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Oregon Creates Three New Minimum Wage Rates

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On March 1, 2016, [Oregon Governor Kate Brown signed a law raising the state's minimum wage](#). The law is an unusual one, and it will create challenges for many employers with employees in the state, particularly those with operations or employees in multiple counties.

The first increase to the state's minimum wage will take effect on July 1, 2016, with a new increase scheduled to take effect each July thereafter. The law provides a schedule of annual increases through 2022. Beginning in 2023, the minimum wage will be adjusted annually to account for inflation.

Schedule Of Oregon Minimum Wage Increases

	Nonurban Counties	Portland Metropolitan Area	All Other Counties
July 1, 2016	\$9.50/hour	\$9.75/hour	\$9.75/hour
July 1, 2017	\$10.00/hour	\$11.25/hour	\$10.25/hour
July 1, 2018	\$10.50/hour	\$12.00/hour	\$10.75/hour
July 1, 2019	\$11.00/hour	\$12.50/hour	\$11.25/hour
July 1, 2020	\$11.50/hour	\$13.25/hour	\$12.00/hour
July 1, 2021	\$12.00/hour	\$14.00/hour	\$12.75/hour
July 1, 2022	\$12.50/hour	\$14.75/hour	\$13.50/hour

minimum wage in 18 enumerated "nonurban counties" will be \$9.50 per hour.

Oregon Counties Designated as Nonurban

Baker	Grant	Morrow
Coos	Harney	Sherman
Crook	Jefferson	Umatilla
Curry	Klamath	Union
Douglas	Lake	Wallowa
Gilliam	Malheur	Wheeler

Oregon Counties Subject to the Generally Applicable Minimum Wage Rate

Benton	Jackson	Marion
Clatsop	Josephine	Polk
Columbia	Lane	Tillamook
Deschutes	Lincoln	Wasco
Hood	Linn	Yamhill



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Starting July 1, 2016, the Oregon minimum wage will be \$9.75 per hour in most—but not all—of the state. The

Beginning on July 1, 2017, Oregon will have three distinct minimum wage rates: \$11.25 per hour in the Portland metropolitan area; \$10.00 per hour in nonurban counties; and \$10.25 in the remainder of the state. Annual statutory increases will continue through July 1, 2022 when the minimum wage rates will be: \$14.75 per hour in the Portland metropolitan area; \$12.50 per hour in nonurban counties; and \$13.50 in the remainder of the state. The rates will be adjusted each July to reflect changes in the Consumer Price Index.

Although the law provides three detailed schedules of the minimum wage rates for the next seven years, it provides little guidance to employers looking to determine which of the three rates will apply when they have operations in several geographic areas or where an individual works in several different areas. While the statute provides that the applicable minimum wage rate is determined based on the county where "the employer is located," it is not unusual for an employer to have locations in multiple counties. And it also is not unusual for employees, such as home health aides or

delivery drivers, to perform work in multiple geographic areas.

The Oregon Bureau of Labor and Industries is expected to provide guidance on these and other issues.

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