

Overtime



The law in each province and territory sets a standard work week, which establishes the point at which employees are to be paid at an overtime rate. The laws vary in their definition of the standard work week, and the overtime rate. Prior to establishing an overtime policy, review the employment standards requirements for your province.

Issues to be addressed by your overtime policy include:

- Who is eligible? In most jurisdictions, employers are not required by law to pay managers for overtime. It is important to note that simply calling an employee a manager does not make them a manager in the eyes of the law. Check the employment standards for your jurisdiction to find out how a manager is defined.
- What conditions apply? Can employees work extra hours if they feel it is necessary or is prior approval by the executive director required?
- How will employees be compensated? Once an employee works overtime as defined in the employment standards for your jurisdiction, how the employee is compensated is legislated by the employment standards. It is usually either time off in lieu or payment; both of these at the rate specified in the legislation and it is usually the employee's choice. In organizations with a work week that is shorter than the standard work week as defined by employment standards employees may work more hours than your organization's workweek, but compensating these overtime hours may not be covered by employment standards. Your policy on overtime should cover this grey area if it exists. Will employees be compensated at a rate of one hour for each hour worked, or time and one half for each hour worked? Will employees be given the choice of how they want to be compensated – of time off in lieu or payment?

Your organization's overtime policy must comply with legislation; provide your organization with the flexibility to get work done in special circumstances; and, fit within your budgetary constraints.

Overtime – Canadian Interuniversity Sport (PDF – 38KB)

- Covers only overtime
- Excludes employees in certain salary ranges from overtime pay and lieu time compensation
- Explains the process and guidelines for those eligible for overtime compensation
- Defines responsibilities and guidelines for approval