COMMISSION POLICY

[Organization Name] is an all-in-one outsourced business development team and relies on its employees to spread the message about our services and connect the right clients to our products. In order to adequately reward our employees for their sales efforts, [Organization Name] has in place a commission-based compensation structure. The purpose of this policy is to outline the guidelines for commission-based pay.

DEFINITIONS

“Wages” means,

1. any monetary remuneration payable by an employer to an employee under the terms of an employment contract, oral or written, express or implied,
2. any payment required to be made by an employer to an employee under this Act, and
3. any allowances for room or board under an employment contract or prescribed allowances,

but does not include,

1. tips or other gratuities,
2. any sums paid as gifts or bonuses that are dependent on the discretion of the employer and that are not related to hours, production or efficiency,
3. expenses and travelling allowances, or
4. subject to subsections 60(3) or 62(2), employer contributions to a benefit plan and payments to which an employee is entitled from a benefit plan. Source: [Ontario Ministry of Labour](https://www.ontario.ca/document/employment-standard-act-policy-and-interpretation-manual/part-i-definitions#section-11)

“Wages include:

* Any monetary remuneration owed to an employee under a contract of employment.

This would include regular wages, whether the employee is paid on an hourly or salaried basis, or through commissions or piece work payments. It would also include any other monetary compensation to which the employee is entitled under their contract.” Source: [Ontario Ministry of Labour](https://www.ontario.ca/document/employment-standard-act-policy-and-interpretation-manual/part-i-definitions#section-11)

POLICY

Pay Structure

[Organization Name] operates its pay structure based on the commissions from procured sales (Insert whether it is a percentage of the total amount or it is a flat rate based on the deal). This is in addition to an employee’s base pay. Employees can therefore expect their total compensation to vary based on their sales achievement each (Insert how often it is calculated – monthly/bi-weekly). Employees will be paid for their sales at least (Insert how soon they will be paid, e.g., two weeks after a sale, one week after receiving payment, etc.).

An employee’s base pay is outlined in their employment contract, as well as their commission rates on sales achieved. If an employee’s base pay plus commissions they’ve earned do not equal minimum wage for the hours worked during the pay period, the employer will top up the employee’s earnings to ensure they are earning minimum wage.

Note: As business needs require, commission and sales rates may fluctuate. [Organization Name] will provide advance written notice of any changes in their compensation package to employees.

Draw Paycheques (Remove if not a program and clearly stated in the employment contract)

[Organization Name] provides advance draw paycheques (paycheques based on sales earned during the last part of the month, but with payment not yet received).

In the event that an employee is paid an advance draw for a sale where the client does not pay, with the employee’s written agreement only, that sum will be deducted from their next paycheque as a chargeback.

In a case where an employee’s draw paycheque exceeds their total commissions for the following pay period, the shortage/chargeback will continue to be carried forward until such time that the shortage can be recouped.

Vacation Pay

Employees will be paid their vacation pay (either 4% or 6%, unless their employment contract provides a greater benefit) based on their total wages (base pay plus commission).

Final Sales

Employees will only be paid their commissions on final sales. If a client withdraws from the sale, the employee will not be paid for that sale.

End of Employment

In the event that an employee separates from [Organization Name], the employee will be paid for any commissions earned and finalized but not yet paid out on their final paycheque.

Complaint Process

There may be times that an employee’s records of sales procured do not align with what they receive on their paycheque. Employees are to direct their questions or complaints to (Insert title of person responsible for calculations).

If an employee is not satisfied with the resolution, they may escalate their complaint to (Insert title of next level of authority).