

2016 GUIDE FOR SEATTLE WORKERS AND EMPLOYERS

# Labor Standards Overview



Office of Labor Standards

# Labor Standards Overview

The Office of Labor Standards (OLS) implements Seattle's four labor standards ordinances: Paid Sick and Safe Time, Minimum Wage, Wage Theft, and Fair Chance Employment.

## This guide addresses the following questions:

- What are the City of Seattle's current labor standards for workers and employers?
- Where can employers and employees learn more about Seattle's labor laws?
- How do employees and others report labor standards violations?

# What are the City of Seattle's current labor standards for workers and employers?

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

Employers must pay the City of Seattle's minimum wage for employees who work within Seattle city limits.

### 2016 Minimum Wage Obligations (as of January 1, 2016)

#### LARGE EMPLOYERS (501+ EMPLOYEES)

- **\$13.00/hour**; or
- **\$12.50/hour** if the employer pays for medical benefits for the individual employee.

#### SMALL EMPLOYERS (500 OR FEWER EMPLOYEES)

- **\$12.00/hour**; or
- **\$10.50/hour** if the employer pays toward the individual employee's medical benefits or the employee earns tips. If employer payments toward medical benefits and/or tips total less than \$1.50/hour, the employer must make up the balance to \$12.00/hour.

#### EMPLOYER SIZE

- Employers must count all employees worldwide, including all employees in franchise networks.

#### MEDICAL BENEFITS

- Employers' payments toward an individual employee's medical benefits may count toward minimum wage requirements if they are the equivalent of silver level or higher under the Affordable Care Act.

#### TIPS

- Small employers may count tips to meet part of minimum wage requirements.

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

Employers with more than four full-time equivalent (FTE) employees must provide paid sick and safe time to employees who work within Seattle’s city limits. Employees can use PSST hours to take an absence from work due to **a personal or family member’s illness or medical appointment, or for a critical safety issue** (e.g. domestic violence, sexual assault, or stalking) for the employee, a family member or roommate.

The amount of PSST accrual, use and carry-over to the next year depends on employer size. To determine tier size, employers must count all their employees worldwide.

### TIER ONE EMPLOYER OBLIGATIONS (5 TO 49 FTES)

- Employees accrue one PSST hour for every 40 hours worked; and
- Employees can use 40 PSST hours per benefit year and carry-over 40 hours to the next year.

### TIER TWO EMPLOYER OBLIGATIONS (50 TO 249 FTES)

- Employees accrue one PSST hour for every 40 hours worked; and
- Employees can use 56 PSST hours per year and carry over 56 hours to the next year.

### TIER THREE EMPLOYER OBLIGATIONS (250+ FTES)

- Employees accrue one PSST hour for every 30 hours worked; and
- Employees can use 72 PSST hours per year and carry-over 72 hours to the next year.
- If the Tier Three employer has a “Paid Time Off” (PTO) universal leave plan, employees can use and carry-over up to 108 hours.

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

#### WRITTEN JOB INFORMATION

- Employers must provide a written “notice of employment information” to new employees upon hire and whenever this employment information changes. Effective April 1, 2016, employers also must provide this information to all existing employees. The notice must include the employer’s name and contact information, pay rate, payday, an explanation of the tip policy, pay basis (hour, shift, day, commission) and regular payday.

#### REGULAR PAYMENT AT LEAST EVERY MONTH

- Employers must pay employees all the compensation due at least once a month, including minimum wage, overtime, tips, when the employee works off the clock, and any other amounts the employer promised to pay the employee.

#### WRITTEN PAY INFORMATION

- Employers must provide employees with written information that itemizes pay, including gross wages, earned tips, and pay basis (hour, shift, day, commission).

## 4. Fair Chance Employment (FCE)<sup>1</sup> – [seattle.gov/fairemployment](http://seattle.gov/fairemployment)

Employers are limited in the ways they can use conviction and arrest records, both in the hiring process and during the course of employment.

### LIMITS ON JOB ADS

- Employers are not allowed to post job ads that exclude applicants with conviction and arrest records (e.g., “Felons need not apply”).

### LIMITS ON QUESTIONS AND BACKGROUND CHECKS

- Employers are not allowed to ask questions or conduct background checks about conviction and arrest records until they have determined if the applicant has met the minimum qualifications for the job (usually the appropriate time is during or following an interview).

### CHANCE TO EXPLAIN OR CORRECT

- Employers must give applicants the chance to explain or correct information about their conviction and arrest records before the employer makes a decision based on that information.

### LEGITIMATE BUSINESS REASON



- Employers must have a legitimate business reason for taking adverse action against an applicant or employee on the basis of conviction and arrest records. Employers may consider conduct leading to an arrest, but are not permitted to take adverse action solely based on an arrest record because it is not proof of unlawful conduct.

<sup>1</sup>On November 17, 2015, the Mayor transmitted to City Council a comprehensive set of amendments to Seattle’s labor standards ordinances, including FCE, which City Council unanimously approved on December 14, 2015 and the Mayor signed on December 17, 2015. The ordinance received a name change from “Job Assistance (JAO)” to “Fair Chance Employment (FCE)”. The changes went into effect on January 16, 2016.

# 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)