



Oregon's Minimum Wage Will Increase This July - And Each Year Thereafter For The Next Six Years

STATE WILL EMPLOY THREE DIFFERENT REGIONAL MINIMUM WAGES

Insights
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In a first-of-its-kind development, the Oregon legislature passed and the Governor will sign into law a minimum wage hike law that will go into effect July 1, 2016. Under the new law, the rates will steadily increase through 2023, eventually giving Oregon one of the highest minimum wage rates in the nation.

For the first time in Oregon history, employers will pay different minimum wage rates depending on the part of the state in which they are located, with employers in Portland’s Urban Growth Boundary paying the most, employers in sparsely populated “frontier” areas paying the least, and a middle tier of all other employers in between. The details are as follows:

	Employers Located Within Portland’s Urban Growth Boundary <i>Parts of Multnomah, Washington, and Clackamas Counties (see map here)</i>	Employers Located In Frontier Counties <i>Baker, Coos, Crook, Curry, Douglas, Gilliam, Grant, Harney, Jefferson, Klamath, Lake, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa and Wheeler Counties</i>	Employers Located In Remaining Areas <i>Such as Eugene, Salem, Bend, Medford, Springfield, Corvallis, Albany, etc.</i>
Current	\$9.25	\$9.25	\$9.25
July 1, 2016	\$9.75	\$9.50	\$9.75
July 1, 2017	\$11.25	\$10.00	\$10.25
July 1, 2018	\$12.00	\$10.50	\$10.75
July 1, 2019	\$12.50	\$11.00	\$11.25
July 1, 2020	\$13.25	\$11.50	\$12.00
July 1, 2021	\$14.00	\$12.00	\$12.75

July 1, 2022	\$14.75	\$12.50	\$13.50
July 1, 2023 and beyond	A rate annually adjusted for inflation, but must be no less than \$1.25/hour more than rest of state	A rate no less than \$1.00/hour less than rest of state	A rate annually adjusted for inflation

The law does not specifically explain how an employer should determine its location for purposes of paying minimum wage, or whether employees will be entitled to various wage rates if they travel through the state (or out of the state) as part of their jobs. Instead, the Commissioner of the Bureau of Labor and Industries has been given the authority to issue rules that will describe how that determination is to be made. We will update this Alert once the clarifying rules are finalized.

Several worker-advocacy groups have been collecting signatures on proposed ballot measures since last summer, seeking to raise the minimum wage for all Oregon workers; one would raise the state-wide minimum wage to \$15.00 by 2019, and another would raise the rate to \$13.50 by 2018. It remains to be seen whether passage of this law will dissuade advocates from continuing their efforts to include these proposals on the November ballot.

If you have any questions about this new law, or how it may affect your business, please contact your Fisher Phillips attorney or one of the attorneys in our Portland office at 503.242.4262.

This Legal Alert provides an overview of a specific new state law. It is not intended to be, and should not be construed as, legal advice for any particular fact situation.

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