

Expanding to Alberta, Canada: Key Employment Considerations

For international clients seeking to expand into Canada, the management of Canadian employees can be streamlined and simplified by the establishment of strong, employer-friendly employment agreements. This overview has been prepared to focus on questions relating to employment law in Alberta, Canada, and specifically those questions most commonly asked by our international clients.

Each jurisdiction in Canada, including Alberta, has minimum standards to which employers must adhere. While an employer and employee may agree to benefits in excess of these minimum requirements, they cannot “contract out” of the minimum standards. As set out below, key areas that are the subject matter of employment standards legislation include **(a)** minimum wage; **(b)** hours of work, rest periods and overtime pay; **(c)** vacation time, vacation pay and public holidays; and **(d)** termination of employment.

We are happy to assist with your expansion to Canada. If you have questions with respect to any portion of the below, or if you require further information on a topic that is not addressed, please do not hesitate to contact us.

Category	Question	Answer
Minimum Wage	What is the minimum wage in Alberta, Canada?	The general minimum wage is currently \$15.00 per hour.
Benefit Coverage	Is benefit coverage for employees mandatory?	No – employers are not legally required to offer private health insurance benefits to employees.
Termination	Do employers need a reason to terminate an employee?	No – terminations can be processed without a reason (except for discriminatory reasons) upon the provision of working notice of termination, pay in lieu of notice, or a combination of both.
Notice of Termination	Does “at-will” employment exist in Canada?	No – while Canadian law does not recognize “at-will” employment, a well-drafted employment agreement can mirror “at-will” employment by limiting termination notice entitlements to only statutory notice or pay in lieu of notice, which tend to be relatively modest. Absent such an agreement, employees are entitled to substantial amounts in respect of notice pursuant to the common law. Statutory notice is based on an employee’s length of employment, up to a maximum of eight weeks after ten or more years of service.
Sick Days	Are employees entitled to paid sick time?	No – employees are entitled to five <i>unpaid</i> leave days annually due to personal health or family responsibility reasons.
Rest Periods	Are there mandatory eating periods for employees?	Yes – a 30-minute meal break is required after an employee has worked for five consecutive hours. Meal breaks are unpaid unless otherwise agreed to.

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Overtime	Are employees entitled to overtime pay?	Yes — for every hour worked beyond 8 hours a day or 44 hours a week, employees must be paid 1.5 times the employee's regular rate of pay. There are several narrow statutory exemptions to overtime pay (i.e., for managerial employees, IT professionals and select salespersons, etc.). Overtime exposure can be managed by the creation of "averaging agreements," which modify how overtime is calculated.
Vacation	Are employees entitled to minimum vacation time and pay?	Yes – for employees with <u>fewer</u> than five years of service, a minimum of two weeks of vacation time is required. For employees with five or <u>more</u> years of service, a minimum of three weeks of vacation time is required.
Public Holidays	Are employees entitled to certain public holidays?	Yes – employees are entitled to nine defined public holidays. Most employees are entitled to take these days off work and be paid statutory public holiday pay. However, an employer may choose to have the employee work on a public holiday and the employee receive public holiday pay, plus an enhanced payment required by statute known as premium pay, or may work for their regular wages on the public holiday and receive a substitute holiday for which they receive public holiday pay.



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