

Publications

Labor and Employment Alert: Oregon Enacts a First-Of-Its-Kind Tiered Minimum Wage

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On February 18, 2016, the Oregon legislature amended its minimum wage law with a unique, tiered approach. The intent is to balance the needs of the rural, farming communities with that of the growing Portland area. No other state has taken this approach to increasing its minimum wage.

Oregon's minimum wage is currently \$9.25 per hour. Under Senate Bill 1531, the minimum wage will differ depending on the geographic region in which the employee works. The state will be divided into three tiers: (1) the urban growth boundary of the Portland metropolitan area; (2) nonurban counties (Baker, Coos, Crook, Curry, Douglas, Gilliam, Grant, Harney, Jefferson, Klamath, Lake, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa and Wheeler); and (3) mid-size counties (Benton, Clackamas, Clatsop, Columbia, Deschutes, Hood River, Jackson, Josephine, Lane, Lincoln, Linn, Marion, Multnomah, Polk, Tillamook, Wasco, Washington and Yamhill). The minimum wage increase will begin on July 1, 2016 and will gradually rise over time.

Date

Portland Metro Urban Growth Boundary

Mid-Size Counties

Nonurban Counties

July 2016 to June 2017

\$9.75

\$9.75

\$9.50

July 2017 to June 2018

\$11.25

\$10.25

\$10.00

July 2018 to June 2019

\$12.00

\$10.75

\$10.50

July 2019 to June 2020

\$12.50

\$11.25

\$11.00

July 2020 to June 2021

\$13.25

\$12.00

\$11.50

July 2021 to June 2022

\$14.00

\$12.75

\$12.00

July 2022 to June 2023

\$14.75

\$13.50

\$12.50

July 2023 and after

+ \$1.25



CPI adjusted

- \$1.00

The bill has been sent to Governor Kate Brown, who is expected to sign it. But this may not be the final word on Oregon's minimum wage. There is already a legislative proposal being considered to change the minimum wage in Portland and the nonurban counties, and there are ballot measures pending to raise the minimum wage to \$13.50 or \$15 statewide. Contact your Vorys lawyer if you have questions about this new minimum wage or the pending proposals.