

MEMORANDUM

Date: October 3, 2024

To: Scheereen Dedman, City Clerk

From: Steven Marchese, Director, Seattle Office of Labor Standards

Subject: 2025 annual increases to Seattle minimum wage and labor standards penalties, fines

The City of Seattle Office of Labor Standards announces the required increase to the 2024 Seattle minimum wage for large employers as defined by Seattle Municipal Code (SMC) 14.19 and increases to all penalties and fines in other labor standards, to reflect the annual rate of inflation or other statutorily mandated adjustments. The 2025 CPI-W increase for the Seattle-Tacoma-Bellevue area for the 12 month-period ending in August 2024 was: 3.99%.¹

This memo also provides corrected penalties and fines adjustments for SMC 14.23, Domestic Workers Ordinance between 2022 through 2025. It also corrects the last sentence of the previous sentence to state the inflation rate ending in August 2024.

2025 Seattle Minimum Wage for employers²

2025	2024	2023	2022	2021	2020
\$20.76	\$19.97	\$18.69	\$17.27	\$16.69	\$16.39

Note: SMC 14.19.040(A) specifies that, "Effective January 1, 2021, the hourly minimum compensation paid by a Schedule 2 employer to any employee shall equal the hourly minimum wage applicable to Schedule 1 employers." Schedule 2 employers are small employers with 500 or fewer employees.

2025 Penalties, Fines, and Adjusted Figures

Paid Sick & Safe Time Ordinance Fair Chance Employment Ordinance Minimum Wage Ordinance Wage Theft Ordinance

Secure Scheduling Ordinance

2020	2021	2022	2023	2024	2025
\$546.07	\$556.30	\$575.31	\$622.85	\$665.30	\$661.87
\$819.61	\$834.97	\$863.51	\$934.87	\$998.57	\$1,038.45
\$1,092.13	\$1,112.60	\$1,150.63	\$1,245.71	\$1,330.59	\$1,383.74
\$5,462.70	\$5,565.10	\$5,755.31	\$6,230.88	\$6,655.46	\$6,921.29

¹ The inflation rate is presented to the second decimal place. For more information about the CPI-W or to view the more precise rate, please visit the Bureau of Labor Statistics at https://www.bls.gov/cpi/overview.htm.

Office of Labor Standards 1

² Starting 2025, all minimum compensation requirements will expire. Small employers will pay the same minimum wage as large employers.

Domestic	Workers	Ordinance
DOMESTIC	MANINEIS	Orumanice

Penalties and Fines	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<u>\$521.86</u>	\$539.69	<u>\$584.29</u>	\$624.11	\$649.03
	\$1,043.72	\$1,079.39	\$1,168.58	\$1,248.21	\$1,298.07
	\$5,218.59	\$5,396.9 <u>5</u>	\$5,842.9 <u>1</u>	\$6,241.05	\$6,490.33
	\$20,874.35	\$21,587.80	\$23,371.65	\$24,964.21	\$25,961.32

<u>Protecting Hotel Employees from Violent or Harassing Conduct Ordinance</u>

Penalties and Fines	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	\$1,018.74	<u>\$1,053.56</u>	\$1,140.62	\$1,218.35	\$1,267.01
	\$2,037.49	\$2,107.13	\$2,281.24	\$2,436.69	\$2,534.02
	\$5,093.72	\$5,267.82	\$5,703.11	\$6,091.73	<u>\$6,335.04</u>
	\$10,187.45	\$10,535.64	\$11,406.22	\$12,183.45	\$12,670.08
	\$40,749.80	\$42,142.56	\$45,624.90	\$48,733.81	\$50,680.32

Protecting Hotel Employees from Injury Ordinance Improving Access to Medical Care for Hotel Employees Ordinance Hotel Employees Job Retention Ordinance

and Fines	<u>2021</u>	2022	<u>2023</u>	<u>2024</u> <u>20</u>) <u>25</u>
<u>\$5</u>	09.37 \$5	26.78 \$5	570.31 <u>\$6</u>	09.17 \$633.	<u>.50</u>
<u>\$1,0</u>	18.74 \$1,0	53.56 \$1,1	140.62 \$1,2	18.35 \$1,267 .	.01
<u>\$5,0</u>	93.72 \$5,2	67.82 \$5,7	703.11 \$6,0	91.73 \$6,335 .	.04
<u>\$20,3</u>	74.90 \$21,0°	71.28 \$22,8	<u>\$24,3</u>	66.90 \$25,340.	<u>.16</u>

<u>Commuter Benefits</u> Ordinance

Penalties and Fines	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<u>\$509.37</u>	<u>\$526.78</u>	<u>\$570.31</u>	\$609.17	\$633.50
	\$1,018.74	\$1,053.56	\$1,140.62	\$1,218.35	\$1,267.01
	\$5,093.72	\$5,267.82	\$5,703.11	\$6,091.73	<u>\$6,335.04</u>

<u>Premium Pay for Gig Workers Ordinance</u> <u>Paid Sick and Safe Time for Gig Workers Ordinance</u>

Penalties and Fines	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<u>\$556.30</u>	<u>\$575.31</u>	\$622.85	\$665.30	\$691.87
	\$1,112.60	\$1,150.63	\$1,245.71	\$1,330.59	\$1,383.74

Office of Labor Standards 2

	\$5,565.10 \$22,259.36	\$5,755.31 \$23,020.15	\$6,230.88 \$24,922.26	\$6,655.46 \$26,620.58	\$6,921.29 \$27,683.85
Grocery Employee Ha	zard Pay Ordin	ance_			
Penalties and Fines	2021	2022	2023	2024	<u>2025</u>
remarkes and rimes	\$50	\$51.71	\$55.98	\$59.80	\$62.18
	\$556.30	\$575.31	\$622.85	\$665.30	\$691.87
	\$1,112.60	\$1,150.63	\$1,245.71	\$1330.59	\$1,383.74
	\$5,565.10	\$5,755.31	\$6,230.88	\$6,655.46	\$6,692.55
	\$22,259.36	\$23,020.15	\$24,922.36	\$26,620.58	\$26,768.94
Independent Contract	tor Protections	Ordinance			
Penalties and Fines		2022	2023	2024	2025
		\$556.30	\$602.27	\$643.31	\$669.00
		\$1,112.60	\$1,204.54	\$1,286.61	\$1,338.00
		\$5,565.10	\$6,024.96	\$6,435.50	\$6,692.55
		\$22,259.36	\$24,098.70	\$25,740.80	\$26,768.94
Cannabis Employee Jo	ob Retention O	rdinance			
			20223	2024	2025
Penalties and Fines		2022	2023 ³	2024	2025
		\$150.00	-	\$160.22	\$160.62
		\$575.31	-	\$614.51	\$639.06
		\$1150.63	-	\$1,229.03	\$1,278.12 \$6,202.02
		\$5755.31 \$23,020.00	-	<u>\$6,147.48</u> \$24,588.60	\$6,393.02 \$25,570.71
App-Based Worker M	inimum Pavme		-	<u>\$24,388.00</u>	\$23,370.71
	·····				
Penalties, Fines and other Adjustments		2022	<u>2023</u>	<u>2024</u>	<u>2025</u>
Per minute amount		\$0.38	_	\$0.44	TBD
Per mile amount ⁴		\$0.64		\$0.74	TBD
		\$5.00		<u> </u>	\$5.20
		\$85.00			\$88.40
		\$575.31			\$598.29
		\$1,150.63			\$1,196.59
		\$5,755.31			\$5,985.19

³ Ordinance SMC 8.37 and SMC 8.38 passed in 2022 but no 2023 adjustments were made.

Office of Labor Standards 3

⁴ SMC 8.37.050.B.2 provides that the per-mile amount equals the standard mileage rate, as determined by the U.S. Internal Revenue Service, multiplied by the associated mileage factor, currently 1.10. The standard mileage rate for 2024 is \$0.67/mile. n-24-08.pdf (irs.gov)

\$23,020.00 **\$23,939.46**

App-Based Worker Paid Sick and Safe Time Ordinance

Penalties and Fines	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<u>\$150.00</u>	\$160.22	\$166.62
	<u>\$622.85</u>	\$665.29	\$691.86
	<u>\$1,245.71</u>	\$1,330.59	<u>\$1,383.74</u>
	\$6,230.88	\$6,655.46	\$6,921.29
	<u>\$24,922.26</u>	\$26,620.48	<u>\$27,683.75</u>

Statutory Authority

SMCs 14.16.010, 14.17.010, 14.19.010, 14.20.010, 14.22.010, 14.23.010, 14.26.020, 14.27.020, 14.28.020, 14.29.020, 14.30.020, ORD 126094, as amended by ORD 126122, ORD 126091, as amended by ORD 119842, ORD 126274; SMC 14.32.020; SMC 8.37.020; SMC 8.38.020; SMC 8.39; SMC.020

"Rate of inflation" means 100 percent of the annual average growth rate of the bi-monthly Seattle-Tacoma-Bremerton Area Consumer Price Index for Urban Wage Earners and Clerical Workers, termed CPI-W, for the 12-month period ending in August, provided that the percentage increase shall not be less than zero.

SMC 14.19.030 - Hourly Minimum Wage - Schedule 1 Employers

Effective January 1, 2018, the hourly minimum wage paid by a Schedule 1 employer to any employee shall be increased annually on a percentage basis to reflect the rate of inflation and calculated to the nearest cent on January 1 of each year thereafter.

SMCs 14.16.080, 14.17.055, 14.19.080, 14.20.060, 14.22.095, 14.23.095, 14.26.170, 14.27.170, 14.28.170, 14.29.170, 14.30.140; ORD 126094, as amended by ORD 126122, ORD 126091, as amended by ORD 119842, ORD 126274, SMC 14.34.170; SMC 8.38.170; SMC 8.39.170

"...[T]he amounts of all civil penalties, penalties payable to aggrieved parties, and fines shall be increased annually to reflect the rate of inflation and calculated to the nearest cent on January 1 of each year thereafter. The Agency shall determine the amounts and file a schedule of such amounts with the City Clerk."

SMC 8.37.050 Minimum Network Company Payment – Per Minute Amount

"On the effective date of this Chapter 8.37, and on January 1 of each year thereafter, the per-minute amount shall be increased to reflect any adjustment(s) to the minimum wage equivalent rate, associated cost factor, or associated time factor. The Agency shall determine the per-minute amount and file a schedule of such amount with the City Clerk."

SMC 8.37.050 Minimum Network Company Payment – Per Mile Amount

"On the effective date of this Chapter 8.37, and on January 1 of each year thereafter, the per-mile amount shall be increased annually to reflect any adjustment(s) to the standard mileage rate or associated mileage factor. The Agency shall determine the per-mile amount and file a schedule of such amount with the City Clerk."