Remote Work and Employment Standards and the Risk of Treating Employees the Same Across Provinces

Remote Work Did Not Erase Provincial Employment Standards

Remote work has made Canadian hiring more flexible, but it has also made employment standards compliance easier to get wrong.

A Toronto-based employer hires a software employee in Calgary, a customer service employee in Vancouver and a payroll specialist in Halifax. Everyone signs the same remote work agreement. Everyone follows the same vacation policy. Everyone appears on the same national holiday calendar. The manager schedules meetings based on Eastern time, payroll is configured through head office, and the handbook says employees are governed by the law of the province where the company is based.

That may feel efficient, but it can create risk. Canadian employment standards are not national by default. Most employees are covered by the employment standards legislation of the province or territory connected to their employment, unless they work for a federally regulated employer. That means a single remote team may include employees with different rules for overtime, statutory holidays, vacation pay, protected leaves, termination notice, wage statements, electronic monitoring disclosures and hours of work.

The issue is not whether employers should treat employees fairly. They should. The issue is that equal treatment across provinces can still be legally wrong if the employer applies one jurisdiction's minimum standards to everyone.

Statistics Canada's May 2026 Labour Force Survey shows why this issue is no longer temporary. In May 2026, 11.4% of employed Canadians worked exclusively from home and 9.8% had a hybrid arrangement. Remote work is down from pandemic peaks, but it is now a stable part of the labour market rather than an emergency exception.

For HR, the lesson is direct: remote work needs an employment standards operating model. A policy that tells people to stay productive from home is not enough. HR must know where employees actually work, which law applies, which payroll rules apply, and which manager practices need to change when the team crosses provincial lines.

Consistency Is Not the Same as Identical Treatment

HR professionals often aim for consistency, and that instinct is right. Employees should not feel that remote work rules depend on manager preference or who asks most persuasively. A consistent process helps prevent favouritism, confusion and employee relations problems.

But interprovincial remote work requires a more careful definition of consistency. The employer can apply one national standard only if that standard meets or exceeds the minimum requirements that apply in every relevant jurisdiction. If the national policy falls below one province's rules, the employer has not achieved fairness. It has created under-compliance.

The easiest example is statutory holidays. A remote employee in British Columbia may be subject to a different statutory holiday framework than an employee in Ontario or Alberta. A federally regulated employee may be subject to federal general holiday rules. If head office simply gives every employee the same holiday calendar, someone may receive less than the applicable minimum or be paid using the wrong calculation.

The same problem appears with overtime, vacation, leaves, electronic monitoring and termination. A national policy can still work, but HR must build it from the highest applicable standard or include jurisdiction-specific addenda. What HR cannot safely do is assume head-office law follows every laptop.

The Jurisdiction Question HR Must Answer First

Before approving remote work across provincial borders, HR needs to answer the jurisdiction question. Where does the employee actually perform work? Is the arrangement temporary or permanent? Has the employee moved without telling the employer? Is the employer federally regulated or provincially regulated? Is the employee attached to a particular employer establishment for payroll purposes? Do the employment agreement and remote work agreement match reality?

This is where HR should separate two related but different issues: payroll province of employment and employment standards compliance. CRA's province of employment guidance is important for payroll deductions. CRA explains that, where a full-time remote work agreement exists, employers must consider whether the employee can reasonably be considered attached to an establishment of the employer. CRA also lists primary and secondary indicators that may help determine the employer establishment for payroll purposes.

That payroll analysis matters for source deductions. But it does not automatically answer every employment standards question. Payroll province of employment does not by itself settle which vacation, overtime, statutory holiday, protected leave, termination or occupational health and safety requirements may apply. Those questions may require a separate employment law review.

This distinction is one of the most important compliance points for HR. Payroll may be correctly configured under CRA rules, while the employee's day-to-day management still violates an employment standards requirement in the province where work is performed. HR should not treat payroll setup as a complete remote work compliance review.

The Policies Most Likely to Break Across Provinces

Remote work does not usually break the entire handbook. It breaks the policies that depend on local employment standards, manager judgment or accurate employee location data. HR should start by reviewing the policies most likely to fail when employees work from different provinces.

The highest-risk areas usually include:

- Vacation entitlement, scheduling and vacation pay calculations.
- Overtime, hours of work, averaging, banked time and timekeeping.
- Statutory or public holidays, holiday pay and substitute holidays.
- Paid and unpaid protected leaves, including sick leave and family-related leave.
- Termination notice, statutory severance where applicable and final pay timing.
- Minimum wage, reporting pay, call-in rules and pay statement requirements.
- Electronic monitoring, privacy notices and technology-use disclosures.
- Remote work expenses, equipment, home office safety and working-alone arrangements.
- Accommodation, disability management and protected leave escalation.
- Recordkeeping, timekeeping and manager approval requirements.

Statutory Holidays Are the Easiest Place to Make Mistakes

Remote workers often notice statutory holiday differences before HR does. That is because holiday calendars are visible. Employees know whether their province recognizes a day, whether friends and family are off, and whether they were paid correctly.

British Columbia’s employment standards guidance says eligible employees are entitled to statutory holiday pay whether they work or take the day off, and the calculation is based on an average day’s pay using wages earned in the 30 calendar days before the holiday, excluding overtime. [3] Ontario uses a different public holiday pay framework, including a formula based on regular wages earned and vacation pay payable in the four work weeks before the work week containing the holiday, divided by 20. [4] Alberta’s general holiday guidance says Alberta Employment Standards cover employees who perform work in Alberta, which is a simple but important reminder for remote work arrangements.

A national employer may choose to give more generous paid holidays than required, but it still needs to know which statutory framework applies. If a remote employee works on a holiday recognized in their province but not at head office, the employer needs a process for deciding whether the employee works, takes the day off, receives holiday pay, receives premium pay or receives a substitute day.

This is why HR should not treat the holiday calendar as an administrative convenience. For distributed teams, the calendar is a compliance tool. Payroll, managers and employees should all know which holiday rules apply before the long weekend arrives.

Overtime and Hours of Work Need a Jurisdiction-Specific Review

Remote work can blur work time. Employees may start early to overlap with Eastern time, split their day around caregiving, answer late messages from another time zone, or work evenings after meetings interrupt the day. Managers may assume flexibility cancels overtime risk. It does not.

Overtime rules differ across jurisdictions. Alberta’s guidance refers to overtime after more than 8 hours a day or 44 hours a week, unless an exception or arrangement applies. B.C. employment standards identify standard work hours as eight hours in a day and 40 hours in a week, with overtime obligations subject to specific rules and exceptions. [7] Federally regulated employers also have their own hours of work requirements under Part III of the Canada Labour Code, including standard hours and recordkeeping obligations.

Those differences matter when one remote team spans multiple provinces. A manager may think a flexible schedule means employees can make up time whenever they want. But if the employee is non-exempt and works beyond applicable hours thresholds, overtime may still be owed. If time is not tracked accurately because the employee is salaried or remote, the employer may have a recordkeeping problem as well as a pay problem.

HR should make a clear rule: remote flexibility does not eliminate timekeeping. Employees who are eligible for overtime need a way to record hours, seek approval and report extra work. Managers need training so they do not create unpaid overtime through after-hours messages, recurring meetings outside normal hours or unrealistic deadlines.

Vacation and Leaves Cannot Be Managed From Head Office Assumptions

Vacation policies often look national because employers want one clean approach. That can work if the policy exceeds every applicable minimum, but many policies do not. Some explain entitlement based on head-office law, some refer vaguely to applicable employment standards, and some let managers decide scheduling without enough guidance.

Interprovincial remote work requires a more careful review. Vacation time, vacation pay, timing of vacation, carryover rules, protected leaves, sick leave, family responsibility leave, bereavement leave and domestic violence leave may vary. A remote employee in one province may have access to a leave that does not exist in the same form elsewhere. Another may be entitled to different notice or documentation treatment.

The problem is not always the policy language. It is often manager practice. A manager may deny a leave request because it does not exist under head-office rules, not realizing the employee is covered by another jurisdiction. Or a manager may approve time off informally without coding it correctly, leaving payroll and HR records incomplete.

HR should build province-specific leave references into the manager guide and HRIS. Managers should not be expected to know every leave across Canada, but they should know that remote employee location matters and that HR must review protected leave requests before denial.

Electronic Monitoring and Remote Work Need Privacy-Aware Governance

Remote accountability has pushed many employers toward digital monitoring. That may include login data, productivity software, device monitoring, location information, keystroke tools, screen capture, application use, meeting analytics or system access reports. These tools may be used for legitimate purposes, but they also create trust, privacy and employment standards issues.

Ontario is the clearest employment standards example. Employers with 25 or more employees in Ontario on January 1 must have a written policy on electronic monitoring before March 1 of that year. The policy must describe whether the employer electronically monitors employees and, if so, how and in what circumstances monitoring may occur and the purposes for which the information may be used.

That requirement does not prohibit monitoring. It requires disclosure. But HR should not treat disclosure as the whole analysis. Privacy regulators have warned that employers should use monitoring tools only for fair, appropriate and reasonably necessary purposes, should conduct privacy and algorithmic impact assessments where relevant, and should inform employees in clear language about monitoring tools and why they are being used.

For remote teams, the practical HR question is not simply whether monitoring is allowed. It is whether the monitoring is proportionate, disclosed, connected to a legitimate business purpose, understood by employees and used fairly. A policy that says the employer may monitor all systems is not enough if employees do not know what is actually being collected or how it may affect performance, discipline or employment decisions.

Termination and Final Pay Require Local Review

Termination is another area where identical treatment can create risk. Remote employees may be subject to different statutory notice, final pay, group termination, severance or recordkeeping rules depending on jurisdiction and employer type. A termination checklist built for one province may miss requirements in another.

This matters because terminations often move quickly. HR, legal and payroll may be focused on the business reason, the release, the communication plan and the manager conversation. If employee location is not checked early, final pay timing, statutory entitlements or notice language may be wrong.

A remote work compliance system should therefore require HR to verify work location, applicable employment standards, payroll province of employment and employment agreement language before termination decisions are finalized. This is especially important for employees who moved provinces during employment or were hired into roles described as remote from the start.

The issue is not only legal exposure. A termination package that appears to ignore the employee’s province can undermine trust, increase negotiation friction and create avoidable complaints.

The Manager Problem in Interprovincial Remote Work

Managers are often the weak link because they are trying to solve practical problems quickly. A valued employee asks to move from Ontario to Alberta for family reasons. A manager says yes because the employee is productive. Another employee wants to spend the summer working from British Columbia. A manager approves it as long as the work gets done. A team member asks to shift hours to align with Pacific time. The manager agrees informally.

None of those decisions may seem risky at the moment. But each can trigger payroll, employment standards, tax, privacy, safety or benefits questions. The manager’s informal approval may create a compliance obligation the organization did not evaluate.

HR should train managers on one simple rule: any change in work province or territory must be reviewed before approval. Managers do not need to know all the legal answers. They need to know when to pause and escalate.

Manager training should also address time zones, overtime, holiday calendars, response expectations, documentation, electronic monitoring and employee location changes. A remote work policy that managers do not understand will not protect the employer.

The Remote Employee Location Register

A practical solution is to create a remote employee location register owned jointly by HR and payroll. This does not need to be complicated, but it needs to be accurate and current. Many interprovincial compliance failures begin because the employer does not know where employees are actually working.

The register should track enough information to support payroll, employment standards, benefits, safety, privacy and manager decision-making. At minimum, it should include:

- Employee name, role, department and manager.
- Actual work province or territory and city, where appropriate.
- Whether the arrangement is temporary, hybrid, permanent remote or work from anywhere.
- Start date and expected end date of the arrangement.
- Employer establishment or reporting relationship used for payroll review.
- Payroll province of employment determination and review date.
- Applicable statutory holiday calendar and employment standards notes.
- Remote work agreement date and location-change approval language.
- Equipment, expense, privacy and monitoring disclosures.
- Health and safety or working-alone considerations.
- Next scheduled review date.

Remote Work Agreements Need Location-Control Language

A strong remote work agreement should not simply say the employee may work remotely. It should define the approved work location and require written approval before the employee changes province, territory or country. Without that language, HR may discover location changes only after a payroll issue, leave question or holiday dispute appears.

The agreement should also explain that approval of remote work is conditional on role suitability, business needs, payroll compliance, employment standards compliance, privacy, cybersecurity, health and safety, benefits and tax review where applicable. If the arrangement is temporary, the agreement should include an end date or review date.

This does not need to make the policy hostile. Employees can understand that work location affects compliance. The message should be practical: the organization supports remote work where it works, but it must know where work is being performed so it can meet legal, payroll and operational obligations.

The agreement should also state that failure to disclose a material location change may lead to corrective action. That is not because HR wants to police every movement. It is because unapproved location changes can create real risk for both the employee and employer.

A National Policy Can Work If It Is Built Correctly

Canadian employers do not necessarily need a separate handbook for every province. A national policy can be effective if it is built with jurisdictional differences in mind.

There are two common approaches. The first is to create a national baseline that meets or exceeds the highest minimum standard across all jurisdictions where the employer has employees. That approach is simpler for employees and managers, but it can be more costly. The second is to maintain one national policy with jurisdiction-specific addenda for holidays, leaves, overtime, vacation, monitoring and termination. That approach can be more precise, but it requires stronger administration.

Whichever approach HR chooses, the policy must be operational. It should tell managers when location matters, who approves exceptions, what payroll must review, which employment standards rules are jurisdiction-specific, how time is tracked, how holidays are assigned and what employees must disclose.

A policy that says employees will receive entitlements "as required by applicable law" is legally cautious but operationally weak. Managers need to know how to identify the applicable law and when to call HR.

What HR Should Audit Now

An interprovincial remote work audit should start with employee location and then move through the policies most likely to break. HR should not wait for an employee complaint or payroll correction before doing this review.

The audit should ask:

- Do we know where every remote employee actually works?
- Has any employee moved province or territory without a formal review?
- Are remote work arrangements temporary, permanent or undefined?
- Does payroll have a current province of employment determination?
- Do our holiday calendars match the employee's applicable jurisdiction?
- Are overtime and hours of work tracked correctly for non-exempt remote employees?
- Do our vacation and leave policies meet the applicable minimums?
- Do managers know when to escalate protected leave and accommodation requests?
- Do electronic monitoring policies and privacy notices match actual tools in use?
- Do termination checklists require jurisdiction review before final pay is processed?
- Are remote work agreements current and signed?
- Do employees understand they must disclose location changes before they happen?

The Interprovincial Remote Work Compliance Framework

HR can manage this risk through a practical framework. The purpose is not to make remote work impossible. The purpose is to make it governed.

1. Confirm where every remote employee actually performs work.
2. Separate occasional remote work from permanent interprovincial remote work.
3. Confirm whether the employee is provincially or federally regulated.
4. Review payroll province of employment separately from employment standards obligations.

5. Map vacation, overtime, statutory holiday, leave and termination rules by jurisdiction.
6. Update remote work agreements to require approval before location changes.
7. Train managers not to approve interprovincial moves informally.
8. Audit payroll, timekeeping, holiday calendars and leave administration for remote employees.
9. Review electronic monitoring, privacy and cybersecurity disclosures.
10. Reassess whenever the employee moves, the role changes or the law changes.

What HR Should Not Do

HR should not assume that remote work location is a personal detail with no compliance impact. It directly affects payroll, employment standards, benefits, safety and privacy. HR should also avoid assuming that head-office law governs everyone, that payroll configuration settles employment standards questions, or that a national policy automatically exceeds every local requirement.

HR should not let managers approve interprovincial work arrangements in side conversations. That creates inconsistency and makes it harder to correct problems later. HR should also avoid overcomplicating the process so much that employees hide location changes. A clear and reasonable approval pathway encourages disclosure.

Most importantly, **HR should not confuse fairness with sameness.** Employees can be treated fairly under different legal rules if the process is transparent, documented and compliant.

The HR Takeaway

Remote work did not erase provincial employment standards. It made them easier to miss.

Canadian HR teams can no longer assume that all employees in a remote team are governed by the same rules because they report to the same manager, use the same systems or attend the same virtual meetings. Work location still matters. Payroll location matters. Employment standards jurisdiction matters. Manager practice matters.

Treating remote employees consistently does not mean treating them identically. It means using one disciplined process to identify which rules apply, documenting the approved work location, training managers to escalate location changes, and building policies that respect provincial differences without creating unnecessary confusion.

The employers that manage this well will not be the ones with the longest remote work policies. They will be the ones with the clearest location data, the strongest manager rules and the most practical connection between HR, payroll and employment standards compliance.

Remote work can remain a powerful retention and recruiting tool. But it needs a compliance system that follows the work wherever the employee performs it.