



Rules of payment and payroll records

1. How often should employers pay their employees?

Employers are required to pay their employees at least every 16 calendar days. On each pay day, employees should receive all wages and commissions owed to them up to seven days prior to pay day.

2. In what form are employers required to pay their employees?

Employers must pay each of their employees in Canadian dollars, by cheque or deposit to the employee's personal bank account.

3. Do employers have to provide their employees with a pay statement when payment is made?

Yes, employers are required to give each of their employees a pay statement on each pay day showing:

- the dates of the pay period and the gross wages for that period, and
- the amount and description of each deduction, and the net pay.

Furthermore, should the employer choose to provide electronic pay statements at the place of employment, he must:

- provide the employee with confidential access to the electronic pay statement, and
- a means of making a paper copy of his statement.

4. Can employers withhold or treat as wages any tips, gratuities or employer imposed surcharges?

No, employers cannot withhold or treat as wages any tips, gratuities or employer imposed surcharges. Tips, gratuities and employer imposed surcharges are the property of the employee to whom, or for whom, they are given. Surcharges must be distributed to the employee no later than the next regular pay day after which the employer collected them. There are rules regarding the pooling of tips. For more information, please contact the Employment Standards Branch.

5. How soon can an employee expect to be paid after employment ceases?

When employment ceases, all wages normally due on the next regular pay day must be paid to the employee at that time. All other outstanding wages, commissions, vacation pay, and other benefits must be paid on the following pay day but no later than 21 calendar days after the employee's last day of employment.

6. What should happen when an employee does not receive a pay cheque on time?

An employee should first discuss the issue with his employer in an attempt to resolve the matter. If the employer does not correct the problem then the employee should contact the Employment Standards Branch.

7. Can an employer deduct monies from an employee's wages?

The *Employment Standards Act* does not expressly set out the conditions under which an employer may deduct monies from an employee's wages. However, the Labour and Employment Board has established criteria in this regard. Employers should contact the Employment Standards Branch before making any deduction to an employee's wages other than those regulated by law (Employment Insurance, Canada Pension and court ordered).

Payroll records

1. Are employers required to keep payroll records?

Yes, employers are required to keep payroll records for each employee showing:

- name, address, date of birth and social insurance number;
- date the employment began;
- number of hours worked each day and each week;
- wage rate and gross earnings for each pay period;
- amount and reason for each deduction from gross earnings;
- vacation dates, vacation pay due or paid, and the dates of payment;
- public holiday pay due or paid, and the dates of payment;
- net amount of money paid;
- dates and reason the employee was on a leave of absence and any document or certificate relating to a leave of absence;
- date of any dismissal or layoff, and the dates of the notices thereof,
- date of cessation of employment;
- any other relevant information about the employer/employee relationship.

2. How long must payroll records be kept on file, and where must they be kept?

Employers are required to keep payroll records for at least 36 months. This includes any period after the employee ceases to work for the employer. These records must be maintained in the province of New Brunswick.

3. Can an Employment Standards Officer enter an employer's office or any premises to inspect, audit or examine employment records?

Yes, for the purpose of ensuring compliance with the *Employment Standards Act*, an Employment Standards Officer may enter any office or premises and request all books of account and make copies of these items.

4. What happens where an employer fails to maintain accurate payroll records?

Where an employer fails to maintain accurate records in accordance with the *Employment Standards Act*, the Employment Standards Branch may accept the evidence of the employee with respect to the employee's employment. In this instance, the onus is on the employer to prove that the employee's evidence is incorrect.