

2025 Bill 201

Second Session, 31st Legislature, 4 Charles III

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 201

EMPLOYMENT STANDARDS (PROTECTING WORKERS' PAY) AMENDMENT ACT, 2025

MS GANLEY

First Reading

Second Reading

Committee of the Whole

Third Reading

Royal Assent

BILL 201

2025

EMPLOYMENT STANDARDS (PROTECTING WORKERS' PAY) AMENDMENT ACT, 2025

(Assented to _____, 2025)

WHEREAS it is recognized that employees deserve fair wages, including minimum wages, that are responsive to increases in the cost of living;

WHEREAS employees deserve to keep the tips they earn;

WHEREAS young people make valuable contributions to communities and discrimination against them by enabling a lower minimum wage to be paid to them should be prohibited;

THEREFORE HIS MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

Amends RSA 2000 cE-9

1 The *Employment Standards Code* is amended by this Act.

2 Section 1(1) is amended by adding the following after clause (v):

(v.1) “tip or other gratuity”, with respect to an employee, means each of the following:

- (i) a payment that a customer voluntarily provides to the employee, or the employer on the employee’s behalf,
- (A) in relation to the employee’s provision of a service to the customer,
- (B) that is separate from the cost of the service charged by the employer, and

Explanatory Notes

1 Amends chapter E-9 of the Revised Statutes of Alberta 2000.

2 Section 1(1)(v) presently reads:

1(1) In this Act,

(v) “third party” means a person to whom a Director’s demand is issued, and includes the Crown in right of Alberta;

- (C) that a person would reasonably assume the customer intended would be kept by or redistributed to the employee;
- (ii) a service charge or similar charge that an employer requires a customer to pay and which the customer would reasonably assume is charged and collected for the sole benefit of the employer's employees;
- (iii) any other payment prescribed by regulation as a tip or other gratuity;

3 Section 8.1 is amended by striking out “that is at least the minimum wage established by regulation” **and substituting** “that is at least the minimum wage set out in section 8.2”.

4 The following is added after section 8.1:

Minimum wage

8.2(1) The minimum wage is as follows:

- (a) from December 15, 2025, to September 30, 2026, \$16.00 per hour;
 - (b) from October 1, 2026, to September 30, 2027, \$17.00 per hour;
 - (c) from October 1, 2027, to September 30, 2028, \$18.00 per hour;
 - (d) from October 1, 2028, the adjusted minimum wage determined in accordance with section 8.3.
- (2)** Despite subsection (1) and subject to subsection (3), if a class of employees is prescribed and a minimum wage for that class is also prescribed, the minimum wage for that class is the minimum wage that is prescribed.
- (3)** If a class of employees and a minimum wage for that class are prescribed for the purpose of subsection (2), section 8.3 applies to that minimum wage.

Annual adjustment of minimum wage

8.3(1) In this section, “consumer price index” for a calendar year means the average of the all-items Consumer Price Index

3 Section 8.1 presently reads:

8.1 An employer must pay an employee at a wage rate that is at least the minimum wage established by regulation.

4 Minimum wage; Annual adjustment of minimum wage.

for Alberta as published by Statistics Canada under the authority of the *Statistics Act* (Canada) for that year.

(2) Beginning October 1, 2028, on October 1 every year, a minimum wage set out in section 8.2 is adjusted in accordance with the following formula:

$$\text{Adjusted minimum wage} = \text{previous minimum wage} \times \frac{\text{CPI 1}}{\text{CPI 2}}$$

where

Adjusted minimum wage is, subject to subsections (3) and (4), the new minimum wage;

Previous minimum wage is the minimum wage, without rounding, that applied on September 30 of the year the adjustment is made;

CPI 1 is the Consumer Price Index for the previous calendar year;

CPI 2 is the Consumer Price Index for the calendar year immediately preceding the previous calendar year.

(3) If the adjusted minimum wage calculated under subsection (2) is not a multiple of \$0.05, the adjusted minimum wage is rounded to the nearest multiple of \$0.05 or, if the adjusted minimum wage is exactly halfway between 2 consecutive multiples, to the higher multiple.

(4) If the adjusted minimum wage calculated under subsection (2) would result in a decrease to the minimum wage, no adjustment to the minimum wage is to be made for that year.

(5) No later than April 1 of each year, the Minister must publish the minimum wages that are to apply beginning on October 1 of that year on the website administered by the Minister's department.

5 Section 24(1) is amended by striking out “the minimum wage prescribed by the regulations” **and substituting** “the minimum wage set out in section 8.2”.

6 The following Division is added after section 24:

**Division 4.1
Tip or Other Gratuity**

Definitions

24.01 In this Division,

- (a) “pooling agreement” means an agreement between two or more employees that is made in accordance with section 24.04;
- (b) “pooled amount”, in respect of a pooling agreement, means the total amount of tips or other gratuities that are collected and redistributed under the pooling agreement.

Tip or other gratuity property of employees

24.02 Subject to a pooling agreement to which an employee is a party, the tips or other gratuities of the employee are the property of that employee.

No withholding or treating as wages

24.03(1) Except in accordance with this Division, an enactment of the Legislature or Parliament, or a court order, an employer must not, in respect of an employee’s tips or other gratuities,

- (a) treat those tips or other gratuities as a part of the employee’s wages,
- (b) withhold those tips or other gratuities from the employee,
- (c) deduct any amount from those tips or other gratuities, or
- (d) otherwise require the employee to provide any part of those tips or other gratuities to the employer.

(2) If an employer contravenes subsection (1), the amount of the tip or other gratuity described in that subsection is to be considered as

5 Section 24(1) presently reads:

24(1) If an employee is paid entirely on commission or other incentive-based remuneration, then, for the purpose of calculating overtime pay, the employee's wage rate is deemed to be the minimum wage prescribed by the regulations.

6 Division 4.1 Tip or Other Gratuity.

- (a) a debt owing from the employer to the employee, and
- (b) enforceable as if it were earnings to which the employee is entitled under this Act.

Pooling agreements

24.04(1) A pooling agreement

- (a) must be in writing,
 - (b) must include terms that specify
 - (i) whether the employees agree to collect all or only a portion of their respective tips or other gratuities,
 - (ii) if only a portion of their tips or other gratuities is to be collected, the portion to be collected,
 - (iii) the period or periods during which the agreement applies to the employees who are subject to it, and
 - (iv) the manner in which the pooled amount is to be redistributed among the employees who are subject to it,
 - (c) may, if each employee who is subject to the agreement agrees, authorize the employer to, on the employees' behalf, collect and redistribute the employees' tips or other gratuities in accordance with the pooling agreement, and
 - (d) may include the employer as a party to the agreement, but only in accordance with subsection (3).
- (2)** An employee who is a party to a pooling agreement must, as soon as practicable after entering into the agreement, provide a copy of it to the employer.
- (3)** An employer may be a party to a pooling agreement only if
- (a) all the employees who are a party to the agreement agree that the employer may be a party, and
 - (b) the employer performs, to a substantial degree, the same work performed by

- (i) some or all of the employees who are a party to the pooling agreement, or
- (ii) employees of other employers who work in the same industry and are customarily provided tips or other gratuities during the course of their work.

7 Section 32(1) is amended by striking out “the minimum wage prescribed by the regulations” **and substituting** “the minimum wage set out in section 8.2”.

8 Section 138 is amended as follows:

(a) in subsection (1)

(i) by adding the following after clause (a.7):

(a.71) for the purpose of the definition in section 1(1)(v.1), prescribing a payment as a tip or other gratuity;

(ii) by repealing clause (f) and substituting the following:

(f) for the purpose of section 8.2(2)

(i) subject to subsection (4), prescribing classes of employees and prescribing minimum wages to be paid to employees in those classes,

(ii) respecting the wages to be paid for periods of employment of fewer than 3 consecutive hours, and

(iii) prohibiting or permitting deductions from the minimum wage;

(b) by adding the following after subsection (3):

(4) The Lieutenant Governor in Council may not establish by regulation a class of employees for the purpose of a minimum wage that is based on

(a) the age of the employees, or

7 Section 32(1) presently reads:

32(1) If an employee is paid entirely on commission or other incentive-based remuneration, then, for the purpose of calculating pay for time worked on a general holiday, the employee's wage rate is deemed to be the minimum wage prescribed by the regulations.

8 Section 138 presently reads in part:

138(1) The Lieutenant Governor in Council may make regulations

(a.7) restricting the meaning of "employee", including regulations providing that an individual who is a member of a described class of individuals is not an employee;

(f) respecting the establishment of one or more minimum wages to be paid by employers to employees, respecting the wages to be paid for periods of employment of less than 3 consecutive hours and prohibiting or permitting deductions from the minimum wage;

(3) A regulation made under subsection (1)(a) to (a.5) or (a.7) and any action or decision taken under or in accordance with the regulations made under subsection (1)(a) to (a.5) or (a.7) apply despite anything in this Act to the contrary, except that no regulation overrides section 2 or 2.1.

- (b) the enrollment status of the employees in secondary education unless the employment specifically relates to a work placement program in which the employee is receiving an educational credit or other similar benefit.

Coming into force

9 Sections 3, 4, 5, 7 and 8(a)(ii) and (b) come into force on December 15, 2025.

9 Coming into force.

