

UPDATE TO THE CANADA LABOUR CODE

RECOVERING UNPAID WAGES

NEW AS OF APRIL 1, 2019

KNOW THE FACTS

FEDERAL LABOUR STANDARDS establish employment conditions – hours of work, payment of wages, overtime rules, vacation and general holidays, leaves and rights on termination of employment – in federally regulated workplaces.



ON APRIL 1, 2019, CHANGES TO PART III OF THE CANADA LABOUR CODE IMPROVE HOW COMPLAINTS ABOUT UNPAID WAGES ARE ADDRESSED TO HELP EMPLOYEES RECOVER WHAT THEY ARE OWED.

When a federally regulated employer does not follow the standards set out in Part III of the *Canada Labour Code* or voluntarily comply, the Labour Program offers a number of options to **recover wages**.

IMPROVING HOW AMOUNTS OWED ARE DETERMINED **NEW**

When employment or payroll records are not provided the Labour Program can determine the amount of wages owed.

BENEFIT: speeds up the time to resolve the issue

EXTENDING THE WAGE RECOVERY PERIOD **NEW**

The Labour Program can recover up to 24 months of unpaid wages (up from 12 months).

BENEFIT: increases wages (or amounts) employees recover



When an employer does not voluntarily comply, the Labour Program may issue a **payment order** to collect unpaid wages.

INCLUDING AN ADMINISTRATIVE FEE **NEW**

The Labour Program will add an administrative fee (15% of the total amount or \$200; whichever is greater) to the amount owed in a payment order.

BENEFIT: improves employer's voluntary compliance and speeds up the time to resolve the issue

STRENGTHENING DIRECTORS' LIABILITY PROVISIONS **NEW**

When an employer or director does not pay a payment order the Labour Program can collect from a director's debtors or financial institution.

BENEFIT: increases wages (or amounts) employees recover

ADDING PAYMENT OPTIONS FOR EMPLOYERS AND/OR DIRECTORS WHO SEEK A REVIEW **NEW**

When a request for review is made on a payment order, the Labour Program will accept a letter of credit in lieu of a monetary payment.

BENEFIT: increases flexibility for employers who seek a review

Learn more about your rights and obligations
Canada.ca/federal-labour-standards or contact the Labour Program
1-800-641-4049 Teletypewriter (TTY) 1-800-926-9105
#LabourStandards @Labour_ESDC

Recovering Unpaid Wages - Know the Facts

This information sheet is available for download at canada.ca/publiccentre-ESDC.

It is also available upon request in multiple formats (large print, MP3, Braille, audio CD, e-text CD,

DAISY or accessible PDF), by contacting 1 800 O-Canada (1-800-622-6232).

By teletypewriter (TTY), call 1-800-926-9105.

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