

Overhaul Of The "Holiday Pay" Rules Under The Canada Labour Code



There are major changes coming to the “holiday pay” rules for federally regulated employees.

Under the current regime, holiday pay calculations vary based on how the employee is compensated. Also, to be eligible for holiday pay, an employee must have worked 15 of the 30 days preceding the holiday. The amendments to the *Canada Labour Code*, which applies to employers in the banking, broadcasting, telecommunications, aeronautics and interprovincial transportation sectors, will simplify these requirements.

Effective March 16, 2015, employees who are not paid by commission will be entitled to holiday pay equal to at least one twentieth (1/20) of the wages earned (excluding overtime pay) in the four-week period immediately preceding the week in which the holiday occurs. Employees who are remunerated in whole or in part on a commission basis and who have completed at least 12 weeks of continuous employment with the employer will be entitled to at least one sixtieth of the wages they earned (excluding overtime pay) in the 12-week period immediately preceding the week in which the holiday occurs.

Significantly, the current requirement that employees must have worked 15 of the 30 days preceding the holiday in order to be eligible for the pay will be repealed. The requirement that employees be employed with the employer for at least 30 days in advance of the holiday will continue to apply and employees will remain ineligible for holiday pay if a general holiday occurs within the first 30 days (12 weeks for employees paid by commission) of their employment and they are not required to work.

The changes will broaden the scope of employees eligible for holiday pay. For example, some part time employees who may have been previously exempt because of the manner in which they were scheduled to work, may now qualify.

These requirements are minimum standards. They may have little or no impact on employers who provide superior holiday entitlements. For employees who are currently receiving the statutory minimum holiday benefit, federally regulated employers should review their policies and payroll practices to ensure compliance going forward. The next federal general holiday is April 3, 2015.

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