127th MAINE LEGISLATURE

FIRST REGULAR SESSION-2015

Legislative Document	**No. 843**
H.P. 577	House of Representatives, March 10, 2015

An Act To Raise the Minimum Wage and Index It to the National Average Wage

Reference to the Committee on Labor, Commerce, Research and Economic Development suggested and ordered printed.

ROBERT B. HUNT
Clerk

Presented by Representative MELARAGNO of Auburn.
Cosponsored by Senator BREEN of Cumberland and
Representatives: BECK of Waterville, BROOKS of Lewiston, BRYANT of Windham, FOWLE of Vassalboro, HUBBELL of Bar Harbor, POWERS of Naples, PRESCOTT of Waterboro, Senator: HASKELL of Cumberland.

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Be it enacted by the People of the State of Maine as follows:

Sec. 1. 26 MRSA §664, sub-§1, as amended by PL 2007, c. 640, §4, is further amended to read:

1. Minimum wage. The minimum hourly wage is ~~$6.50 per hour. Starting October 1, 2006, the minimum hourly wage is $6.75 per hour. Starting October 1, 2007, the minimum hourly wage is $7.00 per hour. Starting October 1, 2008, the minimum hourly wage is $7.25 per hour. Starting October 1, 2009, the minimum hourly wage is~~ $7.50 per hour. Starting October 1, 2015, the minimum hourly wage is $8.45 per hour. Starting October 1, 2016, the minimum hourly wage is $9.40 per hour. Starting October 1, 2017, the minimum hourly wage is $10.35 per hour. Starting October 1, 2018, the minimum hourly wage is $11.30 per hour. Starting October 1, 2019, the minimum hourly wage is $12.00 per hour. Starting October 1, 2020 and each October 1st thereafter, if there is an increase in the national average wage index as determined by the federal Social Security Administration for the previous calendar year from the national average wage index of the next previous calendar year, the minimum hourly wage in effect at that time must be increased by the same percentage. If the highest federal minimum wage is increased in excess of the minimum wage in effect under this section, the minimum wage under this section is increased to the same amount, effective on the same date as the increase in the federal minimum wage~~, but in no case may the minimum wage exceed the minimum wage otherwise in effect under this section by more than $1 per hour~~.

Sec. 2. 26 MRSA §664, sub-§2, as amended by PL 2011, c. 118, §3, is further amended to read:

2. Tip credit. An employer may consider tips as part of the wages of a service employee, but such a tip credit may not exceed 50% of the minimum hourly wage established in this section. Starting October 1, 2015, the tip credit may not exceed $3.00 per hour. Starting October 1, 2016, the tip credit may not exceed $2.25 per hour. Starting October 1, 2017, the tip credit may not exceed $1.50 per hour. Starting October 1, 2018, the tip credit may not exceed $0.75 per hour. Starting October 1, 2019, an employer may not use a tip credit. An employer who elects to use the tip credit must inform the affected employee in advance and must be able to show that the employee receives at least the minimum hourly wage when direct wages and the tip credit are combined. Upon a satisfactory showing by the employee or the employee's representative that the actual tips received were less than the tip credit, the employer shall increase the direct wages by the difference.

The tips received by a service employee become the property of the employee and may not be shared with the employer. Tips that are automatically included in the customer's bill or that are charged to a credit card must be treated like tips given to the service employee. A tip that is charged to a credit card must be paid by the employer to the employee by the next regular payday and may not be held while the employer is awaiting reimbursement from a credit card company.

SUMMARY

This bill raises the minimum wage incrementally until it is $12.00 per hour starting October 1, 2019, and it requires the minimum wage to be adjusted based on the increase in the national average wage index, starting October 1, 2020. It also reduces the tip credit incrementally until it is eliminated starting October 1, 2019.