

Exempt Overtime Employee Executive, Administrative, Professional (“EAP”) Rule Making

Talking Points

Please be pragmatic in your opposition or examples. The current standard would be considered unreasonable by almost anybody, definitely by the department and also in the public arena. It is also not in line with current market conditions, cost of living or inflation. A no change stance will not be effective and if that becomes the mantra of our industry it will be used against us on this and future issues.

- Definitions of exempt employees should mirror Fair Labor Standards Act (FLSA). Many of you already work with these and it would make compliance and enforcement easier and more efficient.
- Understand need to raise the threshold, currently \$13,000/yr. in place since 1976
- BIACC and BIAW recommended it match the FLSA at \$455/week, already an 82% increase over current threshold. Feel free to suggest another based on your belief and the info below:
 - Minimum annual compensation before employee can be considered salaried:
 - Currently \$13,000/year, a number we can all recognize as too low
 - Commensurate with WA minimum wage - \$23,920/year
 - **Our suggested \$455/week - \$25,480/year**
 - L&I Proposed 2 times WA minimum wage in 2020 – \$56,160/year
 - L&I Proposed 2.5 times WA minimum wage in 2020 – \$70,200/year
- Describe how many employee(s) you have that would be affected by this change.
- Describe decisions this change may affect:
 - Expansion
 - Reduced hiring or letting employees go
 - Converting employee to hourly then make sure all hours including overtime are equal to current salary
 - Decrease or get rid of benefits
 - No longer encourage after hours event attendance, community engagement by “previously salaried but now hourly” employees, etc.
- Answer questions posed by the **L&I Department**:
 - Assuming an effective date of January 1, 2020, should the department consider a phased-in implementation of the new threshold for employers based on employer size?
 - What phase-in schedule should the department propose?
 - What method would you recommend to define employer size?
 - When would you recommend the updated threshold take effect for all employer sizes.
 - During a phase-in period and/or once the rule is fully implemented, should the department consider adopting a higher salary threshold in higher-wage cities, counties, or areas of the state?
 - What method would you recommend for defining which areas would be subject to a different threshold? BIA would recommend City or Metropolitan Statistical Area (if available) not region.
 - Would you recommend a different phase-in schedule apply to these higher threshold areas?
 - How should the implementation schedule differ?