

A Matter of Time

Authors: Jennifer S. Hanson Laura Minuk

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Labour Board Clarifies CAO Overtime Rights

In a recent decision of *T.A. v. Rural Municipality of Grandview*, 2025 Carswell 174, issued by the **Manitoba Labour Board** (the “Board”), it was determined that a former Chief Administrative Officer (“CAO”) was not entitled to overtime pay pursuant to Manitoba’s **Employment Standards Code** (the “Code”).



Overtime Exemptions Under the Employment Standards Code

Pursuant to sections 2(4)(a) and 2(4)(b) of the Code, an employee is not entitled to overtime pay if they perform management functions primarily (section 2(4)(a)); **or** an employee has substantial control over their hours of work **and** whose annual regular wage is at least two times the Manitoba industrial average wage (section 2(4)(b)).

Application of the Code by the Labour Board

In this decision, the Board applied the above statutory provisions and found that the CAO was not entitled to overtime pay. This is partly because her duties were considered management functions. Some of those duties included, among other things, the responsibility to supervise all municipality staff, intimate involvement in hiring and disciplining employees, conducting performance appraisals, and establishing budgets for the Municipality.

Earnings and Control Over Hours of Work

The CAO was also exempt from the overtime provisions because at all times during the course of her employment, her earnings were more than twice the industrial wage average. She also had the ability to manage her own time because she put in many hours, which allowed flexibility in her hours of work.

Takeaways for Municipalities and CAOs

Notwithstanding this, it is open to Municipalities to authorize a certain amount of overtime to their CAOs, which can be built into their overall compensation. This serves as a good reminder for Municipalities and CAOs to review their employment contracts so that the

parties have a clear understanding as to their respective rights and obligations. It is also important to consult your legal counsel to ensure these agreements are up to date with current legislation.

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