

Oregon Minimum Wage Increase Effective January 1, 2008

In November 2002, Oregon voters passed Ballot Measure 25, which allowed an annual review of state minimum wage, which includes an adjustment for inflation based on the U.S. City Average Consumer Price Index.

The 2007 annual review of the minimum wage rate was conducted by Bureau of Labor and Industries Commissioner, Dan Gardner. Based on a need for adjustment, the Commissioner increased the state minimum wage from the 2007 rate of \$7.80 per hour to \$7.95 per hour. The new state minimum wage became effective January 1, 2008.

January 1st, falls on a Tuesday so be sure to adjust your payroll for those employees being compensated at the minimum rate from \$7.80 per hour on Monday, December 31, 2007, to \$7.95 on Tuesday, January 1, 2008.

Changes in the minimum rate do not automatically mean you need to give all your employees pay raises, nor does it change your overtime rate except for those employees making minimum wage.

After ten years of remaining constant at \$5.15 per hour, the Federal minimum wage rose 70 cents per hour to an all time high of \$5.85 per hour effective July 24, 2007. The US Department of Labor has also announced its plans to increase the Federal minimum on July 24, 2008, to \$6.55 per hour, with a 3rd increase scheduled for July 24, 2009, bringing the Federal minimum rate to \$7.25 per hour. These increases will raise the Federal rate to be more in line with state minimums throughout the nation.

Be sure your required posters are updated with information about federal and state minimum wage increases. You can download new minimum wage posters from the Bureau's web site at www.oregon.gov/boli by clicking on our posters link under our menu.

For more information on these and other important issues for Oregon employers, including seminars given by our Technical Assistance Unit, please visit our website at www.oregon.gov/boli/ta. For employer questions, please call our employer help line at 971-673-0824.