

2016 GUIDE FOR SEATTLE WORKERS AND EMPLOYERS

# Changes to Seattle's Labor Standards Laws



Office of Labor Standards

# Changes to Seattle's Labor Standards Laws

In December, 2015, the City of Seattle passed a comprehensive set of amendments to Seattle's labor standards laws, known as the "Wage Theft Prevention and Harmonization Ordinance".

The legislation made changes to all four existing labor standards ordinances – **Paid Sick and Safe Time**, **Minimum Wage**, **Wage Theft**, and **Fair Chance Employment**. These changes offer more protections for workers; provide opportunities for employers to quickly resolve violations; and level the playing field for all businesses by deterring and penalizing bad-actor employers.

## This guide addresses the following questions:

- What are the changes to Seattle's labor standards laws?
- What will happen if a business violates a Seattle labor law?
- When do these changes go into effect?
- How can employers and employees learn more about the changes?
- Where can employers and employees learn more about Seattle's labor standards?
- How do employees and others report labor standards violations?

# What are the changes to Seattle's labor standards laws?

## 1. Paid Sick and Safe Time (PSST) – [seattle.gov/psst](http://seattle.gov/psst)

### OCCASIONAL BASIS EMPLOYEES

- If an employee is typically based outside of Seattle and only works in the city on an irregular basis, the employee is covered by the PSST ordinance after working 240 hours in Seattle for an employer in a benefit year. Once the employee meets this initial requirement, the employee remains covered by the ordinance for the duration of employment with that employer.

### TEMPS CAN BE EMPLOYEES OF BOTH THE STAFFING AGENCY AND CLIENT EMPLOYER

- The definition of "employee" supports "joint employer" relationships.

### PSST INCREMENTS

- For hourly, non-exempt employees, employers must permit use of PSST in the smaller of hourly increments or, if feasible by the employer's payroll system, increments that round to the nearest quarter of an hour (i.e. 15 minutes). For overtime exempt employees, employers may permit use of PSST in accordance with state and federal wage and hour laws.

### BENEFIT YEAR

- Employers are allowed to use any fixed, consecutive 12-month period of time for accrual, use and carry-over of PSST hours. A benefit year can be a tax year, fiscal year, contract year, or the year running from an employee's one-year anniversary date of employment.

### WRITTEN PSST POLICY

- Effective April 1, 2016, employers must provide all employees with a written PSST policy that outlines the benefit year the employer will be using (examples: calendar year, tax year, fiscal year, contract year, or year running from an employee's one year anniversary of employment), as well as the employer's policies and procedures for meeting PSST requirements.

### SUCCESSOR EMPLOYERS

- Purchasers of existing businesses must retain previously accrued PSST hours for employees.

### THREE-YEAR RECORD REQUIREMENT

- Employers must retain employees' PSST records for three years.

## 2 . Minimum Wage Ordinance (MWO) – [seattle.gov/minimumwage](http://seattle.gov/minimumwage)

### WORK STUDY

- Work study participants are no longer exempt from minimum wage requirements.

### WORLDWIDE EMPLOYEE COUNT

- Employers will determine their minimum wage schedule size by counting employees worldwide, rather than just within the United States.
- Franchises will still count as large employers if more than 501 employees are employed across the franchise network.

## 3. Wage Theft (WTO) – [seattle.gov/wagetheft](http://seattle.gov/wagetheft)

### WRITTEN JOB INFORMATION FOR ALL EMPLOYEES

- Employers must provide written “notice of employment information” by April 1, 2016 to new and existing hourly and overtime exempt employees.

### EXPANDED DEFINITION OF COMPENSATION

- Compensation now includes salaries, wages, tips, overtime, commissions, piece rate, bonuses, rest breaks, promised or legislatively-required paid leave, and reimbursement for employer expenses.

## 4. New Workplace Posters

### WORKPLACE POSTERS FOR ALL LABOR STANDARDS (PSST, MWO, WTO, FCE)

- Employers must post a workplace poster for all employees in a conspicuous and accessible place at the job site. The poster must be in English and in the primary language(s) spoken by employees.
- The Office of Labor Standards (OLS) will make a poster available that complies with this requirement by April 1, 2016, and will begin to enforce the new poster requirement at that time. Until then, we encourage employers to use the workplace posters currently available on our website for Paid Sick and Safe Time (PSST), Minimum Wage, and Wage Theft ordinances.

# What will happen if a business violates a labor standards ordinance?

## 1. Money/remedies owed to workers are higher

### **PAYMENT TO WORKERS OF UP TO 3X WAGES FOR PSST, MWO AND WTO VIOLATIONS**

- If the Office of Labor Standards (OLS) determines that an employer violated the Minimum Wage, Wage Theft, and/or Paid Sick and Safe Time ordinances, employees are entitled to receive up to three times the amount of unpaid wages or compensation due.

### **PAYMENT TO APPLICANTS/WORKERS OF UP TO \$500, \$1,000 OR \$5,000 FOR FCE VIOLATIONS**

- If OLS determines that an employer violated the Fair Chance Employment Ordinance, applicants and/or employees are entitled to up to \$500 for a first violation, up to \$1,000 for a second violation, and up to \$5,000 for a third and subsequent violations.

## 2. Greater protections against retaliation

### **REINSTATEMENT OR FRONT PAY UP TO 3X WAGES**

- If OLS finds evidence of retaliation (e.g., termination, demotion, assignment of a less desirable shift) after an employee has asserted rights under one of the labor standards ordinances, the employee is entitled to reinstatement of up to three times front pay (i.e. pay the employee would have earned if the employee had not been terminated, demoted, assigned a less desirable shift, etc.).

### **PAYMENT TO WORKERS OF UP TO \$5,000**

- Employees also are entitled to up to \$5,000 payment from the employer.

## 3. Greater protection of workers' identifying information

### **CONFIDENTIALITY**

- OLS will protect the identifying information of complainants and witnesses at their request, during and after investigations, to the extent permitted by law.

## 4. Private right of action

### **ABILITY TO FILE A LAWSUIT**

- Employees or their representatives may file labor standards complaints with a court of law, instead of filing a complaint with OLS. This option will go into effect on April 1, 2016 for workers in businesses with 50 or more employees, and on April 1, 2017 for workers in businesses with fewer than 50 employees.



## Where can employers and employees go to learn more about these changes?

A detailed chart of changes, the text of the ordinance (**Council Bill 118585**), and other associated documents is available at [seattle.gov/laborstandards/featured-resources](http://seattle.gov/laborstandards/featured-resources).

## How can employers and employees learn more about Seattle's Labor Standards?

Contact the **Office of Labor Standards (OLS)** at (206) 684-4500 or email [laborstandards@seattle.gov](mailto:laborstandards@seattle.gov).

### FIND US ONLINE

- **Office of Labor Standards:** [seattle.gov/laborstandards](http://seattle.gov/laborstandards)
- **Minimum Wage:** [seattle.gov/minimumwage](http://seattle.gov/minimumwage)
- **Paid Sick and Safe Time:** [seattle.gov/psst](http://seattle.gov/psst)
- **Wage Theft:** [seattle.gov/wagetheft](http://seattle.gov/wagetheft)
- **Fair Chance Employment:** [seattle.gov/fairemployment](http://seattle.gov/fairemployment)
- **Follow OLS:**  [SeattleLaborStandards](https://www.facebook.com/SeattleLaborStandards)  [OLS\\_SEA](https://twitter.com/OLS_SEA)

## How do employees and others report labor standards violations?

The **Office of Labor Standards (OLS)** has jurisdiction within Seattle city limits, and Seattle's labor standards ordinances only cover employees working inside Seattle. If a report of noncompliance does not qualify for an OLS investigation, our office will provide referrals to another agency for help.

### CONTACT OLS TO REPORT A VIOLATION

- **Call us:** (206) 684-4500
- **Visit our office:** 810 Third Avenue, Suite 750, Seattle, WA, 98104
- **Send an email:** [laborstandards@seattle.gov](mailto:laborstandards@seattle.gov)
- **File a complaint online:** [seattle.gov/laborstandards/file-complaint](http://seattle.gov/laborstandards/file-complaint)



### OFFICE OF LABOR STANDARDS

The mission of OLS is to advance labor standards through thoughtful community and business engagement, strategic enforcement and innovative policy development, with a commitment to race and social justice.

### MORE INFORMATION

**(206) 684-4500**

[laborstandards@seattle.gov](mailto:laborstandards@seattle.gov)  
[seattle.gov/laborstandards](http://seattle.gov/laborstandards)