S-2718.1

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**SENATE BILL 6087**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senators Hobbs and Mullet

AN ACT Relating to increasing the minimum hourly wage; amending RCW 49.46.020 and 49.46.120; adding new sections to chapter 49.46 RCW; and providing an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

**Sec.**  RCW 49.46.020 and 1999 c 1 s 1 are each amended to read as follows:

(1) ((~~Until January 1, 1999, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than four dollars and ninety cents per hour.~~

~~(2) Beginning January 1, 1999, and until January 1, 2000, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than five dollars and seventy cents per hour.~~

~~(3)~~)) For employers who provide a medical benefits plan to their employees:

(a) Beginning January 1, ((~~2000~~)) 2015, and until January 1, ((~~2001~~)) 2016, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than ((~~six~~)) nine dollars and ((~~fifty~~)) forty-seven cents per hour.

((~~(4)(a)~~)) (b) Beginning ((~~on~~)) January 1, ((~~2001~~)) 2016, and each following January 1st as set forth under ((~~(b)~~)) (c) of this subsection (1), every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than the amount established under ((~~(b)~~)) (c) of this subsection (1).

((~~(b)~~)) (c) On September 30, ((~~2000~~)) 2015, and on each following September 30th, the department of labor and industries shall calculate an adjusted minimum wage rate to maintain employee purchasing power by increasing the current year's minimum wage rate by the rate of inflation. The adjusted minimum wage rate shall be calculated to the nearest cent using the consumer price index for urban wage earners and clerical workers, CPI-W, or a successor index, for the twelve months prior to each September 1st as calculated by the United States department of labor. Each adjusted minimum wage rate calculated under this subsection ((~~(4)(b)~~)) (1)(c) takes effect on the following January 1st.

((~~(5)~~)) (2) For employers who do not provide a medical benefits plan to their employees:

(a)(i) Beginning January 1, 2016, and until January 1, 2017, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than ten dollars per hour.

(ii) Beginning January 1, 2017, and until January 1, 2018, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than ten dollars and fifty cents per hour.

(iii) Beginning January 1, 2018, and until January 1, 2019, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than eleven dollars per hour.

(iv) Beginning January 1, 2019, and until January 1, 2020, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than twelve dollars per hour.

(v) Beginning January 1, 2020, and until January 1, 2021, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than thirteen dollars per hour.

(b) Beginning January 1, 2021, and each following January 1st as set forth under (c) of this subsection (2), every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than the amount established under (c) of this subsection (2).

(c) On September 30, 2020, and on each following September 30th, the department of labor and industries shall calculate an adjusted minimum wage rate to maintain employee purchasing power by increasing the current year's minimum wage rate by the rate of inflation. The adjusted minimum wage rate shall be calculated to the nearest cent using the consumer price index for urban wage earners and clerical workers, CPI-W, or a successor index, for the twelve months prior to each September 1st as calculated by the United States department of labor. Each adjusted minimum wage rate calculated under this subsection (2)(c) takes effect on the following January 1st.

(3) The director shall by ((~~regulation~~)) rule establish the minimum wage for employees under the age of eighteen years.

(4) For the purposes of this section, "medical benefits plan" means a bronze, silver, or gold essential health benefits package, as defined in 42 U.S.C. Sec. 18022, or an equivalent plan that is designed to meet the actuarially equivalent values established under 42 U.S.C. Sec. 18022, whichever is greater.

NEW SECTION. **Sec.**  A new section is added to chapter 49.46 RCW to read as follows:

(1) Starting January 1, 2016, an employer may take a tip credit towards its minimum wage obligation under RCW 49.46.020(2) for tipped employees. Employers electing to use the tip credit provision must be able to demonstrate that tipped employees receive at least the current state minimum wage when cash wages and the tip credit amount are combined.

(2) The amount of cash wages the employer must pay a tipped employee is at least the minimum wage required under RCW 49.46.020(1).

(3) The maximum amount claimed by the employer as a tip credit is the difference between the current state minimum wage as established under RCW 49.46.020(2) and the minimum cash wage as established by subsection (2) of this section. The tip credit claimed by the employer cannot exceed the amount of tips actually received by the tipped employee.

(4) All tips received by the tipped employee must be retained by the employee except for a valid tip pooling arrangement limited to tipped employees.

(5) An employer may take a tip credit only if the employee has been informed in advance by the employer of the tip credit provisions, the amount of cash wages to be paid by the employer, and the amount of the tip credit claimed by the employer. An employer who fails to provide the required information cannot use the tip credit.

(6) For the purposes of this section, a tipped employee is any employee engaged in an occupation in which the employee customarily and regularly receives more than thirty dollars per month in tips and the tips are reported to the internal revenue service.

NEW SECTION. **Sec.**  A new section is added to chapter 49.46 RCW to read as follows:

(1) Starting January 1, 2016, an employer may take a sick leave credit towards its minimum wage obligation under RCW 49.46.020(2) for employees who earn sick leave. Employers electing to use the sick leave credit provision may reduce the minimum wage paid under RCW 49.46.020(2) by the amount the employer is liable for in annual sick leave benefits, whether taken or not.

(2) The amount of cash wages the employer must pay an employee, with sick leave benefits, may not be reduced below the minimum wage required under RCW 49.46.020(1).

(3) An employer may take a sick leave credit only if the employee has been informed in advance by the employer of the sick leave credit provisions, the amount of cash wages to be paid by the employer, and the amount of the sick leave credit claimed by the employer. An employer who fails to provide the required information cannot use the sick leave credit.

(4) For the purposes of this section, sick leave includes paid leave provided by the employer for an employee's leave for the following reasons:

(a) An absence resulting from an employee's mental or physical illness, injury, or health condition; to accommodate the employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or the employee's need for preventive medical care;

(b) To allow the employee to provide care for a child, grandparent, parent, parent-in-law, or spouse with a mental or physical illness, injury, or health condition; care for a child, grandparent, parent, parent-in-law, or spouse who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or care for a child, grandparent, parent, parent-in-law, or spouse who needs preventive medical care;

(c) When the employee's place of business has been closed by order of a public official to limit exposure to an infectious agent, biological toxin, or hazardous material; or to accommodate the employee's need to care for a child whose school or place of care has been closed by order of a public official to limit exposure to an infectious agent, biological toxin, or hazardous material; or

(d) For any of the reasons relating to domestic violence as identified in RCW 49.76.030.

NEW SECTION. **Sec.**  A new section is added to chapter 49.46 RCW to read as follows:

(1) The minimum wage rate provisions in RCW 49.46.020 and sections 2 and 3 of this act are established to create and maintain a uniform minimum wage rate throughout the state after the effective date of this section. It is the legislative intent that, except as provided in subsections (2) and (3) of this section, this act occupies and preempts the entire field for the purposes of setting minimum wage rates in the state, and any charters, ordinances, regulations, rules, resolutions, or contracts adopted by a city, town, county, or port district that are different from the minimum wage rates established in RCW 49.46.020 and sections 2 and 3 of this act, after its effective date, are void and unenforceable.

(2) Employers who are required by a municipal ordinance, enacted before the effective date of this section, to pay a minimum wage that is higher than the amount established in RCW 49.46.020(1) are exempt from the minimum wage requirements contained in RCW 49.46.020(2), for those employees who receive a higher wage under a municipal ordinance.

(3) The credit provisions contained in sections 2 and 3 of this act do not apply to wages paid by employers for any employees who receive a higher minimum wage as described in subsection (2) of this section.

**Sec.**  RCW 49.46.120 and 1961 ex.s. c 18 s 4 are each amended to read as follows:

This chapter establishes a minimum standard for wages and working conditions of all employees in this state, unless exempted ((~~herefrom~~)) from this chapter, and is in addition to and supplementary to any other federal((~~,~~)) or state((~~, or local~~)) law ((~~or ordinance~~)), or any rule or regulation issued thereunder. Any standards relating to wages, hours, or other working conditions established by any applicable federal((~~,~~)) or state((~~, or local~~)) law ((~~or ordinance~~)), or any rule or regulation issued thereunder, which are more favorable to employees than the minimum standards applicable under this chapter, or any rule or regulation issued ((~~hereunder~~)) under this chapter, shall not be affected by this chapter and such other laws, or rules or regulations, shall be in full force and effect and may be enforced as provided by law.

NEW SECTION. **Sec.**  This act takes effect September 30, 2015.

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