



December 2017

MINIMUM WAGE

This bulletin has been prepared to provide Restaurants Canada members with our expectations for minimum wage increases to assist you in your budgeting and planning for the coming year. It provides a quick province-by-province opinion and has been prepared by Restaurants Canada's regional Vice-Presidents, who lobby extensively on this issue.

Provincial Activities

NOVA SCOTIA

On April 1, 2017, Nova Scotia's minimum wage increased by 15 cents to \$10.85. Minimum wage for inexperienced workers (not working more than three months) increased by 15 cents to \$10.35.

The Minimum Wage Review Board has been struck with the participation of a Restaurants Canada representative but no decision has been announced. NS policy calls for an increase in the wage based on CPI.

Based on a projected CPI increase in 2017 of 1.2% an increase of 15 cents to \$11.00 on April 1, 2018 for the general wage and \$10.50 for inexperienced workers, is expected. However, given that NS lags the region, the wage increase could be a bit higher than CPI and reach as high as 30 cents.

Please note that as part of Atlantic Harmonization all four Atlantic Canada provinces have agreed to implement future wage increases at the same time on April 1st and there are discussions underway to harmonize the rate setting mechanism in all Atlantic Provinces.

NEW BRUNSWICK

As of April 1, 2017 New Brunswick's minimum wage increased 35 cents to \$11.00.

In the last provincial election, the government made a campaign promise to raise minimum wage to \$11.00 by 2017 and thereafter to link minimum wage to inflation. However, to date no decision has been reached.

If they follow through on this election promise, the minimum wage is expected to increase by 25 cents on April 1, 2018 in line with a projected CPI increase of 2.1% in the province.

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**NEWFOUNDLAND
AND LABRADOR**

Minimum wage applies to employees 16 years of age or older. On April 1, 2017 the minimum wage increased by 25 cents \$10.75 and then on October 1, 2017 it increased another 25 cents bringing it to \$11.00.

Restaurants Canada participated in wage setting mechanism consultations this year. At time of writing no decision had been reached. Given that there were two 25 cent increases in 2017, the 2018 increase is not expected to be more than 25 cents.

The provincial CPI increase in Newfoundland is projected to be 2.5% in 2017, which works out to a 27 cent increase to minimum wage.

If Newfoundland follows the lead of other Atlantic Canada provinces and increases wages by CPI, an increase in the minimum wage of 2.5% can be expected.

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**PRINCE EDWARD
ISLAND**

PEI increased the minimum wage rate 25 cents on April 1, 2017 bringing the rate to \$11.25 – the highest in the region.

The minimum wage review board heard representation from Restaurants Canada. The PEI government recently announced that it will increase 30 cents to \$11.55 on April 1, 2018.

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ONTARIO

On October 1, 2017 Ontario raised the general minimum wage rate by 15 cents to \$11.40. The Liquor Server minimum wage increased by 10 cents to \$9.90 per hour.

In a crass political move, the Wynne government reversed course on annual increases to minimum wage based on inflation. Businesses were blindsided when government introduced and passed legislation increasing minimum wages as follows:

Minimum Wage Categories	Prior to Sept 30, 2017	Oct 1, 2017 to Dec 31, 2017	Jan 1, 2018 to Dec 31, 2018	Jan 1, 2019 to Sept 30, 2019
General Minimum Wage	\$11.40 per hour	\$11.60	\$14.00	\$15.00
Students under 18 who work not more than 28 hours per week when school is in session, or work during a school break or summer holidays	\$10.70 per hour	\$10.90	\$13.15	\$14.10
Liquor Servers	\$9.90 per hour	\$10.10	\$12.20	\$13.05

Minimum wage increases after January 1, 2019 will be tied to annual adjustments to Ontario's Consumer Price Index.

There is a possibility that the increase from \$14.00 to \$15.00 will be delayed and implemented in 25 cent increments over four years if the progressive conservatives are elected in June.

QUEBEC

The regular minimum wage increased by 50 cents to \$11.25 and the tipped minimum wage increased by 25 cents to \$9.45, both effective May 1, 2017.

Quebec now has a unique system to set its minimum wage. Though it still will be fixed by a ministerial decree, it will now be adjusted as a percentage of the province's average wage (AW). CPI is no longer considered. For 2017, minimum wage represents 47% of the AW. It will increase progressively to become 50% by 2020, and will then remain at this percentage.

Consequently, the more AW goes up, the more the minimum wage will. And if the economy was to contract, increases could be lower than anticipated.

The Labour Minister presented the following figures as projections of the minimum wage evolution for the next few years. Since wages are going up a little faster than at time of projections, these figures will probably be a little higher:

- \$11.75 in 2018;
- \$12.10 in 2019; and
- \$12.45 in 2020.

Government also continues to recognize the significant contribution of tips to server incomes and is increasing the differential between the general minimum wage and tipped wage. Their goal is to stabilize the differential at about 20%.

MANITOBA

As of October 1, 2017, Manitoba's minimum wage increased by 15 cents to \$11.15.

Manitoba's Progressive Conservative government introduced legislation that will raise the province's minimum wage on October 1st every year to match in increase in the CPI. The legislation also stipulates that the minimum wage will be frozen in event of an economic downturn or recession.

Based on the projected CPI increase in 2017 of 1.6%, the increase on October 1, 2018 is anticipated to be 20 cents. It will be announced by April 1, 2018.

SASKATCHEWAN

The minimum wage increased 24 cents to \$10.96 effective October 1, 2017

Under the *Saskatchewan Employment Act*, annual minimum wage increases are announced on or before June 30 of each year with the change coming into effect on October 1. The formula for the increase weighs equally the percentage changes in the provincial CPI and provincial Average Hourly Wage for the previous year. With the CPI projected to be 1.4 and the provincial Average Hourly Wage projected to be 3.0, it would be reasonable to expect an increase of 24 cents to \$11.20 in October 2018.

ALBERTA

The general minimum wage increased \$1.40 to \$13.60 on October 1, 2017 and the liquor server differential was eliminated effective October 1, 2016.

The final increase, consistent with the Notley government's election promise of a \$15.00 minimum wage will be another \$1.40 increase on October 1, 2018.

Restaurants Canada continues to advocate for relief for restaurant operators struggling to remain viable in the province due to the magnitude of these increases and the loss of the liquor server wage.

**BRITISH
COLUMBIA**

As of September 15, 2017, British Columbia's general minimum wage increased by 50 cents to \$11.35 and the liquor server wage also increased by 50 cents to \$10.10.

Following significant pressure from Restaurants Canada, the new B.C. NDP government followed up on the previous government's promise to increase the minimum wage by 50 cents, however they established the BC Fair Wages Commission to advise government on the timelines to reach the party's election promise of a \$15.00 minimum wage and to make recommendations on the server wage.

Restaurants Canada made representations to the Commission and lobbied government to make incremental increases to minimum wage to reach \$15.00 over a five year period, to retain the liquor server wage and implement a training wage. However, given the composition of the Commission and the leanings of the Chair, a much more aggressive timeline to reach \$15 is anticipated. Expect an increase in 2018 of \$1.50 or more.

YUKON

As of April 1, 2017, Yukon's minimum wage increased by 25 cents to \$11.32.

On April 1 of each year, the minimum wage is adjusted based on the previous calendar year's Consumer Price Index for the city of Whitehorse. Based on a predicted CPI increase of 1.6% in 2017, it is expected the minimum wage increase will be about 18 cents to \$11.50 on April 1, 2018.

N.W.T.

As of June 1, 2015 the minimum wage rate in N.W.T. increased by \$2.50 to \$12.50 – it hasn't changed since April 1, 2011.

NUNAVUT

Current minimum wage increased \$2.00 to \$13.00 on April 1, 2016. This was the first increase in more than five years.