



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.

July 2016

Deductions from Wages

An employer may not, directly or indirectly, withhold, deduct or require payment of all or part of an employee's wages for any purpose except as permitted or required by the *Employment Standards Act*, or by another act of either British Columbia or Canada.

Unauthorized Deductions

Employers cannot require that an employee pay for any portion of an employer's business cost. This includes expenses arising from theft, damage, breakage, poor quality of work, damage to employer property, or failure to pay by a customer. Some instances where these issues arise include "gas-and-dash", "dine-and-dash", shoplifting, or accidents involving employer vehicles or equipment.

If an employer requires an employee to pay for any business cost whatsoever, in any way, the Employment Standards Branch can recover that money as unpaid wages. This includes money paid out of tips or any other source.

Any agreement by an employee to contribute towards an employer's cost of doing business is a contravention of the Act and is not enforceable. If the Branch issues a decision finding that an employer has contravened the Act, monetary penalties will be imposed ranging from \$500 to \$10,000.

Authorized Deductions

Employers are required to deduct for such things as

income tax; Employment Insurance premiums; Canada Pension Plan contributions; union dues or other amounts authorized by a collective agreement; or, amounts required as a result of a lawful garnishing order.

Other Permitted Deductions

An employee may request that certain amounts be paid directly to a third party.

Upon receiving written permission from the employee, an employer must make deductions for medical premiums; extended health or dental coverage; charitable donations or pension plan contributions if the amounts are tax-deductible; and, maintenance payments under the *Family Maintenance Enforcement Act*.

The employer may (but is not required to) deduct from wages to pay a credit obligation, normally for goods or services an employee has received from a third party.

The money must be remitted within one month of being deducted. To cancel permission, the employee must give notice in writing to both the employer and the person or organization being paid.

Advances / Overpayments

Advances on wages and accidental overpayments cannot be deducted from an employee's paycheque unless the employee has given written permission to the employer authorizing the repayment.

