

HERMAN & ASSOCIATES PAYROLL HIGHLIGHTS

2020 Updates

Go to Herman-Associates.com, click on hyperlinks to go directly to websites referenced in this update.

SALARY Q AND A

Question: When I pay someone “salary”, I don’t have to pay them overtime or keep track of the hours they worked, right?

Answer: Wrong! Only employees who qualify to be treated as “exempt salaried workers” do not have to be paid overtime or require tracking of hours worked. 2020 changes to federal and state laws define who qualifies and what the new salary thresholds are.

SALARIED WORKERS AND OVERTIME

The US Department of Labor has revised the minimum wage and overtime thresholds for “executive, administrative, and professional” (EAP) employees. On January 1, 2020, the federal “standard salary level” threshold will increase from the existing \$455/week (\$23,660/year) to the new threshold of \$679/week (\$35,308/year).

Washington’s overtime rules are changing.

Changes to these rules will mean some employers will have to provide overtime, minimum wage, and paid sick leave to some employees who were previously treated as exempt. In other cases, employers may need to increase salaries for exempt employees. Please visit <http://www.lni.wa.gov/workers-rights/wages/overtime/changes-to-overtime-rules> for complete details.

Oregon salary amount will not comply with federal beginning January 1st 2020.

Currently, the Oregon salary for exempt employees in the Portland metro area exceeds the federal minimum, however, beginning January 1st, employers will need to pay the higher federal salary amount.

“If the relevant state wage and hour law conflicts with the federal law, the employer must apply the law that provides the greatest benefit to the employees”

2020 MINIMUM WAGE AMOUNTS

Washington and Oregon have separate minimum wage rates for specific work areas within the state, it is your responsibility to make sure you are paying the appropriate rate for each of your employees.

New Rates and Dates

Effective Jan 1, 2020 the state minimum wage in Washington is \$13.50/hour. Effective July 1, 2020 Oregon’s minimum wage in the Portland metro area increases to \$13.25/hour and the “Standard” counties rate increases to \$12.00/hour.



