

May 19, 2021

Hon. John J. Horgan, MLA
Premier
Legislative Buildings
Victoria, B.C. V8W 9E1

By electronic mail

Dear Premier Horgan,

Subject: Impact of Paid Sick Leave Program on Vulnerable Businesses

Retail is Canada's largest private sector employer with over 2.1 million Canadians working in our industry. The sector annually generates over \$76 billion in wages and employee benefits. Core retail sales (excluding vehicles and gasoline) were \$375 billion in 2018. Retail Council of Canada (RCC) members represent more than two-thirds of core retail sales in the country. RCC is a not-for-profit industry-funded association that represents small, medium and large retail businesses in every community across the country. As the Voice of Retail™ in Canada, we proudly represent storefronts in all retail formats, including department, grocery, pharmacy, specialty, discount, independent retailers and online merchants.

Business and employer associations have encouraged your government to adopt a 'do no harm' posture to help vulnerable businesses survive and recover from the pandemic.

Many retailers, particularly those in tourism-dependent communities, apparel, and accessories sectors, have seen their sales drop between 45% and 85% when compared with pre-pandemic levels. With the existence of these businesses already threatened, the imposition of significant and unexpected new costs via Bill 13 will only increase the number of businesses that collapse.

Our expectation is that this will have a similar impact on our colleagues in the restaurant, hotel and hospitality industries.

Each retail store in the small and medium-enterprise category sustains the hopes, dreams and livelihoods of one or more families. Many have invested their efforts and savings into these businesses for years – and have no safety net. They simply cannot afford the extra costs from this legislation.

Statements by both yourself and the Minister of Labour immediately before and after the introduction of Bill 13 comforted retailers. They were led to believe that any new or increased costs of paid sick leave would be reimbursed by government. Later, WorkSafeBC and the Ministry of Labour published, on their web sites, the first information on this reimbursement program: *only employers without existing sick leave programs will qualify for reimbursement.*

RCC does not take issue that the employee's first recourse should be to use their existing paid sick-leave provision. However, the current reimbursement proposal creates an unacceptable situation where more progressive employers currently offering employer-paid sick leave are disadvantaged over those less progressive who do not currently offer employer-paid sick leave. We urge government to consider whether this was their intent.

Nearly every retailer provides employer-paid sick leave for longer-serving full-time employees. However, they do not always provide employer-paid sick leave for new, part-time or seasonal employees. In addition, there are circumstances within section 52.12 of the Employment Standards Act where an employee could qualify for the 3 employer-paid sick days after having exhausted their current employer-paid sick leave before the legislation receives Royal Assent. These new and unanticipated costs will be particularly onerous for many struggling businesses.

Yesterday, the Broadbent Institute (in Press Progress) highlighted their concern that employers would drop existing paid sick leave provisions as a result of Bill 13. RCC is in regular contact with our industry and does not share that concern. However, redressing issues in the proposed reimbursement of employers could, in large measure, alleviate that concern while doing more to make businesses 'whole' as a result of this new, and unanticipated, expense being imposed by the province.

RCC calls on the government to include all new or increased employer-paid COVID-19 leave in 2021 resulting from Bill 13 in your reimbursement program. We also call on government to create a similar reimbursement program for 2022 and beyond to ensure that businesses that have been badly damaged by the pandemic have an opportunity to recover and thrive.

Thank you for your consideration of our request.

Yours truly,



Greg Wilson
Director of Government Relations (B.C.)

Copy: Hon. Ravi Kahlon, MLA, Minister of Jobs, Economic Recovery and Innovation
Hon. Harry Bains, MLA, Minister of Labour
Lori Wanamaker, Deputy Minister to the Premier
Bobbi Plecas, Deputy Minister of Jobs, Economic Recovery and Innovation
Trevor Hughes, Deputy Minister of Labour
Business and trade associations
Members of the Legislative Assembly