

**Document Code No.:** LES-7-1-PR

**Title:** Minimum Wage Rules

**Effective Date:** TBD

**Authorities:** K.C.C. 12.18B; Ordinance 19762, Sections 10 through 15

**Keywords:** minimum wage, employer, employee, labor standards

**Sponsoring Agency:** Department of Local Services



**King County**

Signature: DocuSigned by:  
*Leon Richardson*  
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Date Signed: 3/3/2025

## I. Purpose

These rules are adopted under King County Code Chapter 12.18B. The purpose of these rules is to implement Ordinance 19762 requiring a minimum wage for employees performing work in unincorporated King County. These rules do not include every requirement of the Ordinance. If an administrative matter arises that is not covered by these rules, the Director of the Department of Local Services, or designee, may specify the practices to be followed.

## II. Applicability and Audience

These rules apply to employees performing work within unincorporated King County and employers who employ employees within unincorporated King County, regardless of the location of the employer.

## III. Definitions

"Annual Rate of Inflation" means one hundred percent of the annual average growth rate of the U.S. Department of Labor, Bureau of Labor Statistics Seattle-Tacoma-Bellevue Area Consumer Price Index for urban wage earners and clerical workers, CPI-W, or a successor index, for the twelve-month period ending in August, but the percentage increase shall not be less than zero.

"Department" means the Department of Local Services or designee.

"Employ" means to engage, suffer, or permit to work.

"Employee" means any individual employed by an employer, whether on a full-time, part-time, temporary, or seasonal basis, including temporary workers, contracted workers, contingent workers, and persons made available to work through a temporary service, staffing, or employment agency or similar entity.

"Employer" means any individual, partnership, association, corporation, business trust, nonprofit corporation (educational, religious, charitable), or any entity, person, group of persons, or a successor thereof, that employs another person and includes any such entity or person acting directly or indirectly in the interest of an employer in relation to an employee. Employees may be jointly employed by more than employer.

"Gross revenue" means the total revenue generated by the employer regardless of geographic location.

"Minimum wage" means the wage required by King County Ordinance 19762, King County Code Chapter 12.18B.

"Person" includes one or more individuals, partnerships, associations, organizations, corporations, cooperatives, legal representatives, trustees, trustees in bankruptcy, receivers, or groups of persons, limited liability companies, sole proprietorships, joint adventures, estates, trusts, or other entities, groups, or combinations acting as units, and the individuals constituting the groups or units.

"Unincorporated King County" means those areas outside any city or town and under King County's jurisdiction.

"Wage" means compensation due to an employee by reason of employment, payable in legal tender of the United States or checks on banks convertible into cash on demand at full face value. Tips, gratuities, and service charges paid to an employee do not count toward the hourly minimum wage rate. Money paid by an employer toward an individual employee's health benefits plan, housing or education does not count toward the hourly minimum wage rate.

#### IV. Rules

**A. Covered Employees.** Generally, an employee is covered by the requirements of the ordinance for all time the employee is performing work in unincorporated King County, regardless of where the employer is located. An employee performing work outside the geographical boundaries of King County is not covered by the requirements of this ordinance. It is the employers' responsibility to track hours worked and pay accordingly.

There is an exception for transitory employees: Time spent by an employee in King County solely for the purpose of travelling through King County from a point of origin outside King County to a destination outside King County, with no employment-related or commercial stops in King County except for refueling or the employee's personal meals or errands, is not covered by this ordinance.

Immigration status does not impact coverage and application of this ordinance. Visit [King County Immigrant and Refugee Program - King County, Washington](#) for more information about the County's commitment to immigrants and refugees.

**B. Determination of Hourly Minimum Wage Rate.** The Department of Local Services will establish and post on their website the minimum wage for the upcoming year by October 1 of each year. The Department will also notify the Washington State Department of Labor & Industries.

The 2025 minimum wage rate effective Jan. 1, 2025, is \$20.29 per hour.

Annual changes to the minimum wage will reflect the rate of inflation. The annual rate of inflation means one hundred percent of the annual average growth rate of the U.S. Department of Labor, Bureau of Labor Statistics Seattle-Tacoma-Bellevue Area Consumer Price Index for urban wage earners and clerical

workers, CPI-W, or a successor index, for the twelve-month period ending in August. The percentage increase shall not be less than zero.

**C. Temporary Exceptions to the Hourly Minimum Wage Rate.** There are temporary exceptions to the required hourly minimum wage based on an employer’s gross revenue and the number of employees:

- a. If an employer has 15 or fewer employees and an annual gross revenue less than \$2.0 million, the employer must pay their employees no less than the annual hourly minimum wage rate minus \$3. The \$3 reduction in 2025 will decrease annually by fifty cents on January 1 of each year until the reduction is zero.
- b. If an employer has 15 or fewer employees and an annual gross revenue of \$2.0 million or greater, the employer must pay their employees no less than the annual hourly minimum wage rate minus \$2. The \$2 reduction in 2025 will decrease annually by \$1 on January 1 of each year thereafter until the reduction is zero.
- c. If an employer has more than 15 employees but fewer than 500 employees, the employer must pay their employees no less than the annual hourly minimum wage rate minus \$2. The \$2 reduction in 2025 will decrease annually by \$1 on January 1 of each year thereafter until the reduction is zero.

The temporary exceptions will phase out in the coming years:

<b>Year</b>	<b>15 or fewer employees and annual gross revenue of less than \$2 million</b>	<b>15 or fewer employees and annual gross revenue of \$2 million or more</b>  <b>Or</b>  <b>More than 15 but fewer than 500 employees and gross revenue of any amount</b>
<b>2025</b>	\$3.00 less per hour (\$17.29)	\$2.00 less per hour (\$18.29)
<b>2026</b>	\$2.50 less per hour	\$1.00 less per hour
<b>2027</b>	\$2.00 less per hour	No reduction
<b>2028</b>	\$1.50 less per hour	No reduction
<b>2029</b>	\$1.00 less per hour	No reduction
<b>2030</b>	.50 cents less per hour	No reduction
<b>2031</b>	No reduction	No reduction

- D. Calculation of Gross Revenue.** Employers shall calculate their total revenue regardless of geographic location.
- E. Calculation of Number of Employees.** Employers shall calculate the number of employees by determining the average number of employees employed during the last twelve months regardless of the location of employment of each employee. All employees worldwide are counted, including but not limited to:
- a. Full-time employees;
  - b. Part-time employees;
  - c. Temporary or seasonal employees;
  - d. Employees who are jointly employed by one or more employers (e.g. employee hired through the services of a staffing agency or similar entity);
  - e. Paid interns;
  - f. Work study employees;
  - g. Employees under 18;
  - h. Family members; and
  - i. All employees of a franchise or a network of franchises.

If an employer is new and did not have any employees during the previous 12 months, the employer shall count the average number of employees they plan to employ in the first six months. After six months, the employer should count the average number of employees employed since the start up.

- F. Notice and Posting.** Employers must display an 8.5" x 11" workplace poster that states the accurate minimum wage in a conspicuous and accessible location where employees work in unincorporated King County. King County will provide electronic versions of this poster in multiple languages as resources allow.
- G. Record keeping.** All employers in unincorporated King County must maintain adequate records for a minimum of three years solely to provide proof of compliance with the new minimum wage.

These records must be available upon request by the department or if an aggrieved employee brings a civil action against an employer for violating the minimum wage ordinance. Adequate records shall include, but not be limited to:

- a. The number of employees employed by the employer during the previous year on a pay-period by pay-period basis and annual basis;
- b. The number of employees paid the minimum wage during the previous year on a pay-period by pay-period basis and annual basis;
- c. Wages paid by the employer to all employees during the previous year on a pay-period by pay-period basis and annual basis;
- d. The number of work hours of each employee during the previous year on a pay-period by pay-period basis and annual basis;
- e. Wages paid to each employee during the previous year on a pay-period by pay-period basis and annual basis; and
- f. The amount of any deductions from the wages paid to each employee during the previous year on a pay-period by pay-period and annual basis.

- H. Adverse Action and Retaliation Prohibited.** Employers should not interfere with, restrain or deny the exercise of, or the attempt to exercise, any right protected under this ordinance by an employee.

An employer shall not take any adverse action against an employee or discriminate against an employee because the employee has exercised in good faith the rights under this ordinance. These rights include, but are not limited to, the following:

- a. Filing a complaint with any entity or agency about an employer's alleged violation of this ordinance;
- b. Informing the person's employer, union, or similar organization, the person's legal counsel, or any other person about an alleged violation of this ordinance;
- c. Cooperating in any investigation of alleged violations of this ordinance;
- d. Testifying in a proceeding related to violations of this ordinance; and
- e. Informing other employees of the rights protected under this ordinance.

Adverse action against an employee includes but is not limited to, the following:

- a. Actions relating to an employee's employment including pay, work hours, responsibilities, or other material change in the terms and conditions of employment;
- b. Actions relating to an employee's immigration or citizenship status; and
- c. Dissuading an employee from exercising any right afforded by this ordinance.

Adverse actions related to an employee's immigration or citizenship status are also prohibited. In 2018, the County adopted an ordinance to enhance the trust and fairness for King County immigrant communities. This ordinance strengthened and clarified existing King County Code Section 2.15 and established King County as a leader in protecting the safety and rights of immigrants and refugees, establishing requirements for how its agencies, offices and employees are to provide services to immigrants.

## **V. Implementation Plan**

- A.** These rules become effective 30 days after the Department files them with Department of Executive Services, Recording and Licensing Services, Archives, Records Management and Mail Services Section (ARMMS) or on the effective date noted above, whichever is later.
- B.** The Department will post these rules, once effective, on its website.

## **VI. Maintenance**

- A.** These rules will be maintained by the Department of Local Services or its successor agency.

## **VII. Enforcement**

- A.** Employees who claim to have been injured by an employers' violation of this ordinance may bring a civil action in a court of competent jurisdiction against the employer for violation(s) and, upon prevailing, may be awarded reasonable attorneys' fees and costs and such legal or equitable relief as is appropriate to remedy. This shall include, but not be limited to, the payment of any unpaid wages plus interest due to the employee and liquidated damages, which shall include, but not be limited to, up to twice the unpaid wages.
- B.** An aggrieved employee shall be entitled to liquidated damages without a finding that the violation of this ordinance was willful and an aggrieved employee may recover both liquidated damages and prejudgment interest. Interest shall be 12% per year or the maximum rate permitted under Revised Code of Washington 19.52.020, whichever is higher, and accrue from the date the unpaid wages were first due.
- C.** If the court finds that an employer's violation of this ordinance was willful then a penalty shall be payable to any aggrieved employee of up to five thousand dollars.
- D.** Before filing a civil action against an employer for violation of the ordinance, an aggrieved employee or the employee's representative shall give notice by certified U.S. mail with return receipt requested or a comparable method to the employer demanding that the employer pay the hourly minimum wage rate as required and provide payment of any unpaid wages plus interest to the aggrieved employee. An employer's refusal to accept or read the letter is not a failure to send the letter. If the employer fails to pay the unpaid wages plus interest within fourteen days of the return receipt date of the notice, then the aggrieved employee may file a civil action.