

# Proposed Changes to Washington's Overtime Rules

*Washington's overtime employment rules are changing – and we want to hear from you!*



The Department of Labor & Industries (L&I) is changing the employment rules that determine which workers in Washington are required by law to be paid at least minimum wage, earn overtime pay, and receive paid sick leave. These changes will affect executive, administrative, and professional (EAP) workers and outside salespeople across all industries in Washington.

Changes to these rules mean some employers will have to provide minimum wage, overtime, and paid sick leave to some employees who were previously considered exempt. In other cases, employers may choose to increase salaries for exempt employees.

## Who are these workers?

A combination of a minimum salary and specific job duties determines whether a worker meets the definition of an executive, administrative, or professional worker, or outside salesperson contained in state rules. These workers are typically “white collar” workers who often have more economic security and relative bargaining power than lower-wage workers.

In general, these workers must be salaried and paid a minimum specified salary level, and must primarily perform executive, administrative, professional, or outside sales duties as defined by federal regulations.

## Proposed changes update minimum salary level and job duties

Under the proposed changes, the minimum pay a salaried worker must receive to be considered exempt would increase incrementally to 2.5 times minimum wage by 2026.

For many employers, the first increase would take effect July 1, 2020, when the minimum required salary level for exempt employees would increase from the current \$455 a week (under federal rules) to \$675 a week for small employers, and \$945 a week for large employers (with more than 50 employees). This salary level is based on Washington's 2020 minimum wage requirement. See the salary chart on page 3 for a full schedule of when the proposed changes would take effect.

In addition to the change in the minimum salary level, the job duties tests in the proposed rules are being updated to more closely align with the federal job duties tests.



Washington State Department of  
**Labor & Industries**

*Upon request, foreign language support and formats for persons with disabilities are available. Call 1-800-547-8367. TDD users, call 360-902-5797. L&I is an equal opportunity employer.*

## Your input needed during rulemaking

L&I is updating the rules through a rulemaking process, and you have an opportunity to submit formal comments during this process. Here's how:

- Review the draft overtime rules, available online at [www.Lni.wa.gov/OvertimeRulemaking](http://www.Lni.wa.gov/OvertimeRulemaking).

- Provide formal public comments. You can do this by attending a public hearing; submitting your comments by email at [EAPrules@Lni.wa.gov](mailto:EAPrules@Lni.wa.gov) or by fax at 360-902-5300; or mailing comments to the Employment Standards Program, P.O. Box 44510, Olympia, WA 98504-4510. L&I must receive your comments by 11:59 p.m. Sept. 6, 2019.

## Public hearing schedule

### Western Washington:

	Monday	Tuesday	Wednesday	Thursday
<b>Date</b>	July 15, 2019	July 16, 2019	July 17, 2019	Aug. 15, 2019
<b>City</b>	Tumwater	Seattle	Bellingham	Vancouver
<b>Venue</b>	L&I Headquarters	The Swedish Club	Four Points by Sheraton Bellingham Hotel & Conference Center	Clark College Columbia Tech Center (CTC)
<b>Room</b>	S117/S118/S119	Stockholm Hall	Whatcom Room	Event Rooms A&B
<b>*Explanation and discussion of the proposed rule</b>	1:00 to 2:00 p.m.	9:00 to 10:00 a.m.	9:00 to 10:00 a.m.	9:00 to 10:00 a.m.
<b>Public hearing</b>	2:00 to 4:00 p.m.	10:00 a.m. to noon	10:00 a.m. to noon	10:00 a.m. to noon

### Eastern Washington:

	Monday	Tuesday	Wednesday
<b>Date</b>	Aug. 5, 2019	Aug. 6, 2019	Aug. 7, 2019
<b>City</b>	Ellensburg	Kennewick	Spokane
<b>Venue</b>	Hal Holmes Community Center	SpringHill Suites by Marriott Kennewick Tri-Cities	CenterPlace Regional Event Center
<b>Room</b>	Hal Holmes	Vista Hall	Large Meeting Room
<b>*Explanation and discussion of the proposed rule</b>	9:00 to 10:00 a.m.	9:00 to 10:00 a.m.	9:00 to 10:00 a.m.
<b>Public hearing</b>	10:00 a.m. to noon	10:00 a.m. to noon	10:00 a.m. to noon

\* All public hearings include a pre-hearing overview, which will provide the public with an opportunity to learn about the new rule and ask Labor & Industries' staff questions.

## Learn more

Find more information online at [www.Lni.wa.gov/OvertimeRulemaking](http://www.Lni.wa.gov/OvertimeRulemaking), or contact L&I's Employment Standards program at [EAPrules@Lni.wa.gov](mailto:EAPrules@Lni.wa.gov) or 1-866-219-7321.

Sign up to receive email updates on the overtime employment rule changes at [www.Lni.wa.gov/WageNews](http://www.Lni.wa.gov/WageNews).

Proposed minimum weekly salary levels required for an overtime-exempt employee								
When the proposed changes would take effect	July 1, 2020	Jan. 1, 2021*	Jan. 1, 2022*	Jan. 1, 2023*	Jan. 1, 2024*	Jan. 1, 2025*	Jan. 1, 2026*	Future years
<b>For employers with 1-50 employees</b>	<b>\$675</b> (1.25 x min. wage)	<b>\$965</b> (1.75 x min. wage)	<b>\$1127</b> (2 x min. wage)	<b>\$1296</b> (2.25 x min. wage)	<b>\$1324</b> (2.25 x min. wage)	<b>\$1353</b> (2.25 x min. wage)	<b>\$1536</b> (2.5 x min. wage)	Beginning Jan. 1, 2027, the salary level will remain at 2.5 times minimum wage and be updated annually for inflation
<b>For employers with 51 or more employees</b>	<b>\$945</b> (1.75 x min. wage)	<b>\$1103</b> (2 x min. wage)	<b>\$1268</b> (2.25 x min. wage)	<b>\$1296</b> (2.25 x min. wage)	<b>\$1324</b> (2.25 x min. wage)	<b>\$1503</b> (2.5 x min. wage)	<b>\$1536</b> (2.5 x min. wage)	
<b>Total employees affected (cumulative)</b>	77,000	125,000	168,000	190,000	198,000	229,000	252,000	

Notes:

\* The salary levels for the years marked by an asterisk are projections, based on estimated increases in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) of 2.17 percent annually.

1. Under the current federal law, a salaried employee must be paid a minimum of \$455 a week to be exempt from overtime requirements.
2. Under the current state law, a salaried employee must be paid a minimum of \$250 a week to be exempt from overtime requirements.
3. A full-time minimum wage job in Washington in 2019 makes \$480 per week for a 40-hour work week.

The proposed rule also increases the hourly rate threshold for exempt computer professionals paid on an hourly basis.

Proposed minimum hourly wage levels required for overtime-exempt computer professionals				
When the proposed changes would take effect	July 1, 2020	Jan. 1, 2021*	Jan. 1, 2022*	Future years
<b>For employers with 1-50 employees</b>	<b>\$27.63</b> (No change from current level)	<b>\$37.92</b> (2.75 x min. wage)	<b>\$49.32</b> (3.5 x min. wage)	Beginning Jan. 1, 2023, the wage level will remain at 3.5 times minimum wage, updated annually for inflation
<b>For employers with 51 or more employees</b>	<b>\$37.13</b> (2.75 x min. wage)	<b>\$48.27</b> (3.5 x min. wage)	<b>\$49.32</b> (3.5 x min. wage)	

Notes:

\* The wage levels for the years marked by an asterisk are projections, based on estimated increases in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) of 2.17 percent annually.