

Electronic Alert

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Remember – Washington Overtime Exemption Changes Effective July 1st!

By Nicole Elgin

Last year, the Washington Department of Labor & Industries made significant changes to several factors or “tests” that allow employers to classify an employee as salaried exempt. Those changes are effective July 1, 2020.

We wrote about those changes in detail [here](#). While the changes do impact the job “duties test” for the executive, administrative, professional, outside salespeople, and computer professional exemptions, they also affect the state “salary test” by projecting an increase in the minimum salary threshold required for an employee to qualify as exempt.

Currently, under federal law, a salaried exempt employee must receive at least \$684/week (\$35,568/year). In contrast to the federal rule, Washington now automatically and incrementally increases the minimum salary threshold based on the number of employees employed by the employer.

The increases are based on a CPI multiplier, so the increases are estimates at this time. For example, by January 1, 2021, Washington anticipates employers with 51 or more employees will need to pay salaried exempt employees a minimum of \$965 per week (\$50,180 per year) in order to meet the required salary threshold. Washington’s anticipated salary implementation schedule is available [here](#).

Employers with employees working in Washington should review their current employee classifications to ensure they are in compliance. Don’t forget – this may apply to some of your employees working remotely from Washington too!

For questions on how these changes impact your employees, contact Nicole Elgin at (503) 276-2109 or nelgin@barran.com.