

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~~
17 ~~States Department of Labor, Bureau of Labor Statistics or its successor agency, with the~~
18 ~~amount of the minimum wage increase rounded to the nearest multiple of 5¢. If the~~
19 ~~highest federal minimum wage is increased in excess of the minimum wage in effect~~
20 ~~under this section, the minimum wage under this section is increased to the same amount,~~
21 ~~effective on the same date as the increase in the federal minimum wage, but in no case~~
22 ~~may the minimum wage exceed the minimum wage otherwise in effect under this section~~
23 ~~by more than \$1 per hour and must be increased in accordance with this section~~
24 ~~thereafter.~~

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

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

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.