
SENATE BILL 5339

State of Washington

69th Legislature

2025 Regular Session

By Senator Fortunato

1 AN ACT Relating to stabilizing minimum wage volatility by linking
2 future increases to the federal minimum wage; amending RCW 49.46.020,
3 49.46.120, and 49.46.820; and creating new sections.

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

5 NEW SECTION. **Sec. 1.** The legislature finds that as of January
6 1, 2025, Washington maintains the highest state-mandated minimum wage
7 in the country. The legislature further finds the minimum wage in
8 some local jurisdictions surpasses that of the state and represents
9 the highest of any cities in the United States.

10 The legislature recognizes the importance of ensuring fair
11 compensation for workers while balancing the broader economic impacts
12 of wage and labor policies. The legislature acknowledges that
13 increases in the minimum wage reflect efforts to address rising costs
14 of living. However, the legislature also finds that recent aggressive
15 increases in the minimum wage at both the state and local level also
16 carry inflationary consequences, which can diminish the intended
17 purchasing power benefits and impose unintended burdens on small
18 businesses and consumers alike.

19 The legislature finds that while well-intentioned, these drastic
20 wage hikes over a short time may actually hurt the very workers they
21 were intended to benefit. As recent research from the University of

1 Washington indicates, these increases have reduced available hours
2 and cost workers potential earnings. The legislature recognizes that
3 many small businesses operate on razor-thin margins and rapid shifts
4 in the cost of labor jeopardize the ability of these businesses to
5 remain open. Such policies may incentivize the exact opposite
6 behavior that they were intended to generate, as employers facing
7 higher costs may be forced to reduce hiring, cut hours, transition to
8 increasingly available automation, or ultimately decide on layoffs as
9 the only ways to remain in business. The legislature further finds
10 that these unintended consequences have an enormous disproportionate
11 impact on young workers seeking entry-level jobs, shutting young
12 candidates out of their first employment opportunities and stifling
13 their potential career growth.

14 Therefore, the legislature seeks to address the economic and
15 social ramifications of the current volatile state and local minimum
16 wage policies by pausing further shifts in the minimum wage and
17 linking future increases to more stable and uniform federal action.

18 **Sec. 2.** RCW 49.46.020 and 2019 c 236 s 2 are each amended to
19 read as follows:

20 ~~(1) (a) Beginning ((January 1, 2017, and until January 1, 2018,~~
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 ~~eleven dollars per hour.~~

24 ~~(b) Beginning January 1, 2018, and until January 1, 2019, 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 eleven~~
27 ~~dollars and fifty cents per hour.~~

28 ~~(c) Beginning January 1, 2019, and until January 1, 2020, 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 twelve~~
31 ~~dollars per hour.~~

32 ~~(d) Beginning January 1, 2020, and until January 1, 2021, 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 thirteen~~
35 ~~dollars and fifty cents per hour.~~

36 ~~(2) (a) Beginning on January 1, 2021, and each following January~~
37 ~~1st as set forth under (b) of this subsection, every employer shall~~
38 ~~pay to each of his or her employees who has reached the age of~~

1 ~~eighteen years wages at a rate of not less than the amount~~
2 ~~established under (b) of this subsection.~~

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

13 (3)) on the effective date of this section, every employer shall
14 pay to each of their employees who has reached the age of 18 years
15 wages at a rate of not less than \$16.66 per hour.

16 (b) Beginning December 30, 2025, and each following December
17 30th, the department of labor and industries shall increase the
18 minimum wage established in (a) of this subsection by a percentage
19 equal to the percentage increase in the federal minimum wage
20 established in federal fair labor standards act, 29 U.S.C. Sec. 206,
21 if the federal minimum wage was increased in the preceding year. The
22 minimum wage rate established under this subsection (1) may not be
23 increased if the federal minimum wage was not increased in the
24 preceding year.

25 (c) A local jurisdiction with, as of the effective date of this
26 section, a minimum wage rate above \$16.66 per hour may not increase
27 its minimum wage above the rate that exists for the local
28 jurisdiction as of the effective date of this section. If the state
29 minimum wage rate established pursuant to (b) of this subsection
30 subsequently exceeds the minimum wage rate of the local jurisdiction,
31 the state minimum wage rate applies.

32 (2) An employer must pay to its employees: (a) All tips and
33 gratuities; and (b) all service charges as defined under RCW
34 49.46.160 except those that, pursuant to RCW 49.46.160, are itemized
35 as not being payable to the employee or employees servicing the
36 customer. Tips and service charges paid to an employee are in
37 addition to, and may not count towards, the employee's hourly minimum
38 wage.

1 (~~(4)~~) (3) Beginning January 1, 2018, except as provided in RCW
2 49.46.180, every employer must provide to each of its employees paid
3 sick leave as provided in RCW 49.46.200 and 49.46.210.

4 (~~(5)~~) (4) The director shall by regulation establish the
5 minimum wage for employees under the age of eighteen years.

6 **Sec. 3.** RCW 49.46.120 and 2017 c 2 s 9 are each amended to read
7 as follows:

8 This chapter establishes minimum standards for wages, paid sick
9 leave, and working conditions of all employees in this state, unless
10 exempted herefrom, and is in addition to and supplementary to any
11 other federal, state, or local law or ordinance, or any rule or
12 regulation issued thereunder. (~~Any~~) Subject to RCW 49.46.020(1)(c),
13 any standards relating to wages, hours, paid sick leave, or other
14 working conditions established by any applicable federal, state, or
15 local law or ordinance, or any rule or regulation issued thereunder,
16 which are more favorable to employees than the minimum standards
17 applicable under this chapter, or any rule or regulation issued
18 hereunder, shall not be affected by this chapter and such other laws,
19 or rules or regulations, shall be in full force and effect and may be
20 enforced as provided by law.

21 **Sec. 4.** RCW 49.46.820 and 2017 c 2 s 11 are each amended to read
22 as follows:

23 The provisions of chapter 2, Laws of 2017 are to be liberally
24 construed to effectuate the intent, policies, and purposes of chapter
25 2, Laws of 2017. Nothing in chapter 2, Laws of 2017 precludes local
26 jurisdictions from enacting additional local fair labor standards
27 that are more favorable to employees, including but not limited to
28 more generous (~~minimum wage or~~) paid sick leave requirements.
29 However, adjustments to a local jurisdiction's minimum wage rate are
30 subject to RCW 49.46.020(1)(c).

31 NEW SECTION. **Sec. 5.** This act may be known and cited as the job
32 loss prevention act.

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