

EMPLOYMENT STANDARDS FACT SHEET

VACATIONS AND VACATION PAY

1. **Is there a qualifying period of employment before an employee is entitled to vacation pay?**

No.

2. **What employees are exempt from receiving annual vacations and vacation pay?**

- ♦ Licensed or registered salespersons of real estate and securities;
- ♦ commission salespersons who solicit orders principally outside the place of business of their employer. Route salespersons are not exempt;
- ♦ farm employees;
- ♦ extras in a film or video production;
- ♦ licensed insurance salespersons who are compensated entirely by way of commission income.

3. **Do part-time employees qualify for vacation and vacation pay?**

Yes.

4. **How much vacation time is an employee entitled to?**

- ♦ A minimum of two weeks after 12 months of employment;
- ♦ a minimum of three weeks after five years of employment.

5. **Can an employer establish a common anniversary date for vacation purposes?**

Yes. However, an employee must not lose any entitlement to vacation time or pay as a result of the introduction of a common anniversary date.

6. **When must vacation time be given?**

Anytime in the 12 month period following the anniversary date used by the employer for vacations.

7. **If the employee is paid by the month, how is vacation pay calculated for each week?**

The employee's monthly wage is divided by 4 $\frac{1}{3}$.

8. **How is vacation pay calculated if the employee is paid other than by the month (including by commission)?**

- ♦ For two weeks vacation calculate four per cent of wages earned between anniversary dates in the year before the vacation is taken.
- ♦ For three weeks vacation calculate six per cent of the wages earned between anniversary dates in the year before the vacation is taken.

9. **On what earnings do you base the calculation of vacation pay?**

All wages for work, including:

- ♦ salary, hourly pay, commissions and other incentive pay; and
- ♦ pay for time-off granted in place of overtime worked.

For the purpose of calculating vacation pay in the following year, vacation pay paid in the previous year is considered to be wages.

10. **What is not included in the calculation of vacation pay?**

- ♦ Overtime pay, general holiday pay and termination pay;
- ♦ unearned bonuses;
- ♦ expenses or allowances;
- ♦ tips or other gratuities.

11. **When is vacation pay to be given to an employee?**

If vacation pay has not previously been paid out and the employee requests it, it must be paid at least one day before the employee's vacation. In any event, vacation pay must be given to the employee no later than the next regular pay day after the vacation begins.

12. **Can an employer pay vacation pay on each pay cheque?**

Yes.

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- 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

13. Upon employee request, can vacation with pay be given prior to completing a full 12 months of employment?

Yes, if the employer agrees.

14. What if the employer and employee cannot agree on when vacation time shall be taken?

The employer must give the employee at least two weeks written notice of when to start annual vacation and the employee must take the vacation at that time.

15. Is an employee entitled to take the two or three weeks of vacation consecutively?

Yes, but the employer may, at the request of the employee, grant vacation in shorter periods of not less than one day.

16. What if a general holiday falls within an employee's annual vacation?

If qualified for the general holiday, the employee is entitled to take off either the first scheduled working day after their vacation, or in agreement with the employer, another day before the next annual vacation, that would otherwise have been a work day for the employee.

17. If employees have been paid vacation pay but not given vacation time, can they choose not to take vacation time?

No. Employers must give, and employees must take, the vacation time to which they are entitled. Where employees have already been paid vacation pay, this time off will be without pay.

18. If employment is terminated before the employee completes 12 months of employment, what vacation pay is owing?

Four percent of the employee's wages earned during the period of employment.

19. If employment is terminated, what vacation pay is owing?

- ♦ The unpaid vacation entitlements for the previous year; plus
- ♦ Either 4% or 6% of wages in the current year, depending on the length of employment.

20. When is vacation pay to be paid to an employee whose employment is terminated?

- ♦ Where proper termination notice is given, or notice is required to be given by the employer, vacation pay must be paid within three days of termination.
- ♦ Where neither the employer or employee are required to give termination notice, vacation pay must be paid within 10 days.
- ♦ If an employee quits without giving proper termination notice, the employer must pay vacation pay to the employee within 10 days after the date on which the notice would have expired if it had been given.

21. Does a change of ownership affect an employee's vacation time entitlement?

No. The previous owner may pay all vacation money accumulated up to the date of transfer of ownership, but the two or three week vacation period would still have to be granted by the new owner.

22. If the employer, by agreement, provides vacation pay benefits greater than required by the Employment Standards Code, can Employment Standards enforce this?

Yes.