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Focus

When the Summer Arrives Employee Attention Heads South

Use these 6 tips to keep your employees focussed during the summer months.

There is something about summertime that turns many an employee's attention out the door. According to a 2012 survey from Captivate

Network, a leading digital media company in North America, 'summer hours are bad for business'. In a survey of 600 US and Canadian white-collar workers, 45% reported they were more distracted in the summer. They further reported

that workplace productivity dropped by 20%, attendance by 19%, and project turnaround time increased by 13%. More than half of all employees who reported decreases in productivity also reported increases in socializing, longer lunch breaks,

and heading home early.

Strategies for Increasing Workplace Focus During Summer

'Summer hours' are one of the most popular methods of addressing summertime distraction; working extra hours 4 days a week to leave early on Friday, or coming in early and then leaving early are among the most popular. The survey found these methods correlated to the same decreases in productivity as when no summer hours were offered.

The only summer hour option that produced positive results was telecommuting for part of the workweek; workers reported less loss of productivity and, in fact, 26% reported an increase in productivity.

If You Cannot Beat Them, Join Them!

If summer hours are not the solution, then what is? Consider why employees are distracted. In Canada, the window for a sunny summer is often only 3 to 4 months out of the year, and this becomes a time when employees tend to socialize and relax more. It naturally follows that this tendency will spill over into the workplace. The question to consider is how can you address these expectations in managed way.

- **Managed Socialization:** Create opportunities for everyone to share their stories collectively in a regular team or company meeting. This can reduce the amount of time the same stories are shared throughout the week.
- **Manage Lunch:** Once or

twice per week, cater a cold lunch and/or schedule a communal lunch. Set the communal time for only 20 to 30 minutes. This brings employees together for a defined duration to socialize.

- **Manage Meetings:** For meetings of 4 or fewer people, consider walking and talking outside. Keep them brief, no more than 20 minutes, and have a clear purpose. End them with specific tasks to be implemented upon return.
- **Manage Summer Hours:** Your employees may be disappointed if you take away summer hours. Consider only one week of summer hours per month. This provides the reward but does not create an atmosphere where every week is a holiday.
- **Manage The Workweek:** There is a growing body of research that a 4 day, 10 hour per day workweek can have a positive impact on productivity. You may choose to offer this option to employees one week out of the month.
- **Manage The Environment and Be Present:** Absences by management including their own vacation and flextime often contribute to a lack of focus in the workplace. Ask managers to check in with staff and generally be present during the lazy days of summer, particularly after lunch and towards the end of the day.

Embracing summer does not need to mean accepting lower

productivity and increased distraction. Understand the problem and work from within to maintain a productive atmosphere over those summer months.

Down Time

What Happened to the Canadian Vacation?

Canada is a beautiful country. According to a 2010 Ipsos Ried survey titled **'Canadians Take Advantage of Summer Vacation by Enjoying Some Down Time'**, 24% of Canadians say their favourite summer vacation involves staying home and enjoying their own city (a staycation). 23% of Canadians prefer to stay at a cottage by the 'lake'. Travelling around Canada is the next preferred option, as 17% take trips to another city in Canada, and 18% head out to a provincial park or into the wilderness. That leaves 18% of Canadians seeking to vacation in the world beyond Canadian borders.

There are many reasons why **82% of Canadians vacation within Canada**. It can certainly be easier, convenient and less expensive to 'stay home', especially if you have a family and some pets. Not only is Canada beautiful, it is vast with many places to explore. Heading out with family and friends to a provincial park or even driving across the country can be easy ways to change your surroundings and refresh your senses.

The often-cited 2011 Mercer 'Employee Holiday Entitlements Around the World' report ranked Canada 47th out of 62 countries in terms of our statutory

allotment of paid holidays. All vacation days combined Canadians receive an average of 19 days of mandatory paid vacation per year. That was lower in comparison to many countries in Africa and Europe where vacation allotment ranged between 25-30 days and worse than countries like China, Thailand and the Philippines (who provide between 20-22). Canada has 5 Federal stat holidays and Provincial holidays range from 0 to 7 with 4-5 being the average.

In addition to statutory holidays, each province has rules governing mandatory minimum vacation entitlements provided by employers (Ontario for example mandates 10 days) with employers providing between the minimum and up to 6 weeks in rare cases for long-standing employees. All of this is based on full-time employment so those working less or self-employed generally get less.

In 2005 the 4th annual Vacation Deprivation Survey from Expedia.ca and Ipsos Reid revealed that average employer vacation allotment in Canada had been shrinking steadily from 21 days in 2002 to 19 in 2005. Fast-forward to 2012 and 10th annual Vacation

Deprivation Study (this time Expedia.ca partnered with Harris Interactive for the survey) revealed that number has gone down to 15 days.

Over the last decade we learned that Canadians were among the most unlucky people in the vacation day lottery. Many Canadians did not even take a full allotment. A decade ago, 33% of Canadians did not take the vacation days they were entitled to. This trend has continued for many years, though it recently dipped to 19% in 2012 (across the Prairies the number was higher at 25%). In congruence with these statistics, many Canadians reported that they highly valued vacation days and 20% said they would even take less salary for more vacation days.

According to the '2013 Work Stress Survey' by Harris Interactive, 8 in 10 workers said they were stressed out on the job as a result of workloads and less wages.



Going Beyond

Top Companies Go Beyond Minimum Vacation Requirements

Savvy HR directors know just how important a good vacation package is to hiring and recruiting and how the perception of ungenerous vacation terms can cause organizations to lose top people. The 2 key questions for HR:

1. How much vacation time must an organization offer?
2. How much, if any, additional

time should an organization offer to compete effectively in the current market?

Legislative Minimum Vacation Across Canada

Provincial/territorial/federal employment standards set the minimum paid vacation Canadian employers must offer their employees. (Click here to find out what the minimum vacation pay requirements are

in your province.)

Coverage: Full-time, part-time, temporary, seasonal, term contract and student employees are eligible for vacation under employment standards laws. Each jurisdiction also exempts certain jobs from vacation requirements. For example, in Ontario, people participating in certain work experience programs, police

officers, inmates of correctional institutions and people holding political, religious or judicial offices aren't covered by the ESA vacation requirements.

Vacation Time: The general rule in most of the country is that employees must receive at least a 2-week paid (4%) vacation after 1 year of employment. In Sask., employees are entitled to a 3-week paid vacation (6% of annual pay) after 1 year and 4 weeks after 10 years (8% of annual pay).

Ontario, PEI and Yukon don't require employers to increase vacation beyond the minimum after a prescribed period of service. Other provinces and federal ESA laws mandate an additional week of paid vacation after service ranging from 4 years (Alberta) to 15 years (Newfoundland).

Vacation Pay: It's important to distinguish between vacation time and vacation pay. An

employee becomes entitled to vacation time off after 1 year of service but accrues vacation pay from the very first day of employment. Each jurisdiction has different rules on whether vacation pay can be paid in lieu of time off.

What's Included in Vacation Pay:

Simply paying an employee's regular salary when he's off work may not result in a correct calculation of vacation pay. For example, under the Ontario Employment Standards Act "wages" to which an employee is due for vacation days include not only regular salary but also other payments to employees such as:

- Overtime pay;
- Public holiday pay;
- Allowances for room and board;
- Non-discretionary bonuses related to an employee's hours of work, productivity

or efficiency;

- Profit sharing bonuses; and
- Commissions.

The Market: Vacation Employers Are Actually Offering

Of course, while you can't offer less vacation than the ESA minimum, you can offer more. And, in fact, many employers do. So while you need to know the legislative minimum to comply, it's also essential to know what other organizations are offering to compete.

The 2010 Towers Watson Benefits Data Source Statistical Summary of over 300 employers provides some excellent insight into the number of vacation days actually being offered to employees after particular lengths of service that you can use to gauge the competitiveness of your own current vacation package:

AMOUNT OF EMPLOYEE SERVICE	VACATION DAYS OFFERED
After 1 year of service	1-10 days (42% participants) 11-15 days (51%)
After 3 years of service	11-15 days (68%)
After 5 years of service	11-15 days (73%)

The survey also reveals significant differences in how companies deal with employee requests to carry over vacation days to the next year:

- 24% deny such requests;
- 26% approve such requests upon supervisor approval;
- 46% allow employees to carry over only a limited number of unused vacation days; and

- 4% allow employees to carry over all unused vacation days without limitation.

Top Employers Even More Generous With Vacation

A review of the vacation and personal leave policies of several randomly selected companies on the [2012 list of Canada's Top 100 Employers](#) also confirm that many award-winning organizations exceed

statutory minimum vacation requirements. For example:

- Adobe Systems Canada: 4 weeks after employee's first year + 3 extra days between Christmas and New Year;
- Bank of Canada: 3 weeks of vacation after 1 year, increasing to 4 weeks after 8 years;
- Carswell: 3 weeks' vacation after 1 year and 4 weeks



- after 5 years;
- Toyota Motor Manufacturing: 2.8 week vacation allowance after 1 year with vacation increases after 3 years + 5 personal days per year; and
- VanCity: 3 weeks' vacation after 1 year and 4 weeks after 4 years + 6 personal days per year.

Some Canadian companies like The Social Media Group and [RL Solutions](#) have even gone so far as to introduce unlimited vacations. Do people at the Social Media Group abuse the program? Not at all, says CEO Maggie Fox. "We work hard and play hard. I hire people who do great work. If I hire someone who takes advantage of the program, it's my problem,

because I've made a bad decision."

Letting Employees Buy and Sell Vacation via Flex Plans

Another way companies can give their employees the opportunity to up the vacation ante is to include buying and selling of vacation days as options in flexible benefits or "cafeteria" plans.

Caveat: A flex plan that allows buying and selling of vacation days must be carefully structured so it doesn't trigger tax rules prohibiting deferral of compensation. [The Canada Revenue Agency's Interpretation Bulletin IT-529](#) says flexible programs must stipulate that any time off purchased with

flexible credits or salary cannot be carried forward from one year to the next because such carryovers would result in a prohibited salary deferral. Unused days must either be cashed out within the year they are purchased, or forfeited, according to the CRA.

CRA IT-529 also stipulates that when vacation days are sold, the amount credited to the plan is taxable in the year of sale. In addition, plans that permit aggressive selling of vacation days could be in violation of minimum vacation requirements under labour standards laws (see above).

Based on several recent studies undertaken by Mercer Consulting, Mercer partner Brian Lindenberg says that 15% to

20% of traditional flex plans in Canada allow for some degree of vacation buying and selling.

However, Lindenberg suggests that few new flex plans offer this option because most people don't want to sell the vacation they already have, and in the current economy few plans offer enough additional flex credits to purchase more vacation. Furthermore, more employers are offering other forms of flexibility such as flexible working hours and part-time work to support employee work/life balance.

Paid Time Off (PTO) Plans

PTO plans are U.S. arrangements that aggregate various types of paid leave. Thus, for example, an employee entitled to 10 paid holidays, 2 weeks' vacation, 2 personal days and 8 sick leave days per year, could instead be credited with a bank of up to 30 days of paid time off that can be taken for any purpose. A [2010 WorldatWork survey](#) shows that 40% of participating U.S. companies (up from 33% in 2006) offer PTO (paid time off) plans as an alternative to a traditional approach with separate vacation time, sick time, and personal time.

Although they're rooted in U.S. tax laws, U.S. companies with cross-border operations might want to offer the PTO arrangements provided to their U.S. employees to their Canadian employees so as to ensure consistency in benefits packages. However, importing PTOs into Canada can be problematic because employees in this country must still receive the minimum vacation required

plus all statutory holidays under Canadian employment standards law. Staying within both sets of national requirements requires carefully tracking the purpose for which PTO days are taken — additional administrative complexity that can undermine the very purpose for which PTO banks were initially developed.

Another option is to exclude statutory holidays from the PTO bank and simply characterize the total time allocated under the PTO program as vacation. To avoid potential pitfalls and ensure they remain in compliance with local employment standards, Canadian employers contemplating the introduction of a PTO plan should seek legal advice.

Good Research, Good Design

Designing the right vacation plan for your organization may initially appear to be simply a matter of complying with legislated minimum requirements. However, further study shows that many other factors must be taken into consideration to ensure that you get it right. Good research will help you develop a well-designed vacation plan that will facilitate both attraction and retention of the skilled employees you need to run a successful organization.

Sample Policy Vacation Requests

Use this tool to manage employee vacation request and inform your employees of your policies regarding requesting vacation time.

[DOWNLOAD](#)

Sample Vacation Policy

All employees of Genome Canada are entitled to a period of vacation leave as well as other types of leave as defined in the Vacation and Leave Policy. The policy reflects Genome Canada's responsibility to provide a work environment for its employees which is based on fairness, equity and recognition of work/life balance.

[DOWNLOAD](#)



AWOL

How Much Leave Is Too Much Leave?

Across the country there are many provisions that allow employees to take leave from work. There is vacation and sick leave, personal emergency, bereavement, maternity and parental, family responsibility, compassionate care and reservist leave. Even leaving work for lunch or dinner may be considered 'leave'.

Additionally, at their discretion, organizations may choose to grant employees leave, usually unpaid leave, for education and other reasons. Allowable leave varies across Canada with each province and territory providing different options and differing amounts of time.

Many organizations will also offer flexible work structure allowing employees to come and go without permission as long as their work is

completed in a timely manner. In these instances, employers may not notice an employee's absence unless work is left unfinished.

AWOL: Absent With and Without Leave

In most circumstances, available leave is first requested and then approved. If an employee wants to attend a child's performance at school, attend a funeral, or if an employee is injured or ill, a request for leave must be approved.

However, there are instances outside of a flexible work structure in which an employee may leave work without approval. In Ontario, for example, an employee may leave work in an emergency situation. Every jurisdiction in Canada has different provisions, so it is important that you understand your own jurisdiction's

Employment Standards. For example, only 8 of 12 jurisdictions provide some form of paid and unpaid sick and/or personal leave.

How Much Leave Is Too Much?

With the availability of many options for leave, an employer may find that an employee can potentially be away from work for a significant amount of time. How much leave is too much leave? Depending on your jurisdiction, it is possible for an employee to be away for legitimate and approved 'leaves of absence' for weeks at a time.

However, this does not mean you cannot discipline or terminate an employee whose absences are disruptive and impact performance. When absences, including illness and injury, 'frustrate the contract' or

are 'detrimental to the business,' an employee may be eligible for discipline or termination.

To 'frustrate the contract,' you need to demonstrate that the employee is no longer capable or will not be capable of performing the job for an extended period of time. Employees who are considered 'detrimental to a business' include those who fail to show up for work for an extended period of time, or in a recurring pattern such that the business is harmed in the process.

These options are complicated by the question of accommodation. When disability or family statuses are reasons for leave, an employer must first make reasonable efforts to accommodate these prior to termination.

When AWOL (absent with and without leave) Impact Performance

If you observe a pattern of excessive leave and/or becoming aware of performance and productivity problems, this may be a reason to investigate what is going on with this employee.

Clarify and Communicate Your Policies: Within your policies you should identify the amount of absences that trigger intervention. For example, 5-10 days of both culpable and non-culpable absences in a row or in a total in a quarter may be enough to trigger an intervention. A culpable absence is one where the employee fails to show up for work with no legitimate reason. A non-culpable absence is one beyond the employee's control, such

as disability or illness, including when the employee is ill, injured, or caring for a family member who is ill or injured.

2-3 times the norm: Generally a good rule of thumb is to identify an amount of time that is above the average in your organization –for example, twice or three times the normal average of other employees. You can use these numbers to evaluate the absence rates of certain employees. When your absent employee hits 85% of the norm, it might be time to have a conversation. At 200% of the norm, discipline may be required. If you have difficulty establishing norms, consider using Stats Canada data as a guideline.

Intervention and Management

Tracking and Early Intervention:

Before absences become a problem, track leave formally and report it on the employer's pay slip or other regular notification. This also provides you with the evidence you will need to support a decision of termination.

Verification: If you become concerned about excessive leave, take active steps to investigate. Verification involves requiring notes and certificates from physicians, psychologists, or other parties relevant to the reasons for the employee's absence.

Return-To-Work Management

An employee who has taken approved leave, failed to return after leave, or has taken unapproved leave may need intervention to successfully return to work. Sometimes

an employee is not ready to return to work or needs extra support. A return-to-work policy and program can help an employee integrate back into the workplace.

Determine Your Plan

The bottom line concerning leave of absences is that you should establish expectations early and monitor employees if they fall below those expectations. How much leave is too much will often be determined by your workplace expectations and norms and impact on the workplace. It is vitally important that you track, monitor and communicate with an employee. If you must discipline and terminate an employee for taking too much leave, you will need to demonstrate efforts to accommodate and support the employee and have a process of discipline in place before taking action



Case Studies

Can You Make Employees Reschedule a Vacation at the Last Minute?

Sometimes employers approve an employee's vacation request weeks or even months in advance and then ask the employee to cancel her plans at the last moment. Things change. Business picks up or maybe another worker quits or is out sick. Suddenly, the company can't afford to be without the employee even for a short time.

Can employers force employees to reschedule their vacations? The general rule: Absent an express policy or contract clause to the contrary, employers can't require an employee not to take an approved vacation. But there are exceptions. The cases below illustrate the factors courts use to determine whether employers can force an employee to scuttle her

vacation plans at the last minute even if there's no written contract or policy giving the employer this right.

Employer Loses

An operations manager for a small company requests a two-week vacation months in advance so she can visit her family in Barbados. Her employer approves and she books two plane tickets. But

a week before the trip, the boss tells her to postpone her vacation or cut it short a week. A hurricane at another plant has completely undermined schedules and the company can no longer cover for the manager's absence. The manager tells the boss that the airline tickets aren't refundable. He promises to reimburse her ticket, but not her husband's. So she goes on the vacation anyway. When she returns, there's a paycheque waiting for her with her Record Of Employment indicating that she "quit." She sues for wrongful dismissal.

Decision

The Ontario Superior Court rules that the manager was wrongfully dismissed and orders the employer to pay her \$50,000 in lieu of notice.

Explanation

The court based its decision on two factors:

1. Employer approved

vacation in advance. The court acknowledged that taking an unauthorized vacation could amount to willful disobedience justifying summary dismissal without pay. But this vacation wasn't unauthorized; it was approved. Vacation time is a "very important benefit" which "should not be interfered with lightly," the court said.

2. Employer should have made contingency plans. Even though the employer didn't foresee the hurricane when it approved the manager's vacation request, it was "unfair and unreasonable" to expect her to change her plans at the last minute and at her own expense because

of the disaster. The employer should have had contingency plans to provide coverage in case of an emergency, the court reasoned.

Watson v. Summar Foods Ltd., [2006] CanLII 38233 (ON S.C.), Nov. 14, 2006

Employer Wins

Facts

A regional EI officer with HRSDC has requested and received the same four weeks of July and August off for nine years in a row. She assumes she'll get the same time off this year. But she's in for an unpleasant surprise. HRSDC has decided to implement a new policy of allowing employees to take only three consecutive weeks in July and August, the agency's busiest months. The officer files a grievance, arguing that HRSDC can't change its longstanding practice and that unilaterally implementing the new vacation policy violates the collective agreement.

Decision

The Public Service Labour Relations Board dismisses the complaint.

Explanation

The Board applied the same factors as the Ontario court in *Watson* but with a different result:

Past approvals didn't amount to approval of current request

Past practices—no matter how many—didn't guarantee future approvals of similar vacation requests. The employer informed its employees a few weeks before the summer started that it was implementing

a new vacation policy; and it never made any promise to treat future vacation requests the same way that it had treated them in the past.

Employer's refusal was part of company contingency plan.

Unlike the employer in *Watson*, HRSDC created its new policy to meet existing service levels during peak periods. The agency recognized the need to give employees a break and found a fair way to do it: by limiting the number of consecutive vacations weeks each employee could take. This wasn't a case of a last-minute fix to make sure the agency would run smoothly. The new policy was applied in advance and to all employees across the board.

Lisett Pronovost v. Treasury Board (Dep't of Human Resources and Skills Development), 2007 PSLRB 93, Aug. 31, 2007



Keeping Up Morale

Beating the Post-Vacation Blues

Although post-vacation blues is not officially recognized by the American Psychological Association, it is a condition that seems to affect many of us. Why? When we're on vacation – whether we travel or not – we escape our daily routines. We indulge ourselves and adapt a more a flexible lifestyle. Returning to the reality of work is a shock.

According to an experiment published in the *Journal of Applied Psychology* (August 1997), study participants returned to their pre-vacation burnout level just three weeks after returning from vacation.

These 5 tips may help you postpone the stress:

1. Return to an orderly desk

Before you leave, create a first-day-back to-do list.

2. Take an extra day off

Tell people you're returning to work a day later than you actually are. This will give you a chance to catch up on emails and voice mails, and organize the paper that accumulated during your absence.

3. Avoid Monday

Return to work on a Tuesday. This will shorten your first week back and let you avoid the Monday blahs.

4. Recover from your vacation

If you're going out of town for your vacation, try to have at least one day home after your trip to ease back into your routines.

5. Maximize your time off

A survey conducted by Steelcase found that 43% of respondents still did some kind of work-related tasks while on vacation. Try to set some boundaries around the work that you'll do while away. Don't announce to your boss and co-workers that you're available at any time. And if you simply must check your email from the cottage, limit it to 30 minutes per day.

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