Ontario faces a crisis in wage theft. Over the past 10 years, the Ontario Ministry of Labour found that almost $200 million was owed to workers, and it was unable to recover $80 million for workers owed these wages. But this is the tip of the iceberg. 60% of workers surveyed said they experienced wage theft. This includes unpaid hours of work, public holidays and overtime pay.

Wage theft hurts our communities and local economies. It reduces funding for our social programs. When wage theft laws are not enforced, it gives financial advantage to the employer and pressures other companies to commit wage theft. This drives down all our wages and working conditions.

ISARC urges you to take immediate action to stop wage theft through the following.

1. Enforcement of the Employment Standards Act (ESA)

Employers who commit wage theft are rarely caught. And even if they are, there are no meaningful penalties for wage theft. As a result, stolen wages often go unpaid. The Ontario government must stop relying on employer's voluntary compliance and start enforcing the ESA. We need action now to:

- Identify all employers' who break the law and steal workers' wages through proactive and expanded inspections;

- Make sure employers repay all wages owing to workers by improving collections and prosecuting those that do not pay;

- Make sure employers compensate workers for the damage caused by wage theft by paying 3 times the wages stolen; and,

- Penalize all wage theft employers to stop future violations.

2. Close the gaps in the law that allow wage theft to happen

Outdated labour laws cannot deal with new employer strategies to evade and avoid following the ESA for their employees that make their products or provide their services. Specifically, many layered business contracting and misclassifying employees as independent contractors fuels wage theft in our economy. We need action on:

- Make companies at the top of the supply chain responsible (jointly and severally liable) for wages and ESA rights owed down the contracting chain.

- Stop employers who misclassify employees as independent contractors. Modernise the legal test of employees by presuming we are employees unless the company can prove otherwise through a simple, cumulative test to prove we are not an employee (the "ABC

test”).

3. Workers need the power and job protection to enforce their rights while they are on the job.

The government relies on workers with the least power to identify and report wage theft. Yet the government does not give workers the power to do so. We need action to:

- Employees must have the right to take action together without employer interference to enforce ESA rights and improve working conditions. This is called protection for concerted activity.

- Workers need “just cause” protections that require employers to provide valid reasons before firing employees.

- Employees must have interim reinstatement, where appropriate, while their claim is investigated for reprisals, concerted activity and unjust dismissal.

Additional Comments from ISARC

The Interfaith Social Assistance Reform Coalition (ISARC) is a social justice policy coalition consisting of a wide range of faith communities across Ontario. Because we believe that every human being is created in the image of the Divine, we have been consistent advocates for almost four decades for the right of every Ontarian to live a respectful life in dignity. Initially our focus was on improving the level of social assistance in this Province to cover basic needs including food and shelter. We then broadened our mission to include advocacy for those engaged in precarious employment. We have pressed for greater job security and a livable wage. It is therefore most disconcerting to realize that so many workers can't even count on receiving the meagre wages for which they have laboured.

All of our faith communities share the value that withholding wages constitutes theft and that the dominant in society should not abuse their power over the weak. It is for this reason that we endorse the campaign of the Workers Action Centre and their call for legislative and administrative action to bring about a modicum of justice for these workers.

Thank you for your immediate attention to these urgent matters. We look forward to your response.

Sincerely,

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