

Blakes Bulletin

Labour & Employment

Ontario Increases Minimum Wage

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On March 31, 2010, the general minimum wage in Ontario becomes C\$10.25 per hour. This is the seventh increase in the minimum wage since 2004, and is reflected in amendments to Regulation 285/01 of the *Employment Standards Act, 2000*. The Regulation also increases the minimum wage rates for students, liquor servers, homeworkers, and hunting/fishing guides to the rates described below.

WHAT IS MINIMUM WAGE?

Minimum wage is the lowest rate an employer can pay an employee. Most employees are eligible for minimum wage, whether they are full-time, part-time, seasonal employees, or are paid at an hourly rate, commission, flat rate or salary.

There are job-specific exemptions and special rules for certain industries and job categories. For example, while the general minimum wage rate applies to most employees, there are other minimum wage rates in Ontario that apply to:

- students under 18 years of age, working not more than 28 hours per week during the school year or working during a school holiday (C\$9.60 per hour);
- liquor servers (C\$8.90 per hour);
- hunting and fishing guides (C\$51.25 per day for working less than five consecutive hours in a day; C\$102.50 per day for working five or more hours in a day whether or not the hours are consecutive);
- homeworkers (i.e., employees who do paid work in their own homes for an employer) (110% of the general minimum wage).

MINIMUM WAGE CALCULATION FOR EMPLOYEES ON COMMISSION

If an employee's pay is based completely or partly on commission, they are entitled to receive at least the

minimum wage for each hour the employee has worked. Industry-specific and job-specific exemptions and/or special rules may apply, however, to certain salespeople who earn commission.

WHAT HAPPENS WHEN THE MINIMUM WAGE CHANGES?

If the minimum wage rate changes during a pay period, the pay period will be treated as if it were two separate pay periods and the employee will be entitled to at least the minimum wage that applies in each of those periods.

OTHER PROVINCIAL MINIMUM WAGE INCREASES IN 2010

In addition to Ontario, several other provinces will be increasing their general minimum wage rate in 2010 as follows:

- New Brunswick: General minimum wage will increase to C\$8.50 per hour effective April 1, 2010, and to C\$9 per hour effective September 1, 2010.
- Newfoundland: General minimum wage was increased to C\$9.50 per hour on January 1, 2010, and will increase again to C\$10 per hour effective July 1, 2010.
- Nova Scotia: General minimum wage will increase to C\$9.20 per hour effective April 1, 2010, and to C\$9.65 per hour effective October 1, 2010.
- Quebec: General minimum wage will increase to C\$9.50 per hour on May 1, 2010.

As with Ontario, while the general minimum wage rate applies to most employees, there may be job-specific exemptions and/or special rules or rates for certain industries and job categories in each of these provinces.

For more information with respect to compliance with your obligations regarding minimum wages, please contact a member of Blakes Labour & Employment Group.

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