

# Electronic Alert

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## **New Legislations Taking Effect Starting July 1, 2018**

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Starting on July 1, a number of key legislative updates take effect. Below are a few key reminders for employers.

### ***Transit Tax***

Starting with the first paycheck given to employees that accounts for wages earned in the month of July, employers must withhold an additional 0.1% of wages earned – or \$1 for every \$1,000 earned, for each employee. This statewide tax applies to wages of both Oregon residents and nonresidents who perform services in Oregon, unless the employee's wages are exempt from the definition of wages pursuant to ORS 316.162. Employers who fail to withhold this tax appropriately or file and pay on time may face penalties of \$250 per employee, up to \$25,000 for each tax period.

### ***Minimum Wage Increase***

Pursuant to the incremental wage scale established by the state legislature in 2016, the yearly minimum wage increase will take effect beginning on July 1. For standard counties, the rate increases from \$10.25 to \$10.75; for Portland metro counties, the rate increases from \$11.25 to \$12.00; and for nonurban counties, the rate increases from \$10.00 to \$10.50. A map outlining the state's minimum wage rates zones is available through the Bureau of Labor and Industries.

### ***Predictive Scheduling***

Beginning on July 1, Oregon will be the first state to effect a predictive scheduling law for retail, food service, and hospitality industries. The new law applies only to employers with 500 or more employees worldwide and covers only employees who are not salaried. The law counts all subsidiaries as a single employer. Employers are required to give advance notice of schedules at least 7 days before the first day on the schedule; provide a minimum 10-hour rest period between shifts; and pay a premium for any changes to employees' hours worked within the 7-day notice period. Employees may request to work additional shifts, or to be part of a "standby list" maintained by the employer to accommodate unexpected absences or consumer needs. Violation of the law can result in penalties of up to \$1000 per violation.

For more information on these new laws, contact Chris Morgan at (503) 276-2144 or [cmorgan@barran.com](mailto:cmorgan@barran.com).