

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "B" to H.P. 108, L.D. 143, Bill, "An Act to Increase the Minimum Wage in Maine"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

'Sec. 1. 26 MRSA §664, as amended by PL 1993, c. 434, §1 and affected by §8, is repealed and the following enacted in its place:

§664. Minimum wage; overtime rate

Except as otherwise provided in this subchapter, an employer may not employ any employee at a rate less than the rates required by this section.

1. Minimum wage. The minimum hourly wage is \$4.25 per hour. If the highest federal minimum wage is increased in excess of \$4.25 per hour, the minimum wage must be 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 \$5.15 per hour.

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. 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.

3. Overtime rate. An employer may not require an employee to work more than 40 hours in any one week unless 1 1/2 times the regular hourly rate is paid for all hours actually worked in excess of 40 hours in that week. The regular hourly rate includes all earnings, bonuses, commissions and other compensation that is paid or due based on actual work performance.

The overtime provision of this section does not apply to:

A. Automobile mechanics, automobile parts clerks and automobile salesmen as defined in section 663;

B. Hotels and motels;

C. Mariners;

D. Public employees;

E. Restaurants and other eating establishments; and

F. The canning, processing, preserving, freezing, drying, marketing, storing, packing for shipment or distribution of:

(1) Agricultural produce;

(2) Meat and fish products; and

(3) Perishable foods.'

STATEMENT OF FACT

This amendment is the minority report of the committee. It replaces the original bill and restructures the entire section on the state minimum wage. Under current law, the state minimum wage increases to whatever level is established for the federal minimum wage, up to a maximum of \$5.00 per hour. The current federal and state minimum wage is \$4.25 per hour. The amendment rewords current law to make it more understandable and increases the cap from \$5.00 per hour to \$5.15 per hour. The amendment also restructures the entire section so that the provisions on minimum wage, tips and overtime are presented in a clearer format.