



December 19, 2016

Dear Portland Employers:

On July 6, 2015, the Portland City Council adopted proposed changes to the Portland's minimum wage ordinance (Order 297-14/15). These changes took effect on January 1, 2016, and continue to take effect annually on January 1 with increases to the City of Portland Minimum Wage. This letter is being sent to you in order to inform you of your rights and responsibilities, both under these new changes, and under the City's municipal wage ordinance generally. Please note this letter only provides general information related to the minimum wage ordinance and should not be viewed as legal advice. I recommend you consult a lawyer to discuss the ordinance further and to obtain any required legal advice.

I. Increases in the Minimum Wage:

- Beginning on January 1, 2017, employers who have "a place of business" within the City of Portland must pay every employee "who performs work" for the employer "within the municipal limits of the City" **a minimum wage of \$10.68 per hour**.
 - In the case of tipped workers, employers may consider tips received by an employee as a part of the minimum wage, but must still ensure that each employee is receiving: (1) a direct wage of at least \$5.00 per hour; and (2) the total equivalent of \$10.68 per hour including the aforementioned direct wage and tips received. If the tipped employee can show that their total wages (including tips) fall below the minimum wage, you are required to compensate them for the difference.
 - Finally, please remember that tips paid to tipped employees are considered to be that employee's property, and may not be shared with you as the employer.
- **Beginning on July 1, 2018**, and continuing every year thereafter, **the City's minimum wage will increase in accordance with the Consumer Price Index (CPI)**. Please note, however, that if the CPI does not rise in a given year, the City's minimum wage will not increase.

II. Overtime

Please be aware that changes to the City's minimum wage ordinance do not affect state laws regarding overtime.

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III. Notice, Posting, and Records.

Posters are available for download from the City's website (www.portlandmaine.gov/minimumwage). If you have any questions or concerns regarding the poster, please contact the City Manager's Office. These posters outline the above described changes to the City's municipal wage ordinance, and inform employees of their rights under the law. This poster should be displayed in any workplace or jobsite where any employee works.

Additionally, an employer must maintain up-to-date records of each employee's daily hours worked and pay received, including tips. These records must be available for inspection during regular business hours, as needed, and must be maintained for at least three years after an employee has left.

Finally, each employer should also provide each new employee a notice advising the employee of the new minimum wage ordinance, and their rights under this ordinance, with the employee's first paycheck in 2017.

IV. Enforcement and Violations.

Any employee who claims that he or she is receiving an hourly wage less than \$10.68 per hour has the ability to file a written complaint with the City Manager's office.

If the City Manager finds, after looking at the appropriate records, that the claim is accurate, an employer may be required to pay back wages, and may also be subject to a fine of no less than \$100.00 for each day of non-compliance.

Thank you for your attention to this matter. If you have any additional questions regarding these new changes and how they may affect you, please contact the Office of the City Manager at 874-8685, or at minimumwage@portlandmaine.gov.

Sincerely,

Jon P. Jennings
City Manager