

# Employment Standards

Rights and responsibilities at work

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## Oilwell Servicing

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Part 3, Division 6 of the Employment Standards Regulation (Regulation) makes exceptions to employment standards for oilwell servicing employees in hours of work, overtime and the bonus component of wages.

Oilwell servicing means the work that is necessary for the completion, recompletion or remedial treatment of an oil or gas well when the work is applied in respect of the well. It also includes the supplementary work necessary to the drilling of an oil or gas well. Oilwell servicing employees who work primarily in an office are not included in this category.

The actual drilling of the well and work performed with a mobile workover or completion service rig is not oilwell servicing. Examples of oilwell servicing operations can be found on page 5.

### Maximum number of hours an employee may work in a day

Employment Standards legislation does not restrict hours of work per day in the oilwell servicing industry. An employer and employee must comply with safe work practices in accordance with the *Occupational Health and Safety (OHS) Act*. Under OHS legislation, an employer must ensure the health and safety of its workers. This includes monitoring hours of work if extended hours of work can affect the health and safety of a worker or their co-workers. Workers have a right and a responsibility to refuse work if it appears unsafe.

For information about fatigue and safety, refer to the Workplace Health and Safety Bulletin, "Fatigue and Safety at the Workplace," at <http://employment.alberta.ca/documents/Fatigue-and-Safety-at-the-Workplace.pdf>. A copy of this publication can also be obtained from any OHS office in Alberta. To find an office near you, please phone the OHS Contact Centre at 1-866-415-8690.

Some oilwell servicing employees (e.g., water, steam and vacuum truck operators) may be subject to either the federal or provincial Drivers Hours of Service Regulations, which govern the maximum driving times and minimum off-duty times of commercial vehicle drivers (both bus and truck).

For more information on Drivers Hours of Service, please contact Carrier Services, a section of Alberta Transportation:

Phone: 403-755-6111 (*to call toll-free within Alberta dial 310-0000 first*)  
Fax: 403-340-4811  
Email: [carrier.services@gov.ab.ca](mailto:carrier.services@gov.ab.ca)

## On call, standby and days of rest

An employee is considered to be working when directed by the employer to wait at the worksite (on standby).

Generally, being on call is not considered to be work. This means that wages are not payable for on call time, although the parties can agree to some form of remuneration for on call services. An example of an acceptable on call arrangement that is not work is an employee who carries a pager during non-work hours.

Work starts when the employee arrives at the place where they will be performing a service for their employer. However, if an employee provides a service over the telephone from home, this is also work.

An employee must receive one day off in a week of 7 days. These days off can be accumulated, allowing an employee to work a maximum of 24 consecutive days followed by four consecutive days off. An employee must not be on call or on standby on the days off referred to above.

## Travel time

Travel time is work when an employee, whether driver or passenger, goes from:

- The employer's business or a place designated by the employer to a worksite and return,  
**or**
- One job site to another job site.

Note: If an employee is given the **choice** of travelling from their residence to the worksite on their own, with a co-worker or using transportation provided by the employer, the time spent travelling to the worksite **is not considered to be work** for the driver or any passengers. However, as soon as an employer directs an employee how to travel to the worksite, for example, requiring an employee to take the company bus, the time spent travelling to the worksite becomes work for both the driver and any passengers.

## Overtime hours

Overtime is payable when hours of work exceed 12 in a day or 191 in a work month, whichever is greater.

If an employee works less than 191 hours in the first or last work month of employment, overtime becomes payable when hours of work exceed 12 in a day or 44 in a work week, whichever is greater.

## Bonus component of wages

The bonus component of wages can be paid within 10 days after the end of the pay period subsequent to the one in which the bonus was earned.

For the purpose of calculating general holiday pay, the bonus/incentive component is not considered to be wages when an employee is paid a combination of salary and bonus. The minimum wage is used to calculate the minimum entitlement to overtime pay and pay for time worked on a general holiday when an employee is paid a combination of salary and bonus.

For more information on general holiday pay and minimum wage, see the “General Holidays and General Holiday Pay” and “Minimum Wage” Fact Sheets at <http://employment.alberta.ca/esfactsheets>.

## Definition of a work day and work month

A work day means a 24 hour period ending at midnight or a 24 hour period as established by the consistent practice of an employer.

A work month means a calendar month, or the period from a time on a specific day in a month to the same time on the same day in the following month as established by the consistent practice of an employer.

## Some common questions

- 1. If an eligible employee does not work on a general holiday that falls on a day that is normally a day of work for that employee, how are they to be paid?**

The employee is entitled to the average daily wage. Provided that the salary component is at least the minimum wage for all hours worked, the requirement for payment of the average daily wage has been met.

- 2. If an eligible employee works on a general holiday that falls on a day that is normally a day of work for that employee, how are they to be paid?**

The employee is entitled to at least:

- The average daily wage for the general holiday. Provided that the salary component is at least minimum wage for all hours worked, the requirement for payment of the average daily wage has been met, **plus**
- 1.5 times the employee’s hourly wage for all hours worked on the general holiday.

**OR**

- An amount that is at least the employee’s wage rate for each hour of work that the employee worked on the day of the general holiday, **plus**

- one day's holiday, no later than the employee's next annual vacation, and general holiday pay or an amount that is at least the employee's average daily wage.

**Note:** The replacement holiday must be a day on which the employee is normally scheduled to work.

**3. If an eligible employee works on a general holiday that falls on a day that is normally not a day of work for that employee, how are they to be paid?**

The employee is entitled to at least 1.5 times the minimum wage for all hours worked on the general holiday.

**4. How do you determine if an employee, paid by salary and bonus, has received minimum entitlements for overtime and time worked on a general holiday?**

The bonus received in the pay period must be equal to or greater than:

- a) 1.5 times minimum wage for all overtime hours worked, **plus**
- b) 1.5 times minimum wage for all hours worked on the general holiday.

If the bonus in the pay period is less than this minimum entitlement, the difference must be paid by the employer.

**5. Example - An employee receives a bonus of \$800 in the pay period in which he works 20 overtime hours and 10 hours on the general holiday. How do you determine if the employee has received minimum entitlements?**

This example assumes that the salary component is at least minimum wage for all regular hours worked, in which case the requirement for payment of the average daily wage for the general holiday has been met.

For overtime hours worked and hours worked on the general holiday:

- Overtime Hours  
 $\$14.10 (1.5 \times 9.40) \times 20 = \$282.00$
- General Holiday Hours  
 $\$14.10 (1.5 \times 9.40) \times 10 = \$141.00$
- Total \$423.00

As the bonus of \$800 earned in this pay period exceeds \$423, the minimum entitlements have been paid.

**6. If an oilwell servicing employee works in the shop, how is the payment of overtime affected?**

When an employee is hired primarily to work as an oilwell servicing employee, the provisions of the Regulation apply, whether or not they are working in the field or performing maintenance work in the shop.

**7. Is vacation pay payable on both the salary and bonus/incentive component of an employee's pay?**

Vacation pay is payable on:

- a) the entire salary portion, and
- b) the portion of the bonus remaining after subtracting overtime (calculated using the minimum wage as the hourly rate).

**Oilwell servicing includes but is not limited to:**

- drillstem testing
- production or well testing
- open hole testing
- closed hole testing
- wireline
- power tong operators
- mud logging
- injecting drilling mud and drilling fluids
- cementing
- acidizing
- fracturing
- swabbing
- tubing and casing pressure testing
- logging
- perforating
- rathole drilling
- air quality monitoring
- oilfield firefighters
- plugging
- testing blow out preventers (BOP)
- running downhole packers
- installation of submergible pumps
- install electronic drilling rig instrumentation and hydraulic chokes
- tubing testing
- well stimulation
- fishing
- thread cleaning
- water, steam and vacuum truck operators

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