Q2 2026 | Key Updates for Canadian Employers

The second quarter of 2026 brought several legislative and regulatory developments that may affect employer-sponsored benefits, workplace policies and employee administration. This document contains key items employers should be aware of.

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Federal Updates

The federal government released its Spring Economic Update on April 28, 2026, with a focus on affordability, economic resilience and strategic investments. There were no material changes affecting employer-sponsored benefit plans.

Pre-budget consultations are underway, with submissions being accepted until September 8, 2026. A federal budget is expected this fall.

New Developments in Weight-Loss and Diabetes Medications

Canada became the first G7 country to approve generic semaglutide products. During Q2, approvals included generic Ozempic and Wegovy products, while Zepbound received authorization for the treatment of sleep apnea in individuals with obesity.

Why it matters: Employers and insurers should continue to monitor utilization and the potential impact of newer high-cost medications on group drug plans.

Ontario Updates

Expanded Pharmacist Services

Effective **July 1, 2026**, Ontario expanded publicly funded pharmacist services.

Pharmacists can now administer six additional publicly funded vaccines, including:
·Tetanus
·Pertussis
·Diphtheria
·Pneumococcal
·RSV
·Shingles

Pharmacists and other qualified healthcare practitioners can also assess and prescribe treatment for nine additional minor conditions, including dry eye, mild headache, nasal congestion, ringworm and warts.

Why it matters: Employees may have greater access to publicly funded healthcare services without requiring a physician visit, which may reduce pressure on private benefit plans for certain services.

Employee Leaves & Benefit Continuation

A recent Ontario class action settlement reinforces the importance of correctly administering benefits and pension contributions during statutory leaves. Employers must generally continue required benefit and pension contributions during qualifying ESA leaves unless an employee opts out where permitted.

Employer action: Review leave administration procedures and ensure employee elections, benefit continuation and communications are clearly documented.

Ontario Updates

Human Rights & Protected Leaves

Ontario courts have reinforced that employees on maternity and parental leave must not be disadvantaged because of their protected leave.
Employment decisions made during acquisitions, restructuring or hiring processes should be carefully reviewed to ensure employees on protected leave are not treated differently because of their leave status.

Key takeaway: Discrimination can exist even when there is no intention to discriminate.

Workplace Drug & Alcohol Policies

An Ontario Superior Court decision upheld the termination of a safety-sensitive employee following a second positive cannabis test.

The employer's position was strengthened because its drug and alcohol policy was:
·Clearly communicated
·Understood by employees
·Consistently enforced

Employer action: Ensure workplace policies are current, clearly communicated and consistently applied. Accommodation obligations should still be considered where a disability may be involved.

Other Provincial Updates to Watch

Alberta

New requirements taking effect October 1, 2026 will change how certain public drug and supplemental health plans coordinate with private employer plans. Public plans will generally become payors of last resort, meaning private coverage may need to pay first. Employers should review their plan design and coordination-of-benefits processes in advance.

Manitoba

New adoption and surrogacy leave is now available, providing up to 16 weeks of unpaid, job-protected leave. Beginning October 1, 2026, restrictions will also apply to when employers can request medical notes for illness-related absences.

New Brunswick

Effective June 12, 2026, employees became eligible for up to 27 weeks of job-protected unpaid leave for long-term illness or injury, subject to eligibility requirements.

Prince Edward Island

A new Employment Standards Act came into force June 30, 2026, introducing changes to medical leave, sick leave, sick-note requirements, maximum work hours and termination provisions.

Québec

Employers with 20 or more employees should be reviewing workplace prevention programs and practices related to psychosocial risks and mental well-being. The one-year implementation period is approaching completion in October 2026.

Looking Ahead

Employers should continue monitoring developments around:

·National pharmacare and formulary discussions
·Expansion of pharmacists' scope of practice
·Workplace disconnecting policies
·Portable benefits
·Québec disability management regulations
·Competition and pharmacy network practices
·Additional federal and provincial leave legislation

What Employers Should Do Now

✔️ Review benefit and leave administration procedures
✔️ Confirm benefits and pension contributions are properly continued during applicable leaves
✔️ Review workplace policies that may be affected by legislative changes
✔️ Monitor drug plan utilization and emerging high-cost medications
✔️ Ensure accommodation and human rights considerations are incorporated into employment decisions
✔️ Prepare for upcoming provincial changes taking effect later in 2026

Source: WTW, Benefits Compliance Update – Q2 2026, July 14, 2026.

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