

Averaging Agreements

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Employers and employees can enter into a written agreement to change their standard hours of work. The new schedule may cycle up to a maximum of 12 weeks but must always average back to 40 hours per week. These agreements do not need approval from Employment Standards.

What is an averaging agreement?

An averaging agreement is a written agreement made between an employer and a single employee or a group of employees. This agreement establishes a new schedule that sets out the standard hours of work.

Under an averaging agreement, standard hours of work can be up to 12 hours per day and 60 hours per week over a 12 week cycle.

Who can make an averaging agreement?

An averaging agreement can be made between an employer and a single employee or a group of employees. To be able to enter into an averaging agreement, employees must regularly work 30 or more hours a week and be non-unionized.

Can unionized workers enter into an averaging agreement?

No, they can establish different standard hours of work through their collective bargaining process.

Can employees in the construction industry have their standard hours of work change with an averaging permit or agreement?

Employees in the residential construction industry who are not working on a major building project **can** have their standard hours of work change with an averaging permit or agreement.

Employees in the heavy construction and industrial, commercial, institutional construction sectors **cannot** have their standard hours of work change with an averaging permit or agreement. These employees have standard hours of work that are specific to their industry and season. For more information, visit the [Construction Industry](#)

factsheet.

What are the maximum standard hours of work for an averaging agreement?

- Schedules can be set up to a maximum of 12 regular hours per day and 60 regular hours per week without overtime rates applying.
- Schedules can be up to a maximum 12 week cycle. The regular hours must average back 40 hours or less per week over the cycle.

Are averaging agreements valid when the new standard hours of work exceed the maximum?

No. If an employer wants to propose new standard hours of work that exceed 12 hours per day or 60 hours per week, or the averaging cycle is longer than 12 weeks, an application needs to be made to Employment Standards for an Averaging Permit.

What is the difference between an averaging agreement and an averaging permit?

An **averaging agreement** can be made if the new standard hours of work are 12 hours or less per day and 60 hours or less per week over an averaging cycle of 12 weeks or less. These agreements do not need approval from Employment Standards.

An **averaging permit** is required if a business wants their new schedule to exceed one or more of the standard hours of work or cycle maximums for an averaging agreement. Employment Standards must approve an Averaging Permit in these situations for a business to change their standard hours of work.

When establishing an averaging agreement, what is an averaging cycle?

Employers can set their new schedule over several weeks. The number of weeks agreed to is considered one cycle. During the averaging cycle, the regular hours must average back to 40 hours or less per week over a maximum 12 week cycle. See below for examples.

What information must be in the averaging agreement?

The agreement must:

- Be in writing;
- Be made at least one week before the new schedule begins;
- Specify the employee or group of employees the agreement applies to;
- Be signed by the employer and employee or by at least 75% of affected employees;
- Specify the start and end dates, to a maximum of three years;
- Specify the length of the averaging cycle, to a maximum of 12 weeks;
- Specify the new work schedule to reflect daily and weekly hours; and
- Be posted on the premise where the affected employees can see it.

How do employees know if there is an agreement in the workplace?

Agreements need to be posted in the workplace at all times, in a place where employees can see it.

When employees do not work in a common work location, the written agreement should be provided to each affected employee.

Do employees working under an agreement get overtime pay?

Yes. Employers who allow or ask employees to work longer than the hours set out in the agreement must pay these employees 1 ½ times their regular hourly wage for any overtime worked.

The maximum regular hours over a 12 week cycle is 480 (12 weeks x average of 40 hours per week). When the cycle is shorter than 12 weeks, multiply the number of weeks in the cycle by 40 hours to calculate the maximum regular hours for the cycle.

For example, an agreement allows an employee to work a maximum of 12 hours per day and 48 hours per week in a 6 week cycle.

The maximum regular hours in the above cycle is 240 which is based on:

(6 weeks x 40 average hours per week)

If an employee works more than the maximum regular daily, weekly and cycle hours they are entitled to overtime pay.

What if I disagree with the agreement's proposed schedule?

When 75% or more of the affected employees agree to the new schedule, the employer can require all employees, even if they did not agree, to work the new schedule.

Employees with questions about their rights should call Employment Standards.

How long can the agreement be in place?

- The agreement is valid for a maximum of three years.
- Employers and employees can make a new agreement before the expiry date to avoid any scheduling disruption.

If a new agreement is not made before the expiry date than minimum standards will apply.

Is there a form I can use to make an averaging agreement?

Yes. You can use the [template](#) or make your own.

Are there examples of an averaging schedule?

Example Work Schedule 1:

12 week cycle where the maximum hours worked in cycle before overtime rates apply:

12 weeks X 40 hours average per week = 480 hours

The 12 weeks of the schedule are based on:

9 hours per day x 5 days per week = 45 hours per week, up to a maximum of 480 hours over 12 weeks

Total daily hours are shown on the calendar below. The weekly totals for the 12 week cycle are shown on the chart below.

Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Cycle Total
40	37	35	37	40	37	37	40	37	35	42	35	452

Average hours for the cycle are:

452 hours / 12 weeks = 37.6 hours per week, which meets the averaging requirement of no more than 40 hours per

week.

July							August							September							
Su	M	T	W	T	F	Sa	Su	M	T	W	T	F	Sa	Su	M	T	W	T	F	Sa	Su
1	2	3	4	5	6	7				1	2	3	4							1	
	9	9	4	9	9					4	9	9									
8	9	10	11	12	13	14	5	6	7	8	9	10	11	2	3	4	5	6	7	8	
	4	9	9	6	9			6	9	9	4	9			9	4	9	9	4		
15	16	17	18	19	20	21	12	13	14	15	16	17	18	9	10	11	12	13	14	15	
	9	4	9	9	4			9	4	9	9	6			9	9	6	9	9		
22	23	24	25	26	27	28	19	20	21	22	23	24	25	16	17	18	19	20	21	22	
	9	6	9	9	4			9	9	4	9	9			4	9	9	4	9		
29	30	31					26	27	28	29	30	31		23	24	25	26	27	28	29	
	9	9						4	9	9	6	9									
														30							

Example Work Schedule Number 2:

12 week cycle where the maximum hours worked in cycle before overtime rates apply:

12 weeks X 40 hours average per week = 480 hours

The 12 weeks of the schedule are based on:

10 hours per day x 4 days per week = 40 hours per week, up to a maximum of 480 hours over 12 weeks

Total daily hours are shown on the calendar below. The weekly totals for the 12 week cycle are shown on the chart below.

Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Cycle Total
40	40	40	40	40	40	40	40	40	40	40	40	480

Average hours for the cycle are:

480 hours / 12 weeks = 40 hours per week, which meets the averaging requirement of no more than 40 hours per week.

July							August							September						
	l	m	m	j	v	s	d	l	m	m	j	v	s	d	l	m	m	j	v	s
1	2	3	4	5	6	7				1	2	3	4							1
	10	10	10	10						10	10				10	10	10	10		
8	9	10	11	12	13	14	5	6	7	8	9	10	11	2	3	4	5	6	7	8

	10	10	10	10				10	10	10	10				10	10	10	10		
15	16	17	18	19	20	21	12	13	14	15	16	17	18	9	10	11	12	13	14	15
	10	10	10	10				10	10	10	10				10	10	10	10		
22	23	24	25	26	27	28	19	20	21	22	23	24	25	16	17	18	19	20	21	22
	10	10	10	10				10	10	10	10									
29	30	31					26	27	28	29	30	31		23	24	25	26	27	28	29
	10	10						10	10	10	10									
														30						

Example Work Schedule Number 3:

10 week cycle where the maximum hours worked in cycle before overtime rates apply:

10 weeks X 40 hours average per week = 400 hours

The 10 weeks of the schedule are based on:

10 hours per day x 6 days per week = 60 hours per week, up to a maximum of 400 hours over 10 weeks

Total daily hours are shown on the calendar below. The weekly totals for the 10 week cycle are shown on the chart below.

Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Cycle Total
42	42	42	42	0	0	0	42	42	42	294

Average hours for the cycle are:

294 hours / 10 weeks = 29.4 hours per week, which meets the averaging requirement of no more than 40 hours per week.

July							August							September						
d	l	m	m	j	v	s	d	l	m	m	j	v	s	d	l	m	m	j	v	s
1	2	3	4	5	6	7				1	2	3	4							1
2	10	10	10	10	10					0	0	0								2
8	9	10	11	12	13	14	5	6	7	8	9	10	11	2	3	4	5	6	7	8

	10	10	10	10	10	2			0	0	0	0	0			2	10	10	10	10	10		
15	16	17	18	19	20	21		12	13	14	15	16	17	18		9	10	11	10	13	14	15	
2	10	10	10	10	10				0	0	0	0	0										
22	23	24	25	26	27	28		19	20	21	22	23	24	25		16	17	18	19	20	21	22	
	10	10	10	10	10	2		2	10	10	10	10	10										
29	30	31						26	27	28	29	30	31		23	24	25	26	27	28	29		
	0	0							10	10	10	10	10										
																30							

Example Work Schedule Number 4:

5 week cycle where the maximum hours worked in cycle before overtime rates apply:

5 weeks X 40 hours average per week = 200 hours

The 5 weeks of the schedule are based on:

10 hours per day x 5 days per week = 50 hours per week, up to a maximum of 200 hours over 5 weeks

Total daily hours are shown on the calendar below. The weekly totals for the 10 week cycle are shown on the chart below.

Week 1	Week 2	Week 3	Week 4	Week 5	Cycle Total
36	42	42	36	36	192

Average hours for the cycle are:

192 hours / 5 weeks = 38.4 hours per week, which meets the averaging requirement of no more than 40 hours per week.

July							August						
Su	M	T	W	T	F	Sa	Su	M	T	W	T	F	Sa
1	2	3	4	5	6	7				1	2	3	4
	6	8	8	8	6					8	8	6	
8	9	10	11	12	13	14	5	6	7	8	9	10	11
	6	10	10	10	6								
15	16	17	18	19	20	21	12	13	14	15	16	17	18
	6	10	10	10	6								
22	23	24	25	26	27	28	19	20	21	22	23	24	25
	6	8	8	8	6								

29	30	31						26	27	28	29	30	31		
	6	8													

For more information contact Employment Standards:

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

Fax: 204-948-3046

Website: 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, The Construction Industry Wages Act , The Worker Recruitment and Protection Act, or contact Employment Standards.

Available in alternate formats upon request.

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