see Table 13). The breakdown of the data by industry group shows the same results, namely, that non-unionized part-time workers are paid less than unionized part-timers.⁶¹ In all cases female part-time workers receive lower wages than males and this may give strength to discrimination arguments arising out of the new Charter of Rights and Freedoms. We will explore this matter further in the next section.

Table 7 and Table 8 have shown that overall, part-time employees receive fewer benefits than their full-time counterparts. If, as the available data would seem to indicate, part-time employees receive less pay and fewer benefits, why have they not turned to organized labour and collective bargaining for assistance?

While it may be true that "many non-union workers live in the shadow of collective bargaining in the sense that their employers may feel obligated to offer them wages and working conditions which are comparable to those received by workers in unionized firms",⁶² there are many that do not. This may be especially true for part-time workers because of the negative attitudes traditionally held toward them by organized labour and in some legal jurisdictions because of their exclusion from full-time bargaining units.

Table 13: Average Hourly Wage Rate(\$) for Unionized and Non-Unionized Workers, 1981

	Unionized			Non-Unionized		
	Both Sexes	Men	Women	Both Sexes	Men	Women
All Occupations	9.41	10.47	8.93	6.19	6.41	6.09
Managerial & Professional	10.90	13.26	10.29	9.49	10.52	9.08
Clerical	7.80	8.78	7.66	6.27	6.34	6.26
Sales	7.02	7.49	6.68	5.51	5.94	5.35
Service	7.51	9.07	6.92	4.61	4.52	4.65
Primary	...	...	...	5.64	6.00	4.92
Processing, Machining, etc.	10.13	11.10	...	6.53	7.43	5.42
Construction	9.61	9.61	...	8.16	8.19	...
Transportation	9.94	9.70	...	7.45	7.12	8.13
Material Handling	8.08	7.86	...	5.55	5.36	5.91

Source: Labour Canada, Report of the Commission of Inquiry into Part-Time Work in Canada, Table 20, p. 74 (original data reported in Statistics Canada, Survey of 1981 Work History, Unpublished)

For the most part, at least until the last few years as the sheer numbers of part-time employees has continued to grow and women have become a larger percentage of total union membership, unions have deliberately ignored the existence of part-time workers or have actively worked to prevent or reduce their participation in the workforce. Recently, Daryl Bean, President of the Public Service Alliance of Canada has said, "through collective bargaining we will attempt to limit the use of part-time employees".⁶³ But in the same breath he has suggested that "we will also work towards eliminating the financial benefits that accrue to the employer from the appointment of part-time employees".⁶⁴ Perhaps this signals a change in direction for organized labour towards more emphasis on terms and conditions of employment for part-time employees that are consistent, equitable and comparable with those of full-time employees. It is more likely, however, that unions believe the more benefits paid to part-timers the more costly it becomes to employ these individuals and if this is the case employers will not be as quick to eliminate full-time jobs from the bargaining unit.

Not only do part-time employees have to contend with resistance from unions to their status, but in some instances they are also expressly excluded from the relevant legislation. This exclusion of part-time employees occurs more frequently in the public sector than in the private sector. The Ontario Crown Employees Collective Bargaining Act has no coverage for persons not ordinarily required to work at least one-third of the normal working time spent on similar work by others, unless they work on a regular and continuing basis.⁶⁵ In the Federal Public Service Staff Relations Act and the New Brunswick Public Service Labour Relations Act part-time work is defined the same as in Ontario. In both cases this has the effect of excluding some part-time employees from coverage and in addition, there is no exception for "regular" part-time work as is the case in Ontario.⁶⁶

Central to any discussion of the effect of legislation on part-time employees is the issue of similar or different bargaining units. Should part-time employees be included in units with full-time employees or should they be excluded?

England has suggested that the advantages of having full-time and part-time employees in the same unit include:

- (1) supporting the policy of preventing undue fragmentation of bargaining units.
- (2) preventing the formation of separate units which might not have sufficient bargaining power to obtain a reasonable agreement.
- (3) allowing full-time employees to protect themselves against part-time employees by bargaining on behalf of them.⁶⁷

On this last point, it is more likely that unions negotiate clauses about part-time such as limiting the number and conditions for hiring, rather than on behalf of part-time employees. Even though a union is under a duty to represent the interests of all employees in good faith, non-arbitrarily and without discrimination⁶⁸, this obligation would not "preclude the negotiation of less favourable terms and conditions for part-timers if that is in the interest of the unit as a whole".⁶⁹ In other words it would be a rather simple matter for the interests of part-time employees to be submerged or effectively ignored in a full-time unit in which they are a minority.

On the other hand, concerns over inclusion of part-time and full-time employees in the same unit include; a lack of attachment to a particular job (presumably because of higher part-time turnover rates) leading to a lesser desire to strike for their own and full-time demands, and a fear that full-time employees will not support their interests leading to opposition to unions in general and consequently a greater opposition to certification. A method of balancing these advantages and disadvantages would appear to be including part-time in full-time bargaining units only if they are regularly employed. Unfortunately, this is not the practice in all jurisdictions.

In general, statutes tell the various labour boards very little about the criteria or standards that should be employed in making bargaining unit determinations. Specifically, part-time are not mentioned in any of the Acts with regard to inclusion or exclusion from full-time units. A large unit that includes all employees regardless of their full-time or part-time status is often favoured by an employer but at the same time is more difficult for an applicant trade union to organize in terms of obtaining sufficient membership evidence. In fact, too large a unit may result in no collective bargaining at all.

Adams has stated that, in the determination of appropriate bargaining units "community of interest is a concept employed by all labour boards whether dictated by statute or not".⁷⁰ With respect to part-time employees he has also stated that an important consideration in determining the appropriate bargaining unit is "similarity in the scale and manner of determining earnings, in employment benefits, hours of work and other terms and conditions of employment."⁷¹ As well, he suggests that the wishes of the employer, the union and the employees are also given some consideration. For example, in Ontario part-time employees⁷² are automatically placed in separate units at the request of either employer or union, regardless of regularity of employment. England has suggested that the problem with this approach is that it "tends to relegate part-timers to the status of second class industrial citizens without sufficient bargaining power, standing alone to improve significantly their lot".⁷³ It could also be said that the Ontario Labour Relations Board practice of certifying separate units on request "is one which is in danger of colluding in the perpetuation of an unregulated labour force for the convenience of management".⁷⁴ In fact, if the number of part-time employees is small this policy of separate units can actually serve to exclude them from collective bargaining altogether.

The Ontario approach of placing full-time and part-time employees in separate bargaining units contrasts with that taken in British Columbia where the essential issue is whether the employment relationship is seen to have "relative permanence". Where this permanence exists a community of interest is deemed to be present and the part-timers will normally be included in the full-time unit. It appears that this type of approach which can be more satisfactory for part-time employees - with the exception of those who may be casual, temporary or seasonal has developed due to a stronger "presumption in the Province of British Columbia against fragmenting the bargaining structure of a workplace".⁷⁵

In the federal jurisdiction the Canada Labour Relations Board initially certified separate units for part-time and full-time employees, but, the board has now revised its approach and follows the same practice as the British Columbia board.⁷⁶ Under this approach, however, casual part-time employees are still at a relative disadvantage since it is still the Canada boards practice to exclude these employees from full-time units.⁷⁷

In Quebec there is no hard and fast rule or practice with respect to exclusion of part-time employees from full-time bargaining units. The Tribunal du Travail has often included the two groups in the same unit however, it seems that, as is the case in the Federal and British Columbia jurisdictions, regularity of employment is the critical factor. As such occasional or casual employees are generally excluded⁷⁸ although they can be grouped together to form their own bargaining unit.

Of the various jurisdictions examined here Ontario appears to be the most restrictive with its segregation of part-time employees based on number of hours worked rather than taking into consideration regularity of the work regardless of the number of hours. In any event, in virtually all of the jurisdictions effective protection of collective bargaining rights is reserved for those who are considered "regular" part-time and others including casual, temporary and seasonal part-time are virtually left out in the cold. Saskatchewan is perhaps more progressive than other jurisdictions in this regard by virtue of the fact that as a general rule the board has not segregated small groups of part-time employees from larger all employee units when to do so would effectively deprive them of their right to organize and bargain collectively.⁷⁹

The root of the problem at least from the perspective of the part-time workforce is that the criteria used to determine the supposedly different community of interest between full-time and part-time workers are for the most part management and work place oriented. Bargaining unit determination for part-time workers does not appear to be based on the social or economic needs of the workers or their attachment and commitment to the job. Weeks has suggested that these criteria tend to "perpetuate the existence of employees working under different conditions, by specifically referring to the provision or not of fringe benefits as one of the relevant indicators".⁸⁰

Generally speaking Canadian collective bargaining legislation has failed to recognize the special position of part-time workers. This lack of legislative recognition appears to have worked to the disadvantage of part-time employees. The next section of this paper will examine the impact of the Charter of Rights and Freedoms to determine if this may now provide part-time workers with a more advantageous legal regime.

VII. IMPACT OF THE CHARTER OF RIGHTS AND FREEDOMS

One reason that part-time workers for the most part receive fewer benefits and less pay than their full-time counterparts is their lower incidence of unionization. Many part-timers have not been able to enhance their bargaining power through collective bargaining and have had to fall back upon the minimum benefits provided by employment standards legislation. As the Steelworkers have suggested in their submission to the Commission of Inquiry into Part-Time Work, this legislative framework "legitimizes, and in some respects actively supports their second class status".⁸¹ Essentially, the law does not recognize the special problems of interpretation or application that have the effect of denying rights to part-time employees. Canadian employment standards legislation was formulated without part-time workers in mind and this group has not received treatment as advantageous as that accorded to full-time workers. Although there may have been no intention to discriminate this difference in treatment may still be discriminatory in its effect and could now contravene the Charter of Rights and Freedoms.

Using the guarantee of equality found in section 15 of the Charter it may be possible to successfully challenge the unequal treatment of part-time workers on the basis of sex discrimination. After all, statistics show that in 1985 72% of all part-time workers were women. This being the case, then amendments in employment legislation that will favour part-time workers may be required. As Carter has pointed out, with the introduction of a Charter of Rights and Freedoms "the validity of every statute, whether it be federal or provincial, must be measured against the guarantees of fundamental rights and freedoms found in the Charter".⁸²

Section 15 of the Charter states that "every individual is equal before and under the law and has the right to equal protection and equal benefit of the law without discrimination and, in particular without discrimination based on race, national or ethnic origin, colour, religion, sex, age or mental or physical disability". This constitutional guarantee of equality "is likely to raise more employment issues than any other provision of the Charter, and will require us to rethink our assumptions about equality of treatment",⁸³ including the issue of payment of equal benefits to part-time workers.

On its face, section 15 does not appear to be radically different from similar provisions in Human Rights Codes of the various jurisdictions. However, it is much broader in scope and being a part of the Constitution is the supreme law of Canada. All other laws must be interpreted and applied to its terms. The only limitation on the exercise of rights and freedoms guaranteed by the Charter is found in Section 1 which states "subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society". If employers want to argue, for whatever reason, that the Charter does not apply to equal treatment of their part-time employees they may not find this to be an easy task as Carter points out "the Supreme Court of Canada has already made it clear that the onus rests upon those who argue that such a limitation should apply".⁸⁴

Part-time workers as a group are not mentioned in Section 15 and it is doubtful that a charge of discrimination on the basis of part-time status alone would be successful. It may still be possible that the differential treatment of part-time workers is unlawful under the Charter because Section 15 may be interpreted to apply to discrimination on specific grounds. Establishing a case of discrimination, either

implicit or explicit, on the specific ground of sex is the most logical course of action. As was noted in Table 2 the majority of part-time workers, 72% to be exact, are women. Table 2 further showed that in 1953, 11% of all women employed worked part-time, and that this percentage had increased to 28% by 1985. The available data has also shown that part-time workers definitely have more restricted access to fringe benefits than full-time employees (Table 7 and Table 8); on average they also have lower wages (Table 13); and finally, they lack union representation (Table 9).

The discrimination argument may be strengthened by the fact that part-time work is for the most part involuntary and not merely a voluntary choice of a life style that enables parents to spend more time with their children and provides extra leisure for travel, sports, hobbies or community activities, as has been frequently suggested. The Steelworkers in their 1982 submission to the Commission of Inquiry into Part-Time Work in Canada suggest that, although "part-time work is applauded by some as offering workers an unprecedented choice of work styles, it is derided by others as a ghetto of low wages and poor working conditions".⁸⁵ It can be argued that this later point is especially true for women. According to 1985 Statistics Canada data (see Table 1) women accounted for 339,000 or 70.8% of the 479,000 part-timers that "could only find part-time work". There was also a large number of persons whose reason for part-time employment was "personal or family responsibilities". Of the 175,000 part-time workers in this category 170,000 or 97% were women. It is likely that for many of the women in this category, part-time work is less a matter of choice than a response to inadequate child care facilities.

Although the outcome of a Charter challenge based on sex discrimination is uncertain at this point it certainly has the potential to produce substantial changes in terms of more favourable treatment of part-time employees. England points out that "assuming that this [section 15] prohibition relates to discrimination under the law in general...then the differential treatment accorded atypical workers under the employment standards and collective bargaining legislation will certainly have to be justified under the Section 1 formula of...subject to only such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society".⁸⁶ Employment standards legislation, human rights legislation, occupational health and safety legislation and pension legislation are but a few of the statutes that would have to conform to the Charter as Charter values are overriding. "In effect the Charter could amend such legislation, altering the existing balance of rights and obligations that now run between employer and employee".⁸⁷

Another issue worth examining involves Section 2(d) of the Charter which guarantees the "freedom of association". This may be a possible avenue for challenging exclusion of part-time employees in collective bargaining or for putting them in separate bargaining units against their wishes. Again, it is uncertain at this point in time which collective bargaining activities are encompassed by this freedom, but England argues that "it seems a fruitless exercise to protect the freedom of persons to create an organization without at the same time protecting the freedom to pursue the *raison d'etre* of that organization. Freedom of association ought to be interpreted as including the right to participate in the basic institutions of collective bargaining established under the labour relations legislation".⁸⁸

If freedom of association is given this interpretation, it would seem that any exclusion of part-time employees from full-time bargaining units would prevent access to collective bargaining in general and could only be justified as a reasonable limit contemplated by section 1 of the Charter. The onus

of proving that such a limit is demonstrably justified in a free and democratic society, however, would fall upon the party seeking such an exclusion.

It has been mentioned on several occasions that the differential treatment of part-time workers will have to be justified under section 1. Therefore, the question becomes one of whether or not this justification is possible? Several arguments can, and have, been put forward in this regard but it still remains to be seen if they are sufficient for a section 1 exclusion.

Firstly, one might suggest that if part-time employees are extended the full-range of benefits available to full-time employees then the costs of hiring part-timers will increase to such a large degree that they would not be hired at all. Consequently, this would have a negative impact on the elderly, disabled, students and single parents who need, and perhaps want, the flexibility provided by part-time work. The actual costs of providing prorated benefits, or cash in lieu thereof do not appear to be so high as to substantiate these fears. Detailed cost calculations are provided in the following section of this paper. It is certainly debatable whether there would in fact be a large negative impact on the workforce as a whole and as I believe England has correctly pointed out "to justify particular instances of inferior treatment it must surely be demonstrably proved that severe and substantial economic dislocation to others would result from treating atypical and traditional employees equally".⁸⁹

Secondly, one might claim that the inferior treatment of part-time workers is offset by the advantages enjoyed by them such as increased leisure time and convenient working hours, or that they don't need equal benefits because they are just earning extra money. We have already pointed out that the data (see Table 1) reveals a large group of part-time employees who are involuntarily employed in this capacity because they can find no other full-time work. It may not be "extra money" but rather the only means of securing economic essentials. If it is involuntary work then the advantages are not really advantages at all and, as England has said, what should count "is how the worker is treated while he is at work, not how much free time he has away from work".⁹⁰

Thirdly, it may be suggested that there is some justification in excluding part-time workers from collective bargaining legislation, since their inability to secure decent terms and conditions through collective bargaining suggests that the process is somehow inappropriate for them. Table 13 disputes this claim, at least as far as wages are concerned and the data presented shows that the benefit pattern closely parallels that of wages. This third argument certainly holds little water and in no way should it be used to attempt to justify the exclusion of part-time employees under section 1 of the Charter.

Overall, to justify unequal treatment of part-time workers it must be proved, in England's words, "by compelling evidence and argument that the result of enacting equality measures for atypical part-time workers would cause such severe and substantial economic dislocation for a significant majority of employers, and for a society as a whole such as to outweigh the individuals ethical claim to equality".⁹¹

How far will the Charter impinge upon the employer-employee relationship? At the present time the answer is unclear. The Charter may be restricted to legislation and state controlled organizations such as

crown corporations and municipalities but, on the other hand, it may be found to apply to all aspects of society and all facets of private employment relationships.

Recent arbitration decisions have already attempted to address this question prior to a definitive statement from the Supreme Court. Some arbitrators have held that the Charter does not apply to the employment related decisions of employers in the private sector.⁹² In another decision the Charter was held to apply to a university which derived its powers to discipline the workforce from an empowering statute.⁹³ The broadest interpretation of the charter was given by an arbitrator who said that it "is intended to stand four-square as the guarantor of fundamental rights and freedoms in all corridors of our Canadian society".⁹⁴ The Supreme Court of Canada will have the final say in this regard but the arbitration decisions do serve to give some insight into how the issue is being addressed.

If on the other hand, the Charter is found only to apply to government and the organizations it regulates then it is still quite possible that actions under human rights legislation will become more frequent and more important. In a recent case in which a complaint arose under Ontario's Human Rights Code⁹⁵, the Supreme Court of Canada found that an employment rule honestly made for general business reasons could still be discriminatory because of its adverse effect on an individual, or a particular group of individuals. "Adverse effect discrimination, as it is called, does not result in strict liability for the employer but still requires the employer to accommodate the minority unless it can be shown that accommodating the employee would cause undue hardship".⁹⁶ Perhaps this same type of reasoning could be applied to part-time employees who receive discriminatory wages and benefits!

Regardless of how the courts eventually decide the Charter issue it has become quite apparent that "the guarantee of equality has created the potential to bring about fundamental changes in present employment practices".⁹⁷ In order to be in compliance with section 15 of the Charter employers could be faced with having to increase the wages of part-time employees to match those of their full-time counterparts, and in addition making all benefits available to them on a prorated basis or alternatively paying extra wages of a commensurate value. Existing legislation including employment standards and labour codes of the various jurisdictions may have to be amended to specifically take into account workers with part-time status, and thereby eliminate the existing discriminatory practices.

VIII. COST OF PRORATING EMPLOYEE BENEFITS

An examination of the cost of prorating employee benefits for part-timers, and in particular an examination of the 1982 study by Reid and Swartz, wished some light on the impact that changes in employment standards or collective bargaining legislation, or successful charges of discrimination under section 15 of the Charter, might have on the payroll costs of a firm and their desire to continue to employ part-time workers.

The theory behind a system of prorating benefits is that "if a person works full-time or is entitled to full-scale benefits, adjusted in proportion to the number of hours worked, it seems fair and logical that the part-timer receive "part fringe" rather than no fringe".⁹⁸ If for example, full-time employees working 40 hours per week are entitled to four weeks' vacation, an employee who works 20 hours per week, on a permanent basis should receive two weeks' vacation each year. Similarly if a full-time employee is entitled to \$20,000 worth of life insurance coverage then a person who regularly works 10 hours per week should receive \$5,000 in coverage.

In considering any proposal regarding the payment of benefits to part-time employees two distinct costs must be considered. Firstly, the administrative cost including the time and paper work involved in registering a new employee in each benefit plan (quasi-fixed costs) and the ongoing cost of deducting contributions each pay period. Secondly, the direct cost of the benefit such as monthly premiums paid on life or disability insurance or dental plans. The specific increased cost to an individual firm will then depend on how many part-time employees are on staff, how many of these are already receiving benefits and to what degree.

i) Administrative Costs

The initial question that must be answered "is whether, at low weekly hours of work, the administrative costs of prorating benefits becomes unacceptably large relative to the advantage to the employee."⁹⁹ In his estimates of administrative costs Reid¹⁰⁰¹⁰⁰ has drawn on data from two American surveys. A May 1981 survey of 300 firms by the American Society for Personnel Administration and the Bureau of National Affairs, and a 1980 survey of 404 organizations conducted by Abbott, Langer & Associates for Personnel Journal.¹⁰¹ This data was then combined to determine the average cost per employee of administering benefits. These costs were converted to Canadian dollars using an exchange rate of \$0.81 U.S. per Canadian dollar and finally adjusted to a May 1983 level using the 11.80 increase in the Consumer Price Index for the period May 1981 to May 1982 and projecting a similar rate of increase to May 1983. The resulting average and marginal costs for various firm sizes (based on number of employees) are illustrated in Table 14 and graphically represented in Figure 1.

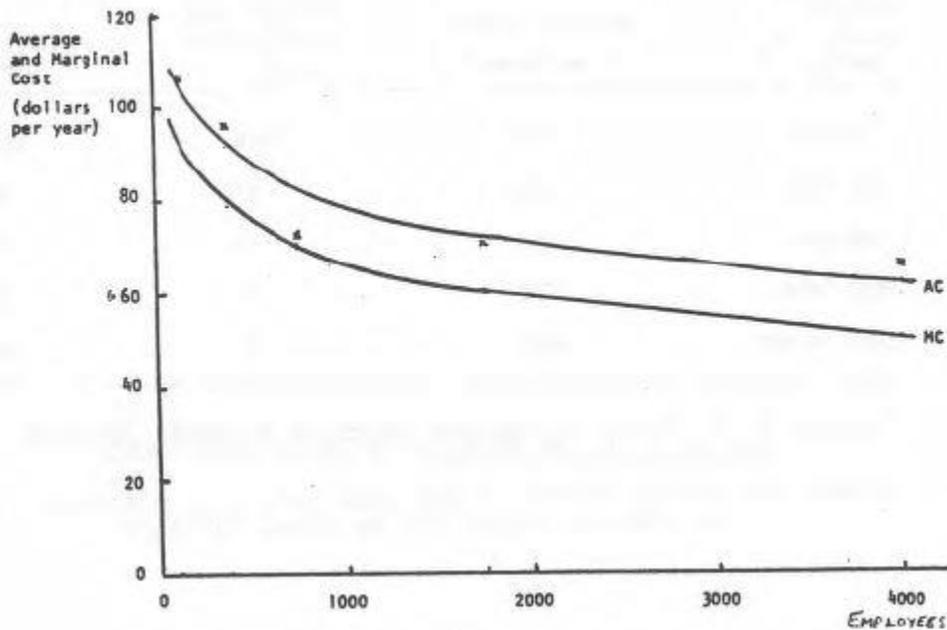
Table 14: Employee Benefit Administration Costs – All Employees

Firm size Category (number of employees)	Average number of employees ^a	Average cost (dollars per year)	Marginal cost
0-249	125	\$106	\$93
250-499	375	97	79
500-999	750	73	71
1000-2499	1750	71	61
2500-10000	4000	67	50

Source: Reid, Frank, Protecting Part-Time Workers: Defining the Scope of the Problem, February 1983, Table 4

Notes: a) average number of employees refers to mid-point of interval except for the final category.

Figure 1 - Average and Marginal Cost Curves for Administration of Benefits



Source: Reid, Frank Protecting Part-Time Workers: Defining the Scope of the Problem, February 1983

The average cost curve is the long-run cost curve which shows the minimum cost per employee of administering benefits at different firm sizes when that firm has had sufficient time to adjust the size of its personnel operations to its number of employees. It is downward sloping because the larger number of employees allows economies of scale and consequently a lower administration cost per employee. This is of course true only if the methods used at the larger firms cannot be scaled down proportionately and used effectively by smaller firms. The marginal cost on the other hand is the additional cost per employee when the firm increases the number of employees for which it administers benefits. The average cost falls as the number of employees increases and therefore the marginal cost must be lower than average cost as illustrated in Table 14.

Overall, the administrative costs of providing benefits for part-time employees does not appear to be large. Table 14 estimates that for firms with up to 249 employees, the average cost per employee is \$106 while the marginal cost of administration for an extra employee is only \$93. In addition, these costs reduce substantially for larger firms. However, as noted by Reid, "since part-time employees are likely to have a higher turnover rate than full-time employees, the quasi-fixed costs will likely be higher relative to ongoing administrative costs and the marginal cost for administering benefits for part-timers may be somewhat higher than indicated"¹⁰² in Table 14.

ii) Direct Costs

The direct costs of providing employee benefits that is the cost to the firm of paying premiums or making legally required contributions, are examined in further detail using data from Reid's 1983 study. Reid has, through the use of computer simulation, estimated the costs of prorating benefits for employees who are working from one to forty hours per week.

This wide range of hours is necessary to accurately assess costs and attempt to determine at what point it may be more advantageous to pay cash in lieu of benefits. It also allows analysis of the effect of eliminating the minimum requirement of working 15 hours per week in order to qualify for participation in the Unemployment Insurance Plan. Much of the simulation was based on a wage rate of \$5.00/hour, however, a full range of wage rates up to \$20.00/hour has also been examined and is included later in this paper.

a) Statutory Benefits

These include the Canada Pension Plan (CPP), Unemployment Insurance (U.I.), and Workers Compensation (WCB). For all of these benefits firms must contribute percentage of each employee's earnings up to a maximum ceiling level of annual or weekly earnings. Ceilings applicable to each of these benefit plans have changed since 1983 and although this may have an impact on the absolute numbers reported in Reid's study the relative costs of prorating remain as acceptable and useful guidelines. Part-time workers are eligible to participate in these programs on a prorated basis but there is a bias in that the ceilings and floors have been specified with full-time workers in mind and have not been prorated for part-timers. As was previously mentioned "none of the legislation in the employment standards area in effect anywhere in Canada differentiates explicitly between full-time employees and part-time employees. That is, there exists no category of employees who, because of the conditions of their employment are defined as full-time or part-time as the case may be."¹⁰³ This lack of formal recognition of part-time employees tends to increase the cost of benefits in terms of a percentage of

earnings. For example, if the benefit ceiling is \$20,000 per year a full-time employee earning \$30,000 will have one third of their earnings exempt from contribution. However, a part-time employee receiving the same hourly wage but earning only \$15,000 per year will have no earnings exempt from contribution and the benefit cost will be a higher percentage of earnings.¹⁰⁴

- Canada Pension Plan

Requirements of this plan in 1983 were that employers contribute 1.8% of annual earnings up to a ceiling of \$18,500 per employee, with the first \$1800 of earnings exempt from contribution for all employees. Without prorating and at a wage rate of \$5/hour employees working up to 6 hours per week would be exempt. For 1986 the ceiling has been increased to \$25,000 and the exemption to the first \$2,500 in earnings. Therefore, employees working up to 9 hours per week would be exempt. At the assumed wage rate all employees are earning less than the annual ceiling and the employer's contribution will be 1.80 of the earnings above the basic exemption. With both the ceiling and floor prorated the employer will pay the same percentage of income to CPP regardless of the number of hours per week that an employee works. Table 15 indicates that prorating increases costs by approximately 1.5% for persons working one to seven hours per week (ie. the dominant effect of prorating the floor - the amount of exempt earnings), but that for those employees working 20 or more hours per week additional costs are only a fraction of a percentage point.

- Unemployment Insurance

In 1983 Unemployment Insurance regulations required that employers contribute 3.22% of employee's earnings to a maximum earnings ceiling of \$385 per week or \$20,000 per year. For 1986 the employer contribution has risen to 3.29% to a maximum of \$495 per week or \$25,740 per year. Employers are required to contribute only for those employees who work at least 15 hours per week or earned at least 20% of the earnings ceiling per week. As well, only those employees who meet the minimum requirements are eligible to receive benefits. Given that at the present time approximately 40% of all part-time employees work less than 15 hours per week a significant number are excluded from benefits altogether.¹⁰⁵ In addition, present regulations require that minimum hours and earnings be reached by employment with a single employer so that if those minimums were reached with multiple employers (in the case of persons holding down two or more part-time jobs) the worker would still not qualify for benefits. The effect is certainly to discriminate against a large proportion of part-time workers and hence there is a need to look at prorating and elimination of minimum regulations if equality in treatment is to be achieved.

Once again using a wage rate of \$5/hour, the effect on the employers U.I. premiums with prorating is calculated. The assumption here is that the "annual ceiling, intended for an employee working 40 hours per week, is reduced proportionately for employees who work less than 40 hours per week."¹⁰⁶ As well, to simulate a method of treating part-time employees in a comparable manner to full-time employees the requirements of 15 hours per week or 20% of the earnings ceiling have been eliminated. As illustrated in Table 15 the impact of prorating is simply to raise the contribution costs for employees working less than 15 hours per week by 3.220 of their earnings. Adjusted for 1986 regulations this increase would be 3.294 of earnings. For the rest of the part-time workforce costs would remain unchanged as contributions are already being made by the firm.

- Workers Compensation

This particular benefit falls under the jurisdiction of the individual provinces. Contribution levels are based on a percentage of earnings to a maximum per employee per year. In Ontario in 1983 this ceiling was \$22,200 per employee and in 1986 has risen to \$31,500 per employee. The exact premium will depend on the accident rate in the particular industry. In his simulation Reid has used a rate of 0.75% "because it corresponds roughly to the rate for the trade and service industry in which part-time employees are most prevalent".¹⁰⁷

At a wage rate of \$5/hour an employee, whether full-time or part-time, has earnings that are far below the ceiling and the contribution rate is therefore identical with or without prorating.

The combined cost effects of prorating CPP, UI, and WCB varies considerably, depending on the total number of hours the employee works per week. Table 15 shows these costs both in terms of absolute dollars per year and as a percentage of income. All of these figures were developed using 1983 regulations and in view of the increases in ceilings and floors since that time we would expect that costs in terms of current dollars and percentage points are somewhat higher. However, the relative effects should still be the same with the greatest increase in costs associated with the payment of benefits to part-time employees who work less than 15 hours per week. This is the result of eliminating the minimum hours requirement for Unemployment Insurance and adjusting the CPP contribution exemption level on a proportional basis.

The costs of prorating these statutory benefits also depends to a large degree on the wage rate the part-time employee is receiving. Table 15 clearly illustrates the costs of prorating when the wage rate is assumed to be \$5/hour, while Table 16 shows the effect with wages ranging from 7.50/hour to \$20/hour. Again the variance in cost is most dramatic for employees working less than 15 hours per week. For example, if an employee works 10 hours per week and all three statutory benefits are prorated the employer is faced with an additional payroll cost of almost 44 when the wage rate is \$7.50/hour. However, as the wage rate increases to \$10/hour the increase in cost declines to approximately one-third of a per cent and at rates of \$15/hour and \$20/hour cost reductions of 1.6% and 2.7% would be evident.

Table 15: The Cost of Prorating All Three Statutory Benefits

Hours/ Week	Annual Income	Canada Pension Plan	Unemployment Insurance	Workman's Compensation	Combined Effects of Prorating All Three Statutory Benefits	
					Absolute \$/yr	% of Income
1.00	260.00	1.49	3.22	0.0	12.24	4.71
2.00	520.00	1.49	3.22	0.0	24.46	4.71
3.00	740.00	1.49	3.22	0.0	36.73	4.71
4.00	1040.00	1.49	3.22	0.0	40.97	4.71
5.00	1300.00	1.49	3.22	0.0	61.21	4.71
6.00	1560.00	1.49	3.22	0.0	73.45	4.71
7.00	1820.00	1.47	3.22	0.0	85.33	4.69
8.00	2030.00	1.25	3.22	0.0	92.90	4.47
9.00	2340.00	1.07	3.22	0.0	100.46	4.29
10.00	2600.00	0.93	3.22	0.0	108.02	4.15
11.00	2830.00	0.62	3.22	0.0	115.58	4.04
12.00	3120.00	0.71	3.22	0.0	123.14	3.95
13.00	3380.00	0.65	3.22	0.0	130.71	3.87
14.00	3640.00	0.58	3.22	0.0	158.27	3.80
15.00	3900.00	0.52	0.0	0.0	20.25	0.52
16.00	4160.00	0.47	0.0	0.0	19.44	0.47
17.00	4420.00	0.42	0.0	0.0	18.63	0.42
18.00	4680.00	0.38	0.0	0.0	17.82	0.38
19.00	4940.00	0.34	0.0	0.0	17.01	0.34
20.00	5200.00	0.31	0.0	0.0	16.20	0.31
21.00	5460.00	0.28	0.0	0.0	15.39	0.28
22.00	5720.00	0.25	0.0	0.0	14.56	0.25
23.00	5980.00	0.23	0.0	0.0	13.77	0.23
24.00	6240.00	0.21	0.0	0.0	12.96	0.21
25.00	6500.00	0.19	0.0	0.0	12.15	0.19
26.00	6760.00	0.17	0.0	0.0	11.34	0.17
27.00	7020.00	0.15	0.0	0.0	10.53	0.15
28.00	7260.00	0.13	0.0	0.0	9.72	0.13
29.00	7540.00	0.12	0.0	0.0	8.91	0.12
30.00	7800.00	0.10	0.0	0.0	8.10	0.10
31.00	8060.00	0.09	0.0	0.0	7.29	0.09
32.00	8320.00	0.08	0.0	0.0	6.48	0.08
33.00	8540.00	0.07	10	0.0	5.67	0.07
34.00	8840.00	0.05	0.0	0.0	4.86	0.05
35.00	9100.00	0.04	0.0	0.0	4.05	0.04
36.00	9360.00	0.03	0.0	0.0	3.24	0.03
37.00	9620.00	0.03	0.0	0.0	2.43	0.03
38.00	9830.00	0.02	0.0	0.0	1.62	0.02
39.00	10140.00	0.01	0.0	0.0	0.81	0.01
40.00	10400.00	0.0	0.0	0.0	0.0	0.0

Source: Reid, Frank, Protecting Part-Time Workers: defining the Scope of the Problem, February 1983, Table 8

Note: A wage rate of \$5/hour is assumed.

Table 16: The Combined Cost of Prorating Statutory Benefits at Various Wage Rates – As a % of Income

Hours/Week	W=\$7.50/hr	W=\$10.00/hr	W=\$15.00/hr	W=\$20.00/hr
1	4.81230	4.70020	2.91712	2.0034
2	4.81230	4.70020	2.91712	1.75803
3	4.81230	4.70020	2.50174	1.23881
4	4.81230	4.45790	2.15559	-2.24081
5	4.67384	4.14636	1.94790	-2.39657
6	4.39692	3.93867	-1.41056	-2.50042
7	4.19912	3.79031	-1.50946	-2.57460
8	4.05076	0.459056	-1.58364	-2.63023
9	3.43538	0.372515	-1.64133	-2.67350
10	3.84307	0.303288	-1.68748	-2.70811
11	0.547552	0.246641	-1.72525	-2.73643
12	0.484615	0.199439	-1.75672	-2.76003
13	0.431360	0.159498	-1.78334	-2.78000
14	0.385714	0.125264	-1.80617	-2.79712
15	0.346153	0.955961 e-1	-1.82594	-2.81195
16	0.311538	0.696336 e-1	-1.84325	-2.82494
17	0.280995	0.467261 e-1	-1.85853	-2.83639
18	0.253846	0.263616 e-1	-1.87210	-2.99850
19	0.229554	0.814507 e-2	-1.88425	-2.90487
20	0.207692	-0.824884 e-2	-1.89517	-2.69986
21	0.187912	-0.230872 e-1	-1.90507	-2.47604
22	0.169930	-0.365729 e-1	-9.1406	-2.25028
23	0.153512	-0.488858 e-1	-1.92227	-2.03286
24	0.138461	-0.601755 e-1	-2.08171	-1.83356
25	0.124615	-0.705578 e-1	-2.01056	-1.65020
26	0.111834	-0.801461 e-1	-1.90360	-1.48095
27	0.994998e-1	-0.890202 e-1	-1.72505	-1.32424
28	0.890108e-1	-0.972621 e-1	-1.55926	-1.17872
29	0.787798e-1	-0.104936	-1.39098	-1.04323
30	0.692307e-1	-0.112096	-1.22237	-0.916780
31	0.602977e-1	-0.118796	-1.06465	-0.798487
32	0.519230e-1	-0.125079	-0.916782	-0.687586
33	0.440559 e-1	-0.130978	-0.777875	-0.583406
34	0.366515 e-1	-0.136531	-0.647140	-0.485355
35	0.296703 e-1	-0.141767	-0.523875	-0.392906
36	0.230769 e-1	-0.298635	-0.407458	-0.305594
37	0.168399 e-1	-0.250559	-0.297335	-0.223001
38	0.109311 e-1	-0.205013	-0.193007	-0.144755
39	0.532553 e-2	-0.120520	-0.940300 e-1	-0.705225 e-1
40	0.0	0.0	0.0	0.0

Source: Reid, Frank, Protecting Part-Time Workers: Defining the Scope of the problem, February 1983, Table 9

Note: An E and a positive or negative integer following an entry means the entry is to be multiplied by 10 to the power of the integer

b) Other Benefits

The statutory benefits described above are only one component of the costs that will have an impact on a firm's wage bill as a result of providing its part-time employees with a compensation package more closely resembling that which is offered to full-time employees. The cost of other benefits such as overtime, holidays, vacations, private pension plans, life and health insurance plans, and miscellaneous benefits (sick leave, personal leave, shift differential, severance allowance, retirement allowance) must be examined as well. Several studies were reported earlier indicating that employee benefits as a percentage of straight time pay ranged from 32/0 to 37/0. These included the Pay Research Bureau (1983) 36.1%; Statistics Canada (1978) 33.97; Thorne Stevenson Kellogg (1984) 32.5%; and the Association of Part-Time Professionals (1983) 36.670. Using primarily PRB and Statistics Canada Reid & Swartz developed their own estimate of benefits as a percentage of straight-time costs and came up with 36.1'0 which is not inconsistent with the other reported findings. Their results, reported in Table 17, also give estimates of the proportion of part-timers receiving prorated benefits and for purposes of consistency these will be the figures utilized in examining "other benefits" in more detail. However, the proportions do appear to be somewhat high in light of 1984 data from the PRB (Table 7) and the Hewitt Associates survey of 1985 (Table 8). If this is in fact the case then the cost estimates by Reid may be somewhat low.

Overtime

Table 17 indicates that 97.54 of part-time employees receive overtime benefits equal to full-time employees and that over represents 5.1% of straight time costs. Even if part-time employees worked the same proportion of overtime hours as full-time employees, which is extremely unlikely, the average effect on the labour costs of part-timers would be;

$$(1 - .975) \times 5.1\% = 0.1\%$$

which is an insignificant amount in terms of total costs and is therefore not included in any further analysis. Other estimates would have this cost as low as .003% of straight-time worked.¹⁰⁸

Holidays

There are two problems to be considered in examining the issue of prorating statutory holidays:

1. employment standards legislation which specifies minimum requirements has been written without considering part-time employees. Therefore, prorating these benefits will require that the various provincial statutes be amended.
2. part-time employees can be excluded from provisions in contracts which give full-time employees holidays in excess of the minimums specified by the employment standards legislation.

For example, under Part III of the Canada Labour Code employees are eligible for nine paid holidays provided that they have been employed for at least 30 days and have worked at least 15 days in the 30 days preceding the holiday.¹⁰⁹ Ontario legislation requires that a person be employed for a minimum of three months and earned wages on at least 12 days in the four week preceding the holiday to be eligible for seven paid holidays.¹¹⁰

Table 17: Benefits Among Full-Time and Part-Time Employees

Employee Benefit Category	Average Expenditure for Full-Time Employees (percent of straight-time costs)	Proportion of Part-Timers with Prorated Benefits
Statutory Benefits: CPP, UI, and WCB	4.4%	0(b)
Overtime Premiums	5.1	.975
Holidays	5.0	.733
Vacations	7.3(a)	.631
Private Pension Plans	9.2	.327
Life, Health Insurance Plans	2.8	.633
Miscellaneous Benefits	2.5(a)	.200(c)
Total	36.3%	

Source: Reid and Swartz, Prorating Fringe Benefits for Part-Time Employees in Canada, July 1982, Table 5

- Notes: a) Expenditure figures for Vacations and Miscellaneous are averages of Statistics Canada and Pay Research Bureau data.
- b) Part-time employees are covered by CPP, UI and WCB but these benefits are not fully prorated because the ceiling and floor levels for contributions are not prorated.
- c) The five miscellaneous benefits are sick leave, personal leave, shift-work compensation, severance pay and retirement allowances. Part-time employees benefit from the same severance provisions as full-time employees under the Canada Labour Code and some provincial legislation but expenditure on severance pay is insignificant. In the absence of information on the incidence of the other four benefits it was arbitrarily assumed that 20 percent of part-timers were covered.

Reid has calculated that the cost of eight public or statutory holidays (an average of the requirements under Ontario and Federal legislation) for a full-time employee would approximate 3.2% of straight-time costs.¹¹¹ To calculate the cost of prorating assumes that no part-time employees working less than 12 hours per week would be eligible (ie. they would be working less than three 4-hour shifts per week or less than twelve shifts per month); that all employees working more than 24 hours per week (ie. more than three 8-hour shifts per week) do qualify; and estimates the number working between 12 and 24 hours per week that are eligible by non-linear interpolation. The resulting cost increases due to prorating range from 3.2% of income for those working less than 12 hours per week to zero for those working more than 24 hours per week (ie. they were previously eligible for the benefit).

However, in examining total costs of prorating private (those negotiated by way of collective agreements or voluntarily offered to full-time employees) as well as statutory holidays must be considered. Assuming that the proportion of part-time employees receiving the private holidays is the same as the proportion receiving the statutory holidays the total increase in costs will range from 5% (the same percentage as reported for full-timers in Table 17) to zero depending on the number of hours worked per week (see Table 18).

Vacations

Table 17 indicates that vacation benefits extended to full-time employees run on average 7.3% of straight time costs. Extending similar benefits to part-timers however would not be as costly as length of vacation is most often related to years of service and part-time employees generally have less years of service. Using 1981 data from the Pay Research Bureau Reid and Swartz have developed a "vacation model" that suggests this cost would be in the neighbourhood of 5.9%.¹¹² Increased costs are then determined (in a similar fashion as the costs for holidays) by estimating the proportion of employees at various hours per week that currently receive prorated benefits. The specific assumptions are that those part-time employees working less than 12 hours per week receive only the 40 legal minimum; those working more than 24 hours per week receive full prorated vacation benefits equal to 5.970 of earnings; and the cost of benefits for those working between 12 and 24 hours per week are determined by non-linear interpolation. The results are summarized in Table 18.

Life & Health Insurance Plans

Using methodology similar to that discussed above for vacation benefits the cost of providing life and health insurance plans to part-time employees is estimated to range from 2.8 (for employees working 12 hours per week or less who currently receive no benefits) which is the average expenditure for full-time employees (Table 17), to zero per cent for those working more than 24 hours per week who are already receiving full prorated benefits.

The absence of this type of benefit for a large section of the labour force is significant because of the strains that it places on government funded welfare plans. Looking at long-term disability for example Cook points out that, "Government and industry studies have shown that 50 to 55 percent of Canada's population is reasonably well protected by various forms of individual or group long-term disability plans. But the remaining 45 to 50 percent who have made no formal provision for an eventual disability depends upon the welfare net to ride out periods of disability."¹¹³

If the Hewitt Associates 1985 survey is any indication at all (ie. 95% of full-time employees have LTD benefit plans reducing to 34% and 12% for part-time employees working 20 to 29, and less than 20 hours per week respectively) then it is the absence of the benefit for part-time employees that should be of primary concern.

Miscellaneous Benefits

As virtually no data is available on benefits such as sick leave, personal leave, shift differential, severance pay and retirement allowances Reid & Swartz arbitrarily assumed that 20% of part-time employees were covered. As a result this perhaps creates the weakest estimates of all the benefits examined. On the other hand, expenditure on these benefits for full-time employees (2.5%) is relatively small and the estimates of the cost of prorating may not be greatly affected by the assumption. Again, estimates for hours worked ranging from one to forty per week are illustrated in Table 18.

Private Pension Plans

This is the most expensive benefit provided to full-time employees (9.2% of straight time costs - Table 17) and one that is infrequently offered to part-time employees. Table 7 suggests that as many as 77% of all part-time employees in 1984 had no pension plan coverage, indicating substantial inequities in compensation and an equally substantial increase in costs that would result from prorating. However, Reid has pointed out that "bringing part-time employees into the current private pension plan system on a prorated basis would be an inadequate solution because of the well known problems with private pensions: lack of immediate vesting, lack of portability and lack of indexing."¹¹⁴

This may soon change as pension reforms come into effect in the various jurisdictions. In fact, new pension legislation providing substantial benefits to part-time workers has already been implemented in some jurisdictions and is being introduced in others at the present time. In July 1985 Manitoba passed Bill 76, and Act to amend the Pension Benefits Act which included among other things the right of employees to transfer benefit credits whenever they terminated employment¹¹⁵ and also required the extension of private pension plan coverage to part-time employees where employer sponsored plans exist. Nova Scotia has also provided increased eligibility for part-time employees in Bill 122, an Act respecting Pension Benefits which was passed on May 22, 1986.¹¹⁶

In the Federal jurisdiction pension reforms announced in the May 23, 1985 budget are to come about through amendments to the Pension Benefits Standards Act which provides minimum standards for pension plans established by employers in federally regulated industries. The amendments are contained in Bill C-90 that was first introduced in the House of Commons on December 17, 1985.¹¹⁷ It now appears that these pension reforms will take effect January 1, 1987. Relevant aspects of these reforms with respect to part-time workers include a widening of eligibility which will be based on earning more than 35% of the average industrial wage in each of two consecutive years, enhancement of the portability of plans on termination, and earlier vesting.

Similar legislation introduced in Ontario,¹¹⁸ also expected to take effect January 1, 1987, stipulates that "part-time workers can join a pension plan after two years of service if they have earned at least 35% of

the Canada Pension Plans maximum pensionable earnings (about \$9,000 in 1986) for two consecutive years".¹¹⁹

Without amendments to the portability and vesting provisions part-time workers would remain at a substantial disadvantage compared to full-time workers. Presently only about 10% of pension plans have immediate vesting of the employers contributions and in most plans vesting does not occur until after 10 years of service. Since part-timers typically have a short tenure on any given job a substantial portion of them would not benefit at all from the employers contributions. Similarly, interest rates are usually low on the employees contributions which are refunded if the employee leaves the firm prior to retirement, often making participation of part-timers in such a plan a poor investment.

Overall, most jurisdictions are moving toward easier access to pensions for part-time workers. Portability provides the flexibility required by this group of workers who tend to be more mobile and have shorter job tenure than their full-time counterparts. Finally, earlier vesting makes pension benefits a more substantial investment opportunity. As will be illustrated pensions are by far the most expensive benefit provided by employers to their employees, and therefore this new legislation that increases the number of employees participating in the benefit could have significant cost implications.

To determine cost estimates for pension benefits to part-timers at various levels of hours worked per week Reid assumes that no part-timers working 12 hours per week or less currently receive pension benefits. The proportion then increases from 3% at 13 hours per week to 50% at 30 hours per week and 100% for 40 hours per week.¹²⁰ The increased costs of providing a similar benefit to all part-time employees therefore ranges from zero to 9.2% as indicated in Table 18. However, costs could be considerably lower if pension benefits are offered to part-time employees on an optional basis because some employees, perhaps as high as 50% of those eligible¹²¹ would decline to participate preferring instead to have their cash available to make alternative investments.

Problems in the actual method of prorating can arise depending on whether the pension plan offered by the firm is of the "defined benefit" or "money purchase" variety. In the later type the firm and the employee agree to contribute a certain percentage of the employees salary to a fund which earns a return. Length of service is not a factor, contributions are based on actual salary, and hence there are no major difficulties in prorating. On the other hand, in the defined benefit plan, "the retirement benefit is defined as a specified percentage of pre-retirement earnings and is related to length of service. To include part-timers in this type of plan, the employer must decide how to prorate salary and length of service to determine the amount of retirement benefits."¹²² The result is an undoubtedly higher administrative cost component and a larger overall cost associated with extending such benefits.

iii) Summary of Benefit Costs

The estimates of the increased costs of providing a full package of benefits to all part-time employees on a prorated basis are recapped in Table 18. Although most of the important employee benefits have been examined this is in no way meant to indicate that these are the only benefits which should be extended to part-time workers. They are however the most expensive benefits to provide. Other employee benefits might include maternity leave (few direct costs as the employees are not paid during their absence, but

some administrative costs of hiring and training temporary replacements), and discounts such as those provided for credit cards, loan rates and merchandise purchases. These later benefits are most popular in the retail and financial sectors and for the most part are offered to part-time employees at the present time. Hence, there would be no new or additional cost to firms.

Table 18 clearly indicates that the increase in costs faced by firms can be substantial but depends for the most part on the number of hours worked per week by the part-time employees. For example, for employees working less than 12 hours per week costs are in excess of 25% of income; at 20 hours per week costs are 13.1%; and decline to 6.58% at 30 hours per week. The 1982 study by Reid & Swartz estimated that the increased costs of providing these benefits to part-time employees working 20 hours per week are 9.1% (Table 19). This is 4.0% lower than the 13.1% reported in Reids 1983 study (Table 18). However, the cost of pension plan benefits accounts for virtually all of this difference. Reid & Swartz have assumed that pension benefits would be offered to part-timers on an optional basis and that only 50% of them would elect to participate reducing the costs to the firm by 50%. In his later study Reid makes no such assumption.

Both the costs reported in Table 18 and those in Table 19 are based on the estimates of the proportion of part-time employees who are already receiving prorated benefits (Table 18). Therefore, the increase in costs facing a firm could be substantially different if the estimates-do not accurately reflect what is being offered in the marketplace. The problem we are faced with is a lack of data on the incidence of benefits for part-time employees. The Pay Research Bureau and Statistics Canada are the best sources and these have been used by Reid and Reid & Swartz in all of their work. However, the 1984 PRB data (Table 7) indicate a lower incidence for some benefits. For example; holidays, 49.9% versus 73.3%; vacations, 57.1% versus 63.1%; and pensions 19.1% versus 32.7% reported by Reid & Swartz (Table 17). Obviously the lower the percentage of part-timers currently receiving benefits the greater the costs will be to provide a full package of prorated benefits to all part-time employees. The difference in data is most likely due to variations in sample size and the composition of the sample surveyed than any real indication that substantial changes have taken place. In any event if changes have occurred we would expect that they would be in the direction of increasing rather than decreasing the incidence of benefits. Perhaps an examination of the changes in costs over time is an appropriate direction for future research, as it is beyond the scope of this paper.

Table 18: Summary of the Increase in Direct Costs Due to Prorating Benefits – Shown as a Percentage of Earnings

Hours Worked Per Week	Statutory Benefits	Public Holidays	Vacations	Private Pensions	Life & Health Insurance	Miscellaneous Benefits	Total Costs All Benefits
1	4.71	5.00	1.90	9.20	2.80	2.50	26.11
2	4.71	5.00	1.90	9.20	2.80	2.50	26.11
3	4.71	5.00	1.90	9.20	2.80	2.50	26.11
4	4.71	5.00	1.90	9.20	2.80	2.50	26.11
5	4.71	5.00	1.90	9.20	2.80	2.50	26.11
6	4.71	5.00	1.90	9.20	2.80	2.50	26.11
7	4.69	5.00	1.90	9.20	2.80	2.50	26.09
8	4.47	5.00	1.90	9.20	2.80	2.50	25.87
9	4.29	5.00	1.90	9.20	2.80	2.50	25.69
10	4.15	5.00	1.90	9.20	2.80	2.50	25.55
11	4.04	5.00	1.90	9.20	2.80	2.50	25.44
12	3.95	4.50	1.90	9.20	2.80	2.50	24.85
13	3.87	4.25	1.75	8.93	2.57	2.45	23.82
14	3.80	4.00	1.60	8.66	2.35	2.41	22.81
15	0.52	3.50	1.44	8.39	2.12	2.36	18.33
16	0.47	3.25	1.29	8.12	1.90	2.31	17.34
17	0.42	3.00	1.14	7.85	1.87	2.27	16.35
18	0.38	2.75	0.99	7.58	1.44	2.22	15.36
19	0.34	2.50	0.83	7.30	1.20	2.18	14.35
20	0.31	2.00	0.66	7.03	0.96	2.13	13.10
21	0.28	1.50	0.50	6.71	0.72	2.08	11.79
22	0.25	1.00	0.33	6.00	0.48	2.03	10.10
23	0.23	0.50	0.17	5.30	0.24	1.95	8.39
24	0.21	0.0	0.0	4.60	0.0	1.87	6.68
25	0.19	0.0	0.0	4.60	0.0	1.87	6.66
26	0.17	0.0	0.0	4.60	0.0	1.87	6.64
27	0.15	0.0	0.0	4.60	0.0	1.87	6.63
28	0.13	0.0	0.0	4.60	0.0	1.87	6.61
29	0.12	0.0	0.0	4.60	0.0	1.87	6.59
30	0.10	0.0	0.0	4.60	0.0	1.87	6.58
31	0.09	0.0	0.0	4.14	0.0	1.69	5.92
32	0.08	0.0	0.0	3.68	0.0	1.50	5.26
33	0.07	0.0	0.0	3.22	0.0	1.31	4.60
34	0.07	0.0	0.0	2.76	0.0	1.13	3.94
35	0.05	0.0	0.0	2.30	0.0	0.94	3.28
36	0.04	0.0	0.0	1.84	0.0	0.75	2.62
37	0.03	0.0	0.0	1.38	0.0	0.56	1.97
38	0.02	0.0	0.0	0.92	0.0	0.38	1.31
39	0.01	0.0	0.0	0.46	0.0	0.19	0.66
40	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: Labour Canada, Report of the Commission of Inquiry into Part-Time Work, April 1983, Table 5 p 169

Table 19: Summary of the Effect on Costs of Prorating Employee Benefits for an Employee Working 20 Hours/Week

Employee Benefit	Increase Cost as a Percent of Pay for Straight-Time Worked
Statutory Benefits	1.3
Overtime Premiums	0.1
Holidays	0.9
Vacations	0.7
Private Pensions	3.1
Health, Life and Sickness Plans	1.0
Miscellaneous Benefits	2.0
Total	9.1

Source: Reid & Swatz, Prorating Fringe Benefits for Part-Time Employees in Canada, July 1982, Table 15, p 67

Note: 1) Cost effects of prorating statutory benefits are evaluated at a part-time income level of \$5,000/year.

2) Actual increase in costs of providing pension benefits was calculated as 6.2%; however, it is assumed that these benefits would be offered to part-time employees on an optional basis and that only 50% would elect to participate. Therefore costs are (6.2% x 0.5)

The only other sources of data are private surveys such as those conducted by Hewitt Associates.¹²³ Their survey however, concentrates only on non-union employees who we would expect to have, on average, a much lower incidence of prorated benefits than part-time employees in unionized sectors.

Overall, we have no major concerns with the cost estimates in Table 18 and they clearly illustrate that the impact on a firm's wage bill is a function of the number of hours per week that their part-time employees are currently working.

IX. CONCLUSIONS

Part-time workers now account for 16.60 of the total labour force and all indications are that this percentage will continue to increase. Joan Wallace has suggested that part-time work will "be introduced in many work places that have traditionally been dominated by full-time employees...because employers are rapidly realizing that they can improve their productivity by more careful scheduling of staff particularly in businesses which experience peak periods or long hours of operation".¹²⁴ As the use of part-time workers continues to increase the present treatment of part-time workers in terms of both wages and benefits will become more difficult to justify and sustain.

Traditionally, firms have argued against extending significant benefits to their part-time employees on the basis that:

1. labour costs would increase and result in a decrease in the number of part-timers employed or the numbers of hours they worked.
2. existing legislation on benefits is adequate.
3. part-timers would object to contributing to benefits that would reduce their take home pay.
4. benefits are not required as coverage is provided by spouses' plans.

On the other hand, as we have already stated, there are more and more people who can find no full-time employment and are depending on part-time jobs to help support their families. "Since part-timers offer many advantages to employers, they should not have to forego proportionate pay or benefits for the "privilege" of working fewer hours."¹²⁵

Without exception employment standards legislation discriminates, although not intentionally, against part-time workers. In addition, various labour codes exclude part-time employees from full-time bargaining units and in doing so deny them access to collective bargaining and the benefits that typically accrue from that process. The guarantee of equality found in section 15 of the Charter of Rights and Freedoms may well be used to challenge this unequal treatment. The primary challenge is likely to be on the basis of sex discrimination as 7270 of all part-time workers are female. Existing employment legislation may have to be amended in the wake of Charter decisions and it is likely that all employers will be forced to examine more closely their established eligibility requirements for part-time employees for benefits, or cash in lieu of benefits.

Existing employer practices and requirements vary considerably as indicated by the responses of various employers to the Hewitt Associates survey:

"All employees working 30 hours per week or more on a regular basis are eligible for all company benefits."

"Part-time employees working at least 20 hours per week are eligible for group life insurance, sickness and accident, and long-term disability. Those working at least 24 hours per week receive medical, hospital, and dental. At 30 hours per week, employees are eligible for the registered pension and savings plans."

"All part-time employees who consistently work in excess of 24 hours per week are treated as full-time staff and are therefore eligible for full-time benefits."

"We provide benefits provided the employee works at least 71 hours per month."

"Part-time employees receive an additional 12.0% over the job rate in lieu of benefits."

"Part-time employees receive an additional percentage of their wages in lieu of benefits."

"Part-time employees who are professionals receive 14% of pay in lieu of benefits and 8% in lieu of holidays; other part-time employees receive 12% for benefits and in lieu of holidays."¹²⁶

The point at which the line is drawn between part-time employees receiving benefits equal to full-time employees prorated in terms of hours worked, and a cash payment in lieu of prorated benefits, is the point at which the administrative costs of providing such benefits in terms of both time and money are unduly high relative to the value of the benefits. Undoubtedly this point will shift over time with the development of computer software to handle many personnel functions. New technology will not completely eliminate the administrative burdens of hiring and providing benefits to part-time employees but it will certainly go a long way to making the concept much more attractive for the average firm. The concept of cash in lieu of benefits can be found in Employment Standards legislation in Ontario whereby employees working less than a full year receive 4% of their income in lieu of a two week vacation. On their own initiative some firms have increased this minimum to 6% or 8%, especially for those persons in "professional" occupations.

Reid has determined that for employees working four hours or less per week the administrative costs are extremely high relative to the value of prorating to the employee (well over 25%); for more than eight hours per week they reduce to less than 20%; and for over thirty hours per week they are significantly lower as the assumption is that they are already receiving most benefits.¹²⁷ As a result he has suggested that for part-time employees working less than 8 hours per week pay in lieu of benefits should be required rather than prorating. Furthermore that this payment be equivalent to 1C of straight time earnings. In light of the Hewitt survey in which numerous employers were reported to

be paying 12% in lieu of benefits, this appears to be an acceptable and equitable form of compensation.

For all employees working more than eight hours per week the fair and equitable course of action to follow is to provide benefits on a prorated basis. However to effectively implement such a program legislation of statutory benefits would have to be amended with regard to ceilings and floors, and specifically to remove the 15 hour minimum work week requirement for participation in the Unemployment Insurance plan. The Canadian Labour Congress has suggested that, "two levers - collective bargaining and legislative reform - should be used to improve the income and working conditions of part-time workers."¹²⁸ This would be essential in order to guard against the possibility of firms lowering the wage rates of part-time employees to offset the higher cost of providing benefits.

A final issue, and one that is likely to be used in defense of Charter arguments of discrimination, concerns the potential employment effects of prorating employee benefits. If a substantial adverse effect on other sectors of the labour force can be shown then perhaps equal treatment of part-time workers will be limited under section 1 of the Charter.

The question is then whether the increased costs outlined in Table 18 and Table 19 will cause firms to substitute full-time employment for part-time employment, all other things constant. Economic analysis suggests that a substitution effect would occur but its magnitude is largely unknown due to a lack of empirical evidence. Nonetheless it is a question that must be dealt with in order to weigh the gain in equity for individual employees against the potential reduction in employment opportunities for all members of the labour force. The elasticity of substitution, which measures the amount by which one factor of production is substituted for another (in this case full-time workers for part-time workers) in response to a price change holding output constant, would provide the key to answering our question. The problem however, is that there is apparently only one study which attempts to measure the elasticity of substitution between part-time and full-time labour. This was a study completed for the U.S. Department of Labour in 1977 and was based on an examination of 22 industries in the United States in 1973.¹²⁹ Reid & Swartz believe the reported elasticity of substitution of -4.2 to be an exaggeration and although they have no hard data of their own believe that it would more likely fall in the range of -1.0 to -2.5. Regardless, it is only one study and not a lot of faith can be put in the results.

At the same time any comments on the possible substitution effect would have to consider the fact that the wage rates of part-timers are on average lower than those of full-timers. This will in all likelihood result in a break in the normal economic relationship between wages and marginal productivity which suggests, "...when the cost of part-time workers is raised through prorating, the establishment reduced employment of part-timers until the marginal productivity of part-timers is increased sufficient to re-establish the profit maximizing condition."¹³⁰ Since the wage rate of part-time workers may well be below the value of marginal product, an increase in the cost of employing these workers because of an increase in the benefits provided, may not be sufficient to cause any substitution effect and there would be no negative employment effects. Part-time workers provide a firm with a much greater degree of flexibility especially with regard to seasonal and cyclical fluctuations in product demand which is likely to far outweigh the cost of providing benefits on a prorated basis. Any time costs of production, be it labour, capital or raw materials, increase some hardship is going to be experienced by some firms in the economy. As noted by Partridge, "some marginal companies might be forced under. But do you leave all these injustices in the

marketplace because we are afraid to move on the chance that there's going to be some small employment effect."¹³¹ We would suggest that the answer is a definite no. Negative employment effects are likely to be minimal and studies (Reid & Swartz: 1982, Reid: 1983) have shown that costs of providing benefit packages to part-time employees are not unreasonable.

Pressures are steadily increasing not only from the sheer increase in the number of part-time workers in the labour force but also from the union movement, from society as a whole and from governments. "Because part-time work has become an important part of the economy's job creation performance, it has become important to governments responsible for that performance to legitimize part-time employment".¹³² Fair and equitable treatment of the entire workforce has become the order of the day, with section 15 of the Charter providing the incentive. The time has come to recognize part-time workers as a distinct group, to amend employment standards so that they can be applied on a pro-rata basis, to include part-time employees in bargaining units with their full-time counterparts, and to provide equitable compensation in terms of wages, and especially benefits. Firms may soon begin to recognize that a satisfied workforce can have positive effects on such things as productivity, turnover, and absenteeism, and assist to a large degree in offsetting the increase in costs of providing prorated benefits.

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END NOTES

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- ⁹ Reid, "Protecting Part-Time Workers: Defining the Scope of the Problem", p.4.
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- ¹² Reid, "Protecting Part-Time Workers: Defining the Scope of the Problem", p. 10.
- ¹³ Labour Canada, Part-Time Work in Canada: Report of the Commission of Inquiry Into Part-Time Work, p. 39.
- ¹⁴ *Ibid.*, p. 42.
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- ²⁸ *Ibid.*, p 35.
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- ³⁰ Reid, "Protecting Part-Time Workers: Defining the Scope of the Problem", p. 1.
- ³¹ Partridge, Canadian Business, p. 64.
- ³² *Ibid.*, p. 70.
- ³³ During the summer of 1985, Hay Management Consultants conducted a mail survey of all companies known by Labour Canada to be federally regulated. Of the population of 4,940 companies, 1,950 or 39.5% responded to the survey. Results were based on the detailed information provided by 270 companies which employ approximately 470,000 or 70% of the part-time workers under federal jurisdiction.
- ³⁴ "Highlights from a Survey of Part-time Employment in Federally Regulated Industries", Human Resources Management in Canada (May 1986): 15, 531.
- ³⁵ Statistics Canada 1981 Work History Survey reports the average hourly wage rate for part-time workers was \$7.26 compared to 89.08 for a full-time worker. The average hourly wage rate for a female part-time employee was even less - \$6.95 compared to \$8.05 for male part-timers.
- ³⁶ Geoffrey England, "The Treatment of Atypical Workers Under Canadian Labour Law: A Legal View", February, 1986, p. 2.
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- ⁴² Domestic and Nannies Regulation R.R.O. 1980, reg. 283 as am. s. 2(a).
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- ⁴⁴ British Columbia Employment Standards Act S.B.C. 1980, c. 10 as am and Employment Standards Act Regulation B.C. Reg. 37/81 as am. s. 9(d).
- ⁴⁵ England, "The Treatment of Atypical Workers Under Canadian Labour Law: A Legal View", p. 24.
- ⁴⁶ S.O.R./65-410 as am. ss. 13(6) and 13(9). There is some leeway under s. 13(2) to reduce the qualifying period in cases of severe hardship.
- ⁴⁷ Employment Standards Act s. 17(3).
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- ⁴⁹ Labour Canada, Federal-Provincial Relations & Liason, Employment Standards Applicable to Part-Time Workers in Canada (Ottawa: November 1984) p. 5.
- ⁵⁰ Sec. 2(g), Employment Standards Act, R.S.M. 1970, c. E-110; and Sec. 2, The Employment Standards Regulations, O. Reg. 803/75.
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- ⁵³ Labour Canada, Part-Time Work in Canada: Report of the Commission of Inquiry into Part-Time Work, p. 133.
- ⁵⁴ Labour Canada, Employment Standards Applicable to Part-Time Workers in Canada, p. 1.
- ⁵⁵ Sec. 52 The Employment Standards Act R.S.A. 1980, C.E. 10.1.

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- ⁵⁶ Sec. 72(3), Labour Standards Code, S.N.S. 1972, c. 10.
- ⁵⁷ Sec. 14, The Labour Standards Regulations, S. Reg. 317/77.
- ⁵⁸ In the Federal jurisdiction the entitlement threshold is 12 months (Sec 61.5, Canada Labour Code, R.S.C. 1970, C.L.-.); in Quebec it is 5 years (Sec. 124, An Act Respecting Labour Standards, S.W. 1979, C. 45); and in Nova Scotia it is 10 years (Sec. 72(3), Labour Standards Code, S.N.S. 1972, C. 10).
- ⁵⁹ Labour Canada, Employment Standards Applicable to Part-Time Workers in Canada, pp. 11-12.
- ⁶⁰ Labour Canada, Part-Time Work in Canada: Report of the Commission of Inquiry into Part-Time Work, p. 72.
- ⁶¹ *Ibid.*, p. 74.
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- ⁶³ Prem Berrimadhu, "Labour Resists Tide Toward Part-Time Work", Canadian Business Review (Spring 1986): 22.
- ⁶⁴ *Ibid.*, p 22.
- ⁶⁵ R.S.O. 1980 C108 S1 (1)(f)(vi).
- ⁶⁶ R.S.C. 1970 cp-35 as am s 2(d); and R.S.N.B. 1973, cp-25 s 1(d).
- ⁶⁷ England, "The Treatment of Atypical Workers Under Canadian Labour Law: A Legal View", p. 26.
- ⁶⁸ For an example of this duty see Sec. 68, Labour Relations Act, R.S.O. 1980, c. 228
- "a trade union or council of trade unions, so long as it continues to be entitled to represent employees in a bargaining unit, shall not act in a manner that is arbitrary, discriminatory or in bad faith in the representation of any of the employees in the unit, whether or not members of the trade union or of any constituent union of the council of trade unions, as the case may be."
- ⁶⁹ England, "The Treatment of Atypical Workers Under Canadian Labour Law: A Legal View", p. 28.
- ⁷⁰ George W. Adams, Canadian Labour Law: A Comprehensive Text (Aurora: Canada Law Book Inc., 1985), p. 311.
- ⁷¹ *Ibid.*, p. 312.
- ⁷² The Ontario Labour Relations Board defines part-time employees as those who work for not more than 24 hours per week. This practice was established when the regular work week was 48 hours. Now that the regular work week is 40 hours the part-time standard could possibly be lowered to 20 hours per week, however, it would likely require an amendment to the act to change such a long-standing practice.
- ⁷³ England, "The Treatment of Atypical Workers Under Canadian Labour Law: A Legal View", p. 32.
- ⁷⁴ Wendy Weeks, "Collective Bargaining and Part-Time Work in Ontario", Relations Industrielles, Vol. 33, No. 1 (1978): 88.
- ⁷⁵ Adams, Canadian Labour Law: A Comprehensive Text, p. 316.
- ⁷⁶ The new approach was outlined in CHQM (1975), 11 di 16.
- In this case the board stated; "one of the formulas used in the past was to consider as employees capable of belonging to a bargaining unit all those working more than x hours per week. This Board does not find this test very satisfactory anymore. As to part-time employees, the Board concludes that the paramount criterion is not the number of hours worked in a week but the regularity of employment. In other words, it is not because an employee works less than half the time as others that he is less of an employee during the hours he works".
- ⁷⁷ This treatment of casual part-timers was noted in Cable-vision Nationale (1978) 25 di 422; but in this case the board also suggested that the exclusion would not take place without detailed evidence.
- ⁷⁸ For specific cases involving the exclusion of occasional employees refer to "Jurisprudence en droit du travail - Tribunal du Travail", in particular; Hôpital Sainte Rita Inc. & Union des Employe's du Service d'Edifices (F.T.Q.) (1971) T.T. 225, Syndicat National des Employe's de l'Hôpital Ste. Marie de Trois Rivières v. Pilon (1972) T.T. 315
- ⁷⁹ Service Employees International Union and Cadillac Fairview Corporation Limited SLRB 308-85.
- ⁸⁰ Weeks, Relations Industrielles, p. 91.

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- ⁸¹ United Steelworkers of American, "The Part-Time Work System: Who is it Working For?", A brief presented to the Commission of Inquiry into Part-Time Work, September 3, 1982, p. 8.
- ⁸² Donald D. Carter, "The Canadian Charter of Rights and Freedoms - Its Implications for Industrial Relations and Human Resource Management", Paper presented to the Annual Spring Seminar, Personnel and Human Resources Management, Industrial Relations Centre, Queen's University, Kingston, May 1986, p. 1.
- ⁸³ *Ibid.*, p. 11.
- ⁸⁴ *Ibid.*, p. 1.
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- ⁸⁶ England, "The Treatment of Atypical Workers Under Canadian Labour Law: A Legal View", p. 5.
- ⁸⁷ Carter, "The Canadian Charter of Rights and Freedoms Its Implications for Industrial Relations and Human Resource Management; p 11.
- ⁸⁸ England, "The Treatment of Atypical Workers Under Canadian Labour Law: A Legal View", p 8.
- ⁸⁹ *Ibid.*, p. 35
- ⁹⁰ *Ibid.*, p. 37.
- ⁹¹ *Ibid.*, p. 41.
- ⁹² For example see, Lornex Mining Corp. Ltd. (1983), 14 L.A.C. (3d) 169 (Chertkow); and Nanimo Times Ltd. an unreported decision of Greyell, May 25, 1984 (B.C.).
- ⁹³ See Simon Fraser University (1985), 18 L.A.C. (3d) 361 (Bird).
- ⁹⁴ See Health Labour Relations Association (1985), 18 L.A.C. (3d) 369 (Dorsey).
- ⁹⁵ *Human Rights Commission v. Simpson Sears Ltd.* (1986) 86 CLLC para 17,002. This case involved a woman employed as a sales clerk by Simpson Sears. After joining the Seventh Day Adventist Church, the woman refused to work on Saturday (her sabbath) because of religious reasons and, as a result she was demoted from full-time to part-time status. The complaint had initially been dismissed on the ground that actual intent to discriminate had not been proven. This was reversed by the Supreme Court of Canada.
- ⁹⁶ Carter, "The Canadian Charter of Rights and Freedoms Its Implications for Industrial Relations and Human Resources Management", p. 13.
- ⁹⁷ *Ibid.*, p. 10.
- ⁹⁸ J.H. Foegen, "Compensation and Benefits", Personnel Journal, Vol. 60, No. 7 (July 1981), p. 530.
- ⁹⁹ Labour Canada, Part-Time Work in Canada: Report of the Commission of Inquiry into Part-Time Work, p. 164.
- ¹⁰⁰ This study by Reid entitled, "Protecting Part-Time Workers: Defining the Scope of the Problem which was completed in February 1983, was an update of a 1982 study by Reid and Gerald S. Swartz, Prorating Fringe Benefits for Part-Time Employees in Canada.
- ¹⁰¹ Foegen, Personnel Journal, p. 464.
- ¹⁰² Reid, "Protecting Part-Time Workers: Defining the Scope of the Problem", p. 19.
- ¹⁰³ Labour Canada, Employment Standards Applicable to Part-Time Workers in Canada, p. 5.
- ¹⁰⁴ Labour Canada, Part-Time Work in Canada: Report of the Commission of Inquiry Into Part-Time Work, p. 165.
- ¹⁰⁵ Boyer, "Equality for All".
- ¹⁰⁶ Reid, "Protecting Part-Time Workers: Defining the Scope of the Problem", p. 22.
- ¹⁰⁷ *Ibid.*, p. 26.
- ¹⁰⁸ $(1 - .897) \times 2.5\% - .0035$ where 89.7% of part-time employees receive overtime benefits (PRB 1984 - Table 7) and overtime pay equals 2.5% of straight-time costs (PRB 1983 Table 4).
- ¹⁰⁹ Labour Canada, Employment Standards Applicable to Part-Time Workers in Canada, p. 14. Note: this provision amended by Bill C-34, provides that, an employee who has not worked 15 of the last 30 calendar days would

become entitled to pro-rated holiday pay equivalent to 1/20th of the wages earned during the last 30 calendar days. However, for the purpose of our cost calculations this amendment will be disregarded.

¹¹⁰ Ibid., p. 28.

¹¹¹ Reid, "Protecting Part-Time Workers: Defining the Scope of the Problem", p. 31.

¹¹² **A Vacation Model to Estimate the Effect of Prorating Vacation Benefits**

Job Tenure	Approximate Annual Vacation	Part-Time Employees (percent)	Full-Time Employees (percent)
0-5 years	2-3 weeks	78.3%	54.6%
6-10 years	3-4 weeks	11.3%	18.8%
11-20 years	4-5 weeks	6.5%	16.1%
Over 20 years	5-6 weeks	4.0%	10.4%
<u>Predictions</u>			
Vacation weeks		2.9 weeks	3.3 weeks
Non-vacation weeks		49.1 weeks	48.7 weeks
Vacation as percent of non-vacation		5.9%	6.8%

The estimate of the average number -f weeks of vacation that part-time employees would receive is calculated by summing the midpoint of the number of weeks times the fraction of part-timers receiving that number of weeks. ie. 2.5(.733) - 3.5(.11:3) - 4.5(.065) - 5.5(.040) - 2.9 weeks

¹¹³ Kent Cook, "Universal LTD Plans Feasible?" Pension Benefits & Business Insurance (January-February 1986), p. 7.

¹¹⁴ Reid, "Protecting Part-Time Workers: Defining the Scope of the Problem", p.3.

¹¹⁵ "Manitoba Pension Benefits Act Amended", Canadian Employment Benefits and Pension Guide Reports, No. 294 (Don Mills: CCH Canadian Limited, August 26, 1985).

¹¹⁶ "Nova Scotia Pension Reform Legislation", Canadian Employment Benefits and Pension Guide Reports, No. 304 (Don Mills, CCH Canadian Limited, June 6, 1986).

¹¹⁷ "New Pension Standards Legislation Introduced", Canadian Employment Benefits and Pension Guide Reports, No. 299 (Don Mills, CCH Canadian Limited, January 16, 1986).

¹¹⁸ "Significant Ontario Pension Reforms Announced" Canadian Employment Benefits and Pension Guide Reports, No. 300 (Don Mills, CCH Canadian Limited, February 21, 1986).

¹¹⁹ "Queens Park Plans to Introduce Changes to Pension Legislation", Globe and Mail, (January 18, 1986), p. B4.

¹²⁰ Reid, "Protecting Part-Time Workers: Defining the Scope of the Problem", p. 37.

¹²¹ Reid and Swartz, Prorating Fringe Benefits for Part-Time Employees in Canada, p. 64.

¹²² Labour Canada, Part-Time Work in Canada: Report of the Commission of Inquiry into Part-Time Work, p. 154.

¹²³ Hewitt Associates, Benefits For Canadian Part-Time Employees.

¹²⁴ Wallace, Human Resource Management in Canada, p. 61.

¹²⁵ Barbara E. Cook and Diane S. Rothberg, Employee Benefits For Part-Timers (Virginia: Association of Part-Time Professionals Inc., 1985) p. 5.

¹²⁶ Hewitt Associates, Benefits for Canadian Part-Time Employees, p. 23-24.

¹²⁷ Reid, "Protecting Part-Time Workers: Defining the Scope of the Problem", pp. 43-46.

¹²⁸ Canadian Labour Congress, Canadian Labour, p. 6

¹²⁹ John D. Owen, An Empirical Analysis of the Voluntary Part-Time Labour Market (U.S. Department of Labour, 1977).

¹³⁰ Reid and Swartz, Prorating Fringe Benefits for Part-Time Employees in Canada, p. 80.

¹³¹ Partridge, Canadian Business, p. 68.

¹³² United Steelworkers of America, "The Part-Time Work System: Who is it Working For?", p. 3.



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