

Payment of Wages Policy



PURPOSE

[Company Name] (“the Company”) is committed to compensating employees accurately, on time, and in accordance with applicable employment standards and other relevant legislation. This Policy outlines how employees are paid, including the timing, methods of payment, required documentation, and procedures for resolving any wage-related disputes.

SCOPE

This Policy applies to all full-time, part-time, contract, and casual employees of the Company who are covered by the relevant employment standards legislation in their province/territory of work or by the Canada Labour Code if they are federally regulated. In the event of a conflict between this Policy and local legislation, the greater right or benefit to the employee will apply.

DEFINITIONS

- **“Wages”**: Any monetary compensation owed to an employee by the Company for work performed, including salary, hourly pay, overtime, vacation pay, commissions, bonuses, or other forms of remuneration.
- **“Deductions”**: Any amounts withheld from an employee’s wages, including but not limited to statutory deductions (e.g., taxes, Employment Insurance, Canada Pension Plan contributions) and permissible voluntary or court-ordered deductions as allowed by law.

ELIGIBILITY

All individuals employed by the Company under a written or oral employment agreement are covered by this Policy. This includes permanent, temporary, part-time, and casual employees, as well as those working under federal or provincial/territorial employment legislation.

WAGE PAYMENT SCHEDULE AND METHODS

1. **Payment Frequency**: The Company will issue wage payments on a regular pay cycle (e.g., weekly, bi-weekly, semi-monthly, or monthly), in compliance with

applicable legislation.

2. Method of Payment:

- The primary method of payment is direct deposit to an employee's bank account.
- If direct deposit is unavailable, wages may be paid via cheque or another agreed-upon method, as permitted by law.

3. Overtime and Premiums: Where legislation prescribes overtime pay or additional premiums (e.g., holiday pay, shift differentials), these amounts will be calculated and paid in accordance with the respective employment standards.

WAGE STATEMENTS

- **Pay Stubs:** Every pay period, employees will receive a statement (electronic or paper) detailing the wage calculation, including regular hours, overtime hours, pay rate(s), statutory or voluntary deductions, and net pay.
- **Accuracy:** Employees are responsible for reviewing their wage statements and promptly reporting any discrepancies to [HR Department or Supervisor].

DEDUCTIONS

1. **Statutory Deductions:** The Company will deduct statutory amounts required by law (e.g., income tax, Employment Insurance, Canada Pension Plan).
2. **Voluntary Deductions:** The Company may deduct additional amounts authorized in writing by the employee (e.g., health benefit premiums, retirement plan contributions) if permissible under local legislation.
3. **Prohibited Deductions:** Deductions not expressly permitted by law (e.g., cash register shortages, property damage) will not be made from an employee's wages without lawful authority or the employee's informed, written consent where legislation allows it.

DISPUTES AND ERROR CORRECTIONS

1. **Reporting Errors:** Employees who believe there is an error in their wages must notify [HR Department or Supervisor] as soon as possible.
2. **Resolution:** The Company will investigate promptly and, if an error is found, will correct the discrepancy by the next pay cycle or as required by law.

RECORD KEEPING

- The Company will maintain accurate payroll records for each employee, in compliance with legislated retention periods.
- These records will include details of hours worked, wage rates, pay periods, deductions, and net pay.

COMPLIANCE AND ENFORCEMENT

- The Company complies with all relevant federal, provincial, or territorial legislation governing payment of wages.
- Any violation or suspected violation of this Policy or the applicable laws may result in corrective action, up to and including disciplinary measures.

NON-RETALIATION

The Company strictly prohibits retaliation against any employee who raises concerns about payroll accuracy or compliance with wage payment requirements. No employee

shall be penalized or disciplined for making a good-faith inquiry or complaint regarding wages.

POLICY ADMINISTRATION

The [HR Department/Designated Manager] is responsible for:

- Administering this Policy consistently.
- Staying informed about legislative changes and updating this Policy as necessary.
- Handling questions about wage payment procedures or compliance.

[Company Name]
Effective Date: [Insert Date]
Authorized by: [Name, Title]
Date: [Signature Date]

How to Use This Template

1. **Adapt and Customize:** Tailor the policy language to your organization’s specific pay cycle, methods of payment, and local legal requirements.
2. **Review with Legal Counsel:** Verify that the policy complies with applicable federal or provincial/territorial legislation, including minimum wage, pay frequency, and permissible deductions.
3. **Communicate to Employees:** Publish or share the final policy in an accessible format (e.g., employee handbook, intranet) and ensure managers are trained on its contents.

Table of Jurisdictional Differences

While each jurisdiction generally requires timely wage payments, the exact pay frequency, permissible deductions, and rules for final pay vary across provinces/territories and for federally regulated employers. Always check the most recent employment standards legislation for precise requirements...