
SUBSTITUTE HOUSE BILL 2171

State of Washington

66th Legislature

2020 Regular Session

By House Labor & Workplace Standards (originally sponsored by Representatives Santos and Sells)

READ FIRST TIME 02/03/20.

1 AN ACT Relating to vested vacation or paid time off upon an
2 employee's termination; amending RCW 49.48.010; and adding new
3 sections to chapter 49.48 RCW.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 49.48
6 RCW to read as follows:

7 (1) If an employer has an established policy, practice, or
8 agreement to provide vacation leave or other paid time off, and an
9 employee is terminated from employment by death, reduction in force,
10 resignation, dismissal, or retirement, any of the employee's unused
11 vested vacation leave or other paid time off must be paid to the
12 employee as wages at the employee's final rate in accordance with the
13 employment policy, practice, or agreement with respect to eligibility
14 and vesting requirements.

15 (2)(a) For the purposes of this section, vested vacation leave or
16 other paid time off is considered wages under RCW 49.48.010.

17 (b) An employer may not have a policy, practice, or agreement
18 that requires the employee to forfeit vested vacation leave or other
19 paid time off upon termination, regardless of the reason for
20 termination.

1 (3) Nothing in this section requires an employer to provide
2 vacation leave or other paid time off to an employee. Nothing in this
3 section prohibits an employer from placing limits on the amount of
4 vacation leave or other paid time off an employee may accrue.

5 (4) This section does not apply to employees subject to RCW
6 43.01.041.

7 (5) (a) Employees asserting violations of this section may bring a
8 wage complaint under this chapter.

9 (b) An employee who was terminated from employment before the
10 effective date of this section, as provided under section 3 of this
11 act, may either bring a wage complaint under this chapter or file a
12 private cause of action in court to enforce this section.

13 (6) For purposes of this section, "vacation leave or other paid
14 time off" does not include leave provided to meet the requirements of
15 RCW 49.46.200 and 49.46.210.

16 (7) Nothing in this section may be construed to affect the
17 provisions contained in RCW 49.46.200 through 49.46.820 regarding
18 paid sick leave.

19 (8) Nothing in this section may be construed to alter the
20 provisions of any existing collective bargaining agreement until the
21 agreement has expired.

22 **Sec. 2.** RCW 49.48.010 and 2010 c 8 s 12047 are each amended to
23 read as follows:

24 When any employee shall cease to work for an employer, whether by
25 discharge or by voluntary withdrawal, the wages due him or her on
26 account of his or her employment, including unused vested vacation
27 leave and other paid time off pursuant to section 1 of this act,
28 shall be paid to him or her at the end of the established pay period:
29 PROVIDED, HOWEVER, That this paragraph shall not apply when workers
30 are engaged in an employment that normally involves working for
31 several employers in the same industry interchangeably, and the
32 several employers or some of them cooperate to establish a plan for
33 the weekly payment of wages at a central place or places and in
34 accordance with a unified schedule of paydays providing for at least
35 one payday each week; but this subsection shall not apply to any such
36 plan until ten days after notice of their intention to set up such a
37 plan shall have been given to the director of labor and industries by
38 the employers who cooperate to establish the plan; and having once
39 been established, no such plan can be abandoned except after notice

1 of their intention to abandon such plan has been given to the
2 director of labor and industries by the employers intending to
3 abandon the plan: PROVIDED FURTHER, That the duty to pay an employee
4 forthwith shall not apply if the labor-management agreement under
5 which the employee has been employed provides otherwise.

6 It shall be unlawful for any employer to withhold or divert any
7 portion of an employee's wages unless the deduction is:

8 (1) Required by state or federal law; or

9 (2) Specifically agreed upon orally or in writing by the employee
10 and employer; or

11 (3) For medical, surgical, or hospital care or service, pursuant
12 to any rule or regulation: PROVIDED, HOWEVER, That the deduction is
13 openly, clearly, and in due course recorded in the employer's books
14 and records.

15 Paragraph three of this section shall not be construed to affect
16 the right of any employer or former employer to sue upon or collect
17 any debt owed to said employer or former employer by his or her
18 employees or former employees.

19 NEW SECTION. **Sec. 3.** A new section is added to chapter 49.48
20 RCW to read as follows:

21 Section 1 of this act applies retroactively to employees who were
22 terminated from employment by death, reduction in force, resignation,
23 dismissal, or retirement, on or after January 1, 2019.

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