

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

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

4 **1. Minimum wage.** The minimum hourly wage is \$6.50 per hour. Starting October
5 1, 2006, the minimum hourly wage is \$6.75 per hour. Starting October 1, 2007, the
6 minimum hourly wage is \$7.00 per hour. Starting October 1, 2008, the minimum hourly
7 wage is \$7.25 per hour. Starting October 1, 2009, the minimum hourly wage is \$7.50 per
8 hour. Starting January 1, 2017, the minimum hourly wage is \$9.00 per hour; starting
9 January 1, 2018, the minimum hourly wage is \$10.00 per hour; starting January 1, 2019,
10 the minimum hourly wage is \$11.00 per hour; and starting January 1, 2020, the minimum
11 hourly wage is \$12.00 per hour. On January 1, 2021 and each January 1st thereafter, the
12 minimum hourly wage then in effect must be increased by the increase, if any, in the cost
13 of living. The increase in the cost of living must be measured by the percentage increase,
14 if any, as of August of the previous year over the level as of August of the year preceding
15 that year in the Consumer Price Index for Urban Wage Earners and Clerical Workers,
16 CPI-W, for the Northeast Region, or its successor index, as published by the United States
17 Department of Labor, Bureau of Labor Statistics or its successor agency, with the amount
18 of the minimum wage increase rounded to the nearest multiple of 5¢. If the highest
19 federal minimum wage is increased in excess of the minimum wage in effect under this
20 section, the minimum wage under this section is increased to the same amount, effective
21 on the same date as the increase in the federal minimum wage, but in no case may the
22 minimum wage exceed the minimum wage otherwise in effect under this section by more
23 than \$1 per hour and must be increased in accordance with this section thereafter.

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

26 **2. Tip credit.** An employer may consider tips as part of the wages of a service
27 employee, but such a tip credit may not exceed 50% of the minimum hourly wage
28 established in this section. Starting January 1, 2017, the minimum cash wage paid
29 directly to a tipped service employee may not be less than \$5.00 per hour, and the tip
30 credit may not exceed the difference between the minimum cash wage paid directly to a
31 tipped service employee and the minimum hourly wage established under subsection 1.
32 Starting January 1, 2018, and on each January 1st thereafter, the minimum cash wage
33 paid directly to a tipped service employee must be increased by an additional \$1.00 per
34 hour until it reaches the same amount as the annually adjusted minimum hourly wage
35 established under subsection 1, except that if the minimum cash wage paid directly to a
36 tipped service employee is less than \$1.00 less than the annually adjusted minimum
37 hourly wage, it must be increased by that lesser amount. An employer who elects to use
38 the tip credit, until it is eliminated under this subsection, must inform the affected
39 employee in advance and must be able to show that the employee receives at least the
40 minimum hourly wage when direct wages and the tip credit are combined. Upon a
41 satisfactory showing by the employee or the employee's representative that the actual tips
42 received were less than the tip credit, the employer shall increase the direct wages by the
43 difference.

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

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SUMMARY

8 This initiated bill raises the minimum wage to \$9.00 per hour in 2017 and by \$1.00
9 per hour each year after that until it is \$12.00 per hour in 2020. The minimum wage then
10 increases at the same rate as the cost of living. The minimum wage for workers who
11 receive tips increases to \$5.00 per hour in 2017 and then by \$1.00 per hour each year
12 until it matches the minimum wage for all other workers, which occurs no sooner than
13 2024.

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