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SENATE BILL 6087

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State of Washington                      64th Legislature                      2015 Regular Session

By Senators Hobbs and Mullet

Read first time 03/30/15. Referred to Committee on Commerce & Labor.

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

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

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

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

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

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

16            (a) Beginning January 1, ~~((2000))~~ 2015, and until January 1,  
17 ~~((2001))~~ 2016, every employer shall pay to each of his or her  
18 employees who has reached the age of eighteen years wages at a rate  
19 of not less than ~~((six))~~ nine dollars and ~~((fifty))~~ forty-seven cents  
20 per hour.

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

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

18        ~~((5))~~ (2) For employers who do not provide a medical benefits  
19 plan to their employees:

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

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

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

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

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

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

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

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

18 (4) For the purposes of this section, "medical benefits plan"  
19 means a bronze, silver, or gold essential health benefits package, as  
20 defined in 42 U.S.C. Sec. 18022, or an equivalent plan that is  
21 designed to meet the actuarially equivalent values established under  
22 42 U.S.C. Sec. 18022, whichever is greater.

23 NEW SECTION. Sec. 2. A new section is added to chapter 49.46  
24 RCW to read as follows:

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

31 (2) The amount of cash wages the employer must pay a tipped  
32 employee is at least the minimum wage required under RCW  
33 49.46.020(1).

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

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

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

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

13 NEW SECTION. **Sec. 3.** A new section is added to chapter 49.46  
14 RCW to read as follows:

15 (1) Starting January 1, 2016, an employer may take a sick leave  
16 credit towards its minimum wage obligation under RCW 49.46.020(2) for  
17 employees who earn sick leave. Employers electing to use the sick  
18 leave credit provision may reduce the minimum wage paid under RCW  
19 49.46.020(2) by the amount the employer is liable for in annual sick  
20 leave benefits, whether taken or not.

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

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

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

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

38 (b) To allow the employee to provide care for a child,  
39 grandparent, parent, parent-in-law, or spouse with a mental or

1 physical illness, injury, or health condition; care for a child,  
2 grandparent, parent, parent-in-law, or spouse who needs medical  
3 diagnosis, care, or treatment of a mental or physical illness,  
4 injury, or health condition; or care for a child, grandparent,  
5 parent, parent-in-law, or spouse who needs preventive medical care;

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

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

14 NEW SECTION. **Sec. 4.** A new section is added to chapter 49.46  
15 RCW to read as follows:

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

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

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

37 **Sec. 5.** RCW 49.46.120 and 1961 ex.s. c 18 s 4 are each amended  
38 to read as follows:

1        This chapter establishes a minimum standard for wages and working  
2 conditions of all employees in this state, unless exempted  
3 ((~~herefrom~~)) from this chapter, and is in addition to and  
4 supplementary to any other federal((~~7~~)) or state((~~7~~ or ~~local~~)) law  
5 ((~~or ordinance~~)), or any rule or regulation issued thereunder. Any  
6 standards relating to wages, hours, or other working conditions  
7 established by any applicable federal((~~7~~)) or state((~~7~~ or ~~local~~)) law  
8 ((~~or ordinance~~)), or any rule or regulation issued thereunder, which  
9 are more favorable to employees than the minimum standards applicable  
10 under this chapter, or any rule or regulation issued ((~~hereunder~~))  
11 under this chapter, shall not be affected by this chapter and such  
12 other laws, or rules or regulations, shall be in full force and  
13 effect and may be enforced as provided by law.

14        NEW SECTION.    **Sec. 6.**    This act takes effect September 30, 2015.

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