
HOUSE BILL 1597

State of Washington

67th Legislature

2022 Regular Session

By Representatives Abbarno, Boehnke, Corry, Chase, Graham, Klippert, Stokesbary, Eslick, Chambers, and Young

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1 AN ACT Relating to establishing an exemption from the payment of
2 premiums to the long-term services and supports trust program based
3 on hardship; amending RCW 50B.04.080; and adding a new section to
4 chapter 50B.04 RCW.

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

6 **Sec. 1.** RCW 50B.04.080 and 2020 c 98 s 4 are each amended to
7 read as follows:

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

1 must perform a biennial actuarial audit and valuation of the fund and
2 make recommendations to the pension funding council.

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

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

10 (3) Nothing in this chapter requires any party to a collective
11 bargaining agreement in existence on October 19, 2017, to reopen
12 negotiations of the agreement or to apply any of the responsibilities
13 under this chapter unless and until the existing agreement is
14 reopened or renegotiated by the parties or expires.

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

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

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

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

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

32 NEW SECTION. **Sec. 2.** A new section is added to chapter 50B.04
33 RCW to read as follows:

34 (1) Beginning January 1, 2023, the employment security department
35 shall accept and approve applications for exemptions from the premium
36 assessment under RCW 50B.04.080 for those individuals who meet the
37 criteria for an exemption based upon hardship, as provided in this
38 section.

1 (2) An individual may demonstrate hardship by establishing that
2 the income of the individual's household does not exceed 300 percent
3 of the federal poverty guidelines, as adjusted for family size, as
4 determined annually by the department of health and human services.
5 The commission may recommend other circumstances that constitute
6 hardship for the employment security department to consider. The
7 employment security department may establish standards for any
8 additional exemption based upon hardship upon recommendation by the
9 commission.

10 (3) The employment security department shall determine standards
11 and time periods for renewing an exemption based on hardship. The
12 renewal period may not be less than two years.

13 (4) An individual with an exemption based upon hardship may, at
14 any time, cancel the exemption and resume payment of the premium
15 assessment under RCW 50B.04.080. The employment security department
16 may reduce the number of benefit units that an individual who obtains
17 an exemption based upon hardship may receive. The employment security
18 department must develop a formula for determining the reduction of
19 benefit units based upon the amount of time that a person held an
20 exemption and the overall number of years that the person paid the
21 premium under RCW 50B.04.080 prior to making an application for
22 benefits.

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

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

27 (7) An exempt employee must provide written notification to all
28 employers with whom the employee is employed during the period of the
29 exemption based on hardship.

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

33 (9) Employers must not deduct premiums after being notified by an
34 employee of an approved exemption issued under this section.

35 (a) Employers must retain written notifications of exemptions
36 received from employees.

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

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

4 (10) The employment security department must adopt rules
5 necessary to implement and administer the activities specified in
6 this section related to the program, including rules on the
7 submission and processing of applications under this section.

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