

**WAC 415-112-4607 Are retroactive salary increases earnable compensation?** (1) A retroactive salary increase occurs when your rate of pay is increased and made retroactive to a prior date. You receive a lump sum payment for the increased amount earned during the earlier period.

**Example:** John's salary is \$2000 per month. On April 10, his salary is increased to \$2200 per month. The increase is made retroactive to January 1. On April 25, he receives a lump sum payment of \$600, i.e., the \$200 increase for January, February, and March. In April he also receives a paycheck at the new rate of \$2200.

(2) A lump sum payment received pursuant to certain retroactive salary increases is earnable compensation. See subsection (3) of this section. The payment will be deemed to be earned in the period in which the work was done.

**Example:** When the \$600 payment is reported to the department, John will receive an additional \$200 of earnable compensation for each of January, February, and March.

(3) To qualify as earnable compensation, the retroactive salary increase must be made pursuant to:

(a) An order or conciliation agreement of a court or administrative agency charged with enforcing federal, state, or local statutes, ordinances, or regulations protecting employment rights;

(b) A bona fide settlement of a claim before a court or administrative agency for a retroactive salary increase;

(c) A collective bargaining agreement; or

(d) A legislative enactment.

[Statutory Authority: RCW 41.50.050(5) and 41.32.010(10). WSR 05-12-108, § 415-112-4607, filed 5/27/05, effective 6/27/05. Statutory Authority: RCW 41.50.050. WSR 97-03-016, § 415-112-4607, filed 1/6/97, effective 2/6/97.]