

Failure to Pay Overtime Results in Certification of Class Actions

30,000 employees of the Bank of Nova Scotia (“BNS”) and the Canadian Imperial Bank of Commerce (“CIBC”) have succeeded at the certification stage of their class action lawsuits. These actions arose out of the alleged failure of BNS and CIBC to pay its employees for overtime hours worked, which has resulted in claims for damages in the amount of \$350 million and \$500 million, respectively.

These decisions are a stark reminder to employers about the need to implement and enforce overtime policies that are consistent with the relevant provincial and federal employment standards legislation. It is of utmost importance that overtime policies include a clear procedure for the pre-authorization and post-authorization of overtime work. Failing to implement and enforce overtime policies may have serious consequences for an organization as a whole. These include, but are not limited to:

- Retroactive payments of unpaid wages
- A decline in employee morale
- A decline in employee productivity
- Damage to the organization’s reputation

Employers are encouraged to prevent possible claims for unpaid overtime by contacting e2r Solutions® for assistance in the creation and enforcement of overtime policies.