Paying Trainees Less than Minimum Wage



QUESTION:

Can employers pay a training rate for orientation that’s lower than minimum wage?

ANSWER:

Probably not but it’s a bit complicated. There are 2 parts to this question that must be answered separately:

- First, is the training or orientation “work” for the applicable employment standards?
- Second, if it is “work,” is it subject to the minimum wage in the particular jurisdiction?

EXPLANATION:

Most jurisdictions define work performed by an employee as any services performed for the employer. By this definition, any period of training or orientation would count as “work” since the “service” being performed is bringing an employee up to whatever standards are required to become fully qualified and productive, a clear benefit to the employer. Result: Such training or orientation would count as “work” for employment standards purposes.

Of course, to the extent it does count as work, the service would be subject to the minimum wage. However, in some jurisdictions there are lower minimum wages for employees who are newly hired.