

SEATTLE UNIVERSITY

HUMAN RESOURCES

Washington State Overtime Threshold FAQ

Background Information:

The State of Washington has adopted a threshold rule increasing the salary threshold for employees to continue to be classified as exempt (*watch [Governor Inslee's statement](#) supporting the threshold rule*). The next scheduled increase under the threshold rule will take effect January 1, 2025, when the threshold will increase to \$77,968.80/annually or \$1,499.40/week. **The threshold rule requires that currently exempt employees earning a salary below the new threshold level on January 1, 2025, be converted to nonexempt status.** Faculty members, along with certain other narrow groups of employees, are not subject to the new threshold.

Question 1: What is the process for identifying positions on campus that are affected by the WA State Overtime Threshold?

The State of Washington Department of Labor and Industries releases the state minimum wage rate on or about September 30 which is effective the following January 1. The state minimum wage is the basis for factoring in the state's overtime salary level threshold. Effective January 1, 2025, the state minimum wage rate will be \$16.66 per hour. The Washington State overtime salary level threshold is calculated as follows:

<p>Weekly: $\\$1,499.40 = \\$16.66/\text{hour} \times \text{minimum wage multiplier } 2.25 \times 40 \text{ hours}$ Annual: $\\$77,968.80 = \\$16.66/\text{hour} \times \text{minimum wage multiplier } 2.25 \times 40 \text{ hours} \times 52 \text{ weeks}$</p>

The minimum wage multiplier will continue to increase until January 1, 2028, at which time the threshold is currently projected to be \$92,560. The projected weekly and annual thresholds *projected* to January 1, 2028, can be found on the [Salary Threshold Implementation Chart](#).

Question 2: Is the level of my position changed because it will be nonexempt on January 1, 2025?

All positions at Seattle U perform important work in support of our mission. A nonexempt or an exempt classification is not a reflection of the relative importance of the work an individual staff member contributes to the campus community. The change in exempt classification is strictly Seattle U's compliance with the State of Washington's wage and hour rules. The state

views the salary level threshold as very employee-centric and ensures many workers in Washington state are paid for all hours worked or given their time back providing a work-life balance.

Question 3: How does it impact me if my position is converted from exempt to nonexempt?

If your position is converted from exempt to nonexempt effective January 1, 2025, it means you will have to be compensated for any time worked beyond 37.5 hours per week (or, if you are working part-time, beyond your scheduled hours in a work week). You will be eligible for overtime pay (1.5x your normal hourly rate) for hours worked over 40 hours per week. You will be required to submit a timesheet to record hours worked including any vacation or sick time used each pay period. In addition, your pay cycle will change from the exempt pay dates of the 15th and last day of each month to the nonexempt pay dates of the 10th and 25th of the month.

The University will provide transition assistance on the January 10th pay date to help staff who are converting from exempt to nonexempt in the transition to the new pay cycle.

Additional actions to consider may include:

- Adjusting personal budgets for the remaining pay periods in 2024. Our Resources for Living EAP includes a free 30-minute consultation service for budgeting. You may access this resource at: Resources for Living, User ID: **Seattle U**, Password: **EAP**; or by calling **1-888-238-6232**.
- Contacting lenders or billers to potentially adjust payment due dates to better align with the pay cycle.
- Determining if a pay advance is right for your situation. Information about advance pay can be found on the [Payroll intranet site](#).

Question 4: Since my position will convert to nonexempt on January 1, 2025, will my first payday be on January 10, 2025?

The first pay date for nonexempt staff for hours worked in 2025 is on January 24. This pay date is for all hours from January 1st through the 15th. The hours worked from January 16th through the last day of the month are paid on February 10th. If the 10th or 25th falls on a weekend, or a holiday, the payday will be the last working day prior.

Question 5: Will my position being converted from exempt to nonexempt impact how I manage my time?

Yes. You will need to track your time worked and ensure that your schedule does not exceed 37.5 hours. Any hours worked over 37.5 in a work week require prior consultation and approval from your supervisor. You must always submit all the time worked so that your pay can be calculated correctly.

Question 6: Were all exempt employees whose current salaries would fall below the increased January 1st threshold converted to nonexempt?

No. The salary threshold does not apply to some groups of employees, particularly faculty members, so those groups were not reviewed based on the WA State Overtime Threshold. Additionally, Human Resources and University Counsel, collaborating with Deans and division leaders, recommended nominal salary increases to maintain exempt status for certain employees whose salaries were already close to the increased threshold and whose duties would likely involve significant overtime in the coming year.

Question 7: Will my benefits eligibility change if my status changes to non-exempt?

No. Non-exempt status and eligibility for overtime does not impact benefits eligibility.