6578-S AMS HOBB S4764.2

<u>SSB 6578</u> - S AMD 616 By Senator Hobbs

- 1 Strike everything after the enacting clause and insert the 2 following:
- 3 "Sec. 1. RCW 49.46.020 and 1999 c 1 s 1 are each amended to read 4 as follows:
- 5 (1) ((Until January 1, 1999, every employer shall pay to each of 6 his or her employees who has reached the age of eighteen years wages 7 at a rate of not less than four dollars and ninety cents per hour.
- 8 (2) Beginning January 1, 1999, and until January 1, 2000, every
 9 employer shall pay to each of his or her employees who has reached
 10 the age of eighteen years wages at a rate of not less than five
 11 dollars and seventy cents per hour.
- (3) Beginning January 1, 2000, and until January 1, 2001, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than six dollars and fifty cents per hour.
- (4)) (a) Beginning January 1, 2017, and until January 1, 2018, every employer must pay to each of its employees who have reached the age of eighteen years wages at a rate of not less than ten dollars per hour.
- 20 (b) Beginning January 1, 2018, and until January 1, 2019, every 21 employer must pay to each of its employees who have reached the age 22 of eighteen years wages at a rate of not less than ten dollars and 23 fifty cents per hour.
- (c) Beginning January 1, 2019, and until January 1, 2020, every
 employer must pay to each of its employees who have reached the age
 of eighteen years wages at a rate of not less than eleven dollars per
 hour.
- 28 (d) Beginning January 1, 2020, and until January 1, 2021, every
 29 employer must pay to each of its employees who have reached the age
 30 of eighteen years wages at a rate of not less than twelve dollars per
 31 hour.

- (2)(a) Beginning on January 1, ((2001)) 2021, and each following January 1st as set forth under (b) of this subsection, every employer shall pay to each of his or her employees who has reached the age of eighteen years wages at a rate of not less than the amount established under (b) of this subsection.
- 6 (b) On September 30, ((2000)) 2020, and on each following the department of labor and industries 7 September 30th, calculate an adjusted minimum wage rate to maintain employee 8 purchasing power by increasing the current year's minimum wage rate 9 by the rate of inflation. The adjusted minimum wage rate shall be 10 11 calculated to the nearest cent using the consumer price index for 12 urban wage earners and clerical workers, CPI-W, or a successor index, for the twelve months prior to each September 1st as calculated by 13 the United States department of labor. Each adjusted minimum wage 14 rate calculated under this subsection $((\frac{4}{1}))$ (2) (b) takes effect on 15 16 the following January 1st.
- 17 (((+5))) (3) The director shall by regulation establish the minimum wage for employees under the age of eighteen years.
- 19 **Sec. 2.** RCW 49.46.120 and 1961 ex.s. c 18 s 4 are each amended 20 to read as follows:

21 This chapter establishes ((a)) minimum standards for wages and ((working conditions)) paid sick leave of all employees in this 22 state, unless exempted herefrom((, and)). This chapter is in addition 23 24 to and supplementary to any other state or federal law, rule, or 25 regulation issued regarding a minimum standard for wages or paid sick leave, and any such laws, rules, or regulations are not affected by 26 27 this chapter. With respect to working conditions other than a minimum standard for wage rates and paid sick leave, this chapter is in 28 addition to and supplementary to any other federal, state, or local 29 law or ordinance, or any rule or regulation issued thereunder. 30 31 ((Any)) Standards relating to ((wages, hours, or other working conditions)) working conditions other than a minimum standard for 32 wage rates and paid sick leave established by any applicable 33 federal((-)) or state((- or local)) law ((or ordinance)), or any rule34 regulation issued thereunder, which are more favorable to 35 employees than the minimum standards applicable under this chapter, 36 or any rule or regulation issued hereunder, shall not be affected by 37 38 this chapter and such other laws, or rules or regulations, shall be in full force and effect and may be enforced as provided by law. 39

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- NEW SECTION. Sec. 3. A new section is added to chapter 49.46 RCW to read as follows:
- The demands of the workplace and of families need to be balanced to promote public health, family stability, and economic security. It
- 5 is in the public interest to provide reasonable paid sick leave for
- 6 employees to care for the health of themselves and their families.
- 7 Such paid sick leave shall be provided at the greater of the newly
- 8 increased minimum wage or the employee's regular or normal wage.
- 9 <u>NEW SECTION.</u> **Sec. 4.** A new section is added to chapter 49.46 10 RCW to read as follows:
- 11 (1) Beginning January 1, 2018, every employer must provide each of its employees paid sick leave. An employee must accrue at least one hour of paid sick leave for every forty hours worked as an employee. An employer may provide paid sick leave in advance of the accrual, provided that such front-loading meets or exceeds the requirements of this section for accrual, use, and carryover of paid sick leave.
- 18 (2) Unused paid sick leave accrued under this chapter carries 19 over to the following year, except that an employer is not required 20 to allow an employee to carry over in excess of a total of forty 21 hours per year.
- 22 (3) Employees may use up to twenty-four hours of leave accrued 23 under this chapter in the first full calendar year of employment. 24 Employees may use up to a total forty hours of leave accrued under 25 this chapter in subsequent years of employment.
- 26 (4) This chapter does not prohibit an employer from allowing 27 employees to accrue paid leave at greater rates or to carry over or 28 use more accrued leave each year.
- 29 (5) This chapter does not require an employer to provide 30 financial or other reimbursement for accrued and unused paid sick 31 leave to any employee upon the employee's termination, resignation, 32 retirement, or other separation from employment.
- NEW SECTION. Sec. 5. A new section is added to chapter 49.46 RCW to read as follows:
- 35 (1) An employee may use earned paid sick leave for:
- 36 (a) The diagnosis, care, or treatment of the employee's mental or physical illness, injury, or health concern;

- 1 (b) The diagnosis, care, or treatment of the employee's family 2 member's mental or physical illness, injury, or health concern;
 - (c) Any reasons identified in the domestic violence leave act under chapter 49.76 RCW; or
 - (d) Bereavement leave in connection with the death of a family member of the employee.
 - (2) Compensation due to an employee who takes leave under this chapter must be paid at the same rate of pay and with the same benefits as the employee would have earned if the employee had not taken leave. This does not require employers to compensate employees who take leave under this chapter for tips or commissions the employee would have earned during the leave period.
 - (3)(a) This chapter does not prohibit an employer from establishing a policy where employees may voluntarily exchange assigned hours or trade shifts.
 - (b) When paid leave is requested by an employee who works in an eating or drinking establishment, the employer may offer the employee substitute hours or shifts. If the employee accepts the offer and works these substitute hours or shifts, the amount of time worked during the substitute period, or the amount of time requested for paid leave, whichever is lesser, may, at the discretion of the employer, be deducted from the employee's accrued leave time. However, no employer is required to offer such substitute hours or shifts, and no employee is required to accept such hours or shifts if they are offered.
- 26 (4) An employer may allow an employee to donate earned sick leave 27 hours to another employee of the same employer.
- 28 (5) For purposes of this section, "family member" means any of 29 the following:
- 30 (a) A child, including a biological, adopted, or foster child, 31 stepchild, or a child to whom the employee stands in loco parentis, 32 is a legal guardian, or is a de facto parent, regardless of age or 33 dependency status;
 - (b) A biological, adopted, de facto or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partners, or a person who stood in loco parentis when the employee was a minor child;
 - (c) A spouse;

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- (d) A registered domestic partner;
- 40 (e) A grandparent;

- 1 (f) A grandchild; or
- 2 (g) A sibling.

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- 3 (6) Employers are not prevented from providing more generous paid 4 sick leave policies or permitting use of paid sick leave for 5 additional purposes.
- 6 <u>NEW SECTION.</u> **Sec. 6.** A new section is added to chapter 49.46 7 RCW to read as follows:
- 8 (1) Paid leave must be provided upon the request of an employee, 9 and the request must include the expected duration of the absence 10 when such duration is reasonably foreseeable. An employer may require 11 an employee to comply with the employer's usual and customary notice 12 and procedural requirements for absences and requesting leave, 13 provided that such requirements do not interfere with the purposes 14 for which leave is needed.
 - (2) For absences exceeding three days, an employer may require verification that an employee's use of paid sick leave is for an authorized purpose. If an employer requires verification, verification must be provided to the employer within a reasonable time period during or after the leave. An employer's requirements for verification may not result in an unreasonable burden or expense on the employee and may not exceed privacy or verification requirements otherwise established by law.
 - (3) An employer may not require, as a condition of an employee taking paid sick leave, that the employee search for or find a replacement worker to cover the hours during which the employee is on paid sick leave.
 - (4) An employer may not adopt or enforce any policy that counts the use of paid sick leave time as an absence that may lead to or result in discipline against the employee.
- 30 (5) An employer may not discriminate or retaliate against an 31 employee for his or her exercise of any rights under this chapter 32 including the use of paid sick leave.
- 33 (6) If an employer has a paid leave policy that meets or exceeds 34 the minimum standards for sick leave established in this section and 35 sections 3 through 5 of this act, then the employer is not required 36 to provide additional paid leave.

<u>NEW SECTION.</u> **Sec. 7.** (1) This section does not impair any provision of a collective bargaining agreement in effect on the effective date of this section.

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- (2) The preemption created in this section must be broadly construed.
- 6 (3) The minimum standard for wages, leave from employment, labor scheduling, and standards within the state of Washington must be set 7 by the state and must be uniform and consistent for all employees 8 employed by private employers within the boundaries of the state. To 9 preserve a uniform and consistent minimum standard for wages, leave 10 from employment, labor scheduling, and standards, the state of 11 Washington has exclusive authority to establish the minimum wage, 12 leave from employment, labor scheduling, and standards for all 13 employees in the state. The state of Washington hereby occupies and 14 preempts the entire field of regulation of minimum standards for 15 16 wages, leave from employment, labor scheduling, and standards by 17 private employers within the boundaries of the state. A city, town, 18 county, port district, or other municipal corporation, political subdivision, or taxing district of the state may not establish, 19 require, or otherwise regulate by means of a charter, ordinance, 20 regulation, rule, resolution, permit, license, or contract, including 21 a purchase agreement, lease, sublease, or subcontract, a minimum 22 standard of wages, leave from employment, labor scheduling, 23 24 standards by private employers.
 - (4) For purposes of this section, "leave from employment" means sick leave, vacation leave, holiday leave, leave when an employee's place of business or child's school or place of care has been closed by order of a public official, and any other type of employee leave except leave for domestic violence, sexual assault, or stalking.
- 30 (5) Subsection (3) of this section does not apply to any local 31 laws, ordinances, administrative directives, contracts, or policies 32 that affect only the employees of the city, town, county, or port 33 district.
 - (6) Subsection (3) of this section does not apply to local laws, ordinances, administrative directives, contracts, or policies in effect prior to the effective date of this section.
 - (7) This section does not prohibit any public or private employer from paying wages at a rate higher than the state minimum wage rate or agreeing to pay a higher wage rate in collective bargaining or agreeing to provide additional leave from employment. This section Code Rev/LL:akl

 6 S-4764.2/16 2nd draft

- 1 does not prohibit the state from adopting exceptions to the uniform
- 2 minimum wage standard or leave from employment standard or invalidate
- 3 any such existing exceptions adopted by the state. This section does
- 4 not affect any rights or obligations under state or federal
- 5 requirements applicable to government contracts and does not prohibit
- 6 project labor agreements authorized by federal or state law.
- 7 <u>NEW SECTION.</u> **Sec. 8.** This chapter, as applied to paid sick
- 8 leave, does not apply to any employees covered by a bona fide
- 9 collective bargaining agreement to the extent that the requirements
- 10 related to paid sick leave are expressly waived in the collective
- 11 bargaining agreement in clear and unambiguous terms.
- 12 <u>NEW SECTION.</u> **Sec. 9.** Sections 7 and 8 of this act constitute a
- 13 new chapter in Title 49 RCW.
- 14 <u>NEW SECTION.</u> **Sec. 10.** Chapter 49.--- RCW (the new chapter
- 15 created in section 9 of this act) may be known and cited as the fair
- 16 and uniform minimum wage and leave from employment act.
- 17 <u>NEW SECTION.</u> **Sec. 11.** If any provision of this act or its
- 18 application to any person or circumstance is held invalid, the
- 19 remainder of the act or the application of the provision to other
- 20 persons or circumstances is not affected.
- 21 NEW SECTION. Sec. 12. The secretary of state shall submit this
- 22 act to the people for their adoption and ratification, or rejection,
- 23 at the next general election to be held in this state, in accordance
- 24 with Article II, section 1 of the state Constitution and the laws
- 25 adopted to facilitate its operation."

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By Senator Hobbs

- On page 1, line 1 of the title, after "employment;" strike the
- 27 remainder of the title and insert "amending RCW 49.46.020 and
- 28 49.46.120; adding new sections to chapter 49.46 RCW; adding a new

- 1 chapter to Title 49 RCW; creating a new section; and providing for
- 2 submission of this act to a vote of the people."

<u>EFFECT:</u> (1) <u>New Minimum Wage.</u> The state minimum hourly wage is increased to \$12 per hour over the course of four years, as follows:

- (a) January 1, 2017 \$10.00;
- (b) January 1, 2018 \$10.50;
- (c) January 1, 2019 \$11.00;
- (d) January 1, 2020 \$12.00; and
- (e) Beginning January 1, 2021 and thereafter the rate is adjusted for inflation using the CPI-W.
- (2) <u>Intent.</u> The provisions on minimum wage standards and sick leave are supplemental to any other state or federal law. The Legislature finds that it is in the public interest to provide reasonable paid sick leave for employees to care for the health of themselves and their families.
- (3) Accrual of Sick Leave. Employees accrue leave beginning January 1, 2018, at the rate of at least one hour of paid sick leave for every 40 hours worked. Unused sick leave carries over to the following year, except an employer is not required to allow carry over in excess of 40 hours per year.
- (4) <u>Use of Sick Leave.</u> Employees may use up to 24 hours of accrued leave in the first full calendar year of employment and up to a total of 40 hours of accrued leave in subsequent years of employment.

Earned sick leave may be used for:

- (a) The medical diagnosis, care, or treatment of the employee's mental or physical illness, injury, or health concern;
- (b) The medical diagnosis, care, or treatment of the employee's family member's mental or physical illness, injury, or health concern;
 - (c) Any reasons identified in the domestic violence leave act; or
- (d) Bereavement leave in connection with the death of a family member.
- (5) <u>Sick Leave Rate of Pay.</u> Compensation due to an employee who takes sick leave must be paid at the same rate of pay as earned by the employee if leave was not taken. The employer is not required to compensate for lost tips or commissions.
- (6) Exchange of Hours of Shifts. Employers are not prohibited from allowing the voluntary exchange of hours or shifts between employees. Employers at eating or drinking establishments may offer their employees the option to substitute hours or shifts; however, the employee is not required to accept such offers.
- (7) <u>Donated Sick Leave</u>. An employer may allow employees to donate earned leave to another coworker.
- (8) <u>Leave Requests.</u> Paid leave must be provided upon the request of an employee. The request must include the expected duration if it is reasonably foreseeable. Generally, the employer may require the employee to comply with the usual and customary notice and procedural requirements. An employer may not require the employee to search for a replacement worker.
- (9) <u>Documentation</u>. An employer may require reasonable documentation for use of more than three consecutive days of sick time. The verification may not impose an unreasonable burden or expense on the employee and may not exceed other legal privacy or verification laws.

- (10) <u>Discipline</u>, <u>discrimination</u>, <u>or retaliation</u>. An employer may not discipline, discriminate against, or retaliate against an employee exercising their rights to use paid sick leave.
- employee exercising their rights to use paid sick leave.

 (11) Existing Employer Policies. If an employer has a paid leave policy that meets or exceeds these minimum standards, the employer is not required to provide additional leave.
- (12) <u>Collective Bargaining & Preemption</u>. Public or private employers are not prohibited from paying wages at a rate higher than the state minimum wage rate, agreeing to pay a higher wage rate in collective bargaining, or agreeing to provide additional leave from employment.

Existing provisions of a collective bargaining agreement in effect on the effective date of this act are not impaired.

Except as provided for collective bargaining or agreements as specified above, the state occupies and preempts the entire field of regulation of minimum standards for wages, leave from employment, labor scheduling, and standards by private employers within the boundaries of the state.

A city, town, county, port district, or other municipal corporation, political subdivision, or taxing district of the state may not establish, require, or otherwise regulate the provisions regarding minimum standard of wages, leave from employment, labor scheduling, or standards by private employers. This limitation does not apply to the local government's own employees.

- (13) <u>Grandfather Clause.</u> The preemption clause does not apply to local laws, ordinances, administrative directives, contracts, or policies in effect prior to the effective date of this act.
- (14) <u>Exceptions and Revisions.</u> The state is not prohibited from adopting exceptions to the uniform minimum wage standard or leave from employment standard or invalidate any such existing exceptions adopted by the state.
- (15) <u>Referendum Clause.</u> The act must be submitted to a vote for adoption and ratification or rejection at the next general election held in the state.

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