

# EMPLOYMENT STANDARDS FACT SHEET

# HOURS OF WORK AND OVERTIME COMPENSATION

## Hours of Work

### 1. Is there a limit to the number of hours that an employee may work in a day?

Yes. Work must be confined within a 12 hour period that includes lunch and rest breaks, except where:

- an accident occurs, urgent work is necessary to a plant or machinery, or other unforeseeable or unpreventable circumstances occur; or
- the Director of Employment Standards issues a permit authorizing extended hours of work.

### 2. What rest days are employees entitled to?

An employer must provide at least one day of rest each week; however, up to 24 consecutive days may be worked provided they are followed by at least four consecutive days off.

### 3. What rest periods are employees entitled to?

An employer must allow each employee a total of at least 30 minutes rest, paid or unpaid, during each shift in excess of 5 consecutive hours of work unless:

- an accident occurs, urgent work is necessary, or other unforeseeable or unpreventable circumstances occur
- different rest provisions are agreed to in a collective agreement
- it is not reasonable for the employee to take a rest period

If the employer places restrictions on an employee's activities during a break, such as prohibiting the employee from leaving the premises, the break must be paid.

### 4. What occupations are exempt from the Code's hours of work, rest and overtime provisions?

- Managers, supervisors and those employed in a confidential capacity;
- farm workers;

- professionals, including agrologists, architects, certified or chartered accountants, chiropractors, dentists, denturists, engineers, information systems professionals, lawyers, optometrists, podiatrists, psychologists, and veterinarians;
- salespersons of automobiles, trucks, buses, farm machinery, road construction equipment, heavy duty equipment, manufactured homes or residential homes;
- salespersons who solicit orders, principally outside of the employer's place of business, who are fully or partly paid by commission (this does not apply to route salespersons);
- licensed salespersons of real estate and securities;
- licensed insurance salespersons who are compensated entirely by way of commission income;
- salespersons who have attained the age of 16 years and are engaged in direct selling for licensed direct sellers;
- licensed land agents;
- extras in a film or video production;
- a counsellor or instructor at an educational or recreational camp that is operated on a charitable or not-for-profit basis for children, persons with disabilities, or religious purposes
- residential and homecare caregivers (See Fact Sheet #29, Residential Care and Home Care)
- domestic employees (these employees are exempt from the hours of work and overtime provisions but **not** from the Code's rest provisions)

- Contact our Information Centre at: **427-3731**  
(Toll-free in Alberta by dialing 310-0000, then 780-427-3731)
- Visit our Web site at: [www.gov.ab.ca/hre/employmentstandards](http://www.gov.ab.ca/hre/employmentstandards)

## **Overtime Compensation**

### **5. What are overtime hours?**

For most employees, hours of work beyond 8 hours per day or 44 hours per week, whichever is greater, are overtime hours.

### **6. How is overtime calculated?**

In each week, hours worked in excess of eight per day must be totalled and the number of hours worked in excess of 44 must be calculated. The greater of the daily total or weekly amount are the number of overtime hours to be paid at the overtime rate.

### **7. What industries have longer daily, weekly or monthly hours before overtime is worked?**

Field catering; geophysical exploration; land surveying; logging and lumbering; oilwell servicing; highway and railway construction; brush clearing; trucking; ambulance services; taxi cabs; nurseries; and irrigation districts.

### **8. How is overtime to be paid?**

Overtime must be paid at a rate of no less than 1.5 times the employee's wage rate.

### **9. What is an overtime agreement and how does it work?**

An employer and employee may enter into a written overtime agreement. An overtime agreement contains at least the following provisions:

- Instead of overtime pay, employees receive time off with regular pay equal to the number of overtime hours worked. This means that overtime hours are not paid when worked, but instead are banked for use at a future time.
- The time off must be at a time when the employee could otherwise be working for the employer.
- The hours of time off must be at least equal to the number of hours of overtime worked.
- If the time off is not taken and paid according to the preceding rules, the employee will be entitled to overtime pay of 1.5 times the employee's wage rate for the overtime hours worked.
- The time off is to be taken within three months of the pay period in which it was worked, unless a collective agreement or a permit issued by the Director of Employment Standards provides for a different term.
- The overtime agreement can be amended or terminated by either party by giving at least one month written notice.

The employer must provide a copy of the overtime agreement to each employee affected by it.

### **10. There are two situations where special considerations regarding the calculation of overtime apply.**

#### **1. Employee paid in whole or in part by commission or other incentive pay plans**

This applies to employees paid under incentive pay plans including flat rate, mileage or piece work compensation, as well as commissions. Rules pertaining to the calculation of overtime under an incentive pay arrangement are addressed in Employment Standards Fact Sheet #8, Commission and Other Incentive Pay Plans.

#### **2. Employees working a compressed work week**

Rules pertaining to the calculation of overtime under a compressed workweek arrangement are addressed in Employment Standards Fact Sheet #7, Compressed Work Week Arrangement.