

FAQS – MWAA AIRPORT WORKERS WAGE PROGRAM

What is the MWAA Airport Workers Wage Program? The MWAA Airport Workers Wage Program (“Program”) is the program through which MWAA applies its Airport Workers Wage Policy (“Policy”) and a set of rules it has prepared for the implementation, administration and enforcement of the Policy (“Administrative Rules”). Under the Program and its Policy and Administrative Rules, certain businesses which operate at Reagan National and/or Dulles International Airport are to pay their employees who work on an Airport at an hourly wage rate that is no less than what the Program calls a “Base Wage Rate.”

Where can the Workers Wage Policy and the Administrative Rules be found? The Policy is set out in Resolution No. 17-8, which was adopted by the MWAA Board of Directors in April 2017. The Administrative Rules are set out in MWAA Orders & Instructions No. 5-4-1 which is applicable at both Reagan National and Dulles International Airports. The Policy and the Administrative Rules, as well as other information and materials related to the Program, can be found at <http://www.MWAA.com/workerswageprogram>.

What businesses are covered by the Airport Workers Wage Program? Two categories of businesses are covered. One consists of businesses which provide various on-Airport commercial aviation support services to airlines; these businesses typically operate at an Airport pursuant to a commercial aviation services permit or a lease from MWAA. The second category consists of businesses which provide concession services to the public at an Airport; these businesses typically operate in an Airport terminal or concourse pursuant to a lease from MWAA’s concession manager (currently, MarketPlace Washington, LLC) or a contract with MWAA.

What workers are covered by the Airport Workers Wage Program? The Program covers all federal Fair Labor Standards Act (“FLSA”) non-exempt, hourly employees of a covered business who work on an Airport, whether they are full-time or part-time, or permanent or temporary employees. The Program does not cover employees of a covered business who only make deliveries or pickups, or otherwise perform only irregular or occasional work, on an Airport.

When does the Program’s Base Wage Rate requirement become effective? The Program’s requirement that covered businesses pay their covered workers no less the applicable Base Wage Rate goes into effect on January 1, 2018.

What is Base Wage Rate on January 1, 2018, and does it change over time? The Base Wage Rate on January 1, 2018, and continuing throughout 2018, is \$11.55 an hour; the base rate in effect during 2019 is \$12.15 an hour; and the rate in effect during 2020 is \$12.75 an hour. At the start of each year after 2020, the Base Wage Rate will be adjusted to reflect changes in the cost of living.

Does the Airport Workers Wage Program apply to tipped employees? Yes, the Program applies to employees of a covered business who are or would be considered tipped employees under the federal FLSA. Thus, employees of a covered business who customarily and regularly receive more than \$30 a month in tips from Airport passengers, patrons and others, and who have been notified in writing by their covered business employer that it considers the employees’ tips to be part of their wages are generally considered to be tipped employees under the Program.

How does the Airport Workers Wage Program apply to these tipped employees? The Program applies to tipped employees similar to the manner in which the federal FLSA applies the federal minimum wage requirement to tipped employees. Under the Program, covered businesses are to pay their tipped employees no less than \$2.13 in *direct* wages for each hour they work and, in addition, are to ensure that the combination of these direct wages and the tips received by tipped employees in any workweek produces a level of compensation that is no less than the compensation required by the Program and the applicable Base Wage Rate. If this combination of direct wages and tips is less than the level of compensation from such sources that the Program requires, the covered business employer is to make up the shortfall.

How does the Airport Workers Wage Program apply to overtime work? Employees of covered businesses who are eligible for overtime pay under the federal FLSA are eligible for overtime pay under the Policy. For such employees whose regular rate of pay is the Policy's Base Wage Rate, the Policy provides that they be compensated for each hour of overtime work at 1.5 times the Base Wage Rate.

What are the primary administrative requirements that the Administrative Rules place on covered businesses? The rules place three primary requirements upon covered business employers:

(1) Notices. Covered businesses are to provide written notice of the Airport Workers Wage Program to their on-Airport covered workers and to post a notice of the Program at their on-Airport work sites. For businesses now operating on an Airport, these notices are to be provided to covered workers no later than December 1, 2017, and posted at work sites no later than January 1, 2018. Forms of these notices, which covered businesses may elect to use, are provided as attachments to the Administrative Rules.

(2) Certified Payroll Records. Covered businesses are to prepare, after the conclusion of each quarter of a calendar year, a Certified Payroll Report showing the hours worked and wages received by, and other information relating to, their covered workers for work performed during each workweek in the pay periods addressed by the report, and certifying that these wages were in compliance with the Policy. Covered businesses are to retain their Certified Payroll Reports for a three-year period. A template showing the types of information to be included in these payroll reports, which covered businesses may elect to use, is provided as an attachment to the Administrative Rules.

(3) Certified Compliance Statements. At the end of January of each year, covered businesses are to prepare and submit to MWAA a statement in which the businesses certify that that they have been and are in compliance with the Policy and the Administrative Rules.

Do the Administrative Rules provide a way for covered workers to obtain a review of wages they have received from their covered business employer? Yes, the rules provide a process for workers who believe they have been paid wages that do or may not comply with the Program. These workers may submit a written request to their covered business employer, asking that the employer review the wages in question. Employers are to respond in writing to such requests within a specified period, and thereafter the workers may request a review of their wages by MWAA. Forms of these "requests for review," which covered workers may elect to use, are provided as attachments to the Administrative Rules

Are there any specific prohibitions that the Administrative Rules place on covered businesses? The Administrative Rules prohibit covered businesses from taking, or threatening to take, any adverse action against covered workers because they (i) have requested their employers or MWAA to review certain wages for compliance with the Program, (ii) have cooperated with MWAA in its review of such requests, or (iii) have otherwise acted in a manner intended to ensure that their employers are in compliance with the Program. The rules allow workers who believe they have been impermissibly retaliated against to present their allegations to MWAA.

How can I learn more about the Airport Workers Wage Program? Information regarding the Program, including about the Workers Wage Policy and the Administrative Rules, can be found on the MWAA website at <http://www.MWAA.com/workerswageprogram>. In addition, concessionaires operating under a lease from MarketPlace Washington, LLC, as well as their covered workers, may submit questions regarding the Program via email to MPworkerswageprogram@mwa.com. Other covered businesses operating at Reagan National Airport and their workers may submit questions via email to DCAworkerswageprogram@mwa.com, and businesses operating at Dulles International Airport, along with their workers, may submit questions to IADworkerswageprogram@mwa.com.