

SENATE BILL REPORT

SB 5239

As of February 10, 1999

Title: An act relating to overtime compensation for commissioned salespersons.

Brief Description: Changing overtime compensation for retail employees.

Sponsors: Senators Fraser, Franklin, Kline and Prentice.

Brief History:

Committee Activity: Labor & Workforce Development: 2/11/99.

SENATE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Staff: Jill Reinmuth (786-7452)

Background: The overtime provision of the state Minimum Wage Act requires an employer to pay an employee one and one-half times the employee's regular rate of pay for any hours worked in excess of 40 in a single work week. For purposes of calculating overtime pay for a retail commissioned salesperson, the "regular rate of pay" includes both wages and commissions. No retail or service establishment violates the overtime provision for any employee if the regular rate of pay for that employee is in excess of one and one-half times the state minimum wage and more than half of the employee's compensation comes from commissions.

Summary of Bill: A retail or service establishment is required to pay an employee one and one-half times the employee's regular rate of pay for any hours worked in excess of 40 in a single work week.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.