

**PRESS RELEASE: Ontario Minimum Wage Becomes \$16.55 but it's time for \$20**

TORONTO, ON - The Workers' Action Centre celebrates the new \$16.55 minimum wage in Ontario, effective October 1. This 6.8% adjustment is happening because workers fought long and hard to finally win legislation in 2014 that ensures the minimum wage keeps up with the cost of living each year.

By implementing the increase on October 1, Doug Ford is simply implementing an inflationary increase which is mandated under the *Employment Standards Act*.

"In a climate of unprecedented inflation, workers are facing sticker shock at the grocery store, discovering that their paychecks can't keep pace with ballooning expenses. This 6.8% wage increase serves as a much-needed financial cushion for thousands of Ontario families," said Deena Ladd, Executive Director of the Workers Action Centre. "Without the tireless activism of precarious workers fighting for this law, we would not be getting this increase from the Ontario government.

When Doug Ford's progressive conservatives came to power in June 2018, they quickly canceled a minimum wage increase that was scheduled for January 1, 2019, which would have brought the minimum wage up from \$14.00 to \$15.00 per hour. Ford also canceled the inflationary adjustment that would have taken effect in October 2019. Had Doug Ford not canceled those increases, the minimum wage would be going up to \$17.40 on October 1, 2023.

The increase to \$16.55 will have a substantial impact on nearly 1.4 million workers, particularly women, but it still isn't enough.

"Every adjustment to the minimum wage has been incredibly helpful to me and my family - but ultimately what I need is a wage I can actually survive on," said Kanthavel, a minimum wage worker currently being supported by the Workers' Action Centre. "Every visit to the grocery store is a reminder that the current minimum wage is simply not enough. We need at least a \$20 minimum wage." Kanthavel has been a security guard with the same employer for the past 12 years, always receiving the minimum wage.

"If Doug Ford really cared about workers, he would act right now to increase the minimum wage to at least \$20 an hour," says Ladd, "even with today's increase, workers are struggling to make ends meet. Many of our members are juggling two to three jobs just to get by. One full-time job should be enough to pay the bills."

The Workers' Action Centre (WAC) is a worker-based organization committed to improving the lives and working conditions of people in low-wage and unstable employment. Our members are workers in precarious jobs. We are recent immigrants, migrants, workers of colour and workers in low-wage work.

**Workers affected by legislated minimum wage adjustments are available for comment.**

## BACKGROUND

As of October 1, 2023, Ontario's minimum wage for adults will go up from \$15.50 to \$16.55 per hour. The subminimum wage for students under 18 will also increase from \$14.60 to \$15.60.

The general minimum wage applies to most workers in Ontario and sets the lowest rate an employer can pay a worker. Whether a worker is part-time, casual, paid in cash, or is working "under the table" or without a work permit, they are still entitled to earn at least the minimum wage. There are some exemptions and special minimum rates for certain types of workers including students under the age of 18 working part-time, farm workers, homeworkers, and hunting, fishing and wilderness guides. The liquor server subminimum wage was also eliminated on January 1, 2022.<sup>1</sup>

### Cost of Living Adjustment Mandated by Law

Introduced in 2014, [section 23.1\(4\) of the \*Employment Standards Act, 2000\*](#) sets out a formula for increasing the minimum wage each year based on changes in the Consumer Price Index, which reflects inflation.<sup>2</sup> According to the *Act*, the Province must announce by April 1 of each year what the adjustment will be (s. 23.1(7)), and then the increase is to be implemented by no later than October 1 of that same year (s.23.1(4)). The amount must be rounded up or down to the nearest multiple of 5 cents (s.23.1(5)). If the adjustment would result in a decrease in the minimum wage (because there has been no inflation in a given year), then no adjustment will be made (s.23.1(6)).

### History of Minimum Wage Legislation

Having watched the value of the minimum wage stagnate during the Harris years (the minimum wage was frozen at \$6.85 for nine years), the Workers Action Centre and its allies fought for and won inflationary protection in the *Employment Standards Act, 2000*, as well as significant subsequent increases to the base minimum wage rate.

The yearly inflation adjustment provision was first introduced into law in 2014 when then-Premier Kathleen Wynne's government passed Bill 18, the Stronger Workplaces for a Stronger Economy Act.<sup>3</sup> The first inflationary adjustment took place on October 1, 2015, at which time the general minimum wage was increased from \$11.00 to \$11.25.<sup>4</sup>

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<sup>1</sup> See Ontario's Ministry of Labour *Employment Standards Act* Policy and Interpretation Manual for more details:

<https://www.ontario.ca/document/employment-standard-act-policy-and-interpretation-manual/part-ix-minimum-wage>

<sup>2</sup> Employment Standards Act, 2000, S.O. 2000, c. 41, section 23.1(4):

<https://www.ontario.ca/laws/statute/00e41>

<sup>3</sup> Stronger Workplaces for a Stronger Economy Act, 2014, S.O. 2014, c. 10 - Bill 18:

<https://www.ontario.ca/laws/statute/s14010>

<sup>4</sup> Due in large part to the advocacy of Workers, the Ministry of Labour established a Minimum Wage Advisory Panel in 2013 to review the process of setting the minimum wage in Ontario. Two of the Panel's

## WORKERS ACTION CENTRE

Then in 2017, in a historic victory for workers, the Wynne government introduced Bill 148, the Fair Workplaces, Better Jobs Act, 2017, which raised the minimum wage from \$11.60 to \$14.00 per hour. Under Bill 148, a second increase was scheduled to take place on January 1, 2019, which would have raised the minimum wage to \$15 per hour by January 1, 2019.<sup>5</sup>

When Doug Ford's progressive conservatives came to power in June 2018, they quickly repealed Bill 148 and replaced it with Bill 47, the Making Ontario Open for Business Act, which canceled the scheduled minimum wage increase. Ford also canceled the inflationary adjustment that would have taken effect in October 2019.<sup>6</sup>

On January 1, 2022, the Ford government bowed to pressure and increased the minimum wage to \$15 per hour. As a result of his delay, low-wage workers cumulatively lost approximately \$1.67 billion in badly needed income.<sup>7</sup>

Had Doug Ford not canceled those increases, the cumulative effect of each year's inflationary adjustment would mean that the minimum wage would be going up to \$17.40 on October 1, 2023.

	<b>Bill 148 (2017 legislation)</b>	<b>Ford's cuts</b>
January 2019 raise	<del>\$15.00</del>	CANCELED
October 2019 adjustment	<del>\$15.35</del>	CANCELED
October 2020 adjustment	<del>\$15.65</del>	\$14.25
October 2021 adjustment	<del>\$15.75</del>	\$14.35
October 2022 adjustment	<del>\$16.30</del>	\$15.50
October 2023 adjustment	<del>\$17.40</del>	\$16.55

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recommendations resulted in changes. One change was to annually increase the minimum wage by the Consumer Price Index. Another recommendation was to review the minimum wage rate and revision process every five years. The Ministry of Labour adopted both these recommendations.

<sup>5</sup> Fair Workplaces, Better Jobs Act, 2017, S.O. 2017, c. 22 - Bill 148:

<https://www.ontario.ca/laws/statute/s17022>

<sup>6</sup> Making Ontario Open for Business Act, 2018, S.O. 2018, c. 14 - Bill 47:

<https://www.ontario.ca/laws/statute/s18014>

<sup>7</sup> [Workers paid a Steep Price](#), Canadian Centre for Policy Alternatives, November 8, 2021

## **Demographic profile of minimum wage earners to the Minimum Wage**

According to the Federal Labour Force Survey, in July 2023, among those currently employed, 6.6% of workers in Ontario earned \$15.50 or less. However, 11.3% of workers in Ontario earned less than \$16.55 and will also see a wage increase.

The majority of minimum wage workers work in sales and service occupations (71%) and are in either the retail and trade industry (32%) or accommodations and food services (30%). Unfortunately, the Labour Force Study does not gather information on visible minority status or race. What we know, however, is that 53% of survey respondents are women.