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Employment Law Note

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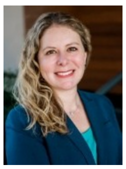
Washington Legislature Grants Labor & Industries Expanded Enforcement Powers



By Beth Touschner, btouschner@sbj.law

In June 2026, two recently enacted Washington bills went into effect that significantly expanded Labor & Industries' wage-claim enforcement power under RCW 49.48. HB 2479 and its companion bill, SB 6058, increased minimum statutory penalties for wage violations, removed the penalties cap, granted L&I the ability to expand the scope of its wage complaint investigations, and created a wage recovery program to disburse funds to certain low-wage employees *before* any citation or notice is issued to the employer.

Our May 2026 Employment Law Note addressed the recent wave of wage-and-hour class action litigation in Washington and the Washington Supreme Court's decision to accept review in *Bennett and Hughes v. Providence Health & Services* (Case No. 86321-5-I), a case involving a landmark $229-million jury verdict on wage claims. While these matters are litigated in the courts, the Washington legislature paved the way for increased agency enforcement and penalties against employers. Employers should take note of L&I's new enforcement authority.

Publicly Available Protocols and Increased Investigation Authority

The legislature confusingly amended RCW 49.48.083 three times last session, in different ways, without reference to the other amendments. While this caused the code revisor to, at least initially, publish all three versions of the statute, the substantive changes come primarily from HB 2479.

The legislation directs L&I to establish a written, publicly available process outlining its prioritization of wage complaints. It must create a priority order for determining which complaints are investigated by looking to: 1) the harm to the affected employee; 2) the severity of the complaint; 3) the number of employees potentially affected; and 4) the probability of retaliation, among other factors.

L&I may now expand its investigation beyond the subject matter of the original complaint if it "discovers information suggesting additional violations of any requirements related to compensation" under the Wage Payment Act, RCW 49.48, or any associated rule. And, if the department has reason to believe a wage violation has occurred or will occur, the statute authorizes it to initiate an investigation without receiving an actual complaint. That is, L&I can now initiate investigations on its own initiative.

Increase in Minimum Penalties and Removal of the Penalty Cap

HB 2479, now codified in RCW 49.48.083, increased the minimum penalty for a willful wage violation from $1,000 per violation to $1,500 (or ten percent of the total unpaid wages, whichever is greater, as was included in the prior version of the law). Starting in 2030, the minimum penalty will be adjusted every three years for inflation. Finally, the previous $20,000 civil penalty cap for a willful violation of a wage payment is now removed. There is now no cap on damages.

L&I is required to "create a matrix of criteria for the imposition of penalties." It must consider: 1) the appropriateness of the penalty with respect to the number of affected employees; 2) the gravity of the violation; 3) the size of the employer's business; 4) the good faith of the employer; 5) the source or cause of any error; 6) the promptness of remedy; 7) the employer's history of previous complaints and violations, including enhancements for repeat willful violations; and, finally, 8) any other factor the department considers relevant.

L&I may waive the penalty if the employer is not a repeat willful violator, has not previously settled or otherwise resolved a wage complaint in the previous 12 months (or three times in the previous 24 months), and pays all wages and interest the department determines is owed within **10 business days** of the employer's receipt of the citation and notice of assessment.

The New Wage Recovery Program

HB 2479 created a wage recovery program that allows the department to disburse funds to unpaid, low-wage employees before issuing a citation and notice of assessment or before collecting unpaid wages and interest from the employer if the employee would experience immediate economic harm due to the nonpayment of wages. L&I will pay unpaid wages to low-wage employees before pursuing or collecting those amounts from the employer. L&I can advance the claimed wages before establishing that the employer actually violated the law and then seek recovery from the employer. This structure may place the employer at a practical disadvantage: once L&I has paid the employee, L&I will have a strong incentive to conclude that a violation occurred and pursue the employer for reimbursement. The program is codified in a new section of the Wage Payment Act, RCW 49.48.230.

Once funds are available to support the program, an employee may receive payment if they filed a complaint, the department makes an initial determination that it has merit, the employee assigns the wage complaint to the department, the employee meets the income requirements set by the department, and the employee attests that, without relief from the wage recovery program, they will suffer immediate economic harm. The employee must waive any right to an appeal and any private right of action. The program is not set to begin until at least July 1, 2028.

Employers with questions on the latest developments in state and federal employment law, and how they may affect the workplace, are encouraged to contact Sebris Busto James.

For more information about this month's Employment Law Note
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