2SSB 5649 - H COMM AMD

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By Committee on Appropriations

ADOPTED AND ENGROSSED 3/3/2022

- 1 Strike everything after the enacting clause and insert the 2 following:
- 3 "Sec. 1. RCW 50A.05.010 and 2021 c 232 s 2 are each amended to 4 read as follows:
- 5 Unless the context clearly requires otherwise, the definitions in 6 this section apply throughout this title.
 - (1) (a) "Casual labor" means work that:
 - (i) Is performed infrequently and irregularly; and
- 9 (ii) If performed for an employer, does not promote or advance 10 the employer's customary trade or business.
- 11 (b) For purposes of casual labor:
- 12 (i) "Infrequently" means work performed twelve or fewer times per 13 calendar quarter; and
- 14 (ii) "Irregularly" means work performed not on a consistent 15 cadence.
- 16 (2) "Child" includes a biological, adopted, or foster child, a 17 stepchild, a child's spouse, or a child to whom the employee stands 18 in loco parentis, is a legal guardian, or is a de facto parent, 19 regardless of age or dependency status.
- 20 (3) "Commissioner" means the commissioner of the department or 21 the commissioner's designee.
 - (4) "Department" means the employment security department.
- 23 (5)(a) "Employee" means an individual who is in the employment of an employer.
- 25 (b) "Employee" does not include employees of the United States of 26 America.
- 27 (6) "Employee's average weekly wage" means the quotient derived 28 by dividing the employee's total wages during the two quarters of the 29 employee's qualifying period in which total wages were highest by 30 twenty-six. If the result is not a multiple of one dollar, the 31 department must round the result to the next lower multiple of one 32 dollar.

- (7) (a) "Employer" means: (i) Any individual or type of organization, including any partnership, association, trust, estate, joint stock company, insurance company, limited liability company, or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee, or the legal representative of a deceased person, having any person in employment or, having become an employer, has not ceased to be an employer as provided in this title; (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.
 - (b) "Employer" does not include the United States of America.
 - (8) (a) "Employment" means personal service, of whatever nature, unlimited by the relationship of master and servant as known to the common law or any other legal relationship performed for wages or under any contract calling for the performance of personal services, written or oral, express or implied. The term "employment" includes an individual's entire service performed within or without or both within and without this state, if:
 - (i) The service is localized in this state; or
- 21 (ii) The service is not localized in any state, but some of the 22 service is performed in this state; and
 - (A) The base of operations of the employee is in the state, or if there is no base of operations, then the place from which such 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.
 - (b) "Employment" does not include:
 - (i) Self-employed individuals;
 - (ii) Casual labor;

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- 33 (iii) Services for remuneration when it is shown to the 34 satisfaction of the commissioner that:
- 35 (A)(I) Such individual has been and will continue to be free from 36 control or direction over the performance of such service, both under 37 his or her contract of service and in fact; and
- 38 (II) Such service is either outside the usual course of business 39 for which such service is performed, or that such service is

- 1 performed outside of all the places of business of the enterprises 2 for which such service is performed; and
 - (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
 - (B) As a separate alternative:

- (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
- (II) Such service is either outside the usual course of business for which such service is performed, or that such service is performed outside of all the places of business of the enterprises for which such 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; and
- (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 reasonable period after the effective date of the contract, such individual has established an account with the department of revenue, and other state agencies as required by the particular case, for the business the individual is conducting for the payment of all state taxes normally paid by employers and businesses and has registered for and received a unified business identifier number from the state of Washington; and
- (VI) On the effective date of the contract of service, such individual is maintaining a separate set of books or records that reflect all items of income and expenses of the business which the individual is conducting; or

1 (iv) Services that require registration under chapter 18.27 RCW 2 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 business for which the service is performed, or the service is performed 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;
- (C) The 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 the individual has a principal place of business for the business the individual is conducting that is eligible for a business deduction for federal income tax purposes, other than that furnished by the employer for which the business has contracted to furnish services;
- (D) On the effective date of the contract of service, the 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;
- (E) On the effective date of the contract of service, or within a reasonable period after the effective date of the contract, the individual has an active and valid certificate of registration with the department of revenue, and an active and valid account with any other state agencies as required by the particular case, for the business the individual is conducting for the payment of all state taxes normally paid by employers and businesses and has registered for and received a unified business identifier number from the state 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
- 37 (G) On the effective date of the contract of service, the 38 individual has a valid contractor registration pursuant to chapter 39 18.27 RCW or an electrical contractor license pursuant to chapter 40 19.28 RCW.

- 1 (9) "Employment benefits" means all benefits provided or made 2 available to employees by an employer, including group life 3 insurance, health insurance, disability insurance, sick leave, annual 4 leave, educational benefits, and pensions.
- 5 (10) "Family leave" means any leave taken by an employee from 6 work:

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- (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;
- (b) To bond with the employee's child during the first twelve months after the child's birth, or the first twelve months after the placement of a child under the age of eighteen with the employee; $((\Theta r))$
- 14 (c) Because of any qualifying exigency as permitted under the 15 federal family and medical leave act, 29 U.S.C. Sec. 2612(a)(1)(E) 16 and 29 C.F.R. Sec. 825.126(b)(1) through (9), as they existed on 17 October 19, 2017, for family members as defined in subsection (11) of 18 this section; or
- 19 <u>(d) During the seven calendar days following the death of the</u> 20 <u>family member for whom the employee:</u>
- 21 <u>(i) Would have qualified for medical leave under subsection (15)</u>
 22 of this section for the birth of their child; or
- 23 <u>(ii) Would have qualified for family leave under (b) of this</u> 24 subsection.
 - (11) "Family member" means a child, grandchild, grandparent, parent, sibling, or spouse of an employee, and also includes any individual who regularly resides in the employee's home or where the relationship creates an expectation that the employee care for the person, and that individual depends on the employee for care. "Family member" includes any individual who regularly resides in the employee's home, except that it does not include an individual who simply resides in the same home with no expectation that the employee care for the individual.
 - (12) "Grandchild" means a child of the employee's child.
 - (13) "Grandparent" means a parent of the employee's parent.
- 36 (14) "Health care provider" means: (a) A person licensed as a physician under chapter 18.71 RCW or an osteopathic physician and surgeon under chapter 18.57 RCW; (b) a person licensed as an advanced registered nurse practitioner under chapter 18.79 RCW; or (c) any

other person determined by the commissioner to be capable of providing health care services.

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- (15) "Medical leave" means any leave taken by an employee from work made necessary by the employee's own serious health condition.
- (16) "Paid time off" includes vacation leave, personal leave, medical leave, sick leave, compensatory leave, or any other paid leave offered by an employer under the employer's established policy.
- (17) "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.
- (18) "Period of incapacity" means an inability to work, attend school, or perform other regular daily activities because of a serious health condition, treatment of that condition or recovery from it, or subsequent treatment in connection with such inpatient care.
 - (19) "Postnatal" means the first six weeks after birth.
- (20) "Premium" or "premiums" means the payments required by RCW 50A.10.030 and paid to the department for deposit in the family and medical leave insurance account under RCW 50A.05.070.
- $((\frac{(20)}{(20)}))$ <u>(21)</u> "Qualifying period" means the first four of the last five completed calendar quarters or, if eligibility is not established, the last four completed calendar quarters immediately preceding the application for leave.
- $((\frac{(21)}{(21)}))$ $\underline{(22)}$ (a) "Remuneration" means all compensation paid for personal services including commissions and bonuses and the cash value of all compensation paid in any medium other than cash.
- (b) Previously accrued compensation, other than severance pay or payments received pursuant to plant closure agreements, when assigned to a specific period of time by virtue of a collective bargaining agreement, individual employment contract, customary trade practice, or request of the individual compensated, is considered remuneration for the period to which it is assigned. Assignment clearly occurs when the compensation serves to make the individual eligible for all regular fringe benefits for the period to which the compensation is assigned.
- (c) Remuneration also includes settlements or other proceeds received by an individual as a result of a negotiated settlement for termination of an individual written employment contract prior to its expiration date. The proceeds are deemed assigned in the same

- 1 intervals and in the same amount for each interval as compensation 2 was allocated under the contract.
 - (d) Remuneration does not include:
 - (i) The payment of tips;

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- (ii) Supplemental benefit payments made by an employer to an employee in addition to any paid family or medical leave benefits received by the employee; or
- 8 (iii) Payments to members of the armed forces of the United 9 States, including the organized militia of the state of Washington, 10 for the performance of duty for periods not exceeding seventy-two 11 hours at a time.
- 12 $((\frac{(22)}{(23)}))$ (23) (a) "Serious health condition" means an illness, injury, impairment, or physical or mental condition that involves:
- 14 (i) Inpatient care in a hospital, hospice, or residential medical 15 care facility, including any period of incapacity; or
 - (ii) Continuing treatment by a health care provider. A serious health condition involving continuing treatment by a health care 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:
 - (I) Treatment two or more times, within thirty days of the first day of incapacity, unless extenuating circumstances exist, by a health care provider, by a nurse or physician's assistant under direct supervision of a health care provider, or by a provider of health care services, such as a physical therapist, under orders of, or on referral by, a health care provider; or
 - (II) Treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of the health care provider;
- 31 (B) Any period of incapacity due to pregnancy, or for prenatal 32 care;
- 33 (C) Any period of incapacity or treatment for such incapacity due 34 to a chronic serious health condition. A chronic serious health 35 condition is one which:
- 36 (I) Requires periodic visits, defined as at least twice a year, 37 for treatment by a health care provider, or by a nurse under direct 38 supervision of a health care provider;
- 39 (II) Continues over an extended period of time, including 40 recurring episodes of a single underlying condition; and

1 (III) May cause episodic rather than a continuing period of 2 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
- (E) Any period of absence to receive multiple treatments, including any period of recovery from the treatments, by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for: (I) Restorative surgery after an accident or other injury; or (II) a condition that would likely result in a period of incapacity of more than three consecutive, full calendar days in the absence of medical intervention or treatment, such as cancer, severe arthritis, or kidney disease.
- (b) The requirement in (a)(i) and (ii) of this subsection for treatment by a health care provider means an in-person visit to a health care provider. The first, or only, in-person treatment visit must take place within seven days of the first day of incapacity.
- (c) Whether additional treatment visits or a regimen of continuing treatment is necessary within the thirty-day period shall be determined by the health care provider.
- (d) The term extenuating circumstances in (a)(ii)(A)(I) of this subsection means circumstances beyond the employee's control that prevent the follow-up visit from occurring as planned by the health care provider. Whether a given set of circumstances are extenuating depends on the facts. For example, extenuating circumstances exist if a health care provider determines that a second in-person visit is needed within the thirty-day period, but the health care provider does not have any available appointments during that time period.
- (e) Treatment for purposes of (a) of this subsection includes, but is not limited to, examinations to determine if a serious health condition exists and evaluations of the condition. Treatment does not include routine physical examinations, eye examinations, or dental examinations. Under (a)(ii)(A)(II) of this subsection, a regimen of continuing treatment includes, but is not limited to, a course of prescription medication, such as an antibiotic, or therapy requiring special equipment to resolve or alleviate the health condition, such

as oxygen. A regimen of continuing treatment that includes taking over-the-counter medications, such as aspirin, antihistamines, or salves, or bed rest, drinking fluids, exercise, and other similar activities that can be initiated without a visit to a health care provider, is not, by itself, sufficient to constitute a regimen of continuing treatment for purposes of this title.

- (f) Conditions for which cosmetic treatments are administered, such as most treatments for acne or plastic surgery, are not serious health conditions unless inpatient hospital care is required or unless complications develop. Ordinarily, unless complications arise, the common cold, the flu, ear aches, upset stomach, minor ulcers, headaches other than migraines, routine dental or orthodontia problems, and periodontal disease are examples of conditions that are not serious health conditions and do not qualify for leave under this title. Restorative dental or plastic surgery after an injury or removal of cancerous growths are serious health conditions provided all the other conditions of this section are met. Mental illness resulting from stress or allergies may be serious health conditions, but only if all the conditions of this section are met.
- (g) (i) Substance abuse may be a serious health condition if the conditions of this section are met. However, leave may only be taken for treatment for substance abuse by a health care provider or by a licensed substance abuse treatment provider. Absence because of the employee's use of the substance, rather than for treatment, does not qualify for leave under this title.
- (ii) Treatment for substance abuse does not prevent an employer from taking employment action against an employee. The employer may not take action against the employee because the employee has exercised his or her right to take medical leave for treatment. However, if the employer has an established policy, applied in a nondiscriminatory manner that has been communicated to all employees, that provides under certain circumstances an employee may be terminated for substance abuse, pursuant to that policy the employee may be terminated whether or not the employee is presently taking medical leave. An employee may also take family leave to care for a covered family member who is receiving treatment for substance abuse. The employer may not take action against an employee who is providing care for a covered family member receiving treatment for substance abuse.

- (h) Absences attributable to incapacity under (a) (ii) (B) or (C) of this subsection qualify for leave under this title even though the employee or the family member does not receive treatment from a health care provider during the absence, and even if the absence does not last more than three consecutive, full calendar days. For example, an employee with asthma may be unable to report for work due to the onset of an asthma attack or because the employee's health care provider has advised the employee to stay home when the pollen count exceeds a certain level. An employee who is pregnant may be unable to report to work because of severe morning sickness.
- $((\frac{(23)}{)}))$ <u>(24)</u> "Service is localized in this state" has the same meaning as described in RCW 50.04.120.
- $((\frac{(24)}{)})$ "Spouse" means a husband or wife, as the case may 14 be, or state registered domestic partner.
- $((\frac{(25)}{)})$ <u>(26)</u> "State average weekly wage" means the most recent 16 average weekly wage calculated under RCW 50.04.355 and available on 17 January 1st of each year.
 - (((26))) <u>(27)</u> "Supplemental benefit payments" means payments made by an employer to an employee as salary continuation or as paid time off. Such payments must be in addition to any paid family or medical leave benefits the employee is receiving.
 - $((\frac{(27)}{(27)}))$ (28) "Typical workweek hours" means:
- 23 (a) For an hourly employee, the average number of hours worked 24 per week by an employee within the qualifying period; and
- 25 (b) Forty hours for a salaried employee, regardless of the number 26 of hours the salaried employee typically works.
 - $((\frac{(28)}{(29)}))$ <u>(29)</u> "Wage" or "wages" means:

- (a) For the purpose of premium assessment, the remuneration paid by an employer to an employee. The maximum wages subject to a premium assessment are those wages as set by the commissioner under RCW 50A.10.030;
- (b) For the purpose of payment of benefits, the remuneration paid by one or more employers to an employee for employment during the employee's qualifying period. At the request of an employee, wages may be calculated on the basis of remuneration payable. The department shall notify each employee that wages are calculated on the basis of remuneration paid, but at the employee's request a redetermination may be performed and based on remuneration payable; and

- 1 (c) For the purpose of a self-employed person electing coverage 2 under RCW 50A.10.010, the meaning is defined by rule.
- 3 **Sec. 2.** RCW 50A.05.090 and 2019 c 13 s 37 are each amended to 4 read as follows:
 - (1) Nothing in this title 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 title unless and until the existing agreement is reopened or renegotiated by the parties or expires.
 - (2) This section expires December 31, 2023.

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- 11 **Sec. 3.** RCW 50A.15.020 and 2020 c 125 s 4 are each amended to 12 read as follows:
 - (1) Beginning January 1, 2020, family and medical leave are available and benefits are payable to a qualified employee under this section.
 - (a) Following a waiting period consisting of the first seven consecutive calendar days, benefits are payable when family or medical leave is required. However, no waiting period is required for leave for the birth or placement of a child, or for leave because of any qualifying exigency as defined under RCW 50A.05.010(10)(c). The waiting period begins the previous Sunday of the week when an otherwise eligible employee takes leave for the minimum claim duration under subsection (2)(c) of this section. Eligible employees may satisfy the waiting period requirement while simultaneously receiving paid time off for any part of the waiting period.
 - (b) Benefits may continue during the continuance of the need for family or medical leave, subject to the maximum and minimum weekly benefits, duration, and other conditions and limitations established in this title.
- 30 (2) The weekly benefit shall be prorated by the percentage of 31 hours on leave compared to the number of hours provided as the 32 typical workweek hours as defined in RCW 50A.05.010.
- 33 (a) The benefits in this section, if not a multiple of one 34 dollar, shall be reduced to the next lower multiple of one dollar.
- 35 (b) Hours on leave claimed for benefits under this title, if not 36 a multiple of one hour, shall be reduced to the next lower multiple 37 of one hour.

1 (c) The minimum claim duration payment is for eight consecutive 2 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 title 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) (a) Any paid leave benefits under this chapter used in the postnatal period by an employee eligible for benefits under RCW 50A.05.010(23)(a)(ii)(B) must be medical leave, subject to the maximum and minimum weekly benefits, duration, and other conditions and limitations established in this title, unless the employee chooses to use family leave during the postnatal period.
- (b) Certification of a serious health condition is not required for paid leave benefits used in the postnatal period by an employee eligible for benefits under RCW 50A.05.010(23)(a)(ii)(B).
- (5) The weekly benefit for family and medical leave shall be determined as follows: If the employee's average weekly wage is: (a) Equal to or less than one-half of the state average weekly wage, then the benefit amount is equal to ninety percent of the employee's average weekly wage; or (b) greater than one-half of the state average weekly wage, then the benefit amount is the sum of: (i) Ninety percent of one-half of the state average weekly wage; and (ii) fifty percent of the difference of the employee's average weekly wage and one-half of the state average weekly wage.
- (((5))) (6)(a) The maximum weekly benefit for family and medical leave that occurs on or after January 1, 2020, shall be one thousand dollars. By September 30, 2020, and by each subsequent September 30th, the commissioner shall adjust the maximum weekly benefit amount to ninety percent of the state average weekly wage. The adjusted

- 1 maximum weekly benefit amount takes effect on the following January 2 1st.
- 3 (b) The minimum weekly benefit shall not be less than one hundred 4 dollars per week except that if the employee's average weekly wage at 5 the time of family or medical leave is less than one hundred dollars 6 per week, the weekly benefit shall be the employee's full wage.
- 7 **Sec. 4.** RCW 50A.25.020 and 2019 c 13 s 71 are each amended to 8 read as follows:
- 9 (1) Any information or records concerning an individual or 10 employer obtained by the department pursuant to the administration of 11 this title shall be private and confidential, except as otherwise 12 provided in this chapter or RCW 50A.05.040.
 - (2) This chapter does not create a rule of evidence.
- 14 (3) The department must publish, on its website, a current list
- 15 of all employers that have approved voluntary plans under chapter
- 16 <u>50A.30 RCW.</u>

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- NEW SECTION. Sec. 5. A new section is added to chapter 50A.05 RCW to read as follows:
- 19 (1) The office of actuarial services is established within the 20 department.
- 21 (2) The head of the office must be qualified by education and 22 experience in the field of actuarial science.
- 23 **Sec. 6.** RCW 50A.15.040 and 2019 c 13 s 6 are each amended to 24 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:
- 29 (a) Files an application for benefits as required by rules 30 adopted by the commissioner;
- 31 (b) Has met the eligibility requirements of RCW 50A.15.010 or the 32 elective coverage requirements under RCW 50A.10.010;
- 33 (c) Consents to the disclosure of information or records deemed 34 private and confidential under state law. Initial disclosure of this 35 information and these records by another state agency to the 36 department is solely for purposes related to the administration of 37 this title. Further disclosure of this information or these records

- 1 is subject to chapter 50A.25 RCW((τ)) and RCW 50A.05.020(3)((τ)) and 2 ((RCW)) 50A.20.030;
 - (d) Provides his or her social security number;

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- (e) Provides a document authorizing the family member's or employee's health care provider, as applicable, to disclose the family member's or employee's health care information in the form of the certification of a serious health condition;
- (f) Provides the employer from whom family and medical leave is to be taken with written notice of the employee's intention to take family leave in the same manner as an employee is required to provide notice in RCW 50A.15.030 and, in the employee's initial application for benefits, attests that written notice has been provided, unless notice has been waived by the employer under RCW 50A.15.030(3); and
- (g) Provides documentation of a military exigency, if requested 14 by the employer. 15
- 16 (2) An employee who is not in employment for an employer at the 17 time of filing an application for benefits is exempt from subsection (1) (f) and (g) of this section. 18
- (3) Beginning July 1, 2022, and until the 12 months after the end 19 of the state of emergency declared by the governor due to COVID-19, 20 21 the department must ask the employee applicant whether their family or medical leave is related to the COVID-19 pandemic. Initial 22 23 disclosure of this information is solely for purposes related to the administration of this title, including monitoring potential impacts 24 25 on the solvency and stability of the family and medical leave insurance account created in RCW 50A.05.070. Further disclosure of 26 27 this information or these records is subject to chapter 50A.25 RCW 28 and RCW 50A.05.020(3) and 50A.20.030.
- 29 Sec. 7. RCW 50A.05.050 and 2017 3rd sp.s. c 5 s 86 are each 30 amended to read as follows:
- 31 (1) Beginning December 1, 2020, and annually thereafter, the 32 department shall report to the legislature on the entire program, 33 including:
- $((\frac{1}{1}))$ (a) Projected and actual program participation; 34
- 35 $((\frac{(2)}{(2)}))$ (b) Premium rates;
- $((\frac{3}{(3)}))$ (c) Fund balances; 36
- ((4))) (d) Benefits paid; 37

- 1 (((5))) <u>(e)</u> Demographic information on program participants, including income, gender, race, ethnicity, geographic distribution by 2 county and legislative district, and employment sector; 3
 - $((\frac{6}{}))$ (f) Costs of providing benefits;
- $((\frac{7}{}))$ (g) Elective coverage participation; 5
- 6 (((8))) <u>(h)</u> Voluntary plan participation;
- 7 $((\frac{9}{1}))$ (i) Outreach efforts; and

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- $((\frac{10}{10}))$ (j) Small business assistance. 8
- (2) (a) Beginning January 1, 2023, the office of actuarial 9 services created in section 5 of this act must annually report, by 10 November 1st, to the advisory committee in RCW 50A.05.030 on the 11 experience and financial condition of the family and medical leave 12 insurance account, and the lowest future premium rates necessary to 13 maintain solvency of the family and medical leave insurance account 14 in the next four years while limiting fluctuation in premium rates. 15
- 16 (b) For calendar years 2023 through 2028, the annual reports in 17 (a) of this subsection must be submitted to the appropriate committees of the legislature in compliance with RCW 43.01.036. 18
- (3) Beginning October 1, 2023, the department must report 19 quarterly to the advisory committee in RCW 50A.05.030 on premium 20 collections, benefit payments, the family and medical leave insurance 21 account balance, and other program expenditures. 22
- NEW SECTION. 23 Sec. 8. A new section is added to chapter 50A.05 24 RCW to read as follows:
 - (1) The office of financial management must enter into a contract with a public or private entity for actuarial services to provide a report to the appropriate committees of the legislature by October 1, 2022, on the following:
- (a) The experience and financial condition of the family and 29 30 medical leave insurance account created in RCW 50A.05.070;
 - (b) Any recommendations for options to modify the provisions of chapter 50A.10 RCW to maintain the long-term stability and solvency of the family and medical leave insurance account; and
 - (c) A comparison of the provisions of RCW 50A.10.030 with similar provisions in those states with both paid medical leave insurance and paid family leave insurance programs.
- 37 (2) The contract is exempt from the competitive procurement 38 requirements in chapter 39.26 RCW.
- (3) The report in this section must comply with RCW 43.01.036. 39

Sec. 9. RCW 44.44.040 and 2019 c 363 s 22 are each amended to read as follows:

The office of the state actuary shall have the following powers and duties:

- (1) Perform all actuarial services for the department of retirement systems, including all studies required by law.
- (2) Advise the legislature and the governor regarding pension benefit provisions, and funding policies and investment policies of the state investment board.
 - (3) Consult with the legislature and the governor concerning determination of actuarial assumptions used by the department of retirement systems.
 - (4) Prepare a report, to be known as the actuarial fiscal note, on each pension bill introduced in the legislature which briefly explains the financial impact of the bill. The actuarial fiscal note shall include: (a) The statutorily required contribution for the biennium and the following twenty-five years; (b) the biennial cost of the increased benefits if these exceed the required contribution; and (c) any change in the present value of the unfunded accrued benefits. An actuarial fiscal note shall also be prepared for all amendments which are offered in committee or on the floor of the house of representatives or the senate to any pension bill. However, a majority of the members present may suspend the requirement for an actuarial fiscal note for amendments offered on the floor of the house of representatives or the senate.
- (5) Provide such actuarial services to the legislature as may be requested from time to time.
- 29 (6) Provide staff and assistance to the committee established 30 under RCW 41.04.276.
 - (7) Provide actuarial assistance to the law enforcement officers' and firefighters' plan 2 retirement board as provided in chapter 2, Laws of 2003. Reimbursement for services shall be made to the state actuary under RCW 39.34.130 and section 5(5), chapter 2, Laws of 2003.
- 36 (8) Provide actuarial assistance to the committee on advanced 37 tuition payment pursuant to chapter 28B.95 RCW, including 38 recommending a tuition unit price to the committee on advanced 39 tuition payment to be used in the ensuing enrollment period.

- 1 Reimbursement for services shall be made to the state actuary under 2 RCW 39.34.130.
- 3 (9) Provide actuarial assistance to the long-term services and 4 supports trust commission pursuant to chapter 50B.04 RCW.
- 5 Reimbursement for services shall be made to the state actuary under 6 RCW 39.34.130.
- 7 (10) Provide actuarial assistance, as requested by the employment 8 security department or the office of financial management, to the 9 employment security department related to the family and medical
- 10 leave program in Title 50A RCW.

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- 11 **Sec. 10.** RCW 50A.25.070 and 2020 c 125 s 8 are each amended to 12 read as follows:
 - (1) The department may enter into data-sharing contracts and may disclose records and information deemed confidential to state or local government agencies under this chapter only if permitted under subsection (2) of this section and RCW 50A.25.090. A state or local 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 or local government agency needs the information or records and specifically identify the records or information sought from the department; and
 - (b) A written verification of the need for the specific information from the director, commissioner, chief executive, or other official of the requesting state or local government agency either on the application or on a separate document.
- 28 (2) The department may disclose information or records deemed 29 confidential under this chapter to the following state or local 30 government agencies:
 - (a) To the department of social and health services to identify child support obligations as defined in RCW 50A.15.080;
- 33 (b) To the department of revenue to determine potential tax 34 liability or employer compliance with registration and licensing 35 requirements;
- 36 (c) To the department of labor and industries to compare records 37 or information to detect improper or fraudulent claims;

(d) To the office of financial management for the purpose of conducting periodic salary or fringe benefit studies pursuant to law or for the actuarial services created under this act;

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- (e) To the office of the state treasurer and any financial or banking institutions deemed necessary by the office of the state treasurer and the department for the proper administration of funds;
- (f) To the office of the attorney general for purposes of legal representation;
- 9 (g) To a county clerk for the purpose of RCW 9.94A.760 if 10 requested by the county clerk's office;
 - (h) To the office of administrative hearings for the purpose of administering the administrative appeal process;
- 13 (i) To the department of enterprise services for the purpose of agency administration and operations; ((and))
- 15 (j) To the consolidated technology services agency for the purpose of enterprise technology support;
- 17 (k) To the office of the state actuary for the purpose of
 18 performing actuarial services to assess the financial stability and
 19 solvency of the family and medical leave program, and specifically
 20 the family and medical leave insurance account created in RCW
 21 50A.05.070; and
- (1) To the joint legislative audit and review committee, in accordance with RCW 44.28.110, for the purpose of conducting performance audits.
- NEW SECTION. Sec. 11. (1)(a) A legislative task force on paid family and medical leave insurance premiums is established, with members as provided in this subsection.
- 28 (i) The president of the senate must appoint two members from 29 each of the two largest caucuses of the senate.
- 30 (ii) The speaker of the house of representatives must appoint two 31 members from each of the two largest caucuses of the house of 32 representatives.
- 33 (iii) The voting members of the advisory committee in RCW 34 50A.05.030.
- 35 (iv) The governor shall appoint two members, one representing the 36 governor's office and one representing the employment security 37 department.

- 1 (b) The task force must choose its cochairs from among its 2 legislative membership described in (a)(i) and (ii) of this 3 subsection.
 - (2) The task force must review the reports submitted under RCW 50A.05.050 and make recommendations for any legislative modifications to the provisions of chapter 50A.10 RCW to ensure the lowest future premium rates necessary to maintain solvency of the family and medical leave insurance account created in RCW 50A.05.070 in the next four years while limiting fluctuation in family and medical leave insurance premium rates.
 - (3) Staff support for the task force must be provided by the senate committee services and the house of representatives office of program research.
 - (4) Legislative members of the task force are reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members are not entitled to be reimbursed for travel expenses if they are elected officials or are participating on behalf of an employer, governmental entity, or other organization. Any reimbursement for other nonlegislative members is subject to chapter 43.03 RCW.
 - (5) The expenses of the committee must be paid jointly by the senate and the house of representatives. Task force expenditures are subject to approval by the senate facilities and operations committee and the house of representatives executive rules committee, or their successor committees.
 - (6) The task force shall issue a final report on its findings and recommendations to the governor and the appropriate committees of the legislature by December 30, 2022.
 - (7) This section expires January 4, 2023.

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- NEW SECTION. Sec. 12. (1) By October 1, 2024, the joint legislative audit and review committee, in consultation with the employment security department and the advisory committee in RCW 50A.05.030, must conduct a performance audit analyzing the implementation of the paid family and medical leave insurance program. The analysis must include, at a minimum, the following components:
- 36 (a) Evaluate the extent to which the department makes fair and 37 timely decisions, and communicates with employers and workers in a 38 timely, responsive, and accurate manner;

- 1 (b) Determine if current organization and service delivery models 2 are the most efficient available;
- 3 (c) Determine whether current initiatives improve service 4 delivery, meet the needs of current and future workers, and are 5 measurable;
- 6 (d) Evaluate whether the department prepares financial 7 information for the account under RCW 50A.05.070 in accordance with 8 generally accepted accounting principles;
- 9 (e) Evaluate the solvency of the account under RCW 50A.05.070 10 taking into account insurance risks and standard accounting 11 principles; and
- 12 (f) Make recommendations regarding administrative changes that 13 should be made to improve efficiency while maintaining quality 14 service to help address system costs and identify any needed 15 legislative changes to implement these recommendations.
- 16 (2) The joint legislative audit and review committee may contract 17 with an outside consulting firm with expertise in insurance or social 18 insurance and insurance principles.
- 19 (3) The joint legislative audit and review committee must submit 20 a final report on their findings to the appropriate committees of the 21 legislature by October 1, 2024, and must submit a progress report by 22 October 1, 2023.
- 23 (4) This section expires December 31, 2025.
- NEW SECTION. Sec. 13. Section 8 of 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.
- NEW SECTION. Sec. 14. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2022, in the omnibus appropriations act, this act is null and void."
- 32 Correct the title.

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