SALARY FORECASTS

2027

Special Report

PROSPERING TOGETHER

MESSAGE FROM THE PRESIDENT AND CEO

As Quebec businesses plan their compensation strategies for 2027, they must navigate an economic environment marked by significant challenges. Energy prices and inflation, geopolitical uncertainty, and tensions and trade disputes with the United States are making decision-making increasingly complex for employers. Not to mention the persistent labour shortage in several sectors and the rapid rise of artificial intelligence bringing both potential benefits and new challenges.

In this environment, compensation decisions must be grounded in reliable data, rigorous analysis, and a thorough understanding of labour market trends.

Against this backdrop, the Quebec Employers Council (CPQ) is pleased to present this special report on 2027 salary forecasts. Developed in collaboration with trusted partners, it draws on extensive data collected from employers across Quebec and Canada, along with an assessment of current economic and human resources realities.

Beyond the numbers, this publication is intended to support informed decision-making. It aims to help employers adjust their compensation policies while balancing competitiveness, internal equity, and their ability to attract and retain talent.

We hope this publication will provide useful insights to inform your discussions and decisions at a time when planning requires a careful balance among competing priorities.

Enjoy the report,

Michelle LLambías Meunier
President and CEO
Conseil du patronat du Québec

THE CPQ WOULD LIKE TO THANK THE PARTICIPATING FIRMS FOR THEIR CONTRIBUTIONS IN PREPARING THE 2027 SALARY FORECASTS :

solertia Gallagher MARSH TELUS Health wtw

FORECASTS FROM SOLERTIA

3.4% Salary Increase for 2027 *(excluding salary freezes)*	**3.3%** Salary Increase for 2027 *(including salary freezes)*	**2.5%** Salary Structure Adjustments for 2027 *(excluding salary freezes)*	**2.0%** Salary Structure Adjustments for 2027 *(including salary freezes)*	**1.2%** Organizations Planning Salary Freezes in 2027

BUDGETS ARE STABILIZING

Conducted between July 13 and August 12, 2026, among 402 Quebec organizations, Solertia's Salary Forecast Survey confirms a return to more stable salary increase budgets. For 2027, organizations are projecting average salary increases of **3.4%**, excluding salary freezes, and **3.3%**, including salary freezes. They also anticipate salary structure adjustments of **2.5%** and **2.0%**, respectively. Salary freezes remain uncommon, as only **1.2%** of organizations expect to completely suspend salary increases. The 2026 results show that actual increases slightly exceeded forecasts for both salaries and salary structures. Salary increases reached **3.6%**, compared with a projected **3.5%**, while salary structure adjustments averaged **2.7%**, compared with an anticipated **2.5%**.

Total Rewards should be viewed through a holistic lens: Our survey shows that nearly eight in ten organizations intend to modify at least one component of their Total Rewards offering over the next 12 to 18 months. In 2027, success will not belong to the organizations that spend the most, but to those that invest strategically, aligning every dollar spent with business performance, employee engagement, and the overall employee experience.

PROJECTED 2027 SALARY INCREASES AND SALARY STRUCTURE ADJUSTMENTS, BY JOB CATEGORY

Forecasts remain relatively consistent across job categories.

AVERAGE 2027 SALARY FORECASTS IN QUEBEC

Job Category	Average Salary Increases		Average Salary Structure Adjustments	
	Including Salary Freezes	Excluding Salary Freezes	Including Salary Freezes	Excluding Salary Freezes
All Positions	**3.3%**	**3.4%**	**2.0%**	**2.5%**
Senior Executives	3.3%	3.4%	2.0%	2.5%
Managers and Professionals	3.4%	3.4%	2.1%	2.5%
Operations and Production Employees	3.1%	3.2%	2.0%	2.4%
Administrative and Technical Support Employees	3.2%	3.2%	2.0%	2.5%

N = 193 to 267

SECTOR-SPECIFIC TRENDS PROVIDE DEEPER INSIGHT

Sector forecasts reveal significant differences. Projected salary increases range from **2.7%** to **4.0%,** while salary structure adjustments range from **1.9%** to **3.1%**. Notably, the sectors projecting the highest salary increases are not necessarily those planning the largest salary structure adjustments. These differences reflect market realities and compensation priorities that vary across industries.

WHAT THIS MEANS FOR EMPLOYERS

With budgets becoming more stable, the challenge is no longer simply determining how much to invest, but rather where and how to invest. For 2027, three decisions deserve particular attention:

- Adjust salary structures to remain aligned with the market;
- Allocate individual salary increases based on employee progression, contribution and position within the salary range;
- Maintain flexibility to address pay gaps, support promotions and protect critical roles.

AVERAGE 2027 SALARY FORECASTS BY INDUSTRY SECTOR
(Excluding Salary Freezes) Ranked From Highest to Lowest Salary Increase

Industry Sector	Salaries	Salary Structures
Transportation and Warehousing	4.0%	2.5%
Agriculture, Forestry and Fishing	3.8%	1.9%
Finance and Insurance	3.8%	2.6%
Utilities	3.8%	3.0%
Professional, Scientific and Technical Services	3.8%	2.5%
Information Technology	3.7%	2.3%
Public Administration	3.5%	2.7%
Manufacturing	3.2%	2.4%
Other Services, Including Construction	3.2%	2.6%
Health Care and Social Assistance	3.1%	3.1%
Arts, Entertainment and Recreation	3.0%	2.1%
Wholesale and Retail Trade	2.9%	2.5%
Energy, Mining, Oil and Gas	2.7%	2.2%

ABOUT SOLERTIA

Solertia supports hundreds of Québec and Canadian organizations each year in the design and implementation of total rewards strategies that foster sustainable organizational performance. Through an integrated approach combining total rewards, employee benefits and HR strategy, Solertia helps business leaders and HR teams turn challenges into opportunities for attraction, retention, employee engagement and performance.

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Gallagher

2027 SALARY INCREASES: BALANCING BUDGET STABILITY AND ECONOMIC CAUTION

The overall budgets planned for 2027 are set against an economic backdrop that is generally more stable than at the peak of inflation observed in the early 2020s. According to the most recent data, inflation remains near the upper end of the Bank of Canada's target range, at approximately **3%** in both Canada and Quebec, and moves closer to the **2%** target when gasoline is excluded. Salary forecasts remain very similar to last year's, confirming the continued normalization of salary increase budgets. At the same time, the labour market is showing signs of softening, with unemployment rates of **6.4%** in Canada and **5.6%** in Quebec in August 2026, which is helping to ease pressure on salary increase budgets. That said, some uncertainty remains, particularly regarding the impact of U.S. tariff measures, which could lead certain industries to revisit their compensation forecasts.

Among the roughly **530 organizations** that participated in our survey, the main factors influencing salary increase budgets this year were once again market competitiveness (**69%**), organizations' ability to pay (**66%**) and changes in the cost of living (**57%**).

SALARY ADJUSTMENTS BY PROVINCE AND SECTOR

Planned increases vary by province and sector:

- By province: Actual 2026 salary increases ranged from **3.1%** to **3.3%**, for a Canadian average of **3.2%**. Planned increases for 2027 range from **3.0%** to **3.1%**, with a national average of **3.1%**. Quebec stands out with the highest actual increases, at **3.3%**.
- By sector: The most generous sectors include legal services (**3.6%**), professional services (**3.6%**) and IT (**3.3%**). Conversely, associations (**2.8%**) and foundations (**2.8%**) are forecasting the most modest increases.

ADDITIONAL BUDGETS: PROMOTIONS AND SPECIAL CASES

Forty-five percent of organizations are planning a separate budget for promotions this year, up from **28%** last year. In addition, **18%** have a separate budget to manage special cases, such as high-potential or fast-track employees.

SALARY STRUCTURE ADJUSTMENTS

Eighty-two percent of organizations report using a salary structure to manage employee compensation. Salary structure adjustment budgets planned for 2027 are **2.7%**, still above pre-pandemic levels, which ranged from **2.0%** to **2.5%**. Meanwhile, **22%** of organizations do not plan to adjust their salary structure, and **11%** are considering salary freezes. However, leaving a structure unchanged for several years can gradually erode market positioning, with potential implications for retention and competitiveness. This is therefore an issue worth monitoring.

VARIABLE COMPENSATION

Nearly three-quarters of participating organizations indicate that they offer a bonus program, a practice that is particularly common among for-profit organizations, where it reaches **87%**. Variable compensation remains an important lever for recognizing individual performance and supporting the achievement of organizational objectives. However, 2027 forecasts suggest a degree of caution: although half of organizations expect payouts to be near target, many still have limited visibility into their expected payouts.

Long-term incentive plans are significantly more common among publicly traded companies than among private organizations. Among private organizations, they are offered by fewer than half of organizations and are generally reserved for executives. Publicly traded companies tend to extend access to these plans more broadly, particularly to managers, in order to support retention and alignment with organizational performance.

ARTIFICIAL INTELLIGENCE

The survey also highlights another important trend: the use of artificial intelligence in human resources and compensation. Adoption is progressing quickly, but often remains exploratory: **83%** of organizations are already testing tools or use cases, while only **22%** of respondents have received structured training. For now, AI is primarily used to support document drafting, such as job descriptions and policies—a low-risk use case that can quickly generate efficiency gains. Looking ahead, **52%** of respondents expect AI to support analysis, while leaving decision-making responsibility with people. The key challenge is therefore to integrate AI in a strategic, structured and responsible way.

ABOUT GALLAGHER

Gallagher takes a holistic approach to organizational well-being by integrating benefits, compensation, retirement, talent management and communication. It aligns an organization's HR strategy with its business objectives for all types of companies, from governance and senior management to all employees. We are known for regularly conducting custom surveys to identify significant trends in total rewards and inform our clients. In addition, our continually updated databases enable us to present a rigorous picture of total rewards in the labour market.

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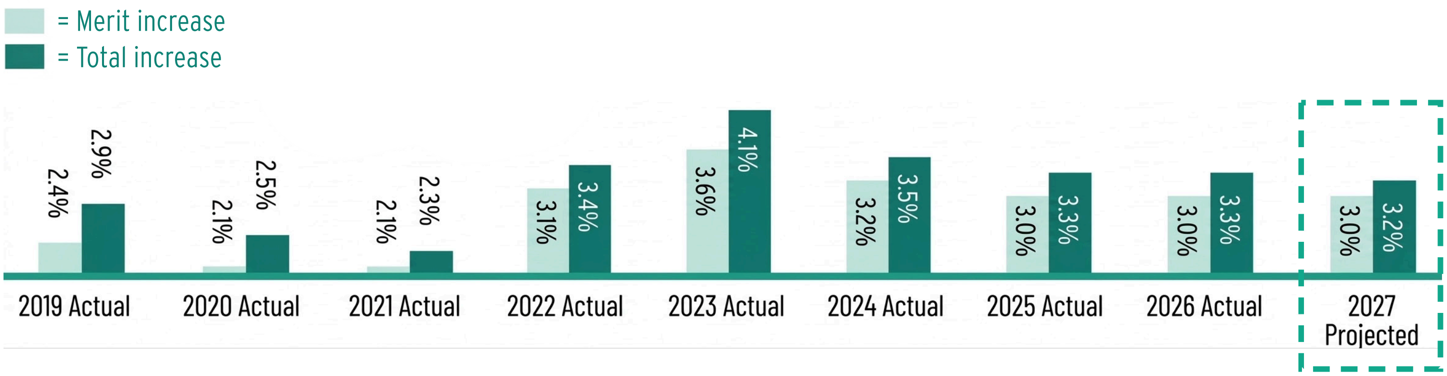
FORECASTS FROM MARSH

MARSH

Each year, Marsh conducts a series of surveys on salary planning by collecting data on salary increase budgets in Canada. Below we present the results of actual 2026 salary increases, as well as those projected for 2027 based on data collected in July 2026. The survey results for 2027 include data provided by **473** Canadian organizations of varying sizes, representing 15 industries.

2019 TO 2027 CANADA COMPENSATION PLANNING SURVEY RESULTS

The following graph shows the average salary merit increase and total increase budget in Canada for non-unionized employees (including zeros, e.g., including organizations that are not budgeting for salary increases) between 2019 and 2027.



PROJECTED INCREASES – JULY 2026 STUDY

Regarding projected increases for 2027 in Canada, **89%** of participants reported having just begun their compensation planning. Only **5%** have received approval from senior leadership while **6%** have submitted their budgets for approval. At this point, only **2%** of Canadian organizations are not budgeting for salary increases in 2027, though **10%** of participants are still unsure.

Among the Canadian organizations having reported a merit increase budget, the average increase is **3.0%** (including zeros) and **3.1%** (excluding zeros). For total increase budgets (including promotional increases and other adjustments), the average is **3.2%** (including zeros) and **3.3%** (excluding zeros).

We also observed that on average, salary structures will increase by **2.0%** (including zeros; **2.5%** excluding zeros) in 2027. At this stage, approximately half of organizations plan to increase their salary structures next year, while a little more than one third of the organizations have not yet made a decision.

In Quebec, the average total increase budget is **3.3%** (including zeros) and the average salary structure adjustment is **2.1%** (including zeros).

CLOSING THOUGHTS

In a context of economic, geopolitical, and technological uncertainty, organizations are planning for 2027 with modest salary increase budgets. It is therefore even more important to be strategic in setting these budgets to maximize the impact of investments while maintaining a degree of flexibility.

ABOUT MARSH

Marsh (NYSE : MRSH) is a global leader in risk, reinsurance and capital, people and investments, and management consulting, advising clients in 130 countries. With annual revenue of $27 billion and more than 95,000 colleagues, Marsh helps build the confidence to thrive through the power of perspective.

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FORECASTS FROM TELUS HEALTH

TELUS Health

For our 44th edition of the Salary Projection Survey, 285 organizations across Canada from all industries and reflecting a wide range of revenues participated.

TELUS Health's annual Canadian survey of salary projections indicates that non-unionized employees could achieve an average salary increase of **3.30%** in 2027 when excluding salary freezes, and **3.27%** when including them. Salary structures are expected to increase by 2.51% when excluding salary freezes and by **2.29%** when including them.

In Canada, the highest projected average salary increases for 2027, excluding freezes, are found in Alberta (**3.49%**) and New Brunswick (**3.33%**) while the smallest increases are found in Newfoundland and Labrador (**3.00%**) and Manitoba (**3.20%**).

By Industry, the projected average base salary and salary structure increases in Canada are as follows:

2027 PROJECTED AVERAGE INCREASES IN CANADA - BY INDUSTRY

Industry	Base salary (%)		Salary Structure (%)	
	With Freezes	Without Freezes	With Freezes	Without Freezes
National Results	**3.27%**	**3.30%**	**2.29%**	**2.51%**
Arts, Media, Entertainment, Recreation and Hospitality	3.10%	3.10%	2.00%	2.75%
Business & Professional Services	3.17%	3.17%	1.90%	2.31%
Construction	3.21%	3.33%	2.21%	2.34%
Consumer Goods (Durable & Non-durable)	3.35%	3.35%	2.00%	2.67%
Education	3.07%	3.07%	2.14%	2.50%
Finance & Insurance	3.48%	3.57%	2.51%	2.51%
Healthcare & Life Sciences	3.17%	3.17%	1.58%	1.89%
High Technology & Information Technology	3.48%	3.48%	2.17%	2.44%
Industrial Goods & Chemical	3.23%	3.23%	2.02%	2.60%
Mining & Forestry	3.43%	3.43%	2.25%	2.25%
Not-for-Profit	3.30%	3.30%	2.51%	2.80%
Oil & Gas	3.25%	3.25%	2.67%	2.67%
Public Administration	3.10%	3.10%	2.42%	2.42%
Real Estate	3.05%	3.05%	*	*
Retail	3.24%	3.24%	2.60%	2.60%
Transportation & Warehousing	3.08%	3.08%	2.71%	2.71%
Utilities	3.29%	3.29%	2.90%	2.90%
Wholesale Trade	3.10%	3.10%	2.69%	2.69%

* *Insufficient data*

ABOUT TELUS HEALTH

TELUS Health is a global healthcare solutions leader, serving people in more than 160 countries and delivering digital innovation along with actuarial, administrative, and clinical services to improve overall physical, mental, and financial health and well-being.

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FORECASTS FROM WTW

wtw

WTW Data Services conducted its ***2027 Survey*** on salary projections from April to June 2026 among **1031** Canadian businesses representing all sectors. The report presents data on percentage salary increases of previous years as well as projections for the coming year.

CANADIAN EMPLOYERS ANTICIPATE THE 2027 SALARY INCREASES TO BE ALIGNED WITH THOSE GRANTED IN 2026

Canadian companies intend to provide increases similar to last year despite economic uncertainty.

The survey respondents predicted average salary increases of **3.4%** across the board.

HIGHER INCREASES FOR OUTSTANDING PERFORMERS

The survey shows that businesses are still compensating their best workers by giving them much higher increases than the rest. The highest ranked managers and professionals received average increases of **4.9%** this year, which is **66%** higher than the increases given to average-ranked employees.

SALARY INCREASES BY SECTOR

	2027 AVERAGE PROJECTED INCREASE			
	SALARIES		STRUCTURES	
	Including freezes	Excluding freezes	Including freezes	Excluding freezes
All industries/Jobs combined	**3.3%**	**3.4%**	**2.4%**	**2.7%**
SECTOR				
Agriculture, food and beverages	3.2%	3.2%	-	-
Energy and natural resources	3.3%	3.3%	2.6%	2.6%
Financial institutions	3.4%	3.4%	2.3%	2.5%
Insurance	3.3%	3.3%	2.4%	2.5%
Manufacturing	3.2%	3.2%	2.3%	2.6%
Pharmaceuticals	3.5%	3.5%	2.6%	-
Retail and distribution	3.4%	3.5%	-	-
Professional, scientific and technical services	3.3%	3.2%	-	-
Technology, Media and Telecommunication	3.3%	3.3%	2.1%	2.8%
JOB CATEGORY				
Executive	3.3%	3.3%	2.5%	2.7%
Middle Management and professional	3.3%	3.3%	2.4%	2.7%
Operations and production	3.3%	3.3%	2.5%	2.8%
Administrative and technical support	3.3%	3.3%	2.4%	2.6%
NUMBER OF EMPLOYEES				
Fewer than 300 employees	3.4%	3.4%	2.4%	2.8%
300 - 999 employees	3.3%	3.3%	2.4%	2.6%
1 000 - 4 999 employees	3.3%	3.3%	2.3%	2.6%
5 000 employees and more	3.3%	3.3%	2.5%	2.6%

ABOUT WILLIS TOWERS WATSON

WTW is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating back to 1828, WTW has 45,000 employees serving more than 140 countries and markets.

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In collaboration with several leading compensation consulting firms, the CPQ launched and presented the 2027 Salary Forecasts Report during a videoconference on September 22, 2026.