



Alberta minimum wage rising to \$15 per hour by October 2018

September 14, 2016

[Gary T. Clarke](#), [David M. Price](#)

After over a year of trepidation by Alberta's business community, it is now certain that the minimum wage will rise quickly from \$12.20 per hour in October 2016 to \$15 per hour in October 2018. On September 13, 2016, Labour Minister Christina Gray announced that the NDP Government had passed [AR 145/2016](#), a regulation to hike the minimum wage effective October 1, 2016. The wage rate will increase October 1, 2017 to \$13.60 per hour before settling at \$15 per hour on October 1, 2018.

This policy decision is a continuation of the NDP's 2015 election campaign promise to increase the minimum wage to \$15 per hour. In 2015, the NDP Government raised the minimum wage from \$10.20 per hour to \$11.20 per hour.

Certain salespersons and professionals will be subject to a scalable minimum wage rate beginning at \$486 per week in 2016, \$542 per week in 2017 and \$598 per week in 2018. Employees who live primarily in the employer's home, such as nannies, will be subject to a minimum wage rate of \$2,316 per month in 2016, \$2,582 per month in 2017 and \$2,848 per month in 2018.

The regulation also proposes to phase out the current differential between those who serve alcohol and those who do not. Alcohol servers have historically been paid \$1 per hour less than other minimum wage earners, in order to compensate for the fact that most servers and bartenders receive more earnings by way of tips. In 2015, the NDP Government reduced this differential to \$0.50 per hour. As of October 1, 2016, this differential will be eliminated entirely.

This new regulation will affect approximately 300,000 Albertans (about 7%) who currently earn less than \$15 per hour. The NDP Government has said that the minimum wage hike will be a significant move towards a "living wage" for many Albertans. However, business groups and employers, including industry group Restaurants Canada, have criticized the wage hike by saying that it will lead to businesses raising prices and shedding tens of thousands of jobs. The regulation also comes at a time when Alberta is in the midst of one of its most severe economic recessions. Some business groups are also concerned that the minimum wage hike will have knock-on effects in other sectors of Alberta's economy, leading to inflationary pressures on wages in general.

DISCLAIMER: This publication is intended to convey general information about legal issues and developments as of the indicated date. It does not constitute legal advice and must not be treated or relied on as such. Please read our full disclaimer at www.stikeman.com/legal-notice.