

Reminder – Seattle Ancillary Hotel Business Health Expenditures

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The Improving Access to Medical Care for Hotel Employees Ordinance (“the Ordinance”) requires covered employers to make healthcare expenditures to or on behalf of covered employees. Covered employers include:

- Employers that own, control or operate a Seattle hotel or motel with 100 or more guest rooms (referred to as a Large Hotel or Covered Hotel); and
- Ancillary hotel business employers with 50 or more employees worldwide.

As previously reported, healthcare expenditures for ancillary hotel businesses that have between 50-250 employees worldwide are required to begin on the later of July 1, 2025, or the earliest annual open enrollment period for health coverage after July 1, 2025.

Note that this requirement is already in effect for ancillary hotel businesses with more than 250 employees worldwide. Smaller ancillary businesses were given additional time to come into compliance. Ancillary businesses with fewer than 50 employees worldwide do not need to comply.

Covered employers also include ancillary hotel businesses defined as a business with one or more of the following relationships with a Large Hotel:

- Routinely contracts with a hotel to provide services in conjunction with the hotel’s purpose;
- Leases or subleases space at the site of the hotel to provide services in conjunction with the hotel’s purpose; or
- Provides food and beverages to hotel guests and to the public and has an entrance within the hotel.

For the 2025 calendar year (January 1 to December 31, 2025), the required expenditure 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.

It should be noted that as of the date of publication of this article, the 2026 calendar year expenditures have not been released.

The Seattle Office of Labor Standards (“OLS”) has provided FAQs to assist employers with compliance with the Ordinance including counting hours, calculating expenditures for employees, and waivers.

■ Employer Action

- 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 2025 adjusted rates should be used to determine appropriate expenditures.
- Include the adjusted rates of the expenditure as part of the annual notification required to covered employees.
- Monitor OLS FAQs and website for further information.