



October 4, 2023

MINIMUM WAGE & OVERTIME EXEMPTION CHANGES 2024 UPDATE

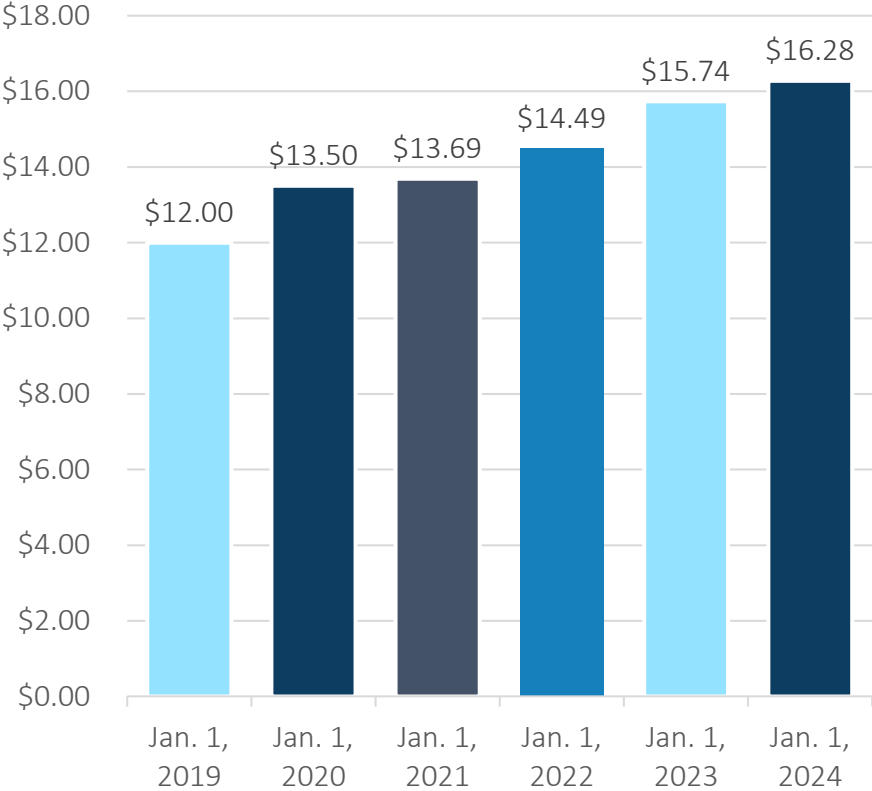
HR Manager's Meeting

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MINIMUM WAGE INCREASE

History of Minimum Wage



- Minimum wage for Washington State will increase to **\$16.28 per hour effective January 1, 2024**
- This represents an increase of \$0.54 per hour (3.4 percent)

SALARY THRESHOLD IMPLEMENTATION SCHEDULE

Start	Multiplier	Minimum Wage	Weekly	Annual
7/1/2020	1.25x	\$13.50	\$675.00	\$35,100.00
1/1/2021	1.5x	\$13.69	\$958.30	\$49,831.00
1/1/2022	1.75x	\$14.49	\$1,014.30	\$52,743.60
1/1/2023	2x	\$15.74	\$1,259.20	\$65,478.40
1/1/2024	2x	\$16.28	\$1,302.40	\$67,724.80

Given the increase in minimum wage, the state's salary threshold for exempting employees from overtime is also increasing.

This change impacts "white collar" positions held by executive, administrative and professional workers plus computer. To be exempt from earning overtime, a worker must earn at least the minimum salary and their duties must meet a jobs test.

The threshold multiplier will be phased in until it reaches 2.5 times the state minimum wage in 2028.

SALARY THRESHOLD IMPLEMENTATION SCHEDULE FOR HOURLY COMPUTER PROFESSIONALS

Start	Multiplier	Minimum Wage	Hourly Wage
7/1/2020	2.75x	\$13.50	\$37.13
1/1/2021	3.5x	\$13.69	\$47.92
1/1/2022	3.5x	\$14.49	\$50.72
1/1/2023	3.5x	\$15.74	\$55.09
1/1/2024	3.5x	\$16.28	\$56.98

This is the pay rate phase-in schedule for exempt computer professionals who are paid by the hour. The threshold is a multiplier of the state minimum wage.

GUIDANCE MOVING FORWARD

(SPLIT PAY RANGES)

At this time, you should be reviewing current positions based on the new 2024 state salary standard, applying the new salary test which goes into effect January 1, 2024, and preparing to make adjustments, if needed to each position within a split range and switch employees overtime eligibility where appropriate.

The split range will depend on which CBA the employee is represented by and which salary schedule.




Resources

- [L&I Minimum Wage](#)
- [L&I Changes to Overtime Rules Q&A](#)
- [L&I Overtime Rules Resources](#)
- [L&I EAP Training Module](#)
- [L&I Exempt vs Non-Exempt-Fact Sheet](#)
- [OFM WA Minimum Wage Act Q&A](#)
- [RCW 49.46.010\(3\)\(c\)](#)
- [WAC 296-128](#)



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State Human Resources is currently evaluating the impacts and will work directly with organizations identified as having impacted employees and will provide details regarding updates needed.

More information will be coming soon.

If you have questions, please contact:

- Your assigned Labor & Personnel AAG
- SHR Classification & Compensation at classandcomp@ofm.wa.gov

Thank you

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