



# Bill 148: *The Fair Workplaces and Better Jobs Act*

**Analysis of proposed Bill 148 Provisions and Financial Implications to Home Care  
Ontario and Ontario Community Support Association Members**

**August 16, 2017**

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# Executive Summary

# Executive Summary

## Purpose of Report and Combined Results

This report (the “**Report**”) has been prepared by KPMG Inc. (“**KPMG**”), after being retained by Home Care Ontario and the Ontario Community Support Association (“**OCSA**”, and together, the “**Clients**”), to collect, consolidate and synthesize confidential payroll and other financial information (the “**Information**”) from the members of the Clients (the “**Members**”) in order to estimate the Members’ cost of implementing Ontario Bill 148: the *Fair Workplaces, Better Jobs Act* (“**Bill 148**”, or the “**Bill**”) as currently drafted, and the potential increase in funded costs to be sought from the Ontario Ministry of Health and Long Term Care (“**MOHLTC**”).

Based on KPMG’s work with the Clients, we have synthesized the Information which sets out the expected impact to the Members of the Bill being implemented (based on an extrapolation of the Information provided by those Members that responded to the survey). The total impact of the Bill’s implementation has been compiled into two categories: those Members that receive the bulk of their funding from the various Local Health Integration Networks, (each a “**LHIN**”)<sup>(1)</sup> through service contracts (the “**LHIN-Funded Membership Group**”) and those that receive their funding through LHIN service accountability agreements, for Community Support Services (“**CSS**”) (the “**CSS-Funded Membership Group**”).

The table below sets out the combined estimated extrapolated increase in costs for both the LHIN-Funded Membership Group and the CSS-Funded Membership Group:

Annualized Impact of Bill 148 Provisions Extrapolated over the Combined Membership Group									
Employee Category	Increased Minimum Wage (\$15.00)	Equal Pay for Part-Time and Temporary Employees	Employees who Work Less Than Three Hours	Increased Pay for Cancelled Shifts	Pay for "On Call" Work	Increased Paid Vacation	Increase to Public Holiday	Paid Emergency Leave Days	Total
Total Cost \$	1,599,164	2,787,014	16,151,493	2,216,024	14,858,887	22,922,156	9,623,046	14,642,243	84,800,027
% of Total Cost	1.9%	3.3%	19.0%	2.6%	17.5%	27.0%	11.3%	17.3%	100%

In total, the Members expect the impact of the Bill to be at least \$84.8 million. However, KPMG has been advised by the Members that there is significant uncertainty with certain of the Bill’s requirements and, once such uncertainty is resolved, may result in increased costs in excess of the current estimates contained in this Report.

(1) Home care costs funded by LHINs were historically funded through Community Care Access Centres.

# Executive Summary

## LHIN-Funded Membership Group

The table below sets out the estimated extrapolated increase in costs for the LHIN-Funded Membership Group:

Annualized Impact of Bill 148 Provisions Extrapolated over LHIN-Funded Membership Group										
Employee Category	Increased Minimum Wage (\$15.00)	Equal Pay for Part-Time and Temporary Employees	Employees who Work Less Than Three Hours	Increased Pay for Cancelled Shifts	Pay for "On Call" Work	Increased Paid Vacation	Increase to Public Holiday	Paid Emergency Leave Days	Total	% of Total
A) PSW	20,978	-	7,880,389	986,378	17,366	10,576,363	5,177,116	5,572,407	30,230,997	44.7%
B) Nursing	-	-	3,243,985	658,031	7,289,083	6,152,575	1,866,828	3,917,924	23,128,427	34.2%
C) Allied Services	-	-	4,311,786	20,572	198,587	1,314,020	134,911	926,292	6,906,169	10.2%
D) Support Services	369,095	1,996,558	182,153	59,923	1,015,526	2,520,487	306,375	989,732	7,439,849	11.0%
<b>Total Cost \$</b>	<b>390,073</b>	<b>1,996,558</b>	<b>15,618,313</b>	<b>1,724,903</b>	<b>8,520,562</b>	<b>20,563,446</b>	<b>7,485,230</b>	<b>11,406,356</b>	<b>67,705,442</b>	<b>100.0%</b>
<b>% of Total Cost</b>	<b>0.6%</b>	<b>2.9%</b>	<b>23.1%</b>	<b>2.5%</b>	<b>12.6%</b>	<b>30.4%</b>	<b>11.1%</b>	<b>16.8%</b>	<b>100%</b>	

As set out in the table above, the LHIN-Funded Membership Group expects to face increased costs of approximately \$67.7 million if the Bill is implemented in its current form. For greater clarity, the quantum of this estimate excludes certain one-time and ongoing costs associated with administering Member resources affected by the Bill. KPMG has been advised by the Clients that such costs would likely be material, but have not undertaken an analysis of such costs at this time.

# Executive Summary

## CSS-Funded Membership Group

The table below sets out the estimated extrapolated increase in costs for the CSS-Funded Membership Group:

Annualized Impact of Bill 148 Provisions Extrapolated over CSS-Funded Membership Group										
Employee Category	Increased Minimum Wage (\$15.00)	Equal Pay for Part-Time and Temporary Employees	Employees who Work Less Than Three Hours	Increased Pay for Cancelled Shifts	Pay for "On Call" Work	Increased Paid Vacation	Increase to Public Holiday	Paid Emergency Leave Days	Total	% of Total
A) PSW	410,408	188,637	459,585	260,860	337,479	1,305,784	895,434	1,008,525	4,866,713	28.5%
B) Attendant Care Workers	128,402	437,277	55,886	198,391	4,343,238	135,817	1,122,635	1,809,664	8,231,311	48.2%
C) Support / Admin	670,280	164,541	17,708	31,870	1,657,608	917,108	119,747	417,698	3,996,561	23.4%
<b>Total Cost \$</b>	<b>1,209,091</b>	<b>790,455</b>	<b>533,180</b>	<b>491,121</b>	<b>6,338,325</b>	<b>2,358,710</b>	<b>2,137,816</b>	<b>3,235,887</b>	<b>17,094,585</b>	<b>100.0%</b>
<b>% of Total Cost</b>	<b>7.1%</b>	<b>4.6%</b>	<b>3.1%</b>	<b>2.9%</b>	<b>37.1%</b>	<b>13.8%</b>	<b>12.5%</b>	<b>18.9%</b>	<b>100.0%</b>	

As set out in the table above, the CSS-Funded Membership Group expects to face increased costs of approximately \$17.1 million if the Bill is implemented in its current form. As with the LHIN-Funded Membership Group, the quantum of this estimate excludes certain one-time and ongoing costs associated with administering Member resources affected by the Bill. KPMG has been advised by the Clients that such costs would likely be material.



# Scope and Background

# Scope Review and Restrictions

The Report has been prepared by KPMG, after being retained by the Clients to collect, consolidate and synthesize the Information from the Members in order to estimate the Members' cost of implementing Bill 148 as currently drafted, and the potential increase in funded costs to be sought from the Ontario MOHLTC.

In preparing this Report, KPMG has necessarily relied upon unaudited financial and other information supplied and representations made by the Clients and the Members. Although this information has been subject to assessment, KPMG has not conducted an audit, nor otherwise attempted to verify the accuracy or completeness of any of the financial information provided by the Clients and / or the Members. Accordingly, KPMG expresses no opinion and does not provide any other form of assurance on the accuracy of any such information, as provided by the Clients and / or the Members and as contained in this Report, or as otherwise used to prepare this Report.

Except as provided by the Engagement Letter, this report is not intended to be a public document and should not be distributed, copied or otherwise disclosed, in whole or part, to any other parties without the written consent of KPMG. We will not assume any responsibility for losses incurred by the Clients, the Members, their affiliates, related parties, shareholders, or any other party as a result of the circulation, publication, reproduction or use of material contrary to the provisions of this paragraph.

In accordance with our firm's policy, we advise that neither KPMG nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person or organization other than the Clients in respect of the information set out in this report.

All participating Members have agreed to provide KPMG with the Information, provided that their member-specific Information would not be released to any other party at any time without their further express consent.

All figures herein are in Canadian dollars except where noted otherwise.



# Background

On June 1, 2017, the Ontario government introduced Bill 148. Together with Home Care Ontario, OCSA, and certain Members' senior financial executives, (the "**Project Leaders**"), KPMG identified the following Bill 148 provisions (the "**Provisions**") as items that could result in a significant cost increase to the Members, once implemented:

- **Increased minimum wage:** The general minimum wage will increase to \$15.00 per hour as of January 1, 2019. This will be phased over the next year and a half, with the hourly minimum wage increasing to \$14.00 on January 1, 2018, and \$15.00 on January 1, 2019.
- **Equal pay for part-time and temporary employees:** An employee will be entitled to be paid the same rate of pay as a comparable full-time employee, provided the pay differential is not due to seniority or a merit system.
- **Employees who work less than three hours:** Employees who "regularly" work at least three hours per day, but actually work less than three hours upon reporting to work, will be paid for a minimum of three hours for that day.
- **Increased pay for cancelled shifts:** If a shift is cancelled within 48 hours of its intended start, the employee will be entitled to three hours of pay at their regular rate of pay.
- **Pay for "on call" work:** If an employee is on call and not called in to work, or is called in for work for less than three hours, the employee will be entitled to three hours of pay at their regular rate of pay (per 24 hour on call period).
- **Increased paid vacation:** Paid vacation will be increased to 6% of gross pay for all employees with at least five calendar years of service.
- **Increase to public holiday pay:** Public holiday pay will be calculated based on the total amount of regular wages paid to the employee in the preceding pay period, divided by the number of days that the employee actually worked during that period.
- **Paid emergency leave days:** All employees will be entitled to 10 Personal Emergency Leave Days (as defined in Bill 148), two of which must be paid.

## Background (continued)

The Project Leaders advised of other items of concern related to the implementation of Bill 148 that are likely to result in a material cost increase to the Members, but which were not included in preparing this Report:

- Certain Bill 148 provisions, due to a lack of a sufficient understanding of how the provision will be applied (e.g. equal work for equal pay);
- Both one-time and ongoing costs related to the implementation of Bill 148 (e.g. updates to scheduling systems, staff required to monitor new scheduling and payment requirements, etc.);
- The increase to non-statutory benefits (e.g. vacation pay in excess of statutory minimums, travel time, overtime, training and orientation, shift premium pay) resulting from cost increases related to the Provisions.

KPMG concluded that the weighted average benefit burden rate of non-statutory benefits of the Ontario Home Care Association's (which is now Home Care Ontario) members as 14% of wages in a survey conducted in 2014.



# Process

# Process

## 1) Data Input Template

- KPMG, in conjunction with the Project Leaders, developed a data input template that could be circulated to the Members so that they could quantify the potential costs associated with the identified provisions of Bill 148 that could result in a significant cost increase, and which are listed on page 9 of this report.
- Data collection was focused on services provided by the Members that is funded by the Ontario MOHLTC either through LHINs or CSS. To recognize differences in Members' operations, separate data input templates (the "**Templates**") were developed for LHIN or CSS funded Members.
- Members were asked to quantify the various effects of Bill 148 into the following employee groupings:
  - LHIN-Funded Membership Group:
    - Personal service workers ("**PSWs**");
    - Nursing employees (e.g. Registered Practical Nurse, Registered Nurse, Registered Nurse Practitioner);
    - Allied services (e.g. physiotherapists, dieticians, etc.); and
    - Support services (e.g. indirect / back office, coordinators, supervisors, administration, etc., directly related to administering the above employees).
  - CSS-Funded Membership Group:
    - PSWs;
    - Attendant care workers (i.e. employees providing personal support services to people with permanent physical disabilities who require assistance with the activities of daily living); and
    - Support / admin (e.g. indirect / back office, coordinators, supervisors, administration, etc.).

# Process

## 1) Data Input Template (continued)

- The Templates and related instructions were sent to a total of 61 Members selected by Home Care Ontario and OCSA on July 18, 2017. Members were selected by Home Care Ontario and OCSA primarily based on both the size and geographical location of the Members in order to best represent the entire membership base.
- The Template instructions provided that all data should be entered using the following underlying assumptions:
  - All costs should be calculated on a total annualized cost basis;
  - Benefits (e.g. CPP, EI, WSIB, health and other benefits) should be excluded from all calculations, as these costs will be applied consistently / uniformly to the underlying data;
  - Applicable Collective Bargaining Agreement (“**CBA**”) provisions will prevail over Bill 148 if the CBA rules result in higher costs to the Member such that where the CBA costs / benefits exceed the Bill 148 provisions, no data was reported; and
  - When calculating total annualized costs, Members should base calculations either on an entire year’s worth of data (i.e. last 12 months), or three months of data (Jan 1 – Mar 31, 2017), and annualize accordingly.
- Prior to circulating the finalized Template for completion, the Project Leaders held various calls and webinars with the Members to explain how the Template should be completed and to review the instructions on how to complete the Template in detail. Members were able to ask the Project Leaders clarifying questions as to how certain items within the Template should be calculated. KPMG attended each of the calls and webinars.
- The two Templates, and related instructions are attached hereto as **Appendix A**, **Appendix B**, and **Appendix C**, respectively.

# Process

## 2) Electronic Data Room

- Due to the high degree of sensitivity of the information being collected, KPMG prepared a web-based electronic data room (“**EDR**”) to allow Members to upload their completed Templates in a confidential and secure fashion. The EDR had the following security controls in place:
  - The EDR could only be accessed by users, with such users being granted a username and password by KPMG;
  - Each Member was given access to a specific folder on the EDR where they could upload their company’s respective Template once completed; and
  - No other user (with the exception of KPMG) could view the contents within another Member’s specific folder on the EDR.
- All participating Members agreed to provide KPMG with the Information, provided that their member-specific Information would not be released to any other party at any time.

## 3) Data Validation and Aggregation

- KPMG performed the following procedures in order to ensure consistency and integrity of the data that was submitted:
  - Ensured that all fields within the Templates were completed;
  - Aggregated the data to the LHIN and CSS level;
  - Calculated certain averages and ranges on the data in order to analyze and compare each of the completed Templates and identify potential outliers that could have resulted from Members erroneously entering data or incorrectly interpreting the instructions attached to the Template;
  - Contacted Members as needed in order to ensure instructions for completion of the Template were understood correctly, and / or to obtain an understanding as to why the Member’s submission varied materially relative to other Member’s submissions; and
  - Discussed explanations provided by the Members with the Project Leaders to ensure that the explanations were reasonable in the circumstances.

# Process

## 4) Benefits Burden

- To capture the effect of related increases to the Members' statutory benefits burden, a rate of approximately 22.7% (18.7% for Increased Vacation Pay) was applied to the aggregated data, as appropriate. The rate of 22.7% represents the weighted average statutory benefit burden rate of participating members as per a benefits burden analysis survey conducted by KPMG and Ontario Home Care Association (which is now Home Care Ontario) in 2014.
- While the cost of providing non-statutory benefits is likely to be material and to be borne by all Members, these costs have not been included in the calculations within this report.

## 5) Extrapolation

- KPMG obtained relevant funding and / or volume data from Home Care Ontario and OCSA for both the LHIN and CSS funded costs in order to extrapolate the results of the survey to estimate the costs to the Ontario home care industry.
- Industry wide volume figures for LHIN-funded costs were obtained from the Home Care Ontario website. Figures were for the 2015-2016 fiscal year, the latest period available.
- Industry wide volume figures for CSS-funded costs were obtained from the Ontario Healthcare Reporting Standards web portal. Figures were for the 2014-2015 fiscal year, the latest period available.
- The objective of the data collection and synthesis is to quantify the costs of implementing Bill 148, and particularly those costs that are funded to the Clients' Members' from their LHINs or CSS and ultimately the MOHTLC in order to permit the Clients with such information so that it can advise the MOHLTC of the cost implications of Bill 148 to the Ontario Government.



# Results

# Results

## LHIN-Funded Membership Group

The Template was completed by 17 LHIN-funded members. The table below sets out the aggregated annualized impact of Bill 148 Provisions based on the Templates that were completed.

Aggregated Annualized Impact of Bill 148 Provisions of the LHIN-Funded Membership Group										
Employee Category	Increased Minimum Wage (\$15.00)	Equal Pay for Part-Time and Temporary Employees	Employees who Work Less Than Three Hours	Increased Pay for Cancelled Shifts	Pay for "On Call" Work	Increased Paid Vacation	Increase to Public Holiday	Paid Emergency Leave Days	Total	% of Total
A) PSW	17,630	-	6,622,549	828,936	14,594	8,888,201	4,350,763	4,682,959	25,405,631	52.9%
B) Nursing	-	-	2,083,010	422,531	4,680,425	3,950,657	1,198,717	2,515,756	14,851,096	30.9%
C) Allied Services	-	-	1,269,431	6,056	58,466	386,860	39,719	272,709	2,033,242	4.2%
D) Support Services	285,462	1,544,159	140,879	46,345	785,419	1,949,371	236,953	765,469	5,754,055	12.0%
<b>Total Cost \$</b>	<b>303,091</b>	<b>1,544,159</b>	<b>10,115,868</b>	<b>1,303,868</b>	<b>5,538,903</b>	<b>15,175,089</b>	<b>5,826,153</b>	<b>8,236,893</b>	<b>48,044,025</b>	<b>100.0%</b>
<b>% of Total Cost</b>	<b>0.6%</b>	<b>3.2%</b>	<b>21.1%</b>	<b>2.7%</b>	<b>11.5%</b>	<b>31.6%</b>	<b>12.1%</b>	<b>17.1%</b>	<b>100%</b>	

The table below details the following:

- The aggregated annual funding and volume of the 17 LHIN-funded members that completed the Templates, compared to the entire population of LHIN-funded volumes in Ontario, for the purposes of extrapolation; and
- The aggregated annualized impact of Bill 148 Provisions, as a percentage of current funding levels.

Funding / Volume Data of the LHIN-Funded Membership Group					
Employee Category	Aggregated LHIN Funding Received	Aggregated Members' Volume (Hours)	Total Ontario LHIN-Funded Volume (Hours)	% Represented by Completed Templates (Hours)	Bill 148 Cost Increase as a % of Revenue
A) PSW	818,313,635	24,466,728	29,113,765	84%	3.1%
B) Nursing	302,679,349	5,426,320	8,450,706	64%	4.9%
C) Allied Services	51,030,187	516,477	1,754,282	29%	4.0%
<b>Total</b>	<b>1,172,023,172</b>	<b>30,409,525</b>	<b>39,318,753</b>	<b>77%</b>	<b>4.1%</b>

# Results

## LHIN-Funded Membership Group

The table below sets out the annualized impact of Bill 148 provisions, extrapolated over the entire population of LHIN-funded members.

Annualized Impact of Bill 148 Provisions Extrapolated over LHIN-Funded Membership Group										
Employee Category	Increased Minimum Wage (\$15.00)	Equal Pay for Part-Time and Temporary Employees	Employees who Work Less Than Three Hours	Increased Pay for Cancelled Shifts	Pay for "On Call" Work	Increased Paid Vacation	Increase to Public Holiday	Paid Emergency Leave Days	Total	% of Total
A) PSW	20,978	-	7,880,389	986,378	17,366	10,576,363	5,177,116	5,572,407	30,230,997	44.7%
B) Nursing	-	-	3,243,985	658,031	7,289,083	6,152,575	1,866,828	3,917,924	23,128,427	34.2%
C) Allied Services	-	-	4,311,786	20,572	198,587	1,314,020	134,911	926,292	6,906,169	10.2%
D) Support Services	369,095	1,996,558	182,153	59,923	1,015,526	2,520,487	306,375	989,732	7,439,849	11.0%
<b>Total Cost \$</b>	<b>390,073</b>	<b>1,996,558</b>	<b>15,618,313</b>	<b>1,724,903</b>	<b>8,520,562</b>	<b>20,563,446</b>	<b>7,485,230</b>	<b>11,406,356</b>	<b>67,705,442</b>	<b>100.0%</b>
<b>% of Total Cost</b>	<b>0.6%</b>	<b>2.9%</b>	<b>23.1%</b>	<b>2.5%</b>	<b>12.6%</b>	<b>30.4%</b>	<b>11.1%</b>	<b>16.8%</b>	<b>100%</b>	

- PSW, Nursing, and Allied Services extrapolation formula as follows: (respective aggregated cost item / respective Aggregated Members' Volume) x respective Total Ontario LHIN Funded Volume
- Support Services extrapolation formula as follows: (corresponding aggregated cost item / total of Aggregated Members' Volume) x total of Total Ontario LHIN Funded Volume

KPMG makes the following observations:

- After extrapolating the Information obtained and aggregating from the completed Templates, the entire group of LHIN-funded members in Ontario results in an anticipated annual incremental cost of approximately \$67.7M to implement the Provisions.
- 45% of the cost increase to the LHIN funded members relates to Personal Service Workers, 34% relates to nursing employees, and 10% relates to allied services employees. 89% in total relate directly to client care services.
- Increased Paid Vacation and Employees who Work Less Than Three Hours are the provisions with the highest associated costs, and represent 30% and 23% of the total cost increases, respectively.
- Increased Minimum Wage, Equal Pay for Part-Time Employees, and Increased Pay for Cancelled Shifts are the provisions with the lowest associated costs, and represent just 6% of the total estimated cost increases, collectively.
- On a volume basis, 77% of all LHIN funded hours in Ontario are represented by the responding Members.

# Results

## CSS-Funded Membership Group

The Template was completed by 23 CSS funded members. The table below sets out the aggregated annualized impact of Bill 148 Provisions based on the Templates that were completed.

Aggregated Annualized Impact of Bill 148 Provisions of the CSS-Funded Membership Group										
Employee Category	Increased Minimum Wage (\$15.00)	Equal Pay for Part-Time and Temporary Employees	Employees who Work Less Than Three Hours	Increased Pay for Cancelled Shifts	Pay for "On Call" Work	Increased Paid Vacation	Increase to Public Holiday	Paid Emergency Leave Days	Total	% of Total
A) PSW	204,112	93,816	228,570	129,736	167,842	649,418	445,335	501,579	2,420,408	29.5%
B) Attendant Care Workers	69,305	236,020	30,165	107,081	2,344,255	73,307	605,940	976,763	4,442,835	54.2%
C) Support / Admin	224,975	55,227	5,944	10,697	556,365	307,821	40,192	140,198	1,341,420	16.3%
<b>Total Cost \$</b>	<b>498,392</b>	<b>385,063</b>	<b>264,678</b>	<b>247,514</b>	<b>3,068,462</b>	<b>1,030,547</b>	<b>1,091,467</b>	<b>1,618,540</b>	<b>8,204,663</b>	<b>100.0%</b>
<b>% of Total Cost</b>	<b>6.1%</b>	<b>4.7%</b>	<b>3.2%</b>	<b>3.0%</b>	<b>37.4%</b>	<b>12.6%</b>	<b>13.3%</b>	<b>19.7%</b>	<b>100.0%</b>	

The table below sets out the following:

- The aggregated annual funding and volume of the 23 CSS-funded members that completed the Templates, compared to the entire population of CSS funded volumes in Ontario, for the purposes of extrapolation; and
- The aggregated annualized impact of Bill 148 Provisions, as a percentage of current funding levels.

Funding / Volume Data of the CSS-Funded Membership Group					
Employee Category	Aggregated CSS Funding Received	Aggregated Members' Volume (Hours)	Total Ontario CSS Funded Volume (Hours)	% Represented by Completed Templates	Bill 148 Cost Increase as a % of Revenue
A) PSW	119,812,620	3,401,429	6,839,251	50%	2.0%
B) Attendant Care Workers	94,994,682	2,778,231	5,147,272	54%	4.7%
C) Support / Admin	35,420,212	659,237	1,964,099	34%	3.8%
<b>Totals</b>	<b>250,227,514</b>	<b>6,838,896</b>	<b>13,950,622</b>	<b>49%</b>	<b>3.3%</b>

# Results

## CSS-Funded Membership Group

The table below sets out the annualized impact of Bill 148 provisions, extrapolated over the entire population of LHIN funded members.

Annualized Impact of Bill 148 Provisions Extrapolated over CSS-Funded Membership Group										
Employee Category	Increased Minimum Wage (\$15.00)	Equal Pay for Part-Time and Temporary Employees	Employees who Work Less Than Three Hours	Increased Pay for Cancelled Shifts	Pay for "On Call" Work	Increased Paid Vacation	Increase to Public Holiday	Paid Emergency Leave Days	Total	% of Total
A) PSW	410,408	188,637	459,585	260,860	337,479	1,305,784	895,434	1,008,525	4,866,713	28.5%
B) Attendant Care Workers	128,402	437,277	55,886	198,391	4,343,238	135,817	1,122,635	1,809,664	8,231,311	48.2%
C) Support / Admin	670,280	164,541	17,708	31,870	1,657,608	917,108	119,747	417,698	3,996,561	23.4%
<b>Total Cost \$</b>	<b>1,209,091</b>	<b>790,455</b>	<b>533,180</b>	<b>491,121</b>	<b>6,338,325</b>	<b>2,358,710</b>	<b>2,137,816</b>	<b>3,235,887</b>	<b>17,094,585</b>	<b>100.0%</b>
<b>% of Total Cost</b>	<b>7.1%</b>	<b>4.6%</b>	<b>3.1%</b>	<b>2.9%</b>	<b>37.1%</b>	<b>13.8%</b>	<b>12.5%</b>	<b>18.9%</b>	<b>100.0%</b>	

• PSW, Attendant Care Workers, and Support / Admin extrapolation formula as follows: (respective Aggregated cost item / respective Aggregated Members' Volume) x respective Total Ontario CSS Funded Volume)

KPMG makes the following observations:

- After extrapolating the Information obtained and aggregating from the completed Templates, the entire group of CSS-funded members in Ontario results in an anticipated annual incremental cost of approximately \$17.1M to implement the Provisions.
- 29% of the cost increase to the CSS-funded members relates to Personal Service Workers, while 48% relates to Attendant Care Workers. 77% in total relate directly to client care services.
- Pay for "On Call" Work and Paid Emergency Leave Days are the provisions with the highest associated costs, and represent 37% and 19% of the total cost increases, respectively.
- Increased Minimum Wage, Equal Pay for Part-Time and Temporary Employees, Employees Who Work Less than Three Hours, and Increased Pay for Cancelled Shifts are the provisions with the lowest associated costs, and represent just 18% of the total estimated cost increases, collectively.
- On a volume basis, the results of the survey conducted represents approximately 49% of the volume of CSS funded members in Ontario.



# Appendices

# Appendix A

## Home Care Ontario and OCSA - LHIN Version Data Input Spreadsheet

	<--Bill 148 Issues - Annualized Impact -->							
	1	2	3	4	5	6	7	8
Employee Category	Increased Minimum Wage (\$15.00)	Equal Pay for Part-Time and Temporary Employees	Employees who Work Less Than Three Hours	Increased Pay for Cancelled Shifts	Pay for "On Call" Work	Increased Paid Vacation	Increase to Public Holiday	Paid Emergency Leave Days
A) PSW (LHIN)								
B) Nursing (LHIN)								
C) Allied Services (LHIN)								
D) Support Services								
<b>Total Cost</b>	-	-	-	-	-	-	-	-

	<--Revenue / Volume Data - April 1, 2016 - March 31, 2017 -->			
Employee Category	Total Revenue	Total Volume	Unit of Volume (hours/visits)	Note / Comments:
A) PSW (LHIN)				
B) Nursing (LHIN)				
C) Allied Services (LHIN)				
<b>Totals</b>	-	-	-	-

### Notes / Instructions:

#### General Notes / Instructions

- The following general notes / instructions should be applied to all Bill 148 cost calculations below, unless specified otherwise:
  - All costs should be calculated on a 'total annual cost' basis. Costs should not be entered as percentages, hourly rates, per unit rates, or any other format.
  - Benefits should be excluded from all calculations. Benefits will be accounted for separately at a standardized rate.
  - For categories which Collective Bargaining Agreements are applicable, the rules as per the Collective Bargaining Agreement will prevail over the Bill 148 laws, unless the rules are less than the new standards.
  - When determining total annualized costs, members should base calculations either on an entire years' worth of data (ie. last 12 months), or three months of data (Jan 1 - Mar 31 2017) and annualize as appropriate.

# Appendix B

## Home Care Ontario and OCSA- CSS Version Data Input Spreadsheet

	<--Bill 148 Issues - Annualized Impact -->							
	1	2	3	4	5	6	8	9
Employee Category	Increased Minimum Wage (\$15.00)	Equal Pay for Part-Time and Temporary Employees	Employees who Work Less Than Three Hours	Increased Pay for Cancelled Shifts	Pay for "On Call" Work	Increased Paid Vacation	Increase to Public Holiday	Paid Emergency Leave Days
A) PSW								
B) Attendant Care Workers								
C) Support / Admin								
<b>Total Cost</b>	-	-	-	-	-	-	-	-

	<--Revenue / Volume Data - April 1, 2016 - March 31, 2017 -->			
Employee Category	Total Revenue	Total Volume	Unit of Volume (hours/visits/other)	Note / Comments:
A) PSW				
B) Attendant Care Workers				
C) Support / Admin				
<b>Totals</b>	-	-	-	-

### Notes / Instructions:

#### General Notes / Instructions

- The following general notes / instructions should be applied to all Bill 148 cost calculations below, unless specified otherwise:
  - All costs should be calculated on a 'total annual cost' basis. Costs should not be entered as percentages, hourly rates, per unit rates, or any other format.
  - Benefits should be excluded from all calculations. Benefits will be accounted for separately at a standardized rate.
  - For categories which Collective Bargaining Agreements are applicable, the rules as per the Collective Bargaining Agreement will prevail over the Bill 148 laws, unless the rules are less than the new standards.
  - When determining total annualized costs, members should base calculations either on an entire years' worth of data (ie. last 12 months), or three months of data (Jan 1 - Mar 31 2017) and annualize as appropriate.

# Appendix C

## 1 Increased Minimum Wage (\$15.00)

- The general minimum wage will increase to \$15.00 per hour as of January 1, 2019. This will be phased over the next year and a half, with the minimum wage increasing to \$14.00 on January 1, 2018, and \$15.00 on January 1, 2019.
- Identify all employees who are currently earning an hourly wage that is below the \$15.00 minimum.
- Calculate the variance (i.e. \$15.00 - current wage) and multiply by the employees' annual hours.
- Note that the current PSWs \$16.50. As such, we do not expect any impact on these wages.

## 2 Equal Pay for Part-Time and Temporary Employees

- An employee will be entitled to be paid the same rate of pay as a comparable full-time employee, provided the pay differential is not due to seniority or a merit system.
- Identify all employees who are designated 'part-time' or 'casual/temporary' workers and who are being paid less than their 'full-time' equivalents (except for seniority or merit related reasons).
- Multiply the variance (i.e. 'full-time' wage - 'part-time'/'casual' wage) by the employees' annual hours.
- This calculation is limited to internal employees only - i.e. do not include employees that may be seconded out to other organizations.

## 3 Employees who Work Less Than Three Hours

- Employees who 'regularly' work at least three hours per day, but work less than three hours upon reporting to work, will be paid for a minimum of three hours for that day.
- For this calculation, select any 4 week period during the first half of the year without any statutory holidays.
- Identify any employees who worked less than three hours in a day.
- Review employee data to identify if the employee in question regularly works three hours per day.
- For the purposes of this exercise, employees will be considered to regularly work three hours in a day if 70% of their shifts in the period selected were at least three hours long.
- For employees who meet the above criteria, calculate the incremental cost of paying these employees for three hours on days that they worked less than three hours, on an annualized basis.
- Casual employees should be included in this calculation.

## 4 Increased Pay for Cancelled Shifts

- If a shift is cancelled within 48 hours of its intended start, the employee will be entitled to three hours of pay at their regular rate of pay.
- Identify all cancelled shifts per system. Note that if one visit is cancelled, but the employee still has other visits on that same day, the cancelled visit will not count as a cancelled shift.
- Calculate annualized cost of paying three hours of wages for all cancelled shifts identified.

## 5 Pay for "On Call" Work

- If an employee is on call and not called in to work, or is called in for work for less than three hours, the employee will be entitled to three hours of pay at their regular rate of pay (per 24 hour on call period).
- Identify instances where an employee was on call and not called in to work, or was on call and worked less than three hours.
- For instances where an employee was on call and not called in to work, calculate the cost of paying those employees for three hours of work (annualized).
- For instances where an employee was on call and worked less than three hours, calculate the cost of 'topping them up' to a three hour shift, taking into account current shift premiums.
- If current shift premium is higher than 3 hours, the result of the calculation will be zero.

## 6 Increased Paid Vacation

- Paid vacation will be increased to 6% of gross pay for all employees with at least five calendar years of service.
- Identify all employees (regardless of part-time / full-time / casual employment status) who have five or more years of service.
- Years of service should be calculated based on hire date per records (i.e. employees hired prior to July 1, 2012).
- Calculate annualized cost of paying all employees identified 6% vacation pay vs 4% vacation pay, by multiplying gross wages by 2%.
- If an average wage rate methodology is used for this calculation, remember to ensure that only employees who have greater than five years of service are included in the average wage rate calculation.

## 7 Increase to Public Holiday

- Public holiday pay will be calculated based on the total amount of regular wages paid to the employee in the preceding pay period, divided by the number of days that the employee actually worked during that period.
- This calculation needs to consider the cost burden under the proposed Bill 148, as compared to the existing ESA.
- The Bill 148 calculation should be performed as follows: Public Holiday Pay will be equal to gross wages earned over the preceding pay period, divided by the number of actual days worked in that pay period.
- The existing ESA calculation should be performed as follows: Public Holiday Pay will be equal to gross wages earned over the preceding 4 week period, divided by 20 days.
- The increase to Public Holiday Pay is calculated as the difference between the two calculations above.
- For this calculation, analysis should be performed on New Years Day and Family Day. Results should be extrapolated to 9 stat holidays in order to annualize (ie multiply by 9/2).

## 8 Paid Emergency Leave Days

- All employees will be entitled to 10 Personal Emergency Leave Days, two of which must be paid.
- Calculate by multiplying employees public holiday pay rate (as calculated in #8 above) and multiply by 2.

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