



Employment Standards Act

Room and Board

Updated August 2021



Room and Board

An employer may deduct from an employee's wages or have an employee make payments to the employer if:

- The employer provides meals and accommodation to the employee, AND
- The employee gives written consent to a specific amount of deduction or payment.

There are limits to the deductions from the minimum wage for room and board that an employer may take per month:

- The maximum allowable deduction is \$5.00 per day if the employee makes the minimum wage per hour.

Example:

An employee makes the minimum wage, room and board is calculated by:

$\$5.00/\text{per day} \times \# \text{ of days "room and board" is provided}$

- If the employee makes more than the minimum wage, the employer may deduct more than \$5.00 per day. Note: After the deduction, the employee cannot receive less than if they earned the minimum wage less \$5.00 for each day.

Example:

An employee earns \$20.00 per hour and works eight hours per day. The maximum allowable deduction an employer can take is as follows:

The employee earns $\$20.00 \times 8 = \$160.00/\text{day}$

Minimum wage: $\$15.20 \text{ (current minimum hourly wage)} \times 8 = \$121.60/\text{day}$

Maximum deduction: $\$160.00 - (\$121.60 - \$5.00) = \$43.40/\text{day}$

Note: The minimum wage rate adjusts on April 1 each year. Employers must comply with the Minimum Wage Regulations in calculating "Room and Board" deduction.