City of Seattle

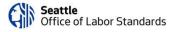
Minimum Wage Ordinance (SMC 14.19) Chapter 90 Rule Revisions

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 1-1433); (4) elimination of subminimum wage for people with disabilities; and (5) 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 | N: 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 | |
| • 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 | |
| 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 | |
| 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 | | | |
| 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 | |



| Joint and several liability | Added "workweek" to clarify that employers are joint and severally liable for compliance with all provisions | Clarification |
|---|--|-------------------------|
| several liability | and severally liable for compliance with all provisions | |
| | | |
| | of the ordinance for the "workweek" and "pay period." | |
| NEW SECTION: Special cer | tificate and minors | |
| New section | Create new section to reflect the new format of the | WT Prevention and |
| | ordinance. | Harmonization Ordinance |
| | | a |
| Special certificate for | Remove Director's authority to issue special | Clarification |
| people with disabilities | certificates for people with disabilities. | |
| NEW SECTION: Hourly Mir | nimum Wage and Minimum Compensation | |
| New section | Create new section to better reflect the format of the | WT Prevention and |
| | ordinance. | Harmonization Ordinance |
| | | |
| Individual employee | Clarify that employers shall only pay permissible lower | Clarification |
| medical benefits plan | 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. | |
| | | |
| Service Charges • Commission | | I-1433 |
| Commission | Clarify that service charges paid to an employee may | |
| | count toward commissions for the employee's earnings | |
| | above the state minimum wage, as set forth in RCW. | |
| | <u>49.46.020</u> . | |
| | This revision is consistent with I-1433's prohibition of | |
| | counting service charges paid to an employee toward | |
| | state minimum wage because it only permits | |
| | employers to count service charges toward Seattle min | |
| | wage/compensation for earnings above state min | |
| | wage. | |
| Minimum wage | Clarify that service charges paid to an employee may | I-1433 |
| and minimum | count toward Seattle minimum wage and minimum | |
| compensation | compensation for the employee's earnings above the | |
| | state minimum wage, as set forth in RCW 49.46.020. | |
| | 3 / | |
| | This revision is consistent with I-1433's prohibition of | |
| | counting service charges paid to an employee toward | |
| | state minimum wage because it only permits | |
| | employers to count service charges toward Seattle min | |
| | wage/compensation for earnings above state min | |
| | wage. | |
| Work Study | Delete the definition of "work study" because the work | WT Prevention and |
| | study exemption was removed from the ordinance. | Harmonization Ordinance |



| REVISED TITLE: Employer Records | | | |
|-------------------------------------|--|-------------------------|--|
| Revised title of section | Revise title of section to reflect the new format of the | WT Prevention and | |
| | ordinance. | Harmonization Ordinance | |
| Payroll Records | Clarify that employers must keep records of tips and | Clarification and rule | |
| Service charges | service charges paid to the employee, payments | consistency | |
| | toward the individual employee's medical benefits, | | |
| | and actuarial value of the employee's medical benefits | | |
| | to demonstrate payment of minimum wage and | | |
| | minimum compensation. | | |

