

“ONTARIO PASSES NEW MINIMUM WAGE LAW”

Minimum wage will rise in Ontario to \$14 an hour on Jan. 1 2018, with the increase to \$15 coming in 2019

Ontario has passed sweeping labour reform legislation, which includes increasing the minimum wage to \$15 an hour.

Currently at \$11.60 an hour, the minimum wage will rise under the legislation to \$14 an hour on Jan. 1, with the increase to \$15 coming in 2019.

The plan has proved largely popular in government polling and with labour advocates, though it is controversial with businesses, who say the increase is too fast and will lead to job losses.

The government and some economists argue that the hike will have some positive impact on the economy, as minimum wage earners get more spending power.

The Liberal government recently announced the provincial corporate tax rate for small businesses will be cut from 4.5 per cent to 3.5 per cent to help support businesses through the minimum wage transition, though Premier Kathleen Wynne said it was never intended to fully offset the impact.

The legislation also mandates equal pay for part-time workers, increases vacation entitlements and expands personal emergency leave.

While the \$15 rate is one labour advocates have been urging for years, and dozens of economists signed a letter in support of it, business groups have been pushing hard against it.

They say it will be difficult to absorb the increased costs over such a short time frame. The province's economic watchdog, the Financial Accountability Office, has estimated more than 50,000 people could lose their jobs due to the minimum wage increase.

A TD Bank report has estimated the minimum wage hike could cost the province's economy as many as 90,000 jobs by 2020. And an analysis from the Keep Ontario Working Coalition concluded over 185,000 jobs could be impacted.

— Allison Jones, *The Canadian Press* (Nov 22, 2017) (reduced slightly by CIVIX)

DEBRIEF QUESTIONS:

- What is your opinion on increasing the minimum wage? Highlight particular points in this article that informed your opinion and explain how they influenced you.
- In addition to this article, what factors have shaped your opinion on this political issue? (e.g., family, friends, the media, employment, personal experiences, social groups)
- What questions do you have about this issue? What more do you want to know? Where do you think you could go to find more information related to your questions?

Related opinion pieces:

- *Why a \$15 minimum wage is good for business* (Maclean's)
- *Will a \$15 minimum wage be good for Ontario? Two experts debate* (CBC News)
- *Why a guaranteed minimum income is a better option than raising the minimum wage* (National Post)