

Employment Regulations Info-Guide

Last Verified: 2008-01-08

This Info-Guide is designed to help you navigate through the federal and provincial government regulations on employment.

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1. What are the rules on workplace safety in Ontario?

Almost every worker, supervisor, employer and workplace in Ontario is covered by the [Occupational Health and Safety Act](#) and regulations. As an employer in Ontario, you have a number of obligations, including a duty to instruct, inform and supervise your workers to protect their health and safety. The Ministry of Labour produces a "Guide to the Occupational Health and Safety Act" that can help you understand the rights and duties of all parties in the workplace. This Guide is published on the Internet as [Guide to the Occupational Health and Safety Act](#) or can be purchased from Publications Ontario at **416-326-5300** or **1-800-668-9938**.

Note: Some industries (such as highway and air transportation, radio and television broadcasting, banks, etc.) fall under the federal government's [Canada Labour Code](#), rather than the Ontario regulations.

For further information:

see the document: [Workplace Health and Safety in Canada](#)

2. What is Pay Equity?

Pay equity is "equal pay for work of equal value", which is not the same as "equal pay for equal work". Equal Pay for Equal Work, covered by the [Employment Standards Act](#), requires employers to pay men and women equally for doing the same job or substantially the same job.

The [Pay Equity Act](#) requires that different jobs be evaluated and work mostly or traditionally done by women be compared to work mostly and traditionally done by men. An employer could, for example, compare the value of the work of a secretary, a traditionally female job, to the value of a shipper, a traditionally male job. If the value to the organization is equal or comparable, the secretary must receive at least the same job rate as the shipper.

For further information:

please call **1-800-387-8813**

visit the web site: [Pay Equity Commission](#)

see the document: [Employer's Introduction to Pay Equity](#)

3. What are the rules on working conditions in Ontario?

The Employment Standards Branch of the Ontario Ministry of Labour is responsible for the administration and enforcement of the [Employment Standards Act](#), which provides for minimum terms and conditions of employment in most industries. You may wish to confirm the details of legislation currently in force directly with the Ministry of Labour's Employment Practices Branch.

For further information:

please call **416-326-7160** or **1-800-531-5551**

visit these web sites:

[What You Should Know About The Ontario Employment Standards Act](#)

[What Young Workers Should Know](#)

[Employment Standards Claim](#)

[Employee Self Help Kit](#)

see the documents:

[Employment and Training Assistance Programs Info-Guide](#)

[Employee or Self-Employed?](#)

Note: Some industries (such as highway and air transportation, radio and television broadcasting, banks, etc.) fall under the federal government's [Canada Labour Code](#), rather than the Ontario regulations.

For further information:

see the document: [Labour Standards in the Federal Jurisdiction Workplace](#)

The following are some of the aspects of the [Employment Standards Act](#) that employers should consider.

i. Vacation and Vacation Pay

Full-time, part-time, temporary and student workers are all eligible for vacation pay. However, certain types of workers are not covered by the Act's rules for vacations, and do not get vacation with pay or vacation pay.

Vacation with Pay: minimum 2 weeks time off with pay each year for employees who have worked for an employer for 12 full months.

Vacation Pay: minimum 4% of total earnings instead of time off with pay for employees who worked for an employer less than 12 months.

For further information:

see the document: [Vacation](#)

ii. Public Holidays

Ontario has 9 paid public holidays: New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, Labour Day, Thanksgiving Day, Christmas Day, December 26th (Boxing Day).

For further information:

see the document: [Public Holidays](#)

iii. Minimum Wage

As of February 1, 2007, the minimum wages are the following:

General Workers Minimum Wage - \$8.00 per hour.

Liquor Server Minimum Wage - \$6.95 per hour, it applies to employees serving liquor directly to customers in licensed premises as a regular part of their work.

Student Minimum Wage - \$7.50 per hour, it applies to students under age 18. If more than 28 hours a week are worked during the school year, the General Minimum Wage applies to all hours worked in that week.

Homeworkers Minimum Wage will continue to receive 110 per cent, or \$8.80 , of the general minimum wage. **Note:** This wage applies to all homeworkers whether they are full-time or part-time, or students under 18 years of age.

Hunting and Fishing Guides are paid for blocks of time, not by the hour. They get a minimum amount for working less than five consecutive hours in a day, and a different minimum amount for working five hours or more in a day-whether or not the hours are consecutive. For working less than five consecutive hours in a day: \$40.00. For working five hours or more in a day: \$80.00.

For further information:

see the document: [Ontario Minimum Wage](#)

iv. Termination of Employment

Under the [Employment Standards Act](#) , an employer can terminate employment at any time. However, the employer must give proper notice of termination, or termination pay instead ("in lieu") of notice.

Wrongful dismissal is not covered by the [Employment Standards Act](#) . If an employee feels that he or she has been wrongfully dismissed, the employee may wish to consult a lawyer and pursue the matter through the court system.

For further information:

see the document: [Termination of Employment & Severance Pay](#)

v. Severance Pay

An employer may have to pay severance pay to workers who lose their job. This money is paid in recognition of their years of service. Qualifying workers are entitled to receive one week of regular pay for each year of employment. Severance pay must be paid to workers within 7 days following termination of employment or what would have been their next regular pay day, whichever is later.

For further information:

see the document: [Termination of Employment & Severance Pay](#)

vi. Hours of Work and Breaks

Under the [Employment Standards Act](#) , the normal limits on hours of work for most workers in Ontario are 8 hours each day and 48 hours per week. Workers cannot work more than 5 hours in a row without getting a meal break lasting 30 minutes or more. Employers are not required to pay for the time workers are on a meal break.

Coffee breaks, or other rest periods, are determined by the employer. When workers must stay at their station or workplace, these breaks are included as part of the working time and cannot be deducted from workers' pay.

For further information:

see the document: [Hours of Work & Overtime](#)

vii. Overtime Pay

For most workers, overtime pay begins after working 44 hours during any 7 days in a row. Through established practice, employers set the day on which a work week starts. Overtime pay is calculated at a minimum rate of 1.5 the regular wage.

For further information:

see the document: [Hours of Work & Overtime](#)

viii. Pregnancy and Parental Leave

Under the [Employment Standards Act](#), pregnant women have the right to take an unpaid pregnancy leave of at least 17 weeks from work and new parents have the right to take an unpaid parental leave from work to care for their child. The right to pregnancy and parental leave applies to both part-time and full-time workers.

For further information:

see the document: [Pregnancy Leave and Parental Leave](#)

For information on specific aspects of employment standards in Ontario, you should contact the Ministry of Labour directly at **416-326-7160** or **1-800-531-5551** or visit the Ministry's [Publications](#) web site. This site also includes the "[Your Guide to the Employment Standards Act](#)". The guide can also be purchased from Publications Ontario at **416-326-5300** or **1-800-668-9938**.

4. What are the rules on taxation, contributions and deductions?**i. Federal Employment-Related Requirements, Taxes and Deductions****Social Insurance Number (SIN)**

Employers who will remit income tax deductions and Canada Pension Plan and Employment Insurance premiums based on an employee's income must ensure that a new employee produces a SIN card within 3 days after being hired. Employers also have a legal obligation to ensure that anyone hired with a SIN beginning with "9" has a valid authorization to work in Canada. This document is issued by Citizenship and Immigration Canada.

For further information:

visit the web site: [Employers - What You Need To Know About Social Insurance Numbers \(SIN\)](#)

Application forms for SIN cards are available from any Human Resource Centre of Canada, listed in the blue pages of your telephone book or visit the web site [SIN - List of forms](#).

Personal Information Protection - Privacy Commissioner of Canada

The Guide to Canada's Personal Information Protection and Electronic Documents Act (PIPEDA) helps businesses understand their obligations and comply to the Act. Since January 1, 2004, the PIPED Act covers the collection, use or disclosure of personal information in the course of all commercial activities in Canada, except in provinces which have enacted legislation that is deemed to be substantially similar to the federal law.

For further information:

please call **1-800-282-1376**

visit the web site: [A Guide for Businesses and Organizations](#)

see the document: [Protection of Personal Information - Your Responsibilities](#)

Employment Insurance (EI), Canada Pension Plan (CPP) and Income Tax

As an employer, you are responsible for making a number of deductions on behalf of your employees. Under federal law, it is required that all employers collect Employment Insurance Premiums, Canada Pension Plan Contributions and Personal Income Tax on behalf of the federal government. Remittances for Employment Insurance and the Canada Pension Plan are shared by

the employer and employee. The deductions made on behalf of employees must be placed in a trust account.

The Canada Revenue Agency (CRA) offers personalized visits to new employers to help them understand withholding procedures.

For further information:

please call **1-800-959-5525**

visit these web sites:

[T4032 Payroll Deductions Tables](#)

[Canada Revenue Agency](#)

see the document: [Employer Visits Program](#)

The Ontario Health Premium

Since July 1, 2004 all employees working in Ontario are required to pay an additional tax called The Ontario Health Premium. This tax is deducted from pay and pensions as part of personal income tax requirements. The premiums range from \$60 to \$900 a year for people with a taxable income of \$21,000 a year or more. For detailed information on The Ontario Health Premium and employer responsibilities regarding payroll and deductions please contact the Canada Revenue Agency.

For further information:

Please call **1-800-959-5525**

visit the web site: [Ontario Health Premium](#)

Filing an Information Return (T4)

An information return is the T4 slip and the T4 Summary form used to report salary, wages, tips or gratuities, bonuses, vacation pay, employment commissions, and all other remuneration employers pay to employees during the year. Employers must file an information return and give information slips to employees by the last day of February following the calendar year to which the information return applies.

To order blank copies of T4 slips, call **1-800-959-2221** or visit CRA's web site, [Getting forms and publications](#) .

For further information:

visit the web site: [RC4120 Employers' Guide - Filing the T4 Slip and Summary Form 2003](#)

Record of Employment (ROE)

The [Employment Insurance Act](#) requires every employer to complete an ROE when an employee stops working. This is considered an interruption of earnings. This happens when the employment ends, or an employee leaves due to pregnancy, injury, illness, adoption leave, layoff, leave without pay, or dismissal. An ROE must be issued within 5 calendar days of an employee's interruption of earnings or the day the employer becomes aware of the interruption, whichever is later.

Blank ROEs can be ordered by mail, telephone or in person from the local Social Development Canada - Employment Insurance office, listed in the blue pages of your phone book, or visit the web site [Record of Employment \(ROE\): To order ROE forms](#) . Additionally, [ROE Web](#) also enables qualifying employers to create, submit and print ROEs via the Internet.

For further information:

visit the web site: [Employment Insurance \(EI\) guide - how to complete the Record of Employment \(ROE\) Form](#)

see the document: [Record of Employment](#)

ii. Provincial Employment-Related Requirements, Taxes and Deductions

Workplace Safety and Insurance

Most industries in Ontario are covered by the [Workplace Safety and Insurance Act](#) . Employers must pay into the insurance fund of the [Workplace Safety and Insurance Board \(WSIB\)](#) through assessments on their payrolls.

By contacting a WSIB office, you can obtain a registration kit, which includes information on assessments, coverage, accident reporting requirements and appeals procedures. Employers are required to contact the board within 10 days of hiring an employee.

For further information:

please call **416-344-1000** or **1-800-387-5540**

see the document: [Workplace Safety and Insurance Board - WSIB](#)

Note: [Office of the Employer Adviser \(OEA\)](#) provides employers with advice, education, representation, mediation, negotiation and information on workplace safety insurance.

For further information:

please call **416-327-0020** or **1-800-387-0774**

see the document: [Office of the Employer Adviser - Advice For Employers](#)

Employer Health Tax (EHT)

The EHT is a payroll tax applied to all employers in Ontario. Unless exempted, all employers with a permanent establishment in Ontario must register for the EHT. For the first \$400,000 of the payroll, eligible private-sector employers are exempt from paying the EHT.

For further information:

please call **1-800-263-7965**

visit the web site: [EHT Guide for Employers](#)

see the document: [Employer Health Tax - EHT](#)

5. What about hiring someone as a "self-employed contractor"?

Contractors are people who own and operate their own business, and have to remit their own taxes and deductions to the government. For this reason, some businesses feel that dealing with a self-employed contractor is easier than dealing with an employee. However, sometimes the relationship between the business and the contractor is quite similar to the relationship it would have with an employee: the business dictates the hours of work, supplies equipment and tools, directs the tasks to be completed, etc.

Before you hire someone as a self-employed contractor, it is essential to find out if the government considers the relationship to be that of an employer to employee, or of a business to self-employed contractor. If the government feels that you treat the contractor as an employee, you will be responsible for submitting all of the taxes and contributions that apply in an employer-employee relationship.

You may contact the Canada Revenue Agency (CRA) at **1-800-959-5525** for a ruling on your situation. To make an application for a ruling, a CRA form is available for download, entitled "[CPT1 Request for a Ruling as to the Status of a Worker under the Canada Pension Plan or Employment Insurance Act](#)".

CRA also has a guide that may help you determine the worker's status. The guide can be requested from CRA or visit the web site: [Employee or Self-employed?](#) .

Some of the organizations listed above are not subject to the federal [Official Languages Act](#) or the [French Language Services Act](#) of Ontario. Their services may not be available in both official languages.

Need more information?

Click: [Canada-Ontario Business Service Centre](#)

Call: 1-800-567-2345

Visit: our [Regional Access Program Locations](#) page to locate an office near you

Related Reading

[Business Regulations Info-Guide](#)

[Business Guides](#)

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Links Policy

Some of the hypertext links lead to non-federal government sites which are not subject to the *Official Languages Act* and the material is available in one language only.