
SECOND SUBSTITUTE SENATE BILL 5292

State of Washington

69th Legislature

2026 Regular Session

By Senate Labor & Commerce (originally sponsored by Senators Conway, Saldaña, Cortes, Nobles, Salomon, and C. Wilson)

READ FIRST TIME 01/26/26.

1 AN ACT Relating to modifying the paid family and medical leave
2 rate calculation without increasing the total premium rate above the
3 1.20 percent maximum; amending RCW 50A.10.030 and 50A.05.050; and
4 providing an effective date.

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

6 **Sec. 1.** RCW 50A.10.030 and 2025 c 304 s 3 are each amended to
7 read as follows:

8 (1) The department shall assess for each individual in employment
9 with an employer and for each individual electing coverage a premium
10 based on the amount of the individual's wages subject to subsection
11 (4) of this section.

12 (2) The commissioner shall determine the percentage of paid
13 claims related to family leave benefits and the percentage of paid
14 claims related to medical leave benefits and set the family leave
15 premium and the medical leave premium by applying the proportional
16 share of paid claims for each type of leave to the total premium rate
17 set in subsection (6) of this section.

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

1 (b) For medical leave premiums, an employer may deduct from the
2 wages of each employee up to 45 percent of the full amount of the
3 premium required.

4 (c) An employer may elect to pay all or any portion of the
5 employee's share of the premium for family leave or medical leave
6 benefits, or both.

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

11 (5)(a) Employers with fewer than 50 employees employed in the
12 state are not required to pay the employer portion of premiums for
13 family and medical leave.

14 (b) If an employer with fewer than 50 employees elects to pay the
15 premiums, the employer is then eligible for assistance under RCW
16 50A.24.030.

17 (6)(a) (~~On or around October 20th of each year~~) Annually, the
18 commissioner must (~~calculate the total premium rate as follows:~~

19 ~~(i) Calculate an amount that equals 140 percent of the prior~~
20 ~~fiscal year's expenses, including the total amount of benefits paid~~
21 ~~and the department's administrative costs;~~

22 ~~(ii) Subtract the balance of the family and medical leave~~
23 ~~insurance account created in RCW 50A.05.070 as of September 30th from~~
24 ~~the amount determined in (a)(i) of this subsection (6); and~~

25 ~~(iii) Divide the difference in (a)(ii) of this subsection (6) by~~
26 ~~the prior fiscal year's taxable wages. The quotient must be carried~~
27 ~~to the fourth decimal place and then rounded up to the nearest one~~
28 ~~hundredth of one percent)) set the total premium rate based on the~~

29 annual report provided pursuant to RCW 50A.05.050 from the office of
30 actuarial services established in RCW 50A.05.130.
31 (b) (~~The commissioner must set the total premium rate at the~~
32 ~~rate calculated in (a) of this subsection (6) subject to the~~
33 ~~following conditions:~~

34 ~~(i) If the commissioner determines the total premium rate~~
35 ~~calculated in (a) of this subsection exceeds a rate necessary to~~
36 ~~maintain a three-month reserve at the end of the following rate~~
37 ~~collection year, the commissioner must set the total premium rate at~~
38 ~~the minimum rate necessary to close the rate collection year with a~~
39 ~~three-month reserve; and~~

40 ~~(ii))~~ The total premium rate must not exceed 1.20 percent.

1 ~~((c) For the purposes of this subsection (6):~~

2 ~~(i) "Taxable wages" means the total amount of wages subject to a~~
3 ~~premium assessment under this section for all individuals in~~
4 ~~employment with an employer and all individuals electing coverage.~~

5 ~~(ii) "Three-month reserve" means the average monthly expenses,~~
6 ~~including the total amount of benefits paid and the department's~~
7 ~~administrative costs, in the prior 12 calendar months from the date~~
8 ~~of the calculation in this subsection multiplied by three.)~~

9 (7) (a) The employer must collect from the employees the premiums
10 provided under this section through payroll deductions and remit the
11 amounts collected to the department.

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

15 (c) On September 30th of each year, the department shall average
16 the number of employees reported by an employer on the last day of
17 each quarter over the last four completed calendar quarters to
18 determine the size of the employer for the next calendar year for the
19 purposes of this section, RCW 50A.24.010, and 50A.24.030.

20 (8) Premiums shall be collected in the manner and at such
21 intervals as provided in this title and directed by the department.

22 (9) Premiums collected under this section are placed in trust for
23 the employees and employers that the program is intended to assist.

24 (10) A city, code city, town, county, or political subdivision
25 may not enact a charter, ordinance, regulation, rule, or resolution:

26 (a) Creating a paid family or medical leave insurance program
27 that alters or amends the requirements of this title for any private
28 employer;

29 (b) Providing for local enforcement of the provisions of this
30 title; or

31 (c) Requiring private employers to supplement duration of leave
32 or amount of wage replacement benefits provided under this title.

33 **Sec. 2.** RCW 50A.05.050 and 2025 c 304 s 2 are each amended to
34 read as follows:

35 (1) Beginning December 1, 2020, and annually thereafter, the
36 department shall report to the legislature on the entire program,
37 including:

38 (a) Projected and actual program participation;

39 (b) Premium rates;

- 1 (c) Fund balances;
- 2 (d) Benefits paid;
- 3 (e) Demographic information on program participants, including
- 4 income, gender, race, ethnicity, geographic distribution by county
- 5 and legislative district, and employment sector;
- 6 (f) Costs of providing benefits;
- 7 (g) Elective coverage participation;
- 8 (h) Voluntary plan participation;
- 9 (i) Outreach efforts; and
- 10 (j) Small business assistance.

11 (2)(a) Beginning January 1, 2023, the office of actuarial

12 services in RCW 50A.05.130 must annually report(~~(, by November 1st,)~~)

13 to the advisory committee in RCW 50A.05.030 on the experience and

14 financial condition of the family and medical leave insurance

15 account, and the lowest future premium rates necessary to

16 ~~((maintain))~~).

17 (i) Maintain solvency of the family and medical leave insurance

18 account in the next four years while limiting fluctuation in premium

19 rates; and

20 (ii) By the end of rate collection year 2030 and each year

21 thereafter, close the rate collection year with a four-month reserve.

22 (b) For calendar years 2023 through 2028, the annual reports in

23 (a) of this subsection must be submitted to the appropriate

24 committees of the legislature in compliance with RCW 43.01.036.

25 (c) For the purposes of this subsection (2), "four-month reserve"

26 means the average monthly expenses, including the total amount of

27 benefits paid and the department's administrative costs, using

28 actuarial projection for the following calendar year, multiplied by

29 four.

30 (d) Beginning January 1, 2026, the office of actuarial services

31 in RCW 50A.05.130 shall submit a report within 10 business days to

32 the advisory committee in RCW 50A.05.030 and the appropriate

33 committees of the legislature in compliance with RCW 43.01.036 if the

34 office projects that a deficit in the family and medical leave

35 insurance account will not be recovered through the next quarterly

36 premium collections.

37 (3) Beginning October 1, 2023, the department must report

38 quarterly to the advisory committee in RCW 50A.05.030 on premium

39 collections, benefit payments, the family and medical leave insurance

40 account balance, and other program expenditures.

1 NEW SECTION. **Sec. 3.** This act takes effect January 1, 2028.

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