Washington minimum wage for 2023 to be \$15.74 per hour SEPTEMBER 30, 2022

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TUMWATER — The Washington State minimum wage for 2023 will increase to \$15.74 an hour in January. That's up \$1.25 from what it is now.

The 8.66 percent rise is directly linked to the cost of common goods such as housing, food, and medical care as reflected in the Consumer Price Index. State law directs the <u>Washington State Department of Labor & Industries</u> (L&I) to calculate the minimum wage for the coming year based on the federal Bureau of Labor Statistics' (BLS) <u>Consumer Price Index for Urban Wage</u> <u>Earners and Clerical Workers</u> (CPI-W). In making the calculation, L&I compares the CPI-W index from August of the previous year to the index for August of the current year.

The state minimum wage applies to workers age 16 and older. Under state law, employers can pay 85 percent of the minimum wage to workers ages 14-15. For 2023, the wage for that younger group will be \$13.38 per hour.

Cities can set minimum wages higher than the state. Seattle and SeaTac both have higher wages.

For overtime exempt employees

With the determination of the minimum wage for 2023, L&I has also calculated new minimum salary requirements for employees who are exempt from receiving overtime pay. The minimum salaries are a multiplier of the minimum wage. This change impacts "white collar" positions held by executive, administrative, and professional workers plus computer professionals and outside salespeople. To be exempt from earning overtime, a worker must earn at least the minimum salary and their duties must meet a jobs test.

The 2023 minimum salary for exempt employees working for small employers (1-50 employees) is 1.75 times the minimum wage. That means an employee exempt from overtime pay must earn at least \$1,101.80 a week (\$57,293.60 a year).

For large employers (51 or more employees), the threshold is 2 times the minimum wage. Those employees must earn at least \$1,259.20 a week (\$65,478.40 a year).

L&I updated the overtime rules in 2020, creating an eight-year implementation schedule that incrementally raises the multiplier until it reaches 2.5 times in 2028. The pace of the increase is based on the size of the employer.

Under the same rules, exempt computer professionals may be paid an hourly rate rather than a salary. In 2023 and beyond, the applicable hourly rate is 3.5 times the minimum wage, regardless of employer size. For 2023, that will be \$55.09 per hour.

Minimum pay for Uber, Lyft and other rideshare drivers

The August CPI-W also means a change in the minimum pay drivers for rideshare companies such as Uber and Lyft will earn beginning Jan. 1. The minimum pay is one of <u>the new rights and protections granted to these</u> <u>drivers</u> by legislation passed earlier this year.

For trips within Seattle in 2023, drivers will earn 64 cents per passenger minute and \$1.50 per passenger mile, or \$5.62, whichever is greater.

For trips outside of Seattle in 2023, drivers will earn 37 cents per passenger minute and \$1.27 per passenger mile, or \$3.26, whichever is greater.

The law requires L&I to update the minimum trip compensation rate each September using the CPI-W.

Wage complaints investigated

L&I enforces the state's wage-and-hour laws and investigates all wagepayment complaints. A worker rights complaint can be <u>filed online</u>, downloaded and mailed to the agency, or at a <u>local L&I office</u>.

More information about <u>the minimum wage</u> is available on L&I's website, along with details about overtime, rest breaks, meal periods, and information on how to file a wage complaint. Employers and workers may also call 360-902-5316 or 1-866-219-7321.

Ver más abajo para esta información en español.