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**HOUSE BILL 2458**

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**State of Washington 66th Legislature 2020 Regular Session**

**By** Representatives Stonier, Sells, Dolan, Schmick, Boehnke, Bergquist, Vick, Pollet, and Wylie

AN ACT Relating to optional benefits offered by school districts; amending RCW 28A.400.280; and creating a new section.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec.**  The legislature finds that school districts have offered a variety of optional benefit plans to school district personnel. Many of these optional insurance benefit plans, such as homeowner, automobile, accident only, specified disease, and other fixed payment benefit insurance, are paid by employees through payroll deductions. In establishing the school employees' benefits board, the legislature intended to maximize purchasing power by consolidating all K-12 personnel in a statewide structure for purchasing basic benefits and certain optional benefits. As the statewide benefits have been developed, the interpretation and administrative advice regarding what optional benefits school districts can offer has shifted over time and left school districts in doubt. Therefore, the legislature intends to draw a clear line regarding what school districts can offer in terms of supplemental benefits.

**Sec.**  RCW 28A.400.280 and 2018 c 260 s 29 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, school districts may provide employer fringe benefit contributions after October 1, 1990, only for basic benefits. However, school districts may continue payments under contracts with employees or benefit providers in effect on April 13, 1990, until the contract expires.

(2) School districts may provide employer contributions after October 1, 1990, for optional benefit plans, in addition to basic benefits. Beginning January 1, 2020, school district optional benefits must ((~~be outside~~)) not compete with any basic or optional benefits offered through the school employees' benefits ((~~board's authority~~)) board established in RCW 41.05.740((~~(6)~~)). Employee-paid, voluntary benefits including, but not limited to, personal lines homeowners insurance, private passenger automobile insurance, and accident only, specified disease, and other fixed payment benefit insurance, may be offered to school employees and paid by the employee through a payroll deduction. Beginning December 1, 2019, and each December 1st thereafter, school district optional benefits must be reported to the school employees' benefits board and health care authority. The school employees' benefits board shall review the optional benefits offered by districts and: (a) Determine if the optional benefits conflict with school employees' benefits board's benefit plan((~~s offering authority~~)) offerings and, if not, (b) evaluate whether to seek additional benefit offerings authority from the legislature. The legislature finds that supplemental fixed payment insurance plans, including accident only and specified disease plans, offer financial protection and do not conflict nor compete with basic medical or disability plans. Optional benefits may include direct agreements as defined in chapter 48.150 RCW, and may include ((~~employee~~)) a benefit plan as provided for in RCW 28A.400.210(3) and voluntary employees' beneficiary association accounts ((~~that can be liquidated by the employee on termination of employment~~)). Optional benefit plans may be offered only if:

((~~(a)~~)) (i) Each full-time employee, regardless of the number of dependents receiving basic coverage, receives the same additional employer contribution for other coverage or optional benefits; and

((~~(b)~~)) (ii) For part-time employees, participation in optional benefit plans shall be governed by the same eligibility criteria and/or proration of employer contributions used for allocations for basic benefits.

(3) School districts are not intended to divert state basic benefit allocations for other purposes. Beginning January 1, 2020, school districts must offer all benefits offered by the school employees' benefits board administered by the health care authority, and consistent with RCW 41.56.500(2).

(4) Any optional benefits offered by a school district under subsection (2) of this section are considered an enhancement to the state's definition of basic education.

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