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**HOUSE BILL 2012**

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**State of Washington 67th Legislature 2022 Regular Session**

**By** Representatives Young, Graham, and Sutherland

AN ACT Relating to establishing an exemption from the payment of premiums to the long-term services and supports trust program based on certain veterans' benefits; amending RCW 50B.04.080; adding new sections to chapter 50B.04 RCW; and declaring an emergency.

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

**Sec.**  RCW 50B.04.080 and 2020 c 98 s 4 are each amended to read as follows:

(1) ((~~Beginning~~)) Unless otherwise exempted pursuant to this chapter, beginning January 1, 2022, the employment security department shall assess for each individual in employment with an employer a premium based on the amount of the individual's wages. The initial premium rate is ((~~fifty-eight hundredths of one~~)) .58 percent of the individual's wages. Beginning January 1, 2024, and biennially thereafter, the premium rate shall be set by the pension funding council at a rate no greater than ((~~fifty-eight hundredths of one~~)) .58 percent. In addition, the pension funding council must set the premium rate at the lowest amount necessary to maintain the actuarial solvency of the long-term services and supports trust account created in RCW 50B.04.100 in accordance with recognized insurance principles and designed to attempt to limit fluctuations in the premium rate. To facilitate the premium rate setting the office of the state actuary must perform a biennial actuarial audit and valuation of the fund and make recommendations to the pension funding council.

(2)(a) The employer must collect from the employees the premiums provided under this section through payroll deductions and remit the amounts collected to the employment security 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 employment security department as required by this chapter.

(3) Nothing in this chapter 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 responsibilities under this chapter unless and until the existing agreement is reopened or renegotiated by the parties or expires.

(4)(a) Premiums shall be collected in the manner and at such intervals as provided in this chapter and directed by the employment security department.

(b) To the extent feasible, the employment security department shall use the premium assessment, collection, and reporting procedures in Title 50A RCW.

(5) The employment security department shall deposit all premiums collected in this section in the long-term services and supports trust account created in RCW 50B.04.100.

(6) Premiums collected in this section are placed in the trust account for the individuals who become eligible for the program.

(7) If the premiums established in this section are increased, the legislature shall notify each qualified individual by mail that the person's premiums have been increased, describe the reason for increasing the premiums, and describe the plan for restoring the funds so that premiums are returned to ((~~fifty-eight hundredths of one~~)) .58 percent of the individual's wages.

NEW SECTION. **Sec.**  A new section is added to chapter 50B.04 RCW to read as follows:

(1) Beginning July 1, 2022, the employment security department shall accept and approve applications for exemptions from the premium assessment under RCW 50B.04.080 for any individual who meets the criteria for an exemption based on the individual's status as a veteran with a service-connected disability, as provided in this section.

(2) An individual may qualify for the exemption in subsection (1) of this section by establishing that the individual is a veteran of the United States military and has been rated by the federal veterans benefits administration as having a service-connected disability of 30 percent or greater.

(3) An individual with an exemption based upon a service-connected disability status in subsection (1) of this section may, at any time, cancel the exemption and resume payment of the premium assessment under RCW 50B.04.080. The employment security department may reduce the number of benefit units that an individual who obtains an exemption based upon a service-connected disability may receive. The employment security department shall develop a formula for determining the reduction of benefit units based upon the amount of time that a person held an exemption and the overall number of years that the person paid the premium under RCW 50B.04.080 prior to making an application for benefits.

(4) Approved exemptions will take effect on the first day of the quarter immediately following the approval of the exemption.

(5) Exempt employees are not entitled to a refund of any premium deductions made before the effective date of an approved exemption.

(6) An exempt employee shall provide written notification to all employers with whom the employee is employed during the period of the exemption based on hardship.

(7) If an exempt employee fails to notify an employer of an exemption, the exempt employee is not entitled to a refund of any premium deductions made before notification is provided.

(8) Employers shall not deduct premiums after being notified by an employee of an approved exemption issued under this section.

(a) Employers shall retain written notifications of exemptions received from employees.

(b) An employer who deducts premiums after being notified by the employee of an exemption is solely responsible for refunding to the employee any premiums deducted after the notification.

(c) The employer is not entitled to a refund from the employment security department for any premiums remitted to the employment security department that were deducted from exempt employees.

(9) The employment security department shall adopt rules necessary to implement and administer the activities specified in this section related to the program, including rules on the submission and processing of applications under this section.

NEW SECTION. **Sec.**  A new section is added to chapter 50B.04 RCW to read as follows:

(1) The employment security department and the department of veterans affairs shall engage in discussions with the federal veterans benefits administration to develop an outreach strategy to notify veterans of the exemption established in section 2 of this act.

(2) By January 1, 2023, the employment security department and the department of veterans affairs shall submit an outreach strategy to the governor and the legislature and begin implementation of the outreach strategy. The outreach strategy must address:

(a) The extent to which the federal veterans benefits administration is able to share the identities and contact information of Washington residents who are veterans, particularly those with a service-connected disability, with the employment security department and the department of veterans affairs for the purpose of informing veterans of the exemption from the premium assessment established in section 2 of this act;

(b) A plan for actively informing veterans of the option to apply for an exemption from the premium assessment under section 2 of this act; and

(c) A plan for the employment security department to establish efficient procedures for streamlining the exemption application process and reducing administrative burdens on veterans seeking an exemption. The procedures must emphasize opportunities for efficiency on the part of the employment security department both independently as well as in coordination with the federal veterans benefits administration.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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