Source Deductions Authorized by Employment Standards Laws



When employees consent to voluntary withholding's from their pay, the collective agreement, contract or other document in which the consent is contained should address what, if anything, employers can do to make up for missed deductions.

Source deductions are allowed in all jurisdictions:

- Where required by federal law for programs like federal income tax, EI and CPP;
- Where required by law for programs like provincial income tax, QPP and QPIP;
- Where required under court order; and
- Where authorized by a collective agreement.

In addition to these things, the employment standards laws of several jurisdictions allow source deductions for specific purposes as summarized below:

FEDERAL: a. Where authorized in writing by employee; b. For overpayments of wages by employer; c. Employees may not authorize source deductions for property damage or loss or loss of money if somebody other than the employee had access to the missing or damaged property or money.