



# Banking of Hours

The answer to  
“Winter Seasonality”  
for landscape and  
nursery workers

- 52-week level pay cheque
- Winter time off with pay
- Eliminates seasonality



## Major advantages to the industry

- Eliminates seasonality
- Benefits employees and employees
- Improves the firm's efficiency
- Creates employment stability

## Advantages to employee

- Allows a steady, weekly year-round pay cheque
- Eliminates winter EI hassles
- Have three months off for personal benefit
- Allows employee to better budget their money

## Advantages to employer

- Increases employee retention
- Eliminates hectic spring hiring
- Improves efficiency of firm
- Reduces training of new employees each year
- Assures a more steady, productive workforce

## General

Most workers in Canada work 2,000 hours a year (40 hours a week x 50 weeks + 2 weeks holiday). Many firms in the horticulture industry use this approach with their employees. The extra hours that are worked in the spring, summer and fall are banked and are paid out in the winter months when the employee is off. This means that the employee works extra hours from April to December and has three months off in the winter. The employee receives a regular pay cheque for 40 hours weekly year round.

## Agreement necessary

Since this "banking of hours" approach is non standard, the employee and employer must sign an employment contract so there is agreement between both parties. It also means that the employee will not receive EI benefits (or hassles) in the winter because he will receive a pay cheque, all winter. The employer must keep accurate records of the hours worked and give the employee a regular summary.

## WSIB premiums

The employer must submit to WSIB on the hours worked for each time period and not on the hours paid to the employee. This will insure the employee receives the maximum benefit in case of an accident or injury.

## Other industries

This approach has been used by other seasonal industries to more evenly distribute hours and wages. It provides a good solution for seasonality in the landscape sector and creates many options for the employee in terms of a second winter job, personal development, or holiday time.

A plan  
to pay  
landscape  
industry  
workers like  
any other  
salaried  
employee

# EMPLOYEE & EMPLOYER AGREEMENT

## BANKING OF HOURS PROGRAM

Contract may be downloaded at [www.hort-trades.com/Education](http://www.hort-trades.com/Education)

EMPLOYER: \_\_\_\_\_

EMPLOYEE: \_\_\_\_\_

This agreement is to form an employment contract between the above two parties which allows the employee to be paid year round and allows the employer to bank excess hours in order to pay the employee during the off season by paying the employee from previously banked hours.

This agreement will set out a pay schedule for the employee for all his/her hours worked over the 12 month period starting April 1 of the year and it will continue to be paid on regular pay periods throughout the year ending March 31.

The employee is estimated to work at least 2,000 hours over the 12-month period from April 1 to March 31. Generally, the bulk of the hours worked will be from April 1 (or earlier, weather permitting) until early December (approximately 9 months, known as "The Season") or when the weather closes the season. Snow removal during the winter months (the "Off Season") may be included in these total hours worked. Once the season closes, the employee will continue receiving his / her pay cheque based on the agreed hours of, 2000 hours per year or 38.46 hours a week for 52 weeks, or the hours necessary to balance the hours worked and hours paid over the off season.

Each pay period, the employee will receive a statement indicating the number of hours worked and the hours for which the employee has been paid. The differences between these amounts will increase until December, and after this time this difference will start to get smaller, and it should go to zero and be equal by April 1.

The employee understands that paying him / her year round eliminates (EI) Employment Insurance benefits in the off-season. This is because you will receive a pay cheque all winter and the government will consider you a full time employee (for EI benefits).

The employee's WSIB premiums will be paid based on the employee's actual worked hours at the time they are worked. This allows the employee maximum benefit should the employee have an accident and require benefits.

It is understood that this method of payment is to allow the employee to basically work from April 1 until almost Christmas, when the season closes, and still give the employee a regular pay cheque during the winter; even though fewer hours are worked in the off season. We are complying with all the income tax laws and source deduction requirements as required by Canada Customs and Revenue Agency (CCRA) and the Workplace Safety & Insurance Board (WSIB).

Any hours worked in excess of those paid in a 12-month period will be considered a one-time bonus payment. Hours paid which are more than hours worked, will require that the employee reduce their pay cheque until the hours worked equals the hours paid. It will be permissible to review the number of hours (worked vs. paid) at the end of the season to determine the paid hours over the off-season. This will only be completed after a discussion between the employee and the employer.

Should the employee leave our firm for any reason, the employee is entitled to receive all banked hours at the time the employee leaves the company's employ.

(OVER)

*EXAMPLE: If the employee makes \$10 per hour, he/she will be paid 2,000 hours x \$10 = \$20,000 annually. Vacation pay of 4% is added, making the annual pay \$20,800. If the employee is paid weekly, he / she would receive \$20,800/52 weeks = \$400 per week. Instead of a two week holiday, because the employee works 60 hours a week in some spring weeks, the employee will have most of the winter off as a holiday. If by the winter leave (December), the hours worked are not enough to carry you through the winter off-season, then the hours paid will be reduced at that time. If the worked hours are more than originally established, then the agreed pay will be received in addition to a bonus payment.*

The employee will receive a pay cheque every pay period throughout the off-season, even though the employee may be on reduced hours (or zero hours) during the off-season. Because the employee works 2,000 hours and receives a regular year round pay cheque, vacation pay is included as regular pay. (Most employees are paid for 52 weeks and take two weeks holiday with pay. This means working 50 weeks and the pay for two weeks is the 4% holiday pay). The employee will receive his / her regular pay, year round, and the employee may have as much as three months off in the off-season. This is because the employee has worked these extra hours in the spring and summer months and will be paid all winter.

I have read, understand and agree to this method of payment.  
I agree to accept this method of compensation starting April 1.

EMPLOYEE SIGNATURE: \_\_\_\_\_

COMPANY SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_  
(see attachment "A")

## ATTACHMENT "A"

EMPLOYER: \_\_\_\_\_

EMPLOYEE: \_\_\_\_\_

DATE: \_\_\_\_\_

\*HOURLY RATE: \$ \_\_\_\_\_ PER HR (\*include 4% vacation pay)

X 2,000 HOURS = \$ \_\_\_\_\_ ANNUAL EARNINGS

/52 weeks = \$ \_\_\_\_\_ WEEKLY PAY

ADJUSTMENTS: \_\_\_\_\_

DATE: \_\_\_\_\_

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HORTICULTURAL TRADES ASSOCIATION  
**landscape ontario.com**



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