

## Frequently Asked Questions

### 2025 IMPACT from Changes to the Washington State Minimum Wage Act

1. **WHAT IS THE WASHINGTON STATE MINIMUM WAGE ACT (WMWA)?**

The Washington State Minimum Wage Act (WMWA) is the state law governing minimum wage, overtime and certain other aspects of pay for employees who work in Washington State. Outreach and enforcement for the WMWA are administered by the Washington State Department of Labor & Industries (L&I). In 2019 L&I updated the employment rules that determine which workers in Washington are required by law to be paid at least minimum wage, earn overtime pay, and receive paid sick leave and other protections under WMWA. Under the approved changes, the minimum pay a salaried worker must receive to be considered exempt will increase incrementally to 2.5 times the state minimum wage by 2028. Workers who are not exempt from overtime must receive overtime pay of 1.5 times the employee's regular pay rate for all hours worked over 40 hours in a seven-day workweek. The HR Office is responsible for determining the overtime status for all staff/lay positions.

2. **WHAT ARE THE CHANGES TO THE WMWA?**

Effective January 1, 2025, the minimum actual gross salary a position can be paid and still remain overtime exempt will increase to \$1,499.40 per week (\$77,968.80 per year). This rate will continue to adjust until 2028 when it will be 2.5x the minimum wage.

3. **WHY ARE THE CHANGES EFFECTIVE ON DECEMBER 29TH?**

January 1 falls on a Wednesday, but the workweek starts on Monday, December 30<sup>th</sup>. To accurately account overtime in a workweek that includes the effective date of the law, the change is being implemented at the beginning of the workweek.

4. **HOW WILL AFFECTED EMPLOYEES BE NOTIFIED OF THEIR OT STATUS CHANGE?**

The Human Resources Office has provided a template letter to location administrators to send to affected employees and their immediate supervisors advising them of the change and the reason for the change. In addition, it is recommended that managers discuss the change in advance and establish expectations around time reporting, overtime etc. Talking points and an information session will be offered to prep managers for these conversations.

5. **WHAT ACTIONS CAN A LOCATION USE TO ENSURE AN EMPLOYEE WHO IS CURRENTLY EXEMPT DOES NOT BECOME OVERTIME ELIGIBLE DUE TO FALLING BELOW THE NEW SALARY THRESHOLD OF \$77,968 PER YEAR?**

There are two possibilities: 1. If the employee is less than 100% FTE, the location may opt to increase the % FTE to a combination of salary and FTE that results in an actual salary paid of at least \$77,968 per year. 2. The location can opt to provide an increase in salary to meet the annual threshold. Locations are urged to consider internal equity - Locations are urged to consider internal equity (are your other employees' pay falling behind) as well as the fact that the threshold will likely continue to rise each year with increases in inflation.

6. **HOW WILL EMPLOYEES MOVING TO OVERTIME (OT) ELIGIBLE TRACK THEIR TIME?**  
Employees converted to nonexempt will have an hourly timesheet available in Paycom and will need to record their actual hours worked each day. It is referred to as a Web Timesheet and here is a link for how to track time [LINK](#). **Remember, all time worked is time paid!**
7. **WHAT SHOULD A LOCATION DO IF THERE ARE MINISTERIAL/PASTORAL POSITIONS THAT ARE CURRENTLY CLASSIFIED AS OVERTIME ELIGIBLE/NON-EXEMPT?**  
Please work with the Office of Human Resources to examine the employees in ministerial jobs who are currently non-exempt on converting the employee to exempt status under the Ministerial Exception.
8. **IF AN EMPLOYEES PAY RISES TO A LEVEL ABOVE THE THRESHOLD DURING THE COURSE OF THE YEAR, CAN THEY RETURN TO EXEMPT STATUS?** Yes, if that situation occurs, please reach out to Human Resources. HR will also conduct a periodic audit to examine this.
9. **WHAT SHOULD A LOCATION DO IF IT IS FELT THAT A POSITION NEEDS TO BE REVIEWED TO FURTHER DETERMINE A MINISTERIAL/PASTORAL EXEMPTION?**  
Contact Human Resources for an evaluation. These determinations have to be conducted in a legally compliant manner in order to protect the exemption and would be determined through a close examination of job responsibilities.
10. **IF A PART TIME EMPLOYEE'S SALARY FALLS BELOW THE THRESHOLD, BUT THEIR SALARY ON A FULL TIME BASIS WOULD EXCEED IT, CAN THEY REMAIN EXEMPT?**  
No, the state law does not allow for this. Part time salaries must be considered without a conversion to a full time equivalent.
11. **WHAT IF AN EMPLOYEE OBJECTS TO BECOMING OVERTIME ELIGIBLE, WORKS A SCHEDULE WITH UNEVEN HOURS OR DOES NOT WANT TO SUBMIT OVERTIME?**  
This conversion is required by law and does not involve a choice. Compliance with the required time and attendance policies is a condition of employment. Please see the personnel policies regarding overtime work. **Hourly employees must be paid for all time worked!**
12. **WOULD THESE CHANGES IMPACT THE APPROACH TO COMPENSATION OR PAY INCREASES?**  
These changes should not impact the individual approach to compensation, however there could be an overall review of the budget allocated for overtime or the need to hire additional resources.