



The Employment Standards Act

Averaging agreements

Updated August 2021



Averaging agreements

An averaging agreement allows an employee or group of employees to average their hours of work over a specified period. The intent is to have greater flexibility in the workplace for the scheduling of hours of work.

There are two types of averaging agreements:

- Short Work Weeks
- Special Cases

Short Work Weeks

An employer and an employee or a majority of a group of employees or the employees' bargaining agent may agree in writing that the standard hours of work be averaged over a period of two weeks.

An agreement to average hours of work is voluntary and between an employer and an employee or a group of employees. There is no requirement to inform the Employment Standards Branch when the parties enter into a Short Work Week agreement.

A Short Work Week agreement is implemented only when signed. It does not apply to any time worked before the signing of the agreement. An employee must receive a copy of the agreement.

Overtime is paid at time-and-a-half if an employee:

- works more than 80 hours in a two-week period
- works more than 12 hours in a day
- works more than 72 hours in a two-week period if a week contains a General Holiday

(See subsection 8(2) and section 11 of the Act)

Example #1:

An employer and an employee have entered into a Short Work Week agreement. The work schedule as shown below:

| | Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|--------|-----|-----|-----|-----|-----|-----|-----|
| Week 1 | 10 | 10 | 10 | 10 | | | |
| Week 2 | 10 | 10 | 10 | 10 | | | |

Hourly Rate: \$20.00

Regular Pay: 80 hours x \$20.00 = \$1,600.00

Total Wages Earned: \$1,600.00

Example #2

An employee worked more than 12 hours in a day.

| | Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|--------|-----|-----|-----|-----|-----|-----|-----|
| Week 1 | | 10 | 10 | 15 | 10 | | |
| Week 2 | | 10 | 10 | 10 | | | |

Hourly Rate: \$20.00

Regular Pay: 72 x \$20.00 = \$1,440

Overtime Pay: 3 x \$20.00 = \$60.00

Total Wages Earned: \$1,500.00

Example #3:

A general holiday occurs during a two-week period.

| | Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|--------|-----|------|-----|-----|-----|-----|-----|
| Week 1 | 10 | (GH) | 10 | 10 | 10 | | |
| Week 2 | | 10 | 10 | 10 | 10 | | |

Hourly Rate: \$20.00

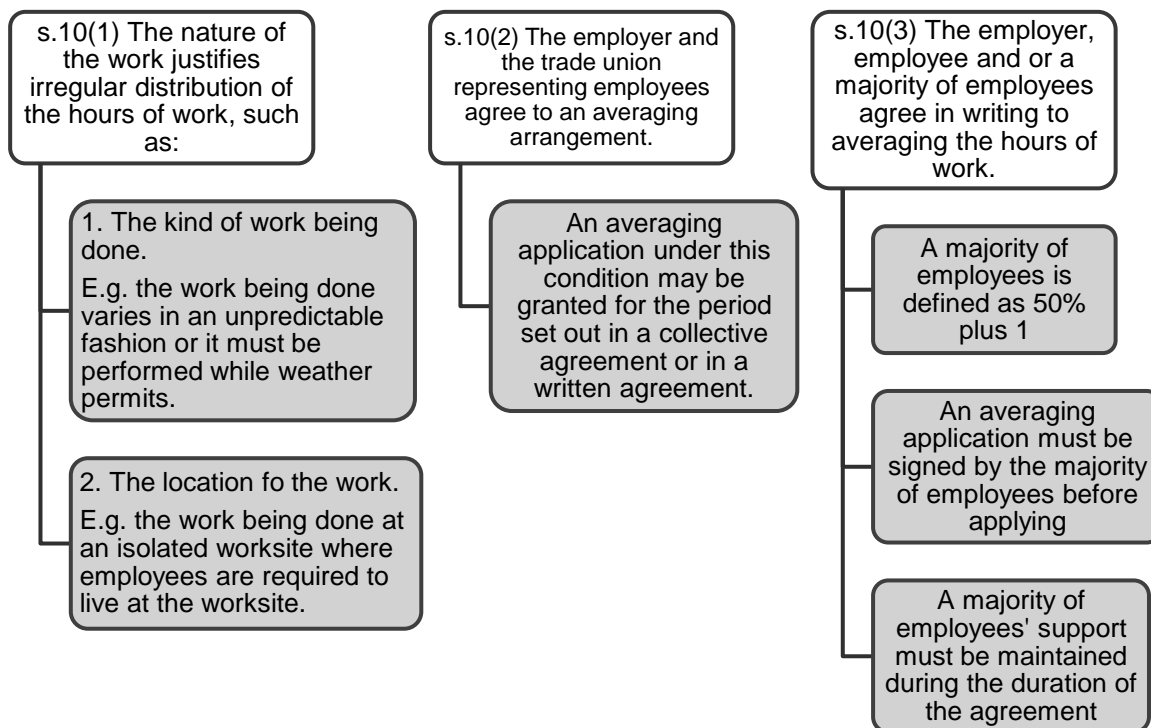
Regular Pay: $72 \times \$20.00 = \$1,440.00$

Overtime pay: $8 \times 1.5 \times \$20.00 = \240

Total wages earned: \$1,680.00 + General Holiday pay

Special Cases

An employer can apply to the Director of Employment Standards for a permit to average the standard hours of work over a specific period (more than two weeks). A permit may be granted if one of the following conditions is met:



(See section 10 of the Act)

Overtime is paid at time-and-a-half if an employee:

- Works more than the hours specified in the agreement; **AND**
- Works more than the hours specified over a period less eight hours if a general holiday occurs

A permit under section 10 of the Act is not issued retroactively and is not renewed automatically. Employers must submit an application for renewal prior to the expiry of the permit.

Example #1:

An employer has been granted permission to average the hours of work over a four-week period. The work schedule consists of two weeks on and two weeks off as follows:

| | Sun | Mon | Tue | Wed | Thu | Fri | Sat | Regular Hours | Overtime Hours |
|--------|-----|-----|-----|-----|-----|-----|-----|---------------|----------------|
| Week 1 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 84 | |
| Week 2 | 12 | 12 | 12 | 12 | 12 | 16 | | 76 | |
| Week 3 | | | | | | | | | |
| Week 4 | | | | | | | | | |
| Total | | | | | | | | 160 | |

Hourly Rate: \$20.00

Regular hours worked: 160 in a four-week period

Regular pay: $160 \times \$20.00 = \$3,200.00$

Total Wages Earned: \$3,200.00

Example #2:

An employer has been granted permission to average the hours of work over a four-week period. The work schedule consists of three weeks on and one week off as follows:

| | Sun | Mon | Tue | Wed | Thu | Fri | Sat | Regular Hours | Overtime Hours |
|--------|-----|-----|-----|-----|-----|-----|-----|---------------|----------------|
| Week 1 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 70 | |
| Week 2 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 70 | |
| Week 3 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 20 | 50 |
| Week 4 | | | | | | | | | |
| Total | | | | | | | | 160 | 50 |

Hourly Rate: \$20.00

Regular hours worked: 160 in a four-week period

Overtime worked: 50

Regular pay: $160 \times \$20.00 = \$3,200.00$

Overtime pay: $50 \times 1.5 \times \$20.00 = \$1,500.00$

Total Wages Earned: \$4,700.00

Example #3:

An employer has been granted permission to average the hours of work over a four-week period. A general holiday occurs during the four-week period. Therefore, the regular hours in this averaging period must be reduced by eight hours.

| | Sun | Mon | Tue | Wed | Thu | Fri | Sat | Regular Hours | Overtime Hours |
|--------|-----|------------------------|-----|-----|-----|-----|-----|---------------|----------------|
| Week 1 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 84 | |
| Week 2 | | | | | | | | | |
| Week 3 | 12 | General Holiday | 12 | 12 | 12 | 12 | 16 | 68 | 8 |
| Week 4 | | | | | | | | | |
| Total | | | | | | | | 152 | 8 |

Hourly Rate: \$20.00

Regular hours worked: 152

Overtime hours: 8

Regular pay: $152 \times \$20.00 = \$3,040.00$

Overtime pay: $8 \times 1.5 \times \$20.00 = \240.00

Total wages earned: \$3,280.00 + General Holiday pay

For more information

This fact sheet is prepared for general information purposes and the *Employment Standards Act* has precedence.

For more information, contact an Employment Standards Officer at 667-5944 or by email at eso@yukon.ca.