

## **Deductions from Wages**

Employers are responsible for paying employees regularly and for all hours worked. Sometimes one or the other will want money deducted from an employees pay. There are restrictions regarding what employers are allowed to deduct from wages.

### **How are employees' wages protected?**

- 1). Under the legislation, employees are entitled to be paid all wages earned.
- 2). Employees must be paid at least minimum wage, and may not agree to work for less.
- 3). Deductions from employees wages must directly and clearly benefit the employees.

### **What types of things cannot be deducted from employees wages?**

Employers cannot deduct the costs of:

- vehicle, equipment and tool repair or loss
- breakage or other damages
- faulty work or poor quality work
- Theft, including dine-and-dash incidents
- cash shortages
- inventory shortages
- safety equipment
- uniforms and special clothing required by employers
- business supplies
- interest charges or other fees for cash advances or cashing cheques
- education expenses that only benefit the employer
- any other deductions that are of no direct benefit to the employees

### **Can employers take any deductions from employees wages?**

Employers can deduct:

- statutory deductions
- court orders or garnishments
- charges for board, lodging and meals as permitted under *The Employment Standards Code*
- recovery of pay advances and corrections of payroll errors
- the minimum amount payable by the employer for a red light or photo radar ticket with the employees written permission for each infraction

- any other deduction agreed to by employees as long as it directly benefits the employees

## **What is a direct benefit to employees?**

Examples of deductions that directly benefit employees can include: health or insurance packages, social funds, voluntary purchases of goods or services from the employer and some types of educational expenses. Expenses that are required by employers that do not benefit employees directly, must be paid by the employers.

## **Can employees opt out of a group benefit plan or social fund?**

No, group benefits or services that employers may provide as a condition of employment are allowed because they directly benefit employees as a whole. It is an employees choice whether to use the benefit that is provided.

## **Can the cost of tools be deducted from wages?**

Some employees may want to buy tools from their employers. The tools may even be a condition of employment, which employees must have for that workplace. Common examples are automotive mechanics and construction workers. Employers can make the tools a condition of employment and can deduct the cost from employees wages only if the tool:

- remains the property of the employee
- is not unique to this particular employer
- is available for purchase from different suppliers
- can reasonably be expected to be used at different employers in the same occupation
- is voluntarily bought from the employer instead of another supplier

## **Can the cost of personal safety equipment be deducted from wages or made a condition of employment?**

No, workplace safety and health legislation states any equipment, device or clothing required to be worn to help with rescue or to provide protection from health and safety hazards at a workplace must be provided and paid for by employers. There are exceptions for safety headwear and some safety footwear. Contact The Workplace Safety and Health Branch at 200 – 401 York Avenue, Winnipeg, MB, R3C 0P8 for more information.

Safety equipment is a direct benefit to employers so the cost cannot be deducted from employees' wages.

## **Can employers deduct the costs of a uniform, or require employees to buy uniforms?**

No, uniforms are a direct benefit to employers. Employers cannot make employees buy uniforms.

## **What is considered a uniform?**

A uniform is a form of dress that is unique to a business. Uniforms are identified with the employers logo or symbol, name or colours; making it of no practical use outside of that workplace. Employees often have no choice in style, colour or supplier. Employers can require items of clothing, in specific colours be worn, as long as employees can reasonably use them elsewhere.

## **Can employers have a dress code?**

Employers can establish a dress code, require certain types of clothing and establish standards for the look of employees while they are working. For example, a restaurant can require all serving employees to wear a clean pressed white shirt and black pants while working.

The clothing required by a dress code cannot be specific to an employer. When deciding whose responsibility the cost of clothing is (employees' or employers'), the main issue is the amount of choice employees have in choosing where and what to buy. The more choice, the more likely it is part of a dress code and not a uniform. Clothing with a logo, or a certain design or style normally identified with a company, or that must be bought from employers, are likely uniforms and must be paid for by employers.

## **Can employers require special clothing?**

Employers can reasonably expect employees to provide some special clothing that is common in the industry. Similar to tools, special clothing must be useful with other employers. It may be specific to the job, but not to the employer. As with tools, employees must have choices about where and what to buy. The clothing cannot have a logo or other markings that make it useful only for one employer, and the clothing must remain the property of the employee.

For example: nurses may wear a certain type of loose fitting clothing. It identifies them as nurses, and is usually required for the job. Employers can expect these employees to have this outfit, and would not have to provide or pay for it unless they require a logo or emblem that identifies the company.

## **Can employers deduct the cost of cleaning special clothing or uniforms?**

Employers can provide a service, such as laundry or dry cleaning, and ask employees for payment if the service directly benefits employees. In most cases, employees must each have the choice to use the service, or not.

## **Can employers deduct payroll errors or advances from employees' wages?**

Employers may take deductions from pay cheques to balance an earlier wage overpayment or to recover a cash advance. It is the duty of both employees and employers to check for payroll errors. Corrections must be made as soon as the employer knows of them. Failing to deal with the mistake immediately could be considered agreeing to a new wage.

Cash advances are a direct benefit to employees. Employers may recover advances from wages. They cannot recover interest, service charges, or any other fees for this service, nor can they charge any fees for cashing employees' cheques.

## **How long can a deduction for a payroll error or advance continue to be taken from employees pay cheques?**

The amount that can be deducted on each paycheque is limited by *The Garnishment Act*. Deductions can continue until the overpayment or advance is repaid.

## **Who pays for damages to company vehicles, valuable equipment or other losses?**

Employers may not deduct wages to cover any costs for faulty work, poor quality work, loss of customers, cash shortages or damages to their property. This includes: the cost of car accidents and parking tickets involving company vehicles; dishes broken by employees, customers leaving without paying, etc.

Employers have the right to sue employees who caused the damages in criminal or civil court. If a court issues an order of repayment, the employers can then garnish the wages of that employee.

See the [Deductions](#) page for more details about what cannot be deducted from employees wages.

## **Can employers deduct the cost of traffic tickets?**

Employers can deduct the minimum amount payable for a photo radar ticket or a red light camera ticket, if the employee committed the offence and has agreed in writing to pay the ticket.

Employers can not deduct for parking tickets or other violations. They also can not deduct for vehicle damage or insurance deductible.

## **What if employees authorized the deduction?**

Employees can only authorize deductions where there is a direct benefit to them. Regardless of authorization, any deduction from wages that does not benefit employees will not be allowed.

## **For more information contact the Employment Standards Branch:**

Phone: 204-945-3352; or toll free in Manitoba 1-800-821-4307

Fax: 204-948-3046

E-mail: [Employmentstandards@gov.mb.ca](mailto:Employmentstandards@gov.mb.ca)

Website: [www.manitoba.ca/labour/standards](http://www.manitoba.ca/labour/standards)

This is a general overview and the information used is subject to change. For detailed information, please refer to current legislation including *The Employment Standards Code* and *The Worker Recruitment and Protection Act*, or contact the Employment Standards Branch to ask for advice.

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