

# Direct Sellers

**October 2016**

The *Employment Standards Code* (Code) and Employment Standards Regulation (Regulation) establish minimum standards for employers and employees involved in a direct selling business.

The Direct Selling Business Licensing Regulation (AR 190/99) and the Designation of Trades and Businesses Regulation (AR 178/99) – under the *Fair Trading Act* – define direct selling as: the business of soliciting, negotiating or concluding in person, at any place other than the seller's place of business, sales contracts for the provision of goods or services, where the buyer is the consumer.

## Adolescents aged 12 to 14

Adolescents aged 12 to 14 cannot be employed as direct sellers unless the employer has obtained a permit from the Director of Employment Standards.

## Employees who are 15 years old

An employer who employs individuals who are 15 years old as direct sellers must comply with the following provisions of the Code:

- the maintenance of all employment records as required by sections 14 and 15;
- pay statements at the end of each pay period as required by section 14(2);
- hours of work, which includes:
  - confining work to a 12-hour period,
  - notice of work times,
  - rest periods and days of rest, and
  - overtime and overtime pay;
- payment of the hourly minimum wage of \$12.20 per hour and the requirement to pay at least three hours at minimum wage each time an employee reports to work as scheduled;
- vacations and vacation pay;

- general holidays and general holiday pay;
- notice of termination and termination pay; and
- maternity and parental leave.

## Employees age 16 or older

An employer who employs individuals age 16 and older as direct sellers must comply with the following provisions of the Code:

- the maintenance of all employment records as required by sections 14 and 15 with the exception of section 14(1)(a) regular and overtime hours of work;
- pay statements at the end of each pay period as required by section 14(2);
- payment of the weekly minimum wage of \$486;
- vacations and vacation pay;
- notice of termination and termination pay; and
- maternity and parental leave.

It is permissible to prorate the weekly minimum wage to a daily wage, based on the employer's established work week when an employee does not, or is not required to, work a full work week.

## Commission and other incentive pay plans

For information regarding the calculation of earnings for direct selling employees paid on a piecework basis, please see the "Commission Pay Plans and Minimum Compensation Entitlement" and "Incentive-Based Pay Plans and Minimum Compensation Entitlement" Fact Sheets at <http://work.alberta.ca/esfactsheets>.

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