



## **LABOUR AND EMPLOYMENT NEWSLETTER**

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### **MINIMUM WAGE RATE TO INCREASE FEBRUARY 1, 2005**

*Michael Conradi  
Tel. 416.595.8550  
mconradi@millerthomson.ca*

Effective February 1, 2005, Ontario's general minimum wage will increase to \$7.45/hour (an increase of \$0.30/hour). This will be the Ontario government's second wage increase since taking office. There will be further annual increases on February 1 in each of the next two years until the minimum wage rate reaches \$8.00/hour in early 2007.

Minimum wage is the lowest rate an employer can pay an employee. Most employees are eligible for minimum wage, whether they are full-time, part-time, casual employees, or are paid an hourly rate, commission, piece rate, flat rate or salary.

Most employees are entitled to the general minimum wage, however, there are exceptions. For example, effective February 1, 2005, other minimum wage rates will apply to the following employees:

- employees who regularly serve liquor directly to customers or guests in licensed premises (\$6.50/hour);
- students under 18 years of age who work during school breaks or summer holidays, or who work 28 hours a week or less when school is in session (\$6.95/hour);
- homeworkers, defined as persons who do paid work in their own home for an employer (\$8.20/hour)
- hunting and fishing guides (varies between \$37.25/hour and \$74.50/hour depending on the number of hours worked in a day).

In addition to the above exceptions, there are some other industry-specific and job-specific exemptions regarding the application of the general minimum wage to domestic workers, some farm employees, commercial fishers, homemakers, specified healthcare professionals, and others.

Generally, if an employee's pay is based either in full or in part on commission, the employee's pay must amount to at least the minimum wage for each hour the employee has worked. There are some exceptions, however, for commissioned salespersons who normally sell away from their employer's office or plant (except those who sell on a route) and commissioned salespersons in the automobile sector.

Finally, if the February 1, 2005, minimum wage changes occur in the middle of an employer's pay period, the pay period will be treated as if it were two separate pay periods and the employee will be entitled to at least the minimum wage that applies in each of those periods.

**ABOUT THE AUTHOR:**

Michael Conradi is a member of our Labour and Employment Group. He provides legal services and advice to a wide range of clients in the private and public sectors.

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*Miller Thomson LLP  
2500 – 20 Queen Street West  
Toronto, ON M5H 3S1*

*416.595.8500  
416.595.8695 (fax)*

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