



**MINIMUM WAGE REPORT**

**YEAR: 2004**

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## **MINIMUM WAGE REPORT - 2004**

The *Labour Standards Act* was amended during the fall, 2002 sitting of the Legislative Assembly, providing for an increase in the minimum wage rate.

The amended legislation includes the following:

*The Minister shall review the minimum rate of wages annually and shall report the results of the review to the Legislative Assembly.*

This is the second report since the coming into force of the above amendment on March 3, 2003, and reflects a full year.

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### **INTRODUCTION**

Minimum wage is defined as a basic labour standard that sets the lowest wage rate that an employer can pay to employees who are covered by the labour standards legislation. One of the main purposes of establishing a minimum wage rate is to protect non-unionized workers in unskilled jobs.

A minimum wage rate establishes the minimum level from which employees, or where applicable their unions, negotiate with the employer for higher wages and benefits.

The rate requires a change from time to time to take into account changing economic and social conditions.

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### **HISTORICAL BACKGROUND**

In Canada the first attempt at regulating minimum wage resulted in the establishment of "Fair wages" to persons employed on public works and government contracts.

Later in the 1900s, Canadian legislatures began enacting "policies" to address issues such as very low wages, long hours of work and unhealthy working conditions.

The first provinces to enact minimum wage legislation were British Columbia and Manitoba, in 1918. By the 1920s four other provinces, Nova Scotia, Ontario, Quebec and Saskatchewan followed with their own legislation. In general terms, the legislation followed similar paths.

## **MINIMUM WAGE REPORT - 2004**

### **PRESENT SITUATION**

Every province and territory in Canada now provides by its own Labour Standards legislation (sometimes referred to as employment standards) a minimum wage rate.

The federal government has entrenched the applicable provincial / territorial minimum wage rate for workers covered by Part 3 of the Canada Labour Code, although the Governor in Council may still fix another rate by order.

Employment standards legislation makes it an offence for employers to pay employees covered under legislation less than the minimum wage.

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### **MINIMUM WAGE IN NUNAVUT SUMMARY OF ACTIVITY**

In 2003, the minimum wage rate was changed by legislative amendment to \$8.50 per hour for all workers without any age or resident restrictions. The new minimum wage rate came into effect March 3<sup>rd</sup>, 2003. The rate in Nunavut to date is the highest in Canada.

The decision to increase the minimum wage rate in 2003 came from previously conducted consultations in the year 2000 with all stakeholders (general public, small and large businesses and related business and union organizations). These consultations were conducted by the Department of Justice and by Maligarnit Qimirrujiit as part of its review of the *Labour Standards Act*.

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### **MINIMUM WAGE RATE & YEAR 2004**

No further consultations have been held with stakeholders since the current minimum wage rate is projected to continue to be the highest rate in Canada for at least one more year.

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**MINIMUM WAGE REPORT - 2004**

**STATISTICAL DATA**

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- MINIMUM WAGE RATES ACROSS CANADA

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- INCOME SUPPORT RATES VERSUS MINIMUM WAGE EARNINGS ON A MONTHLY BASIS FOR SINGLE PERSON, SINGLE PARENT WITH ONE CHILD AND TWO PARENT FAMILY WITH ONE CHILD.

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- AVERAGE HOURLY RATE OF PAY OF WORKERS IN NUNAVUT
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LABOUR STANDARDS / LABOUR SERVICES BRANCH

WORKING IN PARTNERSHIP

**MINIMUM WAGE RATES – ALL CANADIAN JURISDICTIONS**  
Reference to Alberta– Human Resources and Employment Labour Web site  
Accurate as of May 13<sup>th</sup>, 2004

JURISDICTION	HOURLY RATE	EXCEPTIONS	EFFECTIVE DATE
FEDERAL	REPLACED BY PROVINCIAL / TERRITORIAL RATES		JULY 1 <sup>ST</sup> , 1996
NUNAVUT	\$8.50	<i>Covers all workers There is no restrictions</i>	MAR. 3 <sup>RD</sup> , 2003
BRITISH COLUMBIA	\$8.00	\$6.00 <i>For first 500 hours of employment</i>	NOV. 1 <sup>ST</sup> , 2001 <i>Inexperienced NOV. 15, 2001</i>
QUEBEC	\$7.45 \$7.60	\$6.70 \$6.85 <i>(Employees receiving Tips)</i>	MAY 1 <sup>ST</sup> , 2004 May 1 <sup>st</sup> , 2005
YUKON	\$7.20		OCT. 1 <sup>ST</sup> , 1998
ONTARIO	\$7.15 \$7.45 \$7.75 \$8.00	\$6.20 \$6.50 \$6.75 \$6.95 <i>(Liquor servers in licensed establishments)</i> <u>Students under 18</u> \$6.70 \$6.95 \$7.25 \$7.50	FEB. 1 <sup>ST</sup> , 2004 FEB. 1, 2005 FEB. 1 <sup>ST</sup> , 2006 FEB. 1 <sup>ST</sup> , 2007  FEB. 1 <sup>ST</sup> , 2004 FEB. 1 <sup>ST</sup> , 2005 FEB. 1 <sup>ST</sup> , 2006 FEB. 1 <sup>ST</sup> , 2007
MANITOBA	\$7.00		APRIL 1 <sup>ST</sup> , 2004
SASKATCHEWAN	\$6.65		NOV. 1 <sup>ST</sup> , 2002
ALBERTA	\$5.90		OCT. 1 <sup>ST</sup> , 1999
NEWFOUNDLAND	\$6.00		NOV. 1 <sup>ST</sup> , 2002
NOVA SCOTIA	\$6.50	\$6.05 <i>First 3 months of employment</i>	APRIL 1 <sup>ST</sup> , 2004
PRINCE EDWARD ISLAND	\$6.50 \$6.80		JAN. 1 <sup>ST</sup> , 2004 JAN. 1 <sup>ST</sup> , 2005
NEW BRUNSWICK	\$6.20		JAN. 1 <sup>ST</sup> , 2004
NORTHWEST TERRITORIES	\$8.25	<i>Covers all workers There is no restrictions</i>	DEC. 28 <sup>TH</sup> , 2003

**COMPARATIVE ANALYSIS**  
**MINIMUM WAGE VS. INCOME SUPPORT**

<b><u>MINIMUM WAGE</u></b> <b><u>SINGLE PERSON</u></b>	<b><u>INCOME SUPPORT</u></b> <b><u>SINGLE PERSON</u></b>
WORKS STANDARD HOURS (8 HRS IN A DAY & 40 HRS IN A WEEK) MIN. WAGE (\$ 8.50) X 40 HRS = \$340.00 PER WK. <b><u>INCOME = \$1,360.00</u></b> MONTHLY GROSS INCOME	ELIGIBLE INCOME - DEPENDED ON COMMUNITY LOCATION & CIRCUMSTANCES OF INDIVIDUAL <b><u>INCOME = \$343.00 TO \$408.00</u></b> MONTHLY GROSS INCOME
<b><u>SINGLE PARENT WITH ONE CHILD</u></b> WORKS STANDARD HOURS (8 HRS IN A DAY & 40 HRS IN A WEEK) MIN. WAGE (\$ 8.50) X 40 HRS = \$340.00 PER WK. <b><u>INCOME = \$1,360.00</u></b> MONTHLY GROSS INCOME	<b><u>SINGLE PARENT WITH ONE CHILD</u></b> ELIGIBLE INCOME - DEPENDED ON COMMUNITY LOCATION & CIRCUMSTANCES OF INDIVIDUAL <b><u>INCOME = \$ 543.00 TO \$ 661.00</u></b> MONTHLY GROSS INCOME
<b><u>TWO PARENT FAMILY WITH ONE CHILD</u></b> WORKS STANDARD HOURS (8 HRS IN A DAY & 40 HRS IN A WEEK) MIN. WAGE (\$ 8.50) X 40 HRS = \$340.00 PER WK <b><u>IF ONLY ONE PARENT WORKS:</u></b> <b><u>INCOME = \$1360.00</u></b> MONTHLY GROSS INCOME <b><u>IF BOTH PARENTS WORK:</u></b> INCOME = \$ 1360.00 (X) 2 = <b><u>\$2,720.00</u></b> MONTHLY GROSS INCOME	<b><u>TWO PARENT FAMILY WITH ONE CHILD</u></b> ELIGIBLE INCOME - DEPENDED ON COMMUNITY LOCATION & CIRCUMSTANCES OF INDIVIDUAL <b><u>INCOME = \$ 723.00 TO \$889.00</u></b> MONTHLY GROSS INCOME

**COMPARATIVE ANALYSIS**  
**MINIMUM WAGE VS. INCOME SUPPORT**

THIS IS A COMPARISON BETWEEN AN INDIVIDUAL WORKING AND EARNING MINIMUM WAGE AND AN INDIVIDUAL WHO IS NOT WORKING AND IS ON GOVERNMENT INCOME SUPPORT PAYMENTS. THE COMPARISON ARE BETWEEN INDIVIDUALS IDENTIFIED AS: (1) SINGLE PERSON (2) SINGLE PARENT WITH ONE CHILD (3) TWO PARENT FAMILY WITH ONE CHILD.

**MINIMUM WAGE** SETS THE LOWEST WAGE RATE THAT AN EMPLOYER CAN PAY TO EMPLOYEES WHO ARE COVERED BY THE LABOUR STANDARDS ACT.

**INCOME SUPPORT** IS THE PROVISION OF FINANCIAL AND OTHER ASSISTANCE TO FULFIL BASIC NEEDS ASSOCIATED WITH LIVING TO THOSE WHO OTHERWISE CANNOT PROVIDE FOR SUCH NEEDS FOR THEMSELVES AND / OR THEIR FAMILIES.

**COST OF LIVING FACTORS** - ARE EXPENDITURES AREAS FOR A WORKING PERSON

- FOOD, SHELTER, TRANSPORTATION, CLOTHING, (IF APPLICABLE DAYCARE EXPENSES), ELECTRICAL, MUNICIPAL SERVICES (WATER, SEWAGE, GARBAGE) AND OTHER DAILY MISCELLANEOUS EXPENSES.

UPDATE FROM INCOME SUPPORT PROGRAM - FOR 2004 THE FOOD ALLOWANCE RATES WERE INCREASED BY 10%. - NOT REFLECTED ABOVE.

**AVERAGE EARNINGS OF THE POPULATION**  
**FROM 15 YEARS AND OVER**  
**BY THE HIGHEST LEVEL OF SCHOOLING,**  
**BY PROVINCES AND TERRITORIES**  
**2001 CENSUS**

	<b>2001</b>		
<b>DEFINITIONS AND NOTES</b>	<b>CANADA</b>	<b>NORTHWEST TERRITORIES</b>	<b>NUNAVUT</b>
ALL LEVELS	\$31,757	\$36,645	\$28,215
LESS THAN HIGH SCHOOL GRADUATION CERTIFICATE	\$21,230	\$20,428	\$14,772
HIGH SCHOOL GRADUATION CERTIFICATE AND / OR SOME POSTSECONDARY	\$25,477	\$31,603	\$26,722
TRADES CERTIFICATE OR DIPLOMA	\$32,743	\$42,712	\$32,454
COLLEGE CERTIFICATE OR DIPLOMA	\$32,736	\$42,245	\$39,113
UNIVERSITY CERTIFICATE, DIPLOMA OR DEGREE	\$48,648	\$56,892	\$58,992
<small>SOURCE: STATISTICS CANADA - CENSUS OF POPULATION - <a href="http://WWW.STATCAN.CA">WWW.STATCAN.CA</a> LAST MODIFIED JUNE 16/ 2003            FOR FURTHER INFORMATION ON THE CONCEPTS, METHODS AND QUALITY OF THE DATA CONTAINED IN THIS TABLE, CONSULT THE STATISTICAL DATA DOCUMENTATION.</small>			