

Wage-and-Hour Questions Employers Often Ask

Includes 2018 paid sick leave requirements



This fact sheet covers these topics:

- *Pay Requirements*
- *Paid Leave Requirements*
- *Deductions from Pay*
- *Hiring a Teen Worker*
- *Employee Uniforms*
- *Access to Personnel File*

Pay Requirements

How often do I have to pay employees?

Pay employees on regular, established paydays at least once a month.

Can a company make employees sign up for direct deposit?

Yes, as long as it's free to employees.

Do I have to pay overtime after an employee works more than eight hours in a day?

Overtime is based on the number of hours worked in a seven-day workweek, not the number of hours worked on any one day during that week. There may be exceptions for Prevailing Wage work. More information is available online: www.Lni.wa.gov/PrevailingWage.

Can I give my employee time off (comp time) later instead of overtime pay?

In general, no. Federal law prohibits these types of agreements except for public employers and their

employees. So businesses covered by federal law cannot enter into comp-time agreements with their employees.

See www.WageHour.Dol.gov to determine if your business is covered, or you may call the United States Department of Labor (USDOL) at 206-398-8039 or toll-free at 1-866-487-9243. If you find that your business is not covered by USDOL regulations, you may be able to offer comp time to your employees. For complete information, please see the Washington State overtime policy at www.Lni.wa.gov/WorkplaceRights/Files/Policies/ESA81.pdf.

My employee quit/left/was fired from the business. When do I have to pay the final wages?

Final wages are due to the employee on the next regularly scheduled payday regardless of circumstance.

Can I withhold the final paycheck if a former employee leaves and does not return keys or uniforms?

No. A business may not withhold a final check. L&I advises employees to turn in keys, uniforms, tools, and equipment promptly upon termination in order to avoid disputes or disruptions in pay.

Can I reduce an employee's rate of pay?

Yes. An "agreed wage" can be renegotiated or changed, if the employer notifies the employee in advance and if the minimum wage requirements, if applicable, aren't violated. There is no requirement that the change in the pay notification take place within any specific time period, as long as it isn't retroactive for any hours already worked.



Washington State Department of
Labor & Industries
Employment Standards / Workplace Rights

Upon request, foreign language support and formats for persons with disabilities are available. Call 1-800-547-8367. TDD users, call 360-902-5797. L&I is an equal opportunity employer.



Paid Leave Requirements

What type of paid leave am I required to provide to my employee?

Beginning Jan. 1, 2018, paid sick leave must be provided for most employees. Eligible employees must earn one hour of paid sick leave for every 40 hours they work. They may begin using it after 90 days of employment. Find out more at: www.Lni.wa.gov/SickLeave.

Which employees are eligible to receive paid sick leave?

Most employees are eligible to receive paid sick leave. However, some employees may not be required to receive paid sick leave because their job duties make them exempt from the Minimum Wage Act. Exemptions include doctors, lawyers, and dentists who are employed in their applicable professional fields. Additionally, most executive managers paid on a salary basis who supervise two or more full-time employees are exempt as well. For more information on exempt employees, please see Administrative Policy ES.A.1, Minimum Wage Act Applicability, on the web: www.Lni.wa.gov/WorkplaceRights/Files/Policies/ESA1.pdf.

Do all employers have to provide paid sick leave to their employees?

Almost all employers have to provide paid sick leave to their employees, regardless of the size of

the company, unless the employer is the federal government or the employer has only employees who are exempt from the Minimum Wage Act.

How do I calculate a rate of pay for paid sick leave?

Employers must pay employees their “normal hourly compensation” for paid sick leave hours. This is the hourly rate employees would earn if they worked the paid sick leave hours.

Is there a cap on paid sick leave accrual?

No, there is no cap on paid sick leave accrual. Paid sick leave accrual is based on “hours worked,” all hours during which the employee is authorized or required by the employer to be on duty on the employer’s premises or at a prescribed work place. The more hours employees work, the more hours of paid sick leave they accrue.

Do employees accrue paid sick leave when they work overtime hours?

Yes, paid sick leave accrual applies to overtime hours. Paid sick leave accrual is based on “hours worked,” both regularly assigned hours and overtime hours.

Do I have to pay unused holiday or vacation time to an employee who leaves the company?

Paid vacation, holiday and severance pay are considered voluntary benefits that a business may choose to offer employees. State law does not require a business to provide these benefits. However, if the employer promises the benefits and does not pay them, employees can contact an attorney or file in small claims court for their unpaid benefits.

Deductions from Pay

What deductions can I make from an employee’s pay?

Employers may deduct for state and federal payroll taxes and court-ordered garnishments as required by law. Other deductions may be made during ongoing employment when they are for the employee’s benefit, but they must be agreed upon in advance and in writing. Examples of deductions for the employee’s benefit include cash advances, personal loans, purchases, health insurance or medical services.

Can an employer deduct losses from an employee's final pay?

Generally, no. However, deductions for losses may be made under very limited circumstances from the final check only, and the deduction can't reduce the employee's wages below minimum wage. There must be a company policy, preferably written, and the loss must have occurred in the last pay period.

Can I deduct the remainder of a cash advance, loan or purchase from an employee's final pay?

Yes. These deductions are generally for the employee's benefit and may reduce the employee's wage below minimum wage at the time of the deduction. L&I advises employers to have the agreement in writing at the time of the loan, advance or purchase. For more information on deductions, please see www.Lni.wa.gov/WorkplaceRights and click on "Wage and Hour" and "Pay requirements."

Hiring a Teen Worker

What are the requirements for hiring a worker under the age of 18?

- The minimum age for work is generally 14, with different rules for ages 16–17 and for ages 14–15. **Exception:** A child younger than 14 can work if you complete the *Court Permission* and *Employer Petition to the Court* forms (available from L&I) and have them signed by a superior court judge in the county where the minor lives. Learn more: *Employing Children Under 14*.
- Employers must get a minor work endorsement on their Business License in order to employ teens. This can be done through any Department of Revenue or L&I office or online at www.Business.wa.gov/BLS or www.Lni.wa.gov/TeenWorkers.
- Teens do not need a work permit; however, parents must sign the *L&I Parent Authorization for Summer Work*. If you hire a teen worker during the school year, a parent and a school official must sign the *L&I Parent/School Authorization* form.
- Many jobs are prohibited for anyone under the age of 18. Be sure you know the rules for your business.



- Work hours are limited for teens; more restrictions apply during school weeks.
- Teen workers ages 16–17 must be paid the minimum wage. Younger teens, ages 14–15, may be paid 85 percent of the minimum wage.

For complete information, go to www.Lni.wa.gov/TeenWorkers, email TeenSafety@Lni.wa.gov, call 1-866-219-7321 or visit any L&I office.

Employee Uniforms

My business requires a uniform. Do I have to buy it for my employees?

If the required clothing is a "uniform," the employer must absorb the full cost. A "uniform" is:

- Clothing clearly identifying the person as an employee of a specific employer.
- Apparel specially marked with the employer's logo.
- Unique apparel to identify historical or ethnic background.
- Formal attire.

If the required apparel fits into one of the above categories, regardless of color, it is a uniform. The employer is required to furnish it or compensate employees for the cost of the apparel. If required clothing is a common color and conforms to a general dress code or style, the employer is not responsible for the cost.



Only the following are considered common colors:

- Tops: white, tan, and blue (including light and dark variations of those colors).
- Bottoms: tan, black, blue, and gray (including light and dark variations of those colors).

If the required clothing is any color other than those above, the employer must provide or compensate the employee for the apparel.

The employer may not require deposits or make deductions from employee wages for uniforms. For complete information on uniforms, please see Administrative Policy ES.C.8.1, Employee Wearing Apparel and Uniforms, online at www.Lni.wa.gov/WorkplaceRights/Files/Policies/ESC81.pdf.

Do your employees receive tips?

Tips and service charges paid to an employee are in addition to, and may not count towards, the employee's hourly minimum wage.

Service charges must be paid to the employee or employees servicing the customer unless proper notice is given to the customer. If you impose an automatic service charge related to food, beverages, entertainment or portorage provided to a customer, you must disclose this in an itemized receipt. Any menu provided to the customer must also show the percentage of the automatic service charge that is paid or is payable directly to the employee or employees servicing the customer.

Access to Personnel File

How often can employees inspect their personnel files?

Employees have the right to inspect their personnel file at least once a year, upon request. The employer must make the personnel file available at the employee's place of work or a convenient location within a reasonable length of time. For complete information, please see Administrative Policy ES.C.7, Employee Access to Personnel File, on the web: www.Lni.wa.gov/WorkplaceRights/Files/Policies/ESC7.pdf.

This fact sheet is provided for informational purposes only and shouldn't be used as legal advice. In addition, a collective bargaining agreement or employee contract could potentially affect some of the information provided in this document.

If you need assistance with a specific situation, please contact the Washington State Department of Labor & Industries, Employment Standards Program, at 1-866-219-7321. More detailed information is available online at www.Lni.wa.gov/WorkplaceRights.