



This factsheet has been prepared for general information purposes. It is not a legal document. Please refer to the *Employment Standards Act* and Regulation for purposes of interpretation and application of the law.

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# Oil and Gas Well Drilling And Servicing Industry

Certain provisions of the Employment Standards Regulation apply specifically to employees in the oil and gas well drilling and servicing industry.

### Hours of work

Section 36(1) of the *Employment Standards Act*, which provides for 32 hours in a row free from work each week, does not apply to most employees in the oil and gas well drilling and servicing industry.

### Overtime for hourly-paid employees

Hourly paid employees include:

- Geophysical or seismic drillers
- Heavy motorized equipment operators
- Slashing and timber salvage workers
- Gathering systems and facility installers
- Service rig workers
- Camp catering workers
- First aid workers
- Safety workers
- Oil and gas drilling rig workers
- Land survey workers
- Water truck operators

Employees in these occupations are entitled to time and one-half after eight hours worked in a day and double time after 12 hours worked in a day.

Weekly overtime is time and one-half after 40 hours worked in a week.

Only the first 8 hours worked by an employee in each day are counted towards weekly overtime, no matter how long the employee works. For example, in seven days of 14-hour shifts, overtime is calculated as follows:

	Sun	Mon	Tues	Wed	Thurs	Fri	Sat
Hours	14	14	14	14	14	14	14
Straight Time	8	8	8	8	8		
1½ X	4	4	4	4	4	8*+ 4	8*+ 4
2 X	2	2	2	2	2	2	2

\*weekly overtime

Employers and employees in the oil and gas sector can also implement averaging agreements where hours of work can be averaged over 1, 2, 3 or 4 weeks. (See factsheet: *Averaging Agreements*.)

### Salary plus bonus compensation

The Employment Standards Regulation provides that employers in the oil and gas well drilling industry can pay certain workers a monthly salary plus bonus, in lieu of an hourly rate plus overtime, provided the workers are paid at least the amount of wages they would receive if they were paid by the hour.

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When calculating time and one-half or double time rates of pay for the purposes of overtime, the calculation is based on an employee's salary. The salary does not include any bonus, allowance or payment which is based on the geographic location of the employee's residence.

Bonus payments are not required to be paid in every pay period. They are payable within the next three pay periods that follow the pay period in which the bonus was earned.

During a pay period where an employee earns overtime, the employee must be paid the greater of:

- The amount of the employee's bonus and regular salary; or
- The wages, including overtime, earned in that pay period.

Employees may be paid a salary and bonus in lieu of overtime if they are primarily engaged in:

- a) Any of the following on-site activities:
  - Drilling, evaluating, stimulating, completing, re-completing, enhancing production or optimizing services of an oil or gas well;
  - Performing remedial treatment of an oil or gas well;
  - Providing safety services or other services unrelated to the administration of the employer's business, for an oil or gas well, and
- b) Transporting oilfield equipment, or
- c) Oil or gas well site preparation.

Rest periods for 24-hour on-site employees

First aid workers, water truck operators, camp catering workers and vacuum workers are often required to be on site 24 hours a day.

If a first aid worker, water truck operator or vacuum worker is scheduled to work a 24-hour shift; the shift must include a rest period of 12 or more consecutive hours.

If a camp catering worker is scheduled to work a 24-hour shift, the shift must include a rest period of at least 12 hours, of which at least eight hours must

be consecutive.

If a rest period is interrupted for work, the employee must be paid for a minimum of two hours or the actual time worked (whichever is greater).

If the total hours worked or earned that day are 12 hours or less, the employee must be paid time and one-half for these hours.

If the total hours worked or earned that day are more than 12 hours, the employee must be paid double time for these hours.

### Statutory holidays

The statutory holiday entitlements which are set out in the Act cannot be varied. To be eligible, an employee must have completed 30 calendar days of employment, worked at least 15 of the 30 days before the statutory holiday\*\* and not be a manager.

*\*\* Employees working under an Averaging Agreement at any time in the 30 days before the statutory holiday do not have to meet the 15-day minimum.*

An employee who works on a statutory holiday is paid:

- Time and one-half for the first 12 hours worked, and double time for all hours worked in excess of 12, plus
- An average day's pay.

Employees who are given a day off on a statutory holiday are entitled to an average day's pay.

An average day's pay is calculated by dividing "total wages" in the 30 calendar days before the statutory holiday by the number of days worked.

"Total wages" includes wages, commissions, statutory holiday pay and vacation pay but does not include overtime pay, or any bonus, allowance or remuneration, whether based on the geographic location of the employee's residence or otherwise.