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The Nova Scotia Minimum Wage Review Committee Report



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Department of Labour, Skills and Immigration
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Honourable Nolan Young
Minister of Labour, Skills and Immigration
1505 Barrington Street
Halifax, NS B3J 2T8

Dear Minister Young:

The Minimum Wage Review Committee is pleased to advise that we have concluded our annual review of the minimum wage. Attached, please find our report.

The Committee is recommending Government adjust the minimum wage in 2026 in accordance with the formula set out in the minimum wage regulations, but to do so incrementally.

The Committee recommends the following adjustments:

- on April 1, 2026 an increase to \$16.75 per hour
- on October 1, 2026 an increase to \$17.00 per hour

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 the Minimum Wage Review Committee.

Committee members

Julie Marks, Employer Representative
Bob Smith, Employer Representative
Alfred Burgesson, Employee Representative
Danny Cavanagh, Employee 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, which was established in 2004, 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.

The Committee's work between 2005 and 2012 resulted in government adopting a formula for regularly adjusting the minimum wage based on projected inflation (national Consumer Price Index (CPI)). Between April 1, 2013 and April 1, 2021, with few exceptions, the minimum wage rate was adjusted annually based on this formula.

When the Committee met in the Fall of 2021 to conduct its annual review, concerns were expressed that without a change to the approach to setting minimum wage, many minimum wage earners would continue to live below the poverty line and struggle to make ends meet. The Committee's discussion also highlighted the importance of government ensuring 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 labour cost increases.

In the December 2021 and December 2022 reports, the Committee recommended incremental increases to have Nova Scotia's minimum wage reach \$15.00 per hour, and that in the years following, the minimum wage be set by a new formula – indexing minimum wage to CPI and increasing it by an additional 1% annually. The rationale was that since the economy tends to grow at a greater rate than inflation, annually increasing minimum wage by an additional 1% over CPI would allow minimum wage earners to share in the economic growth of the province on a go-forward basis.

Minimum wage reached \$15.00 per hour on October 1, 2023. In its December 2023 report, the Committee recommended that the rate be adjusted pursuant to the new formula (CPI plus 1%). Government accepted the Committee's recommendation and on April 1, 2024, the minimum wage increased to \$15.20.

During its annual review in the Fall of 2024, the Committee learned that government might increase the minimum wage to \$16.50 in 2025. The Committee discussed that if government were to make such an ad hoc increase, government should adjust the rate in accordance with the formula (CPI plus 1%) on April 1, 2025 and make a second, ad hoc, increase on October 1, 2025.

Applying the CPI plus 1% formula, government increased the minimum wage from \$15.20 to \$15.70 on April 1, 2025. On October 1, 2025, government made an ad hoc increase setting the minimum wage rate at \$16.50.

Committee Discussion

In making recommendations regarding the minimum wage rate, the Committee traditionally takes into account the following considerations:

- maintaining fairness for the lowest paid members of the Nova Scotia workforce
- cost of living trends
- the impact of minimum wage adjustments on business and the economy

These considerations continue to inform the Committee's discussions.

Since the Committee's December 2021 report the Committee has reiterated each year that there is a subset of minimum wage earners who are unable to afford rent without undue pressure on their income – affecting their ability to pay for essentials such as food, clothing and transportation. It was concerns such as these that led to the Committee's December 2021 recommendation to make incremental increases to have Nova Scotia's minimum wage reach \$15.00 per hour and then to begin annually increasing minimum wage by an additional 1% over CPI.

An ad hoc increase to the minimum wage from \$15.70 to \$16.50 on October 1, 2025 caused the minimum wage to increase in 2025 beyond the CPI plus 1% that had been previously recommended by the Committee.

The minimum wage regulations currently require that the rate (\$16.50) be adjusted on April 1, 2026 by the percentage change in CPI for the 2025 calendar year, plus an additional 1%. CPI for the 2025 calendar year is projected to increase by 1.9% from the previous year. Multiplying \$16.50 by 2.9% and rounding to the nearest \$0.05 in accordance with the formula results in an adjustment of \$0.50, increasing the minimum wage rate to \$17.00 per hour.

The Committee notes that while the ad hoc increase on October 1, 2025 was significant to low-income workers in the face of recent cost of living trends, if the rate were to be set at \$17.00 on April 1, 2026, it would result in a significant increase in the minimum wage over a relatively short period. Committee members expressed concern that such a rapid increase could have a negative impact on business.

Being mindful of maintaining fairness for the lowest paid members of the Nova Scotia workforce, acknowledging recent cost of living trends, and recognizing the need for businesses to be able to prepare for adjustments to the minimum wage, the Committee feels that while an increase in the minimum wage as contemplated by the formula set out in the regulations is warranted, given the recent ad hoc increase to the minimum wage, any increase to the rate in 2026 should be done incrementally.

Recommendations of the Committee

Based on the considerations and analysis outlined above the Committee recommends that the minimum wage be increased to:

- \$16.75 per hour on April 1, 2026 and
- \$17.00 per hour on October 1, 2026