

Am I Responsible if I Lose or Damage my Employer's Equipment at Home?

Andrea Bassett | May 3, 2020



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The sage who counsels, “Don’t cry over spilled milk,” has probably never knocked a drink onto their company laptop while working from home.

Let’s look at why employees are typically not responsible for equipment loss or damage, why employers can’t charge you for loss or damage to company property and how work-from-home employees can protect themselves with proper home insurance.

Who’s responsible for lost or damaged company equipment?

If you lose, damage or break your employer’s equipment—whether you’re at home or at work—your company is legally liable for that equipment. Your employer should have general liability and property insurance to protect itself. They should also have contingency plans and budget to replace broken and damaged goods as part of the cost of doing business.

Toronto employment lawyer, Bruce Baron, told The Globe and Mail, “If my staff breaks something, I bear that risk—and frankly, most employers carry umbrella policies.”

Yosie Saint-Cyr, LL.B. says in her article, *[Can you hold employees financially responsible for damaged workplace equipment?](#)*, “Generally, an employee is not normally responsible for the replacement of lost or damaged employer-owned equipment at a central or remote workplace unless the employee intentionally omitted or committed a wrongful act of negligence that caused the loss or damage.”

If you *steal* company property—not that you would, of course—that’s a criminal act which completely changes the story.

Can my employer deduct money from my paycheque for lost or damaged company equipment?

This might seem like a silly question since we’ve already determined you’re not legally responsible for your employer’s equipment that you lose or damage. And yet, some employers still attempt to recoup their losses. [To see how this didn’t work out for one construction company, read this article from the Canadian HR Reporter, *[Charging employees for damage? Just don’t \(Legal View\)](#)*.]

Your employer cannot deduct money from your wages for lost or damaged property.

Section 254.1 of the Canada Labour Code says, “No employer shall ... make a deduction in respect of damage to property, or loss of money or property, if any person other than the employee had access to the property or money in question.”

Even if you give your written permission, they’re still not allowed. Subsection 254.1(3) says, “Where the deduction relates to damage to property, or loss of money or property, and any person other than the employee had access to the property or money in question, no deduction is permitted even in cases where the deduction has been specifically authorized in writing by the employee.”

However, if you keep company equipment after you stop working there, your employer can deduct the cost of that unreturned equipment from your paycheque.

Home insurance protection for work-from-home employees

If you work from home regularly or permanently, it’s a good idea to make sure your home insurance policy supports that situation. Many don’t. Call your insurance agency, tell them you’re an employee working from home and ask if your policy covers that. If not, ask how it needs to be adjusted.

Adjustments can include adding “incidental business use” to your home insurance and adding business equipment as an endorsement to your current plan. But all policies and providers are different so the only way to know for sure is to talk to your insurance company or broker.

To learn more about how working from home can affect your home insurance, read our article, *Does Working from Home Invalidate Your Home Insurance?*

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