

[Back to web Version](#)

Oregon's Minimum Wage Increases And Relaxes Direct Deposit Laws

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On January 1, 2014, the Oregon minimum wage increased from \$8.95 to \$9.10 an hour.

Oregon's minimum wage is higher than the federal minimum wage, which has been \$7.25 an hour since July 2009, so employers covered under both laws must pay employees the higher state rate.

Employers should replace their Oregon Minimum Wage Poster with the new poster that reflects the change. You can download the poster from the state.

Some good news to ring in the New Year – a new law makes it easier for employers to convert to a direct deposit system for paying wages. Under the old law, employers could require new hires to enroll in direct deposit, but existing employees had to voluntarily opt in. Under the new law, employers can convert all employees to a direct deposit system. However, no fees can be charged to the employee and employees must have the option to opt out and receive a physical paycheck.

Employers seeking to move to electronic payroll systems can also offer to pay employees using ATM cards and payroll cards, but unlike with direct deposit, employers cannot unilaterally require employees to receive wages through those systems (i.e., the opt in method still controls).

For more information contact Fisher & Phillips' Portland office at (503) 242-4262.

This Legal Alert provides information about a specific new provision of a Oregon law. It is not intended to be, and should not be construed as, legal advice for any particular fact situation.