

Warehouse Quota Standards

Employer Requirements



Washington State Department of
Labor & Industries

Employment Standards / Workplace Rights

As of July 1, 2024, labor and safety standards are in effect for workers at qualifying warehouse distribution centers in Washington that use performance-standard quotas. These requirements, created by the 2023 Legislature, are to ensure workers receive their wage and hour rights and safety protections.

This fact sheet details which warehouses are covered by the law and what is required of employers.

Qualifying warehouses

These standards only apply to warehouses that use quotas and have more than 100 employees at a single location in Washington, or who have more than 1,000 employees at multiple locations in the state. L&I will base employer size on the number of employees on the day of an alleged violation or the average number of employees during the previous 12 months, whichever is greater.

Additionally, the standards only apply to warehouses engaged in work described by one of the following North American Industry Classification System (NAICS) codes:

- 493: Warehousing and storage, except for 493130 for farm product warehousing and storage
- 423: Merchant wholesalers, durable goods
- 424: Merchant wholesalers, nondurable goods
- 454110: Electronic shopping and mail-order houses

Warehouses that do not use quotas are not required to meet these standards.

Employer requirements

If you're a qualifying employer, you:

- Must give employees written descriptions of your quota expectations.
- Cannot discipline or fire employees for failing to meet a quota that was not properly disclosed.

- Must ensure quota expectations allow enough time for employees to:
 - Take rest breaks.
 - Use the bathroom.
 - Travel to and from breakrooms and bathrooms.
 - Access and use necessary tools or safety equipment (e.g. ladders, carts).
 - Take measures to correct hazards (e.g. clean up a spill, team lift)
 - Perform an activity required by the employer to complete the work subject to a quota (for example, clocking in/out).
- Provide additional payment to employees for missed breaks in certain circumstances.
- Cannot retaliate against employees for exercising these rights as outlined in Chapter 49.84 RCW.

Quota requirements

A quota is a work performance standard a worker needs to meet or they may suffer an adverse employment action, like being written up or fired. A quota may require employees to perform tasks at a specified speed, perform a quantified number of tasks, or handle an amount of goods within a defined period.

Quotas can be aggregate, team, or individually based.

A performance standard doesn't have to be called a "quota" to be subject to these rules. An employer may use terms such as "rate" or "production expectation." No matter what it is called, if the work-rate standard shares the characteristics of a quota, it is subject to the rules.

Break violation pay

Employers must pay employees additional compensation, called break violation pay, if their quota violates warehouse quota standards and it results in a meal or rest break violation. Break violation pay is one additional hour of pay at the employee's regular rate for each day there is a break violation caused by a non-compliant quota.

Employers must pay an employee's break violation pay on their next regularly scheduled payday.

Written quota descriptions

Employers must provide every employee subject to a quota a written description of the quota. Written descriptions must be in an employee's preferred language and include:

- A description of each quota that applies to the employee.
- Any potential adverse employment actions that could result from failing to meet the quota.
- Any incentives or bonuses associated with meeting the quota.

Written descriptions should be clear, concise, and easy to read. They should use common words, rather than jargon, acronyms, or unnecessary legal language.

Employers need to provide every employee with an initial written description upon hire or, for existing employees, within 30 days of July 1, 2024. The initial written description must be in the employee's choice of:

- English
- English and one of the top six other languages spoken in the state, as selected by the employee.

If an employee requests an initial description in a preferred language other than English or the top six other languages*, the employer needs to provide the description in the requested language within 15 calendar days.

Changes to quotas

If an employer changes a quota, they need to notify employees verbally or in writing about the new quota as soon as possible. Employers must notify employees of the change before they can be subject to the new quota.

An updated written description must be provided within two business days. The updated written description needs to be in the employee's choice of:

- English
- English and one of the one of the top six other languages spoken in the state, as selected by the employee.
- English and a previously disclosed preferred language outside of the top six other languages spoken in the state.

Adverse action

Whenever an employer takes an adverse action — like discipline or termination — against an employee for failing to meet a quota, the employer must provide the employee with a copy of the applicable quota and the employee's personal work speed data.

Recordkeeping

Employers must keep the following records for the duration of an employee's employment:

- Written descriptions of quotas.
- Each employee's personal work speed data.
- Aggregated work speed data for similar employees at the same warehouse.

When an employee leaves employment, the employer must keep the records for the employee's last six months for three years from their last date of employment. Employers must also keep records for any period where they took adverse action against an employee for failure to meet a quota.

Employers also need to keep any records they create showing how the required time periods were factored into a quota for three years.

* Spanish, Chinese, Vietnamese, Korean, Tagalog, and Russian

Requesting records

Current employees may ask for written descriptions of quotas they are subject to, as well as their personal work speed data and aggregated work speed data for similar employees for the past six months. Within three years of their separation date, former employees may request their last written description as well as their personal and aggregated work speed data for their last six months.

Employers must provide the records to employees at no cost and in the employee's preferred language.

Retaliation

Employees have several retaliation protections. Employers cannot retaliate against an employee:

- For not meeting a quota that doesn't allow for the required time periods or that violates safety standards.
- For not meeting a quota that the employer did not disclose properly to the employee, or that the employee did not receive in their preferred language.
- For exercising a protected right under quota labor or safety standards, such as requesting records.

There might be a presumption of retaliation if an employee suffers adverse action — such as being terminated, getting written up, or having their schedule altered — within 90 days of engaging in a protected activity. Employers may rebut the presumption by providing evidence that:

- The adverse action was taken for other reasons.
- The protected activities weren't a motivating factor in the adverse action.

Resources

- Warehouse Quota Standards: [Lni.wa.gov/WarehouseQuotas](https://www.lni.wa.gov/WarehouseQuotas)
- WAC 296-136: [Lni.wa.gov/rulemaking-activity/A023-27/2327Adoption.pdf](https://www.lni.wa.gov/rulemaking-activity/A023-27/2327Adoption.pdf)
- Meal and Rest Periods: [Lni.wa.gov/workers-rights/_docs/esc6.1.pdf](https://www.lni.wa.gov/workers-rights/_docs/esc6.1.pdf)
- Chapter 49.84 RCW: <https://app.leg.wa.gov/RCW/default.aspx?cite=49.84>
- Send an email to the Employment Standards Program: ESWarehouseQuotas@Lni.wa.gov
- Send an email to DOSH: EyeOnSafety@Lni.wa.gov

