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Building *Nunavut* Together  
*Nunavut* iuqatigiingniq  
Bâtir le *Nunavut* ensemble

## DEPARTMENT OF JUSTICE

# 2014 MINIMUM WAGE RATE ANNUAL REPORT

**PREPARED BY:**

**POLICY & PLANNING DIVISION  
DEPARTMENT OF JUSTICE**

## BACKGROUND INFORMATION

The Nunavut *Labour Standards Act* (the “Act”) regulates employment relationships that fall under territorial jurisdiction. It was adopted from the Northwest Territories upon the formation of Nunavut on April 1, 1999. The Act establishes basic minimum standards of compensation and conditions of employment for most workplaces in Nunavut, including the establishment of a minimum wage rate in the territory. The rate in Nunavut also applies to federally regulated employees working in the territory since the Government of Canada defines the applicable minimum wage under *Part III – Labour Standards of the Canada Labour Code* as the rate of the province or territory where the work is performed.

The minimum wage rate is a basic labour standard that sets the lowest rate that an employer can pay to employees working on an hourly basis that fall within territorial jurisdiction. A main purpose of establishing a minimum wage rate is to protect non-unionized workers in unskilled jobs. The minimum wage rate requires review and adjustments from time to time to take into account changing economic and/or social conditions. The minimum wage rate in Nunavut is fixed by Section 12 of the Act.

In 2002, the Act was amended to require the Minister to review the minimum wage rate annually and report the results to the Legislative Assembly (Section 12.1 of the Act). This report has been prepared in accordance with this requirement.

## **MINIMUM WAGE RATE REVIEW (2014)**

As of December 31, 2014, the minimum wage rate in Nunavut was \$11.00 per hour (Section 12 of the Act).

This was set in the fall 2010 when the Act was amended by the Legislative Assembly providing for an increase from \$10.00 to \$11.00 per hour effective January 1, 2011. It was the highest rate in Canada at the time. Nunavut has had the highest minimum wage rate in Canada since 2003 (when it was then set at \$8.50 per hour), with subsequent increases in 2008 (\$10.00 per hour) and 2011 (\$11.00 per hour). Due to increases in other Canadian jurisdictions since that time, Nunavut now shares the highest minimum wage rate with Ontario, while other jurisdictions are not far behind (see attached Table 1).

The Consumer Price Index (C.P.I.), one of the measures of the inflation rate, increased by 1.46% from December 2013 to December 2014 in Iqaluit. There are no statistics that measure C.P.I. Nunavut-wide or by other communities in Nunavut. Therefore, it should be noted that this measure alone will not necessarily apply in calculating inflation and cost of living increases for all of Nunavut.

It is recommended that the Government of Nunavut conduct further review and undertake consultations in 2015 to consider increasing the minimum wage rate to reflect increased costs of living in the Territory and to keep in step with minimum wage increases across Canada. C.P.I. and/or other measures could be used to assist in evaluating and establishing a new appropriate minimum wage rate.

Since the minimum wage rate is fixed by statute it can only be changed by legislative amendment. Nunavut is the only jurisdiction in Canada that requires this step. All other provinces and territories allow for changes to be made by regulation or provide in some cases provide for automatic annual adjustments based on legislated formula. Therefore, it is recommended that the process for future amendments to the minimum wage rate be reviewed and amended to allow for more frequent and regular updates in order to bring Nunavut in line with the rest of Canada.

## **Statistical Data**

### **Table – 1**

- Minimum Wage Rate Changes in Nunavut.

### **Table – 2**

- Minimum wage rates across Canada as of December 31<sup>st</sup>, 2014.

### **Table – 3**

- Income support rates versus minimum wage earnings on a monthly basis.

### **Table – 4**

- Consumer Price Index – Iqaluit (2002 to 2014).

## **Table – 1**

### **Minimum Wage Rate Changes in Nunavut**

<b>HOURLY RATE</b>	<b>EFFECTIVE DATE</b>
<b>\$7.00/\$6.50</b>	<b>APRIL 1<sup>ST</sup>, 1999</b>
<b>\$8.50</b>	<b>MARCH 3<sup>RD</sup>, 2003</b>
<b>\$10.00</b>	<b>SEPTEMBER 5<sup>TH</sup>, 2008</b>
<b>\$11.00</b>	<b>JANUARY 1<sup>ST</sup>, 2011</b>

*Note:* From 1999 to 2003, Nunavut had two minimum wage rates for adults with \$7.00 per hour applying to employees 16 years of age or older and \$6.50 per hour applying to employees 16 years of age or older in areas distant from the highway system.

*Source:* Statistics Canada, Hourly Minimum Wages in Canada for Adult Workers, 1995 to 2004 (<http://srv116.services.gc.ca/dimt-wid/sm-jmw/rpt2.aspx?lang=eng&dec=4>)

## Table – 2

### MINIMUM WAGE RATES IN CANADA (As of December 31<sup>st</sup>, 2014)

JURISDICTION	HOURLY RATE	EFFECTIVE DATE
FEDERAL	REPLACED BY PROVINCIAL / TERRITORIAL RATES	JULY 1 <sup>ST</sup> , 1996
NUNAVUT	\$11.00	JANUARY 1 <sup>ST</sup> , 2011
BRITISH COLUMBIA	\$10.25	MAY 1 <sup>ST</sup> , 2012
QUEBEC	\$10.35	MAY 1 <sup>ST</sup> , 2014
YUKON	\$10.72	MAY 1 <sup>ST</sup> , 2014
ONTARIO	\$11.00	JUNE 1 <sup>ST</sup> , 2014
MANITOBA	\$10.70	OCTOBER 1 <sup>ST</sup> , 2014
SASKATCHEWAN	\$10.20	OCTOBER 1 <sup>ST</sup> , 2014
ALBERTA	\$10.20	SEPTEMBER 1 <sup>ST</sup> , 2014
NEWFOUNDLAND & LABRADOR	\$10.25	OCTOBER 1 <sup>ST</sup> , 2014
NOVA SCOTIA	\$10.40	APRIL 1 <sup>ST</sup> , 2014
PRINCE EDWARD ISLAND	\$10.35	OCTOBER 1 <sup>ST</sup> , 2014
NEW BRUNSWICK	\$10.30	DECEMBER 31 <sup>ST</sup> , 2014
NORTHWEST TERRITORIES	\$10.00	APRIL 1 <sup>ST</sup> , 2011

*Note:* The above are the general minimum wages rates in each jurisdiction. Some jurisdictions have different rates based on regional and occupational considerations and some have lower rates for students, inexperienced workers, and/or employees receiving gratuities.

Source: Statistics Canada, Hourly Minimum Wages in Canada for Adult Workers, 1995 to 2004 (<http://srv116.services.gc.ca/dimt-wid/SM-MW/rpt2.aspx?lang=eng&dec=5>)

## Table - 3

### COMPARATIVE ANALYSIS MINIMUM WAGE vs. INCOME SUPPORT

- The following table provides for a comparison between individuals working and earning the minimum wage rate with and without dependents and individuals who are receiving Government of Nunavut income support with and without dependents.
- The Minimum Wage Rate - sets the lowest hourly rate that an employer can pay to employees who are covered by the *Labour Standards Act*.
- Income Support - identified by food allowances in the following comparison table is one of the many benefits that are added in to the monthly assessment for social assistance. Additional support that is provided on a monthly basis include: rent, utilities, clothing allowance and any other identified needs. Any income earned that is above the monthly maximum allowable is subtracted and what is remaining if any is the monthly support payment issued to the individual. Individuals with no dependents have a \$200.00 working income exemption and those with dependents have a \$400.00 working income exemption.
- Cost of living factors: food, shelter, transportation, clothing, utilities, where applicable daycare costs and other miscellaneous expenses.

<u>MINIMUM WAGE</u>
<ul style="list-style-type: none"><li>• <b>SINGLE FAMILY MEMBER</b></li></ul>
AN INDIVIDUAL WORKING STANDARD HOURS ( 8 HRS IN A DAY AND 40 HRS IN A WEEK )
MINIMUM WAGE RATE : \$ 11.00 PER HR. ( X ) 40 HRS IN A WEEK = \$ 440.00 WEEKLY INCOME
\$ 11.00 PER HR ( X ) 40 HRS X 52 WEEKS/12 = \$ 1,906.67 MONTHLY INCOME
<ul style="list-style-type: none"><li>• <b>TWO FAMILY MEMBERS</b></li></ul>
SINGLE MEMBER WORKING STANDARD HOURS ( 8 HRS IN A DAY AND 40 HRS IN A WEEK )
MINIMUM WAGE RATE : \$ 11.00 PER HR. ( X ) 40 HRS IN A WEEK = \$ 440.00 WEEKLY GROSS INCOME
\$ 11.00 PER HR ( X ) 40 HRS X 52 WEEKS/12 = \$ 1,906.67 MONTHLY INCOME
<ul style="list-style-type: none"><li>• <b>THREE FAMILY MEMBERS</b></li></ul>
SINGLE MEMBER WORKING STANDARD HOURS ( 8 HRS IN A DAY AND 40 HRS IN A WEEK )
MINIMUM WAGE RATE : \$ 11.00 PER HR. ( X ) 40 HRS IN A WEEK = \$ 440.00 WEEKLY GROSS INCOME
\$ 11.00 PER HR ( X ) 40 HRS X 52 WEEKS/12 = \$ 1,906.67 MONTHLY INCOME
TWO MEMBERS WORKING STANDARD HOURS ( 8 HRS IN A DAY AND 40 HRS IN A WEEK )
\$ 1,906.67 ( X ) 2 = \$3,813.34 MONTHLY GROSS INCOME

**INCOME SUPPORT - FOOD ALLOWANCE SCALE - 2014**

**UPDATE RECEIVED FROM INCOME SUPPORT - DEPARTMENT OF EDUCATION - DECEMBER 2014**

THE FOLLOWING IS THE RANGE OF FOOD ALLOWANCE SUPPORT BY THE NUMBER OF FAMILY MEMBERS. THE AMOUNT VARIES DEPENDING ON COMMUNITY LOCATION.

INDIVIDUALS WITH NO DEPENDENTS HAVE A \$200.00 WORKING INCOME EXEMPTION AND THOSE WITH DEPENDENTS HAVE A \$400.00 WORKING INCOME EXEMPTION.

SINGLE FAMILY MEMBER	MONTHLYFOOD ALLOWANCE RANGE \$344.00 TO \$409.00
TWO FAMILY MEMBERS	MONTHLYFOOD ALLOWANCE RANGE \$628.00 TO \$745.00
THREE FAMILY MEMBERS	MONTHLYFOOD ALLOWANCE RANGE \$884.00 TO \$1,048.00



## Table – 4

Iqaluit Consumer Price Index, 2002 to 2014 (December 2002=100.0)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Average
<b>Year</b>	(December 2002=100.0)												
<b>2002</b>	...	...	...	...	...	...	...	...	...	...	...	100.0	...
<b>2003</b>	99.9	99.8	100.0	99.9	100.1	100.2	100.7	100.3	100.3	100.5	100.7	100.5	100.2
<b>2004</b>	100.0	99.9	100.2	100.8	101.4	101.8	101.8	101.4	101.6	101.2	101.8	102.2	101.2
<b>2005</b>	102.0	101.7	101.8	102.1	102.8	103.0	103.0	103.4	103.8	103.3	103.8	103.6	102.9
<b>2006</b>	103.5	103.7	103.7	104.5	104.8	105.1	104.8	104.4	105.0	104.2	105.2	105.7	104.6
<b>2007</b>	106.4	106.5	106.7	107.7	108.0	108.0	108.9	108.9	109.1	108.1	108.2	108.7	107.9
<b>2008</b>	108.2	108.4	108.2	109.0	109.8	110.5	111.6	112.2	111.9	111.1	111.9	112.4	110.4
<b>2009</b>	111.8	111.8	112.4	113.5	113.6	113.8	113.3	114.0	113.2	111.7	111.2	111.3	112.6
<b>2010</b>	111.3	111.1	110.7	111.8	112.2	112.9	112.1	112.1	112.2	111.3	112.0	112.1	111.8
<b>2011</b>	112.5	112.3	112.6	113.2	113.5	113.3	113.3	113.4	113.6	114.3	114.5	114.2	113.4
<b>2012</b>	114.2	114.4	114.4	114.9	115.9	116.1	116.1	115.9	115.9	115.2	115.3	115.1	115.3
<b>2013</b>	115.5	115.8	115.8	116.5	117.2	117.5	117.5	117.5	117.5	116.6	116.1	116.2	116.6
<b>2014</b>	116.7	117.2	117.3	117.7	118.1	118.7	118.9	119.0	118.8	118.4	118.1	117.9	118.1

*Note: ...data not available*

*Source: Statistics Canada, Consumer Price Index CANSIM Table 326-0020*

*Prepared by: Nunavut Bureau of Statistics, January 26, 2015*

The Consumer Price Index (CPI) is an indicator of the changes in consumer prices experienced by the target population. The CPI measures price change by comparing, through time, the cost of a fixed basket of commodities. The basket is based on the expenditures of the target population in a certain reference period, currently 2005. Since the basket contains commodities of unchanging or equivalent quantity and quality, the index reflects only pure price movements.

The Consumer Price Index (CPI) is produced on a monthly basis by Statistics Canada. The data used to determine the CPI are collected by survey and the results are released in a Statistics Canada catalogue. The Index is used to determine price change (inflation or deflation) in a given city or province over time.

In order to calculate the inflation rate in an area, an index for two time periods is required. The percentage change in this index from one point in time to the next is known as the 'rate of inflation' (or 'rate of deflation' if there is a decrease).

For more statistical information contact the Nunavut Bureau of Statistics at:

<http://stats.gov.nu.ca/en/Economic%20prices.aspx>