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Washington State to Raise Minimum Wage and Exempt Salary Threshold in 2024

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Effective January 1, 2024, the minimum wage rate in Washington State will increase to \$16.28 per hour for employees sixteen years of age and older, the Washington State Department of Labor and Industries announced on September 29, 2023.



Employees fourteen to fifteen years of age must earn at least \$13.84 per hour in 2024. Washington's minimum wage rate is currently \$15.74 per hour for employees aged sixteen and older, and \$13.38 per hour for employees who are fourteen to fifteen years of age.

Quick Hits

- The Washington State minimum wage rate for nonexempt employees sixteen years of age and older will increase 3.4 percent over the 2023 rate to \$16.28 per hour in 2024.
- Overtime exempt workers must be paid at twice the annual minimum wage rate, regardless of employer size.
- Several cities, including Seattle, SeaTac, and Tukwila, will have higher minimum wage rates in 2024 than the state's, based on an employer's industry or size.

The 2024 minimum wage rate marks a 3.4 percent year-over-year increase. By contrast, the 2023 minimum wage rate increased 8.66 percent year-over-year from 2022. According to the Washington State Department of Labor and Industries, Washington currently has the highest state-level minimum wage in the nation.

Overtime Exempt Workers

In accordance with Washington State's salary threshold implementation schedule, the salary threshold for overtime exempt workers is twice the annual minimum wage rate, regardless of employer size. In

2024, employers must pay exempt employees at least \$1,302.40 per week, or \$67,724.80 per year.

Exempt Computer Professionals

Washington employers that pay computer professionals on an hourly instead of salary basis must pay at least three-and-a-half times the hourly minimum wage rate. In 2024, Washington employers must pay exempt computer professionals at least \$56.98 per hour.

Local Minimum Wage Increases

- SeaTac announced that effective January 1, 2024, its minimum wage will increase to \$19.71 per hour for covered hospitality and transportation industry workers.
- Seattle announced that effective January 1, 2024, its minimum wage will increase to \$19.97 per hour for employers with 501 or more employees. The 2024 minimum wage marks a 6.85 percent year-over-year increase. The minimum wage will also increase for small employers (those that employ 500 or fewer employees) as follows:
 - The minimum wage will increase to \$19.97 per hour for small employers that do *not* pay at least \$2.72 per hour toward medical benefits or whose employees do not earn at least \$2.72 per hour in tips.
 - The minimum wage will increase to \$17.25 per hour for small employers that pay at least \$2.72 per hour toward medical benefits or whose employees earn at least \$2.72 per hour in tips.
- Tukwila announced that from January 1, 2024, to June 30, 2024, the minimum will be \$18.29 per hour for mid-size employers and \$20.29 per hour for large employers. On July 1, 2024, the minimum wage for mid-size employers will increase to \$19.29 per hour; the 2024 minimum wage for large employers will remain at \$20.29 per hour.
 - "Mid-size" employers are defined as those that employ "[a]t least 15 but no more than 500 employees worldwide, or [that generate] over \$2 million of annual gross revenue in Tukwila."
 - "Large" employers are defined as "all employers that employ more than 500 employees, regardless of where those employees are employed, and all franchisees associated with a franchisor or a network of franchises with franchisees that employ more than 500 employees in aggregate."
 - Employers that do not meet the definition of mid-size or large-size employers are subject to Washington's state minimum wage requirements for employees.

Looking Ahead

State and federal minimum wage information—in addition to other wage and hour information—is also available in the firm's *Client Portal*, which is available to all Ogletree Deakins clients. *Client Portal subscribers* receive detailed wage and hour law summaries, template forms, state law maps, and other related materials, which are updated as the law changes.

Ogletree Deakins' Seattle office will continue to monitor and report on Washington State wage and hour developments and will provide updates on the firm's Washington and Wage and Hour blogs as additional information becomes available.

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