

2025 Seattle Hotel Employees Ordinance Expenditure Rates

Issued date: 08/01/24

The Seattle Office of Labor Standards (“OLS”) announced the adjusted rates for 2025 health care expenditures required by the Improving Access to Medical Care Hotel Employees Ordinance, Seattle Municipal Code (SMC) 14.28.

Covered employers must make healthcare expenditures to or on behalf of covered employees (hourly employees who work an average of 80 hours or more per month for a covered employer) to improve their access to medical care. The amounts of the healthcare expenditure are adjusted each calendar year.

For the 2025 calendar year (January 1 to December 31, 2025), the adjusted rates are:

- \$561 per month for an employee with no spouse, domestic partner, or dependents;
- \$955 per month for an employee with only dependents;
- \$1,124 per month for an employee with only a spouse or domestic partner;
- \$1,686 per month for an employee with a spouse or domestic partner and one or more dependents.

For most covered employers, the Ordinance was effective July 1, 2020, or the next scheduled annual open enrollment period for health coverage (if offered) after July 1, 2020.

As previously reported, the requirements of the Ordinance were delayed for an ancillary hotel business with 50–250 employees worldwide that contracts, leases, or subleases with a hotel. These requirements take effect upon the later of July 1, 2025, or the earliest annual open enrollment period for health coverage (if offered) after July 1, 2025.

The U.S. Supreme Court declined to review the earlier decision from the 9th Circuit Court of Appeals that held the Ordinance is not preempted by ERISA. This means the Ordinance continues to stand and employers should comply with its requirements.



■ Employer Action

- Covered employers subject to the Ordinance should comply with the law. Ancillary businesses that had relief from this requirement should begin to prepare for the upcoming July 1, 2025 (or first plan year on or after that date) effective date. The OLS FAQs provide helpful information.
- If compliance is required for a plan year beginning in 2025, the adjusted rates should be used to determine appropriate expenditures. The adjusted rates of the expenditure should be included as part of the annual notification required to covered employees.
- Covered employers should monitor OLS FAQs and website for further information.