



For immediate release

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Workers finally have new law to protect their wages

OTTAWA – Canadian workers have finally won new legal protection for their wages and their pension contributions when their employer goes bankrupt. Bill C-12, a series of amendments to existing insolvency and wage protection laws, was approved by the Senate last night and received Royal Assent today. This was accomplished after an intensive three-year campaign by the Canadian Labour Congress and its affiliated unions to change bankruptcy laws that unfairly put workers last in line to get paid.

Working men and women lost an average of \$50 million a year in unpaid wages when companies went bankrupt while waiting for two years to receive only 15 cents on the dollar.

“Finally, workers no longer have to fear the prospect of lost earnings owed to them while dealing with the blow of the loss of their jobs. It took three years of hard work to convince parliamentarians to put individual working Canadians ahead of banks and other financial institutions” says Ken Georgetti, President of the Canadian Labour Congress.

Yesterday’s victory marks the end of a long and determined campaign by the labour movement to change bankruptcy laws which too often saw employees suffer the loss of wages, benefits and even their pension savings because banks and other creditors were given priority. The Act also provides for protection of unpaid pension contributions.

“Canadians have been waiting a long time for these protection measures. It is not just unionized workers that will benefit but every working woman and man in Canada – whether they are in a union or not – that will have this protection as soon as the government proclaims the Act,” says Georgetti.

The Canadian Labour Congress, the national voice of the labour movement, represents 3.2 million Canadian workers. The CLC brings together Canada’s national and international unions along with the provincial and territorial federations of labour and 136 district labour councils. www.canadianlabour.ca

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