

Technical Circular T-2/98
June 19, 1998

TO: All HQ Directors, Operations, Planning and Major Projects
All Regional Directors
All District Highways Managers

SUBJECT:

Hired Equipment Policy

PURPOSE:

To clarify ministry policy with respect to hired equipment rates in overtime situations. The policy is effective immediately and not retroactive.

NEW POLICY:

It remains ministry policy that whenever possible, all equipment hires should be for a standard work day/week (8 hours/day, 40 hours/week). Overtime situations should be avoided.

However, if, for operational reasons, longer days/weeks are inevitable, resulting in owners requiring to pay their operators overtime (in accordance with the *Employment Standards Act*) or in owner/operators having to work overtime:

1. You may agree to pay an overtime allowance:

- this must be agreed to, in advance, and documented on the Equipment Rental Agreement;
- the overtime allowance is paid only when an **operator** works more than the standard work day/week, not the equipment;
- refer to the *Employment Standards Act* for details on when and how overtime is to be applied (a copy of the *Act* is attached for your reference);
- **all operators** are entitled to the overtime allowance, i.e., including owner/operators.

2. Calculate the overtime allowance as follows:

If, in accordance with the *Employment Standards Act*, the operator is entitled to pay at time and a half: add \$11.50 to the All Found Rate in the Equipment Rental Rate Guide for those hours applicable to overtime.

If, in accordance with the *Employment Standards Act*, the operator is entitled to pay at double time: add \$23.00 to the All Found Rate in the Equipment Rental Rate Guide for those hours applicable to overtime.

The overtime allowance of \$11.50 for time and a half and \$23.00 for double time represents the salary portion (less benefits) of the all-found rate in the Equipment Rental Rate Guide, i.e., \$33.00 - \$10.00. This rate complies with the Ministry of Labour's Skills Development and Fair Wage Act and Regulations.

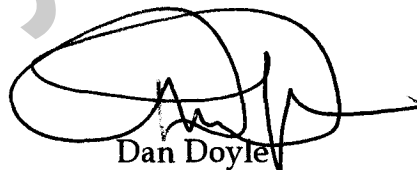
Example

You hire an excavator (1996 Bobcat 56, 220) for 1 day. The All Found Rate for that equipment is \$47.50. You agree in advance that the equipment will be required for 12 hours; the same operator will work the full 12 hours.

- the first 8 hours will be paid at \$47.50/hour
- the next 2 hours will be paid at \$59.00/hour ($\$47.50 + \11.50) to compensate for the overtime at time and a half;
- the last 2 hours will be paid at 70.50/hour ($\$47.50 + \23.00) to compensate for the overtime at double time.

CONTACT:

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Encl.