



EXAMPLE OF LIVING WAGE CLAUSE FOR SERVICE PROVIDER CONTRACTS

The following is an example of 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 Living Wage for Families Campaign 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.

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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, as set annually by the Living Wage for Families Campaign; and
- (b) notwithstanding 1.1 (a), the contractor has up to 12 months from the date on which any increase in the Living Wage is adjusted by Living Wage for Families Campaign, 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.



EXAMPLE OF INTERNAL LIVING WAGE POLICY

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 provide some discretionary income. We recognise that paying a living wages 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 based on the living expenses of a family of four with two children aged 4 and 7, with both parents working full-time (35 hours/week). In BC 85% of families are headed by couples and 62% have two or more children. Living expenses are calculated in 10 categories- Food, Clothing and Footwear, Shelter, Transportation, Child Care, Medical Services Plan Premiums, Non-MSP Health Care, Parents' education, Contingency Fund and Other (such as personal care, furniture, household supplies). 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. The annual living wage hourly rate is calculated annually by the Living Wage for Families Campaign.

Application

The policy applies to all employees employed by [Name of Employer], as well as all employers employed by a contractor or sub-contractor who perform services directly or indirectly for [Name of Employer] on a regular ongoing basis.

Direct Staff

- Staff earning only a salary or wage will earn at minimum a Living Wage
- To determine the wage of staff earning commission, gratuities, or other form of incentive type pay in addition to or instead of a salary or wage will be calculated by taking the total earnings and dividing it by the hours worked. This wage must be, at minimum, a Living Wage

Contracted Staff

- Where services are contracted, e.g. food service, cleaning, etc., we choose vendors/service providers that also pay a living wage to their staff similar to this policy.

- 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, the Living Wage 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, and disability coverage for staff covered by this policy.

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 Recognition 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.