



EYE ON WASHINGTON

Timely, topical insights on a variety of payroll and reporting issues.

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Time Off to Vote: 8 Facts Employers Should Know

[Read the article here.](#)

California Raises Minimum Pay for Overtime Exemptions for 2025

The California Department of Industrial Relations (DIR) has announced an increase to the pay rates that computer software employees and physicians must receive in order to be exempt from overtime. Additionally, the minimum salary required for the administrative, professional, and executive overtime exemptions will also increase. **These new rates take effect on January 1, 2025.**

Background:

Computer Software Employees and Physicians:

Under the California Labor Code Sections 515.5 and 515.6, computer software employees and physicians are exempt from the state's overtime requirements if they meet specific duties requirements and earn a minimum pay rate. These pay thresholds are adjusted annually for inflation.

Administrative, Executive, and Professional Employees:

California also has exemptions for bona fide administrative, professional, and executive employees. To be exempt from overtime, these employees must meet certain state salary and duties tests. They must be paid a salary of at least twice the state minimum hourly wage based on full-time employment of 40 hours per week. Since the state's minimum hourly wage will increase to \$16.50 per hour on January 1, 2025, regardless of how many employees the employer has, the minimum salary threshold for these exemptions will also increase.

The Details:

Computer Software Employees: <https://www.dir.ca.gov/OPRL/ComputerSoftware.htm>

Computer software employees may be paid on an hourly or a salary basis in order to qualify for exemption from California's overtime requirements. Beginning January 1, 2025, these employees must earn at least:

- **\$56.97** per hour (for all hours worked); or
- A monthly salary of **\$9,888.13**; and
- An annual salary of **\$118,657.43**.

Physicians: <https://www.dir.ca.gov/OPRL/Physicians.htm>

To qualify for exemption from the state's overtime requirements in 2025, licensed physicians and surgeons are required to earn an hourly wage of at least **\$103.75**.

Administrative, Professional, and Executive Employees:

For the administrative, professional, and executive exemptions, employers must pay a salary of at least **\$1,320** per week or **\$68,640** annually beginning January 1, 2025.

Next Steps:

California employers with exempt employees should ensure that they meet the applicable salary and duties tests. Otherwise, these employees must be classified as non-exempt and are entitled to overtime.

California Bars Mandatory Meetings on Political or Religious Matters

California has enacted legislation that prohibits employers from taking adverse action against employees because they refuse to attend an employer-sponsored mandatory meeting that communicates the employer's opinion about political or religious matters. The changes were made by enactment of Senate Bill 399 and take effect **January 1, 2025**.

The Details:

Senate Bill 399 prohibits employers from taking or threatening any adverse action because the employee declines to attend an employer-sponsored meeting, or affirmatively declines to participate in, receive, or listen to any communications with the employer, if the purpose of which is to communicate the employer's opinion about religious or political matters.

Employers must continue to pay an employee who is working at the time of the meeting and refuses to attend a meeting described above while the meeting is held.

Under the law, "political matters" are defined as those relating to elections for political office, political parties, legislation, regulation, and the decision to join or support any political party or political or labor organization.

"Religious matters" are defined as those relating to religious affiliation and practice and the decision to join or support any religious organization or association.

Exceptions:

The law doesn't prohibit:

- An employer from communicating to its employees any information that the employer is required by law to communicate, but only to the extent of that legal requirement.
- An employer from communicating to its employees any information that is necessary for those employees to perform their job duties.
- An institution of higher education, or any agent, representative, or designee of that institution, from meeting with or participating in any communications with its employees that are part of coursework, any symposia, or an academic program at that institution.
- An employer that is a public entity from communicating to its employees any information related to a policy of the public entity or any law or regulation that the public entity is responsible for administering.

The law doesn't apply to:

- A religious corporation, entity, association, educational institution, or society that is exempt from the requirements of Title VII of the Civil Rights Act of 1964 or is exempt from employment discrimination protections of state law, with respect to speech on religious matters to employees who perform work connected with the activities undertaken by that religious corporation, entity, association, educational institution, or society.
- A political organization or party requiring its employees to attend an employer-sponsored meeting or to participate in any communications with the employer or its agents or representatives, the purpose of which is to communicate the employer's political tenets or purposes.
- An educational institution requiring a student or instructor to attend lectures on political or religious matters that are part of the regular coursework at the institution.
- A nonprofit, tax-exempt training program requiring a student or instructor to attend classroom instruction, complete fieldwork, or perform community service hours on political or religious matters as it relates to the mission of the training program or sponsor.
- An employer requiring employees to undergo training to comply with the employer's legal obligations, including obligations under civil rights laws and occupational safety and health laws.
- A public employer holding a new employee orientation, as defined in Section 3555.5 of the Government Code, or a provider holding an orientation as described in Section 12301.24 of the Welfare and Institutions Code.

Next Steps:

- Review policies and practices to ensure compliance with the changes.
- Train supervisors on the new law.

California Health Care Worker Minimum Wage Takes Effect October 16

The California Department of Industrial Relations (DIR) has announced that the minimum wage for covered health care workers will go into effect **October 16, 2024**. Originally, the minimum wage was supposed to take effect June 1, 2024, but it was delayed twice.

The Details:

Implementation of the minimum wage increase for health care workers was contingent on certain triggers. One of those triggers occurred on October 1, 2024. This means the health care minimum wage increases will take effect 15 days later, on October 16, 2024.

Beginning on October 16, 2024, health care workers are eligible to receive the higher minimum wage if they: (1) work for certain "health care facilities" that are covered in the law and (2) provide health care services or support the provision of health care. The minimum wage for covered health care workers will be \$18, \$21, or \$23, depending on the type of health care facility.

Covered Health Care Facilities:

Beginning October 16, 2024, the new minimum wage for health care workers will apply to nearly all health care facilities operating in the state, including:

- Hospitals and Hospital Systems:
 - o A facility or other work site that is part of an integrated health care delivery system.
 - o A licensed general acute care hospital. These hospitals provide 24-hour in-patient care and basic hospital services, including medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services. Workers who work for general acute care hospitals and provide services in a patient's home are covered as well.
 - o A licensed acute psychiatric hospital. Acute psychiatric hospitals provide 24-hour in-patient care for people with mental health conditions and basic services including medical, nursing, rehabilitative, pharmacy, and dietary services. Workers who work for acute psychiatric hospitals and provide services in a patient's home are covered as well.

- o A psychiatric health facility. These facilities provide 24-hour in-patient care for people with mental health conditions and basic services including psychiatry, clinical psychology, psychiatric nursing, social work, rehabilitation, drug administration, and appropriate food services for those persons whose physical health needs can be met in an affiliated hospital or in outpatient settings. A [list of all Licensed Psychiatric Health Facilities is available here](#).
- Care in Residential Settings:
 - o A licensed skilled nursing facility owned, operated or controlled by a hospital or integrated health care delivery system.
 - o A residential care facility for the elderly if it is affiliated with an acute care provider or owned, operated or controlled by a general acute care hospital or acute psychiatric hospital or the parent entity of a general acute care hospital or acute psychiatric hospital. A residential care facility for the elderly is housing for people sixty years or older with varying levels of care and supervision.
 - o A licensed home health care agency. These agencies generally send workers to patient's homes to provide care.
- A physician's group. A physician's group is a medical practice or medical partnership that has 25 or more physicians.
- A county mental health facility.
- A county correctional facility (e.g., jail) that provides health care services.
- Mental Health Rehabilitation Centers. A [list of all Licensed Mental Health Rehabilitation Centers is available here](#).
- Outpatient clinics. The following outpatient facilities that provide health care services to patients that remain less than 24 hours are covered:
 - o Clinics that perform particular types of services:
 - ◆ A dialysis clinic.
 - ◆ A psychology clinic.
 - ◆ A surgical clinic or ambulatory surgical center certified to participate in Medicare.
 - ◆ An urgent care clinic.
 - ◆ A rehabilitation clinic that provides medical services directly and at least two of the following: physical therapy, occupational therapy, and social, speech pathology or audiology services. The clinic must provide physicians' services consistent with federal regulations found at 42 C.F.R. § 485.58.
 - ◆ An alternative birth center that provides prenatal care and delivery services.
 - o Clinics operated by certain entities:
 - ◆ A clinic operated by a city, county, other political subdivision of the state or the University of California.
 - ◆ Hospital clinics. These are clinics owned, operated, or maintained as outpatient departments of hospitals.
 - ◆ A teaching clinic. These are clinics operated by or affiliated with an institution of learning that teaches a healing art and has been approved by the applicable state board or commission.
 - o Clinics Providing Primary Care:
 - ◆ A nonprofit clinic providing health care, medical research, and health education. The clinic must have 40 or more physicians and surgeons operating as independent contractors and representing not less than 10 board-certified specialties, of which two-thirds practice full-time at the clinic.
 - ◆ A rural health clinic that is not license-exempt. Refer to the federal Centers for Medicare and Medicaid Services (CMS) for [more information about rural health clinics](#).
 - ◆ A community clinic or intermittent clinic. A community clinic is run by a nonprofit corporation that receives donations or government funds to operate where a patient may be charged only based on their ability to pay. An intermittent clinic is a clinic open for limited services no more than 40 hours a week and that is operated by a primary care community or free clinic at a separate place than the main clinic.

The California Department of Public Health's [Cal Health Find Database available here can also assist in identifying health care facility types](#). On that webpage, search by the "facility name" or location to find the facility. The search results will identify the facility type.

Covered Health Care Employees:

Beginning October 16, 2024, the new minimum wage for health care workers will apply to nearly all health care facilities operating in the Covered health care employees are employees of a covered health care facility employer who provide patient care, health care services, or services that support the provision of health care.

These workers include, but are not limited to the following (regardless of formal job title):

- Nurses
- Physicians
- Caregivers
- Medical residents
- Interns or fellows
- Patient care technicians
- Medical coding and medical billing workers
- Janitors
- Housekeepers
- Groundskeepers
- Guards
- Clerical workers
- Non-managerial administrative workers
- Food service workers
- Gift shop workers
- Technical and ancillary services workers
- Schedulers
- Call center and warehouse workers
- Laundry workers

Employees of subcontractors or contractors are covered by the new health care minimum wage if:

- The worker provides health care services or services supporting the provisions of health care; and
- The worker's employer (the contractor or subcontractor) contracts with a "covered health care facility" directly or through a contractor or subcontractor to provide health care services or services supporting the provision of health care; and
- The health care facility operates as a joint employer of the worker (engages, suffers, or permits the employee to work or exercises control of the employees' wages hours, or working conditions) OR the worker spends more than 50 percent of their time in a workweek performing work at the covered health care facility.

New Minimum Wage for Health Care Workers:

Beginning October 16, 2024, the minimum wage for covered health care workers depends on the type of health care facility in question. The law also includes a schedule for these minimum wages to increase in the future.

Type of Covered Health Care Facility	Hourly Minimum Wage (October 16, 2024)
Hospital or integrated health system with 10,000 or more full-time employees (including skilled nursing facilities operated by these employers)	\$23.00
Dialysis Clinics	\$23.00
Safety Net Hospitals	\$18.00
Intermittent clinics, community clinics, rural health clinics, or urgent care clinics associated with community or rural health clinics	\$21.00
All other covered health care facilities not listed in the other categories and not run by counties	\$21.00

Minimum Salary Requirement for State Exemption from Overtime:

To qualify as exempt from the minimum wage and overtime under state law, the minimum salary for a covered health care employee paid on a salary basis is the greater of 150 percent of the applicable health care worker minimum wage OR 200 percent of the state standard minimum wage, for full-time employment.

Here's how this will play out when the health care minimum wage goes into effect on October 16, 2024.

Type of Covered Health Care Facility	Minimum Weekly Salary for State Exemption from Overtime (October 16, 2024)
Hospital or integrated health system with 10,000 or more full-time employees (including skilled nursing facilities operated by these employers)	\$1,380
Safety Net Hospitals	\$1,280
Intermittent clinics, community clinics, rural health clinics, or urgent care clinics associated with community or rural health clinics	\$1,280
All other covered health care facilities not listed in the other categories and not run by counties	\$1,280

The minimum salary requirements for state exemption from overtime will change on **January 1, 2025**.

Note: Employees must also satisfy applicable duties tests. Additionally, local minimum wages aren't considered for the purposes of minimum salary for the state overtime exemption test, even if they are higher than the state's standard minimum wage.

Wage Orders and Employer Notice:

The law requires the Department of Industrial Relations to revise the Industrial Welfare Commission's wage orders to be consistent with the new health care minimum wage. The Labor Commissioner's Office posted a [Health Care Minimum Wage Supplement to the minimum wage order](#).

All covered employers must:

- Post a copy of the revised order supplement in a conspicuous location frequented by employees during the hours of the workday.
- Provide to each employee on the effective date of the earliest minimum wage increase a written notice, in the language the employer normally uses to communicate employment-related information to the employee, indicating the minimum wage provision that applies to the employer and the health care worker minimum wage schedule applicable to the employee.

Next Steps:

Health care facility employers in California should:

- Review the [law](#) with legal counsel to determine what category their organization falls under.
- Read the state's [FAQs on the law](#).
- Post an updated wage order and provide employees with the required written notice.
- Pay employees as required.

Colorado Supreme Court Rules Holiday Incentive Pay Must be Included When Calculating Overtime Payments

The Colorado Supreme Court issued a decision, finding that the "regular rate of pay" under Colorado law includes holiday incentive pay for purposes of calculating overtime. The Court's decision significantly impacts how Colorado employers calculate overtime rates for employees not exempt from state overtime requirements.

Background:

Under the Fair Labor Standards Act (FLSA), employers must pay non-exempt employees at a rate of no less than time and one-half the "regular rate of pay" for all hours worked over 40 hours in a workweek. The regular rate includes all remuneration an employee receives, except for compensation falling within a [statutory exclusion](#).

An example of pay that may be excluded from the calculation under the FLSA includes:

“Extra compensation provided by a premium rate paid for work by the employee on Saturdays, Sundays, holidays, or regular days of rest, or on the sixth or seventh day of the workweek, where such premium rate is not less than one and one-half times the rate established in good faith for like work performed in non-overtime hours on other days.”

Many states, however, do not provide for such an express exclusion and Colorado is one such state. Colorado law provides:

“The regular rate includes all compensation paid to an employee, including set hourly rates, **shift differentials**, minimum wage tip credits, nondiscretionary bonuses, production bonuses, and commissions used for calculating hourly overtime rates for non-exempt employees. Business expenses, bona fide gifts, discretionary bonuses, tips, employer investment contributions, vacation pay, holiday pay, sick leave, jury duty, or other pay for non-work hours may be excluded from regular rates.”

The Colorado Supreme Court's Decision:

The underlying facts of the case involved a former warehouse employee who received holiday incentive pay during his employment, which entitled him (and other employees) to one and one-half times their regular hourly pay rate when working on a company holiday.

The Supreme Court ruled that Colorado law requires employers to include holiday incentive pay in the “regular rate of pay” calculation for overtime purposes. The Court noted that the payment in this case was a shift differential, given the payment was tied to undesirable work hours. The Court also noted that “states are free to provide employees with benefits that exceed those set out in the FLSA” and that the FLSA “sets a floor, not a ceiling, on compensation that employees must receive.”

Next Steps:

- Impacted employers should review policies and practices to ensure that overtime is properly calculated under Colorado law.
- The Supreme Court's decision could be construed to apply retroactively. Employers should consult with counsel on how to address situations involving historical overtime premium payments for workweeks involving holiday incentive pay or similar shift differentials.

Hawaii Bars Mandatory Meetings on Political Matters

Hawaii has enacted legislation that prohibits employers from taking adverse action against employees because they refuse to attend an employer-sponsored mandatory meeting that communicates the employer's opinion about political matters. **The changes took effect immediately.**

The Details:

The law prohibits employers from discharging, disciplining, or otherwise penalizing or threatening any adverse employment action against an employee because they decline to:

- Attend or participate in an employer-sponsored meeting, or any portion of a meeting, that communicates the opinion of the employer about political matters; or
- Receive or listen to a communication from the employer that communicates the opinion of the employer about political matters.

Under the law, “political matters” are defined as anything related to an attempt to influence a future vote by individuals in an audience.

Next Steps:

- Review policies and practices to ensure compliance with the changes.
- Train supervisors on the new law.

Reminder: Maine Paid Family and Medical Leave Contributions and Reporting Start Soon

The Maine Department of Labor (MDOL) is reminding employers that contributions and quarterly reporting for the state's paid family and medical leave program will begin **January 1, 2025**. The MDOL has also issued a [proposed rule](#) to implement the program and [updated guidance in the form of frequently asked questions](#).

Employers can opt to have a private plan to meet the requirements, provided the plan is approved by the state. Applications for using a private plan may be made after **April 1, 2025**.

The Details:

Coverage:

A "covered employee" is an employee who earns wages in Maine. However, wages do not include wages earned from federal employment, federal work study financial aid, during incarceration, by certain volunteers as specified in the proposed rule, or by an employee subject to the Railroad Unemployment Insurance Act. Independent contractors may elect coverage, and if so, would report wages earned and submit contributions in order to be a covered individual. Employees must meet certain wage-base requirements to be eligible for the paid leave.

Definition of Wages:

Under the published guidance, wages include all forms of compensation for personal services, such as regular salary, tips, commissions, bonuses, and severance pay. It does not cover payments made to independent contractors.

For payroll and premium contribution purposes, wages are calculated similarly to how Maine Unemployment wages are determined, but applied to a larger base of employees that are not traditionally subject to the Maine Unemployment contributions tax. Wages exclude amounts above the annual base limit set by the U.S. Social Security Administration (SSA).

Review the [guidance](#) (FAQ #13) for more information on determining whether wages were earned in Maine.

Contributions:

Beginning **January 1, 2025**, employers with 15 or more employees will contribute one percent of wages and may deduct up to half of the contribution from the employees' wages. Employers with fewer than 15 employees will contribute 0.5 percent of wages and may deduct the entire amount from the employees' wages.

Under the proposed rule and guidance, for the purposes of determining contribution liability for the calendar year, the determination would be based on whether the entity employed 15 or more covered employees per the employer's Federal Employer Identification Number (FEIN) on their established payroll in 20 or more calendar workweeks in the 12-month period preceding September 30 of each year.

This count would include the total number of individuals on establishment payrolls employed full- or part-time who received pay for any part of the pay period. Temporary and intermittent employees would be included, as are any workers who are on paid sick leave, on paid holiday, or who work during only part of the specified pay period.

In addition, under the proposed rule and guidance, on **October 1, 2024**, and October 1 of each year thereafter, the employer would be required to calculate its size for the purpose of determining contribution liability for calendar year 2025 and each calendar year thereafter. This employer count would be reported upon first registering with the Maine Paid Leave Portal, and during Quarter 3 wage reporting annually thereafter.

Reporting:

Beginning **January 1, 2025**, for each employee, employers must remit quarterly wage reports and contributions via the Maine Paid Leave Portal. All employers will be required to register via this portal to determine their contribution liability and to designate a third-party payroll or employee leasing company if they wish. All liable and active employers must create an account in the portal to electronically file quarterly wage reports and make contribution payments. Wage reports and contributions are due on or before the last day of the month following the end of each quarter.

Payments and reports are considered timely if received electronically by the due date. If the due date falls on a Saturday, Sunday, or legal

holiday, the due date is extended to the next business day. Employers may have their payments and reports submitted by an employee leasing company or an authorized third-party administrator.

Employee Notice:

Absent extenuating circumstances, an employee must give reasonable notice to their supervisor of their intent to use leave under the program. Use of such leave must be scheduled to prevent undue hardship on the employer as reasonably determined by the employer.

Employer Notice:

Employers must post in a conspicuous place on each of their premises a workplace notice provided or approved by the MDOL to notify employees of their rights under the paid family and medical leave program.

The MDOL will create the workplace notice in English, Spanish, French, Somali and Portuguese and any other language that is the primary language of at least 2,000 residents of the state. The employer must post the workplace notice in English and each language other than English that is the primary language of three or more employees of that workplace, if such notice is available from the MDOL.

An employer must also furnish a written notice, provided or approved by the MDOL, to each employee no more than 30 days from their date of hire. The notice must be in the employee's primary language.

Wage Statements:

The paid family and medical leave law is silent regarding pay statement requirements. However, Maine does require itemized deductions on their pay statements.

Next Steps:

- Review leave policies and update them if necessary.
- Watch for the sample poster and notice that must be provided to employees.
- Once published, display the poster in the workplace and provide the sample notice to new hires.
- Prepare to begin making contributions on **January 1, 2025** and complying with reporting requirements.
- Train supervisors on how to handle leave requests.
- Begin providing leave for the covered reasons on **May 1, 2026**.

Michigan Minimum Wage Will Increase Twice in 2025

Michigan's Department of Labor and Economic Opportunity (DLEO) has announced that the state's minimum wage will increase twice in 2025, on January 1, 2025 and on February 21, 2025, to comply with a ruling by the state's highest court.

The Details:

Background:

On July 31, 2024, the Michigan Supreme Court ruled that the state's legislature exceeded its authority when it amended ballot initiatives that would have increased the minimum wage more aggressively and required paid sick leave more widely. The ruling means the minimum wage and paid sick leave requirements will revert back to the way they were prior to the legislature's amendments. The Michigan Supreme Court subsequently issued a follow-up opinion to clarify aspects of the July 31, 2024 ruling. After reviewing the clarification, the DLEO announced the minimum wage will increase twice in 2025.

Minimum Wage 2025 Increases:

The state's minimum wage will increase as follows in 2025, according to the DLEO.

Date	State Minimum Wage
Effective January 1, 2025	\$10.56 per hour
Effective February 21, 2025	\$12.48 per hour

Tipped Employees:

The state's minimum wage will increase as follows in 2025, according to the DLEO.

Date	Minimum Cash Wage
Effective January 1, 2025	\$4.01 per hour
Effective February 21, 2025	\$5.99 per hour

For more information, including [FAQs](#) and the required employer [poster](#), visit Michigan.gov/MinimumWage.

Next Steps:

Michigan employers should:

- Prepare to comply with the minimum wage increases on January 1, 2025 and February 21, 2025.
- Display updated minimum wage posters.

New Hampshire Regulates Firearms in Employer Parking Lots

New Hampshire has enacted legislation (House Bill 1336), which limits certain employers from banning an employee from possessing lawfully owned firearms in a personal vehicle parked on company property. House Bill 1336 takes effect on **January 1, 2025**.

The Details:

As background, private employers could previously ban employees from storing guns in personal vehicles parked in the employer's parking lot and ban all firearms and place conditions on the possession of firearms on their property.

House Bill 1336:

House Bill 1336 prohibits a private employer that receives public funds from federal or state governments (see the [text of the law](#) for further details) from:

- Banning an employee who legally possesses a firearm from storing their firearm or ammunition in a personal vehicle while the employee enters or exits the employer's property or is parked on the employer's property (when the vehicle is locked and the firearm or ammunition is not visible).
- Taking adverse action (such as demoting, disciplining, terminating or reducing pay) against an employee for lawfully storing a firearm or ammunition.

House Bill 1336 also prohibits **all** employers from:

- Requiring an employee to disclose when they store a lawful firearm or ammunition in their vehicle.
- Searching (or requiring a search of) an employee's vehicle for a firearm or ammunition. See the text of the law for exceptions involving a warrant.

Note: The law does not authorize an employee to carry a firearm in situations where it is prohibited by state or federal laws.

House Bill 1336 also grants employers certain protections from civil actions related to the storing of firearms on employer property. See the [text of the law](#) for further details.

Next Steps:

- Review and revise workplace weapon policies.
- Consider adopting or refreshing workplace violence prevention training.

Washington State Announces 2025 Overtime Salary Threshold

The Washington Department of Labor & Industries (WDOL) has announced increases to the state's white collar overtime exemption salary thresholds, effective **January 1, 2025**.

The Details:

The Washington [white collar overtime exemption](#) salary thresholds will increase as follows:

- **Small employers** (50 or fewer employees): \$1,332.80 per week or \$69,305.60 per year.
- **Large employers** (51 or more employees): \$1,499.40 per week or \$77,968.80 per year.

Additionally, under Washington law, computer professionals may be paid by the hour or on a salary basis and still qualify for the state exemption from overtime, provided they satisfy the duties test. If they are paid by the hour, they must be paid at least \$58.31 per hour in 2025 to qualify for the exemption.

Next Steps:

As of January 1, 2025, Washington State employers must pay white collar workers and computer professionals at least the amounts noted above or pay overtime for any hours worked over 40 in a week.



Minimum Wage

Minimum Wage Announcements: 9/21/24 – 10/20/24

The following states or localities have announced new minimum wage increases.

State or Locality	Minimum Wage Rate	Minimum Tipped Cash Wage	Effective Date(s)	New or Updated Poster Requirement?	Notes
California – Health Care Workers (Hospital or integrated health system with 10,000 or more full-time employees, including skilled nursing facilities operated by these employers)	\$23.00	\$23.00*	10/16/24	Yes	
California – Health Care Workers (Dialysis Clinics)	\$23.00	\$23.00*	10/16/24	Yes	
California – Health Care Workers (Safety Net Hospitals - List of Hospitals)	\$18.00	\$18.00*	10/16/24	Yes	
California – Health Care Workers (Intermittent clinics, community clinics, rural health clinics, or urgent care clinics associated with community or rural health clinics)	\$21.00	\$21.00*	10/16/24	Yes	
California – Health Care Workers (All other covered health care facilities not listed in the other categories and not run by counties)	\$21.00	\$21.00*	10/16/24	Yes	
California – Health Care Workers (Covered Health Care Facilities run by Large Counties – more than five million people as of 1/1/23)	\$23.00	\$23.00*	1/1/25	Yes	
California – Health Care Workers (Covered Health Care Facilities run by Medium Sized Counties – 250,000 to five million people as of 1/1/23)	\$21.00	\$21.00*	1/1/25	Yes	
California – Health Care Workers (Covered Health Care Facilities run by Small Counties – less than 250,000 people as of 1/1/23)	\$18.00	\$18.00*	1/1/25	Yes	
Belmont, CA	\$18.30	\$18.30*	1/1/25	Yes	Once available found here
Burlingame, CA	\$17.48	\$17.48*	1/1/25	Yes	
Cupertino, CA	\$18.20	\$18.20*	1/1/25	Yes	
East Palo Alto, CA	\$17.45	\$17.45*	1/1/25	Yes	
El Cerrito, CA	\$18.34	\$18.34*	1/1/25	Yes	Once available found here
Half Moon Bay, CA	\$17.47	\$17.47*	1/1/25	Yes	
Los Altos, CA	\$18.20	\$18.20*	1/1/25	Yes	Once available found here

State or Locality	Minimum Wage Rate	Minimum Tipped Cash Wage	Effective Date(s)	New or Updated Poster Requirement?	Notes
Mountain View, CA	\$19.20	\$19.20*	1/1/25	Yes	Once available found here
Palo Alto, CA	\$18.20	\$18.20*	1/1/25	Yes	
San Diego, CA	\$17.25	\$17.25*	1/1/25	Yes	Once available found here
City of San Mateo, CA	\$17.95	\$17.95*	1/1/25	Yes	
County of San Mateo, CA	\$17.46	\$17.46*	1/1/25	Yes	
Santa Clara, CA	\$18.20	\$18.20*	1/1/25	Yes	Once available found here
Sunnyvale, CA	\$19.00	\$19.00*	1/1/25	Yes	Once available found here
West Hollywood, CA (Note: Hotel employees minimum wage remains \$19.61 until June 30, 2025)	\$19.65	\$19.65*	1/1/25	Yes	Once available found here
Connecticut	\$16.35	\$6.38 Waitstaff \$8.23 Bartenders \$16.00 All other Tipped Employees	1/1/25	Yes	Once available found here
Florida	\$13.00	\$9.98	9/30/24	Yes	
Michigan	\$10.56 \$12.48	\$4.01 \$5.99	1/1/25 2/21/25	Yes	
Montana	\$10.55	\$10.55*	1/1/25	Yes	
Nebraska	\$13.50	\$2.13	1/1/25	Yes	
New Jersey (Six or more EEs)	\$15.49	\$5.62	1/1/25	Yes	Once available found here
New Jersey (Five or less EEs and Seasonal ER)	\$14.53	\$5.62	1/1/25	Yes	Once available found here
Ohio	\$10.70	\$5.35	1/1/25	Yes	
South Dakota	\$11.50	\$5.75	1/1/25	Yes	
Washington State	\$16.66	\$16.66*	1/1/25	Yes	Once available found here
King County, WA (Unincorporated – 500 or more employees)	\$20.29	\$20.29*	1/1/25	None located	
King County, WA (Unincorporated – Businesses with 16 to 499 employees)	\$18.29	\$18.29*	1/1/25	None located	
King County, WA (Unincorporated – Companies with 15 or fewer employees with \$2 million or more in annual gross revenue)	\$18.29	\$18.29*	1/1/25	None located	

State or Locality	Minimum Wage Rate	Minimum Tipped Cash Wage	Effective Date(s)	New or Updated Poster Requirement?	Notes
King County, WA (Unincorporated – Companies with 15 or fewer employees and less than \$2 million in annual gross revenue)	\$17.29	\$17.29*	1/1/25	None located	
Renton, WA (More than 500 EEs worldwide)	\$20.29	\$20.29*	1/1/25	None located	
Renton, WA (15 to 500 EEs worldwide)	\$18.90 \$19.90	\$18.90* \$19.90*	1/1/25 7/1/25	None located	
SeaTac, WA (Hospitality and transportation employees)	\$20.17	\$20.17*	1/1/25	None located	
Seattle, WA (all businesses regardless of size or contribution to medical benefits)	\$20.76	\$20.76*	1/1/25	Yes	
Tukwila, WA (more than 500 employees worldwide)	\$21.10	\$21.10*	1/1/25	Yes	Once available found here
Tukwila, WA (15 to 500 employees worldwide)	\$20.10 \$21.10	\$20.10* \$21.10*	1/1/25 7/1/25	Yes	Once available found here

*CA, MT, and WA do not allow the use of a tip credit.

[Download a PDF of a comprehensive listing of state and local minimum wage rates.](#)

Social Security Wage Base for 2025 Announced

On October 10, 2024, the Social Security Administration (SSA) announced the 2025 wage base. The annual wage base limit is the maximum amount of employee wages that are subject to the Social Security tax for the calendar year.

The Details:

The 2025 Social Security wage base will be \$176,100, which is an increase of \$7,500 from \$168,600 in 2024.

There is no limit to the wages subject to the Medicare tax and therefore, all covered wages are subject to the 1.45 percent tax. As in 2024, wages paid in excess of \$200,000 in 2025, will be subject to an extra 0.9 percent Medicare tax withholding that will only be withheld from employees' wages, as employers do not pay the extra tax. Married couples filing jointly with earned income of more than \$250,000 will also be subject to the additional 0.9 percent tax.

The Federal Insurance Contributions Act (FICA) tax rate, which is the combined Social Security tax rate of 6.2 percent of covered wages (up to the Social Security wage base) and the Medicare tax rate of 1.45 percent (on all covered wages), will be 7.65 percent for 2025. The maximum Social Security tax employees and employers will each pay in 2025 is \$10,918.20. This is an increase of \$465.00 from \$10,453.20 in 2024.

Next Steps:

Effective for wages paid on or after January 1, 2025, employers must withhold FICA taxes as outlined above.

For a copy of the SSA Fact Sheet, click the link provided below:

<https://www.ssa.gov/news/press/factsheets/colafacts2025.pdf>

Longer Automatic Extension Granted for Green Card Renewals

U.S. Citizenship and Immigration Services (USCIS) has automatically extended the validity of Permanent Resident Cards (also known as Green Cards) to 36 months for lawful permanent residents who file [Form I-90](#), Application to Replace Permanent Resident Card.

This extension is expected to help applicants who experience longer processing times, because they will receive proof of lawful permanent resident status as they await their renewed Green Card.

The Details:

Lawful permanent residents who properly file Form I-90 to renew an expiring or expired Green Card may receive this extension.

Form I-90 receipt notices had previously provided a 24-month extension of the validity of a Green Card.

USCIS has updated the language on Form I-90 receipt notices to extend the validity of a Green Card for 36 months. On September 10, 2024, USCIS began printing amended receipt notices for individuals with a pending Form I-90.

For Form I-9 purposes, these receipt notices can be presented with an expired Green Card as evidence of continued status and employment authorization. Note that if a Green Card subsequently expires during employment (versus at the time of hire), then re-verification is generally not required unless the documents presented by the employee are deemed temporary in nature. Review more details [here](#).

Next Steps:

- Read [updated guidance](#) on the I-90.
- Train individuals involved in the hiring process on the change.

Minimum Wage Increase for Federal Contractors Announced

The Department of Labor (DOL) has [announced](#) that the hourly minimum wage for employees performing work on covered federal contracts will increase from \$17.20 to \$17.75 on January 1, 2025. The new minimum wage rate will apply in full to tipped and non-tipped employees, as well as to workers with disabilities.

The Details:

Background:

[Executive Order 14026](#) was signed by President Biden on April 27, 2021. Executive Order 14026 builds on the foundation established by Executive Order 13658, "Establishing a Minimum Wage for Contractors," which was signed by President Obama on February 12, 2014. Executive Order 13658 established a minimum wage for certain federal contractors. Executive Order 13658 provided that workers performing on or in connection with covered federal contracts are entitled to a minimum wage of: (i) \$10.10 per hour, beginning January 1, 2015; and (ii) beginning January 1, 2016, and annually thereafter, an amount determined and announced by the Department of Labor, accounting for changes in inflation as measured by the Consumer Price Index (CPI). That rate has increased each year since 2015.

Executive Order 13658 also established a minimum hourly cash wage requirement for tipped employees performing on or in connection with covered contracts, initially set at \$4.90 per hour for 2015 and gradually increasing to 70 percent of the full E.O. 13658 minimum wage over a period of years.

Executive Order 13658 vs. Executive Order 14026:

While there are a number of similarities between the two executive orders, Executive Order 14026 further raised the minimum wage and phased out a covered employer's ability to claim a tip credit towards the Executive Order minimum wage owed to tipped employees, and defines "new contract" differently, among other things. In addition, the regulations implementing Executive Order 14026 provide that the Executive Order applies to covered contracts in certain territories of the United States, whereas the regulations implementing Executive Order 13658 did not. These differences and the interaction between the two executive orders are discussed in greater detail on the [Department of Labor's website](#), as well as in the [final rule](#) implementing Executive Order 14026.

Rate Increases:

On September 30, 2024, the DOL published formal notice in the Federal Register of the new rate of \$17.75 under Executive Order 14026 to take effect January 1, 2025.

The increased wage rate applies to workers performing work "on or in connection with" the following categories of federal contracts entered into on or after January 30, 2022:

- Procurement contracts for construction projects covered by the [Davis-Bacon Act](#) ("DBA");
- Service contracts falling under the [Service Contract Act](#) ("SCA");
- Concessions contracts, including those excluded from the SCA by the DOL regulations at [29 C.F.R. 4.133\(b\)](#); and,
- Contracts related to federal property or lands and connected to providing services for federal employees, their dependents, or the general public.

Employees who perform work on or in connection with a covered contract are entitled to the increased wage rate if their wages under the contract are governed by the Fair Labor Standards Act ("FLSA"), SCA, or the DBA. Certain categories of employees under the FLSA, however, such as learners, apprentices, messengers, and full-time students employed under certificates are not entitled to the increased wage rate. Review the [Department of Labor's website](#) for more information (see worker coverage).

Contracts entered into, renewed, or extended prior to Jan. 30, 2022, generally remain subject to the minimum wage rate under Executive Order 13658. The operative minimum wage for those contracts will increase from \$12.90 to \$13.30 per hour and the tipped employee minimum hourly cash wage will increase from \$9.05 to \$9.30 per hour.

Next Steps:

There are several lawsuits challenging Executive Order 14026 and resulting increases in the wage rate. These lawsuits might not be resolved until after January 1, 2025 and the Order might be upheld by the courts. Therefore, impacted federal contractors should be prepared to implement the increase on January 1, 2025 while continuing to monitor the pending lawsuits.

ADP Compliance Resources

ADP maintains a staff of dedicated professionals who carefully monitor federal and state legislative and regulatory measures affecting employment-related human resource, payroll, tax and benefits administration, and help ensure that ADP systems are updated as relevant laws evolve. For the latest on how federal and state tax law changes may impact your business, visit the ADP *Eye on Washington* Web page located at www.adp.com/regulatorynews.

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