December 6, 2023

MINIMUM WAGE & OVERTIME EXEMPTION CHANGES

2024 UPDATE

HR Manager's Meeting

OFM
OFFICE OF FINANCIAL MANAGEMENT

REMINDER: EFFECTIVE JANUARY 1, 2024

- Minimum wage for Washington State will increase to **$16.28 per hour**

    - This represents an increase of $0.54 per hour (3.4 percent)

- The salary threshold for exempting employees from overtime will increase to **$67,724.80/year ($1,302.40/week)**

    - To be exempt from earning overtime, a worker must earn at least the minimum salary and their duties must meet the jobs test

    - Look at total compensation (including premium pay for King County, shift differential, etc. that one would expect to receive all the time)

        - Do not include one-off payments, incentives, or commissions

- For <u>hourly</u> computer professionals to be exempt, they must earn at least **$56.98 per hour**

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, and preparing to adjust, if needed, 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.

- Notification

    - Those impacted by minimum wage, notification will be sent to the unions by mid-December.

    - Those impacted by the salary threshold, agencies are responsible to provide notification to the employee and their supervisor that the position status has been changed in accordance with the applicable CBA or WAC.

- Next Steps

    - Watch for the OFM Service News email sent out in early January with instructions on identifying employees who are impacted by the minimum wage increase in HRMS.

    - SHR will contact impacted organizations beginning in late January on employees that still need to be corrected in the system.

If you have questions, please contact:

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

Thank you