

Alberta Living Wage Employer Guide

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Why become a Living Wage Employer?

Living Wage Employers experience a decrease in employee turnover and absenteeism, increased retention and productivity, and savings on rehiring and retraining. Employers can also use the living wage as a tool within their recruitment strategy for lower paying occupations. Living Wage Employers receive public recognition for demonstrating a commitment to socially responsible practices, making them more attractive to potential employees and customers.

Paying a living wage constitutes a critical investment in the long-term prosperity of the economy by fostering a dedicated, skilled, and healthy workforce. The [Living Wage Employer Program](#) recognizes and celebrates employers that pay their direct and indirect employees a living wage. Employees who earn a living wage experience improved mental health, physical health, and economic well-being.



A **living wage** is the hourly wage a worker needs to earn to cover their basic expenses within their community. It is re-calculated on an annual basis to ensure that it accurately reflects changing living expenses.



Current living wage rate

Current living wage rates for employees not receiving any non-mandatory benefits can be found by visiting <https://livingwagealberta.ca/living-wage/>.

If an organization provides benefits (e.g., health, dental and prescription drug coverage) or paid time off above the legislated minimum, please [contact](#) the Alberta Living Wage Network Coordinator (Coordinator) for a personalized calculation for the organization.

Conditions for being a Living Wage Employer

- Employers agree to ensure that all active full-time, part-time, and contract employees are paid the living wage rate for their area. If employees are paid relevant non-mandatory benefits, the living wage hourly rate that must be paid will take account of this.
- Employers agree to insert a living wage clause (stipulating that contracted workers are to be paid a living wage) in all future contracts where staff who are not direct employees are contracted to provide services to their organization on a regular, ongoing basis.

Applying to be a Living Wage Employer

Employers submit an [online application](#). This application for is designed for employers who operate in one community. If the employer operates in multiple communities, please [contact](#) the Coordinator. If not all staff are currently paid a living wage, the employer may include a *Living Wage Employer Implementation Plan* (see Appendix 1 for a sample) that includes the following:

1. Employer details

- Employer name and addresses of all offices/worksites/premises
- Basic description of company, nature of the workplace
- Contact person's details in relation to this application

2. Direct employees

- Approximate number of direct staff that will be affected by Living Wage Employer status
- For organizations that have collective agreements in place, it is expected that they will inform the relevant union(s) of their intention to apply for living wage status— confirmation of this should be included in the plan
- Initial timeline for bringing all direct employees to a living wage rate
- Mechanism that will be used internally to ensure that all staff are maintained at a living wage rate on an annual basis as per conditions

3. Contracted service staff

- Brief description of your current service contracting process
- Estimated number and type of service contracts that will be affected by your certification as a Living Wage Employer
- Mechanism that will be used internally to ensure that all relevant service contracts will include a relevant living wage clause at time of renewal or initial awarding

4. Overseeing the plan

- How the plan will be overseen
- Who has responsibility for overseeing the plan

Memorandum of Agreement and annual fee

Once it has been confirmed that the conditions for becoming a Living Wage Employer are met, both the employer and the Alberta Living Wage Network will sign a Memorandum of Agreement (MOA). Employer fees are waived for the first year. An annual employer fee will be paid at the first-year anniversary of the date of recognition and will be due each subsequent year on that anniversary.

The MOA is a document that outlines the obligations and responsibilities the Alberta Living Wage Network has to the Living Wage Employer, and what those employers agree to do in order to maintain recognition.

Employer fees are based on the size of your business and help to support the ongoing calculation of living wages in the province and ensure that employers are recognized and promoted for their commitment to pay a living wage in Alberta. A receipt will be issued for the payment.

Organization type	Size of organization	Annual charge
Private Sector	Greater than 501	\$1,000
	251 – 500	\$800
	51 – 250	\$400
	11 – 50	\$200
	10 or less	\$100
Non-Profit and Public Sector	Greater than 251	\$400
	51 – 250	\$200
	11 – 50	\$100
	10 or less	\$50

Support

Upon request, Alberta Living Wage Network will provide advice and support to employers implementing the living wage, including best practice guides, example living wage policies (see Appendix 2), case studies, a business case, presentations, and model procurement frameworks.

Updating the living wage

Local living wage rates are updated annually to consider living expense changes and changes to government transfers and deductions. Living Wage Employers will be notified of changes to the living wage rate. Existing Living Wage Employers agree to align their wage rates to the new calculation and notify the Alberta Living Wage Network within six months to retain status (note that there is an exception for the 2022 living wage rates announced on November 14, 2022 – employers will have 12 months).

Trainees, interns, co-op and practicum placements

Employers are allowed to have a small number of trainees, students in practicum or co-op placements, or interns working for credit toward a post-secondary program that are paid below the living wage, as long as they don't represent a core part of the total staff makeup (no more than 10% for most employers; in the case of small not-for-profits where the total staff complement is five workers, no more than 20%). Staff that are on probation are not counted as part of the living wage determination process but once their probation period is over, they must receive a living wage.

Notwithstanding the 10% exemption for trainees, interns, co-op, and practicum positions, living wage employers are encouraged to pay a living wage, or close to the living wage, to these employees as they are able.

External service providers

Externally contracted workers refers to those providing services such as janitorial, security, or catering among others. This clause covers external (third-party) contracts that provide services for the organization on a regular ongoing basis, that is, for at least 120 hours of labour per year. Ad hoc contract work (for repairs or maintenance, for example) is exempted from this clause.

Living Wage Employers are encouraged to inform contractors about the living wage program and how it may affect the terms of their agreements. A living wage clause should be included in all future agreements and renegotiated agreements with hired contractors (see Appendix 3 for an example). Organizations do not need to renegotiate existing contracts before they come up for renewal to be compliant. All future agreements, whether new or being renewed, must incorporate the living wage standards.

Living wage employers need to undertake the following:

- A. If the staff are directly contracted by the organization.** When the contract comes up for renewal, the organization should include a living wage clause as part of its request for proposals (RFP). It is expected that, after selecting a suitable contractor, a living wage clause will be inserted in the contract as per the RFP.
- B. If the staff are not directly contracted by the organization, but do provide services –** for example, if security staff and cleaning staff provide services at the organization’s office but are contracted by the organization’s landlord as part of a tenancy agreement rather than by the organization directly. The organization should advocate for a living wage clause to be included in the agreement/contract when it comes up for renewal.

Best Effort Clause: If an organization can clearly show that it made its best efforts to fulfil this clause, it will be allowed to keep its Living Wage Employer status. (For example, if an organization received no responses to an RFP that included a living wage clause.)

Collective Agreements

It is expected that organizations that have collective agreements in place will inform the relevant union(s) of their intention to apply for living wage status. Collective agreements will be treated as contracts, as per above.

Best Effort Clause: If an organization can clearly show that it made its best efforts to fulfil this clause, it will be allowed to keep its Living Wage Employer status. (For example, if a collective agreement is not able to include wage adjustments based on region.)

Monitoring

If an employer is found to have not fulfilled the criteria within their living wage declaration, the Coordinator will work with the employer to determine a path towards compliance with their declaration, and, if necessary, review the status of the employer.

Living Wage Employer Recognition

Once the employer has been recognized as a Living Wage Employer, they become entitled to:

- Living Wage Employer window decals for store display where appropriate
- A Living Wage Employer electronic logo for use on websites, social media, job ads, and print materials
- Recognition on the Alberta Living Wage Network website and other platforms

We encourage new Living Wage Employers to celebrate their certification with staff and board members, as well as announcing their status in local media and trade publications.

About the Alberta Living Wage Network

The Alberta Living Wage Network is made up of community organizations and municipalities with the goal of advancing a coordinated living wage movement in Alberta.

Current members

City of Grande Prairie
City of Medicine Hat
City of Red Deer
City of St. Albert
Community-University Partnership, University of Alberta
Edmonton Social Planning Council
EndPovertyEdmonton
Greater Edmonton Alliance for the Common Good
John Howard Society of Red Deer
Lac La Biche County
Medicine Hat Community Housing Society
Regional Municipality of Wood Buffalo
Social Health Equity Network of Lethbridge and Area
Town of Canmore
Town of Cochrane
Town of Drayton Valley
Town of Drumheller
Town of Rocky Mountain House
Town of Stony Plain
United Way Lethbridge & South Western Alberta
United Way Fort McMurray & Wood Buffalo
Vibrant Communities Calgary
For more information, visit livingwagealberta.ca or follow @livingwageab on social media.

Contact us

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Appendix 1 – Sample implementation plan

Living Wage Implementation Plan for Company X

1. Introduction

Company X is proud of its record as a responsible employer. To date, it has won numerous awards recognizing this commitment. Company X provides a wide range of eye care solutions. It was founded in 1970 and we currently have 7 retail outlets throughout Alberta. We currently employ 85 staff, 50 full-time and 35 part-time.

2. Direct Employees

Based on an analysis undertaken by our HR Manager, we currently have 5 full-time and 10 part-time staff that are below the current living wage rate. These positions are all retail assistant positions. The five full time staff receive full Health benefits and when this is taken into account, we need to increase their base hourly wage by \$0.75/hr to reach the living wage rate. The 10 part-time positions are not paid benefits and thus, their base hourly wage needs to be increased by \$2.10/hr to reach the living wage rate. This provides us with an equity challenge as it would mean that similar positions would be paid quite different base hourly wage rates. To address this, we have decided to provide benefits to all part time staff and increase their base hourly wage by \$1.00 to bring them up to a living wage rate.

The company's HR manager will be responsible for making these changes within 3 months of being declared a Living Wage Employer. In June of every year, the HR manager undertakes a comprehensive wage review for all staff members and our Living Wage Employer commitments will be included as part of this review.

Our staff is non-unionized, so we have no collective agreements.

3. Contracted Service Staff

We currently lease all our premises and security services are provided as part of these leasing arrangements. Our leases vary from 1 to 10 years. As we don't directly contract security services, we can't guarantee that we will be able to ensure a living wage clause, but we will endeavour to put forth our best effort when it is not under our control.

We have 3 service contracts that fall under Living Wage criteria:

- Computer System Maintenance and support. This contract is an annual contract renewed at the start of every year. We commit to include an appropriate living wage clause when it is next renewed. However, we estimate that no workers will be affected by this.
- Eye Equipment Maintenance. We have a three-year contract which is due for renewal in Oct. 2017. We commit to include an appropriate living wage clause in the new contract at this date. Again, we estimate that no workers will be affected by this as it is highly specialized work.
- Janitorial/Cleaning. This contract covers all our premises and is due for renewal in Nov. 2017. We commit to include an appropriate living wage clause in the new contract at this date. We estimate that this will affect 15-20 workers.

4. Implementation

This plan was developed by the HR Manager and has been approved by the CEO and Board of the Company. The HR Manager will be responsible for its implementation. A section on our Living Wage Employer commitments will be included in the annual HR report to the Board.

Signed _____

Date _____

Appendix 2 – Living wage policy example

Purpose

At [Name of Employer], it is important to us to be aware of, and maintain, corporate social responsibility.

We strive to make decisions and take actions that have a positive impact on our community, our staff, and the people we serve. As a responsible employer, we believe that our employees need to earn a wage that sustains a lifestyle that meets the needs of daily living and provides some discretionary income. We recognize that paying a living wage constitutes a critical investment in the long-term prosperity of our organization by fostering a dedicated, skilled, and healthy workforce.

Definition

The living wage is the hourly rate of pay that enables wage earners living in a household to:

- Feed, clothe, and provide shelter for their family
- Promote healthy child development
- Participate in activities that are an ordinary element of life in the community
- Avoid the chronic stress of living in poverty

This hourly rate is calculated by the Alberta Living Wage Network, based on the living expenses in the community. Local living expenses are calculated for Food, Clothing and Footwear, Shelter, Transportation, Child Care, Health Care, Parents' Education, Contingency Fund, and Other Household Costs (such as personal care, furniture, household supplies, recreation, and entertainment). The cost of government deductions (provincial and federal taxes, Employment Insurance, and Canada Pension contributions) and the value of government transfers like the Canada Child Tax Benefit are also factored into the calculation.

Application

The policy applies to all employees employed by [Name of Employer], as well as all employees employed by a contractor who performs services for [Name of Employer] on a regular ongoing basis.

Direct Staff

- Staff earning only a salary or wage will earn at least a Living Wage. When the living wage is recalculated, any increases in the living wage will be passed onto staff within 6 months of the new calculation.

Contracted Staff

- Where services are contracted, e.g., food service, cleaning, etc., we choose vendors / service providers that pay a living wage to their staff. This clause covers external contracts that provide services for our company on a regular, ongoing basis; that is, for at least 120 hour of labour per year.
- Living Wage clauses are included in all agreements and renegotiated agreements with contractors we hire.

Benefits in Consideration

- In instances where non-mandatory benefits are provided to staff, with approval from the Alberta Living Wage Network, the basic hourly wage due to staff may be adjusted to reflect the positive impact these benefits have on the employee's ability to meet basic needs and have some discretionary income.
- These benefits include health, dental, vision, and prescription coverage for staff covered by this policy. Benefits that will reduce any other expenses included in the Living Wage calculation (e.g., shelter, transportation, food) may also be considered. Paid time off above the legislated minimum may also be considered.

Benefits may be provided on a cost shared basis; however, the premiums paid by the employee cannot reduce the wage to below an acceptable level with respect to a Living Wage.

Accountability

[Name of Company] maintains its participation in this policy through the Living Wage Employer Program. We are accountable for upholding and keeping current with this policy. [Name of Company] will ensure that a relevant process is in place for employees to raise any issues relating to the Living Wage Policy in a safe and confidential manner.

Appendix 3 - Example of living wage clause for service provider contracts

The following is an example of a Living Wage contract clause for insertion into contracts with service providers to guarantee Living Wage provision. These contract clauses are offered as starting points in order to assist drafting of appropriate provisions. These contract clauses are not recommended clauses, nor do they substitute the requirement to seek legal advice.

The Alberta Living Wage Network is not responsible for the use or operation of any or all of these clauses and accepts no liability arising out of such use or operation.

General

1.1 It is a condition of this Agreement that, for the duration of this Agreement:

- (a) the Contractor pays all employees who are employed by the Contractor to perform services pursuant to this agreement not less than the Living Wage (after considering benefits and paid time off above the legislated minimum), as set by the Alberta Living Wage Network; and
- (b) notwithstanding 1.1(a), the contractor has up to 6 months from the date on which any increase in the Living Wage is adjusted by Alberta Living Wage Network, to increase any or all wages such that the Contracted Employees continue to be paid not less than the Living Wage.

Sub-Contracting

1.2 If the Contractor sub-contracts all or part of the provision of the Services to a sub-contractor pursuant to clause [1.1], the Contractor shall ensure that any sub-contractor adheres to clause 1.1 as though it were the contractor.

Termination of Contract

A breach by the Contractor of its obligations pursuant to clauses 1.1 and 1.2 shall constitute a material breach by the Contractor of this Agreement which shall entitle the client to terminate this Agreement.

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