

# Overtime Policy



## **1. Purpose**

The purpose of this policy is to control labor costs by managing the expense of overtime pay to employees. This does not include exempt employees or employees under an averaging agreement. If your employment agreement is regulated by the Canada Labour Code, you are required to compensate employees at 1.5 times their regular wage for all hours worked more than eight in a day or 40 in a week.

## **2. Procedure**

\_\_\_\_\_ will pay time and a half to nonexempt employees who exceed 40 hours of work time in a workweek.

Paid leave, such as holiday, sick or vacation pay, does not apply toward work time.

The workweek begins at 12:00 a.m. on Sunday morning and ends at 11:59 p.m. on Saturday night.

Although employees are normally scheduled for a 37.5-hour workweek, overtime payments do not commence until the employee exceeds 40 hours in a workweek.

### **• Overtime Approval**

Supervisors are required to obtain approval from managers before the use of overtime. Employees anticipating the need for overtime to complete the week's work must notify their supervisors in advance and obtain approval before working hours extending beyond their normal schedule. Approval is required for hours that exceed 37.5 hours in a workweek.

### **• Mandatory Overtime**

During busy periods, the employer may require employees to work extended hours. Overtime is considered a condition of employment, and refusal to accept it when reasonable notice has been given is cause for discipline, up to and including termination.

## **3. Reporting and Reimbursement of Overtime Hours**

- **Payment of Overtime**

Employees of \_\_\_\_\_ who are required or permitted to work in excess of the standard hours of work are entitled to overtime pay of at least 1.5 their regular rate of wages.

- **Standard Hours of Work**

The standard hours of work for an employee will not exceed 8 hours a day or 40 hours a week or the number of hours established by regulations for the industry and class of employees in accordance with Section 175 of the Canada Labour Code (Code) subject to the provisions below.

- **03 Averaging**

Where the nature of the work necessitates that hours of work of certain employees be distributed irregularly resulting in those employees' having no regularly scheduled daily or weekly hours of work, or having regularly scheduled hours of work that vary in number from time to time, the company will calculate the hours of work for those employees in a day and in a week as an average over an averaging period of 2 or more consecutive weeks in accordance with Section 6 of the Code Canada Labour Standards Regulations (Regulations). In such circumstances, the standard hours of work, maximum hours of work, and overtime pay rate will be calculated in accordance with Section 6(6) to 6(13) of the Regulations.

- **Modified Schedules**

Higher maximum hours for unionized employees: \_\_\_\_\_ may set a work schedule requiring higher maximum hours for employees who are subject to a collective agreement if:

- The average hours of work for a period of 2 or more weeks does not exceed 48 hours a week; and
- The company and the trade union representing the employees affected agree to the work schedule in writing.

Higher maximum hours for non-unionized employees: \_\_\_\_\_ may set a work schedule requiring higher maximum hours for employees who are not subject to a collective agreement if:

- The average hours of work for a period of 2 or more weeks does not exceed 48 hours a week; and
- At least 70% of the affected employees approve the schedule.

Higher maximum hours to deal with emergencies: \_\_\_\_\_ may also cause or allow maximum work hours for a week to be exceeded to the extent necessary to prevent serious interference with ordinary working conditions of the establishment affect, in cases of:

- Accident to machinery, equipment, plant, or persons;
- Urgent and essential work to be done to machinery, equipment, or plant; or
- Other unforeseen or unpreventable circumstances.

- **Weeks Including Statutory Holidays**

Standard hours for weeks that include a statutory holiday (as that term is defined in the Code) will be reduced by the standard hours of work for the employee for the holiday. In calculating the time worked by an employee for such a week, no account

will be taken of any time during which the employee worked or was at the disposal of \_\_\_\_\_ during the statutory holiday.

Work schedules for a particular employee will be established by the employee's supervisor or manager and/or negotiated into the employee's employment contract or collective agreement. The work schedule will be created regularly for an established time frame and made available to all staff before the schedule's start date.

#### **4. Overuse & unauthorized Overtime**

- **Consequences of Overuse of Overtime**

Supervisors who authorize staff members to work overtime without prior approval from management will be subject to disciplinary action. Supervisors who continually rely on the use of overtime hours to complete a week's work without it being deemed as extenuating circumstances by management will be subject to disciplinary action.

- **Consequences of Unauthorized Overtime**

Employees who fail to obtain approval before working hours that extend beyond their normal 37.5-hour workweek will be subject to disciplinary action up to and including termination.