Law Society of Ontario | Barreau de l'Ontario

Tab 5.1

Professional Development and Competence Committee

For Decision

Review of the Law Society Mandatory Minimum Compensation Policy for Licensing Candidates

April 30, 2026

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Table of Contents

Table of Contents 2
Motion 3
Context 3
Background 3
  Statutory Framework 3
  Establishment of Mandatory Minimum Compensation Policy 3
  The Mandatory Minimum Compensation Policy 4
    Calculating the mandatory minimum compensation amount 4
    Establishing the exemption framework 5
Review of the Mandatory Minimum Compensation Policy 6
  Experiential Training Placements 6
  Exemptions 7
  Amount of mandatory minimum compensation 8
Recommendations 8
  Maintain mandatory minimum compensation 9
  Index the mandatory minimum compensation to the Ontario minimum wage 9
  Maintain the exemption framework 10
Next steps 10

Motion

That Convocation:

1. Maintain the mandatory minimum compensation for articling and the work placement component of the Law Practice Program (LPP) / Programme de pratique du droit (PPD).
2. Index the weekly mandatory compensation in the Policy annually based on the Ontario hourly minimum wage over a 40-hour week.
3. Maintain the exemption framework.

Context

In 2022, Convocation adopted a mandatory minimum compensation for lawyer licensing candidates during articling and the work placement component of the LPP/PPD. This came into effect in May 2023. Pursuant to Convocation's approval, the mandatory minimum compensation was to be maintained for a period of three years following which there would be a review. This report provides Convocation with that review as well as rationale for the motion above.

Background

Statutory Framework

The *Employment Standards Act, 2000* (ESA)[1] regulates employment relationships in Ontario, including establishing a requirement that employers pay employees at least an established minimum wage. However, legal professionals and students-at-law are exempted from the minimum wage requirement and overtime provisions in the ESA.[2]

The province has delegated the regulation of the practice of law to the Law Society through the *Law Society Act,1990* (LSA).[3] The LSA grants the Law Society broad by-law making powers and provides that any by-law made by Convocation shall be interpreted as if it formed part of the Act. Furthermore, the LSA directly empowers Convocation to make by-laws "governing the employment" of articling and LPP students.[4]

Establishment of Mandatory Minimum Compensation Policy

In 2021, the Law Society put out a call to the professions and the public for submissions about how a mandatory compensation policy for licensing candidates should be structured. The overwhelming number of respondents to this consultation (155 out of a total of 165 submissions received) believed that the Law Society should mandate a minimum wage for licensing candidates. Those submissions commonly cited:

1. Licensing candidates in experiential training programs are providing labour to employers and they should be paid for that work.

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[1] *Employment Standards Act, 2000*, S.O. 2000, c. 41
[2] Section 2 (1)(e) O. Reg. 285/01
[3] *Law Society Act*, R.S.O. 1990, c. L.8
[4] LSA, ss. 62(0.1) and (2), subparagraph 62(0.1) (19)i.

2. A lack of a mandatory minimum wage is an equity and access to justice issue that acts as an additional barrier to entry to the profession.
3. Having a mandatory minimum compensation coincides with the Law Society's obligation to protect the most vulnerable members of the professions as there is a power imbalance between principals and licensing candidates.
4. Many licensing candidates have significant debt loads from school tuition and are required to begin repayment of those loans during their experiential training.

The six respondents who did not support a mandatory minimum compensation for licensing candidates commonly cited a concern that imposing a mandatory minimum compensation requirement would reduce the number of experiential training positions, particularly in less remunerative areas of law. Instead, they proposed that the Law Society implement a best-practices approach that would encourage, but not mandate, a minimum level of compensation.

The Mandatory Minimum Compensation Policy

Following the consultation, in October 2022, Convocation approved a motion that:

1. Adopted a mandatory minimum compensation for lawyer licensing candidates during articling and the work placement component of the LPP/PPD of $620 per week.
2. Maintained the existing mandatory minimum compensation for a period of three years, followed by a review of the policy.
3. Approved an exemption framework to the mandatory minimum compensation policy.[5]

Calculating the mandatory minimum compensation amount

The amount of $620 per week was determined by multiplying $15.50, the hourly minimum wage in October 2022, by a 40-hour work week. The following reasons were given for setting a minimum wage based on a 40-hour work week:

- A standard work week is considered to be 40 hours in most Canadian jurisdictions.
- Given the wide variety of employment settings for articling positions and LPP/PPD work placements, it is impossible to generalize across all positions and establish an average number of hours worked that is reflective of each situation without creating further inequity.
- The Law Society's mandatory minimum compensation policy is intended to address issues related to exploitation and inequity during experiential training placements. It does not preclude employers from offering more than the required salary, as circumstances dictate.
- Law firms do not work on an hourly payment model for professional staff.
- If the minimum level of compensation is based on hours worked, planning and administration would be challenging in law firms and compliance would be difficult to monitor for the LSO.
- 40 hours falls within the range of hours worked reported by the majority of candidates on recent Licensure Surveys.[6]

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[5] *Mandatory Minimum Compensation Implementation*, Report of the Professional Development and Competence Committee approved by Convocation, October 27, 2022.
[6] *Mandatory Minimum Compensation Implementation* at pp. 9-10.

Establishing the exemption framework

In order to address concerns that a minimum compensation requirement could jeopardize high quality experiential training placements, Convocation also approved the establishment of an exemption framework. To ensure that exemptions are both limited and warranted, Convocation agreed that the exemption framework would contain three core elements:

1. A high-quality training experience that would take into account the experiential training plan and the quality of the work environment.
2. A declaration regarding an inability to pay.
3. An incident-free discipline history for the principal or work placement supervisor in the last five years. [7]

A high-quality training experience

To order to demonstrate a high-quality training experience, applicants must provide enough detail for the Law Society to determine that the placement meets its competency and supervisory standards. Applicants must provide details on the following factors in order to obtain an exemption:

1. the length, nature, scope and diversity of work at the proposed placement;
2. how well the placement aligns with the Law Society's experiential training competencies; and
3. whether the applicant is qualified to supervise the placement.

Applicants must demonstrate that their experience as a lawyer and as an articling principal or work placement supervisor as well as the proposed work environment and resources available to the candidate are sufficient to provide a high-quality experience. In addition, they must list the activities the candidate will perform and explain how each activity relates to the experiential training competencies.

Inability to pay

Claims of an inability to compensate a student at the required level are subject to a thorough assessment. The Law Society conducts a rigorous review to ensure that relief is only granted where a genuine and substantiated inability to pay exists. In evaluating whether the applicant has an inability to pay, the Law Society considers numerous factors, including whether the applicant (as applicable):

- Clearly identifies specific financial reasons for the request and provides a coherent narrative explaining the circumstances that lead to the inability to pay.
- Provides, where applicable, a detailed snapshot of the applicant's financial situation, including trends in revenues and expenses, material changes in operational costs and realities, the anticipated duration of financial pressures and quantification where possible.
- Provides sufficient context around their stated financial reasons, such as relevant timeframes, amounts, trends and future projections.
- Justifies their inability to pay declaration if evidence suggests the contrary.

[7] *Mandatory Minimum Compensation Implementation* at pg. 13.

Broad general statements such as “declining revenue,” “rising operational costs,” or “low file work” are insufficient. Relief is only available where the applicant is able to demonstrate that compliance with the Mandatory Minimum Compensation policy is not possible.

Review of the Mandatory Minimum Compensation Policy

Following Convocation’s approval of mandatory minimum compensation for licensing applicants, the Law Society established the Mandatory Minimum Compensation Policy (the Policy)[8] which came into effect on May 1, 2023.

Experiential Training Placements

Since 2023, the number of experiential training program placements for lawyers subject to the Policy has increased slightly. The table below sets out the number of placements[9] commenced in 2022 - 2025:

Calendar year in which placement began	Ontario Articling Placements	LPP Placements	PPD Placements	Total Placements	Total placements subject to Policy
2022	2122	233	13	2368	0
2023	2092	210	7	2309	1891[10]
2024	2107	241	8	2356	2356
2025	2300	226	9	2535	2535

There has been widespread compliance with the Policy. Almost all licensing candidates in placements subject to the Policy have either been paid an amount equal to, or greater, than the minimum compensation set in the Policy or their employer has successfully qualified for an exemption. In instances where a candidate has indicated that they are not being compensated in accordance with the Policy, the Law Society has followed up with the employer and resolved or attempted to resolve the issue. Where the issue cannot be resolved, the Law Society has an escalation process up to and including not permitting the principal or supervisor to supervise future experiential training placements.

[8] Law Society of Ontario Mandatory Minimum Compensation Policy
[9] This excludes Integrated Practice Curriculum (IPC) placements through Toronto Metropolitan University and Lakehead University as students completing a work placement for academic credit through an academic institution are not subject to the Law Society’s minimum compensation requirements.
[10] In 2023, LPP and PPD placements took place before the Policy went into effect. In addition, 201 Ontario articling placements began between January 1 and April 30, 2023, and were not subject to the Policy.

Exemptions

The following tables set out an overview of the number of exemption requests made and approvals granted during the calendar years 2023 - 2025 as well as additional details on the nature of the exemptions granted.

Exemption requests and approvals			
	2023	**2024**	**2025**[11]
Total exemption applications received	25	59	93
Total exemptions granted	18	43	64
Total exemption applications denied, withdrawn or discontinued	7	16	28

Exemptions granted by workplace type			
	2023	**2024**	**2025**
Sole proprietor	8	30	46
Small firm (less than 10 licensees)	0	2	2
Not-for-profit, legal aid clinic or charitable organization	10	11	16

Exemptions granted by principal vs. work placement supervisor			
	2023	**2024**	**2025**
LPP/PPD work placement supervisor	10	17	30
Articling principal	8	26	34

The most common reasons provided in support of approved exemption requests are:

- Significant decline in revenue due to loss of clientele or business;
- Rising operational costs such as rent, insurance, database access, employee payroll and/or incidentals;
- Monthly expenses and debts surpass revenue; and
- Working at a not-for-profit, legal aid clinic or charitable organization.

The Law Society has also received exemption requests that cite reasons which do not comply with the Policy and result in the exemption request being denied. The most common exemption request that does not comply with the Policy is that the licensing applicant is willing to accept a lower salary than the amount in the Policy.

An exemption may be granted for one year. While applicants can apply for exemptions in consecutive years, in practice approving exemptions in consecutive years is rare. Excluding not-for-profits, legal aid clinics and charitable organizations:

[11] Note one application from 2025 is still being processed.

- one Ontario principal has been approved for exemptions in both 2024 and 2025.

- three LPP work placement supervisors were approved for exemptions in both 2024 and 2025.

Amount of mandatory minimum compensation

As noted above, in 2022 Convocation established the mandatory minimum compensation rate of $620 per week based on the prevailing minimum wage of $15.50 paid for a 40-hour week.

Pursuant to the ESA, Ontario's minimum wage rate is tied to the Ontario Consumer Price Index. Each year, on April 1, the Minister of Labour publishes a new rate on its website, which will take effect on October 1 of that year. This is both to ensure that the minimum wage continues to rise in accordance with the cost of living and to provide employers with certainty in advance of minimum wage increases.

In accordance with these provisions, the current minimum wage in Ontario is $17.60 per hour. Below is a table setting out the hourly minimum wage in Ontario since the introduction of the Policy along with the corresponding weekly amount based on a 40-hour work week.

	Hourly wage	**40-hour week amount**
October 1, 2022 - September 30, 2023	$15.50	$620
October 1, 2023 - September 30, 2024	$16.55	$662
October 1, 2024 - September 30, 2025	$17.20	$688
October 1, 2025 - September 30, 2026	$17.60	$704
October 1, 2026 – September 30, 2027	$17.95	$718

Recommendations

May 2026 will mark three years since the implementation of the Policy. In addition to the Convocation mandated review provided above, this report requests that Convocation approve the motion above to:

1. Maintain the mandatory minimum compensation for articling and the work placement component of the LLP/PPD.
2. Index the weekly mandatory compensation in the Policy annually based on the Ontario hourly minimum wage over a 40-hour week.
3. Maintain the exemption framework.

Maintain mandatory minimum compensation

Prior to the introduction of the Policy, a significant number of licensing candidates were not paid an amount equivalent to minimum wage:

- Information from the Licensure Survey indicated that approximately 25% of licensing candidates in 2021 earned less than the minimum wage while articling.
- Information from the Licensure Survey also indicated that approximately 10% of licensing candidates in 2021 were paid nothing or a stipend while articling.
- In its submission to the Law Society, the LPP indicated that, annually, between 28% and 42% of its work placement candidates were not fully paid. Many of these candidates were paid stipends or nothing.

The introduction of the Policy has been overwhelmingly successful in its primary policy objective – ensuring that licensing candidates receive a baseline compensation.

At the same time, the key concern that was raised by members of the profession was that there would be a significant reduction in available placement positions. This has not been borne out. The number of articling students in Ontario has increased since the introduction of the Policy while the number of LPP and PPD work placements has remained consistent.

It is therefore recommended that Convocation continue the Policy on an ongoing basis.

Index the mandatory minimum compensation to the Ontario minimum wage

As noted above, the mandatory minimum compensation in the Policy was calculated based on the Ontario minimum wage in 2022 established pursuant to the ESA. Since the introduction of the Policy there have been three increases to the minimum wage in Ontario; however, the mandatory minimum compensation in the Policy has remained static. This has resulted in a current difference of $2.10 per hour or $84 per 40-hour week between the Ontario minimum wage and the minimum compensation for licensing candidates. There is no policy rationale for licensing candidates to have a lower minimum compensation than the standard Ontario minimum wage.

It is therefore recommended that the mandatory minimum compensation in the Policy remain a weekly amount set at 40 times the Ontario minimum wage as set annually pursuant to the ESA.

If accepted, the Law Society mandatory minimum compensation will need to be adjusted each year to maintain its indexation to the Ontario minimum wage. As noted above, the new Ontario minimum wage is published on or before April 1 each calendar year and comes into effect on October 1 of each calendar year.

The Law Society's licensing cycle begins on May 1 each year and ends on April 30 of the following year (e.g. the current cycle is May 1, 2025 – April 30, 2026). The Law Society typically introduces any changes to the licensing process to coincide with the beginning of a new licensing year. For example, the Law Society introduces amendments to its policies and processes; increases licensing fees, if needed; and releases new examination study materials effective May 1.

It is recommended that the Law Society mandatory minimum compensation take effect on May 1 of the year following the year in which the Ontario minimum wage change comes into force. For example, an Ontario minimum wage increase that comes into force on October 1, 2026 would take effect for Law Society mandatory minimum compensation on May 1, 2027. This would be consistent with the Law Society's approach to changes affecting licensing candidates. It will also allow for ample notice to principals and supervisors so they can plan accordingly and assist with managing licensing candidates' expectations.

Finally, it is recommended that the next increase to the mandatory minimum compensation take effect on May 1, 2027 based on the October 1, 2026 Ontario minimum wage of $718 per week. Ongoing annual changes would take place each May 1 thereafter.

Maintain the exemption framework

Exemptions to the Policy have been used sparingly and only when the requirements of the exemption framework set by Convocation are demonstrated to the Law Society. Requiring that exemptions be approved on a case-by-case basis ensures that they will not become the norm and recognizes that certain high-quality training positions are maintained. It is therefore recommended that the exemption framework be maintained in its current form.

Next steps

If Convocation approves the recommendations set out above:

1. The Policy will be updated so that it continues in the manner detailed in this report.
2. The Law Society will report annually to the Professional Development and Competence Committee on experiential training data and any impacts from the continuation of the Policy on experiential training.