



Department of Justice Government of Nunavut

Minimum Wage Rate

Annual Report

2024

Background Information

The Nunavut *Labour Standards Act* (the “Act”) regulates employment relationships that fall under territorial jurisdiction. The Act establishes basic minimum standards of compensation and conditions of employment, including the establishment of a minimum wage rate. Nunavut’s minimum wage rate may also apply to federal employees working in the territory, as the *Canada Labour Code* states that federal workers must be paid the higher of the federal minimum wage rate or the rate of the province or territory where the work is performed.

The minimum wage rate is the lowest rate that an employer can pay to employees working on an hourly basis. A main purpose of establishing a minimum wage rate is to protect non-unionized workers in unskilled jobs from exploitation. The minimum wage rate requires review and adjustments from time to time to consider changing economic and/or social conditions. The minimum wage rate in Nunavut is prescribed in section 12 of the Act and may be revised in the Act’s *Wages Regulations*.

In 2002, the Act was amended to require the Minister of Justice to review the minimum wage rate annually and report the results to the Legislative Assembly (section 12.1 of the Act). This report has been prepared in accordance with that requirement.

Minimum Wage Rate in Nunavut

As of December 31, 2024, the minimum wage rate in Nunavut was \$19.00 per hour.

Review of the Minimum Wage Rate

The Department of Justice last adjusted Nunavut's minimum wage rate on **January 1, 2024**, when it increased the rate from \$16.00 to **\$19.00 per hour** following amendments to section 5 of the *Wages Regulations*.

This increase followed the Department of Justice's detailed Minimum Wage Review (the "Review"), which was completed in August 2023. The new \$19.00 minimum hourly rate represented the approximate average of all the minimum wage rates that resulted from the recommended options in the Review. It also took into account the employee and employer survey opinions and the percentage change to the Iqaluit CPI, without focusing exclusively on either factor.

Measuring Inflation and Costs of Living in Nunavut

Consumer Price Index: Consumer Price Index ("CPI") is a measure of inflation. It measures change in consumer prices over a period of time. The CPI compares the cost of a fixed basket of commodities from one year to the next. Statistics Canada collects and records price data on a monthly basis. The percentage change from one point in time to the next is known as the "rate of inflation" (or "rate of deflation" if there is a decrease).

CPI data for Nunavut is limited to Iqaluit, since no Nunavut-wide measures are available. Iqaluit data for CPI may not necessarily reflect inflation and the cost-of-living changes in all 25 communities of Nunavut. According to Statistics Canada, the annual average CPI for Iqaluit increased by 1.6% from 2023 to 2024. This compares to a 2.4% increase in Canada's national CPI over the same period. Table 3 below shows annual CPI average for Iqaluit from 2004 to 2024.

Average Hourly Wage: Average Hourly Wage ("AHW") is a measure of labour costs, which is a key component of measuring inflation, and helps provide insight into cost and standard of living. It is calculated by averaging the wages of employees who are paid by the hour (as opposed to salaried

employees) across various industries. Statistics Canada collects and records hourly wage data on a monthly basis.

Statistics Canada tracks AHW data from across Nunavut. As outlined in Table 4, below, AHW (excluding overtime) for Nunavut increased by 6.3% from 2023 to 2024. This compares to a 4.4% increase in Canada's AHW over the same period.

National Trends

Minimum Wage Rates: At the end of 2024, Nunavut maintained the highest minimum wage rate in Canada, at \$19.00 per hour. All other jurisdictions except Alberta increased their minimum wage rates in 2024, with Yukon having the second-highest rate (\$17.59) as of April 1, 2024. In contrast, Alberta (\$15) and Saskatchewan (\$14 until October 1, 2024; then \$15) had the lowest minimum wage rates in the country in 2024. The 2024 average minimum wage rate from across Canada (including Nunavut and federal) was \$16.35.

Consumer Price Index: Statistics Canada measures CPI using eight major components: food; shelter; household operations, furnishings, and equipment; clothing and footwear; transportation; health and personal care; recreation, education and reading; and alcoholic beverages, tobacco products, and recreational cannabis.

According to Statistics Canada's *Consumer Price Index: Annual review, 2024* (released on January 21, 2025) prices rose in six of the eight major components in 2024, with two components experiencing price decreases: clothing and footwear (-3.2%) and household operations, furnishings and equipment (-1.0%). Of the six components with price growths, transportation (+1.6%) and shelter (+5.7%) had the highest percentage increases from 2023.

Canada's annual average CPI rose 2.4% in 2024 (from 157.1 in 2023 to 160.9 in 2024). Excluding the period of rapid inflation from 2021-2023 during the COVID-19 pandemic, this was the highest increase in annual average CPI since 2011, when it rose 2.9%. Excluding energy, the annual average CPI rose 5.7% in 2024, compared with 2.4% in 2023.

Average Hourly Wage: Statistics Canada measures AHW using data from various surveys and sources and considering the number of employees paid by the hour, average weekly hours data, and gross taxable payroll earnings before source deductions. Canada's annual average hourly earnings rose 4.4% in 2024 (from \$29.03 in 2023 to \$30.30 in 2024), which is the second-highest percentage increase at the federal level in the past 20 years (2020 saw the highest increase, when AHW rose by 4.8% from 2019). Across Canada, Nunavut had the highest increase in AHW in 2024 (+6.3%), followed by Quebec (+5.2%). Although every jurisdiction's AHW rose in 2024, the Northwest Territories had the lowest percentage increase at 0.9% (from \$36.46 in 2023 to 36.77 in 2024).

Comparing Minimum Wage to Income Assistance

An important policy reason for setting a minimum wage is to provide a meaningful financial incentive for people to enter the workforce rather than remain on Income Assistance. To do so, earnings from the minimum wage rate must be high enough compared to amounts received through Income Assistance to encourage those who are able to work to seek employment.

At a minimum wage rate of \$19.00 per hour, Nunavummiut earning the minimum wage earn the following gross monthly income (based on a 40-hour work week):

- Single Family Member working at minimum wage \$3,293
- Two Family Members working at minimum wage \$6,587

Unlike wage income, the amount of Income Assistance a client can receive depends on the number of family members and the community in which they reside. Below are the range of figures for the monthly basic benefits from low to high, which vary depending on the community:

- Single Family Member \$914 to \$1,048
- Two Family Members \$1,024 to \$1,160
- Three Family Members \$1,446 to \$1,637
- Four Family Members \$1,840 to \$2,081
- Ten Family Members \$3,589 to \$4,037

Assessing the Minimum Wage Rate

Beginning in 2025, Nunavut's minimum wage rate will be adjusted every year on September 1 in proportion to the previous calendar year's percentage changes in CPI for Iqaluit and annual AHW for Nunavut.

Implementing an annual adjustment formula benefits employers and employees in Nunavut by:

- allowing Nunavut's minimum wage rate to respond to annual fluctuations in the territory's economic and labour environments;
- providing stability and certainty for Nunavut employers, by enhancing businesses' abilities to plan for minimum wage adjustments and absorb the impact of minimum wage rate increases, as annual increases will be smaller compared to those implemented after large-scale assessments;
- ensuring employees earning minimum wage receive regular, anticipated pay increases; and
- better assisting Nunavummiut with managing increases to the cost of living in the territory.

Furthermore, by basing the annual adjustment formula on Iqaluit CPI and Nunavut AHW, the minimum wage rate can respond to the rising cost of living, while also incorporating wage trends for employees making more than the minimum wage, thereby promoting fairness and helping balance potential extreme fluctuations in one factor.

All Canadian jurisdictions except Alberta and Prince Edward Island use an annual adjustment formula for their minimum wage rates.

Statistical Information

Table 1	Minimum Wage Rates in Canada as of December 31, 2024
Table 2	Minimum Wage Rate Changes in Nunavut Since 1999
Table 3	Average Annual Consumer Price Index for Iqaluit, 2004 to 2024
Table 4	Annual Average Hourly Wage for Nunavut, 2004 to 2024

Table 1: Minimum Wage Rates in Canada as at December 31, 2024

JURISDICTION*	HOURLY RATE	EFFECTIVE DATE
Federal	\$17.30 (or higher to match province or territory rate)	April 1, 2024
British Columbia	\$17.40	June 1, 2024
Alberta	\$15.00	June 26, 2019
Saskatchewan	\$15.00	October 1, 2024
Manitoba	\$15.80	October 1, 2024
Ontario	\$17.20	October 1, 2024
Quebec	\$15.75	May 1, 2024
New Brunswick	\$15.30	April 1, 2024
Prince Edward Island	\$16.00	October 1, 2024
Nova Scotia	\$15.20	October 1, 2024
Newfoundland & Labrador	\$15.60	April 1, 2024
Yukon	\$17.59	April 1, 2024
Northwest Territories	\$16.70	September 1, 2024
Nunavut	\$19.00	January 1, 2024

***Note:** The above are the general minimum wage rates in each jurisdiction. Some jurisdictions have different rates based on regional and occupational considerations and some have lower rates for students, inexperienced workers, and/or employees receiving gratuities.

Table 2: Minimum Wage Rate Changes in Nunavut Since 1999

HOURLY RATE	EFFECTIVE DATE	INCREASE	% CHANGE
\$7.00/\$6.50*	April 1, 1999	n/a	n/a
\$8.50	March 3, 2003	\$1.50/\$2.00	21.4%/30.8%
\$10.00	September 5, 2008	\$1.50	17.7%
\$11.00	January 1, 2011	\$1.00	10.0%
\$13.00	April 1, 2016	\$2.00	18.2%
\$16.00	April 1, 2020	\$3.00	23.0%
\$19.00	January 1, 2024	\$3.00	18.8%

*Note: From 1999 to 2003, based on the previous laws of the Northwest Territories, Nunavut had two minimum wage rates for adults with \$7.00 per hour applying to employees 16 years of age or older and \$6.50 per hour applying to employees 16 years of age or older in areas “distant from the highway system”.

Table 3: Annual Average Consumer Price Index for Iqaluit, 2004 to 2024

YEAR	ANNUAL AVERAGE	% CHANGE FROM PREVIOUS YEAR
2004	101.2	-
2005	102.9	+1.7%
2006	104.6	+1.7%
2007	107.9	+3.2%
2008	110.4	+2.3%
2009	112.6	+2%
2010	111.8	-0.7%
2011	113.4	+1.4%
2012	115.3	+1.7%
2013	116.6	+1.1%
2014	118.1	+1.3%
2015	120.4	+1.9%
2016	123.4	+2.5%
2017	125.4	+1.6%
2018	129.2	+3.0%
2019	131.4	+1.7%
2020	132.4	+0.8%
2021	133.2	+0.6%
2022	138.4	+3.9%
2023	141.9	+2.5%
2024	144.1	+1.6%

Source: Statistics Canada, Table 18-10-0005-01 *Consumer Price Index, annual average, not seasonally adjusted*

Table 4: Annual Average Hourly Wage for Nunavut, 2004 to 2024

YEAR	ANNUAL AVERAGE	% CHANGE FROM PREVIOUS YEAR
2004	19.71	-
2005	20.16	+2.3
2006	21.95	+8.9
2007	23.49	+7.0
2008	23.26	-1.0
2009	24.57	+5.6
2010	24.60	+0.1
2011	25.56	+0.39
2012	29.19	+14.2
2013	28.85	-1.2
2014	28.46	-1.4
2015	28.70	+0.8
2016	29.96	+4.4
2017	30.20	+0.8
2018	30.82	+2.1
2019	33.14	+7.5
2020	36.11	+9.0
2021	34.83	-3.5
2022	35.83	+2.9
2023	37.30	+4.1
2024	39.66	+6.3

Source: Statistics Canada, Table 14-10-0206-01 *Average hourly earnings for employees paid by the hour, by industry, annual*