

## A NEW YEAR, A NEW MINIMUM WAGE

QUESTION: Is the minimum wage going up again this year?

ANSWER: Yes. Pursuant to a ballot measure approved by Oregon voters in 2002, the state minimum wage must be adjusted each year to correspond with the U.S. Consumer Price Index. For this year, that means the new minimum wage will increase to \$7.50 (from the current \$7.25) starting on January 1, 2006.

QUESTION: My employees all make minimum wage, so their wages will of course be going up in January. However, I will be making out checks in January that cover the last two weeks of December. Because I will be writing the checks in 2006, do I automatically have to pay the 2006 minimum wage?

ANSWER: No. The minimum wage will increase as of midnight on January 1, 2006, and the increase will only apply to work performed after that time, regardless of when the check is written. Keep in mind, however, that Oregon law requires employers to establish and maintain regular paydays, and those days may not be any longer than 35 days apart. So whatever confusion arises from this 2005-2006 transition, it will not last long.

QUESTION: Isn't the federal minimum wage different from the Oregon minimum wage? Which wage do Oregon employers have to pay?

ANSWER: The federal minimum wage remains at \$5.15 and hasn't changed since September 1997. A number of proposals in Congress to raise the minimum wage have failed. When federal and state employment laws differ, employers must apply whichever standard is more beneficial to the employee. Since the Oregon minimum wage is higher than the federal minimum wage, employers must pay the higher state rate unless the employee is exempt from minimum wage.

Also, unlike the federal law, Oregon's wage statutes don't allow for a "tip credit," so servers and other tipped employees must receive minimum wage in addition to any tips they earn.

QUESTION: Does the Oregon minimum wage apply to workers paid on commission or on a piece-rate basis?

ANSWER: Generally, yes. Regardless of the method of compensation, employers must keep track of nonexempt employees' daily and weekly hours and must make sure the wages they receive, even if the compensation is calculated on a commission or piece-rate

basis, come out to at least minimum wage for all hours worked during an employer's designated workweek.

QUESTION: Aren't there certain employees who don't have to be paid minimum wage?

ANSWER: State and federal wage statutes do exclude some types of employees from minimum wage requirements. For example, certain "white collar" employees are exempt from both minimum wage and overtime. Some domestic and agricultural employees are also excluded from minimum wage requirements. In addition, there is a provision in Oregon's wage statutes (ORS 653.030) which permits the Bureau of Labor and Industries to authorize the payment of less than minimum wage to certain employees with mental or physical disabilities and certain student-learners participating in professional training. See [www.oregon.gov/boli/ta](http://www.oregon.gov/boli/ta) for more information.

QUESTION: Is there a "junior minimum wage" for employees under 18?

ANSWER: No. The minimum wage applies to all employees who aren't otherwise excluded. This includes minors, and even your own children in most instances.

QUESTION: Is there a new minimum wage poster coming out?

ANSWER: Yes, and it's free! You can download it from our website or pick one up from one of our offices. BOLI will also be mailing the posters to individual employers.

For more information on this and other important issues, visit our website at [www.oregon.gov/boli/ta](http://www.oregon.gov/boli/ta).