

Small biz fears minimum wage tiers

To: Hon. Labi Kousoulis, Minister of Labour and Advanced Education

cc: Hon. Stephen McNeil, Premier of Nova Scotia

From: _____

Business

Signature

A two-tiered minimum wage that exempts small businesses may sound like good policy but it would have dire consequences for my business.

When asked about the possibility of a two-tiered minimum wage in Nova Scotia, the Minister of Labour and Advanced Education said:

“All options are open.”

- Hon. Minister Labi Kousoulis

A two-tiered minimum wage could:

- Make it even harder to attract and retain workers.
- Create upward pressure on wages (including payroll taxes) throughout my business.
- Reduce work hours for current employees.
- Force cut backs to the number of employees.
- Prevent investments in my business (employee training, buying new equipment, etc.).
- Increase prices for goods and services.
- Add unnecessary complexity to minimum wage legislation.

I support:

- Tax relief for low-income earners.
- Improving career and skills training for minimum wage and low-income earners.

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What's the real cost of a \$15 minimum wage on my business?

	Part-time (20 hours/wk) 1,040 hours/year	Full-time (40 hours/wk) 2,080 hours/year
Minimum wage as of April 1, 2017 = \$10.85/hour	\$11,284	\$22,568
If minimum wage was increased to \$15/hr	\$15,500	\$31,200
Added cost annually per employee	\$4,216	\$8,632
X Number of employees you currently have		
= Total increase to you annually* (new increased cost X number of employees)		

*Not including increases to CPP, Employment Insurance, or Workers' Compensation Board premiums.

"Our suggestion is that we follow the lead that the Alberta government has taken, and take as a first step in dealing with the crisis of income inequality, the establishment of a \$15 minimum wage could be implemented over three years..."

-Gary Burrill, Nova Scotia's New Democratic Party Leader

Consider the cost a "38 %"* increase in the wage floor would have on all wages.

Current Annual Wages	Assuming a 38% Increase on Current Annual Wages	Added Cost in Annual Wages	New Annual Wage*
\$35,000	X "38%"	\$13,300	\$48,300*
\$45,000	X "38%"	\$17,100	\$62,100*
= Total increase to you annually* (new increased cost X number of employees)			

*38% assumption in wage increases may not be typical and does not include increases to CPP, EI, or WCB premiums.

Get in touch.

We're here to help.



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