CLIENT ALERTS & INSIGHTS

Big Changes Likely for Overtime Exemptions in Washington State

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While the U.S. Department of Labor ("DOL") recently made headlines with proposed changes to the federal standard for overtime exemptions, the ongoing saga may present further challenges for employers in the State of Washington. Various employer associations have reported that the Washington Department of Labor & Industries (the "Department") is considering a proposal that would mark a major increase in the salary threshold for workers to be considered exempt from overtime under Washington state law.

The predicted proposal would raise the threshold to somewhere between $55,000 and $70,000 per year, with automatic annual increases thereafter. Such a proposal would be far above the figure of $35,308 recently proposed by the DOL. While it remains unclear what the exact figure will be or whether the Department will unveil the proposal at all, at least some change to the state's current salary threshold seems likely. Washington has not updated its salary threshold in years, and its current figure of $250.00 per week is well below even the $455.00 weekly figure set by the DOL in 2004. Moreover, the Department has been soliciting statements and listening to feedback regarding the salary threshold for some time, and has even published two pre-draft version of potential rule language.

If and when the Department formally announces its proposed changes, there will be a comment period of at least 60 days, during which all members of the public, including employers, will have the opportunity to weigh in on the proposal. Once the comment period ends, the Department will adopt a final rule. Employers with salaried, exempt employees should follow this developing story, review employee classifications to determine how any changes will be handled, and consider submitting comments once the Department issues its formal proposal.

For more information about this proposed rule update, contact a member of the firm's Labor & Employment Practice Group.

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