

Oregon Minimum Wage Hikes Begin July 2016

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While the federal minimum wage remains stagnant (\$7.25 per hour since July 24, 2009), different states have sought to lead with their own minimum wage rulemaking.

Oregon Governor Kate Brown signed controversial Senate Bill 1532 on March 2, 2016, significantly increasing Oregon's minimum wage over the next seven years by raising the minimum wage annually on July 1. The first increases are scheduled to take place on July 1, 2016.

As with recent wage laws elsewhere, the new Oregon statute is based on regions. The minimum wage rate for an Oregon employee now will be determined by the location of the employer within three separately defined "regions."

Employers located in *Region 1*, those within the *Portland Urban Growth Boundary*, will see the greatest minimum wage increase over the seven-year period and will be required to pay \$14.75 per hour by July 2022. By July 2022, minimum wage will be \$13.50 per hour for *Region 2* and \$12.50 per hour for *Region 3*.

The Commissioner of the Bureau of Labor and Industries has been directed to promulgate rules for determining an employer's location and, thus, its minimum wage schedule for employers located within the Portland urban growth boundary (Portland and certain portions of Multnomah, Clackamas, and Washington counties).

As the new law affects not just workers' hourly pay owed, but also posting requirements, and, potentially, commission plans, all employers with Oregon operations should consult with employment counsel, analyze the new law, and adjust their practices accordingly. Oregon, like neighboring California, has adopted stringent penalties for wage violations, even where unpaid wages are relatively small.

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