

Labor laws are important to understand, especially for seasonal and family businesses. The following information and regulations are for every classification of worker you might have on your farm. As an employer, you have legal responsibilities when hiring employees, contractors, interns, and apprentices and when working with volunteers.

This fact sheet includes information on:

- Managing people.
- Labor laws for employees.
- Labor laws for farm labor contractors.
- Labor laws for volunteers.
- Labor laws for interns.
- Labor laws for apprentices.

Managing People

For any size of business or farm, having a management plan for employees, volunteers, interns, and even other family members can align expectations and reduce potential conflict. Managing people is a vital farming skill. Taking the time to make everyone’s roles and duties on the farm clear is especially important for a successful working relationship and a successful business.

Management Plans

There are many ways to approach managing a team of people working with or on your farm. If you are just getting started, here are seven key processes to focus on:

1. Create written job descriptions and an overall plan for how each job fits into the whole.
2. Create clear hiring protocols.
3. Provide an orientation to your farm and the job, as well as ongoing training (informal and formal).
4. Develop clear employer/employee communication, including a written grievance policy.
5. Schedule times to communicate one-on-one, and review job goals and performance.
6. Clarify wages and any other compensation; check related laws.
7. Schedule times to review and update your farm management plan to keep it relevant.

An employee manual, when clearly and consistently applied, is an excellent way to create a smooth work experience for both farmer and employee. Formal management plans and employee manuals may also help secure funding, abide by legal requirements with employees, and improve on-farm safety. Find templates for employee manuals by conducting a search at farmanswers.org.

Managing people is a skill and is part of the work of a business owner or manager. Having a productive team with good relationships, and avoiding potential legal issues, is worth the investment of time and attention.

Labor Laws for Employees

An employee is generally someone for whom an employer determines their work schedule, hours, leave time, and job responsibilities. In order to have employees, you must follow these legal requirements:

- ✓ Have an Employer Identification Number (EIN).
- ✓ Pay wages with correct withholdings.
- ✓ Report newly hired employees and keep employee records.
- ✓ File payroll tax forms and make payments.
- ✓ Pay premiums for workers compensation insurance that covers on-the-job injuries.
- ✓ Ensure compliance with Washington Paid Family Medical Leave.
- ✓ Provide a safe workplace for employees.

Find information on workplace safety and health requirements, claims management strategies, employer’s rights and responsibilities, and more—in multiple languages—on the Washington Department of Labor & Industries (L&I) website, lni.wa.gov, or call 800-574-2829.

Employer Identification Number (EIN)

Any business that hires employees must obtain a federal Employer Identification Number (EIN), also known as a Federal Tax Identification Number, by filing with the Internal Revenue Service (IRS). An EIN is a nine-digit number assigned by the IRS in the following format: XX-XXXXXXX that identifies the tax accounts of employers.

The EIN assigned to your business is jointly registered with the IRS, the Social Security Administration, and the U.S. Department of Labor. While most paper applications take four weeks to process, online applications will normally receive a number immediately.

Helpful documents and videos, online application, and printable Form SS-4 is available from the IRS by searching at [irs.gov](https://www.irs.gov), or 800-829-3676.

New hire reporting

Washington employers are required to report all new employees within 20 days of hire to the Division of Child Support in the Washington State Department of Social and Health Services (DSHS). This also applies to the rehire of employees, if they have not worked for the company in the past 60 days. This filing with DSHS is then linked with the Employment Security Department (ESD) to insure that the employer deducts appropriate withholding, such as child support if needed, and to identify fraudulent accident or unemployment claims. Contact DSHS for more information at 800-562-0479. Find complete details by searching for “New Hire Reporting” at dshs.wa.gov.

Tip: SecureAccess Washington is a central login for businesses to access their accounts with multiple state agencies in one place. With a business license and UBI number, employers can use SecureAccess to easily report new employees, file quarterly taxes, sign up for email reminders, look at current and past employee hours and wages, and more. Sign up at esd.wa.gov.

Recordkeeping

Employers are required to maintain records of employees for three years. For each new hire, the employer must provide the following forms for the employee to fill out. Employers must maintain these records in each employee’s file:

- Employment Eligibility Verification Form I-9, from the Department of Homeland Security U.S. Citizenship and Immigration Services.
- IRS Employees Withholding Allowance Certificate, Form W-4.

Employee records must include: employee name and address, occupation and L&I job classification, Form W-4, Form I-9, dates of employment, amount paid each pay period, wage rate or rates of pay, total hours worked each pay period, deductions, and termination date and cause. These records are subject to audit. Employees have the right to request copies of these records at any reasonable time.

Itemized pay statements, commonly known as “pay stubs” (either electronic or paper), are a record of a worker’s earnings in a pay period. Agricultural workers have a right to request a pay stub at any time, and can request to regularly receive pay stubs on their payday.

Find an overview of agriculture business requirements and notices of trainings at lni.wa.gov/agriculture, or 360-902-6366.

Payroll taxes and other withholding

Employers are required to withhold federal income, Social Security and Medicare taxes from employees’ wages. Employers are also required to pay worker’s compensation and state unemployment insurance. See the “Taxes” fact sheet for more details.

Washington Paid Family and Medical Leave

Employers, including small businesses, have reporting and withholding requirements under the Washington Paid Family and Medical Leave insurance program that went into effect in 2019. All employers must withhold employee premiums from paychecks, and report employee wages and hours to ESD. Employees with fewer than 50 employees are not required to pay the employer portion of premiums. Voluntary plans may be an option for an employer who wants to operate their own family or medical leave program. Find more information at paidleave.wa.gov/employers.

Washington State has many resources for small businesses and the management of people. Labor & Industries (L&I) offers services and workshops around the state for new businesses or businesses that plan to hire workers for the first time. In addition, contact a small business liaison with any questions at 800-987-0145, SmallBusiness@lni.wa.gov, or lni.wa.gov. The “Washington State Small Business Guide” may also be a good resource, found at: oria.wa.gov.

Minimum wage

Employers are required to pay the state minimum wage to workers age 16 and older. The minimum wage is set annually by L&I. The current minimum wage is found at lni.wa.gov/wages/minimum.

The “Agricultural Employer Worksheet” will help you know whether you are following state Agricultural Employment Standards and the Minimum Wage Act when you employ workers. Search for it by name at lni.wa.gov.

There is an exemption to state minimum wage for agricultural workers. The exemption only applies when **all three** of the following requirements are met:

1. The worker is employed as a hand-harvest laborer who is paid piece rate.
2. The worker commutes daily from their permanent residence to the farm.
3. The worker was employed in agriculture less than 13 weeks during the preceding calendar year.

Meal and rest periods

Agricultural employees have the right to meal and rest periods. Employers are required to provide 30-minute meal periods to employees who work more than five hours. Employees who work 11 or more hours must receive a second 30-minute meal period. Employers are required to provide workers an uninterrupted paid 10-minute rest period to employees for each 4-hour period of work. Paid rest periods are calculated on the regular rate of pay or minimum wage, whichever is greater.

Hiring young workers

Children 12 and 13 years old may work only during non-school weeks and only for hand-harvesting berries, bulbs, cucumbers, and hand-cultivating spinach. Workers under the age of 16 must be paid at least 85 percent of the state minimum wage.

Young workers may not do certain hazardous work. The L&I fact sheet “Young Workers in Agriculture” details employer requirements for hiring young workers ages 14 to 18 in agriculture, including the Minor Work Permit Endorsement and defined hazardous work activities. Search for it by name at lni.wa.gov/teenworkers.

Hiring family

Relatives, including children, who work for you must be treated as employees with the same rights as any other paid worker in the state of Washington. This applies to anyone expected to show up for work at a certain time. However, these requirements do not include family members who share ownership of a business, or children under the age of 18 who work on a farm owned by their parents. At age 21, workers’ compensation coverage is mandatory. The L&I publication “If Family Members Work for You, Know Your Obligations” is a helpful resource. Search for it by name at lni.wa.gov.

Family farm exemption

Children between ages 18 and 21 must be covered by workers’ compensation unless an exemption application is filed by their parents. To qualify for a family farm exemption, the family farm may be a sole proprietorship, partnership or corporation, as long as the controlling interest is with the family. Find the “Exclusion/Inclusion of Mandatory Coverage” application form and related information by searching for the title at lni.wa.gov.

Providing a safe workplace for your employees

As an agricultural employer with one or more employees, you are responsible for maintaining a safe workplace. There are specific workplace standards and reporting provisions with which employers must comply. Find the details on the L&I website under several different headings pertaining to safety on the job.

RUNNING A SUCCESSFUL FARM BUSINESS

The Fair Labor Standards Act (FLSA) requires employers to post various notices to inform workers and employers of their rights and responsibilities. Posting required notices is a legal requirement. All required L&I workplace posters are always free, and are available in both English and Spanish at lni.wa.gov/FormPub. Be aware that private companies will try to sell these to you.

The Washington Industrial Safety and Health Act (WISHA) sets safety standards for agriculture. Details of the rules and requirements for agriculture, plus training and informational resources for employees and workers, are available through the L&I website, lni.wa.gov/Safety. Resources are available in English or Spanish, at lni.wa.gov/WISHA.

Employers may request a free safety and health consultation from L&I. A consultant, not an inspector, will meet with you and conduct a walkthrough to identify hazards and recommend remedies. Any serious hazards found during the consultation must be corrected in a timely manner, but the consultant will not issue a citation or fine. Safety and industrial hygiene consultations with specialists in ergonomics and risk management are also available. For details and to request a consultation, search "Safety Consultation" at lni.wa.gov or call the local L&I office.

Labor Laws for Farm Labor Contractors

When a farmer pays an outside person or company, or even pays an employee an additional fee to help find or hire laborers, that person or company must be a licensed farm labor contractor (FLC). Farm labor contracting provides another way for farmers to bring workers to their farm. Contractors recruit, solicit, employ, supply, transport, and hire workers.

Be aware of your rights and potential liabilities when you hire an FLC. If an FLC is not licensed, or does not meet legal obligations, you may be liable for unpaid wages, damages, and workers' compensation premiums. L & I maintains the list of licensed FLCs in Washington State, which is updated monthly. Find the list and more information in English and Spanish on the L&I website, lni.wa.gov by searching for "FLC," or call 360-902-4537

Employment Security Department Shared Work Program. Designed for seasonal businesses to help avoid layoffs and reduce unemployment, the Shared Work Program may be beneficial for farm businesses who do not want to lose employees, but may not be able to offer year-round, full-time employment. An employer with at least two full-time hourly employees, and who anticipates a 10 percent to 50 percent reduction in work, submits a signed shared work plan application to the commissioner for approval before the end of the season. Once approved and weekly filings are made, the employee who has reduced work hours does not have to look for work while receiving unemployment benefits equal to the percent of work reduction. Contact the Employment Security Department at 800-752-2500, esd.wa.gov/SharedWork.

Labor Laws for Volunteers

According to the federal Fair Labor Standards Act (FLSA), an individual cannot volunteer for a private sector, for-profit business. Farm and food businesses must follow all state employer guidelines for wages, compensation, workers comp, and other applicable requirements for people seeking to trade, barter, or volunteer to work on their farm. Arranging for volunteer agricultural workers through established exchange programs does not exempt an employer from these requirements. There are only two programs through L&I for volunteers who are not required to meet all other state employee guidelines: 1) Sports Teams and Youth Workers Program, 2) K-12 Student Volunteers Program. The K-12 Student Volunteers Program is more applicable to farm businesses, and can apply to 4-H projects.

Interns and apprentices in registered programs are not considered volunteers, but do qualify for exemptions to some state and federal wage and labor standards.

Labor Laws for Interns

An intern must be registered in an internship program at an accredited educational institution such as a college, community college, or university where a student pays the school and receives academic credit.

An internship allows an employer to be exempt from:

- Paying wages (or paying less than the minimum wage).
- Paying unemployment insurance tax through state Employment Securities (ESD) and federal (FUTA).

An internship still requires that an employer provide a safe workplace. L&I premiums for workers compensation insurance, which covers on-the-job injuries, may be paid by the educational institution sponsoring the internship.

To find the L&I guidance on internships, search for “Unpaid Internship 101” on lni.wa.gov, or call 800-547-8367.

L&I Small Farm Internship Project

This project was established specifically for small farms in Washington. It provides another option for small farms to employ individuals who want to learn about farming practices as unpaid interns.

In this program, participating farms offer vocational knowledge about agriculture and are exempt from the requirements of the Minimum Wage Act. Interns are not required to receive pay or any other type of compensation. Interns are enrolled in workers compensation to cover on-the-job injuries, and the farm is responsible for paying the premiums.

Farms must have an education plan for the interns that is approved by L&I. In some cases, participating farms have connected with WSU County Extension Ag Programs to include Cultivating Success and other local workshops as a core component of an intern’s education plan. If a building project (e.g., hoop house, hen house, or processing facility) is part of the intern’s education, it must be included in the education plan. Find example education plans in the “Farm Internship Curriculum and Handbook” at attra.ncat.org/intern.

Small farms located in one of the specific eligible counties and with annual sales of less than \$250,000 per year, are eligible to enroll in the project for 12 months at a time. In 2019, the program was available in 20 counties.

Enrollment involves a one-page application, a copy of the IRS tax return showing total farm sales, an education plan and curriculum for the intern, and workers compensation insurance at a special rate for the intern.

Once approved with a certificate from L&I, participating farms may have up to three interns at a time. Interns must be 18 years of age or older. A farmer can hire more than three interns in a year. For example, a farmer could have three interns for January through March, and three different interns for April through June, and so on for a total 12 interns in one year, not exceeding three interns at any one time.

For the list of eligible counties, details on how farms and individuals can participate, and the application, search for “Small Farm Internship” at lni.wa.gov, or call 509-886-6580.

Labor Laws for Apprentices

The term “apprentice” is an employment classification with a formal structure set by federal and state law. The business employing the apprentice designs a personalized program that must be proposed to and approved by the Washington State Apprenticeship Council (a division of L&I).

The employer benefits from mentoring apprentices by building long-term labor support, and training someone from the beginning with their knowledge and techniques. The registered apprentice benefits in the form of training, and a 50 percent tuition waiver at a Washington State community or technical college.

To employ apprentices, you must follow these legal requirements:

- Have an Employer’s Identification Number (EIN).
- Pay at least minimum wage, with raises based upon demonstrated competencies.
- Pay L&I premium for workers compensation insurance that covers on-the-job injuries.
- Pay unemployment insurance taxes, both state ESD and federal (FUTA).
- Provide a safe workplace for your employees.
- Provide 144 hours of pre-planned instructional time per year.

RUNNING A SUCCESSFUL FARM BUSINESS

To create an apprenticeship program, you need to be a farm, group of farms, or trade organization. Registered apprenticeship programs start with the formation of an apprenticeship committee that has defined oversight responsibilities. The committee develops program guidelines, such as criteria for becoming an apprentice, proficiency requirements to reach professional level, wage rates and progressions, curriculum to complement on-the-job training, and more.

While there is no cost to register an apprenticeship program, it does take time. Plan for three-to-six months to form the committee, create the personalized training program, register for the apprenticeship license, and be approved.

Search for “Apprenticeship” on lni.gov to read more about the benefits of using apprentices and find an apprenticeship consultant or call 360-902-5320, or Apprentice@lni.wa.gov.

For complete information about employment standards and workplace rights, and trainings for employers, contact L&I at 360-902-5800, or visit lni.wa.gov/WorkshopsTraining.



5. Licensing

8. Taxes

9. Insurance