

LABOUR MANAGEMENT REVIEW COMMITTEE

July 8, 2022

Honourable Reg Helwer
Minister of Labour,
Consumer Protection and
Government Services
Room 343 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

As requested in your letter of June 2, 2022, the Labour Management Review Committee (LMRC) has reviewed proposals respecting a onetime increase to the minimum wage, above the scheduled increase that will take effect on October 1, 2022, as enabled by The Employment Standards Code Amendment Act (Minimum Wage), 2022. The LMRC also reviewed the proposal to remove the restrictions for an employer to require employees to provide a physician's or medical certificate to verify eligibility for non-COVID related protected leaves under The Employment Standards Code (Code).

The LMRC met on June 14, June 27 and July 5 to discuss these matters. While the LMRC was able to achieve consensus on recommending removing restrictions on an employer's right to require an employee to provide a physician's or medical certificate to verify eligibility for non-COVID related protected leave under the Code, the LMRC did not reach consensus on the issue of minimum wage. Therefore, the Management and Labour Caucuses have submitted their separate reports on this matter, which are included here for your consideration.

The committee wishes to thank you for the opportunity to provide comments and recommendations on potential changes under the Employment Standards Regulation.

We would also like to express our appreciation to the Management and Labour Caucus members for their consideration of these issues, to the invited stakeholders from the Manitoba Hotel Association and Make Poverty History Manitoba, and to the staff of the Department of Labour, Consumer Protection and Government Services (LCPGS).

Attached, please find the combined Report of the LMRC on the above mentioned issues. If you have any questions, or wish to discuss any aspect of the report, please do not hesitate to contact the Chairperson.

Sincerely,



Kevin Rebeck
Wightman
Labour
Caucus Chair



Michael Werier
Chairperson



Peter
Management
Caucus Chair

cc: Members of the Manitoba Labour Management Review Committee
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REPORT OF
THE MANITOBA LABOUR MANAGEMENT REVIEW COMMITTEE

July 8, 2022

MANDATE OF THE LABOUR MANAGEMENT REVIEW COMMITTEE

On June 2, 2022, the Labour Management Review Committee (LMRC) was tasked by the Department of Labour, Consumer Protection and Government Services (LCPGS) to review and provide recommendations on two proposed changes under Manitoba's employment standards legislation.

The proposed changes included:

- A one-time increase to the minimum wage above the scheduled increase under the Code, as enabled by the recent passage of The Employment Standards Amendment Act (Minimum Wage), 2022.
- Removal of the restriction on an employer's right to require an employee to provide a physician's or medical certificate to verify eligibility for non-COVID related protected leaves under the Code.

LCPGS staff provided background material for consideration by the LMRC and were available to conduct such research as the Committee considered appropriate. Representatives from the Manitoba Hotel Association and Make Poverty History Manitoba were also invited to present their perspectives around any potential increase to the minimum wage.

Management Caucus Submission

Introduction

The LMRC Management Caucus acknowledges, with thanks, the opportunity to provide submissions with respect to Manitoba's minimum wage. The relative position of the minimum wage in Manitoba compared to other jurisdictions has been a source of increasing concern to the Management Caucus as we have watched Manitoba slide from third position in 2017, to now facing the dubious prospect of having the lowest minimum wage in the country.

History and Policy

LMRC has existed since the 1960s and, over the past approximately 20 year period, has achieved remarkable success reaching consensus on a variety of matters involving labour and employment legislation and policy.

However, there has been a notable lack of success achieving consensus when, as has happened on a number of occasions, LMRC has been asked to consult and advise on the minimum wage.

Nevertheless, until recently, Manitoba has occupied a position approximately in the middle of the pack as compared to other jurisdictions. As indicated, this situation has changed dramatically over the past five years.

The LMRC Management Caucus appreciates the detailed information received from the Ministry as part of the letter from the Honourable Reg Helwer, Minister of Labour, and have relied upon the statistics that accompanied the letter, copies of which are attached for ease of reference as Appendices A, B and C. (See separate Appendix document)

A guiding principle for LMRC, which has served the Committee well in terms of reaching consensus, is that Manitoba should neither lead nor lag behind in terms of labour and employment legislation and policy. Put another way, Manitoba should seek to be "in the middle of the pack".

The Management Caucus has been criticized by Labour with respect to the reality that Manitoba has slipped, from a solid third place regarding minimum wage, to its current position which clearly lags behind other jurisdictions. This is a valid criticism and we acknowledge that the situation should be rectified.

The questions before us are how, and how quickly, should the situation be remedied. This challenging objective is made immensely more difficult by the effects of the Covid-19 pandemic. These effects include approximately two years of devastating economic damage to the industries most affected by the level of the minimum wage (including hospitality, retail and, in general, small business) together with the twin evils of high inflation and possible recession which have followed upon the easing of restrictions.

Industry Consultations

In preparation for the task of setting a proposed minimum wage which balances the interests of everyone, the LMRC Management Caucus consulted extensively with representatives of the industries most affected by changes to the minimum wage. This included the Manitoba Chambers of Commerce, Canadian Federation of Independent Business, Manitoba Restaurant & Foodservices Association and the Manitoba Hotel Association.

Further, the Manitoba Chambers of Commerce conducted a survey of its members, a copy of which is attached as Appendix D.

This survey contains a number of interesting responses including:

- 64% of survey respondents are either somewhat or very concerned that Manitoba's minimum wage is the lowest in the country (36% are not concerned)
- 36% of survey respondents believe that no further increase in the minimum wage is warranted (beyond the scheduled increase in October 2022)
- 16% of survey respondents feel that the minimum wage should increase to \$15/hour in the fourth quarter of 2022
- 52% of survey respondents indicate that they would be obligated to pass on costs to consumers if government increases the minimum wage
- 37% of survey respondents indicate that an increase in the minimum wage would not impact their business
- 65% of survey respondents indicate that reduced payroll taxes would help to manage the costs associated with an increased minimum wage
- 28% of survey respondents indicate that the creation of a student wage that is lower than the general minimum wage would help to manage the costs associated with an increased minimum wage
- 21% of survey respondents indicate that the creation of a tip-earner wage that is lower than the general minimum wage would help to manage the costs associated with an increased minimum wage

Middle of the Pack

As stated, it is agreed that with respect to the minimum wage, Manitoba should be in the middle of the pack. However, there are many ways to measure this standard, including calculating the Average among other jurisdictions, the Mean of minimum wages in Canadian jurisdictions and, finally, considering the level of minimum wage which would put Manitoba in approximately fourth or fifth place amongst Canadian provinces. The LMRC Management Caucus considers that looking at other Canadian provinces, and excluding the Territories, is appropriate because of the very different circumstances which obtain with respect to the Northwest Territory, the Yukon and Nunavut.

In the view of the Management Caucus, the most valid approach, which involves consideration of all relevant factors, is to consider a minimum wage for Manitoba which puts it approximately in fourth or fifth place among Canadian provinces.

Relevant Factors

Apart from the information contained in Appendices A, B and C, it is also relevant, in the view of the LMRC Management Caucus, to consider Manitoba's relative standing in terms of GDP per capita and average weekly earnings. These figures are set forth in Appendix E

and show that Manitoba is near the bottom in terms both of GDP per capita and average weekly earnings. Further, in our view, a very useful calculation can be made expressing minimum wage as a percentage of average weekly earnings. This information also is set forth in Appendix E and shows that, expressed as a percentage of average weekly earnings, the Manitoba minimum wage of \$12.35 scheduled for October 1, 2022 is much closer to the middle of the pack than it is in absolute terms.

It is also of great importance to consider the data provided in Appendices A, B and C regarding demographic information of minimum wage earners. As shown, the vast majority of minimum wage earners are young persons, many of whom are students living at home, and most of whom soon will be earning more, sometimes much more, than minimum wage as their education and employment prospects progress. In many cases, these young persons need experience more than they need a higher minimum wage.

On the other hand, businesses which are lost as a result of costs overwhelming revenues, generally are lost forever. This has been demonstrated, massively, during the worst effects of the Covid-19 pandemic. The loss of these businesses is not necessarily demonstrated by considering employment levels since many of the employees laid off will find other jobs. Nevertheless, the loss of their small business has a devastating impact on the owners.

Differential Rates

The LMRC Management Caucus accepts, with reluctance, that the Minister is not willing to consider a proposal to establish differential rates as part of the Manitoba minimum wage. We feel very constrained by this restriction which, in our view, adds considerably to the difficulty of proposing a minimum wage which addresses the individuals who most need an increase to the minimum wage while mitigating the burden on small business.

In our view, a differential rate regarding gratuity earners, which exists in a number of other jurisdictions (including Quebec which has a gratuity rate that is approximately \$2.70 below the general minimum wage; Ontario which has liquor service rate that is \$1.80 below the general minimum wage, and Alberta which has a student wage rate that is \$2.00 below the general minimum wage) would allow Manitoba to have a much higher general minimum wage than presently is possible with a one size fits all approach.

It can be argued that, having regard to these differential rates, the true minimum wage in Alberta is \$13, in Quebec is \$11.55, and in Ontario is \$13.20 (for those specific workers identified in the preceding paragraph).

Proposal

The LMRC Management Caucus is aware that we are restricted by the provisions of legislation from doing more than recommending an increase to be effective in the fourth quarter of 2022. Again, this is a constraining factor, since it is our view that returning to the middle of the pack requires more than just one step if the shock to small business is to be alleviated to some extent.

We are aware that the legislation will trigger further consultations in the Spring of 2023 if Manitoba's inflation rate is more than 5% in the first quarter of 2023. We expect this is

likely to occur and wish to state for the record that it will be the goal of the LMRC Management Caucus to make another incremental step with the objective, depending on the circumstances, of reaching or at least coming closer to the middle of the pack.

Consequently, our proposal to be effective in the fourth quarter of 2022, which we suggest be October 1, is a general minimum wage of \$13.35. This is a dollar an hour more than the amount of \$12.35 currently scheduled for October 1, and a full \$1.40 above the current minimum wage of \$11.95 which Manitoba employers presently are paying. We note this is an increase of 11.7% above the current minimum wage and will place Manitoba ahead of Saskatchewan if it is implemented October 1, 2022. Further, this increase will close the gap on all other Canadian provinces.

Conclusion

Given all of the factors to which the LMRC Management Caucus submission refers, it is considered that a general minimum wage of \$13.35, effective October 1, 2022, is a fair and reasonable step towards retrieving a position for Manitoba in the middle of the pack. This is a substantial increase, both in absolute and relative terms, and is calculated with a view to ensuring the viability of small business to the greatest extent possible. As indicated, it is constrained by the inability to have a differential rate considered and by the statutory requirement only to consider an increase effective in the fourth quarter of 2022.

Nevertheless, it should be remembered that the LMRC Management Caucus considers this is a first step only and it is our expectation that an opportunity to take the next step will present itself in the spring of 2023.

LABOUR CAUCUS SUBMISSION

The Labour Caucus has prepared the following analysis and recommendations in response to the Minister's specific request that LMRC provide advice regarding a substantive one-time rebasing of Manitoba's minimum wage. A significant increase to the minimum wage is needed to assist low income working families with extraordinarily high inflationary pressures and to move Manitoba out of the unenviable position of having the second lowest (soon to be lowest) minimum wage in the country.

The Minister has also been clear that the government is not interested in establishing a sub-minimum wage rate for different groups of workers – the Labour Caucus is in full agreement.

There are two major problems with the way in which Manitoba's minimum wage is currently set:

Firstly, the base rate adopted and legislated by former Premier Pallister in 2016 of \$11.00/hour was well below the poverty line. As a result, and despite the fact that minimum wage has been indexed to inflation since then, Manitoba's minimum wage remains well below the poverty line, and will never rise above it, unless it is significantly rebased. It is a minimum wage base rate that's legislated to keep people in poverty, and never lift them out. It is an insult to basic human decency to have Manitobans working full-time and still living in poverty, unable to meet what society agrees are the basic necessities of life – this should not be possible in a modern, caring, developed society, like Manitoba. While many have commented that it is "embarrassing" that Manitoba's minimum wage is set to be the lowest in the country – and it certainly is – it is more fundamentally embarrassing that our minimum wage keeps working families living in poverty.

Secondly, Manitoba's particular indexing formula ensures a very long lag between the level of inflation currently being experienced by Manitoba workers, and the indexing rate applied to minimum wage. As a result, when inflation spikes, as it has this year, Manitoban minimum wage workers see prices go up immediately, but their wages still lag behind. In more concrete terms, if Manitoba's minimum wage were set to increase on October 1 by today's inflation rate of 8.7%, it would rise by \$1.05 to \$13.00, but because it is indexed to 2021 calendar inflation, it is only set to rise by \$0.40 to \$12.35.

In the context of LMRC, the question of where to set Manitoba's minimum wage is relatively unique in that the Labour and Management caucuses have not been able to come to a consensus recommendation, regrettably. In nearly all other areas of Employment Standards and Labour Relations, the LMRC process has produced consensus advice.

In the past, the Management Caucus has taken the position that Manitoba's minimum wage should be in the middle of the pack among provinces and territories. Taking each planned provincial and territorial minimum wage as of October 1, 2022 as the baseline, Alberta's minimum wage of \$15.00 will be the fifth highest in the country while Quebec's minimum wage of \$14.25 will be the sixth highest. A minimum wage that lies in the middle of the pack would be approximately \$14.65. Alternatively, a simple averaging of P/T minimum wages as of October 1 produces a mean rate of \$14.60. We are disappointed to see today's Management Caucus stray so significantly from their historic position, now

recommending that Manitoba set minimum wage at only \$13.35 on October 1. In effect, the Management Caucus is recommending that Manitoba maintain its position of having the second lowest minimum wage in the country.

The Labour Caucus takes the position that Manitoba's minimum wage should be a living wage. That is to say, we believe that Manitobans working full-time for minimum wage should be able to earn enough to live above the poverty line. It's a simple matter of principle and decency, and because Manitoba workers who earn minimum wage have fallen so far behind, it is now time for government to make a substantial increase to the minimum wage to set it at a level that allows those who earn it to afford to pay for the basic necessities of life.

These basic necessities are getting more expensive across the country. Canada's inflation is higher than it has been in almost 40 years, increasing by 7.7% per cent year-over-year in May according to Statistics Canada, largely driven by the increase in the cost of necessities like food, gasoline, and shelter prices.¹ Manitoba's year-over-year inflation rate is even higher than the national average at 8.7%.

The rising costs at the gas pumps and the grocery store are making it harder for working families to make ends meet.² Nearly three in four Canadians reported that rising prices are affecting their ability to meet day-to-day expenses such as transportation, housing, food, and clothing according to Statistics Canada's Portrait of Canadian Society survey conducted between April 19 and May 1, 2022. This survey shows that those with the lowest incomes are the most concerned and directly affected by rising prices. Simply put, rising prices are hitting the lowest-wage workers hardest. Solidifying the economic security of low-wage workers should be a primary focus of any increase to the minimum wage.

Younger Canadians aged 15 to 29 (53%) and 30 to 39 (39%) were more than twice as likely as those 40 and above (20%) to report being very concerned about their ability to afford housing or rent.³

It is time for the Province of Manitoba to chart a course towards a living wage for these low-wage earners. We therefore urge the government to increase Manitoba's minimum wage to \$16.15 on October 1, which is the rate most recently calculated by the Canadian Centre for Policy Alternatives to be a living wage for a two-parent, two-child family in Winnipeg where both parents work full-time.⁴

We caution, however, that this calculation is already two years old, and the dramatic inflationary pressure facing working families today means that a true living wage for 2022 is likely much higher than \$16.15. That is why the Labour Caucus is also calling on the provincial government to institute a process that enables the yearly calculation of a living wage for Manitoba, at which the minimum wage would be set annually. This process could involve labour and management representatives, as well as academics, anti-poverty advocates, and other stakeholders that government wishes to engage. Having a common understanding of what a livable minimum wage level is for Manitoba will help to ensure substantive discussions on this important economic policy moving forward.

¹ [Consumer Price Index, Statistics Canada.](#)

² [Portrait of Canadian Society Survey, Statistics Canada.](#)

³ Ibid.

⁴ Hajer, Fernandez, and Apata (2020): [A Family Living Wage for Manitoba](#): 2020 Update, Page 4.

The CCPA's living wage calculation is calculated as the hourly rate at which a household can meet its basic needs once government transfers have been added to the family's income and deductions have been subtracted (such as income taxes and Employment Insurance premiums). It is important to note that the living wage calculation is based on a bare bones budget, and does not include things like credit card, loan, or interest payments, saving for children's future education, retirement savings, or the costs of caring for a disabled, sick, or elderly family member (things that are arguably necessities, but have been excluded from the living wage calculation).

The calculation of a living wage of \$16.15 is based on:

- A family of two parents with two children aged four and seven. According to the 2016 census, 65.9 per cent of families with children in Manitoba are headed by couples and close to 21 per cent of families with children are single-parent families.
- Both parents working full-time, at 35 hours per week.
- Estimated family expenses in 10 categories
- The cost of government deductions (provincial and federal taxes, Employment Insurance premiums and Canada Pension Plan contributions).
- The value of government transfers like the Canada Child Benefit.
- Employers providing minimal paid vacation and sick time.

We note that the CCPA's 2020 calculation of a living wage for a one-parent, one-child family to meet its basic needs is \$21.20.⁵

As noted above, if government has concerns with this particular formula for calculating a living wage, we are open and supportive of the idea of establishing a clear process, involving different engaged stakeholders, to calculate a living minimum wage level for Manitoba every year. We understand there may be slight differences in opinion on how to calculate a living wage, but we firmly believe that most Manitobans support the principle that the minimum wage should be a living wage. So, let's bring everyone together to figure it out.

Minimum Wage Increases stimulate the economy

The debate about raising the minimum wage to something closer to a living wage is taking place across Canada, North America, and the world. Raising the wages of low-income workers helps working families to better meet their needs at a time when the prices of essentials are rapidly increasing.

Contrary to the myths about substantial increases to the minimum wage causing job losses, there is mounting evidence that boosting the minimum wage has a positive impact on economies. For instance, Ontario increased its minimum wage to \$14 an hour on January 1, 2018 as part of the then-provincial government's commitment to reach a \$15 minimum wage by 2019. Despite consternation that the increase would hurt job growth, between 2017 and 2019, employment grew, unemployment fell, and wages increased in Ontario.

⁵ Hajer, Fernandez, and Apata (2020): [A Family Living Wage for Manitoba](#): 2020 Update, Page 7.

Total employment increased by 1.7% in 2018 and by 2.8% in 2019. The annual average unemployment rate fell from 6% in 2017 to 5.7% in 2018 and 5.6% in 2019. All industries with lower-than-average wages, except for agriculture and manufacturing, had increases in employment⁶.

Three industries known for low wages and precarious employment also saw sharp increases in earnings: accommodation and food services (9.7%), retail and wholesale trade (5.6%), and business, building, and other support services (11.9%)⁷.

For over 20 years now, many highly credible studies have found that the jobs lost due to higher minimum wages are generally very close to zero⁸. A multi-decade study of over 138 state-level minimum wage changes in the United States found that between 1979 and 2016 in the United States, the overall number of low-wage jobs remained essentially unchanged over the five years following the increases⁹. Canadian-born economist David Card won the 2021 Nobel Prize in Economics, partially for his detailed comparative research on the impacts of minimum wage increases on employment in the fast food industry between jurisdictions that increased the minimum wage and jurisdictions that did not increase the minimum wage. Together with his colleague at Princeton, Alan Krueger, Card found that, while the fast food industry commonly has high turnover rates, as wages increased, more people were willing to take the jobs. Employment didn't fall — and in some cases, it rose¹⁰.

It is also important to look at the types of workers who would benefit from substantial increases in the minimum wage¹¹:

- 56% of minimum wage earners are women.
- The majority are adults, and 62% of earners are 20 years of age or older.
- 63% are not students.
- 58% work for firms that employ more than 100 people.
- More than half have worked in the same job for over a year.

These statistics clearly counter the common misperception that most minimum wage earners are young students, living rent-free in their parents' basement, and working for "fun money" rather than living expenses. They also counter the myths that most minimum wage earners work for small "mom and pop" shops, and that minimum wage is just a starting wage that workers quickly transition above.

Household spending accounts for 56% of Canada's Gross Domestic Product¹². Ask almost any small business owner what they need to grow their business, and most will say

⁶Block and Galabuzi (2022) One Step Forward: [Assessing the labour market impacts of Ontario's 2018 minimum wage increase](#).

⁷Ibid.

⁸Osberg, Riddell, Rozworski, and Stanford "[Ontario gets it right with move to higher minimum wage](#)," Globe and Mail, June 30, 2017.

⁹Cengiz, Dube, Lindner and Zipperer (2019) [The Effect of Minimum Wages on Low-Wage Jobs](#), published in *The Quarterly Journal of Economics*, Vol. 134(3), Pages 1405-1454.

¹⁰Card and Krueger (1994) [Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania](#), *The American Economic Review* Vol. 84(4), Pages 772-793.

¹¹All statistics from 1221_06 Table 1 - Employed employees by selected characteristics and hourly wages, quality indicators, Manitoba, 2016 to 2021, annual averages, Statistics Canada.

¹²Gross domestic product, expenditure-based (quarterly), Statistics Canada

that they need customers with money to spend in their shop. Low-wage workers have the highest propensity to consume of any group of workers – simply put, they spend the largest proportion of their take-home income on consumer goods and services. When lower-income households see a sustained rise in incomes, they spend virtually all of it. Much of it goes to food, rent, and to other areas of the local economy. In fact, many minimum wage earners, such as those working in grocery stores and food services, spend a considerable amount of their earnings at the very businesses they work at. Adding money to their pockets means they have more money to spend there.

Minimum Wage Increases are a Poverty Reduction Strategy

Government invests significant resources towards supporting low-wage earning Manitobans. These supports help subsidize the wages paid by employers to the lowest-paid Manitobans. Manitoba has a child poverty problem. With 56% of minimum wage earners in the province being women, we know that our very low minimum wage rate contributes to child poverty. 51% of minimum wage earners in this province have been in their jobs for more than a year. That tells us that the only raise these workers can expect to receive is when government raises the minimum wage.

Supports like Manitoba Rent Assist, subsidized childcare and a whole range of other programs that the government funds subsidize the wages a worker must earn in order to make ends meet. Even with these supports, too many full-time workers in Manitoba still live in poverty. It is often said that the best path out of poverty is a good job. Government programs alone cannot solve this problem. Wages have to be part of the solution and employers must do their part.

A minimum wage earner working 40 hours a week for minimum wage in Manitoba earns a gross income of less than \$25,000 annually, far below what is needed to raise a family. Raising the minimum wage to the CCPA's living wage calculation of \$16.15 would add \$8,736 to a full-time minimum wage worker's gross income. Raising the minimum wage is a very efficient way to boost business and the economy because it puts money in the pockets of people who most need to spend it. There is no more effective way to put more money in the pockets of low-wage workers than substantially increasing the minimum wage.

Sub-Minimum Wage for Tip-earners

The Labour Caucus strenuously opposes any move to implement a sub-minimum wage for tip-earners or any other sub-group of workers, and we applaud the government for taking the position that sub-minimum wages are not on the table for discussion.

Currently, Manitoba Employment Standards law deems gratuities to be the property of the employer. There are absolutely no legal guarantees about if and how tips may or may not be distributed to employees, and where they are distributed to employees, to which groups of employees (servers, cooks, dishwashers, host staff, etc.). How can we pay employees who may receive tips less than those who may not, when there is no guarantee that employees will actually get the tips? We believe the process for enforcement in this regard would be completely unworkable.

Similarly, in many workplaces where tipping is the norm, such as restaurants, it is common for employers to institute a practice of “tipping out”, where servers’ tips are shared with ‘back of the house’ employees (such as cooks and dishwashers). Would those employees who are “tipped out” also be paid a sub-minimum wage? Would the practice of paying a sub minimum wage vary by workplace to workplace based on an employer’s particular tipping-out policy?

Tips are unreliable, not guaranteed, and vary according to workplace and shift schedules, and therefore should not be included in a worker’s minimum wage.

Moreover, how would workers who are employed in sectors where tipping occurs, but occurs infrequently, be scoped in? It would be unfair to allow employers to pay a sub-standard minimum wage to hotel workers (like housekeepers and concierges), taxi drivers, fast food workers, or those who work in coffee shops just because they might receive gratuities every now and again.

Tips place the responsibility of providing greater monetary compensation on the patrons of a business rather than the employers themselves. And those who are employed in the types of service based industries where tipping is common work at vastly different types of businesses catering to different consumer bases. For instance, the level of gratuity provided to service staff at an upscale steakhouse is likely to be much higher than gratuity provided to staff who commonly work the breakfast shift at a local diner. It is deeply unfair to say that workers in both situations should be paid a sub-minimum wage because they both might earn tips from customers.

When discussed by LMRC, it was acknowledged by the management caucus that a sub-standard minimum wage for workers who commonly receive gratuities would be difficult to scope and administer, and it also acknowledged that the amount and frequency of tips varies wildly based on the type of business.

Legislating a sub-minimum wage also places women, who commonly work in service-oriented jobs in industries where tipping is common, at greater risk of harassment. For example, women are more likely to work in the food service industry¹³ and are more likely to work in lower-wage jobs within the food service industry¹⁴. We already know that many women workers in this industry are subjected to sexual harassment on the job and paying them a sub-minimum wage, forcing them to rely on gratuities from customers as a greater proportion of their take-home pay would put women at even greater risk.

Recommendations:

1. The Labour Caucus recommends that the Government of Manitoba immediately increase the minimum wage to a living wage of \$16.15 an hour, and establish an annual process to allow government to engage labour, management, and other stakeholders in the determination of a living wage level for Manitoba’s minimum wage going forward.

¹³ [Statistics Canada, International Women’s Day 2021.](#)

¹⁴ [Tomczak, “Recognizing her: Female representation in foodservice,” RestoBiz, November 18, 2021.](#)

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2. The Labour Caucus fully agrees with the government in rejecting the notion of a sub-minimum wage.

1221_06 Table 1 - Employed employees by selected characteristics and hourly wages, quality indicators, Manitoba, 2016 to 2021, annual averages

Source: Statistics Canada

	2016	2017	2018	2019	2020	2021
Persons earning minimum wage or less in this period and percent of total wage earners	37,300 (7%)	34,700 (6%)	31,600 (6%)	32,100 (6%)	29,100 (5%)	23,400 (4%)
Percent of minimum wage earners who are:						
Male	44%	45%	44%	45%	40%	44%
Female	55%	55%	56%	54%	59%	56%
Students	30%	33%	32%	33%	36%	37%
24 or Younger	56%	59%	55%	57%	62%	62%
15-19	31%	36%	35%	32%	37%	38%
20-24	25%	23%	20%	25%	25%	24%
20 or older	69%	64%	65%	68%	63%	62%
Full-time	43%	41%	43%	44%	37%	41%
Part-time	57%	59%	57%	56%	63%	59%
Percent of minimum wage earners by highest educational attainment:						
High School or less	56%	56%	62%	54%	55%	57%
Some post-secondary	41%	41%	44%	42%	41%	39%
Post-secondary grad	3%	2%	2%	3%	2%	2%
Percent of minimum wage earners who have been in their job for:						
Less than a year	46%	46%	48%	49%	44%	47%
1 to 5 years	38%	41%	37%	40%	45%	41%
More than 5 years	15%	13%	15%	11%	11%	10%
Percent of minimum wage earners by industry:						
Retail Trade	30%	31%	30%	28%	34%	34%
Accommodation and food services	29%	27%	27%	28%	32%	30%
All others	41%	42%	43%	44%	34%	36%

Percent of minimum wage earners who are:						
Unionized	10%	8%	7%	9%	8%	8%
Not unionized	90%	92%	93%	91%	92%	92%
Percent of minimum wage earners who work in a firm with:						
More than 500 employees	40%	41%	46%	42%	44%	41%
100 – 500 employees	14%	12%	14%	16%	12%	17%
20 – 99 employees	19%	21%	16%	16%	16%	16%
Less than 20 employees	27%	26%	24%	26%	27%	26%

APPENDIX A

Current and Expected/Announced Minimum Wage Rates (2017-22)

	2017	2018	2019	2020	2021	2022 (current rates)
BC	\$11.35 (Sept 15)	\$12.65 (June 1)	\$13.85 (June 1)	\$14.60 (June 1)	\$15.20 (June 1)	\$15.20 \$15.65 (June 1)
AB	\$13.60 (Oct. 1)	\$15.00 (Oct 1)	\$15.00	\$15.00	\$15.00	\$15.00
SK*	\$10.96 (Oct 1)	\$11.06 (Oct 1)	\$11.32 (Oct 1)	\$11.45 (Oct 1)	\$11.81 (Oct 1)	\$13.00 (Oct 1) \$14.00 (2023) \$15.00 (2024)
MB**	\$11.15 (Oct 1)	\$11.35 (Oct 1)	\$11.65 (Oct 1)	\$11.90 (Oct 1)	\$11.95 (Oct 1)	\$12.35 (Oct 1)
ON	\$11.60 (Oct 1)	\$14.00 (January 1)		\$14.25 (Oct 1)	\$14.35 (Oct 1)	\$15.00 \$15.50 (Oct 1)
QC	\$11.25 (May 1)	\$12.00 (May 1)	\$12.50 (May 1)	\$13.10 (May 1)	\$13.50 (May 1)	\$14.25
NB***	\$11.00 (April 1)	\$11.25 (April 1)	\$11.50 (April 1)	\$11.70 (April 1)	\$11.75 (April 1)	\$12.75 \$13.75 (Oct 1)
NS****	\$10.85 (April 1)	\$11.00 (April 1)	\$11.55 (April 1)	\$12.55 (April 1)	\$13.10 (April 1)	\$13.35 \$13.60 (Oct 1) \$14.30 (April 1 2023) \$14.65 (Oct 1 2023) \$15.00 (April 1 2024)
PEI	\$11.25 (April 1)	\$11.55 (April 1)	\$12.25 (April 1)	\$12.85 (April 1)	\$13.00 (April 1)	\$13.70
NL*****	\$10.75 (April 1) \$11.00 (Oct 1)	\$11.15 (April 1)	\$11.40 (April 1)	\$11.65 (April 1) \$12.15 (Oct 1)	\$12.50 (April 1) \$12.75 (Oct 1)	\$13.20 \$13.70 (Oct 1) \$14.50 (April 1 2023) \$15.00 (Oct 1, 2023)
NT		\$13.46 (April 1)			\$15.20 (Sept 1)	\$15.20
YT*****	\$11.32 (April 1)	\$11.51 (April 1)	\$12.71 (April 1)	\$13.71 (April 1)	\$15.20 (Aug 1)	\$15.70
NU	\$13.00			\$16.00 (April 1)	\$16.00	\$16.00
FED	The federal minimum wage rate is \$15.55/hr, and is increased based on inflation. There are no special rates are established with respect to age.					

*On October 1 of each year, this rate increases based on the average of the percentage change in the Consumer Price Index and the percentage change in average hourly wage for Saskatchewan during the previous year. Minimum wage increases are subject to

Cabinet approval. However SK announced they will forgo indexing increases for the next three years, instead implementing increases that reflect market adjustments.

**On October 1 of each year, any change this rate will be based on the increase for the preceding year in the Consumer Price Index for Manitoba.

***On April 1 of each year, this rate will be indexed to the corresponding increase in the Consumer Price Index for New Brunswick. NB government announced that it will raise minimum wage on April 1, 2022 to \$12.75 per hour and then again on October 1, 2022 to \$13.75 per hour.

**** NS Government has accepted the recommendations of the Minimum Wage Review Committee to increase the rate to \$15 per hour by 2024. Starting April 1, 2025, the rate will be adjusted annually with inflation plus an additional one percent annually.

***** The minimum wage in Nfld will be adjusted relative to the Consumer Price Index for the previous year on April 1, 2022. However Nfld has established a Minimum Wage Review Committee tasked with providing non-binding recommendations on the current adjustment process for setting minimum wage.

*****On April 1 of each year, this rate increases by an amount corresponding to the annual increase for the preceding year in the Consumer Price Index for the city of Whitehorse.

These provinces have **Differential Minimum Wage Rates** as follows:

- Manitoba has a security guard minimum wage rate of \$12.50.
- Alberta has a student wage rate that is \$2.00 below the general minimum wage.
- Quebec has a gratuity rate that is approximately \$2.70 below the general minimum wage (depending on the announced wage by year). Quebec is the only other Canadian jurisdiction with a separate minimum wage for security guards, where they are entitled to at least \$18.04 per hour, increasing to \$18.64 on July 3, 2021 (*Decree Respecting Security Guards*).
- Ontario has a liquor server rate that is \$1.80 below the general minimum wage and a student rate that is \$0.85 below the general minimum wage.
- British Columbia had a liquor server rate that was \$1.25 below the general minimum wage but this was eliminated effective June 1, 2021.
- Nova Scotia had an inexperienced worker rate that was \$0.50 below the general minimum wage but this was eliminated effective April 1, 2020

APPENDIX B

JURISDICTIONAL COMPARISON

1) Provincial/Territorial Minimum Wage and Ranking October 1, 2022:

PT Hourly Min Wage Ranking October 1, 2022		
Jurisdiction	Oct 1, 2022	Rank Oct 1, 2022
NU	\$16.00	1
YT	\$15.70	2
BC	\$15.65	3
ON	\$15.50	4
NT	\$15.20	5
AB	\$15.00	6
QC	\$14.25	7
NB	\$13.75	8
PEI	\$13.70	9
NL	\$13.70	10
NS	\$13.60	11
SK	\$13.00	12
MB	\$12.35	13

2) 2020 (Base Year 2018) Market Basket Measures by Population Sizes 30,000 and under; 30,000 to 90,000; and Census Metropolitan Areas (territorial information not available).

The Market Basket Measure is the amount of disposable annual income that a household of two adults and two children need in order to have a modest, basic standard of living. The measure is based on the cost of goods and services (i.e. cost of living) across 50 categories and is available by geography at this link:

[Add/Remove data - Market Basket Measure \(MBM\) thresholds for the reference family by Market Basket Measure region, component and base year \(statcan.gc.ca\)](https://www150.statcan.gc.ca/n1/pub/92-629-x/2020001/article/00001-eng.htm)

2020 - Market Basket Measure (MBM) – Population Under 30,000							
Jurisdiction	Threshold (2015)	Threshold (2016)	Threshold (2017)	Threshold (2018)	Threshold (2019)	Threshold (2020)	
QC	\$38,748	\$38,664	\$38,552	\$38,482	\$38,545	\$38,622	1
MB	\$42,488	\$42,223	\$41,980	\$41,922	\$42,006	\$42,003	2
ON	\$42,804	\$42,651	\$42,351	\$42,281	\$42,497	\$42,531	3
SK	\$43,570	\$43,452	\$43,224	\$42,969	\$43,159	\$43,236	4
NB	\$43,980	\$43,850	\$43,231	\$43,087	\$43,346	\$43,512	5

PEI	\$43,558	\$43,610	\$42,993	\$42,790	\$43,056	\$43,517	6
NL	\$44,282	\$44,221	\$43,702	\$43,441	\$43,579	\$43,606	7
NS	\$44,080	\$44,062	\$43,559	\$43,301	\$43,510	\$43,735	8
BC	\$44,451	\$44,428	\$44,133	\$43,929	\$44,150	\$44,250	9
AB	\$48,020	\$47,906	\$47,634	\$47,497	\$47,703	\$47,959	10
NT	N/A	N/A	N/A	N/A	N/A	N/A	-
NU	N/A	N/A	N/A	N/A	N/A	N/A	-
YT	N/A	N/A	N/A	N/A	N/A	N/A	-

2020 - Market Basket Measure (MBM) – Population 30,000 to 99,000							
Jurisdiction	Threshold (2015)	Threshold (2016)	Threshold (2017)	Threshold (2018)	Threshold (2019)	Threshold (2020)	
QC	\$38,767	\$38,706	\$38,585	\$38,528	\$38,603	\$38,685	1
MB	\$42,552	\$42,287	\$42,044	\$41,986	\$42,070	\$42,067	2
ON	\$42,261	\$42,138	\$41,824	\$41,788	\$42,040	\$42,098	3
NB	\$43,751	\$43,620	\$43,001	\$42,857	\$43,116	\$43,282	4
SK	\$43,735	\$43,630	\$43,409	\$43,179	\$43,399	\$43,489	5
PEI	\$43,558*	\$43,610*	\$42,993*	\$42,790*	\$43,056*	\$43,517*	6
NS	\$44,350	\$44,340	\$43,840	\$43,613	\$43,836	\$44,076	7
BC	\$44,646	\$44,626	\$44,326	\$44,157	\$44,398	\$44,510	8
NL	\$45,506	\$45,425	\$44,896	\$44,697	\$44,865	\$44,911	9
AB	\$46,673	\$46,566	\$46,296	\$46,175	\$46,424	\$46,666	10
NT	N/A	N/A	N/A	N/A	N/A	N/A	-
NU	N/A	N/A	N/A	N/A	N/A	N/A	-
YT	N/A	N/A	N/A	N/A	N/A	N/A	-

*only under 30,000 available

2020 - Market Basket Measure (MBM) – Census Metropolitan Area (CMA)							
CMA	Threshold (2015)	Threshold (2016)	Threshold (2017)	Threshold (2018)	Threshold (2019)	Threshold (2020)	
Québec, QC	\$40,557	\$40,591	\$40,465	\$40,512	\$40,839	\$40,924	1
Montréal, QC	\$41,708	\$41,673	\$41,508	\$41,445	\$41,501	\$41,506	2
Brandon, MB	\$42,029	\$41,770	\$41,535	\$41,535	\$41,649	\$41,678	3
Cape Breton, NS	\$43,008	\$42,990	\$42,525	\$42,322	\$42,532	\$42,754	4
Saint John, NB	\$43,372	\$43,259	\$42,653	\$42,576	\$42,856	\$42,953	5
Moncton, NB	\$43,693	\$43,583	\$42,999	\$42,909	\$43,173	\$43,257	6
Charlottetown, PEI	\$44,436	\$44,506	\$43,968	\$43,767	\$44,071	\$44,505	7
Ham/Burl, ON	\$45,014	\$44,898	\$44,598	\$44,605	\$44,880	\$44,943	8

Fredericton, NB	\$45,576	\$45,460	\$44,834	\$44,740	\$45,022	\$45,211	9
Winnipeg, MB	\$45,722	\$45,463	\$45,230	\$45,307	\$45,435	\$45,428	10
St. John's, NL	\$46,065	\$45,943	\$45,495	\$45,391	\$45,616	\$45,564	11
Regina, SK	\$46,340	\$46,242	\$45,985	\$45,774	\$46,100	\$46,188	12
Halifax, NS	\$46,666	\$46,701	\$46,232	\$46,101	\$46,378	\$46,527	13
Saskatoon, SK	\$47,380	\$47,234	\$46,925	\$46,748	\$47,027	\$47,025	14
Ott/Gat, ON, QC	\$48,943	\$49,119	\$48,937	\$48,886	\$49,068	\$48,816	15
Edmonton, AB	\$49,767	\$49,679	\$49,360	\$49,209	\$49,457	\$49,723	16
Toronto, ON	\$50,005	\$49,729	\$49,277	\$49,249	\$49,452	\$49,727	17
Calgary, AB	\$49,889	\$49,892	\$49,615	\$49,606	\$50,006	\$50,223	18
Vancouver, BC	\$50,885	\$50,646	\$50,351	\$50,137	\$50,355	\$50,569	19

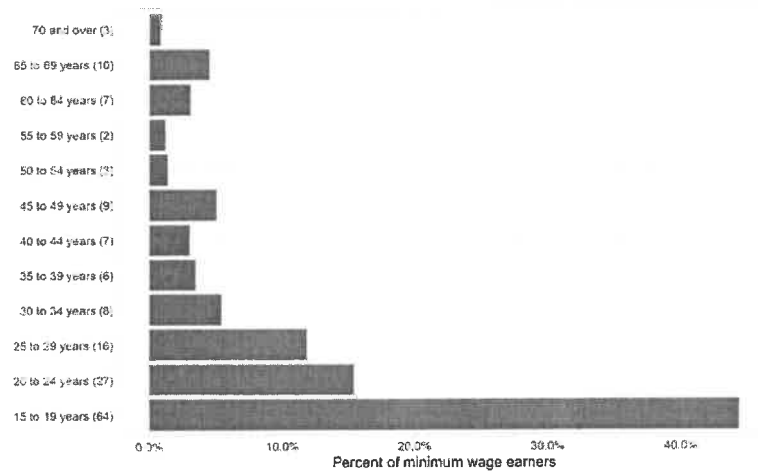
APPENDIX C

Data derived from Statistics Canada's Labour Force Survey.

Data collected monthly. Results for February 2022.

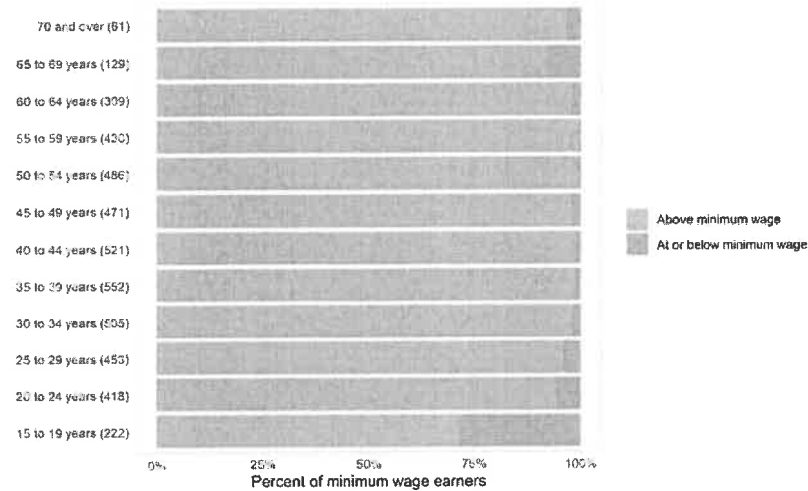
Manitobans earning minimum wage or less make up approximately 2.1% of the full Manitoba population, and approximately 3.8% of all Manitobans who are active in the labour market.

Age Distribution



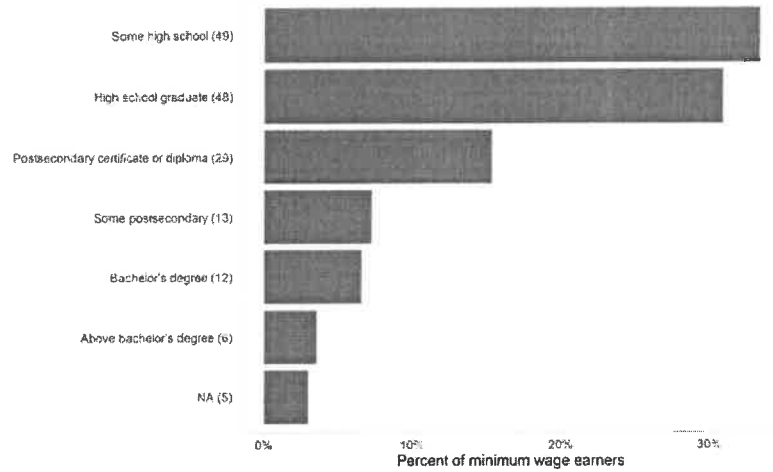
Manitobans aged 15-19 make up the biggest proportion of minimum wage earners.

Age Distribution



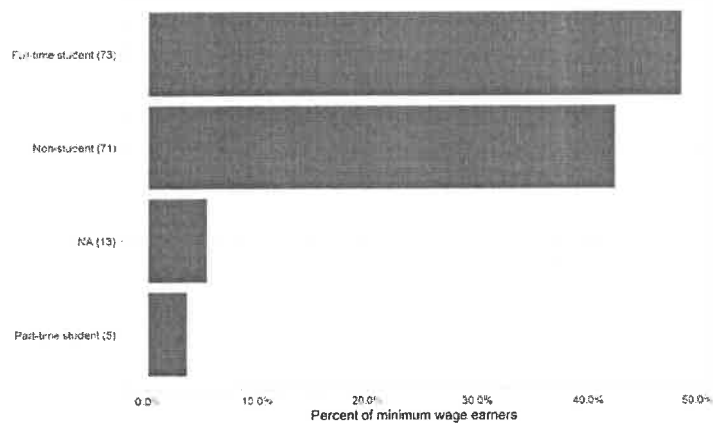
Over 25% of employed Manitobans aged 15-19 make minimum wage or less (over 50% of this age group is not employed).

Education Distribution



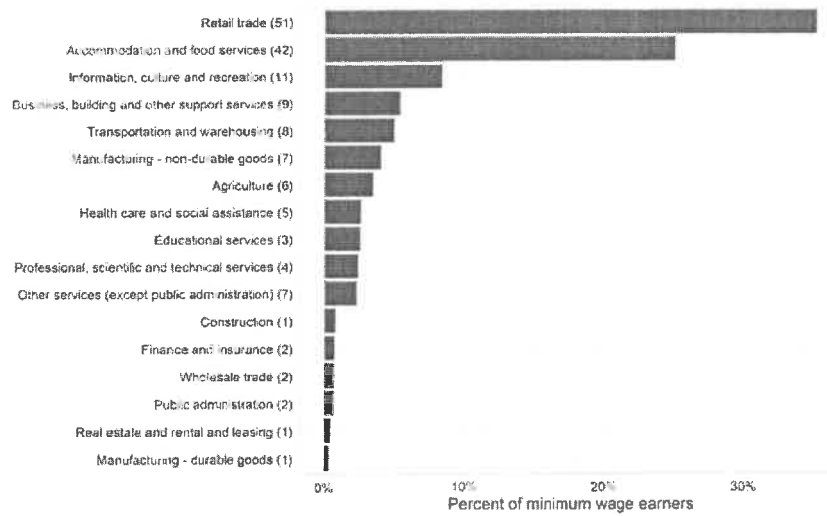
Manitobans with a high-school education or less make up the biggest proportion of minimum wage earners.

Student Status Distribution



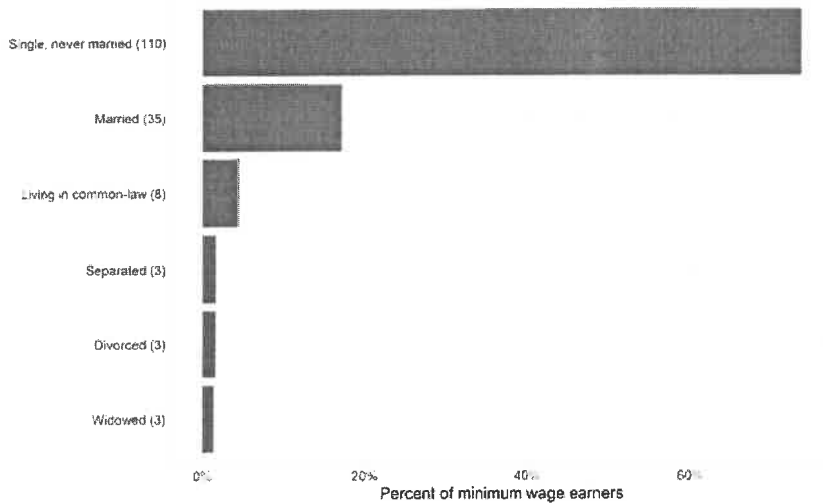
The majority of minimum wage earners in Manitoba are full-time or part-time students.

Industry Distribution



The largest proportion of minimum wage earners in Manitoba work in retail trade or accommodation and food services.

Marital Status Distribution

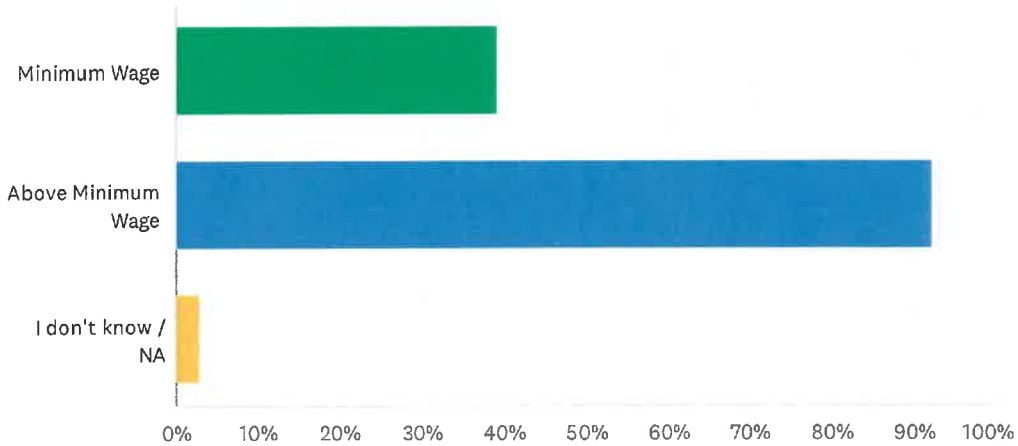


Nearly 75% of minimum wage earners in Manitoba are single, never married individuals.

APPENDIX D

Q1 Do you have employees on your payroll earning the following wage rates? Please select all that apply.

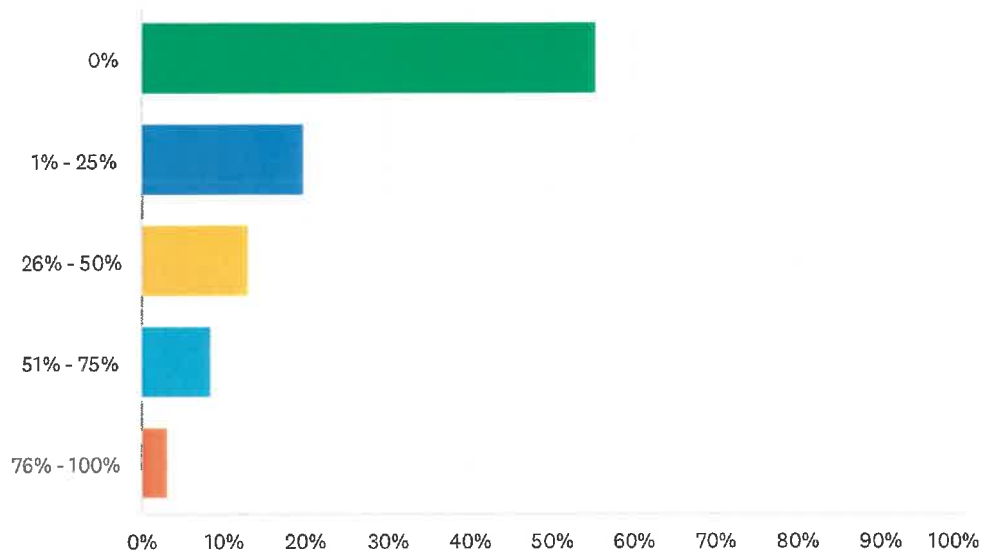
Answered: 569 Skipped: 2



ANSWER CHOICES	RESPONSES	
Minimum Wage	39.19%	223
Above Minimum Wage	92.27%	525
I don't know / NA	2.99%	17
Total Respondents: 569		

Q2 What percentage of your employees earn the minimum wage?

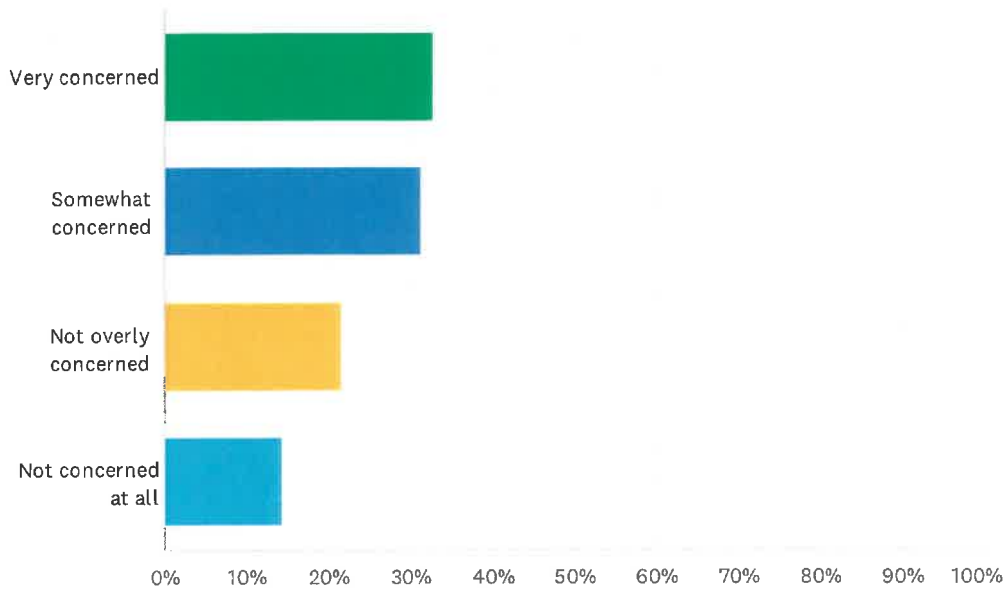
Answered: 568 Skipped: 3



ANSWER CHOICES	RESPONSES	
0%	55.46%	315
1% - 25%	19.89%	113
26% - 50%	13.03%	74
51% - 75%	8.45%	48
76% - 100%	3.17%	18
TOTAL		568

Q3 As a business owner, how concerned are you that Manitoba's minimum wage is the lowest in the country?

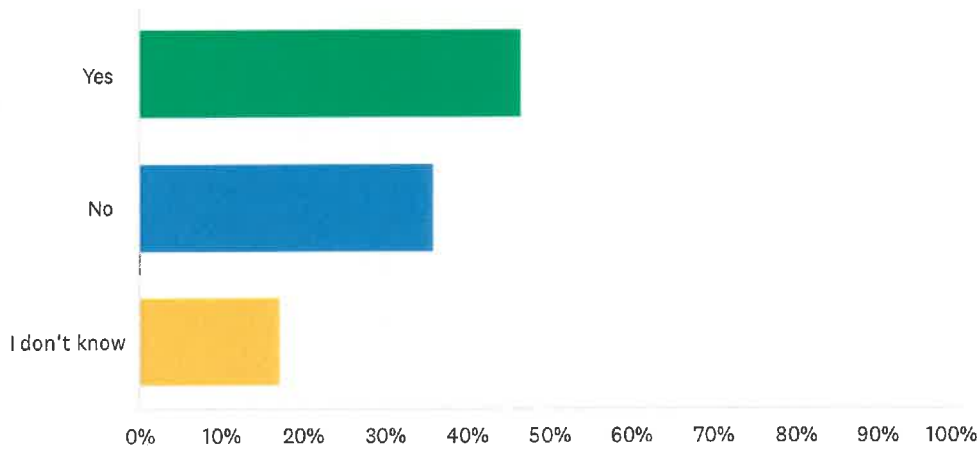
Answered: 571 Skipped: 0



ANSWER CHOICES	RESPONSES	
Very concerned	32.75%	187
Somewhat concerned	31.35%	179
Not overly concerned	21.54%	123
Not concerned at all	14.36%	82
TOTAL		571

Q4 The Minimum Wage in Manitoba is scheduled to increase from \$11.95 to \$12.35 on October 1, 2022. The legislative amendments under Bill 44 now allow for minimum wage increases above the scheduled increases tied to inflation. Do you agree with the approach that the Government of Manitoba is taking with Bill 44?

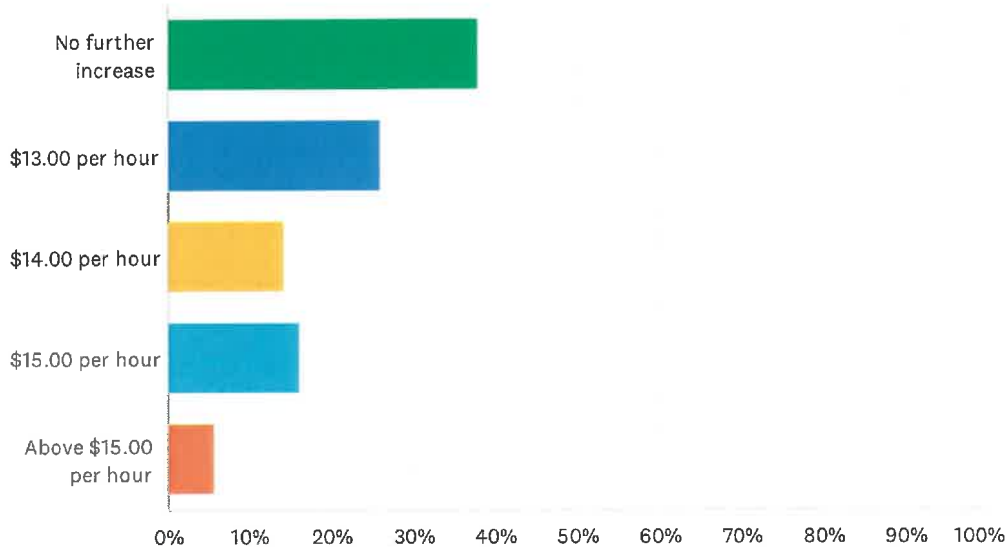
Answered: 570 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	46.67%	266
No	35.96%	205
I don't know	17.37%	99
TOTAL		570

Q5 What amount should Manitoba increase the minimum wage by in the fourth quarter of 2022, beyond the increase that is mandated under the Code due to inflation every October 1?

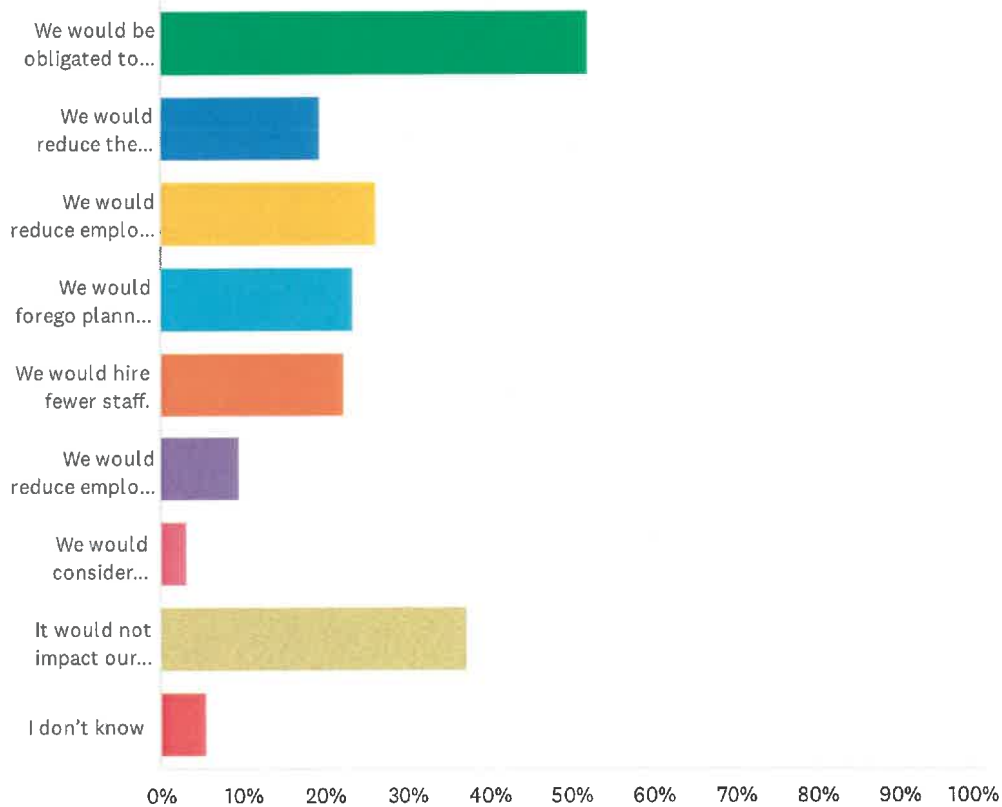
Answered: 564 Skipped: 7



ANSWER CHOICES	RESPONSES	
No further increase	37.94%	214
\$13.00 per hour	26.06%	147
\$14.00 per hour	14.18%	80
\$15.00 per hour	16.13%	91
Above \$15.00 per hour	5.67%	32
TOTAL		564

Q6 If the provincial government were to increase the minimum wage, what impact would it have on your business? Please select all that apply.

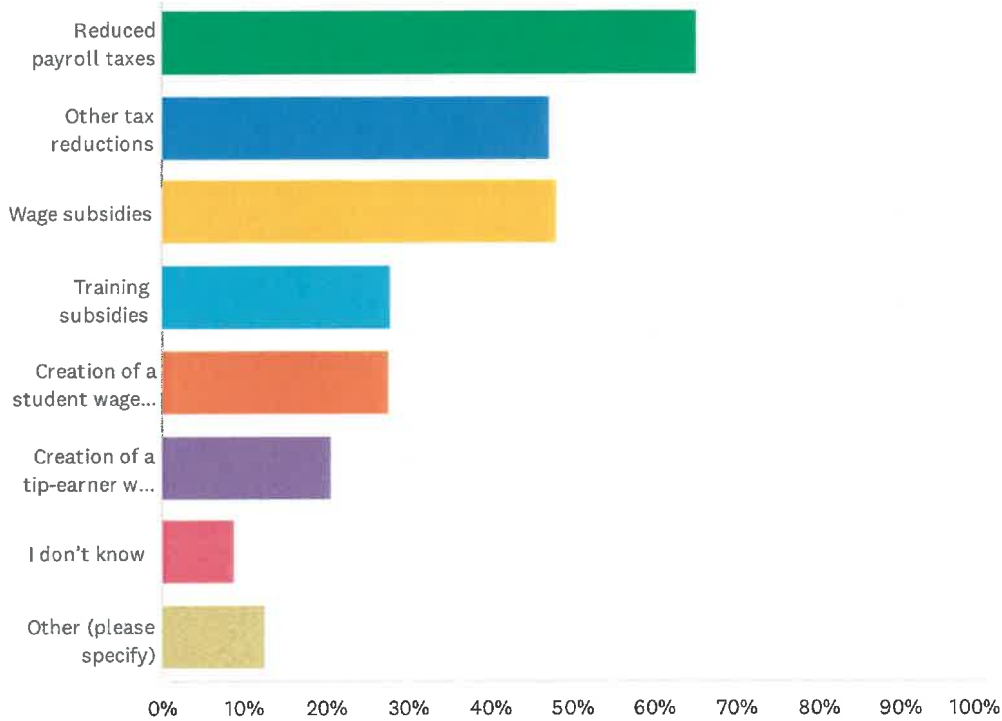
Answered: 569 Skipped: 2



ANSWER CHOICES	RESPONSES	
We would be obligated to pass on the costs to consumers.	52.02%	296
We would reduce the number of staff we currently employ.	19.51%	111
We would reduce employee hours.	26.19%	149
We would forego planned wage increases.	23.55%	134
We would hire fewer staff.	22.32%	127
We would reduce employee benefits (e.g., health benefits, paid vacation).	9.49%	54
We would consider closing our business.	3.16%	18
It would not impact our business.	37.26%	212
I don't know	5.45%	31
Total Respondents: 569		

Q7 If the provincial government were to increase the minimum wage, which of the following measures would help your business manage the increased cost? Please select all that apply.

Answered: 564 Skipped: 7



ANSWER CHOICES	RESPONSES	
Reduced payroll taxes	65.25%	368
Other tax reductions	47.34%	267
Wage subsidies	48.23%	272
Training subsidies	28.01%	158
Creation of a student wage that is lower than the general minimum wage	27.66%	156
Creation of a tip-earner wage that is lower than the general minimum wage	20.74%	117
I don't know	8.87%	50
Other (please specify)	12.59%	71
Total Respondents: 564		

APPENDIX E

	Canada	NL	PEI	NS	NB	QC	ON	MB	SK	AB	BC	YK	NWT	NVT
GDP per capita (2021)	49,452.00	58,442	37,804	39,128	39,820	43,784	50,049	44,202	65,128	72,368	49,943	68,017	94,281	85,266
Average Weekly Earnings 2020-2021 (excluding overtime)	1,101.17	1,064.63	930.77	960.31	983.79	1,046.23	1,140.58	994.53	1,070.27	1,181.71	1,093.39	1,230.39	1,431.21	1,381.66
Minimum Wage as of Oct. 1/2022 (Scheduled)	15.55	13.70	13.70	13.60	13.75	14.25	15.50	12.35	13.00	15.00	15.65	15.70	15.20	16.00
Minimum Wage Expressed as a % of Average Weekly Earnings Assuming 40hr Work Week	56.49	51.47	58.88	58.48	55.91	54.48	54.36	49.67	48.59	50.77	57.25	51.04	42.48	46.32