Effective Date of Rule: Thirty-one days after filing.

Purpose: The employment security department (ESD) paid family and medical leave division is amending sections of Title 192 WAC to remove references to subsections of RCW to ensure the accuracy of referenced sections of statute within the title.

Citation of Rules Affected by this Order: Amending WAC 192-500-190 Sibling, 192-510-010 Election, withdrawal, and cancellation of coverage, 192-510-031 What are reportable wages for self-employed persons electing coverage?, 192-510-040 How does an employer's size affect liability for premiums and eligibility for small business assistance grants?, 192-510-065 When can an employer deduct premiums from employees?, 192-510-080 What are the requirements to be eligible for a conditional premium waiver?, 192-530-060 How can approved voluntary plans end and what happens when they do?, 192-530-070 What is good cause for terminating an approved voluntary plan?, 192-560-020 What is the application process for a small business assistance grant?, 192-610-051 How is the weekly benefit calculated?, 192-700-005 When is an employee entitled to employment restoration after leave ends?, 192-700-010 Can an employer deny employment restoration?, 192-800-010 How will the disqualification periods and penalties be assessed for an employee who is determined to have committed fraud?, 192-800-020 How will the department differentiate between employers?, 192-800-125 When is a petition for review considered delivered to the department?, and 192-810-030 How do individuals and entities request records from the department?

Statutory Authority for Adoption: RCW 50A.05.060.

Adopted under notice filed as WSR 20-22-018 on October 23, 2020. A final cost-benefit analysis is available by contacting April Amundson, ESD, P.O. Box 9046, Olympia, WA 98507-9046, phone 360-486-2816, TTY 711 (contact Teresa Eckstein at 360-507-9890 for accommodations), email rules@esd.wa.gov, website https://paidleave.wa.gov/rulemaking/.

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Nongovernmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 0, Amended 16, Repealed 0.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 16, Repealed 0.

Date Adopted: January 29, 2021.

April Amundson
Paid Family and Medical Leave Policy and Rules Manager
**WAC 192-500-190 Sibling.** "Sibling" means an individual who shares at least one parent, as defined by RCW 50A.05.010, with another individual.

[Statutory Authority: RCW 50A.05.060. WSR 20-11-033, § 192-500-190, filed 5/14/20, effective 6/14/20.]

**WAC 192-510-010 Election, withdrawal, and cancellation of coverage.**

(1) Self-employed persons as defined in RCW 50A.10.010 and federally recognized tribes as defined in RCW 50A.10.020 may elect coverage under Title 50A RCW.

(2) Notice of election of coverage must be submitted to the department online or in another format approved by the department.

(3) Elective coverage begins on the first day of the quarter immediately following the notice of election.

(4) A period of coverage is defined as:

(a) Three years following the first day of elective coverage or any gap in coverage; and

(b) Each subsequent year.

(5) Any self-employed person or federally recognized tribe may file a notice of withdrawal within thirty calendar days after the end of each period of coverage.

(6) A notice of withdrawal from coverage must be submitted to the department online or in another format approved by the department.

(7) Any levy resulting from the department's cancellation of coverage is in addition to the due and unpaid premiums and interest for the remainder of the period of coverage.

[Statutory Authority: RCW 50A.05.60 [50A.05.060] and 50A.25.030. WSR 20-01-087, § 192-510-010, filed 12/12/19, effective 1/12/20. Statutory Authority: RCW 50A.04.215. WSR 19-08-016, § 192-510-010, filed 3/22/19, effective 4/22/19; WSR 18-12-032, § 192-510-010, filed 5/29/18, effective 6/29/18.]

**WAC 192-510-031 What are reportable wages for self-employed persons electing coverage?** Each quarter, a self-employed individual who
has elected coverage under Title 50A RCW will report to the department wages equal to the combined total of:

(1) The self-employed individual's net income related to their self-employment; and

(2) The gross amount of wages, if any, as defined in RCW 50A.05.010((44)), paid to the self-employed individual from the self-employed individual's business entity.

Example 1: A sole-proprietor selling crafts online earns $3,000 in a quarter and incurred $2,000 in business-related expenses. The individual would report $1,000 to the department for that quarter.

Example 2: A member of a limited liability company pays herself a salary in the amount of $10,000 in a quarter. She also takes a draw from her company in the amount of $5,000. She would report $15,000 to the department for that quarter.

[Statutory Authority: RCW 50A.04.215. WSR 19-23-090, § 192-510-031, filed 11/19/19, effective 12/20/19.]

AMENDATORY SECTION (Amending WSR 20-01-087, filed 12/12/19, effective 1/12/20)

WAC 192-510-040 How does an employer's size affect liability for premiums and eligibility for small business assistance grants? (1) To assess premiums and determine eligibility for small business assistance grants, the department must determine the size of each applicable employer. The department will only count the number of in-state employees as defined in RCW 50A.05.010((44)) when calculating employer size.

(2) If the department determines that the employer's status has changed as it relates to premium liability, the department will notify the employer. This notification will include the following information:

(a) If the employer was determined to have fifty or more employees for the preceding calendar year, and the employer is then determined to have fewer than fifty employees for the subsequent calendar year, the employer will not be required to pay the employer portion of the premium for the next calendar year; or

(b) If the employer was determined to have fewer than fifty employees for the preceding calendar year, and the employer is then determined to have fifty or more employees for the subsequent calendar year, the employer will be required to pay the employer portion of the premium for the next calendar year.

Example: On September 30, 2018, a business is determined to have had 53 employees on average during the previous four completed quarters, which covers July 1, 2017, through June 30, 2018. The employer is liable for the employer portion of premiums for 2019. On September 30, 2019, the business is determined to have had 48 employees on average during the previous four completed quarters, which covers July 1, 2018, through June 30, 2019. The employer is no longer liable for the employer share of premiums for 2020.

[Statutory Authority: RCW 50A.05.60 [50A.05.060] and 50A.25.030. WSR 20-01-087, § 192-510-040, filed 12/12/19, effective 1/12/20. Statutory Authority: RCW 50A.04.215. WSR 18-12-032, § 192-510-040, filed 5/29/18, effective 6/29/18.]
WAC 192-510-065 When can an employer deduct premiums from employees? (1) An employer may not deduct more than the maximum allowable employee share of the premium from wages paid for a pay period.

(2) If an employer fails to deduct the maximum allowable employee share of the premium from wages paid for a pay period, the employer is considered to have elected to pay that portion of the employee share under RCW 50A.10.030 for that pay period. The employer cannot deduct this amount from a future paycheck of the employee for a different pay period.

(3) Subsections (1) and (2) of this section do not apply if an employer was unable to deduct the maximum allowable employee share of the premium for a pay period due to a lack of sufficient employee wages for that pay period.


WAC 192-510-080 What are the requirements to be eligible for a conditional premium waiver? (1) An employer and employee may be eligible for a conditional waiver of premium payments by satisfying the requirements of RCW 50A.10.040.

Example: A storm hits Washington. An employer in Oregon hires a new employee who lives in Oregon to help with repair work. The employee only works in Washington for the employer for one week and is then laid off. The employer and the employee could submit a conditional premium waiver request for this employee.

(2) A conditional premium waiver is not required for work that is not subject to premiums under WAC 192-510-070 or fails to meet the definition of employment in RCW 50A.05.010.

(3) Any conditional premium waiver request must be submitted to the department online or in another format approved by the department.

(4) As a condition to granting the conditional premium waiver, the employer must file quarterly reports to verify that the employee for whom a conditional premium waiver has been granted is still eligible for the waiver.

(5) Once an employee works eight hundred twenty hours in a period of four consecutive complete calendar quarters localized in Washington for an employer, the conditional premium waiver expires.

(6) The department may require the employer to submit additional documentation as necessary.

(7) If the employee exceeds eight hundred twenty hours in a period of four consecutive complete calendar quarters, the conditional waiver expires and the employer and employee will be responsible for their shares of all premiums that would have been paid during the period of four consecutive complete calendar quarters in which the employee exceeded eight hundred twenty hours had the waiver not been...
granted. The employer and employee will each receive a notice of premium assessment. Payment of the missed premiums is due on the date provided in the notice. Upon payment of the missed premiums, the employee will be credited for the hours worked and will be eligible for benefits under this chapter as if the premiums were originally paid.

(8) A request for a conditional premium waiver may be denied if the department finds that the employee does not satisfy the requirements of RCW 50A.10.040.

(9) A conditional premium waiver may be canceled if the department finds that the employee no longer satisfies the requirements of RCW 50A.10.040.

[Statutory Authority: RCW 50A.04.215. WSR 19-23-090, § 192-510-080, filed 11/19/19, effective 12/20/19; WSR 18-12-032, § 192-510-080, filed 5/29/18, effective 6/29/18.]

OTS-2672.1

AMENDATORY SECTION (Amending WSR 19-23-090, filed 11/19/19, effective 12/20/19)

WAC 192-530-060 How can approved voluntary plans end and what happens when they do? (1) An approved voluntary plan ends when either the employer withdraws the plan or the agency terminates the plan for good cause. When a voluntary plan ends either through termination or withdrawal the following requirements must be satisfied:

(a) Benefits and benefit eligibility under a voluntary plan must be maintained for all employees covered by that plan until the effective date of termination or withdrawal.

(b) On the effective date of a voluntary plan termination or withdrawal, employees currently taking family or medical leave under this chapter are entitled to employment restoration under RCW 50A.30.010 ((5)(h)) until the leave ends.

(c) Employers must notify employees of any plan withdrawal or termination within five business days of notification by the department of the effective date of the termination or withdrawal.

(2) Withdrawal. Employers have the right to withdraw a voluntary plan under RCW 50A.30.010 ((5)(e)) and as provided herein:

(a) If an employer chooses to withdraw a voluntary plan due to a legally required increase in the benefit amounts or any change in the rate of employee premiums, the employer must provide notice to the department at least thirty days prior to the date the change goes into effect, stating the reason for the withdrawal. The plan will be considered withdrawn on the date of the change. Within thirty days of the effective date of withdrawal, the employer must remit to the department any employee wages withheld for the purpose of paying paid family or medical leave benefits that were not used to pay paid family or medical leave benefits.

(b) If the employer chooses to withdraw a voluntary plan for any other reason, the employer must provide notice to the department at least thirty days prior to the end of a calendar quarter. The plan will be considered withdrawn on the first day of the calendar quarter following the properly provided notice. If notice is provided less
than thirty days prior to the end of a quarter, the plan will be considered withdrawn on the first day of the second calendar quarter following notice of the withdrawal. Within thirty days of the effective date of withdrawal, the employer must remit to the department any employee wages withheld for the purpose of paying paid family or medical leave benefits that were not used to pay paid family or medical leave benefits.

(c) On the effective date of a voluntary plan withdrawal, for employees currently receiving paid family or medical leave benefits under the voluntary plan, the employer will have the option to:

(i) Continue to pay benefits under the terms of the voluntary plan until the total amount of the benefit is paid or the duration of leave ends, whichever happens first; or

(ii) Immediately pay the employee the maximum remaining amount of benefits available to the employee under the terms of the voluntary plan, regardless of the duration of leave that is actually taken.

(d) Any benefit payments made by an employer to an employee on leave at the time of a voluntary plan withdrawal under (b) of this subsection will be deducted from any moneys owed to the department as described in (a) of this subsection.

(3) Termination. The department may terminate an employer's voluntary plan for good cause as defined under WAC 192-530-070 and as provided herein:

(a) If the department terminates an employer's voluntary plan, the department will notify the employer of the effective date of and reason for the termination. The department will calculate the amount owed by the employer and send an invoice for payment. The amount due will consist of all moneys in the plan, including any contributions held in trust as required by RCW 50A.30.050, moneys owed to the voluntary plan by the employer but not yet paid to the plan, and any interest accrued on all these moneys. The amount is due immediately. Any balance owed will begin accruing interest on the thirtieth calendar day after the date of the invoice.

(b) On the effective date of a voluntary plan termination, employees currently receiving paid family or medical leave benefits under the voluntary plan are, if otherwise eligible under the state plan, immediately entitled to benefits from the state plan.

[Statutory Authority: RCW 50A.04.215. WSR 19-23-090, § 192-530-060, filed 11/19/19, effective 12/20/19; WSR 18-22-080, § 192-530-060, filed 11/2/18, effective 12/3/18; WSR 18-12-032, § 192-530-060, filed 5/29/18, effective 6/29/18.]

AMENDATORY SECTION (Amending WSR 18-22-080, filed 11/2/18, effective 12/3/18)

WAC 192-530-070 What is good cause for terminating an approved voluntary plan? The department may terminate a voluntary plan if there is a risk that benefits will not be paid or for other good cause shown. Good cause for terminating a voluntary plan includes, but is not limited to, an employer's failure to:

(1) Pay timely and accurate paid family or medical leave benefits;

(2) Provide leave for a qualified event;
(3) Protect the employment and employment benefits of an employee when required;
(4) Provide complete quarterly reports;
(5) Report to the department any amendments made to the voluntary plan;
(6) Adhere to the approved voluntary plan; or
(7) Adhere to the requirements of Title 50A RCW or chapter 192-500 WAC and thereafter (chapters 192-500 through (192-999)) 192-899 WAC).

[Statutory Authority: RCW 50A.04.215. WSR 18-22-080, § 192-530-070, filed 11/2/18, effective 12/3/18.]

OTS-2676.1

AMENDATORY SECTION (Amending WSR 20-01-087, filed 12/12/19, effective 1/12/20)

WAC 192-560-020 What is the application process for a small business assistance grant? (1) Applications for small business assistance grants must be submitted online or in another format approved by the department. To be approved, an application must contain:
(a) The name and Social Security number or individual taxpayer identification number of the employee taking leave;
(b) The amount and type of grant being requested;
(c) An explanation summarizing any personnel or significant additional wage-related costs that were taken because of an employee taking leave; and
(d) Written documentation including, but not limited to, personnel records related to the hiring of a new temporary employee, wage reports, and signed statements, showing the temporary worker hired or significant additional wage-related costs incurred are due to an employee's use of leave.

(2) Incomplete applications will not be reviewed and will not count against an employer's limit of ten applications per year under RCW 50A.24.010((44)).

(3) The department will deny the application for reasons including, but not limited to, the employer's failure to demonstrate that:
(a) It hired a temporary worker or incurred any significant additional wage-related costs; or
(b) The temporary worker hired or significant additional wage-related cost incurred was not due to an employee's use of family or medical leave.

(4) If a grant application is denied, the application will count against an employer's limit of ten applications per year.

(5) The denial of a grant application is appealable.

AMENDATORY SECTION (Amending WSR 19-23-090, filed 11/19/19, effective 12/20/19)

WAC 192-610-051 How is the weekly benefit calculated? After a valid claim year is established, the department will calculate the weekly benefit amount using the following process:

1. The department will establish the employee's average weekly wage by dividing the total reported wages in the employee's two highest-paid quarters in the qualifying period by twenty-six. If the result is not a multiple of one dollar, the result is rounded down to the next lower multiple of one dollar.

2. If the employee's average weekly wage is equal to or less than one-half of the state's average weekly wage on the date the calculation is made, the benefit amount is ninety percent of the employee's average weekly wage.

Example 1: For this example, the state's average weekly wage is $1,400. An employee's average weekly wage is $600. Since this amount is less than half of the state's average weekly wage, the employee receives 90% of their weekly wage. The weekly benefit is $540.

3. If the employee's average weekly wage is more than fifty percent of the state's average weekly wage on the date the calculation is made, the weekly benefit amount is the sum of:
   a. Ninety percent of one-half of the state average weekly wage; and
   b. Fifty percent of the difference between one-half of the state average weekly wage and the employee's average weekly wage.

Example 2: For this example, the state's average weekly wage is $1,400. An employee's average weekly wage is $950. Since this number is more than half of the state's average weekly wage, calculate the values for subsection (3)(a) and (b) of this section, then add them together. The first number is equal to 90% of half the state's average weekly wage. Half of $1,400 is $700, and 90% of this number makes the first number $630. The second number is equal to 50% of the amount of the employee's average weekly wage that is higher than half the state's average weekly wage. The amount of the employee's average weekly wage that is higher than half the state's average weekly wage is $250 ($950 - $700). 50% of this amount makes the second number $125. Add the two numbers together. The weekly benefit is $755.

4. If the result of the weekly benefit calculation is not a multiple of one dollar, the result is rounded down to the next lower multiple of one dollar.

5. All weekly benefit amount calculations are subject to the minimum and maximum weekly benefit amounts under RCW 50A.15.020 (5)(a) and (b)).

6. The weekly benefit amount determined in subsections (1) through (4) of this section is prorated by the number of hours claimed for paid family or medical leave compared to the number of typical workweek hours.

Example 3: An employee has a weekly benefit amount determined to be $1,000. The employee worked 20 hours each week in the qualifying period. The employee is now full-time and salaried, causing the department to consider that employee's typical workweek hours to be 40. The employee can claim 40 hours on each weekly claim. No proration would occur because the hours claimed compared to the typical workweek.
hours are the same. As a result, the employee would receive 100% of their weekly benefit amount.

[Statutory Authority: RCW 50A.04.215. WSR 19-23-090, § 192-610-051, filed 11/19/19, effective 12/20/19.]

OTS-2673.1

AMENDATORY SECTION (Amending WSR 20-01-087, filed 12/12/19, effective 1/12/20)

WAC 192-700-005 When is an employee entitled to employment restoration after leave ends? (1) Subject to RCW 50A.35.010((1)(3)), an employee who meets the criteria listed in ((RCW 50A.35.010 (6)(a)) that section who takes leave under Title 50A RCW is entitled, on return from the leave, to be restored by the employer to:
(a) The position of employment held by the employee when the leave commenced; or
(b) An equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment.
(i) "Equivalent position" means a position that is nearly identical to the employee's former position as if the employee did not take extended leave. This includes pay, benefits and working conditions, privileges, perks, location, and status. It must involve the same or substantially similar duties and responsibilities, which must entail substantially equivalent skill, effort, responsibility, and authority.
(ii) "Employment benefits" includes all benefits provided or made available to employees by an employer such as:
(A) Insurance;
(B) Paid time off;
(C) Educational benefits; or
(D) Retirement benefits.
(2) An employee is entitled to such reinstatement even if the employee has been replaced or the employee's position has been restructured to accommodate the employee's absence unless the employer can demonstrate the circumstances fall within WAC 192-700-010((1)).
(3) The protections provided in RCW 50A.35.010 and this section apply to the employee beginning with the date the employee starts taking leave.

[Statutory Authority: RCW 50A.05.60 [50A.05.060] and 50A.25.030. WSR 20-01-087, § 192-700-005, filed 12/12/19, effective 1/12/20. Statutory Authority: RCW 50A.04.215. WSR 19-16-081, § 192-700-005, filed 7/31/19, effective 8/31/19.]

AMENDATORY SECTION (Amending WSR 20-11-035, filed 5/14/20, effective 6/14/20)

WAC 192-700-010 Can an employer deny employment restoration? (1) An employee is not entitled to rights under RCW 50A.35.010((1)(4)) if:
An employer exercises its right to deny restoration under RCW 50A.35.010 ((6)(b)) and the employee has elected not to return to employment after receiving notice under subsection (2) of this section; or

(b) The employer is able to show that an employee would not otherwise have been employed at the time the employee would return to work after the employee's family or medical leave under Title 50A RCW ends.

(2) An employer that chooses to deny restoration under subsection (1)(a) or (b) of this section to an employee on paid medical or family leave must notify the employee in writing as soon as the employer decides to deny restoration. The employer must serve this notice to the employee either in person or by certified mail. The notice must include:

(a) A statement that the employer intends to deny employment restoration when the leave has ended;
(b) The reasons behind the decision to deny restoration;
(c) An explanation that health benefits will still be paid for the duration of the leave; and
(d) The date on which eligibility for employer-provided health benefits ends.

(3) Employers that choose to deny restoration under this section must provide continuation of health benefits as required in RCW 50A.35.020 and WAC 192-700-020.

[Statutory Authority: RCW 50A.05.060, 50A.35.010, and 50A.35.020. WSR 20-11-035, § 192-700-010, filed 5/14/20, effective 6/14/20. Statutory Authority: RCW 50A.05.60 [50A.05.060] and 50A.25.030. WSR 20-01-087, § 192-700-010, filed 12/12/19, effective 1/12/20. Statutory Authority: RCW 50A.04.215. WSR 19-16-081, § 192-700-010, filed 7/31/19, effective 8/31/19.]

WAC 192-800-010 How will the disqualification periods and penalties be assessed for an employee who is determined to have committed fraud? (1) The department will assess disqualification periods and penalties for each fraud determination individually under RCW ((50A.04.045(3))) 50A.15.060.

(2) All disqualifications and penalties in RCW ((50A.04.045(3))) 50A.15.060 are in addition to the required repayment of any benefits paid as a result of fraud.

(3) The department will assess the fraud penalties established under RCW ((50A.04.045(3))) 50A.15.060 based on the percentage of benefits paid for those weeks in which the fraud occurred or that were paid as a result of fraud. The penalty will not apply to other weeks that may be included in the same eligibility decision.

(4) The penalty amount, if not a multiple of one dollar, is rounded up to the next higher dollar.
WAC 192-800-020 How will the department differentiate between employers? (1) The department will determine each entity in possession of its own unified business identifier number as assigned by the state's business licensing service to be an individual employer.

(2) If the department finds an employer acted in such a way to avoid paying the full amount of premiums when due under RCW 50A.04.080(3)(b), 50A.20.030, the employer may be subject to penalties under RCW 50A.04.090, 50A.45.010.

(3) If the department finds under subsection (2) of this section that an employer acted in such a way to avoid paying the full amount of premiums when due, the department may require the employer to report under a single unified business identifier selected by the department. In such cases, the department will notify the employer of the determination. Notice will include the department's findings, the unified business identifier under which the employer must report, and the full amount of remaining premiums, if any, due by the responsible employer.

WAC 192-800-125 When is a petition for review considered delivered to the department? Delivery under RCW 34.05.542(4) is made when a copy of the petition for judicial review is received by the Commissioner's Office at 212 Maple Park Avenue S.E., Olympia, WA or received by mail at the Commissioner's Review Office, Post Office Box 9555, Olympia, WA 98507-9555.

WAC 192-810-030 How do individuals and entities request records from the department? (1) The department will manage all records requests consistent with the provisions of chapter 42.56 RCW.
(2) Requests for public records shall be submitted to the public records officer. Contact the public records officer at:

Public Records Officer
P.O. Box 9046
Olympia, WA 98507-9046
Phone: 1-844-766-8930
Email: RecordsDisclosure@esd.wa.gov

(3) If an individual requests records or information concerning that individual held by the department under RCW 50A.25.040((1)), those records must be released only to the requesting individual.

(4) If an individual submits a records request and asks that the requested records be sent to a third party directly, the individual must follow the provisions of RCW 50A.25.040((3)).

[Statutory Authority: RCW 50A.05.60 [50A.05.060] and 50A.25.030. WSR 20-01-087, § 192-810-030, filed 12/12/19, effective 1/12/20.]