



# Technical Assistance for Employers

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## Oregon Minimum Wage

**Effective January 1, 2015, Oregon's minimum wage is increased to \$9.25 per hour.** These increases are a result of the passage of Ballot Measure 25, approved by Oregon voters on November 5, 2002. Measure 25 requires the Commissioner of the Bureau of Labor and Industries to calculate an annual adjustment to the minimum wage each September for the following calendar year. The annual adjustment is based on any increase during the previous 12 months in the U.S. City Average Consumer Price Index for All Urban Consumers for All Items. Under this law, the minimum wage is to be rounded to the nearest five cents and to take effect on January 1 of the year following each adjustment.

**Q. What is the federal minimum wage?**

A. The current federal minimum wage remains \$7.25 per hour.

**Q. So which minimum wage am I required to pay my employee – the state or the federal?**

A. When federal and state employment laws conflict, employers must apply whichever standard is most beneficial to the employee. Therefore, Oregon employers must pay the higher state minimum wage.

**Q. How much has the minimum wage increased in recent years?**

A. Check out the table below for a recent summary of the minimum wage:

FEDERAL		OREGON	
01/01/1981	\$3.35	01/01/1981	\$3.10
-----	-----	01/01/1986	\$3.35
-----	-----	09/01/1989	\$3.38
04/01/1990	\$3.80	01/01/1990	\$4.25
04/01/1991	\$4.25	01/01/1991	\$4.75
10/01/1996	\$4.75	-----	-----
09/01/1997	\$5.15	01/01/1997	\$5.50
-----	-----	01/01/1998	\$6.00
-----	-----	01/01/1999	\$6.50
-----	-----	01/01/2003	\$6.90
-----	-----	01/01/2004	\$7.05
-----	-----	01/01/2005	\$7.25
-----	-----	01/01/2006	\$7.50
07/24/2007	\$5.85	01/01/2007	\$7.80
07/24/2008	\$6.55	01/01/2008	\$7.95
07/24/2009	\$7.25	01/01/2009	\$8.40
-----	-----	01/01/2011	\$8.50
-----	-----	01/01/2012	\$8.80
-----	-----	01/01/2013	\$8.95
-----	-----	01/01/2014	\$9.10
-----	-----	01/01/2015	\$9.25
-----	-----	01/01/2016	-----

**Q. May I pay my new employees a training wage which is below the minimum wage?**

A. No. Unlike federal law, Oregon law requires that employees receive at least minimum wage during all stages of employment. This includes any period of on-the-job training.

**Q. Our regular payday falls on January 5, 2015. Since the payday falls in 2015, must I pay my employees the new minimum wage for 2015?**

A. The minimum wage increases to \$9.25 effective January 1, 2015, for hours worked in 2015. Hours worked in 2014 may be paid at \$9.10 per hour, even if the pay is not received until 2015.

**Q. May I count an employee's tips against the minimum wage?**

A. No. Oregon law does not allow for tip credits. ORS 653.035(3).

**Q. If I hire minors, do I need to pay them minimum wage?**

A. Yes. Under Oregon law the minimum wage applies to minors.

**Q. I provide meals and lodging for my employee. May I count the fair market value of the meals and lodging towards the minimum wage obligation?**

A. Yes, employers may make an authorized deduction for meals and lodging so long as they are provided for the "private benefit" of the employee. However, if you require your employee to live on-site, or if you derive a mutual benefit from the employee living on the premises, you must pay minimum wage in addition to the value of meals and lodging. OAR 839-020-0025.

Note that employers may not require an employee to pay (e.g., by direct charge) amounts that could not have been

lawfully deducted from wages under the minimum wage law, if to do so would reduce that employee's minimum wage earnings.

**Q. I paid my employee \$9.30 per hour in 2014 (20 cents above the minimum wage). He claims that as of January 1, 2015, I will be legally obligated to pay him at least \$9.45 per hour (20 cents above the new minimum wage). Is that right?**

A. No. The law only requires you to pay the minimum wage of \$9.25 per hour as of January 1, 2015, unless you have a contract or policy providing that you will pay more, only those employees who were working for less than \$9.25 per hour are legally required to receive a raise.

**Q. If I pay my employee on a commission, does the minimum wage law still apply?**

A. Yes. Unless your employee falls into an exempt category, you must pay the employee at least minimum wage for all hours actually worked. This means that even with a commissioned employee, you must track all daily and weekly hours worked to determine whether the average hourly rate meets the minimum wage. If the average hourly rate is less than the minimum wage in any pay period, you must boost the employee's wages up to the minimum wage.

**Q. My employee, who normally earns \$10.00 per hour, travels as part of her job duties. May I pay her at a lower hourly rate for the travel time?**

A. Yes, as long as you pay at least the minimum wage for each hour worked.

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