

Washington

Washington's Minimum Wage Rate to Increase on Jan. 1, 2027

On Sept. 30, 2026, the Washington Department of Labor and Industries (L&I) [announced](#) that the state's minimum wage will increase to **\$17.73 per hour** on **Jan. 1, 2027**. The new rate will apply to all employers, regardless of how many individuals they employ.

Washington's Minimum Wage Rate

Washington's minimum wage rate is adjusted annually to account for inflation. L&I must publish new rates on or before Sept. 1 of each year. Based on the federal Bureau of Labor Statistics' Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the 12-month period from August 2025 to August 2026, L&I has determined that Washington's minimum wage must increase by 3.5% to \$17.73 per hour on Jan. 1, 2027.

Overtime Exemption Threshold

The state minimum wage rate also determines the salary requirements for exempt executive, administrative and professional (EAP) employees and certain computer professionals. L&I uses a multiplier of the minimum wage to calculate the minimum salary that EAP employees and computer professionals must earn to be considered exempt from overtime pay.

Under current rules, **larger employers with 51 or more employees** must pay overtime-exempt employees at least 2.25 times the minimum wage. Starting Jan. 1, 2027, the multiplier will rise to 2.5 times the minimum wage. As a result, these employees must earn **at least \$1,773 per week** (\$92,196 per year) to be exempt from receiving overtime pay.

Small businesses with up to 50 employees are also currently required to pay 2.25 times the minimum wage to any worker to be exempt from overtime requirements. This multiplier will remain the same in 2027. As a result, starting Jan. 1, 2027, these employees must earn **at least \$1,595.70 per week** (\$82,976.40 per year) to be exempt from receiving overtime pay.

Computer professionals must be paid 3.5 times the minimum wage, regardless of employer size, to be exempt from the state's overtime requirements. As a result, beginning Jan. 1, 2027, computer professionals must earn **at least \$62.06 per hour** to be exempt from receiving overtime pay.

Young Workers

Highlights

Sept. 30, 2026

Washington announced a \$17.73 minimum wage rate for 2027.

Jan. 1, 2027

The new state minimum wage rate will go into effect.

Under Washington law, employers may pay 14- and 15-year-old workers 85% of the state's minimum wage rate. Starting Jan. 1, 2027, the minimum wage for these younger workers will increase from \$14.56 per hour to **\$15.07 per hour**.

Rideshare Drivers

On Jan. 1, 2027, the minimum wage for rideshare drivers will also increase. In 2027, for trips within Seattle, drivers must earn \$0.72 per passenger platform minute and \$1.69 per passenger platform mile, or \$6.34 per trip, whichever is greater. For trips outside of Seattle, drivers must earn \$0.41 per passenger platform minute and \$1.43 per passenger platform mile, or \$3.68 per trip, whichever is greater. The remittance fee, which funds a nonprofit center that supports rideshare drivers, will be \$0.16.

Noncompete Clauses

State law will prohibit noncompete clauses starting in July 2027. However, for the six months before the ban takes effect, L&I uses the CPI-W to calculate the minimum annual salary a worker must earn for an employer to enforce a noncompete clause or contract. Between Jan. 1, 2027, and June 30, 2027, the annual salary thresholds will be **\$131,326.59 for employees** and **\$328,316.49 for independent contractors**.

Next Steps for Employers

Washington employers should update their payroll processes and procedures to comply with the new minimum wage rate by Jan. 1, 2027. Employers should also account for local ordinances establishing higher minimum wage rates for employees. In addition, employers should use L&I's updated [minimum wage poster](#) by Jan. 1, 2027.
