



2018 ♦ Updates on Seattle Labor Standards

Increased Minimum Wage & Expanded Paid Sick and Safe Time

Changes to Minimum Wage & PSST take effect on January 1, 2018.

The increase to minimum wage reflects inflation adjustments and annual increases required by the Minimum Wage ordinance. The expanded Paid Sick and Safe Time requirements reflect changes required by voter-passed, Washington Initiative 1433 (I-1433). Under I-1433, all hourly employees working in Seattle and throughout Washington automatically have a right to paid sick leave. Under legislation proposed by OLS, the I-1433 requirements will also apply equally to hourly and overtime exempt employees (with a few limited exceptions). Since PSST has always applied to both hourly and overtime exempt employees, the proposed legislation maintains this broad employee coverage. City Council is expected to vote on this proposed legislation in December 2017.

2018 Seattle Minimum Wage

LARGE EMPLOYERS (501 or more employees)	
Does the employer pay toward the individual employee's medical benefits?	
NO \$15.45 per hour	YES \$15.00 per hour
SMALL EMPLOYERS (500 or fewer employees)	
Does the employer pay at least \$2.50/hour toward the individual employee's medical benefits and/or does the employee earn at least \$2.50/hour in tips?	
NO \$14.00 per hour	YES \$11.50 per hour

Paid Sick and Safe Time

Issue	2017 ♦ Requirements	2018 ♦ Proposed Requirements
Definitions – Work study	There is a permissible exemption for employees working under a work study agreement.	There is <i>no exemption</i> for employees working under a work study agreement.
Definitions – Family members	Family member includes Child (minor or dependent), Spouse, Registered Domestic Partner, Parent, Parent-in-law, Grandparent.	Plus <i>Child (of any age), Sibling, and Grandchild.</i>

Definitions – Tier 1 employers	Tier 1 employers have more than four FTES and less than 50 FTEs.	Tier 1 employers have <i>at least one employee</i> and less than 50 FTEs.
Employment in Seattle – Occasional basis employees	PSST covers employees who are typically based outside of Seattle and who work in Seattle on an occasional basis after the employee works more than 240 hours in Seattle in a year.	<i>The occasional basis threshold for PSST coverage will be defined in rules.</i> Such coverage affects only those PSST requirements that are more generous than statewide paid sick leave.
Use	Caps on use of PSST are permitted.	Caps on use <i>are not permitted.</i>
Cash-out	Cash-out is permitted.	Cash-out is permitted, <i>but employer must still carry-over 40 hours.</i>
Frontloading	Frontloading is permitted in PSST Rules.	Frontloading is permitted, but employer must still carry-over 40 hours.
Waiting period	Waiting period is 180 calendar days from start of employment.	Waiting period is <i>90 calendar days</i> from start of employment.
Breaks in service	PSST must be reinstated after a 7 month break in service for same employer.	PSST must be reinstated after a <i>12 month</i> break in service for same employer.
Increments of use –Hourly employees	Employees can use PSST in hourly increments or, if feasible by employer's payroll system, increments rounding to nearest 15 minutes.	Employees can use PSST in hourly increments <i>or the smallest increment in which compensation is tracked.</i>
Documentation of absence	Sick = Employer may require reasonable documentation after more than three days of consecutive use of PSST.	Additional statement that <i>employer's requirements for verification may not result in an unreasonable burden or expense on the employee.</i>
Rate of pay	Employers must pay the same hourly rate when an employee uses PSST. There is no right to lost tips or commissions.	Employers must pay <i>normal hourly compensation.</i> There is no language about lost tips/commissions. The term, <i>normal hourly compensation</i> will be defined in revised PSST rules.
Notifications	Each time wages are paid, employer must provide notification of PSST available for use.	Notification also must include <ul style="list-style-type: none"> • <i>PSST accrued</i> • <i>PSST reduced (e.g. used, donated).</i>
Tier one and tier two new employer exemption	There is a two-year exemption from PSST requirements for new tier one and tier two employers.	There is a two-year exemption for new tier one and tier two employers <i>only from PSST requirements that are more generous than statewide paid sick leave (e.g. carry-over for tier two employers).</i>
Employer records	Employers must retain records for three years <ul style="list-style-type: none"> • Hours worked in Seattle • Accrued PSST • Used PSST. 	Employer records also must include <ul style="list-style-type: none"> • <i>PSST available for use</i> • <i>PSST donated to a co-worker through a shared leave program</i> • <i>PSST not carried over to the following year.</i>
Notice and Posting – Written Policy	Employers must provide each employee with a written PSST policy the following items <ul style="list-style-type: none"> • Benefit year • Tier size • Accrual, use and carry-over • Manner of providing notification • Requirements for requesting leave. 	The written PSST policy also must include <ul style="list-style-type: none"> • <i>Employee's right to PSST</i> • <i>Prohibitions against retaliation.</i> If applicable, an explanation of <ul style="list-style-type: none"> • <i>Frontloading program</i> • <i>Verification requirements for use of PSST for more than three consecutive days</i> • <i>Shared PSST program (e.g. donation)</i> • <i>PTO program.</i>
Waiver	Waiver is available only for employees covered by a CBA	<i>Waiver is available only through Dec. 31, 2018 for PSST requirements that are more generous than statewide paid sick leave (e.g. tier 2 & 3 carry over, tier 3 accrual). Thereafter, no CBA waiver of any PSST requirements is permitted.</i>