

Legislative Costing Note

Publication Date:	2021-12-07	
Short Title:	Cost Estimate of Bill C-3: An Act to amend the Criminal Code and the Canada Labour Code (ten days of paid sick leave per year to workers in the federally regulated private sector)	
Description:	The bill legislates 10 paid sick days for employees in federally regulated workplaces who do not have access to at least 10 paid sick days, including the federally regulated private sector (FRPS) and employees of federal Crown corporations.	
Data Sources:	Variable	Source
	Number of employees in the FRPS by tenure	ESDC
	Number of Crown corporation employees	ESDC
	Days lost per worker in a year, illness or disability	Statistics Canada
	Earnings by industry	Statistics Canada
	Labour force employment	PBO EPC Baseline
	Average weekly earnings	PBO EPC Baseline
	Proportion of private sector with paid sick leave	Conference Board of Canada
	Proportion of employers offering sufficient sick leave	Corporate Knights Paid Sick Leave Provision Report
Estimation and Projection Method:	<p>The cost was calculated by adding the costs of providing additional sick leave to employees of federal Crown corporations that do not already have at least 10 paid sick days. This cost was offset by personal income tax revenue resulting from changes to sick leave provisions affecting employees in the federal government and FRPS.</p> <p>Data from ESDC on the number of employees in the FRPS and under Crown corporations was used to determine the number of employees eligible for paid sick leave. Data from the Conference Board of Canada and Corporate Knights was used to determine the number of employees with sufficient paid sick leave, some but insufficient sick leave, and no paid sick leave at all. The number of additional sick days per year was determined based on the number of eligible employees and the utilization of sick leave from Statistics Canada.</p> <p>Earnings for employees in finance and insurance, transportation and warehousing, and public administration were used to determine the average daily earnings for eligible employees given these sectors are where the majority of employees in the FRPS work.</p>	
Aggregate Results:	The PBO estimates that this amendment will generate a total revenue of \$229 million over four years (from 2021-22 to 2024-25).	
Sources of Uncertainty:	The main sources of uncertainty relate to the number of affected employees and the number of sick days provided and used by private sector and Crown corporation employees. We assume that employees in the FRPS have access to an average of 5 paid sick days annually. The estimate does not account for reduced profitability for employers who were not	

previously offering 10 days of leave. This would reduce the total revenue from the FRPS, as increased business costs could reduce the taxes paid by corporations. We do not remove student employees from the eligible population; students represent less than 3 per cent of all employees in the public service and thus we do not expect the impact to be material.

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Cost of proposed measure

\$ millions	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Total cost	-	-16	-68	-71	-74

Notes

- Estimates are presented on an accruals basis as would appear in the budget and public accounts.
- Positive numbers subtract from the budgetary balance, negative numbers contribute to the budget balance.
- "-" = PBO does not expect a financial cost.

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