

BILL REQUEST - CODE REVISER'S OFFICE

BILL REQ. #: I-3248.1/16

ATTY/TYPIST: LL:eab

BRIEF DESCRIPTION: Establishing certain new and uniform labor standards.

Initiative Measure No. 1518, filed March 28, 2016

AN ACT Relating to establishing certain new and uniform labor standards; amending RCW 49.46.020; adding new sections to chapter 49.46 RCW; and providing effective dates.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

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

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

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

~~(3) Beginning January 1, 2000, and until January 1, 2001, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than six dollars and fifty cents per hour.~~

~~(4)~~) (a) Beginning January 1, 2017, and until January 1, 2018, every employer shall pay to each of its employees who has reached the age of eighteen years wages at a rate of not less than ten dollars and fifty cents per hour.

(b) Beginning January 1, 2018, and until January 1, 2019, every employer shall pay to each of its employees who has reached the age of eighteen years wages at a rate of not less than eleven dollars per hour.

(c) Beginning January 1, 2019, and until January 1, 2020, every employer shall pay to each of its employees who has reached the age of eighteen years wages at a rate of not less than eleven dollars and fifty cents per hour.

(d) Beginning January 1, 2020, and until January 1, 2021, every employer shall pay to each of its employees who has reached the age of eighteen years wages at a rate of not less than twelve dollars per hour.

(2)(a) Beginning on January 1, (~~(2001)~~) 2021, and each following January 1st as set forth under (b) of this subsection, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than the amount established under (b) of this subsection.

(b) On September 30, (~~(2000)~~) 2020, and on each following September 30th, the department of labor and industries shall calculate an adjusted minimum wage rate to maintain employee purchasing power by increasing the current year's minimum wage rate by the rate of inflation. The adjusted minimum wage rate shall be calculated to the nearest cent using the consumer price index for urban wage earners and clerical workers, CPI-W, or a successor index, for the twelve months prior to each September 1st as calculated by the United States department of labor. Each adjusted minimum wage rate calculated under this subsection (~~(4)~~) (2)(b) takes effect on the following January 1st.

~~(5)~~) (3) Beginning January 1, 2017, employers may pay training wages to new employees during a training period at the

minimum wage rate of nine dollars and fifty cents per hour or eighty percent of the applicable state minimum wage, whichever is greater. The following restrictions apply to the use of a training wage:

(a) The training period may last for a maximum of one hundred eighty days starting on the employee's first day of employment;

(b) Employers may pay training wages to a new employee only once per employee; and

(c) Employees being paid at training wages may not constitute more than ten percent of an employer's workforce, except that employers with fewer than ten employees may pay training wages to one employee at a time.

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

NEW SECTION. Sec. 2. FINDINGS. The demands of the workplace and of families need to be balanced to promote public health, family stability, and economic security. It is in the public interest to provide reasonable paid sick leave for employees to care for the health of themselves and their families. Such paid sick leave shall be provided at the greater of the newly increased minimum wage or the employee's regular and normal wage.

NEW SECTION. Sec. 3. ACCRUAL RATES. (1) This section is effective January 1, 2018.

(2) Employers shall provide employees with a minimum of one hour of paid leave for every forty hours worked within the state of Washington, up to a total of twenty-four hours, except as otherwise provided in this section.

(3) Nothing in this section shall be construed as prohibiting or discouraging an employer from the adoption or retention of a paid leave policy that exceeds the requirements under this section.

(4) In the case of employees who are exempt from overtime payment under section 213(a)(1) of the fair labor standards act of 1938, approved June 25, 1938 (52 Stat. 1060; 29 U.S.C. Sec. 201 et

seq.) (hereinafter referred to as "FLSA-exempt" employees) and under the Washington state minimum wage act, no employer shall be required to accrue leave for such employees for hours worked beyond forty hours in a work week.

(5) Paid leave shall begin to accrue for existing employees on the effective date of this section, and for all new employees on the commencement of employment.

(6) An employer with a combined or universal paid leave policy, such as a paid time off ("PTO") or premium pay program, is not required to provide additional paid leave under this chapter, provided that:

(a) Available paid leave may be used for the same purposes and under the same conditions as set forth in section 4 of this act;

(b) Paid leave is provided at the rate of at least one hour paid leave for every forty hours worked; or

(c) Use of paid leave is limited to no less than twenty-four hours in a calendar year.

(7) Subject to the terms and conditions established by the employer, the employer may, but is not required to, loan paid leave time to the employee in advance of accrual by such employee. The terms and conditions shall address what happens if the employee is discharged or terminates employment prior to accruing paid leave time equivalent to the amount of paid leave time advanced by the employer and used by the employee.

NEW SECTION. **Sec. 4.** USE OF PAID LEAVE. (1) This section is effective January 1, 2018.

(2) Employees shall be entitled to use accrued paid leave beginning on the one hundred eightieth calendar day after the commencement of their employment.

(3) Employees shall be entitled to use up to twenty-four hours of accrued paid leave in any calendar year. Employers shall allow employees to carry over any accrued and unused hours, up to twenty-four hours, to the following calendar year. Employees may use a

total of forty combined accrued and carried over hours in the calendar year.

(4) Employees shall be entitled to use paid leave provided by the employer for the following reasons:

(a) An absence resulting from an employee's mental or physical illness, injury, or health condition; to accommodate medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or preventive medical care;

(b) To allow the employee to care for a family member with a mental or physical illness, injury, or health condition; care for a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or care for a family member who needs preventive medical care;

(c) When the employee's place of business has been closed by order of a public official to limit exposure to an infectious agent, biological toxin, or hazardous material;

(d) To allow the employee to care for a child whose school or place of care has been closed by order of a public official;

(e) To enable the employee to seek legal or law enforcement assistance or remedies to ensure the health and safety of the employee or the employee's family members, including, but not limited to, preparing for or participating in any civil or criminal legal proceedings related to or derived from domestic violence, sexual assault, or stalking;

(f) To enable the employee to obtain, or assist a family member in obtaining, services from a domestic violence shelter, rape crisis center, or other social services program for relief from domestic violence, sexual assault, or stalking;

(g) To enable the employee to participate in safety planning, temporarily or permanently relocate, or take other actions to increase the safety of the employee or employee's family members from future domestic violence, sexual assault, or stalking; and

(h) To enable the employee to take leave for bereavement for the death of a family member.

(5) Paid leave shall be provided upon the request of an employee, and the request shall include the expected duration of the absence when possible. An employer may require an employee to comply with the employer's usual and customary notice and procedural requirements for absences and/or requesting leave, provided that such requirements do not interfere with the purposes for which the leave is needed.

(6) Employers may require a minimum use of accrued paid leave time, subject to the FLSA. For FLSA-exempt employees, the employer may make deductions of paid leave in accordance with the FLSA or in accordance with a pay system established by statute, ordinance, or regulation.

(7) When the need for use of accrued time is foreseeable, the employee shall make a reasonable effort to schedule the use of paid leave in a manner that does not unduly disrupt the operations of the employer.

(8) Upon mutual consent by the employee and the employer, an employee may work additional hours or shifts during the same or next pay period without using available paid leave for the original missed hours or shifts. However, the employer may not require the employee to work such additional hours or shifts. Should the employee work additional shifts, the employer shall comply with any applicable federal, state, or local laws concerning overtime pay.

(9) This chapter does not prohibit an employer from establishing a policy whereby employees may voluntarily exchange assigned hours or trade shifts.

(10) When paid leave is requested by an employee who works in an eating and/or drinking establishment, the employer may offer the employee substitute hours or shifts. If the employee accepts the offer and works these substitute hours or shifts, the amount of time worked during the substitute period or the amount of time requested for paid leave, whichever is smaller, may, at the discretion of the employer, be deducted from the employee's accrued leave time. However, no employer is required to offer such substitute hours or

shifts, and no employee is required to accept such hours or shifts if they are offered.

(11) This chapter does not prohibit an employer from establishing a policy whereby employees may donate unused paid leave to another employer.

(12) This section does not require financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment, for accrued paid leave that has not been used.

NEW SECTION. **Sec. 5.** DEPARTMENT OF LABOR AND INDUSTRIES RULE MAKING. The state department of labor and industries is authorized to adopt and implement rules to carry out and enforce sections 2, 3, and 4 of this act.

NEW SECTION. **Sec. 6.** Sections 2 through 5 of this act are each added to chapter 49.46 RCW.

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