



Colin Carrie MP Oshawa

Carrie's hard work results in amendments to the Wage Earner Protection Program receiving Royal Assent

For immediate release.

OSHAWA, 14 December, 2007 – The Honourable Jean-Pierre Blackburn, Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec and Colin Carrie, Parliamentary Secretary to the Minister of Industry, today announced that Bill C-12 – *An Act to amend the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act, the Wage Earner Protection Program Act and Chapter 47 of the Statutes of Canada, 2005* has received Royal Assent.

The amendments in Bill C-12 were necessary to correct a number of technical deficiencies that were present in the insolvency reform legislation as passed two years ago. The insolvency reform legislation had also included the creation of the Wage Earner Protection Program (WEPP), which protects workers when employers become bankrupt or are subject to a receivership. It provides for the payment of unpaid wages and earned vacation pay of up to an amount equalling four weeks' maximum insurable earnings under the *Employment Insurance Act* (or approximately \$3,000 at this time).

"Canadian workers will finally be protected when their employers declare bankruptcy. They will get paid what's owed to them in a timely manner and that is a protection they deserve," said Minister Blackburn.

"It is essential that Canada's insolvency legislation remain flexible and responsive to the needs of an ever changing marketplace. As well, that workers and businesses have clarity and protection at the time of bankruptcy," said Carrie.

On November 25, 2005, *An Act to establish the Wage Earner Protection Program Act*, to amend the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act and to make consequential amendments to other Act received Royal Assent and became Chapter 47 of the Statutes of Canada, 2005. Chapter 47 represents a comprehensive reform of Canada's insolvency system designed to ensure that it better responds to the needs of business, consumers and investors. It was understood prior to Royal Assent that the legislation would be subject to further review to resolve some technical issues before coming into force. Bill C-12 contains amendments to Chapter 47 to address these issues.

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Other provisions that improve the bankruptcy and insolvency reforms are related to the powers of receivers, personal liabilities of insolvency professionals, transfer at undervalue provisions and student loans. Technical amendments that fine tune and improve the WEPP Act to ensure that it will function well also include provisions to enhance the fairness of the conditions of eligibility, support to trustees and receivers, and other administrative matters.

Information on the *Bankruptcy and Insolvency Act* and the *Companies' Creditors Arrangement Act* is available online at www.strategis.ic.gc.ca. Information on the Wage Earner Protection Program may be found on the following Web site: www.labour.gc.ca.

For enquiries concerning the Wage Earner Protection Program

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For enquiries concerning provisions of the bankruptcy and insolvency legislation

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