**Agency:** Department of Labor & Industries

**Effective date of rule:**
- Permanent Rules
  - ☒ Other (specify) July 1, 2020 (If less than 31 days after filing, a specific finding under RCW 34.05.380(3) is required and should be stated below)

**Purpose:**
This rulemaking is being proposed to update the Minimum Wage Act (MWA) exemptions for executive, administrative, professional, and outside salespersons. These proposed rules will:
- Provide definitions.
- Redefine duties test for an individual employed in an executive capacity.
- Redefine duties test for an individual employed in an administrative capacity.
- Redefine duties test for an individual employed in a professional capacity.
- Redefine duties test for outside salespersons.
- Redefine duties test and hourly rate for computer professionals.
- Establish salary thresholds for such exemptions.

**Citation of rules affected by this order:**
- New: 296-128-505, 296-128-545

**Statutory authority for adoption:** RCW 49.46.010(3)(c)

**Other authority:**

### WAC 296-128-530 Professional
- Subsection (2)(b)—The department added language to this subsection to provide further clarity that “[t]he requirements of WAC 296-128-545 do not apply to the teaching professionals described in this subsection.”

### WAC 296-128-535 Computer Professionals
- Subsection (1)(c)—The department added illustrative tables for the hourly threshold phase-in schedule provided in subsections (1)(c)(i)-(1)(c)(iii). These tables were added for clarity and ease of reference.
- Subsection (1)(c)(iv)—The department added an additional alternative method to calculate employer size for purposes of the section. This methodology allows employers to use the rounded-average provided by ESD for Paid Family and Medical Leave (PFML) purposes to comply with their MWA obligations. The department added this additional approach because it may reduce administrative burden for some employers.

### WAC 296-128-540 Outside salesperson
- Title: “Outside salesperson”—The department updated the title of the subsection from "outside salesman" to “outside salesperson” to make the rule language gender neutral and match the current wording of RCW 49.46.010(3)(c).
- Subsection (4)—The department added language to this subsection to provide further clarity that “the requirements of WAC 296-128-545 do not apply to the outside salespersons described in this subsection.”

### WAC 296-128-545 Salary thresholds
- Subsections (1)-(9)—For those EAP exemptions subject to salary threshold requirements, the department extended the implementation phase-in from six years to eight years. The department extended the salary...
threshold phase-in to give employers additional time to adjust to and comply with the updated salary thresholds for their salaried, exempt employees.

- Subsection (10)—The department added an additional alternative method to calculate employer size for purposes of the section. This methodology allows employers to use the rounded-average provided by ESD for Paid Family and Medical Leave (PFML) purposes to comply with their MWA obligations. The department added this additional approach because it may reduce administrative burden for some employers.
- The department added illustrative tables for the salary threshold phase-in schedule provided in subsections (1)-(9). These tables were added for clarity and ease of reference.

If a preliminary cost-benefit analysis was prepared under RCW 34.05.328, a final cost-benefit analysis is available by contacting:

Name: Ellen Saline
Address: PO Box 44510, Olympia, WA 98504-4510
Phone: 360-902-4597
Fax: 360-902-5300
TTY:
Email: EAPRules@Lni.wa.gov
Web site:

Other:

Note: If any category is left blank, it will be calculated as zero.

No descriptive text.

Count by whole WAC sections only, from the WAC number through the history note. A section may be counted in more than one category.

The number of sections adopted in order to comply with:

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<th>Federal statute:</th>
<th>New</th>
<th>Amended</th>
<th>Repealed</th>
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<tbody>
<tr>
<td>Federal rules or standards:</td>
<td>New</td>
<td>Amended</td>
<td>Repealed</td>
</tr>
<tr>
<td>Recently enacted state statutes:</td>
<td>New</td>
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The number of sections adopted at the request of a nongovernmental entity:

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The number of sections adopted on the agency’s own initiative:

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<th>New</th>
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2

The number of sections adopted in order to clarify, streamline, or reform agency procedures:

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<th>New</th>
<th>Amended</th>
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The number of sections adopted using:

- Negotiated rule making: | New | Amended | Repealed |
- Pilot rule making: | New | Amended | Repealed |
- Other alternative rule making: | New | Amended | Repealed |

Date Adopted: December 10, 2019
Name: Joel Sacks
Title: Director

Signature: