

Vacations and Vacation Pay

All employees begin earning vacation time and pay from their first day of work for an employer.

How long is a vacation?

After completing one year with an employer employees must receive two weeks of vacation. After completing their fifth year of work with the same employer, employees must receive three weeks of vacation.

Can employers give more vacation?

Yes, employers can and often do give employees more vacation than is required by Employment Standards. The minimum amount of vacation employers can provide does not increase beyond 3 weeks of vacation after 5 years of service, employers can choose to provide more if they wish.

What are employees paid while on vacation?

Vacation pay is calculated based on the earnings in the previous year. For each week of vacation, employees earn two per cent of their gross wages as vacation pay. For example: employees who earn two weeks of vacation receive four per cent of their gross wages as vacation pay. Employees with three weeks vacation receive six per cent of their gross wages as vacation pay.

What is included in gross wages for vacation pay?

Gross wages include all regular wages and any general holiday pay. Regular wages include hours paid as commission, salary, hourly, bonuses tied to productivity and any other wages paid as compensation for the regular hours of work.

Overtime wages, wages in lieu of notice and the previous year's vacation wages are not included.

When are employees paid their vacation pay?

Employers decide when vacation pay is to be paid. However, it must be paid no later than the last day of work before the vacation and within 10 months of earning it.

Can employers pay vacation pay on every pay cheque?

Employers may pay vacation pay on every pay cheque. Employees are still entitled to take time off as vacation, but do not receive any additional vacation pay while they are off, because it has already been paid on each cheque.

When can employees take their vacation?

Employees are eligible for vacation once they have completed one year of work and must take their vacation within 10 months of it being earned. Employees and their employers can agree on when vacation will be taken.

If an employer and employee cannot agree on when the vacation will be taken, the employer decides. The employer must give the employee notice of 15 days before the vacation will be taken, and cannot divide the vacation into periods shorter than one week. Employers can schedule their employees' vacations as part of an annual shut down.

What if a general holiday falls during employees vacations?

Employees would normally receive another day of vacation, and receive general holiday wages for the day of the general holiday. See the [General holiday](#) page for more information.

How do unpaid leaves affect vacations and vacation pay?

During a legislated or approved leave, employment is considered continuous. Employees are still employed, but not earning wages while on the leave. Employees who return from leave are entitled to their full vacation time, so employees with less than five years of service would still be entitled to two weeks off.

Vacation pay for employees who have taken a leave remains the same as for other employees— four per cent of gross wages for two weeks vacation and six per cent for those who have earned three weeks vacation. The amount they earn as vacation pay may be lower than it would have been otherwise, if they were not earning wages while on their leave.

While on leave, employees are still employed. The time they are away on leave does count toward their years of service when determining how much vacation they are entitled to. See the page on [Unpaid Leaves](#) for more general information or the pages on [Maternity Leave](#), [Parental Leave](#) and [Compassionate Care Leave](#) for more specific details.

What if employment ends before employees take their vacation?

When employment ends, employees must be paid all of the vacation pay that has been earned. Employees begin earning vacation from their first day of work. This includes the situation where an employee has not yet completed one year of service.

Can vacation be used as notice of termination?

Vacation cannot be used as notice of termination. Employees are entitled to all outstanding vacation pay when their employment ends.

How are years of service determined for seasonal employees?

Employees who work in a seasonal industry and return to work with the same employer each season, have continuous service for vacations. Each consecutive season they return adds one more year of service to their total. Once employees complete their fifth season with an employer, they are entitled to three weeks vacation and vacation wages of six per cent.

Can employers establish a common anniversary date for earning vacation, for all employees?

Employers can choose to have a common anniversary date, so all their employees receive their new vacation entitlements at the same time. All employees earn vacation pay from their first day of work. New employees will receive the portion they earned between the day they started and the common anniversary date. For example: if an employer establishes July 1 as the common anniversary and new employees starts work on January 1, new employees will have worked ½ a year on the common anniversary date. They must receive ½ of their vacation, normally one week) and four per cent of their earnings until July 1 as vacation pay.

Can employers offer more vacation?

Employers can, and often will, give vacation and benefits that are greater than the legislation. They may not give less vacation or pay than the legislation states.

For more information contact Employment Standards:

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This is a general overview and the information used is subject to change. For detailed information, please refer to current legislation including *The Employment Standards Code* and *The Worker Recruitment and Protection Act*, or contact Employment Standards to ask for advice.

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