



# SEATTLE'S NEW MINIMUM WAGE ORDINANCE

(SMC 14.19) Effective date: April 1, 2015

## INFORMATION FOR LARGE EMPLOYERS

(501 OR MORE EMPLOYEES - ALSO KNOWN AS SCHEDULE 1 EMPLOYERS)

For Large Employers, the City of Seattle's **\$15.00/hour** wage will be phased in over the next 3–4 years. The Office of Labor Standards will implement the new ordinance.

### MINIMUM WAGE

Large employers can meet this requirement in two ways:

1. Pay hourly minimum wage; or
2. Pay reduced hourly minimum wage if the employer makes payments toward an employee's silver level medical benefits plan.

### 1. HOURLY RATE

Large employers who do not pay towards an employee's medical benefits plan pay hourly minimum wage based on the following schedule.

	MINIMUM WAGE
2015 (April 1)	\$11.00/hour
2016 (January 1)	\$13.00/hour
2017 (January 1)	<b>\$15.00/hour</b>

### 2. MEDICAL BENEFITS

Large employers who do make payments toward an employee's medical benefits plan pay a reduced minimum wage based on the following schedule.

	MINIMUM WAGE
2015 (April 1)	\$11.00/hour
2016 (January 1)	\$12.50/hour
2017 (January 1)	\$13.50/hour
2018 (January 1)	<b>\$15.00/hour</b>

Once Seattle's minimum wage reaches **\$15.00/hour**, payments toward medical benefits no longer impact employees' minimum wage. In subsequent years, the City of Seattle will calculate percentage changes to the minimum wage based on the Consumer Price Index (CPI).

### KEY TERMS

#### EMPLOYEES

Seattle's Minimum Wage Ordinance applies to employees working in Seattle, regardless of employees' immigration status.

#### EMPLOYER SIZE

To calculate employer size, count the employer's total number of individual employees within the United States, regardless of where those employees work.

#### WAGE

A wage includes salary, hourly pay, commissions, piece-rate, and non-discretionary bonuses. Wages do not include tips or payments towards medical benefits. However, payment toward medical benefits can reduce employers' minimum wage requirements temporarily until 2018.

#### MEDICAL BENEFITS

For an employee's medical benefits to qualify toward the minimum wage, the plan must be the equivalent of a "silver" level or higher as defined in the federal Affordable Care Act.

## EXAMPLE

**Seattle Bargains is a large employer with both part-time and full-time employees.**

For part-time employees, Seattle Bargains **does not pay** towards a silver level medical benefits plan.

**Seattle Bargains will pay its part-time employees a minimum wage of:**

- On April 1, 2015, **\$11.00**/hour.
- On January 1, 2016, **\$13.00**/hour.
- On January 1, 2017, **\$15.00**/hour.

For full-time employees, Seattle Bargains pays **\$1.50 per hour** toward a silver level medical benefits plan.

**Seattle Bargains will pay its full-time employees a minimum wage of:**

- On April 1, 2015, \$11.00/hour.
- On January 1, 2016, \$12.50/hour.
- On January 1, 2017, \$13.50/hour.

## OTHER REQUIREMENTS



### NOTICE TO EMPLOYEES

Employers must provide employees with notice of their rights under the Ordinance. The notice must be in English, Spanish, and any other language that is commonly spoken by employees in the workplace. The Office of Labor Standards will make notices available in different languages.



### RECORD KEEPING

Employers must keep payroll records for three years.



### RETALIATION PROHIBITED

**An employer cannot retaliate against an employee for:**

- Requesting to be paid the minimum wage.
- Filing a complaint with the Office of Labor Standards concerning a potential minimum wage violation.
- Telling a person about a potential violation or about their rights.

## ENFORCEMENT

On April 1, 2015, the Office of Labor Standards (OLS) begins enforcing the Minimum Wage Ordinance. During the first year, OLS will obtain full payment of worker wages and help employers comply with ordinance requirements. Penalties will be withheld except for repeated or egregious violations.

**OLS is a new division within the Seattle Office for Civil Rights.**

### FOR MORE INFORMATION

- 🌐 [seattle.gov/minimumwage](http://seattle.gov/minimumwage)
- ✉ [minimumwage@seattle.gov](mailto:minimumwage@seattle.gov)
- 📞 (206) 684-4500