

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 5097

67th Legislature
2021 Regular Session

Passed by the Senate April 20, 2021
Yeas 29 Nays 19

President of the Senate

Passed by the House April 6, 2021
Yeas 55 Nays 42

**Speaker of the House of
Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Brad Hendrickson, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5097** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5097

AS AMENDED BY THE HOUSE

Passed Legislature - 2021 Regular Session

State of Washington 67th Legislature 2021 Regular Session

By Senate Labor, Commerce & Tribal Affairs (originally sponsored by Senators Robinson, Conway, Darneille, Das, Hasegawa, Hunt, Keiser, Lias, Lovelett, Nguyen, Saldaña, Stanford, Van De Wege, and Wilson, C.)

READ FIRST TIME 02/11/21.

1 AN ACT Relating to expanding coverage of the paid family and
2 medical leave program; amending RCW 50A.050.010; and creating new
3 sections.

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

5 NEW SECTION. **Sec. 1.** The legislature intends to prevent
6 impacts, based on this act, to the family and medical leave insurance
7 account or the application of a solvency surcharge.

8 **Sec. 2.** RCW 50A.05.010 and 2020 c 125 s 1 are each amended to
9 read as follows:

10 Unless the context clearly requires otherwise, the definitions in
11 this section apply throughout this title.

12 (1) (a) "Casual labor" means work that:

13 (i) Is performed infrequently and irregularly; and

14 (ii) If performed for an employer, does not promote or advance
15 the employer's customary trade or business.

16 (b) For purposes of casual labor:

17 (i) "Infrequently" means work performed twelve or fewer times per
18 calendar quarter; and

19 (ii) "Irregularly" means work performed not on a consistent
20 cadence.

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

5 (3) "Commissioner" means the commissioner of the department or
6 the commissioner's designee.

7 (4) "Department" means the employment security department.

8 (5) (a) "Employee" means an individual who is in the employment of
9 an employer.

10 (b) "Employee" does not include employees of the United States of
11 America.

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

18 (7) (a) "Employer" means: (i) Any individual or type of
19 organization, including any partnership, association, trust, estate,
20 joint stock company, insurance company, limited liability company, or
21 corporation, whether domestic or foreign, or the receiver, trustee in
22 bankruptcy, trustee, or the legal representative of a deceased
23 person, having any person in employment or, having become an
24 employer, has not ceased to be an employer as provided in this title;
25 (ii) the state, state institutions, and state agencies; and (iii) any
26 unit of local government including, but not limited to, a county,
27 city, town, municipal corporation, quasi-municipal corporation, or
28 political subdivision.

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

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

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

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

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

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

8 (b) "Employment" does not include:

9 (i) Self-employed individuals;

10 (ii) Casual labor;

11 (iii) Services for remuneration when it is shown to the
12 satisfaction of the commissioner that:

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

16 (II) Such service is either outside the usual course of business
17 for which such service is performed, or that such service is
18 performed outside of all the places of business of the enterprises
19 for which such service is performed; and

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

23 (B) As a separate alternative:

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

27 (II) Such service is either outside the usual course of business
28 for which such service is performed, or that such service is
29 performed outside of all the places of business of the enterprises
30 for which such service is performed, or the individual is
31 responsible, both under the contract and in fact, for the costs of
32 the principal place of business from which the service is performed;
33 and

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

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

6 (V) On the effective date of the contract of service, or within a
7 reasonable period after the effective date of the contract, such
8 individual has established an account with the department of revenue,
9 and other state agencies as required by the particular case, for the
10 business the individual is conducting for the payment of all state
11 taxes normally paid by employers and businesses and has registered
12 for and received a unified business identifier number from the state
13 of Washington; and

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

18 (iv) Services that require registration under chapter 18.27 RCW
19 or licensing under chapter 19.28 RCW rendered by an individual when:

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

23 (B) The service is either outside the usual course of business
24 for which the service is performed, or the service is performed
25 outside of all the places of business of the enterprise for which the
26 service is performed, or the individual is responsible, both under
27 the contract and in fact, for the costs of the principal place of
28 business from which the service is performed;

29 (C) The individual is customarily engaged in an independently
30 established trade, occupation, profession, or business, of the same
31 nature as that involved in the contract of service, or the individual
32 has a principal place of business for the business the individual is
33 conducting that is eligible for a business deduction for federal
34 income tax purposes, other than that furnished by the employer for
35 which the business has contracted to furnish services;

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

1 (E) On the effective date of the contract of service, or within a
2 reasonable period after the effective date of the contract, the
3 individual has an active and valid certificate of registration with
4 the department of revenue, and an active and valid account with any
5 other state agencies as required by the particular case, for the
6 business the individual is conducting for the payment of all state
7 taxes normally paid by employers and businesses and has registered
8 for and received a unified business identifier number from the state
9 of Washington;

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

14 (G) On the effective date of the contract of service, the
15 individual has a valid contractor registration pursuant to chapter
16 18.27 RCW or an electrical contractor license pursuant to chapter
17 19.28 RCW.

18 (9) "Employment benefits" means all benefits provided or made
19 available to employees by an employer, including group life
20 insurance, health insurance, disability insurance, sick leave, annual
21 leave, educational benefits, and pensions.

22 (10) "Family leave" means any leave taken by an employee from
23 work:

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

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

30 (c) Because of any qualifying exigency as permitted under the
31 federal family and medical leave act, 29 U.S.C. Sec. 2612(a)(1)(E)
32 and 29 C.F.R. Sec. 825.126(b)(1) through (9), as they existed on
33 October 19, 2017, for family members as defined in subsection
34 (~~(10)~~) (11) of this section.

35 (11) "Family member" means a child, grandchild, grandparent,
36 parent, sibling, or spouse of an employee, and also includes any
37 individual who regularly resides in the employee's home or where the
38 relationship creates an expectation that the employee care for the
39 person, and that individual depends on the employee for care. "Family
40 member" includes any individual who regularly resides in the

1 employee's home, except that it does not include an individual who
2 simply resides in the same home with no expectation that the employee
3 care for the individual.

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

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

6 (14) "Health care provider" means: (a) A person licensed as a
7 physician under chapter 18.71 RCW or an osteopathic physician and
8 surgeon under chapter 18.57 RCW; (b) a person licensed as an advanced
9 registered nurse practitioner under chapter 18.79 RCW; or (c) any
10 other person determined by the commissioner to be capable of
11 providing health care services.

12 (15) "Medical leave" means any leave taken by an employee from
13 work made necessary by the employee's own serious health condition.

14 (16) "Paid time off" includes vacation leave, personal leave,
15 medical leave, sick leave, compensatory leave, or any other paid
16 leave offered by an employer under the employer's established policy.

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

21 (18) "Period of incapacity" means an inability to work, attend
22 school, or perform other regular daily activities because of a
23 serious health condition, treatment of that condition or recovery
24 from it, or subsequent treatment in connection with such inpatient
25 care.

26 (19) "Premium" or "premiums" means the payments required by RCW
27 50A.10.030 and paid to the department for deposit in the family and
28 medical leave insurance account under RCW 50A.05.070.

29 (20) "Qualifying period" means the first four of the last five
30 completed calendar quarters or, if eligibility is not established,
31 the last four completed calendar quarters immediately preceding the
32 application for leave.

33 (21)(a) "Remuneration" means all compensation paid for personal
34 services including commissions and bonuses and the cash value of all
35 compensation paid in any medium other than cash.

36 (b) Previously accrued compensation, other than severance pay or
37 payments received pursuant to plant closure agreements, when assigned
38 to a specific period of time by virtue of a collective bargaining
39 agreement, individual employment contract, customary trade practice,
40 or request of the individual compensated, is considered remuneration

1 for the period to which it is assigned. Assignment clearly occurs
2 when the compensation serves to make the individual eligible for all
3 regular fringe benefits for the period to which the compensation is
4 assigned.

5 (c) Remuneration also includes settlements or other proceeds
6 received by an individual as a result of a negotiated settlement for
7 termination of an individual written employment contract prior to its
8 expiration date. The proceeds are deemed assigned in the same
9 intervals and in the same amount for each interval as compensation
10 was allocated under the contract.

11 (d) Remuneration does not include:

12 (i) The payment of tips;

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

16 (iii) Payments to members of the armed forces of the United
17 States, including the organized militia of the state of Washington,
18 for the performance of duty for periods not exceeding seventy-two
19 hours at a time.

20 (22)(a) "Serious health condition" means an illness, injury,
21 impairment, or physical or mental condition that involves:

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

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

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

30 (I) Treatment two or more times, within thirty days of the first
31 day of incapacity, unless extenuating circumstances exist, by a
32 health care provider, by a nurse or physician's assistant under
33 direct supervision of a health care provider, or by a provider of
34 health care services, such as a physical therapist, under orders of,
35 or on referral by, a health care provider; or

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

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

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

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

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

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

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

17 (E) Any period of absence to receive multiple treatments,
18 including any period of recovery from the treatments, by a health
19 care provider or by a provider of health care services under orders
20 of, or on referral by, a health care provider, either for: (I)
21 Restorative surgery after an accident or other injury; or (II) a
22 condition that would likely result in a period of incapacity of more
23 than three consecutive, full calendar days in the absence of medical
24 intervention or treatment, such as cancer, severe arthritis, or
25 kidney disease.

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

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

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

1 (e) Treatment for purposes of (a) of this subsection includes,
2 but is not limited to, examinations to determine if a serious health
3 condition exists and evaluations of the condition. Treatment does not
4 include routine physical examinations, eye examinations, or dental
5 examinations. Under (a)(ii)(A)(II) of this subsection, a regimen of
6 continuing treatment includes, but is not limited to, a course of
7 prescription medication, such as an antibiotic, or therapy requiring
8 special equipment to resolve or alleviate the health condition, such
9 as oxygen. A regimen of continuing treatment that includes taking
10 over-the-counter medications, such as aspirin, antihistamines, or
11 salves, or bed rest, drinking fluids, exercise, and other similar
12 activities that can be initiated without a visit to a health care
13 provider, is not, by itself, sufficient to constitute a regimen of
14 continuing treatment for purposes of this title.

15 (f) Conditions for which cosmetic treatments are administered,
16 such as most treatments for acne or plastic surgery, are not serious
17 health conditions unless inpatient hospital care is required or
18 unless complications develop. Ordinarily, unless complications arise,
19 the common cold, the flu, ear aches, upset stomach, minor ulcers,
20 headaches other than migraines, routine dental or orthodontia
21 problems, and periodontal disease are examples of conditions that are
22 not serious health conditions and do not qualify for leave under this
23 title. Restorative dental or plastic surgery after an injury or
24 removal of cancerous growths are serious health conditions provided
25 all the other conditions of this section are met. Mental illness
26 resulting from stress or allergies may be serious health conditions,
27 but only if all the conditions of this section are met.

28 (g)(i) Substance abuse may be a serious health condition if the
29 conditions of this section are met. However, leave may only be taken
30 for treatment for substance abuse by a health care provider or by a
31 licensed substance abuse treatment provider. Absence because of the
32 employee's use of the substance, rather than for treatment, does not
33 qualify for leave under this title.

34 (ii) Treatment for substance abuse does not prevent an employer
35 from taking employment action against an employee. The employer may
36 not take action against the employee because the employee has
37 exercised his or her right to take medical leave for treatment.
38 However, if the employer has an established policy, applied in a
39 nondiscriminatory manner that has been communicated to all employees,
40 that provides under certain circumstances an employee may be

1 terminated for substance abuse, pursuant to that policy the employee
2 may be terminated whether or not the employee is presently taking
3 medical leave. An employee may also take family leave to care for a
4 covered family member who is receiving treatment for substance abuse.
5 The employer may not take action against an employee who is providing
6 care for a covered family member receiving treatment for substance
7 abuse.

8 (h) Absences attributable to incapacity under (a)(ii)(B) or (C)
9 of this subsection qualify for leave under this title even though the
10 employee or the family member does not receive treatment from a
11 health care provider during the absence, and even if the absence does
12 not last more than three consecutive, full calendar days. For
13 example, an employee with asthma may be unable to report for work due
14 to the onset of an asthma attack or because the employee's health
15 care provider has advised the employee to stay home when the pollen
16 count exceeds a certain level. An employee who is pregnant may be
17 unable to report to work because of severe morning sickness.

18 (23) "Service is localized in this state" has the same meaning as
19 described in RCW 50.04.120.

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

22 (25) "State average weekly wage" means the most recent average
23 weekly wage calculated under RCW 50.04.355 and available on January
24 1st of each year.

25 (26) "Supplemental benefit payments" means payments made by an
26 employer to an employee as salary continuation or as paid time off.
27 Such payments must be in addition to any paid family or medical leave
28 benefits the employee is receiving.

29 (27) "Typical workweek hours" means:

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

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

34 (28) "Wage" or "wages" means:

35 (a) For the purpose of premium assessment, the remuneration paid
36 by an employer to an employee. The maximum wages subject to a premium
37 assessment are those wages as set by the commissioner under RCW
38 50A.10.030;

39 (b) For the purpose of payment of benefits, the remuneration paid
40 by one or more employers to an employee for employment during the

1 employee's qualifying period. At the request of an employee, wages
2 may be calculated on the basis of remuneration payable. The
3 department shall notify each employee that wages are calculated on
4 the basis of remuneration paid, but at the employee's request a
5 redetermination may be performed and based on remuneration payable;
6 and

7 (c) For the purpose of a self-employed person electing coverage
8 under RCW 50A.10.010, the meaning is defined by rule.

9 NEW SECTION. **Sec. 3.** (1) The employment security department
10 must collect and analyze disaggregated data relating to employment
11 protections under Title 50A RCW. The employment security department
12 must develop the proposed plan for data collection and analysis in
13 consultation with the paid family and medical leave advisory
14 committee.

15 (2) By December 1, 2021, the employment security department must
16 submit a report to the appropriate committees of the legislature with
17 the following information:

18 (a) Program utilization by employees covered under approved
19 voluntary plans compared to employees covered under the state plan;
20 and

21 (b) Program utilization by employees working for employers with
22 50 or more employees compared to employees working for employers with
23 fewer than 50 employees.

24 (3) By June 30, 2022, and June 30, 2023, the employment security
25 department must submit a report to the appropriate committees of the
26 legislature with the following information:

27 (a) The number of individuals who used leave under Title 50A RCW
28 in the preceding 12 months as a result of the amended definition of
29 family member in this act; and

30 (b) The effects, if any, on the family and medical leave
31 insurance account as a result of the amended definition of family
32 member in this act.

33 (4) The employment security department must provide members of
34 the paid family and medical leave advisory committee opportunity for
35 comment on the reports under subsections (2) and (3) of this section.
36 Comments provided through this process must be included in a separate
37 section of each final report.

1 NEW SECTION. **Sec. 4.** If the number of individuals utilizing
2 leave under Title 50A RCW as a result of the amended definition of
3 family member in this act exceeds 500 individuals in any calendar
4 year before July 1, 2023, the expenses of the additional leave must
5 be paid by the general fund into the family and medical leave
6 insurance account created in RCW 50A.05.070.

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