Seattle Office of Labor Standards PROPOSED + 2018 PSST Rule Revisions

The Office of Labor Standards (OLS) recently amended the Paid Sick and Safe Time (PSST) ordinance to reflect the more generous provisions of voter-passed, <u>Washington Initiative 1433</u>, which established statewide paid sick leave for hourly employees working in Washington state.

Currently, OLS is proposing revisions to PSST rules to reflect these ordinance amendments. OLS is seeking community feedback on these proposed revisions through May 13, 2018 and will issue final rules in late May 2018. OLS's revisions largely reflect state regulations developed by the Washington State Department of Labor & Industries. When appropriate, OLS has proposed requirements that are more favorable for employees to align with existing PSST rules or policy goals.

This chart provides an overview of proposed PSST Rules that differ from existing state paid sick leave rules.

| Issue | Question | State Requirement | Proposed Seattle Rule |
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| Employee Coverage Occasional Basis | What is the threshold for coverage for an employee who is typically based outside of the City and performs work in the City on an occasional basis? | Coverage for employees who only occasionally work in Washington is based on principles developed in state Minimum Wage Act case law, including <i>Bostain v. Food</i> <i>Exp., Inc.,</i> 159 Wn.2d 700 (2007). | Occasional basis employees are covered by the PSST ordinance once the employee performs more than 240 hours of work in the City within a year. Coverage shall begin on such employee's 241 st hour of work in the City within a year. |
| Payment for PSST Holiday Pay and Premium Rates | Does an employer's requirement to pay "normal hourly compensation" for use of PSST include holiday pay and other premium rates for use of PSST? | The employer's requirement to pay normal hourly compensation for use of paid sick leave includes differential rates, but does not include holiday pay, or other premium pay rates. <u>WAC 296-128-600(10)</u> . | Normal hourly compensation <i>includes holiday pay and other premium rates</i> , and differential rates. |
| Frontloading • Employer Reimbursement | If an employee uses frontloaded PSST hours in advance of the accrual rate, can the employer seek reimbursement (i.e. deduct wages) at separation of employment? | At separation of employment, the employer <i>may deduct wages</i> from the employee's final paycheck if there is a specific agreement in place with the employee allowing for such deduction. <u>WAC 296-128-730</u> | Employers shall not be entitled to seek reimbursement for an employee's use of frontloaded PSST in advance of the accrual rate. |

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| Increments of Use Variances | Will OLS grant a variance or recognize a variance from L&I from the increments of use requirements? | L&I shall grant a variance from the increments required by WAC 296-128-630(4) for "good cause." <u>WAC 296-128-640</u> . | OLS <i>shall not grant a variance</i> from the increments required by SMC 14.16.030.C, and <i>shall not recognize a</i> <i>variance</i> issued by the Washington State Department of Labor and Industries under WAC 296-128-640 for work performed in Seattle. |
| Written Policy Notice of normal hourly compensation | Must the written policy state an employee's right to payment for use of PSST? | N/A | The employer's written policy must state an employee's general right to be paid <i>normal hourly compensation</i> for using PSST. The written policy is not required to state any employee's specific rate of pay. |
| Workplace Poster Display size | Does the OLS workplace poster need to be displayed in a particular size? | N/A | Employers must display the workplace poster in the <i>specific dimensions</i> established by the Seattle Office of Labor Standards (i.e. 11" x 17"). |