Changes to Nova Scotia Labour Standards: What Employers Need to Know

Nova Scotia employers should begin preparing for several important changes to the province's employment standards. Bill 256, which amends the *Labour Standards Code*, received Royal Assent on **September 18, 2026**, after passing third reading on September 17. The amendments are therefore no longer merely proposed, although most will not take effect until **April 1, 2027**.

The legislation introduces changes in four main areas:

- overtime eligibility;
- tips and gratuities;
- recovery of unpaid earnings; and
- potential personal liability for corporate directors.

Overtime threshold reduced to 44 hours

Beginning **April 1, 2027**, the general weekly overtime threshold under the *Labour Standards Code* will decrease from **48 hours to 44 hours**. Employees covered by the provision will generally become eligible for overtime pay after working more than 44 hours in a week, rather than after 48 hours.

The legislation also expands the types of hours that may qualify. Overtime will apply where an employer **requires or permits** an employee to work beyond the threshold. This means employers may be responsible for overtime even if the additional work was not formally authorized, particularly where management knew or reasonably should have known that the employee was working the extra hours.

Employers should review scheduling, timekeeping and overtime-approval procedures. Managers should also be trained to address unapproved extra work when it occurs, rather than assuming that an absence of formal approval eliminates the obligation to pay.

However, employers should not assume that the new 44-hour threshold applies identically to every employee. Existing exemptions and special rules under the *General Labour Standards Code Regulations* and sector-specific minimum wage orders may continue to affect overtime entitlement. No broad repeal of those exemptions was included in Bill 256.

New protections for tips and gratuities

Also effective **April 1, 2027**, tips and gratuities will generally be recognized as the property of the employee to whom, or for whom, they are given. Employers will still be permitted to establish tip-pooling arrangements, but those arrangements must comply with the new statutory requirements.

Employers, directors and shareholders will generally be prohibited from participating in a tip pool unless they regularly perform, to a substantial degree, the same work as the employees who share in the pool. Employers operating a pooling arrangement will also be required to post information about the arrangement where employees can readily review it.

Restaurants, hotels and other employers whose employees commonly receive tips should review their practices, including electronic gratuities, mandatory service charges, tip deductions and the distribution of pooled tips.

Director liability for unpaid earnings

Bill 256 also authorizes the provincial government to make regulations that could hold corporate directors personally liable for certain unpaid earnings owed by an employer. This could potentially include wages and other amounts classified as "pay" under the amended Code.

Unlike the overtime and tip provisions, the director-liability measures **do not have a fixed implementation date**. They will take effect on a future date set by proclamation, after stakeholder consultation and the development of supporting regulations. The regulations are expected to clarify which employers, directors and categories of unpaid pay will be covered, as well as any exemptions.

Employers and corporate directors should monitor these consultations closely. In the meantime, organizations should ensure payroll obligations are documented, reviewed and paid on time.

What employers should do now

Employers should consider taking the following steps:

- Identify employees who regularly work between 44 and 48 hours per week.
- Review scheduling, timekeeping and overtime-authorization practices.
- Confirm whether any employees remain subject to an overtime exemption or special industry rule.
- Review tip collection, deduction, pooling and distribution arrangements.
- Budget for possible increases in overtime and payroll costs beginning April 1, 2027.
- Monitor the development of regulations dealing with director liability and unpaid earnings.
- Update employment policies, manager training and payroll procedures before the new provisions take effect.

These amendments represent a meaningful change to Nova Scotia's minimum employment standards. Starting compliance planning early will give employers time to identify affected employees, update systems and address potential cost or operational implications before **April 1, 2027**.

This article provides general information only and is not legal advice. Employers should obtain advice about how the amendments and any applicable exemptions affect their particular workplace.

Summary of Changes

What is changing?	Key details	Effective date	What employers should do
Lower overtime threshold	The general weekly overtime threshold decreases from **48 hours to 44 hours**, subject to applicable exemptions and special industry rules.	**April 1, 2027**	Identify employees who regularly work between 44 and 48 hours and assess scheduling, staffing and payroll impacts.
Overtime that is "required or permitted"	Employers may be responsible for overtime they allow employees to work, even if the additional hours were not formally approved in advance.	**April 1, 2027**	Review timekeeping and overtime-approval procedures. Train managers to identify and address extra hours being worked.
Protection of tips and gratuities	Tips and gratuities will generally belong to the employees for whom they were intended. Employers may continue to operate compliant tip pools.	**April 1, 2027**	Review how tips are collected, recorded, pooled, deducted and distributed.
Restrictions on tip-pool participation	Employers, directors and shareholders generally cannot share in a tip pool unless they regularly perform substantially the same work as the participating employees.	**April 1, 2027**	Review who currently participates in tip pools and revise arrangements where necessary.
Tip-pool transparency	Employers operating a tip pool will be required to make information about the arrangement available to employees.	**April 1, 2027**	Document the tip-pooling formula and prepare the required information for employees.
Potential director liability	Future regulations may make corporate directors personally liable for certain unpaid employee earnings. The scope of this liability will be established through regulations.	**Future date to be proclaimed**	Maintain strong payroll oversight and monitor the development of regulations and government guidance.
Recovery of unpaid earnings	The amendments strengthen the framework for recovering wages and other earnings owed to employees.	**Depends on the provision and supporting regulations**	Review payroll recordkeeping and establish a process for promptly investigating and correcting wage discrepancies.

References

- **Nova Scotia Legislature.** *Bill 256: Labour Standards Code (Amended), Chapter 17 of the Acts of 2026*, as passed September 18, 2026.
- **Government of Nova Scotia.** "Changes to Labour Standards Code Will Strengthen Protections for Workers," September 8, 2026.