Salary to Hourly

Conversation points and tips for the transition

Washington State Threshold Change 2027 Guide

Objectives

- The “why” behind the conversion
  - -Threshold changes
- Salary vs. Hourly
  - - Timekeeping
  - - Overtime Eligibility
  - - Break times
- Reinventing the work and transition for managers and hourly employees



What is Changing?

What is the Washington State Minimum Wage Act (WMWA)?

- State law governing minimum wage, overtime and certain other aspects of pay for employees who work in Washington State.
- The minimum salary to remain exempt is 2.5 times the state minimum wage as of January 1, 2027.

2026 News

New state minimum wage effective 1/1/27 - $17.73

Exempt employees must earn 2.5 times $17.73 or **$92,196.00** annually

ALL EXEMPT EMPLOYEES WHO DO NOT MEET THE NEW EXEMPT THRESHOLD WILL CONVERT TO HOURLY.

Hourly vs. Salary



SALARY: FIXED COMPENSATION REGARDLESS OF HOURS WORKED. NO OVERTIME.

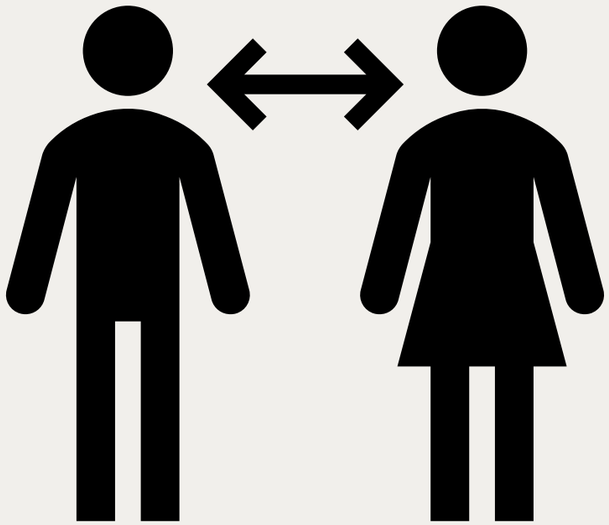


HOURLY: PAID PER HOUR OF WORK. ELIGIBLE FOR OVERTIME. COULD BE PART-TIME OR FULLTIME.

Transitioning to Hourly from Salary

- **Timekeeping –** All worked hours must be tracked to earn pay.
- **Overtime eligibility –** Any time worked beyond the 40-hour work week will be paid at 1.5 times the hourly rate.
- **Break times –** Non-exempt employees receive various paid and unpaid breaks during their shift according to U.S. Department of Labor.

Salary to Hourly – Active Management



Work is time-bound

- Based on hours worked vs. the duties and responsibilities (deliverables).
- Jobs are not changing – attending to the employee on an hourly basis due to WA State Law.
- Condense workflow within new time restraints (working hours)
- Fixed schedule vs. Flex schedule

- **WARNING - Hourly staff will require more attentive management than Salary employees**

*Thou shall not work off the clock!

Salary to Hourly – Active Management

Reminders:

- Not a diminishment of your employee's value or their position, this is just to meet the new state requirements for salary.
- Check in with employees along the way. This is new!
- If you notice your employee is eating at their desk or staying late, remind them that they should step away and take a real break and let them know they need to go home.
- Give them permission to go home and leave the work behind.
- Remember this may take time for your employee.

STATE THRESHOLD – Overtime Eligibility

Definitions:

Overtime: Employees working more than 40 hours per workweek receive one and one-half times their regular rate of pay.

Work Week: Sunday to Saturday

Guidelines for overtime:

All work extending beyond customary schedule must be approved by supervisor

Who gets overtime?

- Hourly or commissioned employees

Workweek Management

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 8 HOURS	3 8HOURS	4 **12HOURS**	5 4 HOURS	6 8HOURS	7
8	9	10	11	12	13	14

How to account for long days

Paul works 12 hours in one day and has already worked two 8-hour days.

This will result in 4 hours of over time. To remain budget neutral, Paul can go home early and work 4 hours the next day (Thursday).

Workweek Management

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 **8 HOURS**	3 **8HOURS**	4 **8HOURS**	5 **8HOURS**	6 **8 HOURS**	7 8HOURS
8	9 **OFF**	10 **4HOURS**	11 **8HOURS**	12 **8HOURS**	13 **8HOURS**	14

Linus works his regularly scheduled week of 8 hours, Monday through Friday. After working a full work week, Linus is called in to work a full 8 hours on Saturday, the end of a work week. This would be a full 8 hours of overtime. If you want to remain budget neutral, Linus could take one day off the following week and work 4 hours another to balance.

*This can only be completed within the same pay period.

Workweek Management

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 8 HOURS	3 8HOURS	4 8HOURS	5 8HOURS	6 OFF	7 8HOURS
8	9 8HOURS	10 8HOURS	11 8HOURS	12 8HOURS	13 8HOURS	14

Emily knows she will have to work Saturday this week as a full 8-hour day. Emily can plan ahead for the work week by adjusting her schedule to account for the full workday on Saturday and take a different day off instead.

Workweek Management

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 **8 HOURS**	3 **8HOURS**	4 **8HOURS**	5 **8 1/2 HOURS**	6 **7 1/2 HOURS**	7
8	9 **8HOURS**	10 **8HOURS**	11 **8HOURS**	12 **8HOURS**	13 **8HOURS**	14

Father noticed that Kelly at the front desk stayed late one afternoon with a parishioner who had come into the office for help. Kelly ended up staying 30 minutes over to help. Fr. Bos reviewed Kelly's timecard and noticed the additional 30 minutes were not recorded. Fr. Bos confronted Kelly who said the extra time is a gift to the church.

Fr. Bos asked Kelly to record her additional time and take an extra half hour off the following day.

STATE THRESHOLD – Break Times

15-Minute Breaks:

- Paid time
- Every 4 hours worked
- Does not extend lunch periods

30-Minute Break:

- Uninterrupted
- Unpaid
- Taken 2-5 hours into shift

STATE THRESHOLD – Tracking Time

o All worked hours must be tracked in accordance with the locations' standard (web timesheet, or clock in/out system).

- Best practice is to encourage employees to track time daily. The app makes it easy to track fast!

o NO timesheet hours will produce NO PAY.

o Employees approve timesheets before the supervisor's review and approval.



Travel and Weekend Events

- Mileage reimbursement for special work-related assignments.
  - Regular commute not compensated
- Paid for work times only
  - Plan ahead
  - Consider necessary attendance for the event
  - Discuss the meal, rest, and non-work time expectations.

❖**See Parish Personnel Policies for more detailed information.**



Contact Human Resources

We are here to help!