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HOUSE BILL 1599

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State of Washington

67th Legislature

2022 Regular Session

By Representatives Abbarno, Boehnke, Corry, Chase, Caldier, Eslick, Graham, Klippert, Dye, and Stokesbary

Prefiled 12/06/21.

1 AN ACT Relating to establishing an exemption from the payment of  
2 premiums to the long-term services and supports trust program for  
3 recent graduates; amending RCW 50B.04.080; and adding a new section  
4 to 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 any employee who:

37 (a) Has graduated from high school or a two-year or four-year  
38 institution of higher education; and

39 (b) Within 36 months of the date of graduation:

1 (i) Purchases long-term care insurance; and  
2 (ii) Submits an attestation to the employment security department  
3 that the employee has purchased long-term care insurance within 36  
4 months of graduation.

5 (2) The employment security department must refund any premiums  
6 paid from the date of graduation to the date the exemption in  
7 subsection (1) of this section is approved by the employment security  
8 department.

9 (3) An employee who receives an exemption under subsection (1) of  
10 this section may not become a qualified individual or eligible  
11 beneficiary and is permanently ineligible for coverage under this  
12 title.

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

15 (5) An exempt employee must provide written notification to all  
16 current and future employers with whom the employee is employed  
17 following the receipt of an exemption under subsection (1) of this  
18 section.

19 (6) If an exempt employee fails to notify an employer of an  
20 exemption, the exempt employee is not entitled to a refund of any  
21 premium deductions made before notification is provided, other than a  
22 refund from the employment security department for payments made by  
23 the employee up to the date of purchase of long-term care insurance  
24 as provided in subsection (2) of this section.

25 (7) Employers must not deduct premiums after being notified by an  
26 employee of an approved exemption issued under this section.

27 (a) Employers must retain written notifications of exemptions  
28 received from employees.

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

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

35 (8) The employment security department must adopt rules necessary  
36 to implement and administer the activities specified in this section  
37 related to the program, including rules on the submission and  
38 processing of applications under this section.

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