How the New Federal Minimum Wage Works: Quiz



Federal employees get whichever minimum wage is the highest.

Once upon a time, there was no such thing as a federal minimum wage. Airlines, railways, telecoms and other federally regulated employers paid whatever minimum wage was required by the employment standards laws of the particular employee's province of employment. All of this changes on December 29, 2021, when the new federal $15 per hour minimum wage takes effect. The following quiz illustrates how the rules work.

QUESTION 1

Minny Mumm works for a federally regulated company in Québec, where the current minimum wage is $13.50 per hour. In the first week of January 2022, she works 10 hours. How much must the company pay her for the week?

1. $135
2. $150
3. $142.50

ANSWER

150. The company must pay her at the federal rate of $15 per hour, or $150.

EXPLANATION

The $15 federal minimum wage means that federally regulated employees are entitled to no less than $15 per hour, even if their province of employment has a lower minimum wage rate.

QUESTION 1

Same scenario as above, but now let's say that Minny Mumm works for a federally regulated company in BC, where the current minimum wage is $15.20 per hour. How much must the company pay her for 10 hours of work during the first week in January 2022?

1. $152
2. $150

3. $151

ANSWER

1. The company must pay her at the BC rate of $15.20 per hour, or $152.

EXPLANATION

The point is that while the federal minimum wage provides for a top-off in jurisdictions below $15, it doesn’t supersede any higher provincial rate. In other words, employees in BC and other jurisdictions with a rate above $15 don’t have to take a pay cut. Thus, while federally regulated employers in Québec will have to give employees a $1.50 raise, employers in jurisdictions with a higher minimum wage just have to continue paying the same rate as before.

TAKEAWAY

As before, the minimum wage of the province of employment dictates how much an employee of a federally regulated company gets paid; the difference is that employees will get at least $15 per hour even if the local rate is lower; and they won’t have to accept a pay cut if they happen to work somewhere with a more generous minimum wage. **Bottom Line:** The minimum wage is whichever rate is the highest.