
Labor & Workforce Development Committee

SB 5158

Brief Description: Creating a good faith defense for certain minimum wage and overtime compensation complaints.

Sponsors: Senators Braun, Holmquist Newbry, Becker, Bailey, Roach, Sheldon, Dammeier, Schoesler and Honeyford.

Brief Summary of Bill

- Limits liability of an employer for not paying minimum wage or overtime compensation if the employer acted in good faith conformity with and reliance on a wage payment rule, or an order, opinion, advice, determination, or policy of the Department of Labor and Industries.

Hearing Date: 2/26/14

Staff: Trudes Tango (786-7384).

Background:

Under the Minimum Wage Act, an employer is liable for paying its employees full minimum wage and overtime compensation. An employee may bring a civil action for the full amount of wages owed and be awarded costs and reasonable attorneys' fees. An employee may also file a wage complaint with the Department of Labor and Industries (Department).

The Department has authority to investigate wage violations, order payment of wages owed to workers, and bring civil actions to collect wages on behalf of workers. In a wage complaint to the Department, civil penalties may be imposed if the employer willfully violated the wage payment requirement. However, the Department may not assess a civil penalty if the employer reasonably relied on: (1) a rule related to any wage payment requirement; (2) a written order, ruling, approval, opinion, advice, determination, or interpretation of the Director of the

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Department; or (3) an interpretive or administrative policy issued by the Department and filed with the Office of the Code Reviser.

Summary of Bill:

An employer is not subject to liability or penalty for failing to pay minimum wages or overtime, if the employer establishes that the employer acted in good faith conformity with and reliance on:

- a rule related to any wage payment requirement;
- a written order, ruling, approval, opinion, advice, determination, or interpretation of the director; or
- an interpretive or administrative policy issued by the Department.

The defense, if established, bars an action, even if after the act or omission, the order, ruling, approval, opinion, advice, determination, or interpretation, or interpretive or administrative policy by the Department, is modified or rescinded or is determined by judicial authority to be invalid or have no legal effect.

The bill applies to any action based on acts or omissions occurring on or after the effective date of the bill.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.