

## Unit 1.1 – Wages and Salaries

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### Minimum wage:

- minimum amount a worker should be paid each hour
- in MB it's \$11.65/hr

### Gross pay: Also known as gross "earnings"

- Total amount of money earned before deductions

### Pay statement:

- A statement from an employer that shows an employee's earnings and deductions for a pay period.

### Overtime:

- Any hours worked in addition to the normal hours. Workers typically get paid more when they work overtime.
- ex: Time-and-a-half: workers get paid 1.5 times their wage.  $\$11.65 \times 1.5 = \$17.48$

- ex: "Double-Time" = workers get paid twice as much for extra hours.

### Semi-monthly:

- pay periods happen twice a month
- \* 24 pay periods a year ( $12 \times 2 = 24$ )

### Biweekly:

- pay periods happen every two weeks
- \* 26 pay periods a year ( $52 \div 2 = 26$ )

## THE MINIMUM WAGE IN CANADA

In Canada, there is a minimum wage that guarantees a minimum level of income for employees. The minimum wage is set by the provinces and territories and varies from one province or territory to another. Although the minimum wage is intended to guarantee a basic living wage for less skilled positions, there are several sectors in the economy, such as the service industry, where the minimum wage is the norm, no matter how much experience an individual has. The minimum wage is used as a benchmark for other wages. When the minimum wage rises in response to rising costs of living, other wages also rise.

Until the twentieth century, there was no minimum wage standard anywhere in Canada. Employers could offer people whatever wages they chose to. Many people who worked in factories or in service industries were paid at very low levels and worked very long hours to make enough money to survive.

Achieving laws that require a minimum wage level was the work of tradespeople who joined together in trade unions in the late nineteenth century. They worked together to improve their working conditions and rates of pay. By 1912, 160,000 Canadians belonged to trade unions, and the first minimum wage legislation was passed in British Columbia and Manitoba in 1918. In 1920, Ontario, Quebec, Nova Scotia, and Saskatchewan passed minimum wage laws. Gradually, all the provinces and territories passed minimum wage laws. The last to do so was Prince Edward Island, in 1960.

While most provinces and territories state their minimum wage as an hourly rate, some also have weekly and monthly minimums. Alberta, for example, has a minimum weekly and a minimum monthly wage standard. These apply to certain types of jobs, such as salespeople and domestic workers.

1. What is the minimum wage in your province or territory? How does it compare to the rates in other provinces or territories?

- \$11.65/hr in NB

- 8 are higher, 4 are lower

2. What is the annual wage paid in your province or territory if someone earns the minimum wage and works 40 hours a week? *annual = a year*

$40 \text{ hr} \times \$11.65/\text{hr} = \$466/\text{week}$

$\$466/\text{week} \times 52 \text{ weeks} = \$24,232$

3. Do you think it is sensible to have laws that govern minimum wages?

Yes! That way people in service <sup>industries</sup> can maintain a standard of living

### Example 1

Each summer, Rick works at the Pacific National Exhibition in Vancouver as a parking lot attendant. His wages this year are \$10.76 an hour and his hours of work vary from week to week. He worked 25 hours for the week August 14-20 and 35 hours for the week August 21-27.

Calculate Rick's gross earnings.

Week 1 → Aug. 14-20

$$\$10.76/\text{hr} \times 25\text{hr} = \underline{\underline{\$269.00}}$$

Week 2 → Aug. 21-27

$$\$10.76/\text{hr} \times 35\text{hr} = \underline{\underline{\$376.60}}$$

$$\text{Total} = \$269 + \$376.60 = \underline{\underline{\$645.60}}$$

Week 1 → 25 hr

Week 2 → 35 hr  
60 hr

$$\$10.76/\text{hr} \times 60\text{hr} = \underline{\underline{\$645.60}}$$

### Example 2

Zhong was hired to be the office clerk at an insurance company. His annual salary will be \$34,756.00.

yearly

a) Why is Zhong not paid annually for his work?

Because, he'd only get paid once a year!  
(That's hard to budget for!)

b) Would he earn more each pay period if he were paid semi-monthly or biweekly?

+ 24 pay periods

+ 26 pay periods

Semi-monthly

$$\$34,756 \div 24 \text{ pay periods} = \underline{\underline{\$1,448.17}}$$

Biweekly

$$\$34,756 \div 26 \text{ pay periods} = \underline{\underline{\$1,336.77}}$$

He would earn more each pay period if he was paid semi-monthly.

\* Complete Examples 3-6 for Monday Feb 10.

### Example 3

Laura's regular rate at her job in a warehouse is \$10.86 an hour. She works 8 hours a day. She has to work an extra shift on a holiday, and her overtime rate is time and a half.

- a) What are Laura's gross earnings for the holiday?
  
  
  
  
  
  
  
  
  
  
- b) What is her hourly rate on the holiday?

### Example 4

Gregor works as a glazier, a person who cuts and fits glass, at a window manufacturing company in Steinbach, MB. He earns \$19.99/h for 37.5 hours a week and time and a half for any hours over that. Gregor examines the schedule for the upcoming week, shown here.

WEEKLY SCHEDULE			
Employee Name	Day	Start time	End time
Gregor	Sunday		
	Monday	8:00 am	4:00 pm
	Tuesday	8:15 am	4:00 pm
	Wednesday	8:00 am	3:30 pm
	Thursday	8:00 am	4:00 pm
	Friday	9:00 am	4:15 pm
	Saturday	8:30 am	6:30 pm

- a) Describe your strategy for determining the number of hours Gregor will work each day and express these amounts as decimals.
  
  
  
  
  
  
  
  
  
  
- b) How many hours of overtime will he work?

### **Example 5**

Megan earns \$12.60 working 40 hours a week at the local library.

- a.) What is her weekly gross earnings?
  
- b.) What is her yearly gross earnings?
  
- c.) What is her monthly gross earnings?

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### **Example 6**

Each year a company states that they will raise their employee's gross earnings by 1.2% from their previous year. Given that Larry makes \$43 999 when he is hired...

- a.) How much will he make after his first year?
  
  
  
  
  
  
  
  
  
  
- b.) How much will he make after his second year?