

Oregon's Minimum Wage – What Now?

Legal Alert
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Garvey Schubert Barer Legal Update, March 3, 2016.

Oregon is making history, once again. The new minimum wage law (signed by Governor Brown on March 2, 2016) brings two new titles: 1.) the first state to implement a tiered minimum wage (the amount paid is dependent upon the location of the business); and 2.) the state with the highest minimum wage. The passage of the new law has brought a mixed response. The cheers have emanated from the employees and the advocates for a livable wage. The jeers have emanated from businesses trying to figure out how they are going to keep their doors open. While the law is effective immediately, the first increase goes into effect July 1, 2016. So, without further ado, let's get to the details so you can determine which camp you are joining.

There are three distinct wage rates for three distinct areas of the state. The first wage rate (Rate #1) consists of the middle range and applies to everyone not specifically exempted in the other two defined areas. The second rate (Rate #2) has the lowest rates and applies to specifically named rural counties: Baker, Coos, Crook, Curry, Douglas, Gilliam, Grant, Harney, Jefferson, Klamath, Lake, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa and Wheeler. The final rate (Rate #3) is the highest of the three wage rates and applies to businesses within the urban growth boundary located in Multnomah, Clackamas and Washington Counties, which include the Portland metropolitan area. Businesses in those counties, but outside of the urban growth boundary, will be subject to Rate #1.

Rate #1 (everyone who is not otherwise included in Rate #2 or Rate #3)

Until June 30, 2016 the current minimum wage of \$9.25/hr applies

From July 1, 2016 to June 30, 2017 the minimum wage will be \$9.75/hr

From July 1, 2017 to June 30, 2018 the minimum wage will be \$10.25/hr

From July 1, 2018 to June 30, 2019 the minimum wage will be \$10.75/hr

From July 1, 2019 to June 30, 2020 the minimum wage will be \$11.25/hr

From July 1, 2020 to June 30, 2021 the minimum wage will be \$12.00/hr

From July 1, 2021 to June 30, 2022 the minimum wage will be \$12.75/hr

From July 1, 2022 to June 30, 2023 the minimum wage will be \$13.50/hr

After June 30, 2023, beginning on July 1 of every year, the minimum wage will be adjusted annually for inflation based on the Consumer Price Index for all urban consumers for all items.

Rate # 2 (the specifically named rural counties)

Until June 30, 2016 the current minimum wage of \$9.25/hr applies

From July 1, 2016 to June 30, 2017 the minimum wage will be \$9.50/hr

From July 1, 2017 to June 30, 2018 the minimum wage will be \$10.00/hr

From July 1, 2018 to June 30, 2019 the minimum wage will be \$10.50/hr

From July 1, 2019 to June 30, 2020 the minimum wage will be \$11.00/hr

From July 1, 2020 to June 30, 2021 the minimum wage will be \$11.50/hr

From July 1, 2021 to June 30, 2022 the minimum wage will be \$12.00/hr

From July 1, 2022 to June 30, 2023 the minimum wage will be \$12.50/hr

After June 30, 2023, beginning on July 1 of every year, no less than \$1.00/hr less than the minimum wage as determined through the annual adjustment for inflation based on the Consumer Price Index for all urban consumers for all items.

Rate #3 (within the urban growth boundary)

Until June 30, 2016 the current minimum wage of \$9.25/hr applies

From July 1, 2016 to June 30, 2017 the minimum wage will be \$9.75/hr

From July 1, 2017 to June 30, 2018 the minimum wage will be \$11.25/hr

From July 1, 2018 to June 30, 2019 the minimum wage will be \$12.00/hr

From July 1, 2019 to June 30, 2020 the minimum wage will be \$12.50/hr

From July 1, 2020 to June 30, 2021 the minimum wage will be \$13.25/hr

From July 1, 2021 to June 30, 2022 the minimum wage will be \$14.00/hr

From July 1, 2022 to June 30, 2023 the minimum wage will be \$14.75/hr

After June 30, 2023, beginning on July 1 of every year, no less than \$1.25/hr more than the minimum wage as determined through the annual adjustment for inflation based on the Consumer Price Index for all urban consumers for all items.

Now is the time to review your pay practices and wage rates to make sure you are in compliance come July 1, 2016. If you have any questions, please contact any of our Portland Labor and Employment Attorneys: Nancy Cooper at ncooper@gsblaw.com or 503.553.3174, Joy Ellis at jellis@gsblaw.com or 503.553.3121 or Eric Lindenauer at elindenauer@gsblaw.com or 503.553.3117.