

What Employers Need to Know NOW About Washington State's Minimum Wage and Paid Sick Leave Laws

11/23/2016

Elections matter for employers in Washington.

Although the November election results have not yet been certified, Washington voters appear to have passed Initiative 1433, the ballot measure requiring paid sick leave and increasing the state's minimum wage. Results should be certified by November 29.

1. New Washington Minimum Wage. The new minimum wage of **\$11.00 per hour** for all Washington employees who are at least 18 years of age takes effect on January 1, 2017. The new law raises the minimum wage for employees under age 16 to \$9.35 per hour, which is 85 percent of the state minimum wage. Currently, Washington employees between ages 16-18 are paid the same wage rate, but the new law requires the Washington State Department of Labor and Industries (L&I) to adopt regulations setting the minimum wage for employees under age 18, so those wage rates may change.

In 2018 and 2019, the state minimum wage will increase by \$0.50 per hour. In 2020, it will increase to \$13.50 per hour. Beginning on January 1, 2021, and for each subsequent year, L&I will calculate an adjusted minimum wage rate based on the rate of inflation.

Employees working in Seattle, Tacoma and the City of SeaTac are subject to local minimum wage laws. Those local laws already require employers to pay a higher rate than the state minimum wage rate. Employers must pay the wage rate most favorable to the employee.

2. State-wide Paid Sick Leave. Initiative 1433 also requires employers throughout the state to provide **paid sick leave beginning January 1, 2018**. Under the new law, an employee accrues one hour of sick leave for every 40 hours worked. Employers may not require employees to find replacements to cover their absences. Unused paid sick leave carries over to the following year but employers may cap carryover at 40 hours. Additionally, employers are not required to cash out accrued and unused sick leave upon an employee's separation from employment. However, upon rehire within 12 months, the employee's previously accrued and unused paid sick leave must be reinstated.

Some local laws already require paid sick and safe leave. Employers must comply with whichever law provides the greatest benefit to employees. For example, the Seattle Paid Sick and Safe Leave Ordinance applies a tiered system based on the employer's size that dictates both the accrual and carryover rates. If the accrual and carryover rates are greater under the Seattle ordinance than the Washington rates, employees working in Seattle are entitled to accrue paid sick and safe leave at the higher Seattle rates.

3. Key Take Aways:

(a) Employers must pay employees working in Washington the new state minimum wage, effective January 1, 2017, unless the employees work in Seattle, Tacoma or SeaTac and are entitled to higher wage rates;

(b) Employers should begin preparing now to comply with the new Washington paid sick leave law when it becomes effective on January 1, 2018. L&I is expected to propose new regulations to clarify the law's requirements, but employers will need to reconcile their policies to apply the law most favorable to employees.

View I-433 here: https://sos.wa.gov/assets/elections/initiatives/FinalText_954.pdf

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