

e2r Alert!

POTENTIAL POSTPONEMENT OF THE PLANNED SEPTEMBER 1, 2011 MINIMUM WAGE INCREASE IN NEW BRUNSWICK

A debate is raging in New Brunswick over the current provincial government's proposed plan to delay, until April 2012, the scheduled September 1, 2011 minimum wage increase, which would have seen the minimum wage in New Brunswick increase to \$10.00 per hour.

In 2009, the New Brunswick minimum wage rate sat at \$8.00 per hour. At that time the Liberal party was in power in the province and had committed that the minimum wage rate in the province would increase to \$10.00 per hour by 2011.

As such, the minimum wage rate in New Brunswick has increased incrementally since 2009. In April 2010 the minimum wage was increased to \$8.50 per hour, to \$9.00 per hour in September 2010, to \$9.50 per hour in April 2011, with a further increase to \$10.00 per hour scheduled for September 1, 2011.

The current New Brunswick Progressive Conservative government however, has recently announced a potential delay, until April 2012, in the anticipated increase in the minimum wage rate set for September 1, 2011.

The Labour Minister has stated that the government seeks to postpone the planned minimum wage rate hike over concerns raised by the business community, mainly small and medium sized businesses, that the incremental increases are hurting the bottom line and that time is needed to adjust to the incremental increases. While the decision to explore the delay in the minimum wage increase has garnered support in the business community, it has also created a political debate within the province and a harsh reaction from interest groups rallying in favour of the planned increase.

In addition, the government has announced that it would like to use the time during the delay to explore studying a two-tiered wage policy for the province which would introduce a separate wage rate for employees earning tips. Other jurisdictions such as Ontario have a two-tiered wage policy that generally creates a lower minimum wage for workers who serve alcohol, in order to account for the income earned by way of tips. Alberta has recently introduced a similar two-tiered approach for liquor servers, which is set to come into effect in that province on September 1, 2011.

The New Brunswick provincial government is currently in a thirty (30) day period during which the public and stakeholders can comment on the proposed delay in increasing the minimum wage. In addition, as required by the New Brunswick *Employment Standards Act*, the provincial government must obtain the advice of the Minimum Wage Board on the proposed delay, before any such delay can be implemented.

It has therefore yet to be seen if the minimum wage increase will go forward on September 1, 2011. Employers in New Brunswick should be cognizant of this development and follow the debate closely leading up to September 1, 2011.

If you do not wish to receive further e2r Alerts!, please reply to this email with the word Unsubscribe in the subject line of your reply and your email address will be deleted from our distribution list.

e2r Solutions®

“Real Human Resources Advice in Real-Time”

70 The Esplanade, Suite 401 | Toronto, ON M5E 1R2 | 1.866.327.7657 | tel 416.867.3093 | fax 416.867.1434

Visit us online:  e2r Solutions® Website |  Facebook |  LinkedIn

e2r Solutions® is a service of Woolgar VanWiechen Ketcheson Ducoffe LLP, a certified MDP.

IMPORTANT/CONFIDENTIAL: This email message and any attached files are intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. Any other distribution, copying or disclosure is strictly prohibited. If you have received this message in error, please notify us immediately by telephone at 416.867.3093 and destroy original message.