

Vacation Policy – Federal



1. POLICY

ABC Company provides employees paid vacation and vacation pay as required by the *Canada Labour Code* (“Code”), and *Canada Labour Standards Regulations* (“Regulations”). The provisions set out in this Policy reflect the minimum vacation benefits that an employee is entitled to receive under the Code and Regulations. While employees will receive nothing less, ABC Company may grant employees compensation and benefits that are more generous than those required by this Policy under the terms of collective agreements and individual employment contracts with employees.

2. SCOPE

This Policy applies to employees who are covered by the Code. It does **not** apply to employees who are:

- Listed in the Regulations as being exempt from the Code or a part of the Code on which a particular Section of this Policy is based; or
- Employed in an industry that is subject to specific employment terms and conditions under the Regulations.

3. DEFINITION

For purposes of this Policy:

“Year of employment” means continuous employment with ABC Company:

- For 12 consecutive months starting with the date employment begins or any anniversary date thereafter; or
- For a calendar year or other year determined by the company in accordance with Section 183(b) of the Code (and Sections 12 and 13 of the Regulations).

4. VACATION ENTITLEMENT

Employees are entitled to and will be given a vacation of at least:

- 2 weeks if they've completed at least one year of employment with ABC Company;
- 3 weeks if they've completed at least 5 consecutive years of employment with ABC Company; and
- 4 weeks if they've completed at least 10 consecutive years of employment with ABC Company.

5. VACATION PAY ENTITLEMENT

Employees are entitled to and will be given vacation pay of (this Policy will refer to the below applicable amount as "vacation pay"):

- 4% of their wages during the year of employment for which they're entitled to the vacation;
- 6% of their wages during the year of employment for which they're entitled to the vacation, if they've completed at least 5 consecutive years of employment with ABC Company; and
- 8% of their wages during the year of employment for which they're entitled to the vacation, if they've completed at least 10 consecutive years of employment with ABC Company.

6. HOW & WHEN EMPLOYEE MUST TAKE VACATION

Employees must take the vacation granted to them under this Policy only in one period, unless the employee makes, and ABC Company grants, a written request to take vacation in more than one period. Vacation must begin no later than 10 months immediately following completion of the year of employment for which the employee became entitled to the vacation. Unless there's an agreement between the employee and ABC Company otherwise with regard to when the vacation may be taken, ABC Company will give the employee at least 2-weeks' notice of the start of the employee's annual vacation.

7. HOW VACATION PAY WILL BE PAID

Employees will receive vacation on either:

- A day that's within 14 days before the day on which the vacation period begins; or
- A regular pay day during or immediately after a vacation period if (i) it's not practicable for ABC Company to meet the above 14-day deadline, or (ii) it's an established practice in the industrial establishment to pay vacation pay or a proportion of vacation pay on the regular pay day during or immediately following a vacation period.

Where vacation is taken in more than one period, vacation pay will be paid out proportionally during each period; where vacation is taken in one period, employees will receive vacation pay all at once during the period.

Vacation pay will be considered wages for purposes of determining the respective parties' rights and duties under this Policy, the Code and Regulations.

8. NOTIFICATION OF YEAR OF EMPLOYMENT

At least 30 days before determining a year of employment for purposes of vacation, ABC Company will notify all affected employees in writing of:

- The year of employment start and end dates; and
- The method of calculating the length of vacation and amount of vacation pay for a period of employment with Company that lasts less than 12 consecutive months.

9. VACATION OF EMPLOYEES WITH LESS THAN 12 MONTHS' EMPLOYMENT

If ABC Company determines a year of employment in accordance with this Section, it will, within 10 months after the start date or after each subsequent anniversary date, as the case may be, of the determined year of employment, grant a vacation with vacation pay to each employee with less than 12 months of continuous employment at that date equal to the number of weeks of the employee's vacation entitlement under Section 5 above divided by 12 and multiplied by the number of completed months of employment from and including:

- The date employment began, for an employee who started after the start date of the year of employment.
- The start date of the year of employment previously in effect, for all other employees.

10. WAIVER OR POSTPONEMENT OF VACATION

Employees may, by written agreement with ABC Company, postpone or waive their entitlement to an annual vacation for a specified year of employment. If an employee waives annual vacation, ABC Company will provide the employee their vacation pay within 10 months after the end of the specified year of employment.

11. GENERAL HOLIDAYS DURING A VACATION

ABC Company will extend an employee's vacation period by one day for each general holiday that occurs during the employee's vacation and also pay the employee the wages to which they are entitled for such general holiday.

12. INTERRUPTION OF VACATION

Employees may interrupt their vacation granted to take a maternity, parental or reserve leave of absence or day(s) of medical leave to which they're entitled under the Code, provided that they give ABC Company written notice of the interruption before or as soon as possible after the interruption begins, along with written notice of the day on which they resume their vacation before or as soon as possible after that day.

13. PAYMENT IF EMPLOYEE IS TERMINATED

ABC Company will pay to any employee whose employment is terminated, within 30 days

after the day on which the employee ceases to be employed:

- Any vacation pay then owing for any prior completed year of employment; and
- The applicable percentage of wages during any part of the completed portion of their year of employment in respect of which vacation pay hasn't been paid to them.