



# Minimum Wages in Canada

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**P**rovincial minimum wage legislation sets out the compensation floor in Canada, essentially a “living wage.” Historically, it only applied to children and women as they comprised the majority of working class people who were not organized in a union. Now, these laws apply to all non-unionized workers, although very few people work at these minimum compensation levels.

In 2008, only 5.2% of Canadian workers were employed at the minimum wage. Of these, 29% were between the ages of 25 and 54 and 60% of the minimum wage earners were women. Around 2009, all provinces except British Columbia increased their minimum wage rates, which in turn, increased the number of Canadian workers working at minimum wage to 5.8%, or some 817,000 people. Alberta has one of the lowest proportions of minimum wage workers, at fewer than 20,000 workers, or about 1.3% of its population.

The existence of minimum wage legislation suggests that it serves a positive purpose for the most wage-vulnerable workers, yet at the same time imposes little adverse impact on employers. With a living wage, employees not only support themselves and retain their dignity, but they also spend locally and contribute to the consumer economy.

British Columbia was the first province to adopt a minimum wage for men in its *Men's Minimum Wage Act* of 1925. This was followed by other provinces. Alberta's legislation came in 1936. Prince Edward Island, in the early 1960s, was the last province to join the consensus to stipulate all employees a minimal remuneration.

On September 1, 2011, Alberta's minimum wage rate rose to \$9.40/hour, an increase of 60 cents from the last increase in April 2009. The process for setting future minimum wage rates will presumably take into account the Alberta annual average weekly earnings level and changes to the Consumer Price Index in Alberta. This formula and any updates will occur on September 1 of each year. The government seeks predictability and consistency, and includes in its analysis any inflation factor.

Province	Minimum Wages	Effective Date	Liquor Serving Minimum Wage	Maximum Deduction for Board and Lodging	Maximum Deduction for Food
Alberta	\$9.40	Oct 01, 2011	\$9.05	\$4.08/hour	\$3.09/hour
British Columbia	\$9.50	Nov 01, 2011	\$8.75	\$325/month	
Saskatchewan	\$9.50	Sept 01, 2011	\$-		
Manitoba	\$10.00	Oct 01, 2011	\$-		
Ontario	\$10.25	Mar 31, 2010	\$8.90		
Quebec	\$9.65	May 01, 2011	\$8.35	\$20.00/week	\$1.50/meal to max \$20/week
Nova Scotia	\$10.00	Oct 01, 2011	\$-	\$65.00/week	\$3.45/meal
NL	\$10.00	July 01, 2010	\$-		
New Brunswick	\$9.50	Apr 01, 2011	\$-		
PEI	\$9.60	Oct 01, 2011	\$-	\$56.00/week	\$3.75/meal
Yukon	\$9.00	Apr 01, 2011	\$-		
NWT	\$10.00	Apr 01, 2011	\$-	\$0.80/day	\$0.65/meal
Nunavut	\$11.00	Jan 01, 2011	\$-	\$0.80/day	\$0.65/meal
*Minimum weekly wages only in Alberta (\$275) and New Brunswick (\$440)					
*New Brunswick minimum wage expected to increase in April 2012					

As this table shows, minimum wages in some provinces are reduced for alcohol servers, apparently due to the prevalence of tips that accrue to workers in that sector. Industry lobbying led to this two-tiered system. Some people oppose creating two classes of minimum wage earners, as receipt of tips is not guaranteed, but the difference in the minimum hourly rate is only \$0.35 or less than 4%. Most agree that servers in restaurants and bars should earn at least \$0.35 per hour in tips.

With the cost of living in Canada as it is currently, even these minimum wages do not comprise a sturdy living wage for the long term. Workers with potential to rise through the ranks of employment should reasonably quickly earn more than minimum income, especially since they are typically young and less skilled and experienced. Calibrating the minimum wage too high in the market can cause a reduction of jobs, even those for which only minimum wages are paid, so the government must remain prudent in maintaining the balance between living wages and job opportunities.

## References to Canadian Minimum Wage Legislation

British Columbia *Employment Standards Act*, Employment Standards Regulation, Part 4, Sections 14 – 18.1, last updated May 1, 2011

Alberta *Employment Standards Code*. Employment Standards Regulation 14/97 Part 2, Sections 7 – 13.1, last updated Sept 2, 2011

Saskatchewan *Labour Standards Act*, Minimum Wage Regulation, Sections 2 – 9.5, last updated Sept 2, 2011

Manitoba *Employment Standards Code*, Minimum Wage and Employment Conditions Regulation, Part 2, last updated April 10, 2007

Ontario *Employment Standards Act, 2000*. Exemptions, Special Rules and Establishment of Minimum Wage, Sections 5 – 10, last updated Jan 2, 2009

*Act Respecting Labour Standards*, R.S.Q., c. N-1.1, ss. 88, 89 and 91. Quebec. Regulation Respecting Labour Standards, Sections 2 -5, last updated Sept 2, 2011

New Brunswick *Employment Standards Act*, Minimum Wage Regulation, Sections 2 – 10, last amended Sept 2, 2011

Nova Scotia *Labour Standards Code*, Sections 50 and 52, Minimum Wage Order, Sections 6 –11, last updated Sept 2, 2011

Prince Edward Island *Employment Standards Act*, Minimum Wage Order, Sections 1 – 3, last updated Sept 2, 2011

Newfoundland and Labrador *Labour Standards Act*, Labour Standards Regulation, Sections 8 – 11, last updated Sept 3, 2011

Yukon *Employment Standards Act*, Minimum Wage Regulation, Sections 1 – 6, last updated Sept 2, 2011

Northwest Territories *Labour Standards Act*, Employment Standards Regulation and Wage Regulation, Sections 2 -3, last updated April 15, 2008

Nunavut *Labour Standards Act*, Wage Regulations, Sections 1-5, last updated Sept 4, 2007.

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