



Multiple new laws will take effect in Washington state beginning January 2024, bringing changes to the state's minimum wage laws and adding requirements under the state's Paid Sick Leave Law.

### **Minimum Wage Increases at State and Local Levels**

Washington state will have the highest minimum wage in the country as of January 1, 2024. The state minimum wage will increase to \$16.28 per hour, a 3.4% increase over last year's minimum wage, and more than double the federal minimum wage, which continues to sit at \$7.25.

The new minimum wage rate will apply to workers who are 16 years old and older. Employees who are 14 or 15 years old may be paid \$13.84 per hour.

Some cities in Washington mandate higher minimum wages. In Seattle, the minimum wage owed to employees is based on employer size. Effective January 1, 2024, minimum wage rates in Seattle will increase as follows:

<b>Employer Size</b>	<b>Minimum Wage</b>
501+ employees	\$19.97/hour
	\$19.97/hour
500 or fewer employees	OR
	\$17.25/hour if the employer pays \$2.72/hour toward medical benefits or the employee earns \$2.72/hour in tips

The minimum wage required in Tukwila will be even higher for certain employers. As in Seattle, the minimum wage in Tukwila will also be based on employer size. Effective January 1, 2024, minimum wage rates in Tukwila will increase as follows:

<b>Employer Size</b>	<b>Minimum Wage</b>
501+ employees	\$20.29
	\$18.29 (effective Jan. 1, 2024)
15-500 employees (or for employers that generate over \$2 million of annual gross revenue in Tukwila)	\$19.29 (effective July 1, 2024)
1-14 employees	\$16.28

### **Changes to Washington's Paid Sick Leave Law**

Washington's Paid Sick Leave Law requires employers to provide workers at least one hour of paid sick leave for every 40 hours they work. The accrual starts on a worker's first day of work, but workers can't use earned leave until they have completed at least 90 days on the job.

Washington state is updating its mandatory paid sick leave program to cover construction workers who have missed out on this benefit. "Construction workers, by the nature of the trade and the career, work for multiple employers even within a month. They are dispatched from union halls to go out to different employers, so they rarely hit that 90 days with a single employer," said Erin Frasier, assistant executive secretary of the Washington State Building and Construction Trades Council.

Effective January 1, 2024, employers with construction workers who have not reached their 90th calendar day of employment will be required to pay accrued but unused sick leave upon the worker's separation from employment. The change, prompted by Senate Bill 5111, requires employers to pay out any unused leave on a construction worker's final check.

This requirement will broadly apply to employers who have workers covered under the North American Industry Classification System (NAICS) Code 23 construction. However, employers engaged solely in residential building construction (under NAICS 236100) will be exempt from this new requirement.

## **Takeaways for Employers**

With the start of the new year fast approaching, employers should check to ensure all nonexempt employees are earning at least the minimum wage. This is especially important for employers with employees across multiple cities, given that the minimum wage may vary. Now is also a good time for employers to review their overtime policies to ensure employees are accurately characterized as exempt or nonexempt and are being paid accordingly. Finally, employers with construction workers should review their policies to ensure compliance with the updated requirements under Washington's Paid Sick Leave Law.

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