Paying Wages Compliance Game Plan



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. Here are the 7 things you must do to comply with wage payment requirements.

Step 1. Make Wage Payments Within Maximum Interval Required

Wage payments must be made by no later than the maximum interval listed in the employment standards law. Maximum frequencies for paying wages vary by jurisdiction:

- 30 days: Alberta;
- Every month: Québec (managerial personnel), Saskatchewan, Northwest Territories, Nunavut;
- Semi-monthly: BC, Manitoba, Newfoundland, Nova Scotia;
- Every 16 days: New Brunswick, Prince Edward Island, Québec (non-managerial personnel);
- Pay day for pay period set by employer: Federal, Ontario, Yukon.

Several jurisdictions make exceptions allowing for longer pay intervals by order of the Employment Standards agency, an established payment custom or practice, and/or the terms of a collective agreement:

Table 1. Exceptions to Maximum Pay Interval Requirements—Wage Payments May Be Made Less Frequently via:

Govt. Permit or Order	Payment Custom or Practice	Collective Agreement
MB, NB, NS, NT, NU, PEI, QC	MB, NB, NS	NB, NS, PEI, QC

Source: Bongarde

Step 2. Pay Wages by Time Specified After Pay Period

Ends

Most jurisdictions also require that wages earned in the pay period be paid within a stated number of days after the pay period ends:

- 30 days: Federal;
- 10 consecutive days: Alberta;
- 10 working days: Manitoba;
- 10 days: Northwest Territories, Nunavut, Yukon;
- 8 days: BC;
- 7 calendar days: New Brunswick;
- 7 days: Newfoundland;
- 6 days: Saskatchewan;
- 5 working days: Nova Scotia, Prince Edward Island;
- Unspecified: Ontario, Québec,.

Step 3. Pay Wages in Cash, Cheque, or Other Accepted Mode of Payment

Wages must be paid in Canadian dollars using one of the 3 accepted modes of payment:

- Cash;
- Cheque drawn on a bank or other financial institution insured under the *Canada Deposit Insurance Corporation Act* (CDIC Act); or
- Direct deposit into an account in the employee's name in a CDICA-insured institution of the employee's choice.

Some jurisdictions have additional requirements for direct deposit. BC spells out that the employee must authorize direct deposit in writing or via collective agreement. In Ontario, the direct deposit account must be:

- In the employee's name.
- Only accessible to the employee or other persons he/she authorizes.
- At a bank located a "reasonable distance" from where the employee usually works (unless the employee waives that right).

Step 4. Properly Deliver Cash or Cheque Wages

Several jurisdictions have additional requirements for the timing, location, and/or method of payments made other than by direct deposit or mail, i.e., payments via cash or cheque:

- **Ontario:** Cash or cheque must be given to the employee at his/her workplace or other place "agreeable to the employee".
- **Québec:** Cash or cheque must be given directly to the employee on a working day at his/her place of employment.
- **Newfoundland:** Wages must be paid at the employee's: i. place of employment within his/her regular working hours or another mutually agreed time; or ii. normal residence via personal delivery or prepaid postage addressed to employee at that address.
- **Saskatchewan:** At employer's discretion, wages not directly deposited must be: i. paid to the employee during his/her working hours; ii. delivered to the employee's place of residence; or iii. sent to the employee by mail in an envelope addressed to the employee's place of residence.

Step 5. Furnish a Proper Pay Statement to Each Employee

When making wage payments, employers must provide each employee a statement listing certain information about the payment. You must provide the pay statement in writing. However, most jurisdictions (Newfoundland, Nunavut, Québec, and Yukon are the exceptions) specifically allow for electronic delivery as long as you furnish employees a secure and confidential method of viewing the electronic pay statement and making a paper copy.

Step 6. List All Required Information in the Pay Statement

Whether in writing or electronic, make sure the pay statement lists all of the information required by your jurisdiction's employment standards law, which typically includes:

- The pay period dates;
- The number of hours worked during the pay period, including overtime;
- The applicable wage rates, including overtime;
- An itemized list of the amount and reason for each deduction withheld from wages; and
- The actual amount of wages the employee receives.

The listed information rules for wage statements vary slightly by jurisdiction:

Table 2: Required Information in Wage Statements by Jurisdiction

Jurisdiction	Pay Period Dates	Hours Worked	Wage Rate(s)	Itemized Deductions	Actual Amount Received	Other
FED	√	√	√	√	√	
AB	√	√	√	√	√	• Each component of earnings paid • Time off instead of overtime pay provided + taken
BC		√	√	√	√	• Any money, allowance, or other payment employee is entitled to • Gross + net wages • Employer name + address • How wages calculated (if not hourly or salary) • How much money employee has taken from his/her time bank + how much remains
MB		√	√	√	√	
NB	√			√	√	• Gross + net pay
NL	√	√	√	√	√	
NS	√	√	√	√	√	
ON	√	√	√	√	√	• Gross wages • Any amount for room or board deemed to have been paid to employee (under ESA, Sec. 23(2))

Jurisdiction	Pay Period Dates	Hours Worked	Wage Rate(s)	Itemized Deductions	Actual Amount Received	Other
PEI	√	√	√	√	√	• Employer name + address • Employee name • Gross wages • Gross vacation pay being paid, if any • Gross pay in lieu of notice of termination being paid, if any • Any bonus, gratuity, living allowance or other payment employee entitled to
QC	√	√	√	√	√	• Name of employer + employee • Employee’s occupation • Number of hours of overtime paid or replaced by a leave with applicable premium • Type + amount of bonuses, indemnities, allowances, or commissions paid • Amount of tips reported by + attributed to employee for tax purposes
SK	√	√	√	√	√	• Employee’s name • Number of hours of overtime paid or replaced by a leave with applicable premium • Type + amount of bonuses, indemnities, allowances, or commissions paid • Hours of work for which payment made for wages, overtime + hours worked on a public holiday • Amount paid for wages, overtime + public holiday pay + work on a public holiday, vacation pay + pay instead of notice • Employment or category of employment for which payment is made
NT & NU	√	√	√	√	√	• Number of hours for which payment is made for any statutory holiday
YK	√	√	√	√	√	

Step 7. Retain Copies of the Pay Statement for as Long as Required

Some jurisdictions require employers to retain copies of the pay statement for a minimum period, which is typically from the date the statement is created:

- **2 years:** Northwest Territories, Nunavut.
- **3 years:** Federal, Alberta, Manitoba, Nova Scotia, Ontario.
- **4 years:** BC, Newfoundland.