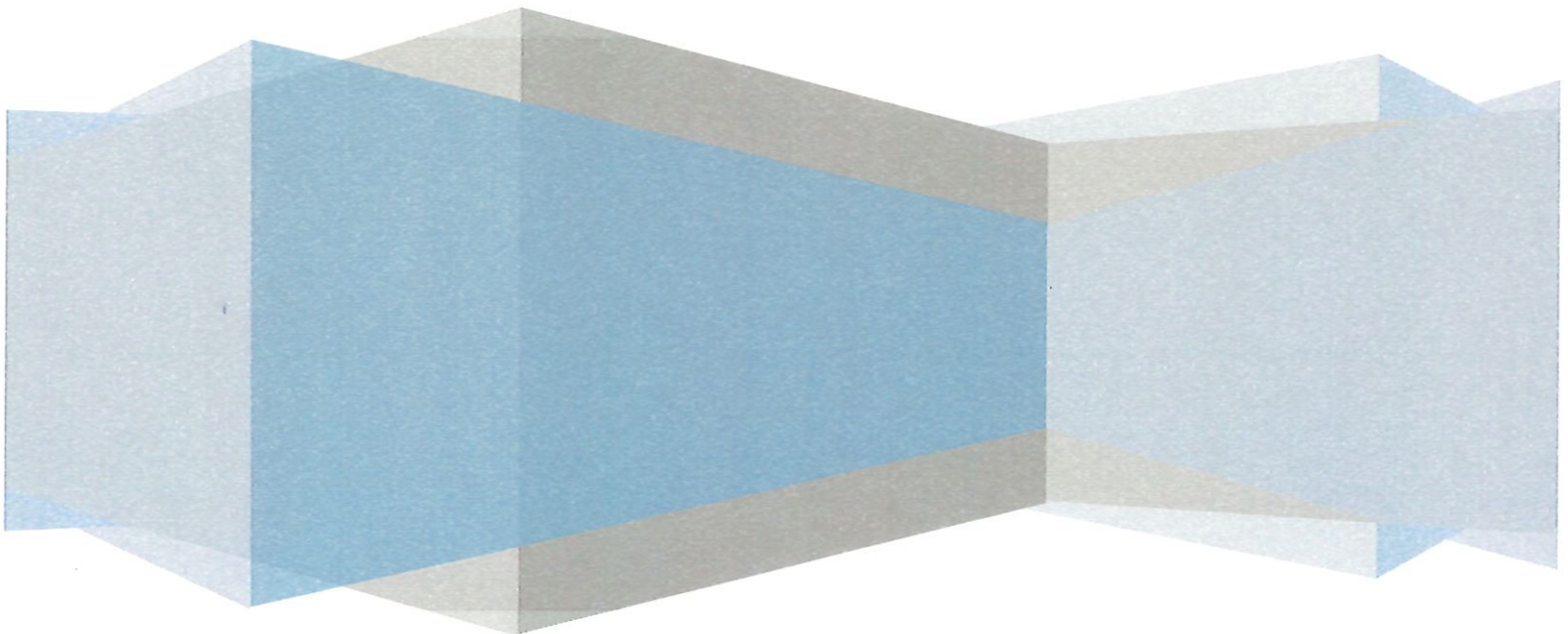


**Prince Edward Island  
Employment Standards Board**

2025

**Minimum Wage  
Review Report**



## Introduction

The Prince Edward Island (PEI) Employment Standards Board (the Board) met on November 17, 2025, to review the *Minimum Wage Order* following the annual consultation process. This report is a summary of the Board's 2025 review and its recommendations for the Minimum Wage and the Board and Lodging provisions of the *Employment Standards Act*.

The Board is mandated to conduct an annual review [sections 5(1), 5(2), and 5(3) of the *PEI Employment Standards Act (the Act)* as amended in 2019 (Bill No. 104)]. PEI's new Employment Standards Act was passed in the legislature and received Royal Assent in November 2024. It is expected to be proclaimed in the near future but is not yet in effect. The Board is required to "fix one minimum wage for all employees" [subsection 5(1)(a)] and section 5(3) states that:

*"In advising the Lieutenant Governor in Council, the Board shall issue a report taking into account the social and economic effects of the minimum wage rates and shall consider, among other matters:*

- (a) Any cost-of-living increase since any previous order affecting the cost to an employee of purchasing the necessities of life, including housing, food, clothing, transportation, health care and supplies.*
- (b) Economic conditions within the province and the concept of a reasonable return on private investment; and*
- (c) Measures of poverty and the ability of an employee to maintain a suitable standard of living,*

*and shall make this report public on the publication of a Minimum Wage Order in the Royal Gazette."*

## Previous Minimum Wage Review Reports

Previous minimum wage reports from the Employment Standards Board for the years 2019 to 2024 are available online by searching for the "PEI Minimum Wage Order". This search will direct readers to the Government of PEI webpage, which includes annual reports available for download. Contacting the Employment Standards Branch will also provide access to the reports if downloading them online is not an option.

A review of previous Minimum Wage Review reports will reveal several themes that consistently emerge in the annual review process. All of these themes, which have come up in the past, have come up again in this 2025 review.

## **Economic Uncertainty**

The growth of the PEI economy is always a key consideration. Economic uncertainty continues to frame discussions on minimum wage changes. In previous reports, the COVID-19 pandemic and wars in Europe and the Middle East heightened uncertainty in the economic outlook. In the past year, the ongoing trade war with the USA has heightened concerns. Interprovincial trade negotiations and the removal of provincial trade barriers have been a positive influence, however.

## **Cost of Living**

The high cost of living remains the primary focus for all stakeholders. Increases in the PEI Consumer Price Index (CPI) have stabilized from the highs experienced during the COVID-19 pandemic years (2021-5.1%, 2022-8.9%), but concerns persist about ongoing upward movement in food and housing costs<sup>1</sup>. The year-over-year CPI for 2025, as of October, is 1.4%. This is approximately a 0.5% decrease from the same period last year.

## **Transparent and Predictable Approach**

All stakeholders have advocated for a transparent, predictable approach to determining minimum wage increases. This is highly sought after by employer representatives as they plan for future business considerations and develop pricing and budgets years in advance. Board members recognize that a predictable approach is highly desirable; however, they also acknowledge the difficulty of providing it. There has been much discussion at the board level about transparency and predictability. The board continues to investigate ways to achieve this goal without becoming locked into a methodology that may lack the flexibility to adapt to changing conditions. In its deliberations again this year, different approaches were discussed. Methods considered included the Market Basket Measure (MBM), percentage(s) of typical wages, and CPI-related calculations. The federal government of Canada recognizes the Market Basket Measure presently as the official measure of poverty in our country. The MBM represents the cost of a specific basket of goods and services, including food, clothing, shelter and other necessities required for a modest standard of living<sup>2</sup>. There is currently no specific formula for PEI's minimum wage; however, various formulas are discussed in meetings to establish a baseline for PEI's current benchmark.

## **Minimum Wage Floor**

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<sup>1</sup> Statistics Canada Table 18-10-0004-01

<sup>2</sup> Statistics Canada Table 11-10-0066-01

Another area of significant board discussion is where the minimum wage floor should be set before a formulaic method is implemented. This is continually presented for consideration by employer and employee advocates. Simply put, it is the dollar value at which the minimum wage is a 'reasonable' amount, where a formula approach would keep the rate current with the economy and inflation. Agreement on this number is difficult to achieve. There are many factors to consider when determining a reasonable wage for an adult, including the programs and tax incentives they may be eligible for, which are outside the scope of setting the minimum wage. The question to be asked is "who really is responsible for the financial welfare of the impoverished?". Often, employer advocates have suggested that the governments increase personal tax exemptions specifically for low-income earners, provide economic incentives to small businesses, and implement other programs to lift low-income individuals and families out of poverty, rather than having businesses bear the cost of higher wages. These advocates also argue that minimum-wage earners are generally young people entering the workforce, perhaps working their first job. On the other side, Employee advocates continue to promote the "Living Wage"<sup>3</sup> as the basis for the minimum wage. For reference, in 2025 the "Living Wage" for PEI was \$22.76, according to the Canadian Centre for Policy Alternatives. Employee advocates also suggest that higher minimum wages may improve living conditions for low-wage workers and help address income inequality, especially among women in the workforce.

Further highlights of previous Minimum Wage Review Reports, as previously suggested, are available online on the Government of PEI website.

## **2025 Public Consultations**

This year's review of the minimum wage was scheduled to occur in Fall of 2025. In recent years, the Board conducted the review earlier in the year to complete and approve any changes and to provide the business community ample notice of them. Due to the timing of scheduled minimum wage increases, which split the 2024 increase into two parts, the review was moved to later in the year. A request for written public input was publicized beginning on October 1, 2025 with a submission deadline of October 30, 2025. The Board sent social media notices and newspaper advertisements in *The Guardian* on October 1 and October 4 2025, *The Journal Pioneer* on October 9 2025, *Eastern Graphic* on October 1 2025, *West Prince Graphic* on October 1 2025 and *La Voix Acadienne* on October 1 2025. As in the past, additional time was granted to stakeholders who requested it.

During the consultation, four (4) groups/organizations submitted written submissions to the Board, two being employer perspectives and two being employee perspectives. Two of these

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<sup>3</sup> Cerdas Sandi et al. 2025

groups requested the opportunity to present to the Board. These presentations were made to the Board on November 7<sup>th</sup>, 2025. The Board has noted a reduction in written submissions by stakeholders this year compared to recent years. This reduction, in turn, corresponded to fewer oral presentations to the Board. In addition to these submissions, seven emails from private citizens were received expressing their views on the topic. The Board wishes to thank all who participated in the review process. A diversity of opinions is very much welcomed and appreciated.

Following the presentations and review of written submissions, the Board reconvened on November 17, 2025, to deliberate. All information gathered was carefully considered.

Below is a non-exhaustive list of perspectives from both employer and employee advocates. These were brought to the Board's attention and were discussed and evaluated throughout the review process.

**Employer Perspectives:**

- Employers should receive at least six months' notice before any increases are implemented for planning purposes.
- Set a desired minimum wage target (dollar value). Once this target is achieved, tie future adjustments to the Consumer Price Index (CPI).
- Adopt a balanced approach that combines gradual, predictable wage adjustments with tax-based supports for both workers and businesses.
- Reduce the tax rate on PEI's lowest tax bracket; continue to increase the Basic Personal Amount to allow workers to keep more of what they earn.
- Provide targeted tax relief to help offset wage impacts on small business operators.
- Consider a tiered wage model (General Minimum Wage and a Student Minimum Wage).
- An increase in minimum wage creates upward pressure on wages for all positions within a business. This is a significant concern for business owners. It affects not only minimum-wage earners but also overall salaries.

**Employee Perspectives:**

- Government should immediately raise the Minimum Wage to \$17.00 per hour with a commitment to plan a timeline aligning the Minimum Wage to the province's established "Living Wage" (Cerdas Sandi et al. 2025).
- Raise the Minimum Wage annually or biannually in line with CPI once a "living wage" has been established.
- 34% of Food Bank visitors report earning income from a current job. Many working people are still unable to meet their most basic needs.

- PEI has the lowest average wage in the country at \$31.41 per hour (WorkPEI, 2025).
- An individual working full-time at a Minimum Wage job should be able to support themselves, providing the necessities of life.
- Cost of living continues to outpace minimum wage increases, especially in housing and food costs.
- Advance notice of annual reviews be extended from fourteen (14) days to thirty (30) days.

## **Jurisdictional Scan**

PEI's minimum wage increased to \$16.50 per hour on October 1, 2025. This was a \$0.50 increase over the last increase on October 1, 2024. A further increase in the PEI minimum wage will take effect on April 1, 2026. This will again result in a \$0.50 increase, bringing the PEI minimum wage to \$17.00 per hour.

Current minimum wage rates per hour in the Atlantic region are as follows;<sup>4</sup>

- Newfoundland and Labrador - \$16.00 as of April 1, 2025 (estimated to increase to \$16.32 on April 1 2026 based on 2025 CPI)
- New Brunswick - \$15.65 as of April 1, 2025 (estimated to increase to \$16.00 on April 1 2026 based on 2025 CPI)
- Nova Scotia - \$16.50 as of October 1, 2025 (increasing to \$16.75 on April 1 2026 and \$17.00 on October 1 2026)

The Federal Minimum Wage is currently \$17.75 per hour as of April 1, 2025 (Government of Canada, 2025). This rate applies to all federally regulated workplaces (e.g., banking, interprovincial transportation, federal government) unless the provincial or territorial minimum wage rate where the employee works is higher. In that case, the jurisdiction's minimum wage takes precedence.

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<sup>4</sup> Bains, Satinder (2025, December). *New Minimum Wage In Canada and 5 Provinces Coming In 2026*. Immigration News Canada. <https://immigrationnewscanada.ca/new-minimum-wage-in-canada-in-2026/>

## Current and Forthcoming General Minimum Wage Rates in Canada:<sup>5</sup>

Province	Effective Dates	Rate per hour
PE	1 April 2026	\$17.00
	1 October 2025	\$16.50
NL	1 April 2025	\$16.00
NB	1 April 2025	\$15.65
NS	1 October 2025	\$16.50
QC	1 May 2025	\$16.10
ON	1 October 2025	\$17.60
MB	1 October 2025	\$16.00
SK	1 October 2025	\$15.35
AB	26 June 2019	\$15.00
BC	1 June 2025	\$17.85

## Recommendations

As previously stated, the Board met on November 17, 2025, to consider stakeholder perspectives. Statistical information provided by Economics, Statistics & Federal Fiscal Relations in the Department of Finance was also discussed. The Board continues to work toward establishing a realistic minimum wage floor to work from. Various options have been discussed in prior deliberations. The Market Basket Measure (MBM), the official poverty measure in Canada, continues to resonate with the Board as a potential wage floor. No definite method has yet been determined to be most appropriate. The minimum wage remains only one of several tools required to reduce and eventually eliminate poverty in PEI. Government, NGO's, service groups, employers and employees all have a part to play.

Based on the information considered, the PEI Employment Standards Board recommends the following:

- The previously approved and announced minimum wage increase from \$16.50/hour to \$17.00/hour to proceed as scheduled on April 1, 2026.
- The minimum wage be increased by \$.60 to \$17.60/hour on October 1, 2026.
- The new schedule of minimum wage rates be announced to the public as soon as possible.

The Board received no requests to adjust the Board and Lodging section of the Minimum Wage Order. The Board recommends no changes to the following minimum amounts that an

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<sup>5</sup> Government of Canada (2025, October). *Current and Forthcoming General Minimum Wage Rates in Canada*. <https://minwagesalairemin.service.canada.ca/en/general.html>

employer may deduct from the wages of an employee where the employer provides board and lodging:

- For board and lodging, \$61.60 (no change)
- For board only, \$49.50 (no change)
- For lodging only, \$27.20 (no change) and
- For single meals, \$4.25 (no change)

Should these recommendations be accepted by Government, an appropriate rationale should be included in any public announcement of the rate change.

Respectfully submitted on behalf of the members of the Prince Edward Island Employment Standards Board,



Wayne Vessey

Chair

## **Written Submissions**

- Tourism Industry Association of Prince Edward Island
- Greater Charlottetown Chamber of Commerce
- PEI Federation of Labour
- PEI Union of Public Sector Employees
- Private Citizen – N.G
- Private Citizen – L.T.
- Private Citizen – K.M.
- Private Citizen – J.F.
- Private Citizen – S.M.
- Private Citizen – S. M.
- Private Citizen – E.C.

## **Oral Submissions**

- Greater Charlottetown Chamber of Commerce
- PEI Federation of Labour

## References and Resources

- Bains, Satinder (2025, December). *New Minimum Wage In Canada and 5 Provinces Coming In 2026*. Immigration News Canada. <https://immigrationnewscanada.ca/new-minimum-wage-in-canada-in-2026/>
- Cerdas Sandi, Daniel & Christine Saulnier & Russell Williams (2025, August). *2025 Living Wages for Newfoundland and Labrador, Nova Scotia and Prince Edward Island*. Canadian Centre for Policy Alternatives. <https://www.policyalternatives.ca/wp-content/uploads/2025/08/2025-Living-Wages-for-NL-NS-and-PEI-Too-many-workers-struggle-to-make-ends-meet-1.pdf>
- Government of Canada (2025, October). *Current and Forthcoming General Minimum Wage Rates in Canada*. <https://minwagesalairemin.service.canada.ca/en/general.html>
- Statistics Canada. *Table 11-10-0066-01 Market Basket Measure (MBM) thresholds for the reference family by Market Basket Measure region, component and base year*. <https://doi.org/10.25318/1110006601-eng>
- Statistics Canada. *Table 18-10-0004-01 Consumer Price Index, monthly, not seasonally adjusted*. <https://doi.org/10.25318/1810000401-eng>
- Work PEI (2025, November). *Labour Force Survey Report Prince Edward Island November 2025*. <https://workpei.ca/wp-content/uploads/2025/12/Labour-Force-Survey-Summary-November-2025.pdf>