## HOUSE BILL 1399

## State of Washington 66th Legislature 2019 Regular Session

**By** Representatives Robinson, Doglio, Sells, Hudgins, Ormsby, Springer, Gregerson, Frame, Appleton, Bergquist, Riccelli, Tharinger, Stanford, Slatter, Goodman, Reeves, Macri, and Ortiz-Self; by request of Employment Security Department

Read first time 01/21/19. Referred to Committee on Labor & Workplace Standards.

1	AN ACT	Relating to paid	family and	medical leave;	amending RCW
2	50A.04.010,	50A.04.015,	50A.04.020,	50A.04.025,	50A.04.030,
3	50A.04.035,	50A.04.040,	50A.04.045,	50A.04.055,	50A.04.060,
4	50A.04.065,	50A.04.070,	50A.04.075,	50A.04.080,	50A.04.085,
5	50A.04.090,	50A.04.095,	50A.04.100,	50A.04.105,	50A.04.110,
6	50A.04.115,	50A.04.120,	50A.04.125,	50A.04.145,	50A.04.160,
7	50A.04.165,	50A.04.170,	50A.04.175,	50A.04.185,	50A.04.195,
8	50A.04.200,	50A.04.205,	50A.04.215,	50A.04.220,	50A.04.225,
9	50A.04.230,	50A.04.235,	50A.04.240,	50A.04.245,	50A.04.250,
10	50A.04.255,	50A.04.260,	50A.04.265,	50A.04.505,	50A.04.510,
11	50A.04.520,	50A.04.525,	50A.04.540,	50A.04.550,	50A.04.555,
12	50A.04.560,	50A.04.565,	50A.04.580,	50A.04.590,	50A.04.595,
13	50A.04.600,	50A.04.610,	50A.04.615,	50A.04.625,	50A.04.645,
14	50A.04.650,	50A.04.655,	50A.04.660,	50A.04.900,	50.29.021,
15	43.20A.080,	and 42.56.410;	reenacting	and amending RCV	1 26.23.060;
16	adding new	chapters to Titl	e 50A RCW;	recodifying RCW	50A.04.005,
17	50A.04.010,	50A.04.195,	50A.04.200,	50A.04.205,	50A.04.210,
18	50A.04.215,	50A.04.220,	50A.04.225,	50A.04.235,	50A.04.255,
19	50A.04.265,	50A.04.900,	50A.04.105,	50A.04.110,	50A.04.115,
20	50A.04.120,	50A.04.125,	50A.04.015,	50A.04.020,	50A.04.030,
21	50A.04.035,	50A.04.040,	50A.04.045,	50A.04.050,	50A.04.055,
22	50A.04.060,	50A.04.065,	50A.04.240,	50A.04.250,	50A.04.230,
23	50A.04.600,	50A.04.605,	50A.04.610,	50A.04.615,	50A.04.620,
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1	50A.04.625,	50A.04.630,	50A.04.635,	50A.04.640,	50A.04.645,	
2	50A.04.650,	50A.04.655,	50A.04.660,	50A.04.665,	50A.04.025,	
3	50A.04.245,	50A.04.260,	50A.04.085,	50A.04.095,	50A.04.100,	
4	50A.04.090,	50A.04.130,	50A.04.135,	50A.04.140,	50A.04.145,	
5	50A.04.150,	50A.04.155,	50A.04.160,	50A.04.165,	50A.04.170,	
6	50A.04.175,	50A.04.180,	50A.04.185,	50A.04.190,	50A.04.500,	
7	50A.04.505,	50A.04.510,	50A.04.515,	50A.04.520,	50A.04.525,	
8	50A.04.530,	50A.04.535,	50A.04.540,	50A.04.545,	50A.04.550,	
9	50A.04.555,	50A.04.560,	50A.04.565,	50A.04.570,	50A.04.575,	
10	50A.04.580,	50A.04.585,	50A.04.590,	50A.04.595,	50A.04.070,	
11	50A.04.075,	and 50A.04.080;	0; and prescribing penalties.			

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

13 Sec. 1. RCW 50A.04.010 and 2018 c 141 s 1 are each amended to 14 read as follows:

15 Unless the context clearly requires otherwise, the definitions in 16 this section apply throughout this ((<del>chapter</del>)) <u>title</u>.

(1) "Child" includes a biological, adopted, or foster child, a stepchild, or a child to whom the employee stands in loco parentis, is a legal guardian, or is a de facto parent, regardless of age or dependency status.

(2) "Commissioner" means the commissioner of the department orthe commissioner's designee.

23 (3) "Department" means the employment security department.

24 (4)(a) "Employee" means an individual who is in the employment of 25 an employer.

26 (b) "Employee" does not include employees of the United States of 27 America.

(5) "Employee's average weekly wage" means the quotient derived by dividing the employee's total wages during the two quarters of the employee's qualifying period in which total wages were highest by twenty-six. If the result is not a multiple of one dollar, the department must round the result to the next lower multiple of one dollar.

34 (6) (a) "Employer" means: (i) Any individual or type of 35 organization, including any partnership, association, trust, estate, joint stock company, insurance company, limited liability company, or 36 37 corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee, or the legal representative of a deceased 38

person, having any person in employment or, having become an employer, has not ceased to be an employer as provided in this ((chapter)) <u>title</u>; (ii) the state, state institutions, and state agencies; and (iii) any unit of local government including, but not limited to, a county, city, town, municipal corporation, quasi-municipal corporation, or political subdivision.

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(b) "Employer" does not include the United States of America.

8 (7)(a) "Employment" means personal service, of whatever nature, 9 unlimited by the relationship of master and servant as known to the 10 common law or any other legal relationship performed for wages or 11 under any contract calling for the performance of personal services, 12 written or oral, express or implied. The term "employment" includes 13 an individual's entire service performed within or without or both 14 within and without this state, if:

15 (i) The service is localized in this state; or

16 (ii) The service is not localized in any state, but some of the 17 service is performed in this state; and

18 (A) The base of operations of the employee is in the state, or if 19 there is no base of operations, then the place from which such 20 service is directed or controlled is in this state; or

(B) The base of operations or place from which such service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

25 (b) "Employment" does not include:

26 (i) Self-employed individuals;

27 (ii) Services for remuneration when it is shown to the 28 satisfaction of the commissioner that:

(A) (I) Such individual has been and will continue to be free from
control or direction over the performance of such service, both under
his or her contract of service and in fact; and

32 (II) Such service is either outside the usual course of business 33 for which such service is performed, or that such service is 34 performed outside of all the places of business of the enterprises 35 for which such service is performed; and

36 (III) Such individual is customarily engaged in an independently 37 established trade, occupation, profession, or business, of the same 38 nature as that involved in the contract of service; or

39 (B) As a separate alternative:

1 (I) Such individual has been and will continue to be free from 2 control or direction over the performance of such service, both under 3 his or her contract of service and in fact; and

(II) Such service is either outside the usual course of business 4 for which such service is performed, or that such service is 5 6 performed outside of all the places of business of the enterprises 7 for which service is performed, or the individual such is responsible, both under the contract and in fact, for the costs of 8 the principal place of business from which the service is performed; 9 and 10

(III) Such individual is customarily engaged in an independently established trade, occupation, profession, or business, of the same nature as that involved in the contract of service, or such individual has a principal place of business for the work the individual is conducting that is eligible for a business deduction for federal income tax purposes; and

(IV) On the effective date of the contract of service, such individual is responsible for filing at the next applicable filing period, both under the contract of service and in fact, a schedule of expenses with the internal revenue service for the type of business the individual is conducting; and

(V) On the effective date of the contract of service, or within a 22 23 reasonable period after the effective date of the contract, such individual has established an account with the department of revenue, 24 25 and other state agencies as required by the particular case, for the business the individual is conducting for the payment of all state 26 taxes normally paid by employers and businesses and has registered 27 for and received a unified business identifier number from the state 28 29 of Washington; and

30 (VI) On the effective date of the contract of service, such 31 individual is maintaining a separate set of books or records that 32 reflect all items of income and expenses of the business which the 33 individual is conducting; or

34 (iii) Services that require registration under chapter 18.27 RCW35 or licensing under chapter 19.28 RCW rendered by an individual when:

(A) The individual has been and will continue to be free from
 control or direction over the performance of the service, both under
 the contract of service and in fact;

(B) The service is either outside the usual course of businessfor which the service is performed, or the service is performed

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outside of all the places of business of the enterprise for which the service is performed, or the individual is responsible, both under the contract and in fact, for the costs of the principal place of business from which the service is performed;

5 (C) The individual is customarily engaged in an independently 6 established trade, occupation, profession, or business, of the same 7 nature as that involved in the contract of service, or the individual 8 has a principal place of business for the business the individual is 9 conducting that is eligible for a business deduction for federal 10 income tax purposes, other than that furnished by the employer for 11 which the business has contracted to furnish services;

12 (D) On the effective date of the contract of service, the 13 individual is responsible for filing at the next applicable filing 14 period, both under the contract of service and in fact, a schedule of 15 expenses with the internal revenue service for the type of business 16 the individual is conducting;

17 (E) On the effective date of the contract of service, or within a reasonable period after the effective date of the contract, the 18 individual has an active and valid certificate of registration with 19 the department of revenue, and an active and valid account with any 20 21 other state agencies as required by the particular case, for the 22 business the individual is conducting for the payment of all state taxes normally paid by employers and businesses and has registered 23 for and received a unified business identifier number from the state 24 25 of Washington;

(F) On the effective date of the contract of service, the individual is maintaining a separate set of books or records that reflect all items of income and expenses of the business that the individual is conducting; and

30 (G) On the effective date of the contract of service, the 31 individual has a valid contractor registration pursuant to chapter 32 18.27 RCW or an electrical contractor license pursuant to chapter 33 19.28 RCW.

(8) "Employment benefits" means all benefits provided or made
available to employees by an employer, including group life
insurance, health insurance, disability insurance, sick leave, annual
leave, educational benefits, and pensions ((except benefits that are
provided by a practice or written policy of an employer or through an
employee benefit plan as defined in 29 U.S.C. Sec. 1002(3))).

1 (9) "Family leave" means any leave taken by an employee from 2 work:

(a) To participate in providing care, including physical or
psychological care, for a family member of the employee made
necessary by a serious health condition of the family member;

6 (b) To bond with the employee's child during the first twelve 7 months after the child's birth, or the first twelve months after the 8 placement of a child under the age of eighteen with the employee; or

9 (c) Because of any qualifying exigency as permitted under the 10 federal family and medical leave act, 29 U.S.C. Sec. 2612(a)(1)(E) 11 and 29 C.F.R. Sec. 825.126((<del>(a)</del>)) <u>(b)</u>(1) through ((<del>(8)</del>)) <u>(9)</u>, as they 12 existed on October 19, 2017, for family members as defined in 13 subsection (10) of this section.

14 (10) "Family member" means a child, grandchild, grandparent,15 parent, sibling, or spouse of an employee.

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(11) "Grandchild" means a child of the employee's child.

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(12) "Grandparent" means a parent of the employee's parent.

18 (13) "Health care provider" means: (a) A person licensed as a 19 physician under chapter 18.71 RCW or an osteopathic physician and 20 surgeon under chapter 18.57 RCW; (b) a person licensed as an advanced 21 registered nurse practitioner under chapter 18.79 RCW; or (c) any 22 other person determined by the commissioner to be capable of 23 providing health care services.

(14) "Medical leave" means any leave taken by an employee fromwork made necessary by the employee's own serious health condition.

(15) "Parent" means the biological, adoptive, de facto, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse, or an individual who stood in loco parentis to an employee when the employee was a child.

30 (16) "Period of incapacity" means an inability to work, attend 31 school, or perform other regular daily activities because of a 32 serious health condition, treatment of that condition or recovery 33 from it, or subsequent treatment in connection with such inpatient 34 care.

35 (17) "Premium" or "premiums" means the payments required by RCW 36 50A.04.115 (as recodified by this act) and paid to the department for 37 deposit in the family and medical leave insurance account under RCW 38 50A.04.220 (as recodified by this act).

39 (18) "Qualifying period" means the first four of the last five 40 completed calendar quarters or, if eligibility is not established, 1 the last four completed calendar quarters immediately preceding the 2 application for leave.

3 (19)(a) <u>"Remuneration" means all compensation paid for personal</u>
4 <u>services including commissions and bonuses and the cash value of all</u>
5 <u>compensation paid in any medium other than cash.</u>

6 (b) Previously accrued compensation, other than severance pay or 7 payments received pursuant to plant closure agreements, when assigned to a specific period of time by virtue of a collective bargaining 8 agreement, individual employment contract, customary trade practice, 9 10 or request of the individual compensated, is considered remuneration for the period to which it is assigned. Assignment clearly occurs 11 12 when the compensation serves to make the individual eligible for all regular fringe benefits for the period to which the compensation is 13 14 assigned.

15 <u>(c) Remuneration also includes settlements or other proceeds</u> 16 <u>received by an individual as a result of a negotiated settlement for</u> 17 <u>termination of an individual written employment contract prior to its</u> 18 <u>expiration date. The proceeds are deemed assigned in the same</u> 19 <u>intervals and in the same amount for each interval as compensation</u> 20 <u>was allocated under the contract.</u>

- 21 (d) Remuneration does not include:
- 22 (i) The payment of tips;

23 (ii) Supplemental benefit payments made by an employer to an 24 employee in addition to any paid family or medical leave benefits 25 received by the employee; or

26 <u>(iii) Payments to members of the armed forces of the United</u>
27 <u>States, including the organized militia of the state of Washington,</u>
28 <u>for the performance of duty for periods not exceeding seventy-two</u>
29 <u>hours at a time.</u>

30 <u>(20)(a)</u> "Serious health condition" means an illness, injury, 31 impairment, or physical or mental condition that involves:

(i) Inpatient care in a hospital, hospice, or residential medicalcare facility, including any period of incapacity; or

34 (ii) Continuing treatment by a health care provider. A serious 35 health condition involving continuing treatment by a health care 36 provider includes any one or more of the following:

(A) A period of incapacity of more than three consecutive, full
 calendar days, and any subsequent treatment or period of incapacity
 relating to the same condition, that also involves:

1 (I) Treatment two or more times, within thirty days of the first 2 day of incapacity, unless extenuating circumstances exist, by a 3 health care provider, by a nurse or physician's assistant under 4 direct supervision of a health care provider, or by a provider of 5 health care services, such as a physical therapist, under orders of, 6 or on referral by, a health care provider; or

7 (II) Treatment by a health care provider on at least one occasion 8 which results in a regimen of continuing treatment under the 9 supervision of the health care provider;

10 (B) Any period of incapacity due to pregnancy, or for prenatal 11 care;

12 (C) Any period of incapacity or treatment for such incapacity due 13 to a chronic serious health condition. A chronic serious health 14 condition is one which:

(I) Requires periodic visits, defined as at least twice a year, for treatment by a health care provider, or by a nurse under direct supervision of a health care provider;

18 (II) Continues over an extended period of time, including 19 recurring episodes of a single underlying condition; and

20 (III) May cause episodic rather than a continuing period of 21 incapacity, including asthma, diabetes, and epilepsy;

(D) A period of incapacity which is permanent or long term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by, a health care provider, including Alzheimer's, a severe stroke, or the terminal stages of a disease; or

Any period of absence to receive multiple treatments, 28 (E) 29 including any period of recovery from the treatments, by a health care provider or by a provider of health care services under orders 30 31 of, or on referral by, a health care provider, either for: (I) 32 Restorative surgery after an accident or other injury; or (II) a condition that would likely result in a period of incapacity of more 33 than three consecutive, full calendar days in the absence of medical 34 intervention or treatment, such as cancer, severe arthritis, or 35 36 kidney disease.

37 (b) The requirement in (a)(i) and (ii) of this subsection for 38 treatment by a health care provider means an in-person visit to a 39 health care provider. The first, or only, in-person treatment visit 40 must take place within seven days of the first day of incapacity.

1 (c) Whether additional treatment visits or a regimen of 2 continuing treatment is necessary within the thirty-day period shall 3 be determined by the health care provider.

(d) The term extenuating circumstances in (a)(ii)(A)(I) of this 4 subsection means circumstances beyond the employee's control that 5 6 prevent the follow-up visit from occurring as planned by the health care provider. Whether a given set of circumstances are extenuating 7 depends on the facts. For example, extenuating circumstances exist if 8 a health care provider determines that a second in-person visit is 9 needed within the thirty-day period, but the health care provider 10 11 does not have any available appointments during that time period.

12 (e) Treatment for purposes of (a) of this subsection includes, but is not limited to, examinations to determine if a serious health 13 condition exists and evaluations of the condition. Treatment does not 14 include routine physical examinations, eye examinations, or dental 15 examinations. Under (a)(ii)(A)(II) of this subsection, a regimen of 16 17 continuing treatment includes, but is not limited to, a course of prescription medication, such as an antibiotic, or therapy requiring 18 19 special equipment to resolve or alleviate the health condition, such as oxygen. A regimen of continuing treatment that includes taking 20 over-the-counter medications, such as aspirin, antihistamines, or 21 salves, or bed rest, drinking fluids, exercise, and other similar 22 23 activities that can be initiated without a visit to a health care provider, is not, by itself, sufficient to constitute a regimen of 24 25 continuing treatment for purposes of this ((chapter)) title.

(f) Conditions for which cosmetic treatments are administered, 26 27 such as most treatments for acne or plastic surgery, are not serious 28 health conditions unless inpatient hospital care is required or unless complications develop. Ordinarily, unless complications arise, 29 the common cold, the flu, ear aches, upset stomach, minor ulcers, 30 31 headaches other than migraines, routine dental or orthodontia 32 problems, and periodontal disease are examples of conditions that are 33 not serious health conditions and do not qualify for leave under this ((chapter)) title. Restorative dental or plastic surgery after an 34 injury or removal of cancerous growths are serious health conditions 35 provided all the other conditions of this section are met. Mental 36 illness resulting from stress or allergies may be serious health 37 conditions, but only if all the conditions of this section are met. 38

39 (g)(i) Substance abuse may be a serious health condition if the 40 conditions of this section are met. However, leave may only be taken

1 for treatment for substance abuse by a health care provider or by a 2 licensed substance abuse treatment provider. Absence because of the 3 employee's use of the substance, rather than for treatment, does not 4 qualify for leave under this ((chapter)) title.

(ii) Treatment for substance abuse does not prevent an employer 5 from taking employment action against an employee. The employer may 6 7 not take action against the employee because the employee has exercised his or her right to take medical leave for treatment. 8 However, if the employer has an established policy, applied in a 9 nondiscriminatory manner that has been communicated to all employees, 10 11 that provides under certain circumstances an employee may be terminated for substance abuse, pursuant to that policy the employee 12 may be terminated whether or not the employee is presently taking 13 14 medical leave. An employee may also take family leave to care for a covered family member who is receiving treatment for substance abuse. 15 16 The employer may not take action against an employee who is providing 17 care for a covered family member receiving treatment for substance 18 abuse.

(h) Absences attributable to incapacity under (a) (ii) (B) or (C) 19 of this subsection qualify for leave under this ((chapter)) title 20 21 even though the employee or the family member does not receive treatment from a health care provider during the absence, and even if 22 the absence does not last more than three consecutive, full calendar 23 days. For example, an employee with asthma may be unable to report 24 25 for work due to the onset of an asthma attack or because the 26 employee's health care provider has advised the employee to stay home 27 when the pollen count exceeds a certain level. An employee who is pregnant may be unable to report to work because of severe morning 28 29 sickness.

30 (((-20))) (21) "Service is localized in this state" has the same 31 meaning as described in RCW 50.04.120.

32 ((((21)))) (22) "Spouse" means a husband or wife, as the case may 33 be, or state registered domestic partner.

34 ((<del>(22)</del>)) <u>(23)</u> "State average weekly wage" means the most recent 35 average weekly wage calculated under RCW 50.04.355 and available on 36 January 1st of each year.

37 ((<del>(23)</del>)) <u>(24)</u> "Typical workweek hours" means:

(a) For an hourly employee, the average number of hours worked
 per week by an employee since the beginning of the qualifying period;
 and

(b) Forty hours for a salaried employee, regardless of the number
 of hours the salaried employee typically works.

3 ((-(24))) (25) "Wage" or "wages" means ((the same as "wages" under 4 RCW 50.04.320(2), except that)):

5 (a) ((The term employment as used in RCW 50.04.320(2) is defined 6 in this chapter)) For the purpose of premium assessment, the 7 remuneration paid by an employer to an employee. The maximum wages 8 subject to a premium assessment are those wages as set by the 9 commissioner under RCW 50A.04.115(4) (as recodified by this act); 10 ((and))

(b) ((the maximum wages subject to a premium assessment are those 11 12 wages as set by the commissioner under RCW 50A.04.115(4). "Wages")) For the purpose of payment of benefits, the remuneration paid by one 13 or more employers to an employee for employment during the employee's 14 15 qualifying period. At the request of an employee, wages may be 16 calculated on the basis of remuneration payable. The department shall 17 notify each employee that wages are calculated on the basis of remuneration paid, but at the employee's request a redetermination 18 may be performed and based on remuneration payable; and 19

20 (c) For the purpose((s)) of ((elective)) a self-employed person 21 electing coverage under RCW 50A.04.105 ((has)) (as recodified by this 22 act), the meaning ((as)) is defined by rule.

23 Sec. 2. RCW 50A.04.015 and 2017 3rd sp.s. c 5 s 3 are each 24 amended to read as follows:

Employees are eligible for family and medical leave benefits as provided in this ((chapter)) <u>title</u> after working for at least eight hundred twenty hours in employment during the qualifying period.

28 Sec. 3. RCW 50A.04.020 and 2017 3rd sp.s. c 5 s 6 are each 29 amended to read as follows:

30 (1) (a) Beginning January 1, 2020, family and medical leave are available and benefits are payable to a qualified employee under this 31 section. Following a waiting period consisting of the first seven 32 consecutive calendar days of leave, benefits are payable when family 33 34 or medical leave is required. However, no waiting period is required for leave for the birth or placement of a child. The waiting period 35 begins when an otherwise eligible employee takes leave for the 36 37 minimum claim duration under subsection (2) (c) of this section.

1 (b) Benefits may continue during the continuance of the need for 2 family and medical leave, subject to the maximum and minimum weekly 3 benefits, duration, and other conditions and limitations established 4 in this ((chapter)) <u>title</u>. Successive periods of family and medical 5 leave caused by the same or related injury or sickness are deemed a 6 single period of family and medical leave only if separated by less 7 than four months.

8 (2) The weekly benefit shall be prorated by the percentage of 9 hours on leave compared to the number of hours provided as the 10 typical workweek hours as defined in RCW 50A.04.010 (as recodified by 11 this act).

(a) The benefits in this section, if not a multiple of onedollar, shall be reduced to the next lower multiple of one dollar.

(b) Hours on leave claimed for benefits under this ((chapter))
<u>title</u>, if not a multiple of one hour, shall be reduced to the next
lower multiple of one hour.

17 (c) The minimum claim duration payment is for eight consecutive 18 hours of leave.

(3) (a) The maximum duration of paid family leave may not exceed twelve times the typical workweek hours during a period of fifty-two consecutive calendar weeks.

(b) The maximum duration of paid medical leave may not exceed twelve times the typical workweek hours during a period of fifty-two consecutive calendar weeks. This leave may be extended an additional two times the typical workweek hours if the employee experiences a serious health condition with a pregnancy that results in incapacity.

(c) An employee is not entitled to paid family and medical leave benefits under this ((chapter)) <u>title</u> that exceeds a combined total of sixteen times the typical workweek hours. The combined total of family and medical leave may be extended to eighteen times the typical workweek hours if the employee experiences a serious health condition with a pregnancy that results in incapacity.

(4) The weekly benefit for family and medical leave shall be 33 determined as follows: If the employee's average weekly wage is: (a) 34 ((Fifty percent)) Equal to or less than one-half of the state average 35 weekly wage, then the ((employee's weekly)) benefit amount is equal 36 to ninety percent of the employee's average weekly wage; or (b) 37 greater than ((fifty percent)) one-half of the state average weekly 38 wage, then the ((employee's weekly)) benefit amount is the sum of: 39 40 (i) Ninety percent of ((the employee's average weekly wage up to

1 fifty percent)) one-half of the state average weekly wage; and (ii)
2 fifty percent of the difference of the employee's average weekly wage
3 ((that is greater than fifty percent)) and one-half of the state
4 average weekly wage.

5 (5)(a) The maximum weekly benefit for family and medical leave 6 that occurs on or after January 1, 2020, shall be one thousand 7 dollars. By September 30, 2020, and by each subsequent September 8 30th, the commissioner shall adjust the maximum weekly benefit amount 9 to ninety percent of the state average weekly wage. The adjusted 10 maximum weekly benefit amount takes effect on the following January 11 1st.

(b) The minimum weekly benefit shall not be less than one hundred dollars per week except that if the employee's average weekly wage at the time of family and medical leave is less than one hundred dollars per week, the weekly benefit shall be the employee's full wage.

16 Sec. 4. RCW 50A.04.025 and 2017 3rd sp.s. c 5 s 31 are each 17 amended to read as follows:

(1) Except as provided in RCW 50A.04.600(5) (as recodified by <u>this act</u>) and subsection (6) of this section, any employee who takes family or medical leave under this ((chapter)) <u>title</u> is entitled, on return from the leave:

(a) To be restored by the employer to the position of employmentheld by the employee when the leave commenced; or

(b) To be restored by the employer to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment.

(2) The taking of leave under this ((chapter)) <u>title</u> may not result in the loss of any employment benefits accrued before the date on which the leave commenced.

30 (3) Nothing in this section shall be construed to entitle any 31 restored employee to:

32 (a) The accrual of any seniority or employment benefits during33 any period of leave; or

34 (b) Any right, benefit, or position of employment other than any 35 right, benefit, or position to which the employee would have been 36 entitled had the employee not taken the leave.

37 (4) As a condition of restoration under subsection (1) of this 38 section for an employee who has taken medical leave, the employer may 39 have a uniformly applied practice or policy that requires each such

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1 employee to receive certification from the employee's health care 2 provider that the employee is able to resume work.

3 (5) Nothing in this section shall be construed to prohibit an 4 employer from requiring an employee on leave to report periodically 5 to the employer on the status and intention of the employee to return 6 to work.

(6) (a) This section does not apply unless the employee: (i) Works 7 for an employer with fifty or more employees; (ii) has been employed 8 by the current employer for twelve months or more; and (iii) has 9 worked for the current employer for at least one thousand two hundred 10 11 fifty hours during the twelve months immediately preceding the date 12 on which leave will commence. For the purposes of this subsection, an employer shall be considered to employ fifty or more employees if the 13 employer employs fifty or more employees for each working day during 14 each of twenty or more calendar workweeks in the current or preceding 15 16 calendar year.

17 (b) An employer may deny restoration under this section to any 18 salaried employee who is among the highest paid ten percent of the 19 employees employed by the employer within seventy-five miles of the 20 facility at which the employee is employed if:

(i) Denial is necessary to prevent substantial and grievous economic injury to the operations of the employer;

(ii) The employer notifies the employee of the intent of the employer to deny restoration on such basis at the time the employer determines that the injury would occur; and

26 (iii) The leave has commenced and the employee elects not to 27 return to employment after receiving the notice.

28 Sec. 5. RCW 50A.04.030 and 2017 3rd sp.s. c 5 s 12 are each 29 amended to read as follows:

30 (1) If the necessity for leave for the birth or placement of a 31 child with the employee is foreseeable based on an expected birth or placement, the employee shall provide the employer with not less than 32 thirty days' notice, before the date the leave is to begin, of the 33 employee's intention to take leave for the birth or placement of a 34 35 child, except that if the date of the birth or placement requires leave to begin in less than thirty days, the employee shall provide 36 37 such notice as is practicable.

1 (2) If the necessity for leave for a family member's serious 2 health condition or the employee's serious health condition is 3 foreseeable based on planned medical treatment, the employee:

4 (a) Must make a reasonable effort to schedule the treatment so as 5 not to disrupt unduly the operations of the employer, subject to the 6 approval of the health care provider of the employee or the health 7 care provider of the family member, as appropriate; and

8 (b) Must provide the employer with not less than thirty days' 9 notice, before the date the leave is to begin, of the employee's 10 intention to take leave for a family member's serious health 11 condition or the employee's serious health condition, except that if 12 the date of the treatment requires leave to begin in less than thirty 13 days, the employee must provide such notice as is practicable.

14 <u>(3) The employer may waive any or all of the employee notice</u> 15 <u>requirements in this section and in RCW 50A.04.035(1)(f) (as</u> 16 <u>recodified by this act).</u>

17 Sec. 6. RCW 50A.04.035 and 2017 3rd sp.s. c 5 s 13 are each 18 amended to read as follows:

(1) Family and medical leave insurance benefits are payable to an employee during a period in which the employee is unable to perform his or her regular or customary work because he or she is on family and medical leave if the employee:

(a) Files an application for benefits as required by rulesadopted by the commissioner;

(b) Has met the eligibility requirements of RCW 50A.04.015 (as recodified by this act) or the elective coverage requirements under RCW 50A.04.105 (as recodified by this act);

(c) Consents to the disclosure of information or records deemed 28 private and confidential under state law. Initial disclosure of this 29 30 information and these records by another state agency to the department is solely for purposes related to the administration of 31 this ((chapter)) title. Further disclosure of this information or 32 these records is subject to chapter ((<del>50.13</del>)) <u>50A.---</u> RCW ((and)) 33 (the new chapter created in section 84 of this act), RCW 34 50A.04.195(3) (as recodified by this act), and RCW 50A.04.080 (as 35 recodified by this act); 36

37 (d) ((Discloses whether or not he or she owes child support 38 obligations as defined in RCW 50.40.050;

39 (e)) Provides his or her social security number;

1 ((<del>(f)</del>)) <u>(e)</u> Provides a document authorizing the family member's 2 or employee's health care provider, as applicable, to disclose the 3 family member's or employee's health care information in the form of 4 the certification of a serious health condition;

5 ((<del>(g)</del>)) <u>(f)</u> Provides the employer from whom family and medical 6 leave is to be taken with written notice of the employee's intention 7 to take family leave in the same manner as an employee is required to 8 provide notice in RCW 50A.04.030 <u>(as recodified by this act)</u> and, in 9 the employee's initial application for benefits, attests that written 10 notice has been provided, <u>unless notice has been waived by the</u> 11 <u>employer under RCW 50A.04.030(3) (as recodified by this act)</u>; and

12 (((h) If requested by the employer,)) (g) Provides documentation 13 of a military exigency, if requested by the employer.

14 (2) An employee who is not in employment for an employer at the 15 time of filing an application for benefits is exempt from subsection 16  $(1)((\frac{1}{9}))$  (f) and  $((\frac{1}{9}))$  (g) of this section.

17 Sec. 7. RCW 50A.04.040 and 2017 3rd sp.s. c 5 s 7 are each 18 amended to read as follows:

(1) Benefits provided under this ((chapter)) title shall be paid 19 20 periodically and promptly, except when an employer contests a period 21 of family or medical leave. The department must send the first 22 benefit payment to the employee within fourteen calendar days after the first properly completed weekly application is received by the 23 24 department. Subsequent payments must be sent at least biweekly thereafter. If the employer contests an initial application for 25 family or medical leave benefits, the employer must notify the 26 27 employee and the department in a manner prescribed by the commissioner within eighteen days of receipt of notice from the 28 department of the employee's filing of an application for benefits, 29 30 as provided under RCW 50A.04.195 (as recodified by this act). Failure to timely contest an initial application shall constitute a waiver of 31 32 objection to the family or medical leave application. Any inquiry which requires the employee's response in order to continue benefits 33 uninterrupted or unmodified shall provide a reasonable time period in 34 which to respond and include a clear and prominent statement of the 35 deadline for responding and consequences of failing to respond. 36

37 (2) If an employee has received one or more benefit payments 38 under this ((chapter)) title, is in continued claim status, and his 39 or her eligibility for benefits is questioned by the department or

1 contested by the employer, the employee will be conditionally paid 2 benefits without delay for any periods for which the employee files a 3 claim for benefits, until and unless the employee has been provided 4 adequate notice and an opportunity to be heard. The employee's right 5 to retain such payments is conditioned upon the department's finding 6 the employee to be eligible for such payments.

7 (a) At the employee's request, the department may hold 8 conditional payments until the question of eligibility has been 9 resolved.

10 (b) Payments will be issued for any benefits withheld under (a) 11 of this subsection if the department determines the employee is 12 eligible for benefits.

13 (c) If it is determined that the employee is ineligible for the 14 weeks paid conditionally, the overpayment cannot be waived and must 15 be repaid.

16 (3) The department must develop, in rule, a process by which an 17 employer may contest an initial application for family or medical 18 leave benefits.

19 Sec. 8. RCW 50A.04.045 and 2017 3rd sp.s. c 5 s 5 are each 20 amended to read as follows:

(1) An employee is not entitled to paid family or medical leave benefits under this ((chapter)) <u>title</u>:

(a) For any absence occasioned by the willful intention of the employee to bring about injury to or the sickness of the employee or another, or resulting from any injury or sickness sustained in the perpetration by the employee of an illegal act;

(b) For any family or medical leave commencing before the
 employee becomes qualified for benefits under this ((chapter)) title;

29 (c) For an employee who is on suspension from his or her 30 employment; or

(d) For any ((day in)) period of time during which a family or medical leave care recipient works ((at least part of that day)) for remuneration or profit ((during the same or substantially similar working hours as those of the employer from which family or medical leave benefits are claimed, except that occasional scheduling adjustments with respect to secondary employments shall not prevent receipt of family or medical leave benefits)).

38 (2) An employer may ((allow)) offer supplemental benefit payments
 39 to an employee ((who has accrued)) on family or medical leave in

1 addition to any paid family or medical leave benefits the employee is receiving. Supplemental benefit payments include, but are not limited 2 3 to, vacation, sick, or other paid time off ((to choose whether: (a) To take such leave; or (b) not to take such leave and receive paid 4 family or medical leave benefits, as provided in RCW 50A.04.020)). 5 6 The choice to receive supplemental benefit payments lies with the employee. Nothing in this section shall be construed as requiring an 7 employee to receive or an employer to provide supplemental benefit 8 9 payments.

(3) An individual is disqualified for benefits for any week he or 10 11 she has knowingly and willfully made a false statement or 12 representation involving a material fact or knowingly and willfully failed to report a material fact and, as a result, has obtained or 13 14 attempted to obtain any benefits under the provisions of this ((chapter)) title. An individual disqualified for benefits under this 15 subsection (3) for the: 16

(a) First time is disqualified for an additional twenty-six weeks beginning with the Sunday of the week in which the determination is mailed or delivered, and is subject to an additional penalty of fifteen percent of the amount of benefits overpaid or deemed overpaid;

(b) Second time is also disqualified for an additional fifty-two weeks beginning with the Sunday of the week in which the determination is mailed or delivered, and is subject to an additional penalty of twenty-five percent of the amount of benefits overpaid or deemed overpaid;

(c) Third time and any time thereafter is also disqualified for an additional one hundred four weeks beginning with the Sunday of the week in which the determination is mailed or delivered, and is subject to an additional penalty of fifty percent of the amount of benefits overpaid or deemed overpaid.

(4) All penalties collected under this section must be deposited
 in the family and medical leave enforcement account created under RCW
 50A.04.225 (as recodified by this act).

35 **Sec. 9.** RCW 50A.04.055 and 2017 3rd sp.s. c 5 s 80 are each 36 amended to read as follows:

(1) If the internal revenue service determines that family or medical leave benefits under this ((chapter)) <u>title</u> are subject to federal income tax, the department must advise an employee filing a 1 new application for benefits, at the time of filing such application,
2 that:

3 (a) The internal revenue service has determined that benefits are
4 subject to federal income tax;

5

(b) Requirements exist pertaining to estimated tax payments;

6 (c) The employee may elect to have federal income tax deducted 7 and withheld from the employee's payment of benefits at the amount 8 specified in the federal internal revenue code; and

9 (d) The employee is permitted to change a previously elected 10 withholding status.

11 (2) Amounts deducted and withheld from benefits must remain in 12 the family and medical leave insurance account until transferred to 13 the federal taxing authority as a payment of income tax.

14 (3) The commissioner shall follow all procedures specified by the 15 federal internal revenue service pertaining to the deducting and 16 withholding of income tax.

17 Sec. 10. RCW 50A.04.060 and 2017 3rd sp.s. c 5 s 30 are each 18 amended to read as follows:

If an employee ((discloses that he or she)) owes child support 19 obligations under RCW 50A.04.035 (as recodified by this act) and the 20 21 department determines that the employee is qualified for benefits, 22 the department shall notify the applicable state or local child support enforcement agency and deduct and withhold an amount from 23 24 benefits in a manner consistent with RCW 50.40.050. Consistent with RCW 50A.04.035(1)(c) (as recodified by this act), the department may 25 verify ((delinquent)) child support obligations with the department 26 27 of social and health services.

28 Sec. 11. RCW 50A.04.065 and 2017 3rd sp.s. c 5 s 32 are each 29 amended to read as follows:

30 (1) An individual who is paid any amount as benefits under this ((chapter)) title to which he or she is not entitled shall, unless 31 otherwise relieved pursuant to this section, be liable for repayment 32 of the amount overpaid. The department shall issue an overpayment 33 assessment setting forth the reasons for and the amount of the 34 overpayment. The amount assessed, to the extent not collected, may be 35 36 deducted from any future benefits payable to the individual: 37 PROVIDED, That in the absence of a back pay award, a settlement 38 affecting the allowance of benefits, fraud, misrepresentation, or

willful nondisclosure, every determination of liability shall be 1 mailed or personally served not later than two years after the close 2 of or final payment made on the individual's applicable eligibility 3 period for which the purported overpayment was made, whichever is 4 later, unless the merits of the claim are subjected to administrative 5 6 or judicial review in which event the period for serving the determination of liability shall be extended to allow service of the 7 determination of liability during the six-month period following the 8 final decision affecting the claim. 9

(2) The commissioner may waive an overpayment if the commissioner 10 11 finds that the overpayment was not the result of fraud, 12 misrepresentation, willful nondisclosure, conditional payment, or fault attributable to the individual and that the recovery thereof 13 would be against equity and good conscience. An overpayment waived 14 under this subsection shall be charged against the individual's 15 16 applicable entitlement for the eligibility period containing the 17 weeks to which the overpayment was attributed as though such benefits 18 had been properly paid.

Any assessment herein provided shall constitute a 19 (3) determination of liability from which an appeal may be had in the 20 same manner and to the same extent as provided for appeals relating 21 to determinations in respect to claims for benefits: PROVIDED, That 22 an appeal from any determination covering overpayment only shall be 23 deemed to be an appeal from the determination which was the basis for 24 25 establishing the overpayment unless the merits involved in the issue 26 set forth in such determination have already been heard and passed upon by the appeal tribunal. If no such appeal is taken to the appeal 27 28 tribunal by the individual within thirty days of the delivery of the 29 notice of determination of liability, or within thirty days of the mailing of the notice of determination, whichever is the earlier, the 30 31 determination of liability shall be deemed conclusive and final. 32 Whenever any such notice of determination of liability becomes conclusive and final, the commissioner, upon giving at least twenty 33 days' notice, using a method by which the mailing can be tracked or 34 the delivery can be confirmed, may file with the superior court clerk 35 36 of any county within the state a warrant in the amount of the notice of determination of liability plus a filing fee under RCW 37 36.18.012(10). The clerk of the county where the warrant is filed 38 shall immediately designate a superior court cause number for the 39 warrant, and the clerk shall cause to be entered in the judgment 40

docket under the superior court cause number assigned to the warrant, 1 2 the name of the person(s) mentioned in the warrant, the amount of the notice of determination of liability, and the date when the warrant 3 was filed. The amount of the warrant as docketed shall become a lien 4 upon the title to, and any interest in, all real and personal 5 6 property of the person(s) against whom the warrant is issued, the 7 same as a judgment in a civil case duly docketed in the office of such clerk. A warrant so docketed shall be sufficient to support the 8 issuance of writs of execution and writs of garnishment in favor of 9 the state in the manner provided by law for a civil judgment. A copy 10 11 of the warrant shall be mailed within five days of its filing with the clerk to the person(s) mentioned in the warrant using a method by 12 which the mailing can be tracked or the delivery can be confirmed. 13

14 (4) Any employer who is a party to a back pay award or settlement due to loss of wages shall, within thirty days of the award or 15 settlement, report to the department the amount of the award or 16 17 settlement, the name and social security number of the recipient of the award or settlement, and the period for which it is awarded. When 18 an individual has been awarded or receives back pay, for benefit 19 purposes the amount of the back pay shall constitute wages paid in 20 21 the period for which it was awarded. For premium purposes, the back pay award or settlement shall constitute wages paid in the period in 22 which it was actually paid. The following requirements shall also 23 24 apply:

(a) The employer shall reduce the amount of the back pay award or settlement by an amount determined by the department based upon the amount of paid family or medical leave benefits received by the recipient of the award or settlement during the period for which the back pay award or settlement was awarded;

30 (b) The employer shall pay to the paid family and medical leave 31 fund, in a manner specified by the commissioner, an amount equal to 32 the amount of such reduction;

33 (c) The employer shall also pay to the department any premiums 34 due for paid family and medical leave insurance purposes on the 35 entire amount of the back pay award or settlement notwithstanding any 36 reduction made pursuant to (a) of this subsection;

37 (d) If the employer fails to reduce the amount of the back pay 38 award or settlement as required in (a) of this subsection, the 39 department shall issue an overpayment assessment against the 1 recipient of the award or settlement in the amount that the back pay 2 award or settlement should have been reduced; and

3 (e) If the employer fails to pay to the department an amount 4 equal to the reduction as required in (b) of this subsection, the 5 department shall issue an assessment of liability against the 6 employer that shall be collected pursuant to the procedures for 7 collection of assessments provided herein and in RCW 50A.04.155 (as 8 recodified by this act).

(5) When an individual fails to repay an overpayment assessment 9 that is due and fails to arrange for satisfactory repayment terms, 10 11 the commissioner shall impose an interest penalty of one percent per 12 month of the outstanding balance. Interest shall accrue immediately on overpayments assessed pursuant to RCW 50A.04.045 (as recodified by 13 14 this act) and shall be imposed when the assessment becomes final. For any other overpayment, interest shall accrue when the individual has 15 16 missed two or more of the individual's monthly payments either 17 partially or in full.

18 (6) Any penalties and interest collected pursuant to this section 19 must be deposited into the family and medical leave enforcement 20 account.

(7) The department shall: (a) Conduct social security number cross-match audits or engage in other more effective activities that ensure that individuals are entitled to all amounts of benefits that they are paid; and (b) engage in other detection and recovery of overpayment and collection activities.

26 Sec. 12. RCW 50A.04.070 and 2017 3rd sp.s. c 5 s 71 are each 27 amended to read as follows:

Whenever an employee of an employer who is qualified for benefits 28 under this ((chapter)) title is absent from work to provide family 29 30 leave, or take medical leave for more than seven consecutive days, 31 the employer shall provide the employee with a written statement of 32 the employee's rights under this ((chapter)) title in a form prescribed by the commissioner. The statement must be provided to the 33 employee within five business days after the employee's seventh 34 35 consecutive day of absence due to family or medical leave, or within five business days after the employer has received notice that the 36 employee's absence is due to family or medical leave, whichever is 37 38 later.

1 Sec. 13. RCW 50A.04.075 and 2017 3rd sp.s. c 5 s 75 are each 2 amended to read as follows:

3 Each employer shall post and keep posted, in conspicuous places on the premises of the employer where notices to employees and 4 applicants for employment are customarily posted, a notice, to be 5 6 prepared or approved by the commissioner, setting forth excerpts 7 from, or summaries of, the pertinent provisions of this ((chapter)) title and information pertaining to the filing of a complaint. Any 8 employer that willfully violates this section may be subject to a 9 civil penalty of not more than one hundred dollars for each separate 10 11 offense. Any penalties collected by the department under this section 12 shall be deposited into the family and medical leave enforcement 13 account.

14 Sec. 14. RCW 50A.04.080 and 2017 3rd sp.s. c 5 s 33 are each 15 amended to read as follows:

(1) In the form and at the times specified in this ((chapter)) <u>title</u> and by the commissioner, an employer shall make reports, furnish information, and collect and remit premiums as required by this ((chapter)) <u>title</u> to the department. If the employer is a temporary help company that provides employees on a temporary basis to its customers, the temporary help company is considered the employer for purposes of this section.

(2) (a) An employer must keep at the employer's place of business a record of employment, for a period of six years, from which the information needed by the department for purposes of this ((chapter)) title may be obtained. This record shall at all times be open to the inspection of the commissioner.

28 Information obtained under this ((chapter)) (b) title from employer records is confidential and not open to public inspection, 29 30 other than to public employees in the performance of their official supplied with 31 duties. However, an interested party shall be information from employer records to the extent necessary for the 32 proper presentation of the case in question. An employer may 33 authorize inspection of the employer's records by written consent. 34

35 (3) The requirements relating to the collection of family and 36 medical leave premiums are as provided in this ((chapter)) title. 37 Before issuing a warning letter, the department shall enforce the 38 collection of premiums through conference and conciliation. These 39 requirements apply to: 1 (a) An employer that fails under this ((chapter)) <u>title</u> to make 2 the required reports, or fails to remit the full amount of the 3 premiums when due;

4 (b) An employer that willfully makes a false statement or 5 misrepresentation regarding a material fact, or willfully fails to 6 report a material fact, to avoid making the required reports or 7 remitting the full amount of the premiums when due under this 8 ((chapter)) title;

9 (c) A successor in the manner specified in RCW 50A.04.125 (as 10 recodified by this act); and

(d) An officer, member, or owner having control or supervision of payment and/or reporting of family and medical leave premiums, or who is charged with the responsibility for the filing of returns, in the manner specified in RCW 50A.04.090 (as recodified by this act).

(4) Notwithstanding subsection (3) of this section, appeals are
governed by RCW 50A.04.500 (as recodified by this act).

17 Sec. 15. RCW 50A.04.085 and 2017 3rd sp.s. c 5 s 72 are each 18 amended to read as follows:

19 (1) It is unlawful for any employer to:

20 (a) Interfere with, restrain, or deny the exercise of, or the 21 attempt to exercise, any valid right provided under this ((chapter)) 22 <u>title</u>; or

(b) Discharge or in any other manner discriminate against any employee for opposing any practice made unlawful by this ((chapter)) <u>title</u>.

(2) It is unlawful for any person to discharge or in any othermanner discriminate against any employee because the employee has:

(a) Filed any complaint, or has instituted or caused to be instituted any proceeding, under or related to this ((chapter)) <u>title;</u>

31 (b) Given, or is about to give, any information in connection 32 with any inquiry or proceeding relating to any right provided under 33 this ((chapter)) title; or

34 (c) Testified, or is about to testify, in any inquiry or 35 proceeding relating to any right provided under this ((<del>chapter</del>)) 36 <u>title</u>.

37 Sec. 16. RCW 50A.04.090 and 2017 3rd sp.s. c 5 s 68 are each 38 amended to read as follows:

1 (1) An employer who willfully fails to make the required reports 2 is subject to penalties as follows: (a) For the second occurrence, 3 the penalty is seventy-five dollars; (b) for the third occurrence, 4 the penalty is one hundred fifty dollars; and (c) for the fourth 5 occurrence and for each occurrence thereafter, the penalty is two 6 hundred fifty dollars.

7 (2) An employer who willfully fails to remit the full amount of 8 the premiums when due is liable, in addition to the full amount of 9 premiums due and amounts assessed as interest under RCW 50A.04.140 10 <u>(as recodified by this act)</u>, to a penalty equal to the premiums and 11 interest.

12 (3) Any penalties under this section shall be deposited into the13 family and medical leave enforcement account.

14 (4) For the purposes of this section, "willful" means a knowing 15 and intentional action that is neither accidental nor the result of a 16 bona fide dispute.

17 (5) The department shall enforce the collection of penalties18 through conference and conciliation.

(6) These penalties may be appealed as provided in RCW 50A.04.500
 through 50A.04.595 (as recodified by this act).

21 Sec. 17. RCW 50A.04.095 and 2017 3rd sp.s. c 5 s 73 are each 22 amended to read as follows:

Upon complaint by an employee, the commissioner shall investigate 23 24 to determine if there has been compliance with ((this chapter)) RCW 50A.04.085 (as recodified by this act) and the related rules 25 26 ((adopted under this chapter)). The department will issue a 27 determination including the findings of the investigation and whether a violation may have occurred. Determinations are appealable under 28 chapter 50A. -- RCW (the new chapter created in section 93 of this 29 30 <u>act).</u> If the investigation indicates that a violation may have 31 occurred, a hearing ((must)) may be held if requested by an <u>interested party</u> in accordance with chapter 34.05 RCW. 32 The commissioner must issue a written determination including the 33 commissioner's findings after the hearing. A judicial appeal from the 34 35 commissioner's determination may be taken in accordance with chapter 34.05 RCW. 36

37 Sec. 18. RCW 50A.04.100 and 2017 3rd sp.s. c 5 s 74 are each 38 amended to read as follows:

1 Any employer who violates RCW 50A.04.085 (as recodified by this 2 act) is liable for damages equal to:

3 (1) The amount of:

4 (a) Any wages, salary, employment benefits, or other compensation
5 denied or lost to such employee by reason of the violation; or

6 (b) In a case in which wages, salary, employment benefits, or 7 other compensation have not been denied or lost to the employee, any 8 actual monetary losses sustained by the employee as a direct result 9 of the violation, such as the cost of providing care, up to a sum 10 equal to wages or salary for the employee for up to sixteen weeks, or 11 eighteen weeks if the employee experiences a serious health condition 12 with a pregnancy that results in incapacity.

13 (2) (a) The interest on the amount described in subsection (1) of 14 this section calculated at the prevailing rate; and

(b) For a willful violation, an additional amount as liquidated damages equal to the sum of the amount described in subsection (1) of this section and the interest described in this subsection (2). For purposes of this section, "willful" means a knowing and intentional action that is neither accidental nor the result of a bona fide dispute.

21 Sec. 19. RCW 50A.04.105 and 2017 3rd sp.s. c 5 s 10 are each 22 amended to read as follows:

(1) For benefits payable beginning January 1, 2020, any self-23 24 employed person, including a sole proprietor, independent contractor, 25 partner, or joint venturer, may elect coverage under this ((chapter)) title for an initial period of not less than three years and 26 27 subsequent periods of not less than one year immediately following a period of coverage. Those electing coverage under this section must 28 elect coverage for both family leave and medical leave and are 29 30 responsible for payment of one hundred percent of all premiums 31 assessed to an employee under RCW 50A.04.115 (as recodified by this <u>act</u>). The self-employed person must file a notice of election in 32 writing with the department, in a manner as required by the 33 department in rule. The self-employed person is eligible for family 34 and medical leave benefits after working eight hundred twenty hours 35 in the state during the qualifying period following the date of 36 filing the notice. 37

38 (2) A self-employed person who has elected coverage may withdraw39 from coverage within thirty days after the end of each period of

1 coverage, or at such other times as the commissioner may adopt by 2 rule, by filing a notice of withdrawal in writing with the 3 commissioner, such withdrawal to take effect not sooner than thirty 4 days after filing the notice with the commissioner.

5 (3) The department may cancel elective coverage if the self-6 employed person fails to make required payments or file reports. The 7 department may collect due and unpaid premiums and may levy an 8 additional premium for the remainder of the period of coverage. The 9 cancellation shall be effective no later than thirty days from the 10 date of the notice in writing advising the self-employed person of 11 the cancellation.

12 (4) Those electing coverage are considered employees or employees 13 where the context so dictates.

(5) For the purposes of this section, "independent contractor"
means an individual excluded from employment under RCW
50A.04.010(7)(b) (ii) and (iii) (as recodified by this act).

17 (6) In developing and implementing the requirements of this 18 section, the department shall adopt government efficiencies to 19 improve administration and reduce costs. These efficiencies may 20 include, but are not limited to, requiring that payments be made in a 21 manner and at intervals unique to the elective coverage program.

(7) The department shall adopt rules for determining the hours worked and the wages of individuals who elect coverage under this section and rules for enforcement of this section.

25 Sec. 20. RCW 50A.04.110 and 2018 c 141 s 2 are each amended to 26 read as follows:

A federally recognized tribe may elect coverage under RCW 50A.04.105 <u>(as recodified by this act)</u>. The department shall adopt rules to implement this section.

30 Sec. 21. RCW 50A.04.115 and 2017 3rd sp.s. c 5 s 8 are each 31 amended to read as follows:

(1) (a) Beginning January 1, 2019, the department shall assess for each individual in employment with an employer and for each individual electing coverage a premium based on the amount of the individual's wages subject to subsection (4) of this section.

36 (b) The premium rate for family leave benefits shall be equal to 37 one-third of the total premium rate.

(c) The premium rate for medical leave benefits shall be equal to
 two-thirds of the total premium rate.

3 (2) For calendar year 2022 and thereafter, the commissioner shall 4 determine the percentage of paid claims related to family leave 5 benefits and the percentage of paid claims related to medical leave 6 benefits and adjust the premium rates set in subsection (1)(b) and 7 (c) of this section by the proportional share of paid claims.

8 (3)(a) Beginning January 1, 2019, and ending December 31, 2020, 9 the total premium rate shall be four-tenths of one percent of the 10 individual's wages subject to subsection (4) of this section.

(b) For family leave premiums, an employer may deduct from the wages of each employee up to the full amount of the premium required.

13 (c) For medical leave premiums, an employer may deduct from the 14 wages of each employee up to forty-five percent of the full amount of 15 the premium required.

16 (d) An employer may elect to pay all or any portion of the 17 employee's share of the premium for family leave or medical leave 18 benefits, or both.

19 (4) The commissioner must annually set a maximum limit on the 20 amount of wages that is subject to a premium assessment under this 21 section that is equal to the maximum wages subject to taxation for 22 social security as determined by the social security administration.

(5) (a) Employers with fewer than fifty employees employed in the state are not required to pay the employer portion of premiums for family and medical leave.

(b) If an employer with fewer than fifty employees elects to pay
the premiums, the employer is then eligible for assistance under RCW
50A.04.230 (as recodified by this act).

(6) For calendar year 2021 and thereafter, the total premium rate 29 shall be based on the family and medical leave insurance account 30 31 balance ratio as of September 30th of the previous year. The commissioner shall calculate the account balance ratio by dividing 32 the balance of the family and medical leave insurance account by 33 total covered wages paid by employers and those electing coverage. 34 The division shall be carried to the fourth decimal place with the 35 remaining fraction disregarded unless it amounts to five hundred-36 thousandths or more, in which case the fourth decimal place shall be 37 rounded to the next higher digit. If the account balance ratio is: 38

39 (a) Zero to nine hundredths of one percent, the premium is six40 tenths of one percent of the individual's wages;

1 (b) One tenth of one percent to nineteen hundredths of one 2 percent, the premium is five tenths of one percent of the 3 individual's wages;

4 (c) Two tenths of one percent to twenty-nine hundredths of one 5 percent, the premium is four tenths of one percent of the 6 individual's wages;

7 (d) Three tenths of one percent to thirty-nine hundredths of one 8 percent, the premium is three tenths of one percent of the 9 individual's wages;

10 (e) Four tenths of one percent to forty-nine hundredths of one 11 percent, the premium is two tenths of one percent of the individual's 12 wages; or

13 (f) Five tenths of one percent or greater, the premium is one 14 tenth of one percent of the individual's wages.

(7) Beginning January 1, 2021, if the account balance ratio 15 16 calculated in subsection (6) of this section is below five hundredths 17 of one percent, the commissioner must assess a solvency surcharge at the lowest rate necessary to provide revenue to pay for the 18 administrative and benefit costs of family and medical leave, for the 19 20 calendar year, as determined by the commissioner. The solvency 21 surcharge shall be at least one-tenth of one percent and no more than six-tenths of one percent and be added to the total premium rate for 22 family and medical leave benefits. 23

(8) (a) The employer must collect from the employees the premiums
 and any surcharges provided under this section through payroll
 deductions and remit the amounts collected to the department.

(b) In collecting employee premiums through payroll deductions,
the employer shall act as the agent of the employees and shall remit
the amounts to the department as required by this ((chapter)) title.

30 (c) On September 30th of each year, the department shall average 31 the number of employees reported by an employer over the last four 32 completed calendar quarters to determine the size of the employer for 33 the next calendar year for the purposes of this section and RCW 34 50A.04.230 (as recodified by this act).

35 (9) Premiums shall be collected in the manner and at such 36 intervals as provided in this ((chapter)) <u>title</u> and directed by the 37 department.

38 (10) Premiums collected under this section are placed in trust 39 for the employees and employers that the program is intended to 40 assist. 1 (11) A city, code city, town, county, or political subdivision 2 may not enact a charter, ordinance, regulation, rule, or resolution:

3 (a) Creating a paid family or medical leave insurance program 4 that alters or amends the requirements of this ((chapter)) <u>title</u> for 5 any private employer;

6 (b) Providing for local enforcement of the provisions of this 7 ((<del>chapter</del>)) <u>title</u>; or

8 (c) Requiring private employers to supplement duration of leave 9 or amount of wage replacement benefits provided under this 10 ((chapter)) title.

11 Sec. 22. RCW 50A.04.120 and 2017 3rd sp.s. c 5 s 9 are each 12 amended to read as follows:

(1) An employer may file an application with the department for a conditional waiver for the payment of family and medical leave premiums, assessed under RCW 50A.04.115 (as recodified by this act), for any employee who is:

17

(a) Physically based outside of the state;

18 (b) Employed in the state on a limited or temporary work 19 schedule; and

20 (c) Not expected to be employed in the state for eight hundred 21 twenty hours or more in a qualifying period.

(2) The department must approve an application that has been signed by both the employee and employer verifying their belief that the conditions in this subsection will be met during the qualifying period.

(3) If the employee exceeds the eight hundred twenty hours or 26 27 more in a ((qualifying)) period of four consecutive complete calendar 28 quarters, the conditional waiver expires and the employer and employee will be responsible for their shares of all premiums that 29 30 would have been paid during ((the qualifying)) this period ((in which 31 the employee exceeded the eight hundred twenty hours)) had the waiver not been granted. Upon payment of the missed premiums, the employee 32 will be credited for the hours worked and will be eligible for 33 benefits under this ((chapter)) title as if the premiums were 34 originally paid. 35

36 Sec. 23. RCW 50A.04.125 and 2017 3rd sp.s. c 5 s 67 are each 37 amended to read as follows:

1 Whenever any employer quits business, or sells out, exchanges, or otherwise disposes of the employer's business or stock of goods, any 2 3 payable under this ((<del>chapter</del>)) <u>title</u> shall premiums become immediately due and payable, and the employer shall, within ten days, 4 make a return and pay the premiums due; and any person who becomes a 5 6 successor to such business shall become liable for the full amount of the premiums and withhold from the purchase price a sum sufficient to 7 pay any premiums due from the employer until such time as the 8 employer produces a receipt from the employment security department 9 showing payment in full of any premiums due or a certificate that no 10 11 premium is due and, if such premium is not paid by the employer 12 within ten days from the date of such sale, exchange, or disposal, the successor shall become liable for the payment of the full amount 13 of premiums, and the payment thereof by such successor shall, to the 14 extent thereof, be deemed a payment upon the purchase price, and if 15 16 such payment is greater in amount than the purchase price the amount 17 of the difference shall become a debt due such successor from the 18 employer. A successor may not be liable for any premiums due from the 19 person from whom that person has acquired a business or stock of goods if that person gives written notice to the employment security 20 21 department of such acquisition and no assessment is issued by the 22 department within one hundred eighty days of receipt of such notice 23 against the former operator of the business and a copy thereof mailed to such successor. 24

25 Sec. 24. RCW 50A.04.145 and 2017 3rd sp.s. c 5 s 60 are each 26 amended to read as follows:

27 If the amount of premiums, interest, or penalties assessed by the commissioner by order and notice of assessment provided in this 28 ((chapter)) title is not paid within ten days after the service or 29 30 mailing of the order and notice of assessment, the commissioner or 31 his or her duly authorized representative may collect the amount stated in said assessment by the distraint, seizure, and sale of the 32 property, goods, chattels, and effects of said delinquent employer. 33 There shall be exempt from distraint and sale under this section such 34 35 goods and property as are exempt from execution under the laws of this state. 36

37 Sec. 25. RCW 50A.04.160 and 2017 3rd sp.s. c 5 s 63 are each 38 amended to read as follows:

1 Whenever any order and notice of assessment or jeopardy assessment has become final in accordance with the provisions of this 2 3 ((chapter)) title the commissioner may file with the clerk of any county within the state a warrant in the amount of the notice of 4 assessment plus interest, penalties, and a filing fee under RCW 5 6 36.18.012(10). The clerk of the county wherein the warrant is filed shall immediately designate a superior court cause number for such 7 warrant, and the clerk shall cause to be entered in the judgment 8 docket under the superior court cause number assigned to the warrant, 9 the name of the employer mentioned in the warrant, the amount of the 10 tax, interest, penalties, and filing fee and the date when such 11 12 warrant was filed. The aggregate amount of such warrant as docketed shall become a lien upon the title to, and interest in all real and 13 14 personal property of the employer against whom the warrant is issued, the same as a judgment in a civil case duly docketed in the office of 15 16 such clerk. Such warrant so docketed shall be sufficient to support 17 the issuance of writs of execution and writs of garnishment in favor 18 of the state in the manner provided by law in the case of civil judgment, wholly or partially unsatisfied. The clerk of the court 19 shall be entitled to a filing fee under RCW 36.18.012(10), which 20 shall be added to the amount of the warrant, and charged by the 21 22 commissioner to the employer or employing unit. A copy of the warrant shall be mailed to the employer or employing unit using a method by 23 which the mailing can be tracked or the delivery can be confirmed 24 25 within five days of filing with the clerk.

26 Sec. 26. RCW 50A.04.165 and 2017 3rd sp.s. c 5 s 56 are each 27 amended to read as follows:

28 The claim of the employment security department for any premiums, interest, or penalties not paid when due, shall be a lien prior to 29 30 all other liens or claims and on a parity with prior tax liens 31 against all property and rights to property, whether real or personal, belonging to the employer. In order to avail itself of the 32 lien hereby created, the department shall file with any county 33 auditor where property of the employer is located a statement and 34 claim of lien specifying the amount of delinquent premiums, interest, 35 and penalties claimed by the department. From the time of filing for 36 record, the amount required to be paid shall constitute a lien upon 37 all property and rights to property, whether real or personal, in the 38 county, owned by the employer or acquired by him or her. The lien 39

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shall not be valid against any purchaser, holder of a security 1 interest, mechanic's lien, or judgment lien creditor until notice 2 thereof has been filed with the county auditor. This lien shall be 3 separate and apart from, and in addition to, any other lien or claim 4 created by, or provided for in, this ((chapter)) title. When any such 5 6 notice of lien has been so filed, the commissioner may release the same by filing a certificate of release when it shall appear that the 7 amount of delinquent premiums, interest, and penalties have been 8 paid, or when such assurance of payment shall be made as the 9 commissioner may deem to be adequate. Fees for filing and releasing 10 11 the lien provided herein may be charged to the employer and may be 12 collected from the employer utilizing the remedies provided in this ((chapter)) title for the collection of premiums. 13

14 Sec. 27. RCW 50A.04.170 and 2017 3rd sp.s. c 5 s 57 are each 15 amended to read as follows:

16 In the event of any distribution of an employer's assets pursuant 17 to an order of any court, including any receivership, probate, legal dissolution, or similar proceeding, or in case of any assignment for 18 the benefit of creditors, composition, or similar proceeding, 19 20 premiums, interest, or penalties then or thereafter due shall be a 21 lien upon all the assets of such employer. Said lien is prior to all other liens or claims except prior tax liens, other liens provided by 22 this ((chapter)) title, and claims for remuneration for services of 23 24 not more than two hundred fifty dollars to each claimant earned 25 within six months of the commencement of the proceeding. The mere existence of a condition of insolvency or the institution of any 26 27 judicial proceeding for legal dissolution or of any proceeding for distribution of assets shall cause such a lien to attach without 28 action on behalf of the commissioner or the state. In the event of an 29 30 employer's adjudication in bankruptcy, judicially confirmed extension 31 proposal, or composition, under the federal bankruptcy act of 1898, as amended, premiums, interest, or penalties then or thereafter due 32 shall be entitled to such priority as provided in that act, as 33 34 amended.

35 Sec. 28. RCW 50A.04.175 and 2017 3rd sp.s. c 5 s 64 are each 36 amended to read as follows:

37 (1) If after due notice, any employer defaults in any payment of 38 premiums, interest, or penalties, the amount due may be collected by

1 civil action in the name of the state, and the employer adjudged in default shall pay the cost of such action. Any lien created by this 2 ((chapter)) title may be foreclosed by decree of the court in any 3 such action. Civil actions brought under this ((chapter)) title to 4 collect premiums, interest, or penalties from an employer shall be 5 6 heard by the court at the earliest possible date and shall be entitled to preference upon the calendar of the court over all other 7 civil actions except petitions for judicial review under this 8 ((chapter)) title, cases arising under the unemployment compensation 9 laws of this state, and cases arising under the industrial insurance 10 11 laws of this state.

12 (2) Any employing unit that is not a resident of this state and that exercises the privilege of having one or more individuals 13 perform service for it within this state, and any resident employing 14 unit that exercises that privilege and thereafter removes from this 15 16 state, shall be deemed thereby to appoint the secretary of state as 17 its agent and attorney for the acceptance of process in any action under this ((chapter)) title. In instituting such an action against 18 19 any such employing unit the commissioner shall cause such process or notice to be filed with the secretary of state and such service shall 20 21 be sufficient service upon such employing unit, and shall be of the same force and validity as if served upon it personally within this 22 state: PROVIDED, That the commissioner shall forthwith send notice of 23 the service of such process or notice, together with a copy thereof, 24 25 by registered mail, return receipt requested, to such employing unit 26 at its last known address and such return receipt, the commissioner's affidavit of compliance with the provisions of this section, and a 27 28 copy of the notice of service shall be appended to the original of 29 the process filed in the court in which such action is pending.

30 Sec. 29. RCW 50A.04.185 and 2017 3rd sp.s. c 5 s 54 are each 31 amended to read as follows:

32 The commissioner may compromise any claim for premiums, interest, or penalties due and owing from an employer, and any amount owed by 33 an individual because of benefit overpayments existing or arising 34 35 under this ((chapter)) title in any case where collection of the full amount due and owing, whether reduced to judgment or otherwise, would 36 be against equity and good conscience. Whenever a compromise is made 37 38 by the commissioner in the case of a claim for premiums, interest, or penalties, whether reduced to judgment or otherwise, there shall be 39

placed on file in the department a statement of the amount of 1 premiums, interest, and penalties imposed by law and claimed due, 2 3 attorneys' fees and costs, if any, a complete record of the compromise agreement, and the amount actually paid in accordance with 4 the terms of the compromise agreement. Whenever a compromise is made 5 6 by the commissioner in the case of a claim of a benefit overpayment, whether reduced to judgment or otherwise, there shall be placed on 7 file in the department a statement of the amount of the benefit 8 overpayment, attorneys' fees and costs, if any, a complete record of 9 the compromise agreement, and the amount actually paid in accordance 10 11 with the terms of the compromise agreement. If any such compromise is 12 accepted by the commissioner, within such time as may be stated in the compromise or agreed to, such compromise shall be final and 13 conclusive and except upon showing of fraud or malfeasance or 14 misrepresentation of a material fact the case shall not be reopened 15 16 as to the matters agreed upon. In any suit, action, or proceeding, 17 such agreement or any determination, collection, payment, adjustment, 18 refund, or credit made in accordance therewith shall not be annulled, 19 modified, set aside, or disregarded.

20 Sec. 30. RCW 50A.04.195 and 2017 3rd sp.s. c 5 s 29 are each 21 amended to read as follows:

(1) The department shall establish and administer the family and medical leave program and pay family and medical leave benefits as specified in this ((chapter)) <u>title</u>. The department shall adopt government efficiencies to improve administration and reduce costs. These efficiencies shall include, to the extent feasible, combined reporting and payment, with a single return, of premiums under this ((chapter)) <u>title</u> and contributions under chapter 50.24 RCW.

(2) The department shall establish procedures and forms for filing applications for benefits under this ((chapter)) <u>title</u>. The department shall notify the employer within five business days of an application being filed.

(3) The department shall use information sharing and integration technology to facilitate the disclosure of relevant information or records by the department, so long as an employee consents to the disclosure as required under RCW 50A.04.035 <u>(as recodified by this</u> <u>act)</u>.

(4) Information contained in the files and records pertaining toan employee under this chapter are confidential and not open to

public inspection, other than to public employees in the performance 1 of their official duties, except as provided in chapter 50A.--- RCW 2 (the new chapter created in section 84 of this act). ((However, the 3 employee or an authorized representative of an employee may review 4 the records or receive specific information from the records on the 5 6 presentation of the signed authorization of the employee. An employer or the employer's duly authorized representative may review the 7 records of an employee employed by the employer in connection with a 8 pending application. At the department's discretion, other persons 9 may review records when such persons are rendering assistance to the 10 department at any stage of the proceedings on any matter pertaining 11 12 to the administration of this chapter.))

The department shall develop and implement an outreach 13 (5) program to ensure that employees who may be qualified to receive 14 family and medical leave benefits under this ((chapter)) title are 15 16 made aware of these benefits. Outreach information shall explain, in 17 an easy to understand format, eligibility requirements, the application process, weekly benefit amounts, maximum benefits 18 payable, notice and certification requirements, reinstatement and 19 nondiscrimination rights, confidentiality, voluntary plans, and the 20 relationship between employment protection, leave from employment, 21 and wage replacement benefits under this ((chapter)) title and other 22 23 laws, collective bargaining agreements, and employer policies. Outreach information shall be available in English and other primary 24 25 languages as defined in RCW 74.04.025.

(6) The department is authorized to inspect and audit employer
 files and records relating to the family and medical leave program,
 including employer voluntary plans.

29 Sec. 31. RCW 50A.04.200 and 2017 3rd sp.s. c 5 s 28 are each 30 amended to read as follows:

31 (1) The commissioner shall appoint an advisory committee to 32 review issues and topics of interest related to this ((chapter)) 33 <u>title</u>.

(2) The committee is composed of ten members: (a) Four members representing employees' interests in paid family and medical leave, each of whom shall be appointed from a list of at least four names submitted by a recognized statewide organization of employees; (b) four members representing employers, each of whom shall be appointed prom a list of at least four names submitted by a recognized statewide organization of employers; and (c) two ex officio members, without a vote, one of whom shall represent the department and the other shall be the ombuds for the family and medical leave program. The member representing the department shall be the chair.

5 (3) The committee shall provide comment on department rule 6 making, policies, implementation of this ((chapter)) <u>title</u>, 7 utilization of benefits, and other initiatives, and study issues the 8 committee determines to require its consideration.

9 (4) The members shall serve without compensation, but are 10 entitled to reimbursement for travel expenses as provided in RCW 11 43.03.050 and 43.03.060. The committee may utilize such personnel and 12 facilities of the department as it needs, without charge. All 13 expenses of the committee must be paid by the family and medical 14 leave insurance account.

15 Sec. 32. RCW 50A.04.205 and 2017 3rd sp.s. c 5 s 88 are each 16 amended to read as follows:

(1) The commissioner shall establish an ombuds office for family and medical leave within the department. The ombuds shall be appointed by the governor and report directly to the commissioner of the department. The ombuds is available to all employers and employees in the state.

(2) The person appointed ombuds shall hold office for a term of six years and shall continue to hold office until reappointed or until his or her successor is appointed. The governor may remove the ombuds only for neglect of duty, misconduct, or inability to perform duties. Any vacancy shall be filled by similar appointment for the remainder of the unexpired term.

28 (3) The ombuds shall:

(a) Offer and provide information on family and medical leave toemployers and employees;

31 (b) Act as an advocate for employers and employees in their 32 dealings with the department;

33 (c) Identify, investigate, and facilitate resolution of disputes 34 and complaints under this ((<del>chapter</del>)) <u>title</u>; and

35

(d) Refer complaints to the department when appropriate.

36 (4) The ombuds may conduct surveys of employees. Survey questions37 and results are confidential and not subject to public disclosure.

38 (5) The ombuds is not liable for the good faith performance of 39 responsibilities under this ((chapter)) <u>title</u>.

1 (6) All of the ombuds' records and files relating to any complaint or investigation made pursuant to carrying out the ombuds' 2 3 duties and the identities of complainants, witnesses, workers, or employers shall remain confidential unless disclosure is authorized 4 by the complainant worker or his or her quardian or legal 5 6 representative or the employer or the employer's legal 7 representative. No disclosures may be made outside the office of the ombuds without the consent of the named witnesses or complainants 8 unless the disclosure is made without the identity of any of the 9 10 individuals being disclosed.

11 Sec. 33. RCW 50A.04.215 and 2017 3rd sp.s. c 5 s 85 are each 12 amended to read as follows:

13 The commissioner shall adopt rules as necessary to implement this 14 ((chapter)) title.

15 Sec. 34. RCW 50A.04.220 and 2017 3rd sp.s. c 5 s 82 are each 16 amended to read as follows:

(1) The family and medical leave insurance account is created in 17 the custody of the state treasurer. All receipts from premiums 18 19 imposed under this ((chapter)) title must be deposited in the account. Expenditures from the account may be used only for the 20 family and medical leave program. Only the 21 purposes of the the commissioner's 22 commissioner or designee may authorize 23 expenditures from the account. The account is subject to the allotment procedures under chapter 43.88 RCW. An appropriation is 24 25 required for administrative expenses, but not for benefit payments.

26 (2) Money deposited in the account shall remain a part of the 27 account until expended pursuant to the requirements of this ((chapter)) title or transferred in accordance with subsection (3) of 28 29 this section. The commissioner shall maintain a separate record of the deposit, obligation, expenditure, and return of funds 30 so deposited. Any money so deposited which either will not be obligated 31 32 within the period specified by the appropriations act or remains unobligated at the end of the period, and any money which has been 33 obligated within the period but will not be expended, shall be 34 returned promptly to the family and medical leave insurance account. 35

36 (3) Money shall be transferred from the family and medical leave 37 insurance account and deposited in the unemployment trust fund solely 38 for the repayment of benefits not charged to employers as defined in 1 RCW 50.29.021(4)(a)(vii). The commissioner shall direct the transfer, 2 which must occur on or before the cut-off date as defined in RCW 3 50.29.010.

(4) Money transferred as provided in subsection (3) of this 4 section for the repayment of benefits not charged to employers shall 5 6 be deposited in the unemployment compensation fund and shall remain a part of the unemployment compensation fund until expended pursuant to 7 RCW 50.16.030. The commissioner shall maintain a separate record of 8 deposit, obligation, expenditure, and return of funds 9 the SO deposited. Any money so deposited which either will not be obligated 10 11 within the period specified by the appropriation law or remains 12 unobligated at the end of the period, and any money which has been obligated within the period but will not be expended, shall be 13 14 returned promptly to the account of this state in the unemployment trust fund. 15

16 Sec. 35. RCW 50A.04.225 and 2017 3rd sp.s. c 5 s 76 are each 17 amended to read as follows:

The family and medical leave enforcement account is created in 18 the custody of the state treasurer. Any money in the family leave 19 20 insurance account created in section 19, chapter 357, Laws of 2007 is 21 transferred to the account created in this section. Any penalties and 22 interest collected under RCW 50A.04.045 (as recodified by this act), 50A.04.065 (as recodified by this act), 50A.04.075 (as recodified by 23 24 this act), 50A.04.080 (as recodified by this act), 50A.04.090 (as recodified by this act), 50A.04.140 (as recodified by this act), and 25 50A.04.655 (as recodified by this act) shall be deposited into the 26 27 account and shall be used only for the purposes of administering and 28 enforcing this ((chapter)) title. Only the commissioner may authorize expenditures from the account. The account is subject to allotment 29 30 procedures under chapter 43.88 RCW, but an appropriation is not 31 required for expenditures.

32 Sec. 36. RCW 50A.04.230 and 2017 3rd sp.s. c 5 s 84 are each 33 amended to read as follows:

(1) The legislature recognizes that while family leave and medical leave benefit both employees and employers, there may be costs that disproportionately impact small businesses. To equitably balance the risks among employers, the legislature intends to assist 1 small businesses with the costs of an employee's use of family or 2 medical leave.

3 (2) Employers with one hundred fifty or fewer employees and 4 employers with fifty or fewer employees who are assessed all premiums 5 under RCW 50A.04.115(5)(b) (as recodified by this act) may apply to 6 the department for a grant under this section.

7 (3) (a) An employer may receive a grant of three thousand dollars
8 if the employer hires a temporary worker to replace an employee on
9 family or medical leave for a period of seven days or more.

10 (b) For an employee's family or medical leave, an employer may 11 receive a grant of up to one thousand dollars as reimbursement for 12 significant additional wage-related costs due to the employee's 13 leave.

14 (c) An employer may receive a grant under (a) or (b) of this 15 subsection, but not both, except that an employer who received a 16 grant under (b) of this subsection may receive a grant of the 17 difference between the grant awarded under (b) of this subsection and 18 three thousand dollars if the employee on leave extended the leave 19 beyond the leave initially planned and the employer hired a temporary 20 worker for the employee on leave.

(4) An employer may apply for a grant no more than ten times percalendar year and no more than once for each employee on leave.

(5) To be eligible for a grant, the employer must provide the department written documentation showing the temporary worker hired or significant wage-related costs incurred are due to an employee's use of family or medical leave.

(6) The department must assess an employer with fewer than fifty employees who receives a grant under this section for all premiums for three years from the date of receipt of a grant.

30 (7) The grants under this section shall be funded from the family 31 and medical leave insurance account.

32 (8) The commissioner shall adopt rules as necessary to implement 33 this section.

34 (9) For the purposes of this section, the number of employees 35 must be calculated as provided in RCW 50A.04.115 <u>(as recodified by</u> 36 <u>this act)</u>.

37 (10) An employer who has an approved voluntary plan is not38 eligible to receive a grant under this section.

1 Sec. 37. RCW 50A.04.235 and 2017 3rd sp.s. c 5 s 87 are each 2 amended to read as follows:

Nothing in this ((chapter)) <u>title</u> requires any party to a collective bargaining agreement in existence on October 19, 2017, to reopen negotiations of the agreement or to apply any of the rights and responsibilities under this ((chapter)) <u>title</u> unless and until the existing agreement is reopened or renegotiated by the parties or expires.

9 Sec. 38. RCW 50A.04.240 and 2017 3rd sp.s. c 5 s 69 are each 10 amended to read as follows:

(1) Leave from employment under this ((chapter)) title is in addition to leave from employment during which benefits are paid or are payable under Title 51 RCW or other applicable federal or state industrial insurance laws.

15 (2) In any week in which an employee is eligible to receive 16 benefits under Title 50 or 51 RCW, or other applicable federal or 17 state unemployment compensation, industrial insurance, or disability 18 insurance laws, the employee is disqualified from receiving family or 19 medical leave benefits under this ((chapter)) title.

20 Sec. 39. RCW 50A.04.245 and 2017 3rd sp.s. c 5 s 70 are each 21 amended to read as follows:

If required by the federal family and medical leave act, as it 22 23 existed on October 19, 2017, during any period of family or medical 24 leave taken under this ((chapter)) title, the employer shall maintain any existing health benefits of the employee in force for the 25 duration of such leave as if the employee had continued to work from 26 27 the date the employee commenced family or medical leave until the date the employee returns to employment. If the employer and employee 28 29 share the cost of the existing health benefits, the employee remains 30 responsible for the employee's share of the cost. This section does 31 not apply to an employee who is not in employment for an employer at the time of filing an application for benefits. 32

33 Sec. 40. RCW 50A.04.250 and 2017 3rd sp.s. c 5 s 79 are each 34 amended to read as follows:

(1) Leave under this ((chapter)) title and leave under the federal family and medical leave act of 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on October 19, 2017) is in addition 1 to any leave for sickness or temporary disability because of 2 pregnancy or childbirth.

3 (2) Unless otherwise expressly permitted by the employer, leave 4 taken under this ((chapter)) <u>title</u> must be taken concurrently with 5 any leave taken under the federal family and medical leave act of 6 1993 (Act Feb. 5, 1993, P.L. 103-3, 107 Stat. 6, as it existed on 7 October 19, 2017).

8 Sec. 41. RCW 50A.04.255 and 2017 3rd sp.s. c 5 s 77 are each 9 amended to read as follows:

10 Nothing in this ((chapter)) title shall be construed to modify or affect any state or local law prohibiting discrimination on the basis 11 of race, creed, religion, color, national origin, families with 12 13 children, sex, marital status, sexual orientation including gender expression or identity, age, honorably discharged veteran or military 14 15 status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a 16 17 person with a disability.

18 Sec. 42. RCW 50A.04.260 and 2017 3rd sp.s. c 5 s 78 are each 19 amended to read as follows:

20 (1) Nothing in this ((<del>chapter</del>)) <u>title</u> shall be construed to 21 discourage employers from:

(a) Adopting or retaining leave policies more generous than any policies that comply with the requirements under this ((chapter)) title; or

(b) Making ((payments to supplement the)) supplemental benefit payments as provided under RCW ((50A.04.020)) 50A.04.045 (as recodified by this act) to an employee on paid family or medical leave.

(2) Any agreement by an individual to waive, release, or commute
his or her rights under this ((chapter)) title is void as against
public policy.

32 (3) After January 1, 2020, subject to RCW 50A.04.235 (as 33 recodified by this act), an employee's rights under this ((chapter)) 34 title may not be diminished by a collective bargaining agreement or 35 employer policy.

36 **Sec. 43.** RCW 50A.04.265 and 2017 3rd sp.s. c 5 s 81 are each 37 amended to read as follows: 1 This ((chapter)) title does not create a continuing entitlement or contractual right. The legislature reserves the right to amend or 2 repeal all or part of this ((chapter)) title at any time, and a 3 benefit or other right granted under this ((chapter)) title exists 4 subject to the legislature's power to amend or repeal 5 this 6 ((chapter)) title. There is no vested private right of any kind 7 against such amendment or repeal.

8 Sec. 44. RCW 50A.04.505 and 2017 3rd sp.s. c 5 s 36 are each 9 amended to read as follows:

(1) When an order and notice of assessment has been served upon 10 11 or mailed to a delinquent employer, the employer may within thirty days file an appeal with the department, stating that the assessment 12 is unjust or incorrect and requesting a hearing. The appeal must set 13 forth the reasons why the assessment is objected to and the amount of 14 15 premiums, if any, which the employer admits to be due. If no appeal 16 is filed, the assessment shall be conclusively deemed to be just and 17 correct except that in such case, and in cases where payment of 18 premiums, interest, or penalties has been made pursuant to a jeopardy assessment, the commissioner may properly entertain a subsequent 19 20 application for refund. The filing of an appeal on a disputed 21 assessment with the administrative law judge stays the distraint and 22 sale proceeding provided for in this ((chapter)) title until a final decision has been made, but the filing of an appeal shall not affect 23 24 the right of the commissioner to perfect a lien, as provided by this 25 ((chapter)) title, upon the property of the employer. The filing of a petition on a disputed assessment stays the accrual of interest and 26 27 penalties on the disputed premiums until a final decision is made.

28 (2) Within thirty days after notice of denial of refund or adjustment has been mailed or delivered, whichever is the earlier, to 29 30 an employer, the employer may file an appeal with the department for 31 a hearing unless assessments have been appealed from and have become 32 final. The employer shall set forth the reasons why such hearing should be granted and the amount which the employer believes should 33 be adjusted or refunded. If no appeal is filed within said thirty 34 35 days, the determination of the commissioner as stated in the notice shall be final. 36

37 Sec. 45. RCW 50A.04.510 and 2017 3rd sp.s. c 5 s 53 are each 38 amended to read as follows: 1 (1) A determination of amount of benefits potentially payable under this ((chapter)) title is not a basis for appeal. However, the 2 determination is subject to request by the employee on family and 3 medical leave for redetermination by the commissioner at any time 4 within one year from the date of delivery or mailing of such 5 6 determination, or any redetermination thereof. A redetermination 7 shall be furnished to the employee in writing and provide the basis 8 for appeal.

9 (2) A determination of denial of benefits becomes final, in the 10 absence of timely appeal therefrom. The commissioner may redetermine 11 such determinations at any time within one year from delivery or 12 mailing to correct an error in identity, omission of fact, or 13 misapplication of law with respect to the facts.

(3) A determination of allowance of benefits becomes final, in the absence of a timely appeal therefrom. The commissioner may redetermine such allowance at any time within two years following the eligibility period in which such allowance was made in order to recover any benefits for which recovery is provided under this ((chapter)) title.

(4) A redetermination may be made at any time: (a) To conform to 20 21 a final court decision applicable to either an initial determination 22 or a determination of denial or allowance of benefits; (b) in the event of a back pay award or settlement affecting the allowance of 23 benefits; or (c) in the case of misrepresentation or willful failure 24 25 to report a material fact. Written notice of any such redetermination 26 shall be promptly given by mail or delivered to such interested parties as were notified of the initial determination or 27 28 determination of denial or allowance of benefits and any new interested party or parties who, pursuant to such rule as the 29 commissioner may adopt, would be an interested party. 30

31 Sec. 46. RCW 50A.04.520 and 2017 3rd sp.s. c 5 s 38 are each 32 amended to read as follows:

In any proceeding before an administrative law judge involving an appeal from a disputed order and notice of assessment or a disputed denial of refund or adjustment, the administrative law judge, after affording the parties a reasonable opportunity for hearing, shall affirm, modify, or set aside the notice of assessment or denial of refund. The parties shall be duly notified of such decision together with the reasons, which shall be deemed to be the final decision

1 unless within thirty days after the date of notification or mailing, 2 whichever is the earlier, of such decision, further appeal is 3 perfected pursuant to the provisions of this ((chapter)) title 4 relating to review by the commissioner.

5 Sec. 47. RCW 50A.04.525 and 2018 c 141 s 4 are each amended to 6 read as follows:

7 In any proceeding before an administrative law judge (1)involving a dispute of an employee's initial determination, claim for 8 waiting period credit or claim for benefits, all matters and 9 provisions of this ((chapter)) title relating to the employee's 10 initial determination, or right to receive such credit or benefits 11 for the period in question, shall be deemed to be in issue 12 irrespective of the particular ground or grounds set forth in the 13 notice of appeal in single employee cases. 14

15 (2) In any proceeding before an administrative law judge 16 involving an employee's right to benefits, all parties shall be 17 afforded an opportunity for hearing after not less than seven days' 18 notice in accordance with RCW 34.05.434.

(3) In any proceeding involving an appeal relating to benefit 19 20 determinations or benefit claims, the administrative law judge, after 21 affording the parties reasonable opportunity for fair hearing, shall 22 render its decision affirming, modifying, or setting aside the determination or decisions of the department. The parties shall be 23 24 duly notified of such decision together with the reasons, which shall be deemed to be the final decision unless, within thirty days after 25 the date of notification or mailing, whichever is the earlier, of 26 27 such decision, further appeal is perfected pursuant to RCW 50A.04.535 28 (as recodified by this act).

29 Sec. 48. RCW 50A.04.540 and 2018 c 141 s 5 are each amended to 30 read as follows:

After having acquired jurisdiction for review, the commissioner 31 shall review the proceedings in question. Prior to rendering a 32 decision, the commissioner may order the taking of additional 33 evidence by an administrative law judge to be made a part of the 34 record in the case. Upon the basis of evidence submitted to the 35 administrative law judge and such additional evidence as the 36 37 commissioner may order to be taken, the commissioner shall render a decision in writing affirming, modifying, or setting aside the 38

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decision of the administrative law judge. Alternatively, the 1 commissioner may order further proceedings to be held before the 2 administrative law judge, upon completion of which the administrative 3 law judge shall issue a new decision in writing affirming, modifying, 4 or setting aside the previous decision of the administrative law 5 6 judge. The new decision of the administrative law judge may be appealed as provided under RCW 50A.04.535 (as recodified by this 7 <u>act</u>). The commissioner shall mail the decision of the commissioner to 8 the interested parties at their last known addresses. 9

10 Sec. 49. RCW 50A.04.550 and 2017 3rd sp.s. c 5 s 48 are each 11 amended to read as follows:

Any finding, determination, conclusion, declaration, or final 12 order made by the commissioner, or his or her representative or 13 delegate, or by an appeal tribunal, administrative law judge, 14 15 reviewing officer, or other agent of the department for the purposes of this ((chapter)) title, shall not be conclusive, nor binding, nor 16 17 admissible as evidence in any separate action outside the scope of 18 this ((chapter)) title between an employee and the employee's present or prior employer before an arbitrator, court, or judge of this state 19 or the United States, regardless of whether the prior action was 20 21 between the same or related parties or involved the same facts or was 22 reviewed pursuant to RCW 50A.04.565 (as recodified by this act).

23 Sec. 50. RCW 50A.04.555 and 2017 3rd sp.s. c 5 s 41 are each 24 amended to read as follows:

For good cause shown the administrative law judge or the commissioner may waive the time limitations for administrative appeals or petitions set forth in this ((chapter)) title.

28 Sec. 51. RCW 50A.04.560 and 2017 3rd sp.s. c 5 s 47 are each 29 amended to read as follows:

30 (1) In all court proceedings under or pursuant to this 31 ((chapter)) <u>title</u> the decision of the commissioner shall be prima 32 facie correct, and the burden of proof shall be upon the party 33 attacking the decision.

34 (2) If the court determines that the commissioner has acted 35 within the commissioner's power and has correctly construed the law, 36 the decision of the commissioner shall be confirmed; otherwise, the 37 decision shall be reversed or modified. In case of a modification or

1 reversal the superior court shall refer the decision to the 2 commissioner with an order directing the commissioner to proceed in 3 accordance with the findings of the court.

(3) Whenever any order and notice of assessment shall have become
final in accordance with the provisions of this ((chapter)) title,
the court shall upon application of the commissioner enter a judgment
in the amount provided for in the order and notice of assessment, and
the judgment shall have and be given the same effect as if entered
pursuant to a civil action instituted in the court.

10 Sec. 52. RCW 50A.04.565 and 2018 c 141 s 6 are each amended to 11 read as follows:

Judicial review of a decision of the commissioner involving the review of a decision of an administrative law judge under this ((chapter)) <u>title</u> may be had only in accordance with the procedural requirements of RCW 34.05.452.

16 **Sec. 53.** RCW 50A.04.580 and 2017 3rd sp.s. c 5 s 49 are each 17 amended to read as follows:

An individual shall not be charged fees of any kind in any 18 19 proceeding involving the employee's application for initial determination, or claim for waiting period credit, or claim for 20 benefits, under this ((chapter)) title by the commissioner or his or 21 her representatives, or by an appeal tribunal, or any court, or any 22 23 officer thereof. Any employee in any such proceeding before the 24 commissioner or any appeal tribunal may be represented by counsel or other duly authorized agent who shall neither charge nor receive a 25 26 fee for such services in excess of an amount found reasonable by the 27 officer conducting such proceeding.

28 Sec. 54. RCW 50A.04.590 and 2017 3rd sp.s. c 5 s 52 are each 29 amended to read as follows:

30 (1) Whenever any appeal is taken from any decision of the 31 commissioner to any court, all expenses and costs incurred by the 32 commissioner, including court reporter costs and attorneys' fees and 33 all costs taxed against such commissioner, shall be paid out of the 34 family and medical leave enforcement account.

35 (2) Neither the commissioner nor the state shall be charged any 36 fee for any service rendered in connection with litigation under this 37 ((chapter)) title by the clerk of any court. 1 Sec. 55. RCW 50A.04.595 and 2017 3rd sp.s. c 5 s 51 are each 2 amended to read as follows:

3 The remedies provided in this ((chapter)) <u>title</u> for determining 4 the justness or correctness of assessments, refunds, adjustments, or 5 claims shall be exclusive and no court shall entertain any action to 6 enjoin an assessment or require a refund or adjustment except in 7 accordance with the provisions of this ((chapter)) <u>title</u>. Matters 8 which may be determined by the procedures set out in this ((chapter)) 9 <u>title</u> shall not be the subject of any declaratory judgment.

10 Sec. 56. RCW 50A.04.600 and 2018 c 141 s 7 are each amended to 11 read as follows:

(1) An employer may apply to the commissioner for approval of a voluntary plan for the payment of either family leave benefits or medical leave benefits, or both. The application must be submitted on a form and in the manner as prescribed by the commissioner in rule. The fee for the department's review of each application for approval of a voluntary plan is two hundred fifty dollars.

(2) The benefits payable as indemnification for loss of wages
 under any voluntary plan must be separately stated and designated
 separately and distinctly in the plan from other benefits, if any.

(3) Neither an employee nor his or her employer are liable forany premiums for benefits covered by an approved voluntary plan.

23 (4) ((Except as provided in this section, an employee covered by 24 an approved voluntary plan at the commencement of a period of family 25 leave or a medical leave benefit period is not entitled to benefits from the state program. Benefits payable to that employee is the 26 27 liability of the approved voluntary plan under which the employee was covered at the commencement of the family leave or medical leave 28 29 benefit period, regardless of any subsequent serious health condition 30 or family leave which may occur during the benefit period.)) An 31 employee may only receive payment of benefits for family leave, medical leave, or both from one approved plan at a time. An employee 32 who qualifies for benefits and is simultaneously covered by more than 33 one plan under this title will receive benefits under the plan for 34 35 which the employee has worked the most hours during the employee's qualifying period. The commissioner must adopt rules 36 to allow duplication of benefits 37 benefits or prevent employees to 38 simultaneously covered by one or more approved voluntary plans and the state program. 39

1 (5) The commissioner must approve any voluntary plan as to which 2 the commissioner finds that there is at least one employee in 3 employment and all of the following exist:

The benefits afforded to the employees must be at least 4 (a) equivalent to the benefits the employees are entitled to as part of 5 6 the state's family and medical leave program, including but not limited to the duration of leave. The employer must offer at least 7 one-half of the length of leave as provided in RCW 50A.04.020(3) (as 8 recodified by this act) with pay and provide a monetary payment in an 9 amount equal to or higher than the total amount of monetary benefits 10 the employee would be entitled to receive as part of the state-run 11 12 program. The employer may offer the same duration of leave and monetary benefits as offered under the state program. 13

(b) The sick leave an employee is entitled to under RCW 49.46.210 is in addition to the employer's provided benefits and is in addition to any family and medical leave benefits.

17 (c) The plan is available to all of the eligible employees of the 18 employer employed in this state, including future employees.

19 (d) The employer has agreed to make the payroll deductions 20 required, if any, and transmit the proceeds to the department for any 21 portions not collected for the voluntary plan.

(e) The plan will be in effect for a period of not less than one 22 23 year and, thereafter, continuously unless the commissioner finds that the employer has given notice of withdrawal from the plan in a manner 24 25 specified by the commissioner in rule. The plan may be withdrawn by the employer on the date of any law increasing the benefit amounts or 26 the date of any change in the rate of employee premiums, if notice of 27 28 the withdrawal from the plan is transmitted to the commissioner not less than thirty days prior to the date of that law or change. If the 29 plan is not withdrawn, it must be amended to conform to provide the 30 31 increased benefit amount or change in the rate of the employee's 32 premium on the date of the increase or change.

33 (f) The amount of payroll deductions from the wages of an employee in effect for any voluntary plan may not exceed the maximum 34 payroll deduction for that employee as authorized under RCW 35 50A.04.115 (as recodified by this act). The deductions may not be 36 increased on other than an anniversary of the effective date of the 37 plan, except to the extent that any increase in the deductions from 38 39 the wages of an employee do not exceed the maximum rate authorized 40 under the state program.

1 (g) The voluntary plan provides that an employee of an employer 2 with a voluntary plan for either family leave or medical leave, or 3 both, is eligible for the plan benefits if the employee meets the 4 requirements of RCW 50A.04.015 (as recodified by this act) and has 5 worked at least three hundred forty hours for the employer during the 6 twelve months immediately preceding the date leave will commence.

7 (h) The voluntary plan provides that an employee of an employer 8 with a voluntary plan for either family leave or medical leave, or 9 both, who takes leave under the voluntary plan is entitled to the 10 employment protection provisions contained in RCW 50A.04.025 (as 11 <u>recodified by this act</u>) if the employee has worked for the employer 12 for at least nine months and nine hundred sixty-five hours during the 13 twelve months immediately preceding the date leave will commence.

(i) The voluntary plan provides that the employer maintains the employee's existing health benefits as provided under RCW 50A.04.245 (as recodified by this act).

17 (6)(a) The department must conduct a review of the expenses 18 incurred in association with the administration of the voluntary 19 plans during the first three years after implementation and report 20 its findings to the legislature.

(b) The review must include an analysis of the adequacy of the 21 22 fee in subsection (1) of this section to cover the department's administrative expenses related to reviewing and approving or denying 23 the applications and administering appeals related to voluntary 24 25 plans. The review must include an estimate of the next year's projected administrative costs related to the voluntary plans. The 26 legislature shall adjust the fee in subsection (1) of this section as 27 needed to ensure the department's administrative expenses related to 28 29 the voluntary plans are covered by the fee.

30 (c) If the current receipts from the fee in subsection (1) of 31 this section are inadequate to cover the department's administrative 32 expenses related to the voluntary plans, the department may use funds 33 from the family and medical leave insurance account under RCW 34 50A.04.220 (as recodified by this act) to pay for these expenses.

35 Sec. 57. RCW 50A.04.610 and 2017 3rd sp.s. c 5 s 22 are each 36 amended to read as follows:

(1) To be eligible for any family and medical leave, an employee must be in employment for eight hundred twenty hours during the qualifying period, by an employer with a voluntary plan or an

1 employer utilizing the state family and medical leave plan. An 2 employee qualifies for benefits under an employer's voluntary plan 3 ((only)) after the employee works at least three hundred forty hours 4 for the current employer.

5 (2) <u>An employer with an approved voluntary plan may waive the</u> 6 <u>requirements in subsection (1) of this section, in whole or in part,</u> 7 <u>to allow an employee to be immediately eligible for coverage under</u> 8 <u>the employer's voluntary plan.</u>

9 <u>(3)</u> An employee who had coverage under the state plan retains 10 coverage under the state plan until such time as the employee is 11 qualified for coverage under the new employer's voluntary plan.

12 ((<del>(3)</del>)) <u>(4)</u> An employee who was eligible for benefits under a 13 voluntary plan is immediately eligible for benefits under a new 14 employer's voluntary plan.

15 Sec. 58. RCW 50A.04.615 and 2017 3rd sp.s. c 5 s 23 are each 16 amended to read as follows:

(1) An employee is no longer covered by an approved voluntary plan if family leave or the employee's medical leave occurred after the employment relationship with the voluntary plan employer ends, or if the commissioner terminates a voluntary plan.

(2) An employee who has ceased to be covered by an approved voluntary plan is, if otherwise eligible, immediately entitled to benefits from the state program to the same extent as though there had been no exemption as provided in this ((chapter)) title.

25 Sec. 59. RCW 50A.04.625 and 2017 3rd sp.s. c 5 s 17 are each 26 amended to read as follows:

An employer may assume all or a greater part of the cost of the voluntary plan than required under the state program. An employer may deduct from the wages of an employee covered by the voluntary plan, for the purpose of providing the benefits specified in this ((chapter)) <u>title</u>, an amount not in excess of that which would be required if the employee was not covered by the plan.

33 Sec. 60. RCW 50A.04.645 and 2017 3rd sp.s. c 5 s 27 are each 34 amended to read as follows:

35 (1) The commissioner must approve any amendment to a voluntary 36 plan adjusting the provisions thereof, as to periods after the 37 effective date of the amendment, when the commissioner finds: (a) 1 That the plan, as amended, will conform to the standards set forth in 2 this ((chapter)) title; and (b) that notice of the amendment has been 3 delivered to the employees at least ten days prior to the approval.

4 (2) Nothing contained in this section is intended to deny or 5 limit the right of the commissioner to adopt supplementary rules 6 regarding voluntary plans.

7 Sec. 61. RCW 50A.04.650 and 2017 3rd sp.s. c 5 s 21 are each 8 amended to read as follows:

9 (1) The commissioner may terminate any voluntary plan if the 10 commissioner finds that there is risk that the benefits accrued or 11 that will accrue will not be paid or for other good cause shown.

12 (2) The commissioner must give notice of the commissioner's 13 intention to terminate a plan to the employer at least ten days 14 before taking any final action. The notice must state the effective 15 date and the reason for the termination.

(3) On the effective date of the termination of a plan by the commissioner, all moneys in the plan, including moneys paid by the employer, moneys paid by the employees, moneys owed to the voluntary plan by the employer but not yet paid to the plan, and any interest accrued on all these moneys, must be remitted to the department and deposited into the family and medical leave insurance account.

(4) The employer may, within ten days from mailing or personal
service of the notice, file an appeal in the time, manner, method,
and procedure provided in RCW 50A.04.500 (as recodified by this act).

(5) The payment of benefits and the transfer of moneys in the voluntary plan may not be delayed during an employer's appeal of the termination of a voluntary plan.

(6) If an employer's voluntary plan has been terminated by the commissioner the employer is not eligible to apply for approval of another voluntary plan for a period of three years.

31 Sec. 62. RCW 50A.04.655 and 2017 3rd sp.s. c 5 s 20 are each 32 amended to read as follows:

(1) An employer of a voluntary plan found to have violated this
 ((chapter)) title shall be assessed the following monetary penalties:

35 (a) One thousand dollars for the first violation; and

36 (b) Two thousand dollars for the second and subsequent 37 violations.

1 (2) The commissioner shall waive collection of the penalty if the 2 employer corrects the violation within thirty days of receiving a 3 notice of the violation and the notice is for a first violation.

4 (3) The commissioner may waive collection of any penalties if the
5 commissioner determines the violation to be an inadvertent error by
6 the employer.

7 (4) Monetary penalties collected under this section shall be 8 deposited in the family and medical leave enforcement account.

9 (5) The department shall enforce the collection of penalties 10 through conference and conciliation.

(6) These penalties may be appealed as provided in RCW 50A.04.500
 through 50A.04.595 (as recodified by this act).

13 Sec. 63. RCW 50A.04.660 and 2017 3rd sp.s. c 5 s 24 are each 14 amended to read as follows:

An employer may appeal any adverse decision by the department ((regarding the)) related to voluntary plans. ((and)) An employee may appeal any adverse decision by an employer(('s denial of liability upon the claim of an employee for family or medical leave benefits under an approved plan, in the manner specified under)) or the employer's agent related to voluntary plans. Appeals are subject to RCW 50A.04.500 (as recodified by this act).

22 Sec. 64. RCW 50A.04.900 and 2017 3rd sp.s. c 5 s 101 are each 23 amended to read as follows:

24 If any part of this ((chapter)) title is found to be in conflict with federal requirements that are a prescribed condition to the 25 allocation of federal funds to the state or the eligibility of 26 employers in this state for federal unemployment tax credits, the 27 conflicting part of this ((chapter)) title is inoperative solely to 28 29 the extent of the conflict, and the finding or determination does not 30 affect the operation of the remainder of this ((chapter)) title. 31 Rules adopted under this ((chapter)) title must meet federal requirements that are a necessary condition to the receipt of federal 32 funds by the state or the granting of federal unemployment tax 33 34 credits to employers in this state.

35 Sec. 65. RCW 50.29.021 and 2017 3rd sp.s. c 5 s 83 are each 36 amended to read as follows:

1 (1) This section applies to benefits charged to the experience 2 rating accounts of employers for claims that have an effective date 3 on or after January 4, 2004.

4 (2)(a) An experience rating account shall be established and 5 maintained for each employer, except employers as described in RCW 6 50.44.010, 50.44.030, and 50.50.030 who have properly elected to make 7 payments in lieu of contributions, taxable local government employers 8 as described in RCW 50.44.035, and those employers who are required 9 to make payments in lieu of contributions, based on existing records 10 of the employment security department.

(b) Benefits paid to an eligible individual shall be charged to the experience rating accounts of each of such individual's employers during the individual's base year in the same ratio that the wages paid by each employer to the individual during the base year bear to the wages paid by all employers to that individual during that base year, except as otherwise provided in this section.

17 (c) When the eligible individual's separating employer is a 18 covered contribution paying base year employer, benefits paid to the 19 eligible individual shall be charged to the experience rating account 20 of only the individual's separating employer if the individual 21 qualifies for benefits under:

(i) RCW 50.20.050 (1)(b)(i) or (2)(b)(i), as applicable, and
became unemployed after having worked and earned wages in the bona
fide work; or

25 (ii) RCW 50.20.050 (1)(b) (v) through (x) or (2)(b) (v) through 26 (x).

(3) The legislature finds that certain benefit payments, in whole 27 or in part, should not be charged to the experience rating accounts 28 employers except those employers described in RCW 50.44.010, 29 of 50.44.030, and 50.50.030 who have properly elected to make payments 30 31 lieu of contributions, taxable local government employers in 32 described in RCW 50.44.035, and those employers who are required to 33 make payments in lieu of contributions, as follows:

(a) Benefits paid to any individual later determined to be
 ineligible shall not be charged to the experience rating account of
 any contribution paying employer, except as provided in subsection
 of this section.

38 (b) Benefits paid to an individual filing under the provisions of 39 chapter 50.06 RCW shall not be charged to the experience rating 40 account of any contribution paying employer only if: (i) The individual files under RCW 50.06.020(1) after receiving
 crime victims' compensation for a disability resulting from a
 nonwork-related occurrence; or

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(ii) The individual files under RCW 50.06.020(2).

5 (c) Benefits paid which represent the state's share of benefits 6 payable as extended benefits defined under RCW 50.22.010(6) shall not 7 be charged to the experience rating account of any contribution 8 paying employer.

9 (d) In the case of individuals who requalify for benefits under 10 RCW 50.20.050 or 50.20.060, benefits based on wage credits earned 11 prior to the disqualifying separation shall not be charged to the 12 experience rating account of the contribution paying employer from 13 whom that separation took place.

(e) Benefits paid to an individual who qualifies for benefits under RCW 50.20.050 (1)(b) (iv) or (xi) or (2)(b) (iv) or (xi), as applicable, shall not be charged to the experience rating account of any contribution paying employer.

(f) With respect to claims with an effective date on or after the 18 19 first Sunday following April 22, 2005, benefits paid that exceed the benefits that would have been paid if the weekly benefit amount for 20 21 the claim had been determined as one percent of the total wages paid 22 in the individual's base year shall not be charged to the experience rating account of any contribution paying employer. This subsection 23 (3) (f) does not apply to the calculation of contribution rates under 24 25 RCW 50.29.025 for rate year 2010 and thereafter.

(g) The forty-five dollar increase paid as part of an individual's weekly benefit amount as provided in RCW 50.20.1201 and the twenty-five dollar increase paid as part of an individual's weekly benefit amount as provided in RCW 50.20.1202 shall not be charged to the experience rating account of any contribution paying employer.

(h) With respect to claims where the minimum amount payable weekly is increased to one hundred fifty-five dollars pursuant to RCW 50.20.1201(3), benefits paid that exceed the benefits that would have been paid if the minimum amount payable weekly had been calculated pursuant to RCW 50.20.120 shall not be charged to the experience rating account of any contribution paying employer.

(i) Upon approval of an individual's training benefits plan
 submitted in accordance with RCW 50.22.155(2), an individual is
 considered enrolled in training, and regular benefits beginning with

1 the week of approval shall not be charged to the experience rating 2 account of any contribution paying employer.

3 (j) Training benefits paid to an individual under RCW 50.22.155
4 shall not be charged to the experience rating account of any
5 contribution paying employer.

6 (4)(a) A contribution paying base year employer, except employers 7 as provided in subsection (6) of this section, not otherwise eligible 8 for relief of charges for benefits under this section, may receive 9 such relief if the benefit charges result from payment to an 10 individual who:

(i) Last left the employ of such employer voluntarily for reasons not attributable to the employer;

(ii) Was discharged for misconduct or gross misconduct connected with his or her work not a result of inability to meet the minimum job requirements;

16 (iii) Is unemployed as a result of closure or severe curtailment 17 of operation at the employer's plant, building, worksite, or other 18 facility. This closure must be for reasons directly attributable to a 19 catastrophic occurrence such as fire, flood, or other natural 20 disaster;

(iv) Continues to be employed on a regularly scheduled permanent part-time basis by a base year employer and who at some time during the base year was concurrently employed and subsequently separated from at least one other base year employer. Benefit charge relief ceases when the employment relationship between the employer requesting relief and the claimant is terminated. This subsection does not apply to shared work employers under chapter 50.60 RCW;

28 (v) Continues to be employed on a regularly scheduled permanent 29 part-time basis by a base year employer and who qualified for two consecutive unemployment claims where wages were attributable to at 30 31 least one employer who employed the individual in both base years. 32 Benefit charge relief ceases when the employment relationship between the employer requesting relief and the claimant is terminated. This 33 subsection does not apply to shared work employers under chapter 34 50.60 RCW; 35

36 (vi) Was hired to replace an employee who is a member of the 37 military reserves or National Guard and was called to federal active 38 military service by the president of the United States and is 39 subsequently laid off when that employee is reemployed by their

1 employer upon release from active duty within the time provided for 2 reemployment in RCW 73.16.035; or

3 (vii) Worked for an employer for twenty weeks or less, and was 4 laid off at the end of temporary employment when that employee 5 temporarily replaced a permanent employee receiving family or medical 6 leave benefits under ((this chapter)) <u>Title 50A RCW</u>, and the layoff 7 is due to the return of that permanent employee. This subsection 8 (4)(a)(vii) applies to claims with an effective date on or after 9 January 1, 2020.

10 (b) The employer requesting relief of charges under this 11 subsection must request relief in writing within thirty days 12 following mailing to the last known address of the notification of 13 the valid initial determination of such claim, stating the date and 14 reason for the separation or the circumstances of continued 15 employment. The commissioner, upon investigation of the request, 16 shall determine whether relief should be granted.

17 (5) When a benefit claim becomes invalid due to an amendment or adjustment of a report where the employer failed to report or 18 19 inaccurately reported hours worked or remuneration paid, or both, all benefits paid will be charged to the experience rating account of the 20 21 contribution paying employer or employers that originally filed the 22 incomplete or inaccurate report or reports. An employer who reimburses the trust fund for benefits paid to workers and who fails 23 to report or inaccurately reported hours worked or remuneration paid, 24 25 or both, shall reimburse the trust fund for all benefits paid that are based on the originally filed incomplete or inaccurate report or 26 27 reports.

28 (6) An employer's experience rating account may not be relieved of charges for a benefit payment and an employer who reimburses the 29 trust fund for benefit payments may not be credited for a benefit 30 31 payment if a benefit payment was made because the employer or 32 employer's agent failed to respond timely or adequately to a written 33 request of the department for information relating to the claim or claims without establishing good cause for the failure and the 34 employer or employer's agent has a pattern of such failures. The 35 commissioner has the authority to determine whether the employer has 36 good cause under this subsection. 37

38 (a) For the purposes of this subsection, "adequately" means39 providing accurate information of sufficient quantity and quality

1 that would allow a reasonable person to determine eligibility for 2 benefits.

3 (b)(i) For the purposes of this subsection, "pattern" means a 4 benefit payment was made because the employer or employer's agent 5 failed to respond timely or adequately to a written request of the 6 department for information relating to a claim or claims without 7 establishing good cause for the failure, if the greater of the 8 following calculations for an employer is met:

9

(A) At least three times in the previous two years; or

10 (B) Twenty percent of the total current claims against the 11 employer.

(ii) If an employer's agent is utilized, a pattern is established based on each individual client employer that the employer's agent represents.

15 Sec. 66. RCW 26.23.060 and 2000 c 86 s 4 and 2000 c 29 s 1 are 16 each reenacted and amended to read as follows:

17 (1) The division of child support may issue a notice of payroll 18 deduction:

(a) As authorized by a support order that contains a notice clearly stating that child support may be collected by withholding from earnings, wages, or benefits without further notice to the obligated parent; or

(b) After service of a notice containing an income-withholdingprovision under this chapter or chapter 74.20A RCW.

(2) The division of child support shall serve a notice of payroll deduction upon a responsible parent's employer or upon the employment security department for the state in possession of or owing any benefits from the unemployment compensation fund to the responsible parent pursuant to Title 50 RCW <u>or from the paid family and medical</u> <u>leave program under Title 50A RCW</u>:

31 (a) In the manner prescribed for the service of a summons in a 32 civil action;

33 (b) By certified mail, return receipt requested;

34 (c) By electronic means if there is an agreement between the 35 secretary and the person, firm, corporation, association, political 36 subdivision, department of the state, or agency, subdivision, or 37 instrumentality of the United States to accept service by electronic 38 means; or 1 (d) By regular mail to a responsible parent's employer unless the 2 division of child support reasonably believes that service of process 3 in the manner prescribed in (a) or (b) of this subsection is required 4 for initiating an action to ensure employer compliance with the 5 withholding requirement.

6 (3) Service of a notice of payroll deduction upon an employer or 7 employment security department requires the employer or employment security department to immediately make a mandatory payroll deduction 8 the responsible parent's unpaid disposable earnings 9 from or unemployment compensation benefits. The employer or employment 10 11 security department shall thereafter deduct each pay period the 12 amount stated in the notice divided by the number of pay periods per month. The payroll deduction each pay period shall not exceed fifty 13 14 percent of the responsible parent's disposable earnings.

15 (4) A notice of payroll deduction for support shall have priority 16 over any wage assignment, garnishment, attachment, or other legal 17 process.

18 (5) The notice of payroll deduction shall be in writing and 19 include:

20 (a) The name and social security number of the responsible 21 parent;

(b) The amount to be deducted from the responsible parent's disposable earnings each month, or alternate amounts and frequencies as may be necessary to facilitate processing of the payroll deduction;

(c) A statement that the total amount withheld shall not exceed
 fifty percent of the responsible parent's disposable earnings;

28 (d) The address to which the payments are to be mailed or 29 delivered; and

30 (e) A notice to the responsible parent warning the responsible 31 parent that, despite the payroll deduction, the responsible parent's 32 privileges to obtain and maintain a license, as defined in RCW 33 74.20A.320, may not be renewed, or may be suspended if the parent is 34 not in compliance with a support order as defined in RCW 74.20A.320.

35 (6) An informational copy of the notice of payroll deduction 36 shall be mailed to the last known address of the responsible parent 37 by regular mail.

38 (7) An employer or employment security department that receives a 39 notice of payroll deduction shall make immediate deductions from the 40 responsible parent's unpaid disposable earnings and remit proper

amounts to the Washington state support registry within seven working
 days of the date the earnings are payable to the responsible parent.

3 (8) An employer, or the employment security department, upon whom a notice of payroll deduction is served, shall make an answer to the 4 division of child support within twenty days after the date of 5 6 service. The answer shall confirm compliance and institution of the 7 payroll deduction or explain the circumstances if no payroll deduction is in effect. The answer shall also state whether the 8 responsible parent is employed by or receives earnings from the 9 employer or receives unemployment compensation benefits from the 10 employment security department, whether the employer or employment 11 12 security department anticipates paying earnings or unemployment compensation benefits and the amount of earnings. If the responsible 13 parent is no longer employed, or receiving earnings 14 from the employer, the answer shall state the present employer's name and 15 16 address, if known. If the responsible parent is no longer receiving 17 unemployment compensation benefits from the employment security 18 department, the answer shall state the present employer's name and 19 address, if known.

The returned answer or a payment remitted to the division of child support by the employer constitutes proof of service of the notice of payroll deduction in the case where the notice was served by regular mail.

(9) The employer may deduct a processing fee from the remainder of the responsible parent's earnings after withholding under the notice of payroll deduction, even if the remainder is exempt under RCW 26.18.090. The processing fee may not exceed: (a) Ten dollars for the first disbursement made to the Washington state support registry; and (b) one dollar for each subsequent disbursement to the registry.

(10) The notice of payroll deduction shall remain in effect until 30 31 released by the division of child support, the court enters an order 32 terminating the notice and approving an alternate arrangement under 33 RCW 26.23.050, or until the employer no longer employs the responsible parent and is no longer in possession of or owing any 34 earnings to the responsible parent. The employer shall promptly 35 notify the office of support enforcement when the employer no longer 36 employs the parent subject to the notice. For the employment security 37 department, the notice of payroll deduction shall remain in effect 38 39 until released by the division of child support or until the court 40 enters an order terminating the notice.

1 (11) The division of child support may use uniform interstate 2 withholding forms adopted by the United States department of health 3 and human services to take withholding actions under this section 4 whether the responsible parent is receiving earnings or unemployment 5 compensation in this state or in another state.

6 Sec. 67. RCW 43.20A.080 and 1997 c 58 s 1005 are each amended to 7 read as follows:

8 (1) The department shall provide the employment security 9 department quarterly with the names and social security numbers of 10 all clients in the WorkFirst program and any successor state welfare 11 program.

information provided by the employment security 12 (2) The department under RCW 50.13.060 for statistical analysis and welfare 13 program evaluation purposes may be used only for statistical 14 15 analysis, research, and evaluation purposes as provided in RCW 16 74.08A.410 and 74.08A.420. Through individual matches with accessed 17 employment security department confidential employer wage files, only 18 aggregate, statistical, group level data shall be reported. Data sharing by the employment security department may be extended to 19 include the office of financial management and other 20 such 21 governmental entities with oversight responsibility for this program.

22 (3) The department and other agencies of state government shall protect the privacy of confidential personal data supplied under RCW 23 24 50.13.060 consistent with federal law, chapters 50.13 and 50A.---(the new chapter created in section 84 of this act) RCW, and the 25 terms and conditions of a formal data-sharing agreement between the 26 employment security department and agencies of state government, 27 28 however the misuse or unauthorized use of confidential data supplied 29 by the employment security department is subject to the penalties in 30 RCW 50.13.080 and section 81 of this act.

31 Sec. 68. RCW 42.56.410 and 2005 c 274 s 421 are each amended to 32 read as follows:

Records maintained by the employment security department and subject to chapter 50.13 or 50A.--- (the new chapter created in <u>section 84 of this act</u>) RCW if provided to another individual or organization for operational, research, or evaluation purposes are exempt from disclosure under this chapter.

1 <u>NEW SECTION.</u> Sec. 69. Any assignment, pledge, or encumbrance of any right to benefits that are or may become due or payable under 2 this title is void. Such rights to benefits are exempt from levy, 3 execution, attachment, or any other remedy whatsoever provided for 4 the collection of debts, except as provided in RCW 50A.04.060 (as 5 6 recodified by this act). Benefits received by any employee, so long 7 as they are not commingled with other funds of the recipient, are exempt from any remedy whatsoever for collection of all debts except 8 debts incurred for necessaries furnished to such employee or the 9 employee's spouse or dependents during the time when such individual 10 11 was receiving family or medical leave. Any waiver of any exemption 12 provided for in this section is void.

13 <u>NEW SECTION.</u> Sec. 70. (1) If information provided to the 14 department by another governmental agency is held private and 15 confidential by state or federal law, the department may not release 16 such information unless otherwise provided in this title.

17 (2) Information provided to the department by another 18 governmental entity conditioned upon privacy and confidentiality 19 under a provision of law is to be held private and confidential 20 according to the agreement between the department and the other 21 governmental agency unless otherwise provided in this title.

(3) The department may hold private and confidential information obtained for statistical analysis, research, or study purposes if the information was supplied voluntarily, conditioned upon maintaining confidentiality of the information.

(4) Persons requesting disclosure of information held by the department under subsection (1) or (2) of this section shall request such disclosure from the agency providing the information to the department rather than from the department.

30 <u>NEW SECTION.</u> Sec. 71. (1) Any information or records concerning 31 an individual or employer obtained by the department pursuant to the 32 administration of this title shall be private and confidential, 33 except as otherwise provided in this chapter or RCW 50A.04.205 (as 34 recodified by this act).

35 (2) This chapter does not create a rule of evidence.

<u>NEW SECTION.</u> Sec. 72. The commissioner has the authority to
 adopt, amend, or rescind rules interpreting and implementing this
 chapter.

MEW SECTION. Sec. 73. (1) An individual shall have access to all records and information concerning that individual held by the department unless the information is exempt from disclosure under RCW 42.56.410.

8 (2) An employer shall have access to:

9 (a) Its own records relating to any claim or determination for 10 family or medical leave benefits by an individual;

(b) Records and information relating to a decision to allow or deny benefits if the decision is based on material information provided by the employer; and

14 (c) Records and information related to that employer's premium 15 assessment.

16 (3) The department may disclose records and information deemed 17 confidential under this chapter to a third party acting on behalf of 18 an individual or employer that would otherwise be eligible to receive 19 records under subsection (1) or (2) of this section when the 20 department receives a signed release from the individual or employer. 21 The release must include a statement:

(a) Specifically identifying the information that is to bedisclosed;

24 (b) That state government files will be accessed to obtain that 25 information;

(c) Of the specific purpose or purposes for which the information
is sought and a statement that information obtained under the release
will only be used for that purpose or purposes; and

29 (d) Indicating all the parties who may receive the information 30 disclosed.

31 <u>NEW SECTION.</u> Sec. 74. (1) Any interested party, as defined by 32 rule, in a proceeding before the appeal tribunal or commissioner 33 shall have access to any information or records deemed private and 34 confidential under this chapter if the information or records are 35 material to the issues in that proceeding.

36 (2) No decision by the commissioner or the appeals tribunal shall 37 be deemed private and confidential under this chapter unless the 38 decision is based on information obtained in a closed hearing. <u>NEW SECTION.</u> Sec. 75. (1) Information or records deemed private and confidential under this chapter shall be available to parties to judicial or formal administrative proceedings only upon a written finding by the presiding officer that the need for the information or records in the proceeding outweighs any reasons for the privacy and confidentiality of the information or records.

7 (2) Information or records deemed private and confidential under 8 this chapter shall not be available in discovery proceedings unless 9 the court in which the action has been filed has made the finding in 10 subsection (1) of this section. A judicial or administrative subpoena 11 directed to the department must contain this finding. A subpoena for 12 records or information under this section must be submitted in a 13 manner prescribed by the department.

NEW SECTION. Sec. 76. (1) The department may enter into datasharing contracts and may disclose records and information deemed confidential to state government agencies under this chapter only if permitted under subsection (2) of this section and section 78 of this act. A state government agency must need the records or information for an official purpose and must also provide:

(a) An application in writing to the department for the records or information containing a statement of the official purposes for which the state government agency needs the information or records and specifically identify the records or information sought from the department; and

25 (b) A written verification of the need for the specific 26 information from the director, commissioner, chief executive, or 27 other official of the requesting state government agency either on 28 the application or on a separate document.

(2) The department may disclose information or records deemed confidential under this chapter to the following state government agencies:

32 (a) To the department of social and health services to identify33 child support obligations;

34 (b) To the department of revenue to determine potential tax 35 liability or employer compliance with registration and licensing 36 requirements;

37 (c) To the department of labor and industries to compare records38 or information to detect improper or fraudulent claims;

1 (d) To the office of financial management for the purpose of 2 conducting periodic salary or fringe benefit studies pursuant to law;

3 (e) To the office of the state treasurer and any financial or 4 banking institutions deemed necessary by the office of the state 5 treasurer and the department for the proper administration of funds;

6 (f) To the office of the attorney general for purposes of legal 7 representation;

8 (g) To a county clerk for the purpose of RCW 9.94A.760 if 9 requested by the county clerk's office;

10 (h) To the office of administrative hearings for the purpose of 11 administering the administrative appeal process;

12 (i) To the department of enterprise services for the purpose of13 agency administration and operations; and

14 (j) To the consolidated technology services agency for the 15 purpose of enterprise technology support.

16 <u>NEW SECTION.</u> Sec. 77. The state legislature may have access to 17 information or records deemed private and confidential under this 18 chapter if the following requirements are met:

(1) The legislature, a legislative committee, a legislator, or a staff member finds that the information or records are necessary and for official purposes; and

(2) The individuals and organizations whose information is contained within the confidential records requested must provide a signed disclosure that manifests the individual's or organization's informed consent to the disclosure of the records or information to the legislature, legislative committee, legislator, or staff member.

27 <u>NEW SECTION.</u> Sec. 78. The department may disclose information 28 or records deemed confidential under this chapter to the federal 29 internal revenue service if the information is deemed necessary by 30 the department to administer RCW 50A.04.055 (as recodified by this 31 act).

32 <u>NEW SECTION.</u> Sec. 79. Nothing in this chapter shall be 33 construed as limiting or restricting the effect of RCW 42.56.070(8).

34 <u>NEW SECTION.</u> Sec. 80. The family and medical leave program of 35 the department may disclose information or records deemed private and 36 confidential under this chapter to any private person or

1 organization, and by extension, the agents of any private person or organization, when the disclosure is necessary to permit private 2 3 contracting parties to assist in the operation, management, and implementation of the department in instances where 4 certain departmental functions may be delegated to private parties to 5 6 increase the department's efficiency or quality of service to the 7 public. The private person or organization shall use the information or records solely for the purpose for which the information was 8 disclosed and shall be bound by the same rules of privacy and 9 confidentiality as department employees. 10

11 <u>NEW SECTION.</u> Sec. 81. (1) All private persons, government 12 agencies, and organizations authorized to receive information from 13 the department under this chapter have an affirmative obligation to 14 take all reasonable actions necessary to prevent the disclosure of 15 confidential information.

16 (2) The disclosure of any records or information by a private 17 person, government agency, or organization that obtained the records 18 or information from the department under this chapter is prohibited 19 unless expressly permitted by this chapter.

(3) If misuse or an unauthorized disclosure of confidential records or information occurs, all parties who are aware of the violation must inform the department immediately and must take all reasonably available actions to rectify the disclosure to the department's standards.

(4) The misuse or unauthorized release of records or information 25 deemed private and confidential under this chapter by any private 26 27 person, government agency, or organization to which access is 28 permitted by this section shall subject the person, government agency, or organization to a civil penalty of up to twenty thousand 29 dollars in 2018 and annually adjusted by the department based on 30 31 changes in the United States consumer price index for all urban 32 consumers. Other applicable sanctions under state and federal law 33 also apply.

34 (5) Suit to enforce this section shall be brought by the attorney 35 general and the amount of any penalties collected shall be paid into 36 the department's family and medical leave enforcement account. The 37 attorney general may recover reasonable attorneys' fees for any 38 action brought to enforce this section.

1 <u>NEW SECTION.</u> Sec. 82. Where the family and medical leave 2 program of the department contracts to provide services to other 3 governmental or private organizations, the department may disclose to 4 those organizations information or records deemed private and 5 confidential that have been acquired in the performance of the 6 department's obligations under the contracts.

7 <u>NEW SECTION.</u> Sec. 83. Nothing in this chapter shall prevent the 8 disclosure of information or records deemed private and confidential 9 under this chapter if all details identifying an individual or 10 employing unit are deleted so long as the information or records 11 cannot be foreseeably combined with other publicly available 12 information to reveal the identity of an individual or employing 13 unit.

14 <u>NEW SECTION.</u> Sec. 84. Sections 70 through 83 of this act 15 constitute a new chapter in Title 50A RCW.

16 <u>NEW SECTION.</u> Sec. 85. RCW 50A.04.005, 50A.04.010, 50A.04.195, 17 50A.04.200, 50A.04.205, 50A.04.210, 50A.04.215, 50A.04.220, 18 50A.04.225, 50A.04.235, 50A.04.255, 50A.04.265, and 50A.04.900 are 19 each recodified as sections in a new chapter in Title 50A RCW.

20 <u>NEW SECTION.</u> Sec. 86. RCW 50A.04.105, 50A.04.110, 50A.04.115, 21 50A.04.120, and 50A.04.125 are each recodified as sections in a new 22 chapter in Title 50A RCW.

23 <u>NEW SECTION.</u> Sec. 87. Section 69 of this act is codified and 24 RCW 50A.04.015, 50A.04.020, 50A.04.030, 50A.04.035, 50A.04.040, 25 50A.04.045, 50A.04.050, 50A.04.055, 50A.04.060, 50A.04.065, 26 50A.04.240, and 50A.04.250 are each recodified as sections in a new 27 chapter in Title 50A RCW.

28 <u>NEW SECTION.</u> Sec. 88. RCW 50A.04.230 is recodified as a section 29 in a new chapter in Title 50A RCW.

 30
 NEW SECTION.
 Sec. 89.
 RCW 50A.04.600, 50A.04.605, 50A.04.610,

 31
 50A.04.615, 50A.04.620, 50A.04.625, 50A.04.630, 50A.04.635,
 32
 50A.04.640, 50A.04.645, 50A.04.650, 50A.04.655, 50A.04.660, and

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1 50A.04.665 are each recodified as sections in a new chapter in Title 2 50A RCW.

3 <u>NEW SECTION.</u> Sec. 90. RCW 50A.04.025, 50A.04.245, and 4 50A.04.260 are each recodified as sections in a new chapter in Title 5 50A RCW.

6 <u>NEW SECTION.</u> Sec. 91. RCW 50A.04.085, 50A.04.095, and 7 50A.04.100 are each recodified as sections in a new chapter in Title 8 50A RCW.

<u>NEW SECTION.</u> Sec. 92. RCW 50A.04.090, 50A.04.130, 50A.04.135,
 50A.04.140, 50A.04.145, 50A.04.150, 50A.04.155, 50A.04.160,
 50A.04.165, 50A.04.170, 50A.04.175, 50A.04.180, 50A.04.185, and
 50A.04.190 are each recodified as sections in a new chapter in Title
 50A RCW.

14NEW SECTION.Sec. 93.RCW 50A.04.500, 50A.04.505, 50A.04.510,1550A.04.515, 50A.04.520, 50A.04.525, 50A.04.530, 50A.04.535,1650A.04.540, 50A.04.545, 50A.04.550, 50A.04.555, 50A.04.560,1750A.04.565, 50A.04.570, 50A.04.575, 50A.04.580, 50A.04.585,1850A.04.590, and 50A.04.595 are each recodified as sections in a new19chapter in Title 50A RCW.

20 <u>NEW SECTION.</u> Sec. 94. RCW 50A.04.070, 50A.04.075, and 21 50A.04.080 are each recodified as sections in a new chapter in Title 22 50A RCW.

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