



Hamilton

# INFORMATION REPORT

<b>TO:</b>	Mayor and Members General Issues Committee
<b>COMMITTEE DATE:</b>	February 10, 2022
<b>SUBJECT/REPORT NO:</b>	2022 Minimum Wage Increases (HUR22001) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Nenzi Cocca (905) 546-2424 Ext. 3924
<b>SUBMITTED BY:</b>	Lora Fontana Executive Director Human Resources Division
<b>SIGNATURE:</b>	

## INFORMATION

On December 9, 2021 *Bill 43, Build Ontario Act (Budget Measures), 2021* received Royal Assent. As a result, the minimum wage jobs in the full-time Non-Union Summer Student salary schedule (Camps) was increased to \$15.00 per hour (for the lowest salary level within the salary schedule) effective January 1, 2022 in accordance with *The Employment Standards Act*, and the remaining jobs in this salary schedule were adjusted accordingly;

With the approval of *Bill 43, Build Ontario Act (Budget Measures), 2021*; the minimum wage jobs in the full-time Outside Unionized Summer Student (General Labourers) salary schedule will be increased to \$15.00 per hour effective January 1, 2022. Minimum wage is subject to an annual inflation adjustment on October 1 of every year starting in 2022.

## EXECUTIVE SUMMARY

*Bill 43, Build Ontario Act (Budget Measures), 2021* received Royal Assent in the fall of 2021, amending *The Employment Standards Act*. This report details the impacts for the approved minimum wage adjustments resulting from Bill 43 for 2022.

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OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Bill 43 has increased the minimum wage by 0.65 cents per hour to \$15.00 per hour effective January 1, 2022, which represents a 4.5% increase from the current rate. With the passage of the Bill, amendments have been made to *The Employment Standards Act*.

The announcement of the new minimum wage levels has resulted in adjustments to two of the City's salary schedules:

1. Non-Union Summer Student Schedule (Camps)
2. Unionized Outside Summer Student (General Labourer) Schedule

This report provides cost impacts for the implementation of the changes to minimum wage rates for 2022.

## **FINANCIAL IMPLICATIONS**

### **Financial:**

The cost impact for the January 1, 2022 increase was built into the 2022 operating budget. Working hours and actual earnings in 2021 were used to arrive at the below estimates:

<b>Total Estimated 2022 Impact - \$15 Minimum Wage</b>		
<b>Summer Students (Camps) Non-Union</b>	<b>Summer Students (General Labourers) Unionized</b>	<b>Total Estimated Cost Impact at January 1, 2022</b>
\$26,113	\$18,099	\$44,212

A further breakdown of costs by department is found in Appendix "A" to Report HUR22001, Annualized Cost Impact by Department.

## **HISTORICAL BACKGROUND**

The Minimum Wage was last increased to \$14.35 per hour on October 1, 2021. Positions in these Non-Union classifications do not receive cost of living adjustments, therefore wages are adjusted in alignment with minimum wage increases. Historically, adjustments for Non-Union Summer Students have occurred at the same time that the Non-Union Part-Time wage schedule is adjusted. The unionized general labourer summer student position wages are negotiated rates within the CUPE 5167 Collective Agreement. The minimum wage rates in Bill 43 supersede the negotiated 2022 rates for this group and will now represent additional costs.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The City is legally required under the *Employment Standards Act* to pay at least the Minimum Wage to staff as noted in the Act. This requirement is relevant to the adjustments requested for the lower level employment classifications in the Summer Student wage schedule.

## **RELEVANT CONSULTATION**

Human Resources consulted with Finance (Budgets), Recreation, Healthy & Safe Communities in the creation of this report.

## **ANALYSIS**

The below table summarizes the approved 2022 minimum wage rates

<b>Minimum Wage Categories</b>	<b>Current Hourly Rate</b>			<b>January 1, 2022</b>
General Minimum Wage	\$14.35 per hour			\$15.00
Students under 18 who work less than 28 hours per week when school is in session, or work during a school break or summer holidays	\$13.50 per hour			\$14.10

### **January 1, 2022 - Minimum Wage Rate of \$15.00 (Increase of \$0.65/ 4.5%):**

The January 1, 2022 increase affects two different wage schedules. Historically, all grades in a wage schedule are adjusted by the same percentage increase (as determined by the minimum wage rate) in order to ensure internal equity.

<b>Salary Schedule</b>	<b>Approach/ Related Appendices</b>
<b>Summer Students (Camps) Non-Union</b>	<ul style="list-style-type: none"><li>It should be noted that the full-time Non-Union Summer Student Wage schedule (Camps) are exempt from minimum wage legislation, as they are “employed as a student to instruct or supervise children”. The exemption allows us the flexibility to assign an appropriate wage rate. Students from this group are typically over the age of 18, and work more than 28 hours per week, accordingly the “Student Minimum Wage” level of \$14.10 per hour would not apply.</li></ul>

<b>Salary Schedule</b>	<b>Approach/ Related Appendices</b>
	<ul style="list-style-type: none"><li>▪ In consultation with Recreation, the Summer Student (Camps) Non-Union wage schedule will be adjusted to \$15.00 per hour at the lowest level of the schedule and \$18.00 per hour for Summer Program Assistants. This maintains a fair spread between grades for internal equity purposes and for attraction and retention of qualified candidates in these roles as the salary schedule contains both front line and supervisory roles which require pay differentiation. Appendix “B” to Report HUR22001, includes the Non-Union Summer Student Wage Schedule (Camps), and details the changes to each grade in this schedule.</li></ul>
<b>Summer Students (General Labourers) Union</b>	<ul style="list-style-type: none"><li>▪ Unionized General Labourer Summer Students will be brought up to the minimum wage level to comply with the new legislation. This group of summer students earn \$14.918 per hour in 2022 and will see the increase to \$15.00 per hour. Given that students from this group are typically over the age of 18, and work more than 28 hours per week, the “Student Minimum Wage” level of \$14.10 per hour would not apply.</li><li>▪ Appendix “B” to Report HUR22001, Unionized Summer Students (General Labourers) Wage Schedule details the changes to each grade in this schedule.</li></ul>

**January 1, 2022 - Minimum Wage Rate of \$15.00 (Increase of \$0.65/4.5%):**

Staff anticipate an approximate cost impact of \$44,212 resulting from the move to \$15.00 per hour for all City of Hamilton staff in 2022.

**RELEVANT CONSULTATION**

Human Resources consulted with Finance (Budgets), Recreation, Healthy and Safe Communities, Public Works in the creation of this report.

**ALTERNATIVES FOR CONSIDERATION**

None, as the Employment Standards Act amendment must be followed.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report HUR22001 - Annualized Cost Impact by Department  
Appendix “B” to Report HUR22001 - Full Time Non-Union Summer Student (Camps) and Full Time Union Summer Student (General Labourer) Wage Rates