Methods of Paying Wages – Know The Laws of Your Province



While employers are free to establish their own pay periods, employment standards laws dictate the timing and methods of wage payment. They also require employers to furnish pay statements listing certain information about the wages the employee is receiving. Although the laws overlap, there are also key differences in terms of:

- How long intervals between pay periods can be;
- How many days from the end of the pay period payment must be made;
- The accepted modes of wage payments;
- Requirements regarding pay statements, how they must be provided and the information they must contain; and
- How long employers must retain copies of wage payment statements.

Here's a look at the requirements in each jurisdiction. Go to the HR Insider website for a comprehensive Wage Payment Methods Compliance Game Plan that you can put into effect at your own workplace.

Employment Standards Wage Payment Requirements Across Canada

Abbreviation:

"CDIC Act" means the Canada Deposit Insurance Corporation Act (Canada).

FEDERAL (Canada Labour Code)

Time of Payment: Within 30 days of employee's entitlement on pay day employer sets.

Payment Modes: Not specified.

Pay Statement: Must be provided whenever any payment of wages is made to an employee and list: 1. Period for which payment made; 2. Hours for which payment is made; 3. Rate of wages; 4. Details of wage deductions; and 5. Actual sum received (Sec. 254).

Paper/Electronic Pay Statement: Not specified.

Retention Period: 3 years from date statement is made.

Other: Employer must, within the first 30 days of an employee's employment, give the employee a written statement listing: (a) the names of the parties to the employment relationship; (b) the job title of the employee and a brief description of their duties and responsibilities; (c) the address of the ordinary place of work; (d) the date on which the employment commences; (e) the term of the employment; (f) the duration of the probationary period, if any; (g) a description of the necessary qualifications for the position; (h) a description of any required training for the position; (i) the hours of work for the employee, including information on the calculation of those hours and rules regarding overtime hours; (j) the rate of wages or salary and the rate of overtime pay; (k) the frequency of pay days and the frequency of payment of any other remuneration; (l) any mandatory deductions from wages; and (m) information about how the employee can claim reimbursement of reasonable work-related expenses (Sec. 253.2).

ALBERTA (Employment Standards Code)

Time of Payment: 1. At end of pay period of up to 30 days set by employer (Sec. 7); 2. Wages, overtime + general holiday pay earned in pay period must be paid no later than 10 consecutive days after end of each pay period (Sec. 8).

Payment Modes: 1. In Canadian currency by cash, cheque, bill of exchange or order to pay, payable on demand, drawn on an accepted financial institution; 2. Employer may choose to pay by direct deposit to employee's account in an accepted financial institution of employee's choice (Sec. 11).

Pay Statement: Must be provided whenever any payment of wages is made to an employee and list: (a) regular and overtime hours of work for each work day; (b) wage rate and overtime rate; (c) earnings paid showing separately each component of the earnings for each pay period; (d) deductions from earnings and reason for each deduction; (e) time off instead of overtime pay provided and taken; (f) period of employment covered in statement; and (g) any other information required by the regulations (Sec. 14).

Paper/Electronic Pay Statement: Employer may provide written pay statement in electronic form only if: (a) the employee has a means of confidential access to the statement, and (b) the statement is in a form that permits the employee to print a paper copy of the statement (*ESC Regs*, Sec. 63.41).

Retention Period: 3 years from date statement is made (Sec. 15).

BRITISH COLUMBIA (Employment Standards Act)

Time of Payment: At least semimonthly + within 8 days after end of the pay period, except for vacation pay or overtime wages credited to employee's time bank (Sec. 17).

Payment Modes: 1. In Canadian currency; 2. By cheque, draft or money order, payable on demand, drawn on a savings institution, or 3. By deposit to the credit of an employee's account in a savings institution, if authorized by the employee in writing or by a collective agreement (Sec. 20).

Pay Statement: Written wage statement for the pay period must be provided on every payday that lists: (a) the employer's name and address; (b) the hours worked; (c) the wage rate, whether paid hourly, on a salary basis or on a flat rate, piece rate,

commission or other incentive basis; (d) the overtime wage rate; (e) hours worked by the employee at the overtime wage rate; (f) any money, allowance or other payment the employee is entitled to; (g) amount of each deduction from the employee's wages and purpose of each deduction; (h) if the employee is paid other than by the hour or by salary, how the wages were calculated for the work the employee is paid for; (i)the gross and net wages; (j) how much money the employee has taken from the employee's time bank and how much remains (Sec. 27).

Paper/Electronic Pay Statement: Electronic statement is okay if employer provides the employee, through the workplace: (a) confidential access to the electronic wage statement, and (b)a means of making a paper copy of that wage statement (Sec. 27).

Retention Period: 4 years from date statement is made (Sec. 28(2)).

Other: If a wage statement would be the same as the wage statement given for the previous pay period, another wage statement need not be given until a change occurs (Sec. 27(4)).

MANITOBA (Employment Standards Code)

Time of Payment: At least semi-monthly and: (a) within 10 working days after expiration of each pay period; and (b) when the employee's employment is terminated, within 10 working days after termination, **unless** the employer who pays wages in accordance with: (a) an established custom or practice that's been followed by the employer since 1976; or (b) a permit issued by the director, upon application by the employer, that specifies when the wages are to be paid (Secs. 86(1) + (2)).

Payment Modes: 1. In Canadian currency; 2. By cheque or bill of exchange drawn upon a bank, credit union, trust company or other company insured under the *CDIC Act*; or 3. By deposit in the employee's account in an institution referred to in clause (b) (Sec. 88).

Pay Statement: Written statement at end of each pay period to each employee listing: (a) the regular hours of work and overtime for which wages are being paid, and applicable wage rates; (b) deductions from wages and reason for each deduction; and (c) the net amount of wages paid to the employee; Exception: If the amount of wages to be paid is to be equal on each date that wages are to be paid over a period of time, employer may, instead of providing the above statements, at the beginning of the period provide employee a statement of the wages to be paid, the wage rate, deductions from the wages and the net amount to be paid to the employee on each of the dates over the period (Secs. 135(4) +(5)).

Paper/Electronic Pay Statement: In writing or electronic (*Govt. Guidelines*).

Retention Period: 3 years from date statement is made (Sec. 135(3)).

NEW BRUNSWICK (Employment Standards Act)

Time of Payment: Interval between pay may be no more than 16 days and must include all wages earned up to and including a day that's no more than 7 calendar days before the time fixed for payment unless the payments are otherwise made in accordance with the terms of a practice existing at the time the regulations came into force or under the terms of a collective agreement or in accordance with a Director's order (Sec. 35).

Payment Modes: By: (a) cash; (b) cheque or bill of exchange, payable on demand, drawn on a bank, credit union, trust company or other institution insured under the *CDIC Act*; or (c) by deposit into an employee's account in a bank, credit union, trust company or other institution of the employee's choice that's insured under the *CDIC Act* (Sec. 36(2)).

Pay Statement: No later than the time the employee is paid listing: (a) the dates of the pay period; (b) the employee's gross pay for the pay period; (c) the particulars of each deduction and the amount thereof; and (d) the net pay after deductions have been taken out (Sec. 36(1)).

Paper/Electronic Pay Statement: Electronic allowed only if employer provides the employee, through the employee's place of employment: (a) confidential access to the electronic statement, and (b) a means of making a paper copy of the electronic statement (Sec. 36(1.1)).

Retention Period: 36 months (Sec. 60(1)).

NEWFOUNDLAND & LABRADOR (Labour Standards Act)

Time of Payment: At least semi-monthly and within 7 days after the end of the pay period; within 1 week from date of termination if employee is terminated (Sec. 33).

Payment Modes: (a) in lawful currency of Canada; (b) by cheque or order drawn on a bank in which the employer maintains an account; or (c) with the employee's consent, by direct deposit into an account of a bank of the employee's choice (Sec. 34).

Place of Payment: (a) At employee's place of employment within employee's regular working hours or another time that the employer and employee agree to; (b) At employee's place of normal residence either by personal delivery or prepaid postage addressed to employee at that address; or (c) By deposit to the employee's bank account (Sec. 34).

Pay Statement: When wages are paid a written statement listing: (a) the gross amount of wages in Canadian currency payable under the contract of service for the period covered by the payment; (b) the relevant period referred to in paragraph (a); (c) the rates of wages and number of hours worked at each rate during the relevant period; (d) he amount and purpose of each deduction made from the gross wage specifying each amount and each purpose; and (e) the net amount of wages to which the employee is entitled for the period referred to in paragraph (b) (Sec. 35).

Paper/Electronic Pay Statement: In writing.

Retention Period: 4 years from the date of the last entry in the record for the employee (Sec. 63(2)).

NOVA SCOTIA (Labour Standards Code)

Time of Payment: At least semi-monthly and within 5 working days after the expiration of each pay period, **unless** the payments are made in accordance with the terms of an existing practice, collective agreement, or Director order (Sec. 79).

Payment Modes: (a) In lawful currency of Canada; (b) By cheque or bill of exchange or demand for payment drawn upon a chartered bank, credit union, trust company or other company insured under the *CDIC Act*; or (c) By deposit in an employee's account in a

chartered bank, credit union, trust company, or other company insured under the *CDIC Act* (Sec. 80).

Pay Statement: 1. Upon paying wages, a written statement listing: (a) period for which the payment of wages is made; (b) number of hours for which payment is made; (c) the rate of wages; (d) details of any deductions made from the wages; and (e) the actual sum being received by the employee; and 2. Employer may apply for and Director may grant exemption to the above pay statement requirements (*General Labour Standards Codes Regs*, Sec. 9).

Paper/Electronic Pay Statement: Electronic pay statement OK if employer provides the employee, through the employee's place of employment: (a) confidential access to the electronic pay statement; and (b) a means of making a paper copy of the electronic pay statement (Sec. 15(1A)).

Retention Period: 3 years from the date the record is made.

ONTARIO (Employment Standards Act)

Time of Payment: No later than the pay day for pay period established by the employer (Sec. 11(1)).

Payment Modes: 1. By: (a) cash; (b) cheque payable only to the employee; (c) direct deposit (subject to conditions listed in subparagraph. 2.; or (d) any other prescribed method of payment; 2. Payment by direct deposit allowed only if: (a) the account is selected by the employee and in the employee's name; (b) no person other than the employee or a person authorized by the employee has access to the account; and (c) the account meets prescribed criteria, if any; and 3. If payment is made by cash or cheque, employer must ensure that the cash or cheque is given to the employee at their workplace or some other place agreeable to the employee (Secs. 11(2), (3) + (4)).

Pay Statement: On or before an employee's pay day, a written statement listing: (a) the pay period for which the wages are being paid; (b) the wage rate, if any; (c) the gross amount of wages and, unless the information is provided to the employee in some other manner, how that amount was calculated; (d) the amount and purpose of each deduction from wages; (e) any amount for room or board that is deemed to have been paid to the employee; and (f) the net amount of wages paid to the employee (Sec. 12(1)).

Paper/Electronic Pay Statement: Email rather than written statement OK if the employee has access to a means of making a paper copy of the statement (Sec. 12(3)).

Retention Period: 3 years from the date the record is made.

PRINCE EDWARD ISLAND (Employment Standards Act)

Time of Payment: 1. Interval between pays may be no more than 16 days; 2. Employer must include all wages earned up to and including a day that's no more than 5 working days before the time fixed for payment; and 3. Exception: Above requirements don't apply if the payments are made under the terms of a collective agreement or in accordance with a board order (Secs. 5.2(3) + (4)).

Payment Modes: (a) In lawful currency of Canada; (b) By cheque drawn upon a chartered

bank, a credit union, trust company or other institution insured under the *CDIC Act* and honoured and paid by such bank, credit union, trust company or other institution; or (c) By direct deposit into an account of the employee in a chartered bank, credit union, trust company or other institution insured under the *CDIC Act* (Sec. 5.1).

Pay Statement: When pay is being paid, a written statement listing: (a) the employer's name and address and the employee's name; (b) the period of time or the work for which the wages are being paid; (c) the employee's entitled regular rate of wages and number of hours worked; (d) gross amount of wages to which employee is entitled; (e) gross amount of any vacation pay being paid to the employee; (f) the gross amount of any pay in lieu of notice of termination being paid to the employee; (g) the amount and purpose of each deduction; (h) any bonus, gratuity, living allowance, or other payment to which the employee is entitled; and (i) the net amount of money being paid to the employee (Sec. 5.3(1)).

Paper/Electronic Pay Statement: Electronic statement OK if employer provides the employee, through the employee's place of employment, (a) confidential access to the electronic pay statement; and (b) a means of making a paper copy of the electronic pay statement (Sec. 5.3(2)).

Retention Period: Not specified.

QUÉBEC (Labour Standards Act)

Time of Payment: 1. At regular intervals of no more than 16 days, or one month for managerial; Exception 1: Amounts in excess of regular wages, such as a bonus or premium for overtime, earned during the week preceding payment of the wages may be paid with the subsequent regular payment or, at the time specified in a collective agreement or government decree; Exception 2: Employer may also pay an employee within one month after the start of their employment (Sec. 43); and 2. If the usual day of payment of wages falls on a general statutory holiday, wages must be paid to the employee on the working day before that day (Sec. 45).

Payment Modes: In cash in a sealed envelope, by cheque, or by bank transfer; Employee is deemed not to have received payment of the wages due if the cheque isn't cashable within the 2 working days after its issue (Sec. 42).

Place of Payment: Wages must be paid directly to the employee, at the employee's place of employment and on a working day, except where the payment is made by bank transfer or is sent by mail; At employee's written request, wages may also be remitted to a third person (Sec. 44).

Pay Statement: Together with wages, a pay sheet containing sufficient information to enable the employee to verify the computation of their wages, including whichever of the following is applicable: (a) the employer's name; (b) the employee's name; (c) the employee's occupation; (d) the date of payment and work period corresponding to it; (e) the number of hours paid at the prevailing rate; (f) the number of hours of overtime paid or replaced by a leave with the applicable premium; (g) the nature and amount of bonuses, indemnities, allowances or commissions paid; (h) the wage rate; (i) the amount of wages before deductions; (j) the nature and amount of deductions; (k) the amount of the net wages paid; (l) the amount of the tips reported by the employee under section 1019.4 of the *Taxation Act*; and (m) the amount of the tips the employer has attributed to the employee under section 42.11 of the *Taxation Act* (Sec. 46).

Paper/Electronic Pay Statement: Not specified.

Retention Period: Not specified.

Other: No signing formality other than that establishing that the sum remitted to the employee corresponds to the amount of net wages indicated on the pay sheet may be required upon payment of the wages (Sec. 47).

SASKATCHEWAN (Saskatchewan Employment Act)

Time of Payment: 1. Total wages must be paid no later than 6 days before the employee's payday, which must be at least: (a) monthly; (b) semi-monthly; or (c) every 14 days; and 2. Monthly payment allowed only if the employee is paid a salary expressed as a monthly wage or a wage expressed for a period longer than a month (Sec. 2-33).

Payment Modes: 1. All wages to be paid: (a) in Canadian currency; (b) by cheque drawn on a bank, credit union or trust corporation; (c) by deposit to the employee's account in a bank, credit union or trust corporation; or (d) by a prescribed means; 2. Wages must, at employer's discretion, be: (a) paid to the employee during working hours; (b) delivered to the employee's place of residence; (c) sent to the employee by mail in an envelope addressed to the employee's place of residence; or (d) deposited into a bank, credit union or trust corporation account of the employee's choice; 3. If the employee is absent from the place where the wages are payable at the scheduled time of payment, the employer must immediately send the employee's pay by registered mail to the employee's last address known to the employer; and 4. Any agreement between an employer and employee allowing for payment of wages in any other manner than that set out in subsection (1) is void (Sec. 2-35).

Pay Statement: On every payday and when making payments of wage adjustments, a statement of earnings that clearly sets out: (i) the employee's name; (ii) the beginning and ending dates of the period for which the payment of wages is being made; (iii) the number of hours of work for which payment is being made for each of wages, overtime and hours worked on a public holiday; (iv) the rate or rates of wages; (v) the amount paid for each of wages, overtime and public holiday pay and work on a public holiday, vacation pay and pay instead of notice; (vi) the employment or category of employment; (vii) the amount of total wages; (viii) an itemized statement of any deductions from wages being made; and (ix) the actual amount of the payment being made (Sec. 2-37(1)).

Paper/Electronic Pay Statement: 1. In a written form that's separate from, or readily detachable from, any form of cheque or other type of voucher issued in the payment of wages; or 2. An electronic statement that permits the employee to print off a copy of the statement of earnings (Sec. 2-37(2)).

Retention Period: Most recent 5 years of employment + 2 years after employment ends.

NORTHWEST TERRITORIES (Employment Standards Act)

Time of Payment: Within 10 days after the pay period, which may be no longer than 1 month unless approved by the Employment Standards Officer (Sec. 13).

Payment Modes: In Canadian currency, in the form of: (a) cash; (b) cheque or bill of exchange drawn on a financial institution; or (c) direct deposit in a financial institution to an account designated by the employee (Sec. 13(5)).

Pay Statement: 1. At the time wages are paid, a written pay statement that accurately describes: (a) the period for which the payment of wages is made; (b) the number of hours for which payment is made; (c) the number of hours for which payment is made for any statutory holiday; (d) the rate of wages; (e) the details of the deductions made from the wages; and (f) the actual sum being received by the employee; and 2. Upon request, employee is entitled to a detailed pay statement that accurately describes the computation of the amount of wages and any bonus or living allowance (Secs. 19(1) + (2)).

Paper/Electronic Pay Statement: Electronic pay statement is okay if the employer provides the employee a means of securely and privately viewing and printing it (Sec. 19(3)).

Retention Period: 2 years after the record is made.

NUNAVUT (Labour Standards Act)

Time of Payment: Within 10 days after the pay period, which may be no longer than 1 month unless approved by the Board (Sec. 50).

Payment Modes: In Canadian currency or by cheque or bill of exchange drawn on a bank or credit union or by deposit to a bank account designated by the employee (Sec. 50(6))).

Pay Statement: 1. At the time wages are paid, a written pay statement that accurately describes: (a) the period for which the payment of wages is made; (b) the number of hours for which payment is made; (c) the rate of wages; (d) details of the deductions made from the wages; and (e) the actual sum being received by the employee; 2. Upon request, employee is entitled to a detailed statement on the computation of the amount of wages and any bonus or living allowance; and 3. Labour Standards Officer may issue an order exempting employer from any or all of the requirements of subsection 1 (Sec. 48).

Paper/Electronic Pay Statement: Written statement (Sec. 48).

Retention Period: 2 years after the record is made (Sec. 46(4)).

YUKON (Employment Standards Act)

Time of Payment: No later than 10 days after expiration of each pay period, other than for vacation pay, owing to the employee in respect of that pay period (Sec. 65).

Payment Modes: (a) In lawful currency of Canada; (b) By cheque, bill of exchange, or order to pay, payable on demand, drawn on a savings institution; or (c) By deposit to the credit of the employee’s account in a savings institution designated by the employee (Sec. 67).

Pay Statement: At least once a month, a written statement listing: (a) the period for which the payment of wages is made; (b) the number of hours for which payment is made; (c) the rate of wages; (d) details of the deductions made from the wages; and (e) the actual sum being received by the employee (Sec. 63).

Paper/Electronic Pay Statement: Written statement (Sec. 63).

Retention Period: 12 months after work is performed or services are supplied (Sec.

62).