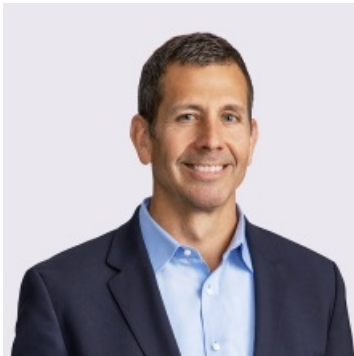


Washington Wage and Hour Developments for Q1 2022

By Peter H. Nohle, Daniel P. Crowner &

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Meet the Authors



Peter H. Nohle

Principal
206-626-6436
Peter.Nohle@jacksonlewis.com



Daniel P. Crowner

(He/Him)
Associate
2066266412
Daniel.Crowner@jacksonlewis.com

Related Services

Wage and Hour

In Washington, the first quarter of 2022, which included the regular legislative session, has included various updates and adjustments to Washington's wage and hour and related reporting laws.

The following is a brief review of the key developments:

- **Minimum Wage** – As of January 1, 2022, Washington's minimum wage is \$14.49 per hour, up from \$13.69 per hour in 2021. Two local jurisdictions (Seattle and SeaTac) have higher minimum wages and different labor rules than Washington State. Seattle's minimum wage is \$17.27 per hour for large employers with at least 501 employees. For small employers in Seattle with up to 500 employees, the minimum wage is the same, unless the employer pays \$1.52 per hour toward medical benefits or the employee earns \$1.52 per hour in tips; then, the minimum wage is only \$15.75 per hour. SeaTac's minimum wage is \$17.54 per hour, but it applies only to certain hospitality and transportation workers.
- **Exempt Salary Threshold** – Since 2020, the salary thresholds for overtime exempt workers are a multiplier of Washington's minimum wage for a 40-hour workweek. As a result of the minimum wage increase, the salary threshold for all businesses as of January 1, 2022, is \$52,743.60 per year or \$1,014.30 per week.
- **Noncompete Agreement Earnings Threshold** – Under Washington's non-competition law, only employees or independent contractors who earn more than the threshold established by law can be held to non-competition agreements. Each year, the Washington State Department of Labor and Industries must adjust the earnings threshold for inflation. For 2022, an employee's annual earnings must exceed \$107,301.04; an independent contractor's earnings must exceed \$268,252.59.
- **Washington Paid Family and Medical Leave Act** – Washington's Paid Family and Medical Leave is funded by premiums paid by employees and employers. In 2022, the premium rate is 0.6 percent of each employee's gross wages, not including tips, up to the 2022 Social Security cap of \$147,000. This premium is divided between the employer and the employee. In 2022, up to 73.22% of the premium can be paid by the employee. About 26.78% of the premium is the employer's share (mandatory for businesses with 50+ employees). For 2022, the maximum weekly benefits are \$1,327 per week.
- **Washington Wage Recovery Act** – Enacted in 2021, this law allows employees to place a lien on their employers' property to secure unpaid wages. As of January 1, 2022, employees can hold a security interest in their employers' property located in the State of Washington while pursuing a legal resolution. Highly compensated employees (those who own at least 5% of a business or who earn \$130,000 from the

employer) are excluded under the law. Further, this law allows covered employees to assert a lien against the property of their “employer,” which is defined to include *both* an actual employing entity, as well as any individual managers or other persons acting in the interest of an employer vis-à-vis the employee.

- *Paycheck Fees Reimbursement* – [Washington House Bill 1794](#), signed by Governor Jay Inslee on March 11, 2022, will become effective *June 9, 2022*. It requires an employer to reimburse an employee for fees charged when a paycheck is dishonored by non-acceptance or non-payment.
- *Confidentiality of Paid Family and Medical Leave Program Information* – [Washington House Bill 1613](#), signed by Governor Inslee on March 11, 2022, will become effective *June 9, 2022*. It clarifies that, with some exceptions, the Employment Security Department must keep information regarding individuals and employers under the Paid Family and Medical Leave program private and confidential.
- *Wage Scale, Salary Range in Job Postings* – [Washington Senate Bill 5761](#), which was delivered to Governor Inslee on March 11, 2022, would require employers with at least 15 employees to disclose in each posting for each job opening the wage scale or salary range for the job and a general description of all benefits and other compensation to be offered to the hired applicant. Upon request of an employee offered an internal transfer to a new position or promotion, the employer must provide the wage scale or salary range for the employee’s new position.

For more information on these new laws and bills and compliance assistance, please contact the Jackson Lewis attorney with whom you regularly work.

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