



**Our employers
steal our wages.**

Our governments allow it.

It's time to stop it.



WORKERS' ACTION CENTRE
workersactioncentre.org

WHAT IS WAGE THEFT? HOW DOES IT IMPACT US?

Wage theft is the number one issue workers bring to the Workers Action Centre. That's why we are fighting back to **Stop Wage Theft!**

All too many of us work hours we don't get paid for, face late paychecks, and unpaid public holidays by employers that are confident they can get away with wage theft. This crisis has become worse under the current government that cut enforcement of our employment standards when it came into power. Over the last 10 years, \$200 million was stolen from workers across Ontario and the Ministry of Labour did not recover \$80 million of those wages for workers. This is just the tip of the iceberg. Chronic under-enforcement of our labour laws means workers have to fight to recover stolen wages, but we don't have the power of job protection to do that.

Wage theft is not just a few bad bosses. It is systemic. It profits employers and is backed by government laws and inaction. With the cost of living crisis and the weakening of Canada's social safety net, our families, communities and local labour market pay the price of wage theft.

Read this report and find out about wage theft in Ontario, its causes, and what changes we need to protect our hard-earned wages.



In 2024, the Workers' Action Centre (WAC) surveyed over 500 people in low-wage work. The results paint a stark picture of what we are up against:

60% of workers reported they had experienced at least one pay-related violation. While 28% faced wage theft under \$500, over 20% of these workers experienced wage theft of over \$5,000!

62% of people who worked overtime said they never received overtime premium pay or time off in lieu of overtime pay.

51% of workers reported not getting paid for all the hours they worked.

46% of workers reported they did not get public holidays off with pay. With 9 public holidays a year, that's a lot of money to lose!

47% of workers reported getting paid late (after their scheduled pay day).

Over 20% said that wage theft caused them to go into debt, with over 26% having to borrow money to pay the bills.

WHAT IS WAGE THEFT?

Wage theft occurs when employers do not pay us what we are owed under the law. This happens when we are not paid for all the hours we have worked or are not paid at least minimum wage. This also happens when we are not paid our full entitlements like overtime, public holiday or vacation pay.

Wage theft also occurs when employers illegally misclassify us as self-employed, independent contractors to try to avoid responsibility for basic workers rights and wages. Employers also avoid responsibility by subcontracting out their work to other companies to insulate themselves from providing proper wages.

Wage theft is widespread because the system is not working to protect our rights. Every year,



millions of dollars are stolen from workers and go into the pockets of employers. These corporations get rich by breaking the law while we, as workers (especially migrants, women and racialized people), are left to fight for ourselves. This is not an accident. It happens because our laws are weak and the government that is supposed to enforce the laws is not doing its job.

WHAT IS THE IMPACT OF WAGE THEFT?

Wage theft takes a heavy toll on us and our families.

Today, more than half of us are living paycheck to paycheck. None of us should have to decide between putting food on the table or keeping the lights on. But this happens when employers steal our wages.

Wage theft hurts our communities and harms local economies. Wage theft reduces funding for our social programs through unpaid taxes and contributions to EI, CPP and workers compensation.

When wage theft laws are not enforced, it gives a financial advantage to the employer stealing our wages, and pressures other companies in

the same industry to commit wage theft. This lowers wages and working conditions for everyone.

Wage theft is the number one issue facing workers who come to the Workers' Action Centre.

NOT WORKING FOR WORKERS.

Doug Ford claims he is “working for workers,” but since he came into power in 2018, laws that are supposed to protect us have been eliminated.

For the past seven years, the Ford government has continued to pass pro-business workplace legislation. Ford’s government weakened our rights and wages in many ways:

Ford’s first move was to pass the “Making Ontario Open for Business Act” that rolled back minimum wage increases, cut workers’ paid sick days so workers would not have to be paid when they miss work, removed equal

pay for equal work and much more. Ford even reduced the number of unpaid, job-protected leave days we get.

Right after Ford took office, he also instructed the Ministry of Labour to stop any new proactive Employment Standards inspections. All inspection and prosecution training for new staff was put on hold.

He also passed “Restoring Ontario’s Competitiveness Act” which made it easier for employers to get workers to work more overtime for less overtime premium pay.



FORD'S RECORD ON WAGE THEFT

The system to protect workers from wage theft was already broken when Ford came into power. But it's gotten easier for employers to violate the law and harder for us to speak out, hold them accountable, and recover what we are owed.

The Ministry of Labour relies on employers to voluntarily follow our labour laws - but voluntary compliance never has, and never will work. We need proactive enforcement and we need real punishments for employers who break the law and commit wage theft.

The Ministry also relies on workers to file complaints about employer violations - but workers know that they risk being punished by their employers if they complain.

When the Ministry does investigate a complaint, employers don't face real consequences. Most of the time they are just required to pay what they should have paid in the first place - no fine, no penalty, no interest on owed wages for the worker, no damages to compensate the worker for the theft. It's no surprise that employers risk breaking the law and underpaying workers - more profits for them!

Ford cut workplace inspections

Our laws only count if they are being enforced. Under Premier Ford's government, **the number of proactive inspections to uncover wage theft before workers are pushed out of the job dropped 75% from 2016-17 to a low of 760 in 2023, recovering slightly to 1010 in 2024.** The

Ministry of Labour stopped running compliance campaigns (proactive and surprise inspections in sectors like construction and hospitality or in sectors known for employing young workers, where wage theft is rampant).

Ford canceled more resources for investigating wage theft

The previous government had committed to hiring more Employment Standards Officers so that there would be at least 415 officers available to investigate wage theft and inspect one in 10 Ontario workplaces every year. The Ford government canceled this plan.

Between 2014 and 2024, the number of Ontario workers grew by 16%. Yet, the number of Employment Standards Officers (ESOs) has remained about the same at 115 ESOs for the entire province. With so few investigators there is little time to do proactive inspections of sectors at high risk of wage theft or identify new business strategies that create wage theft. Staffing cuts have also created a huge backlog of cases, making the claims process even slower.

Ford made it easier for employers to commit wage theft

Premier Ford and his government ministers make a big show about increasing the fines and penalties for those who break the law. But then they don't use them.

For example, the Ford government increased the maximum individual fine that can be imposed for an ESA violation through a prosecution from \$50,000 to \$100,000. **But in the past 5 years, the maximum penalty was only issued once!** The use of prosecutions has plummeted 85% under the Ford government to only 12 prosecutions last year. The most commonly used fine is \$250 for a first offence (Notice of Contravention) but still, the use of these minor fines has also dropped 85% since the government was elected.

Ford opened the door for more misclassification of workers

Bosses who misclassify workers as so-called "independent contractors" want to avoid their legal responsibilities and prevent workers from having

employment rights like minimum wage, overtime pay, vacation pay, workers' compensation (WSIB) and employment insurance (EI)

Abraham worked 10 hours per day, 6 days per week for four months. When he asked for his overtime pay and holiday pay, the employer said he wasn't entitled to any of that because he was "an independent contractor" and not an employee. The Ministry of Labour eventually concluded that Abraham's employer had misclassified him and he was, in fact, an employee, and therefore he was owed nearly \$9,000 in unpaid overtime, public holiday and vacation pay.

Make no mistake: misclassifying workers as self-employed or independent contractors is a common form of wage theft.





It's not surprising to us that the Ford government caved to pressure from big companies like Uber and Lyft, and passed legislation to make it easier to misclassify workers. The Digital Platform Workers' Rights Act (2022) excludes platform workers from ESA rights to minimum wage and hours of work and takes away their right to be paid at least minimum wage for all the hours worked.

Passing this law sent a message to employers everywhere that it's ok to bypass employment laws. In our survey, 76% of workers who reported being treated as independent contractors had actually been misclassified, and so had been wrongly denied thousands of dollars in wages for public holiday pay, vacation pay and overtime pay.

All workers, including gig workers, should be presumed to be employees and the legal test used to determine employee status should be updated to stop employee misclassification.

Ford lets employers who subcontract off the hook

Employers take advantage of the gaps and loopholes in our laws that allow them to avoid responsibility for workers' rights. Subcontracting,

temporary help agencies, and franchising are some of the ways that big employers avoid responsibility for workers who carry out work for them. These practices increase wage theft because it makes it hard for us to hold the company that controls our work legally responsible for what happens to us on the job.

Alice worked as a cleaner in a factory that made major brand-name products. For over three years, she worked six days a week, 12 hours per shift. She was paid less than minimum wage and did not receive overtime premium pay, public holiday, or vacation pay.

Alice was fired for asking about her entitlement to vacation and public holiday pay. Alice thought she was employed by the factory owner, but when she filed an ESA complaint she discovered that the factory owner had used a subcontractor to pay her, and was not her "legal" or direct employer. Neither the factory owner nor the subcontractor took responsibility for her unpaid wages! That's why we need a law that holds both responsible.

COMPLAINTS SYSTEM

Why is it if you stole \$5,000 from your boss, the cops will come and arrest you, but if your boss stole \$5,000 from your wages, the police won't do anything? Even if you file a complaint against your employer, all they have to do is pay you what you were owed in the first place. That means the only real penalty for stealing is having to pay back what they stole! Employers who commit wage theft do not need to pay a significant fine or even interest on the money they owe. This matters because it can take years for us to get our money back from an employer, even when they are told by the Ministry of Labour to pay up.

When a restaurant breaks health and safety rules, they are shut down. When a driver breaks the rules of the road, they lose their license. But when a bad boss continues to break the law, they are allowed to keep their business license and keep operating.

WHY IS THAT?!

A complaint-based system on wage theft doesn't work for workers.

The Ministry of Labour's complaints-focused system of enforcement doesn't protect workers—in fact, it makes us even more vulnerable. Here's why:



It relies too much on us, as workers, to take the first step in making a complaint.

Let's be real: many of us who are taken advantage of by our bosses are often the ones with the least power and resources. If we file a complaint while still on the job, there is a good chance our boss will retaliate against us. Most of us can't risk losing our jobs. And even if we can speak up, challenging our employers is a long and legal process.





Most of us are not meaningfully protected from punishment when we stand up for our rights.

90% of ESA violations that are investigated by the Ministry of Labour happen after a worker has quit or was fired. Many of us are afraid to stand up while still on the job because there are no “just-cause” rules for firing. (Without just-cause protections, our boss can fire us without any reason!) Even if we get together as a group to fight for better working conditions, we still don’t have legal protection. For that, we need to fight for a new law called “concerted activity protection” which would provide job protection when we take action to improve working conditions.

Even if a worker makes a complaint, the Ministry of Labour is under-resourced and cannot address complaints in a timely manner. As a result, it now takes between 10 and 12 months for a complaint to be investigated.



There are no real penalties to stop employers from breaking the law.

The Ministry of Labour rarely fines employers who violate workers rights and does not even effectively enforce the orders to pay that it issues. In the last 10 years, almost \$200 million dollars has been assessed as owing to workers in Ontario through the Employment Standards Act (ESA) complaints process. And since only a small percentage of workers actually file Ministry of Labour claims, the actual amount of wage theft in Ontario is much higher. Yet only half of employers found guilty of wage theft voluntarily repay the wages owed. Even if there is an order to pay issued against a company, the Ministry of Labour fails to collect millions of dollars of workers’ wages each year. Today at least \$80 million worth of unpaid wages is still owed to workers!

Roberto's employer claims he is an "independent contractor" so they pay him less than minimum wage.

Sam's employer has given them bad cheques four times this year and Sam still hasn't received their money.

Asha is required to come in an hour early for every shift but the employer doesn't pay her for this time.

Josie's employer keeps 30% of her tips.



RACISM

Wage Theft is a racial justice issue

Racism in the labour market means Indigenous, Black, migrant, undocumented and other workers of colour are forced into the worst jobs, with the least protections, lowest wages, and highest precarity.

Racism determines how and where we are hired, whether we can speak up and what happens when we do. Workers of colour are twice as likely as white workers to be in low-wage work – this is due to racism. Wage theft is more likely in low-wage work.

**Fighting wage
theft in Ontario
means fighting
for racial
justice.**

Let's break it down:

- Discrimination is baked into who gets hired and for what jobs and in what industries.
- Ontario's employment rights are tied to immigration status (the more precarious you are, the fewer rights you have and vice versa).
- Employment rights complaint systems are only available in English and French.
- When we speak out we're more likely to be met with racism and hate.
- Employers assume we'll put up with wage theft because we have fewer choices.
- The laws that are meant to protect us either don't apply to us or aren't enforced.

Wage theft is not an accident, nor an oversight—wage theft is systemic. It profits employers and it's backed by government laws and inaction that keeps racialised people down and workers divided.



WHAT ARE WE FIGHTING FOR?

1



Enforcement of the Employment Standards Act (ESA).

There is little risk that employers who break the law will be caught and if they are, there is no penalty for wage theft and stolen wages often go unpaid. The government must stop relying on employer's voluntary compliance and start enforcing the ESA. We need action now to:

- Identify all employers' who break the law and steal workers' wages through proactive and expanded inspections;
- Make sure employers repay all wages owing to workers by improving collections and prosecuting those that do not pay;
- Make sure employers compensate workers for the damage caused by wage theft by paying 3 times the wages stolen; and,
- Penalize all wage theft employers to stop future violations.

2



Close the gaps in the law that allow wage theft to happen.

Outdated labour laws cannot deal with new employer strategies to evade and avoid following the ESA for employees that make their products or provide their services. Many layered business contracting and misclassifying employees as independent contractors fuel wage theft in our economy. We need action on:

- Make companies at the top of the supply chain responsible (jointly and severally liable) for wages and ESA rights owed down the contracting chain.
- Stop employers who misclassify employees as independent contractors. Modernise the legal test of employees by presuming we are employees unless the company can prove otherwise through a simple, cumulative test to prove we are not an employee (the "ABC test").



3



Workers need the power and job protection to enforce their rights while they are on the job.

The government relies on workers with the least power to identify and report wage theft but does not give workers the power to do so. We need action to:

- Employees must have the right to take action together without employer interference to enforce ESA rights and improve working conditions. This is called protection for concerted activity.
- Workers need “just cause” protections that require employers to provide valid reasons before firing employees.
- Employees must have interim reinstatement, where appropriate, while their claim is investigated for reprisals, concerted activity and unjust dismissal.



Wage theft occurs when employers violate the Ontario Employment Standards Act

In Ontario, the Employment Standards Act (ESA) is the law that sets out the minimum rights for most Ontario workers. Employers are legally required to provide these minimum rights.

The basic purpose of Ontario's ESA is to address the power imbalance between us and our bosses. That power difference allows employers to drive down wages and working conditions below what we as a society believe should be the minimum.

The Ontario Ministry of Labour is responsible for enforcing our basic laws. However, it is clearly failing to do so. The Ontario government is ignoring—and even widening gaps so that employers can get away with violating our rights. And they are failing to protect those of us who

get punished for standing up for our rights. All workers are covered by the ESA regardless of our employment status (part-time, casual, probation, temp agency) or immigration status (citizen, permanent resident, refugee, international student or undocumented.)

The ESA is the minimum floor of rights for workers in Ontario. This covers rights such as minimum wage, vacation pay, overtime pay and public holidays.

Employers are not permitted to punish a worker who tries to enforce their rights. For example, if they cut their shifts or fire them after complaining they weren't paid on time.

This is called a reprisal.



Sonia regularly works over 44 hours a week but her employer doesn't pay her overtime premium.



Mustafa's boss hasn't paid him for two months.



Alana has never been given a pay stub, but she knows her boss shortchanges her.



Wei has never received vacation pay from his employer.

Does your employer follow the ESA?

Here's what Ontario law says:

- ☐ **Minimum wage:** All employees over the age of 18 should be paid a minimum of \$17.60 an hour (as of October 1, 2025).
- ☐ **Pay for all hours worked:** We are entitled to be paid for all hours worked, including training, probation, set up and clean up time, trial periods, etc. Employers are required to provide pay stubs that show all hours of work, wages and deductions.
- ☐ **Overtime:** After working 44 hours in one week, we are entitled to 1.5 times our regular pay for each overtime hour worked. Alternatively, we can agree in writing with our employer to take paid time off instead of overtime pay. In that case, we should get 1.5 hours of paid time off for each hour of overtime.
- ☐ **Public holidays:** We are entitled to nine public holidays a year. Public holidays are: Christmas, Boxing Day, New Year's Day, Family Day, Good Friday, Victoria Day, Canada Day, Labour Day, and Thanksgiving. If we aren't scheduled to work on a public holiday, we still get "public holiday pay" (our wages from the previous 4 weeks divided by 20). And if we do have to work on a public holiday, we should either get 1.5 x our wage for that day plus public holiday pay, or we should get our regular wages for that day and have another day treated as if it were a public holiday (time off plus public holiday pay).
- ☐ **Vacation Time:** After our first year of work with an employer, we are entitled to two weeks vacation time off each year, and after five years we get 3 weeks off per year.
- ☐ **Vacation Pay:** For our first five years working for an employer, we get 4% of our wages as vacation pay (this usually equals about 2 weeks of wages). After 5 years we get 6% vacation pay (roughly 3 weeks of wages).
- ☐ **Deductions:** The only deductions employers can take from our paycheque are:
 - ☐ Those required by law (income tax, EI, CPP)
 - ☐ Those required by court order (for example, wage garnishment)
 - ☐ Those that workers specifically agree to in writing
- ☐ **Termination notice or pay:** As long as we've held our job for three months, if we get laid off or fired without cause, we should get 1 week of notice of termination for each year worked. If no notice is given, we should get 1 week pay for each year we worked, up to a maximum of 8 years.

Employers try to trick us into thinking that none of the above laws apply to us by saying we are "self-employed" or "independent contractors". If the employer controls when we work, how we work and how much we get paid and they provide the tools for the job, then we are, by law, employees and we are covered by the law. Misclassification is another form of wage theft.

Learn more about wage theft and how to stop it!

We all have a stake in fighting wage theft.

By not meaningfully punishing employers who commit wage theft, and by not protecting workers who speak out against it, the Ford government is giving employers a green light to continue stealing our wages.

Wage theft hurts all of us.

We need our government to enforce the law, close the loopholes and improve our laws. Workers need real power so that together we can stop wage theft, and stop Ford from making it even worse.



Join the campaign to stop wage theft. Contact the Workers' Action Centre to find out how you can get involved.



**workersactioncentre.org/wage-theft
info@workersactioncentre.org
416-531-0778**

