

History of Maine's Minimum Wage Rate



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Minimum Wage:

Maine's minimum wage history dates back to 1937 when P.L. Ch. 289 was passed. The law pertained to women and minors in the fish packing business; the law established that upon a petition of fifty signatures the commissioner should investigate wages being paid and that if these wages were determined to be oppressive or unreasonable then a wage board would be appointed to report on protections necessary. Such steps were established and a minimum rate of 33 cents per hour was set. The commissioner at the time, Jesse Taylor, then brought legal action against Calvin Stinson for allegedly not adhering to this rate. The Superior Court ordered Mr. Stinson to comply but he appealed to the Law Court. *Stinson V. Taylor* was decided on January 28, 1941: nullification due to lack of jurisdiction. The commissioner brought further action on March 4, 1941 to enforce the wage rates and the Justice of the Superior Court decided in favor of the Commissioner. Again, however, the defendant appealed and won because the case was dismissed on want of jurisdiction.^[1]

The state of Maine's first uniform minimum wage, barring a few exempted occupations, was effective October 15, 1959 at the rate of \$1/hour. At the time of the last history, in 1974, the minimum wage was \$2.00/hour. Since 1974, however, Maine has increased its minimum wage twenty-two times- both independently and to remain in accordance with the federal minimum wage. There are a few significant trends to note. Firstly, from 1965-1981 the minimum wage was raised every year- and twice in 1975- except for 1970; over this time it went from \$1.15/hour to \$3.35/hour. This was in accordance with the raises set by the federal government over the same period. Second, from 1985-1991 the minimum wage was raised every year except for 1988; in 1985 it rose to \$3.45/hour and by 1991 it was \$4.25/hour. The Federal minimum wage had been set at \$3.35/hour in 1981 and was not raised until 1990. In 1991 the Federal Minimum Wage rate was raised to the \$4.25/hour mark that the state complied with. But from 1985-1990, the state of Maine's minimum wage was higher than the Federal. In 1997 the Federal minimum wage was raised to \$5.15/hour. The state of Maine then raised its minimum wage every year from 2003-2006, it raised it to \$5.75/hour-\$6.75/hour. Then, in 2007, L.D. 1697 "An Act To Ensure Fair Wages," established that the minimum wage rate would rise in 2007, 2008, and 2009 to \$7.00/hour, \$7.25/hour, and \$7.50/hour, respectively. The federal minimum wage rate at this time was raised to \$5.85/hour, \$6.55/hour, and \$7.25/hour, respectively. Thus the state of Maine currently enjoys a minimum wage higher than the federal wage.

Conversely, this also means that for stretches of time there was no increase in the minimum wage. These stretches included: 1960-1964, 1992-1995, 1998-2001, and 2009-2014 (the present). It is interesting to note that our current stretch of five years in which the minimum wage has not risen is the longest stretch of time without an increase in the state of Maine since the original minimum wage was enacted. Furthermore, although the state's minimum wage is higher than the Federal minimum wage, Maine's minimum wage rate is slightly behind most of the rest of New England- Vermont has a minimum wage of \$8.73/hour; Massachusetts has a minimum wage of \$8.00/hour; Connecticut has a minimum wage of \$8.70/hour; and Rhode Island has a minimum wage rate of \$8.00/hour. New Hampshire, which currently adheres to the Federal minimum wage rate, is the only state in New England with a lower minimum wage than Maine. Despite this, though, Maine

still enjoys a higher minimum wage than the Federal Government demands and, subsequently, has a higher minimum wage than 29 states and equal to that of two other states.^[2] It is also important to note the clear and obvious distinctions between states such as Maine and states such as Massachusetts, Rhode Island, and Connecticut. The latter states all enjoy far greater population density, industry, economic opportunity, and commercial flow. The differences between the many states and the Federal government certainly have a few reasons. Of course, varying costs of living would lead some states to raise their minimum wage while other states, with lower costs of living, may not need to do so.

There have, throughout Maine's legislative history but particularly in more recent legislatures, been attempts to tie the minimum wage to the cost of living; these have all failed to pass. Despite the decisions not to tie the minimum wage to the Consumer Price Index (CPI) or inflation, in 2005 the 122nd legislature passed LD 1236 which established a study commission to report to the legislature in regards to a livable wage. The bill stated the duties of the commission to:

Define what level of compensation constitutes a livable wage; identify ways to ensure that all Maine adults earn a liveable wage; Examine the efficacy of a state earned income tax credit that would enable working families to meet their basic needs; examine how increased access to education and training and access to child care increases the likelihood of earning a liveable wage and identify means of increasing such access; identify the number of people in Maine who earn less than a liveable wage; and examine how state policies and payments, including MaineCare and other state health care related payments, contribute to the number of Mainers who earn less than a liveable wage.

In 2007 the issue of a livable wage was returned to. LD 1445 defined a livable wage as, "the statewide average livable wage for a single-parent, one-child household as reported by the Department of Labor in the most recent annual report required."^[3] It further directed the Department of Labor on how to calculate a livable wage, and directed it to both measure the "Statewide difference between the total livable wages for those workers paid less than a livable wage... and the total actual wages paid those same workers for that year," as well as to produce "a report that quantifies and summarizes data gathered and analyzed from all federal, state and local social service agencies and offices regarding the costs of providing direct services to all workers in the State paid less than a livable wage." In 2009 LD 64 amended this process so that the annual report became a biennial report. Then, in 2011, LD 1786 terminated the requirement that the Department of Labor calculate and then report the livable wage.

The minimum wage has also increased overtime to incorporate more professions and thus more workers. It has also changed in regards to service employees and how tips are treated. In 2007 the minimum wage in Maine was extended via LD 224 to domestic workers employed by for-profit, third-party employers. LD 685 in 2009 clarified what a "Summer

Camp” was for the purpose of exclusion from the minimum wage. Also enacted in 2009, LD 849 added, “Public schools to the definition of "public works" in the Maine Revised Statutes, Title 26, chapter 15, which deals with preference to Maine works and contractors.”

In 2007, LD 1543 established the fact that, “The tips received by a service employee become the property of the employee and may not be shared with the employer,” and it further stipulated that tip pooling must be voluntary. In 2011, LD 207 defined "tip" and clarified that a sum presented by a customer in recognition of service performed was to be considered a tip for the service employee even if it is automatically included in the customer's bill or charged to a credit card. It also stated that a service charge included in a bill in a banquet or private club setting is not a tip and that the customer must be notified of this, that all employees in the banquet or private club setting must be compensated in accordance with the State's minimum wage and overtime laws and that the service charge can be used to meet these obligations. The amendment further clarified that tip pooling is a valid practice as described by federal laws and regulations.

Maine’s Minimum Wage Compared to the Federal Minimum Wage

Date of Change	Minimum Wage in ME[4]	Federal Wage[5]
10-15-59	\$1.00 (Maine's first min. wage)	\$1.00 (Enacted 1956)
10-15-65	\$1.15	\$1.25
10-15-66	\$1.25	\$1.25
10-15-67	\$1.40	\$1.40
10-15-68	\$1.50	\$1.60
10-15-69	\$1.60	\$1.60
09-23-71	\$1.80	\$1.60
10-03-73	\$1.90	\$1.60
05-01-74	\$2.00	\$2.00
01-01-75	\$2.10	\$2.10
10-01-75	\$2.30	\$2.30
01-01-78	\$2.65	\$2.65
01-01-79	\$2.90	\$2.90
01-01-80	\$3.10	\$3.10
01-01-81	\$3.35	\$3.35
01-01-85	\$3.45	\$3.35
01-01-86	\$3.55	\$3.35
01-01-87	\$3.65	\$3.35
01-01-89	\$3.75	\$3.35
01-01-90	\$3.85	\$3.80
04-01-91	\$4.25	\$4.25
10-01-96	\$4.75	\$4.75
09-01-97	\$5.15	\$5.15
01-01-02	\$5.75	\$5.15
01-01-03	\$6.25	\$5.15
10-01-04	\$6.35	\$5.15

10-01-05	\$6.50	\$5.15
10-01-06	\$6.75	\$5.15
10-01-07	\$7.00	\$5.85
10-01-08	\$7.25	\$6.55
10-01-09	\$7.50	\$7.25

Footnotes

- [1] Maine Department of Manpower Affairs and Smith, C Wilder, "History of the Bureau of Labor and Industry, 1974" (1974). Labor Standards Documents. Paper 77; 49.
- [2] <http://www.dol.gov/whd/minwage/america.htm>
- [3] http://www.mainelegislature.org/legis/bills/search_ps.asp
- [4] http://www.maine.gov/labor/labor_laws/minwagehistory.html
- [5] <http://www.dol.gov/whd/minwage/chart.htm>

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