

City of Seattle

Minimum Wage Ordinance (SMC 14.19) ♦ Chapter 90 Rule Revisions

The Seattle Office of Labor Standards is revising Chapter 90 Rules to reflect (1) legislation establishing OLS as an independent office (See Ordinance [118845](#)); (2) changes resulting from the Wage Theft Prevention and Harmonization Ordinance of 2015 (See Ordinance [124960](#)); (3) revisions to Washington State’s minimum wage law resulting from Initiative 1433 (See [I-1433](#)); and (4) other requests for clarification from the public.

Issue	Proposal	Reason for the change
Definitions		
Definition Section	Remove definitions because they are already in the ordinance and were included in the original rules only for reference.	Streamline rules
REVISED TITLE OF SECTION: Employment in Seattle		
Revised title of section	Revise title to reflect new format of the ordinance.	WT Prevention and Harmonization Ordinance
Revised title of rule	Revise title of the rule to reflect the ordinance’s two-part criteria: 1) typically based outside of the City AND 2) performs work in the City on an occasional basis.	WT Prevention and Harmonization Ordinance
<ul style="list-style-type: none"> In general 	Add “typically based in Seattle” because this language was added to the ordinance. Remove language from ordinance about “time spent in Seattle” because it is broader than necessary for the rule.	WT Prevention and Harmonization Ordinance
<ul style="list-style-type: none"> Typically based outside of the City & Occasional Basis 	Clarify that the phrase, “typically based outside of the City working in the City on an occasional basis,” means the employee works for an employer outside the geographic boundaries of Seattle for more than 50% of work hours in a year.	WT Prevention and Harmonization Ordinance & clarification
<ul style="list-style-type: none"> Payment requirement 	Remove this language because it is redundant; it was added to SMC 14.19 by the WT Prevention and Harmonization Ordinance.	WT Prevention and Harmonization Ordinance
NEW SECTION: Employer schedule determination		
New section	Create section to reflect the new format of the ordinance.	WT Prevention and Harmonization Ordinance
Joint employer	Move the location of this rule from “Employers” to “Employer schedule determination” to reflect the new format of the ordinance.	WT Prevention and Harmonization Ordinance

<ul style="list-style-type: none"> • Joint and several liability 	Added “workweek” to clarify that employers are joint and severally liable for compliance with all provisions of the ordinance for the “workweek” and “pay period.”	Clarification
NEW SECTION: Special certificate and minors		
New section	Create new section to reflect the new format of the ordinance.	WT Prevention and Harmonization Ordinance
NEW SECTION: Hourly Minimum Wage and Minimum Compensation		
New section	Create new section to better reflect the format of the ordinance.	WT Prevention and Harmonization Ordinance
Individual employee medical benefits plan	Clarify that employers shall only pay lower minimum wage when the employer is paying toward an individual employee’s medical plan in which the employee is enrolled and eligible for receipt of benefits, subject to limited exceptions.	Clarification
Service Charges <ul style="list-style-type: none"> • Commission 	Delete provision that permits service charges to count as commissions. Since commissions can constitute “wages,” this revision is consistent with I-433’s categorization of both tips and service charges as being separate from an employee’s wage.	I-1433
<ul style="list-style-type: none"> • Minimum wage and minimum compensation 	<p>Revise rule to reflect I-433’s categorization of tips and service charges as being separate from an employee’s [state minimum] wage.</p> <p>“Service charges paid to an employee may count toward Seattle minimum wage and minimum compensation for the employee’s earnings above the state minimum wage, as set forth in RCW 49.46.020.”</p> <p>This revision is consistent with I-1433’s prohibition of counting service charges paid to an employee toward <i>state</i> minimum wage because it only permits employers to count service charges toward Seattle min wage/compensation for earnings <i>above state min wage</i>.</p>	I-1433
Work Study	Delete the definition of “work study” because the work study exemption was removed from the ordinance.	WT Prevention and Harmonization Ordinance
REVISED TITLE: Employer Records		
Revised title of section	Revise title of section to reflect the new format of the ordinance.	WT Prevention and Harmonization Ordinance
Payroll Records <ul style="list-style-type: none"> • Service charges 	Clarify that employers must keep records of tips, service charges, payment toward individual employee medical benefits, and actuarial value of medical benefits to demonstrate payment of minimum wage and minimum compensation.	Clarification and rule consistency

