

2025 Increases in Washington Minimum Wage and Other Employee Expenses

Legal Alert
10.15.24

The [Washington State Department of Labor & Industries \(L&I\)](#) recently announced increases in the Washington minimum wage, the threshold for overtime exemptions and the minimum required for employee noncompete enforcement.

Minimum Wage

The minimum wage in Washington will increase to \$16.66 per hour starting January 1, 2025. This 2.35% increase continues Washington's status as the state with the nation's highest minimum wage, significantly above the federal minimum wage of \$7.25 per hour. Some cities within Washington will have even higher minimum wages in 2025: **City 2024 Minimum Wage 2025 Minimum Wage** Bellingham \$17.28 for all employers \$18.66 (Starting May 1) Burien \$16.28 for all employers

Level 1: If 500 FTEs in King County, \$4.50 over WA state minimum wage beginning January 1

Level 2: If 21 - 499 FTEs in King County, \$3.50 over WA state minimum wage beginning July 1

Level 3: Smaller employers exempt Renton

Large employers (500+ employees worldwide and certain franchises): \$20.29

Mid-size employers (15-500 employees worldwide or \$2M in gross revenue in Renton): \$18.29

Large: \$20.90

Mid-size:

Contact

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- January-June: \$18.90
- July-December: \$19.90 Seattle

500+ FTE: \$19.97

<500 FTE: \$17.25

\$20.76 (all employers)

Small employers can no longer count tips/benefits toward wage obligations SeaTac \$19.71
\$20.17 Tukwila

Large: \$20.29

Mid-size: \$18.29

Large: \$21.10

Mid-size: \$20.10

Starting July 1, mid-size employers are required to increase their minimum wage rate to equal the large employer rate

Overtime Exemption Thresholds

Concurrent with the minimum wage hike, Washington state will increase the salary thresholds for overtime-exempt employees. Workers at smaller employers (50 or fewer employees) must be paid a salary at the rate of at least \$69,305.60 per year (or \$1,332.80 per week) to qualify as an exempt executive, administrative or professional employee. Larger employers (more than 51 employees) must pay exempt executive, administrative or professional employees at an annual rate of at least \$77,968.80 (or \$1,499.40 per week). Exempt computer professionals must receive at least \$58.31 per hour in 2025, regardless of the employer's size.

Noncompete Agreements

Beginning in 2025, employers may enforce noncompete agreements only against Washington employees who had earned at least \$123,394.17 annually before termination and against independent contractors who earned \$308,485.43 or more.

Impact on Employers

Employers should promptly review employee payroll and noncompete agreements to ensure compliance by the effective date. For detailed guidance or to address specific situations, please contact our [Labor, Employment & Immigration](#) team.