

**FIGHT FOR
LUTTER POUR**  **14+JUSTICE**



Proposed Changes to the Employment Standards

Common Front for Social Justice

June 2018

Changes to Employment Standards

Our proposals

1. **Increase the minimum wage by \$1.00 an hour each year (2018-2019)** until it attains \$15 an hour and then index it.
2. **Provide a financial subsidy to community** organizations that provide services to low-income citizens or to citizens in need and that are presently subsidized by the government. This financial subsidy would be equal to the minimum wage increase, including the employer's portion, for each employee of that organization who receives the minimum wage.
3. **Sick Leaves.** After 90 days with the same employer, the worker accumulates one half day per month of sick leave to a maximum of five (5) paid leave per year. These leaves includes leaves for family violence, violence between partners or sexual violence. These leaves are not cumulative.
4. **Overtime hours paid** at time and a half the regular wage of the employee after 40 hours a week, as it is in five other provinces and at the federal government.
5. **Banking of overtime.** Employee can bank overtime after a written agreement with the employer. Hours are to be banked at 1.5 times normal wage. Hours taken from the time bank are to be taken when the employee would normally work and within 3 months of the overtime work or within 12 months with the employer's consent.
6. **Uniforms.** Company issued uniforms must be supplied free for employees who work for the minimum wage. Any upkeep or charges for employees who make more than the minimum wage cannot bring their pay to below the minimum wage. Where it is mandatory to wear a uniform with a company logo, the employee cannot be required to pay for it or for its cleaning by the employer.
7. **Vacation Pay at 6% after five years or more** as it is the case in British Columbia, Alberta, Manitoba, Ontario, Québec and at the Federal government.
8. **Layoffs without notice of termination,** the employer must pay wages and, also, the benefits accumulated during the notice period.

9. Transition measures for group terminations. The employer must give the Minister responsible, a 30-day notice before terminating a group of employees. The Minister must establish a joint planning committee of the employer, employee representatives and union representatives (if applicable) to develop an adjustment program for the workers.

10. Severance pay. When an employee has worked for a least 12 consecutive months, he/she is eligible for a severance pay of two (92) days of wages per year of employment, and up to 5 days of wages, whoever is greater.

11. Pay Equity. Add the principle of Equal pay for work of equal or comparable value.

12. Family violence, intimate partner violence, or sexual abuse.

- Five (5) days of paid sick leave per year. This would include domestic, intimate partner or sexual violence leave.
- The domestic, intimate partner or sexual violence leave could be for two periods per calendar year, and the employee would be entitled to take up to a maximum of 10 days, continuously or intermittently, and a leave of absence for a maximum of 15 weeks, which could be in one continuous period, of which the first five days would be with pay.
- The employee should produce a written proof of the leave entitlement and this proof may come from a doctor, a registered nurse, a psychologist, a psychiatric nurse, a police officer, a transition house member.
- Measures must be put in place by the employer to ensure the confidentiality of information provided by the employee.
- The employee must not lose seniority must be able to return to the same position held prior to his or her absence, and shall not lose salary or benefits.
- These leaves of absence shall not be cumulative.

Note: A complete list of the proposed changes to the Employment Standards can be found on our website at: www.frontnb.ca under the bullet *Fight for 15 + Justice*.

Introduction

The Common Front for Social Justice is a bilingual provincial organisation, that has been working for, since twenty years, to reduce poverty in New Brunswick. It focuses on four major areas:

1. The situation of non-union workers
2. Employment insurance
3. Social assistance
4. Pay equity
5. Protection of our public programs

Throughout the years, the Common Front for Social Justice organized, among other things, campaigns to increase the minimum wage, oppose the reductions to the employment insurance program, improve the living conditions of welfare recipients, and has supported the demands of the Coalition for Pay Equity.

Today, the Common Front wants to particularly target the working poor, namely the thousands of men and women who, day after day, contribute to a part of our economy. Often, these workers receive inadequate pay and the provincial employment standards are the only thing protecting them in their workplace.

Minimum wage workers

In 2017, there were 20,500 minimum-wage workers in New Brunswick, which is equivalent to 6.0% of the active population in the province¹.

It is not only teenagers who work at minimum wage. In 2017, 62.7% of minimum-wage earners in New Brunswick were 20 years of age or older. The number of youth between the ages of 15 and 19 working at minimum wage in this province even dropped, from 50.6% to 37.3% from 2007 to 2017².

More women than men (57.3%) worked at minimum wage. Slightly more than half of minimum wage workers (54.7%) had part-time jobs. Most of these jobs (72.9%) were in sales and services. Almost all the workers (95.6%) were not unionized³.

It's interesting to note that in 2016, almost half of the jobs (48%) were with companies that had 500 employees or more⁴.

Moreover, in 2016, almost 105,500 workers, or 36% of all workers in New Brunswick had salaries of \$15/hour or lower⁵.

Why do we need to make changes to the employment standards?

First, work should allow the worker and his or her family to have a decent live. The minimum wage for 2018 (\$11.25) translates into a net annual income that does not cover the basic needs of a single person, a single family or a couple with children.

Table 1 shows that a single worker would have an annual deficit of \$4,596, a single-parent with one child, an annual deficit of \$1,449, a couple with two children and one minimum wage salary of \$8,181 and finally a couple with two children and two minimum wage a deficit of \$1,761.

It is evident that with a minimum wage of \$15.00 an hour their financial situation would greatly improve for these individuals and their family.

Table 1. Annual Net Income, Total annual expenses and deficits. New Brunswick, 2018 (\$)

	Single individual 1 minimum wage	Single-parent 1 child 1 minimum wage	Couple 1 child 1 minimum wage	Couple 2 children 2 minimum wages

¹ New Brunswick Minimum Wage Fact Sheet, 2017, Post-Secondary Education, Training and Labour, September 2017.

² Ibid

³ Ibid

⁴ Why a \$15 minimum wage is good for business. McLean's, June 2, 2017, Armine Yalnizyan

⁵ Statistics Canada, Special tabulation. PSTF.

Annual net income	20,610	29,924	28,647	48,999
Total annual expenses	25,206	31,373	36,828	50,760
Annual deficit	-4,596	-1,449	-8,181	-1,761

Source: Economic Realities - 2018. New Brunswick Common Front for Social Justice.

Secondly, given that the vast majority of workers (71.0%) are not covered by a collective agreement; for those at minimum wage, the situation is worse, because 94% (2016) were not unionized. These workers don't have any organisation to defend their rights and must rely of the employment standards set by the province. Those standards impact all dimensions of their work life and are minimal. Moreover, employers do not always respect them.

Our proposals

Our proposals are tied to minimum wage and its indexation, sick leave, pay equity, overtime, deductions for uniforms, layoff without notice, a planning committee when a group of employees are laid off, and severance pay.

*We must specify that our proposals should apply on a pro rata basis to part-time **and casual** employees .*

The minimum wage has increased eighteen times since 2001. It is presently set at \$11 an hour, has increased to \$11.25 an hour April 2018 and will be indexed to the rate of inflation after.

Amongst all Canadian provinces, New Brunswick is presently in sixth place (April 2018) after Saskatchewan, Manitoba, Nova Scotia and Newfoundland-Labrador.

Table 1 – Minimum wage by province, 2018 (\$)

	BC	Alb	Sask	Man	ON	QC	NB	NS	PEI	NFL
Minimum Wage	11.35	13.60	10.96	11.15	14.00	12.00	11.00	10.85	11.25	11.00
Increases	12.65	15.00	Indexed		15.00		11.25	11.00	11.55	11.15

	June	Oct. 2018	Oct. 2018		Jan. 2019		April 2018	April 2018	April 2018	April 2018
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Source: Hourly Minimum Wages in Canada for Adult Workers

Minimum wage workers should be able to live above the poverty line. When we analyze the net annual income of a minimum wage worker and his annual expenses, it is obvious that such a salary does not enable him to live above the poverty line. The situation is even more catastrophic when the worker has a family.²

Moreover, in 2014, almost 15% of the people using food banks had employment income or received employment insurance benefits, therefore, that meant they had worked.³ It is the kind of data that helps us understand the desperate situation of low-salary workers.

The case for subsidizing community organizations

There are numerous community organizations that provide services to low-income citizens or to citizens in need. These organizations could be food banks, community residences, family support agencies, ADAPT centres, special care homes, transition houses, etc. Their funding comes mainly from two sources, the government and the community. Any increase in the minimum wage has an economic impact that is difficult for them to absorb, so they need financial assistance.