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15 FOR SEATTLE

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FACT SHEET

Mayor's \$15 Minimum Wage Proposal

What would the Mayor's proposal do?

- ensures that the largest companies and **nearly half of the low-wage workforce** see a significant and immediate pay boost over 2-3 years;
- allows smaller companies more time to adjust to the minimum wage increase;
- everyone in Seattle makes at least \$18.13/hr (or \$15/hr adjusted) by 2025;
- provides strong outreach, education and enforcement; and
- Seattle's low wage workers will have at least **\$100 million dollars more** to spend in 2017 than if wages went up with inflation alone.

What is the proposal?

The Mayor's proposal phases in the minimum wage in four separate tiers: A, B, C, D. As of January 1, 2015, the minimum wage for most businesses in Seattle will be \$11/hr. The minimum wage standard will be tied to inflation starting on January 1, 2018. By the end of 2025, all businesses in the Seattle will pay the same exact minimum wage: \$18.13/hr.

	Employer Type	Examples	\$15/hr Transition Period	Estimated % of WA Workforce (Census data)
A	Larger businesses (>500 employees nationwide)	McDonald's, Target	2 years (1/1/17)	46%
B	Larger (>500 employees nationwide) businesses providing "Silver" standard or better health care	QFC, Starbucks	3 years (1/1/18)	
C	Smaller businesses	Adventure Day Care, Office Nomads	4 years (1/1/19)	54%
D	Smaller businesses providing Silver level health care or minimum tip compensation	Cupcake Royale, Tuttabella	6 years (1/1/21)	

What distinguishes large from small businesses?

The Mayor's proposal uses Small Business Administration's definition of a small business: 500 employees or less. In this proposal, you are a large business and must reach \$15 sooner, if you have more than 500 employees anywhere in the nation. Economic Census Data indicates that nearly half (46%) Seattle's workforce is employed at businesses with more than 500 employees.

What qualifies as healthcare?

According to the current proposal, employers must provide healthcare that meets the Affordable Care Act's Silver plan. For a 30-year old employee who works full time, a typical qualifying plan costs the employer roughly **\$1.63/hr**.

How is this different from "tip credit" or "total compensation?"

Your employer must make sure **you are compensated an additional \$2-3/hr on top of the minimum wage**, either through healthcare benefits, tips, or additional wages. During the transitional period only, in addition to this minimum wage, if you receive healthcare and/or tips while working for a smaller business, the total value of these benefits must bring you to the Schedule C (minimum compensation) level. For example, in 2017, employees of smaller businesses with tips/health care will make at least \$11 per hour plus \$2 in tips and/or health care. In 2019, those same employees of smaller businesses will make \$12 plus at least \$3 in tips and/or health care.

WASHINGTON STATE MINIMUM WAGE: 2.40% CPI ESTIMATED		PROPOSED SEATTLE MINIMUM WAGE (2.40% CPI ESTIMATED ONCE 15 PER HOUR IS REACHED)			
		EMPLOYERS > 500 EMPLOYEES		EMPLOYERS ≤ 500 EMPLOYEES	
		MINIMUM WAGE (SCHEDULE A)	MINIMUM WAGE W/ HEALTH CARE (SCHEDULE B)	GUARANTEED MINIMUM COMPENSATION (SCHEDULE C)	MINIMUM WAGE (SCHEDULE D)
YEAR	STATE WAGE				
		-	-	-	-
2015	\$9.54	11.00	11.00	11.00	10.00
2016	\$9.77	13.00	12.50	12.00	10.50
2017	\$10.01	15.00	13.50	13.00	11.00
2018	\$10.25	15.36	15.00	14.00	11.50
2019	\$10.49	15.73	15.73	15.00	12.00
2020	\$10.75	16.11	16.11	15.75	13.50
2021	\$11.00	16.49	16.49	16.49	15.00
2022	\$11.26	16.89	16.89	16.89	15.75
2023	\$11.53	17.29	17.29	17.29	16.50
2024	\$11.80	17.70	17.70	17.70	17.25
2025	\$12.08	18.13	18.13	18.13	18.13
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2034	14.97				
2035	15.33				