

December  
**2022**

**The Nova Scotia  
Minimum Wage  
Review Committee  
Report**



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The Nova Scotia Minimum Wage Review Committee Report December 2022  
Department of Labour, Skills and Immigration  
December 2022

ISBN: 978-1-77448-423-4

Honourable Jill Balseer  
Minister of Labour, Skills and Immigration  
1505 Barrington Street  
Halifax, NS B3J 2T8

Dear Minister Balseer:

In the Minimum Wage Review Committee's December 2021 report, in addition to recommending incremental increases that would have Nova Scotia's minimum wage reach \$15.00 per hour on April 1, 2024, the Committee also recommended that the minimum wage be set by a new formula (inflation plus an additional 1%) beginning on April 1, 2025. The Committee commented in its report that, should circumstances warrant, the Committee could recommend a different approach in the future.

This is to advise that the Committee has now completed its annual review. Based on our review, the Committee recommends incremental increases that would have the minimum wage reach \$15.00 per hour sooner, on October 1, 2023, and to start applying the new formula on April 1, 2024.

The Committee recommends the following adjustments:

- on April 1, 2023 an increase to \$14.50 per hour
- on October 1, 2023 an increase to \$15.00 per hour
- starting April 1, 2024, the minimum wage be adjusted April 1 each year by the percentage change in the projected annual CPI for the calendar year immediately preceding the year in which the adjustment occurs, plus an additional 1% - as calculated from the minimum wage rate set the preceding April

Please find our report attached, which includes the recommended adjustments to the minimum wage rate as well as the rationale behind the recommended adjustments.

We wish to acknowledge, with thanks, staff at the Nova Scotia Department of Labour, Skills and Immigration, who continue to support the Committee's work.

Respectfully submitted by:

Original signed by

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Collette Robert, Employee Representative

Original signed by

\_\_\_\_\_  
Dylan Meisner, Employer Representative

Original signed by

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Danny Cavanagh, Employee Representative

Original signed by

\_\_\_\_\_  
Julie Marks, Employer Representative

## Background Information

Nova Scotia's minimum wage is set by regulations, which provide a mechanism for adjusting the minimum wage. The Minimum Wage Review Committee is mandated, under the Nova Scotia *Labour Standards Code*, to conduct an annual review of the minimum wage and submit a report to the Minister setting out its recommendations.

In the Minimum Wage Review Committee's January 2021 report, the Committee recommended that the minimum wage rate be adjusted based on the formula then set out in the minimum wage regulations. In addition, noting concerns about the disparities between workers highlighted by the COVID-19 pandemic, difficulties employers have been experiencing attracting and retaining good workers, and Nova Scotia's minimum wage rate relative to those of other Canadian jurisdictions, the Committee recommended a further review of the current rate and approach to setting the minimum wage. Government accepted the Committee's recommendations and on April 1, 2021, the minimum wage increased from \$12.55 to \$12.95.

In the Minimum Wage Review Committee's December 2021 report, concerns were expressed that without a change to the approach to setting minimum wage, there will continue to be a number of minimum wage earners who live below the poverty line and struggle to make ends meet. Concerns were also expressed that increases in the minimum wage rate be predictable and that employers receive notice of increases so that they can structure their practices to best absorb the increase in the cost of labour.

In the December 2021 report, the Committee noted that the minimum wage could be increased by set amounts over the course of three years to account for the fact that minimum wage earners historically did not share in the economic growth of the Province. Thereafter, minimum wage could be indexed to the Consumer Price Index (CPI) and increased by an additional 1% annually – allowing minimum wage earners to share in the economic growth of the Province on a go-forward basis.

The Committee recommended that:

- minimum wage increase by \$0.40 to \$13.35 on April 1, 2022, in accordance with the formula then set out in the minimum wage regulations
- minimum wage increase to \$13.60 on October 1, 2022; \$14.30 on April 1, 2023; \$14.65 on October 1, 2023; and \$15.00 on April 1, 2024
- starting April 1, 2025, minimum wage be adjusted annually by the percentage change in the projected annual CPI for the calendar year immediately preceding the year in which the adjustment occurs, plus an additional 1%.

## Profile of Minimum Wage Earners

An average of 7.0% of workers, or 28,500 Nova Scotians, worked for minimum wage during the period from April 2021 to March 2022. Minimum wage earners work throughout the Province. They work primarily in retail trade, followed by food and accommodation industries. 56% of minimum wage earners are female, 64% are non-students, 27% are over the age of 35, 37% are employed full time, and 46% have post-secondary education.

## Minimum Wage Rate (General) across Canada

Jurisdiction	Rate	Effective Date
British Columbia	\$15.65	Jun 1, 2022
Alberta	\$15.00	Oct 1, 2018
*Saskatchewan	\$13.00	Oct 1, 2022
*Manitoba	\$13.50	Oct 1, 2022
Ontario	\$15.50	Oct 1, 2022
Quebec	\$14.25	May 1, 2022
New Brunswick	\$13.75	Apr 1, 2022
Nova Scotia	\$13.60	Oct 1, 2022
*Prince Edward Island	\$13.70	Apr 1, 2022
*Newfoundland and Labrador	\$13.70	Apr 1, 2022
Yukon	\$15.70	Apr 1, 2022
Northwest Territories	\$15.20	Sep 1, 2021
Nunavut	\$16.00	Apr 1, 2020

Note: SK's minimum wage rate is scheduled to increase to \$14.00 on October 1, 2023 and then to \$15.00 on October 1, 2024. MB's minimum wage rate is scheduled to increase to \$14.15 on April 1, 2023 and then with an increase indexed to CPI is projected to increase to \$15.00 on October 1, 2023. PEI's minimum wage rate is scheduled to increase to \$14.50 on January 1, 2023 and then to \$15.00 on October 1, 2023. NL's minimum wage rate is scheduled to increase to \$14.50 on April 1, 2023 and then to \$15.00 on October 1, 2023.

## Committee Discussion - Revisiting the Minimum Wage Rate

As noted previously, the Committee's December 2021 report expressed concern that without a change to the approach to setting minimum wage, there would continue to be a number of minimum wage earners who live below the poverty line and struggle to make ends meet. More specifically, the December 2021 report noted that 16.6% of minimum wage earners in Nova Scotia live alone or are the single income earner in their family and that 62.1% of this subset of minimum wage earners rent their living accommodations. These minimum wage earners are unable to afford rent without undue pressure on their income – affecting their ability to pay for essentials such as food, clothing and transportation.

The Committee recognizes that increases to the minimum wage alone will not alleviate all the pressures faced by the Province's lowest earners. In addition to increasing the minimum wage, increasing the basic personal income tax exemption would also put more money in the pockets of low-income earners and would increase their purchasing power. Other mechanisms, such as affordable housing and public childcare would assist as well.

While the Committee appreciates that these other tools exist to potentially support low-income earners, the tool within the Committee's mandate is the minimum wage. The Committee's December 2021 recommendation to reach a \$15.00 minimum wage by April 2024 was made with concerns about minimum wage earners living below the poverty line and struggling to make ends meet in mind. At that time, inflation (i.e. the percentage change in CPI) for the 2022 and 2023 calendar years was projected to be 3% and 2%, respectively. Inflation for the 2022 calendar year is now estimated to be 7% and inflation for the 2023 calendar year is currently forecasted to be 4%.

Any increase in the minimum wage that is matched by an increase in inflation results in no increase in purchasing power for the minimum wage earner. Due to the unforeseen and significant increase in inflation for the 2022 calendar year – and what is now forecast for the 2023 calendar year – the increases to minimum wage recommended in the December 2021 report will not have the expected impact on the purchasing power of minimum wage earners.

Given the unforeseen increases in inflation, the Committee felt the circumstances warranted revisiting the December 2021 recommendations during this year's annual review. The Committee discussed that to meet the objectives of the recommended increases set out in their previous report, the Province would need to move to a \$15.00 minimum wage sooner than April 2024. The Committee also discussed that while much of the economy has rebounded from the initial impact of the COVID-19 pandemic, the accommodation and food service and retail trade industries are yet to fully recover, and these are the industries that are the primary employers of minimum wage workers. Further, the Committee recognized that the unforeseen and significant increases in inflation not only impact workers and their families but also impact the bottom line for many businesses.

With these considerations in mind, the Committee felt the previously recommended increases to the minimum wage would need to be accelerated, but that moving to \$15.00 per hour too rapidly would make it too difficult for businesses to absorb the increased cost of labour.

## Recommendations of the Committee

Being mindful of maintaining fairness for the lowest paid members of the Nova Scotia workforce while recognizing the challenges businesses continue to face with the current economy, the Committee provides the below recommendations:

- the minimum wage rate be increased to:
  - \$14.50 per hour on April 1, 2023 and
  - \$15.00 per hour on October 1, 2023
- starting April 1, 2024, the minimum wage be adjusted April 1 each year by the percentage change in the projected annual CPI for the calendar year immediately preceding the year in which the adjustment occurs, plus an additional 1% – as calculated from the minimum wage rate set the preceding April