
Labor & Workforce Development Committee

HB 2614

Brief Description: Allowing employers to pay training wages to new employees.

Sponsors: Representatives Pike, Manweller and Magendanz.

Brief Summary of Bill

- Creates a training wage certificate to allow an employer to pay a new employee 75 percent of the state minimum wage or the federal minimum wage, whichever amount is higher.
- Provides that the training period may not exceed 680 hours.

Hearing Date: 2/4/14

Staff: Trudes Tango (786-7384).

Background:

Minimum Wage Act: Employers covered under the state Minimum Wage Act are required to pay employees age 18 or older no less than the state minimum wage rate. The state minimum wage is currently \$9.32/hour. The federal minimum wage rate is currently \$7.25/hour.

The state minimum wage rate must be adjusted for inflation each year. The Department of Labor and Industries (Department) calculates the adjusted rate using the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers (CPI-W), for the 12 months prior to each September 1st.

The Department has the authority to set the minimum wage for minors. Minors under the age of 16 may be paid at 85 percent of the minimum wage (\$7.92/hour). The Department may also issue special certificates to allow below minimum wage rates to certain categories workers. The Director of the Department sets the duration of the certificate and the wage.

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An employer may request a certificate for the following category of workers:

- *Physically or mentally handicapped worker* is an individual whose earning capacity is impaired by age or physical or mental deficiency. The certificate must set forth the length of time and wage rate, but the rate must not be less than 75 percent of minimum wage unless a different wage is justified.
- *Learner (adult)* is an individual employed in an occupation where there are not sufficient experienced workers for the particular occupation. The rate is 85 percent of minimum wage for a maximum of 480 hours.
- *Student learner* is a student who is receiving instruction in an accredited school, college, or university, and who is employed in a bona fide vocational or job training program. The rate is 75 percent of minimum wage and not to exceed one school year.
- *Student worker* is a student who is receiving instruction at an educational institution and who is employed part-time at the institution to defray school expenses. The rate is 75 percent of minimum wage.

Summary of Bill:

The Director of the Department must establish procedures to issue special training certificates to employers to pay training wages to new employees.

The training wage rate is 75 percent of the state minimum wage or the federal minimum wage, whichever amount is higher.

The training period may last up to 680 hours. If an employer discharges an employee working under the training certificate before the completion of 680 hours, the employer must notify the Department and provide an explanation for the discharge.

Employers may use the training certificate once per employee. However, the employer is not precluded from requesting a special certificate under the existing categories for a particular employee.

Appropriation: None.

Fiscal Note: Requested on January 22, 2014.

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