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HOUSE BILL 2162

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State of Washington

68th Legislature

2024 Regular Session

By Representatives Chambers and Leavitt

1 AN ACT Relating to establishing a voluntary exemption from the  
2 payment of premiums to the long-term services and supports trust  
3 program for employees who are active duty service members engaged in  
4 off-duty civilian employment; and amending RCW 50B.04.055.

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

6 **Sec. 1.** RCW 50B.04.055 and 2022 c 2 s 2 are each amended to read  
7 as follows:

8 (1) (~~Beginning January 1, 2023, the~~) The employment security  
9 department shall accept and approve applications for voluntary  
10 exemptions from the premium assessment under RCW 50B.04.080 for any  
11 employee who meets criteria established by the employment security  
12 department for an exemption based on the employee's status as:

13 (a) A veteran of the United States military who has been rated by  
14 the United States department of veterans affairs as having a service-  
15 connected disability of 70 percent or greater;

16 (b) A spouse or registered domestic partner of an active duty  
17 service member in the United States armed forces whether or not  
18 deployed or stationed within or outside of Washington;

19 (c) An employee who holds a nonimmigrant visa for temporary  
20 workers, as recognized by federal law, and is employed by an employer  
21 in Washington; (~~or~~)

1 (d) An employee who is employed by an employer in Washington, but  
2 maintains a permanent address outside of Washington as the employee's  
3 primary location of residence; or

4 (e) Beginning January 1, 2025, an active duty service member in  
5 the United States armed forces, whether or not deployed or stationed  
6 within or outside of Washington, who is concurrently engaged in off-  
7 duty civilian employment as an employee of an employer.

8 (2) The employment security department shall adopt criteria,  
9 procedures, and rules for verifying the information submitted by the  
10 applicant for an exemption under subsection (1) of this section.

11 (3) An employee who receives an exemption under subsection (1) of  
12 this section may not become a qualified individual or eligible  
13 beneficiary and is permanently ineligible for coverage under this  
14 title, unless the exemption has been discontinued as provided in  
15 subsection (4) (~~(, (5), or (6))~~) of this section.

16 (4) (a) An exemption granted in accordance with the conditions  
17 under subsection (1) (b) of this section must be discontinued within  
18 90 days of:

19 (i) The discharge or separation from military service of the  
20 employee's spouse or registered domestic partner; or

21 (ii) The dissolution of the employee's marriage or registered  
22 domestic partnership with the active duty service member.

23 (b) An exemption granted in accordance with the conditions under  
24 subsection (1) (c) of this section must be discontinued within 90 days  
25 of an employee changing the employee's nonimmigrant visa for  
26 temporary workers status to become a permanent resident or citizen  
27 employed in Washington.

28 (c) An exemption granted in accordance with the conditions under  
29 subsection (1) (d) of this section must be discontinued within 90 days  
30 of an employee establishing a permanent address within Washington as  
31 the employee's primary location of residence.

32 (d) An exemption granted in accordance with the conditions under  
33 subsection (1) (e) of this section must be discontinued within 90 days  
34 of the discharge or separation from military service.

35 (5) (a) Within 90 days of the occurrence of (~~either of~~) the  
36 events described in (~~(a)~~) subsection (4) of this (~~subsection~~)  
37 section, an employee who has received an exemption under subsection  
38 (1) of this section shall:

39 (i) Notify the employment security department that the exemption  
40 must be discontinued because of the occurrence of (~~either of~~) the

1 events described in ~~((a))~~ subsection (4) of this ~~((subsection))~~  
2 section; and

3 (ii) Notify the employee's employer that the employee is no  
4 longer exempt and that the employer must begin collecting premiums  
5 from the employee in accordance with RCW 50B.04.080.

6 ~~((e))~~ (b) Upon notification to the employment security  
7 department and the employer, premium assessments established under  
8 RCW 50B.04.080 must begin and the employee may become a qualified  
9 individual or eligible beneficiary upon meeting the requirements  
10 established in this chapter.

11 ~~((d))~~ (c) Failure to begin paying the premium established under  
12 RCW 50B.04.080 within 90 days of the occurrence of either of the  
13 events described in ~~((a))~~ subsection (4) of this ~~((subsection))~~  
14 section shall result in the payment of any unpaid premiums from the  
15 employee, with interest at the rate of one percent per month or  
16 fraction thereof, by the employee to the employment security  
17 department from the date on which the payment should have begun.

18 ~~((5)(a) An exemption granted in accordance with the conditions~~  
19 ~~under subsection (1)(c) of this section must be discontinued within~~  
20 ~~90 days of an employee changing the employee's nonimmigrant visa for~~  
21 ~~temporary workers status to become a permanent resident or citizen~~  
22 ~~employed in Washington.~~

23 ~~(b) Within 90 days of the employee changing the employee's~~  
24 ~~nonimmigrant visa for temporary workers status to become a permanent~~  
25 ~~resident or citizen employed in Washington, the employee who has~~  
26 ~~received an exemption under subsection (1)(c) of this section shall:~~

27 ~~(i) Notify the employment security department that the employee~~  
28 ~~no longer holds a nonimmigrant visa for temporary workers and is a~~  
29 ~~permanent resident or citizen employed in Washington and the~~  
30 ~~exemption must be discontinued; and~~

31 ~~(ii) Notify the employee's employer that the employee no longer~~  
32 ~~holds a nonimmigrant visa for temporary workers and is a permanent~~  
33 ~~resident or citizen employed in Washington, and that the employer~~  
34 ~~must begin collecting premiums from the employee in accordance with~~  
35 ~~RCW 50B.04.080.~~

36 ~~(c) Upon notification to the employment security department and~~  
37 ~~the employer, premium assessments established under RCW 50B.04.080~~  
38 ~~must begin and the employee may become a qualified individual or~~  
39 ~~eligible beneficiary upon meeting the requirements established in~~  
40 ~~this chapter.~~

1 ~~(d) Failure to begin paying the premium established under RCW~~  
2 ~~50B.04.080 within 90 days of an employee no longer holding a~~  
3 ~~nonimmigrant visa for temporary workers and becoming a permanent~~  
4 ~~resident or citizen employed in Washington shall result in the~~  
5 ~~payment of any unpaid premiums from the employee, with interest at~~  
6 ~~the rate of one percent per month or fraction thereof, by the~~  
7 ~~employee to the employment security department from the date on which~~  
8 ~~the payment should have begun.~~

9 ~~(6) (a) An exemption granted in accordance with the conditions~~  
10 ~~under subsection (1) (d) of this section must be discontinued within~~  
11 ~~90 days of an employee establishing a permanent address within~~  
12 ~~Washington as the employee's primary location of residence.~~

13 ~~(b) Within 90 days of the employee establishing a permanent~~  
14 ~~address within Washington as the employee's primary location of~~  
15 ~~residence, the employee who has received an exemption under~~  
16 ~~subsection (1) (d) of this section shall:~~

17 ~~(i) Notify the employment security department that the employee~~  
18 ~~is residing in Washington and the exemption must be discontinued; and~~

19 ~~(ii) Notify the employee's employer that the employee is no~~  
20 ~~longer exempt and that the employer must begin collecting premiums~~  
21 ~~from the employee in accordance with RCW 50B.04.080.~~

22 ~~(c) Upon notification to the employment security department and~~  
23 ~~the employer, premium assessments established under RCW 50B.04.080~~  
24 ~~must begin and the employee may become a qualified individual or~~  
25 ~~eligible beneficiary upon meeting the requirements established in~~  
26 ~~this chapter.~~

27 ~~(d) Failure to begin paying the premium established under RCW~~  
28 ~~50B.04.080 within 90 days of an employee establishing a permanent~~  
29 ~~address within Washington as the employee's primary location of~~  
30 ~~residence shall result in the payment of any unpaid premiums from the~~  
31 ~~employee, with interest at the rate of one percent per month or~~  
32 ~~fraction thereof, by the employee to the employment security~~  
33 ~~department from the date on which the payment should have begun.~~

34 ~~(7)) (6)~~ Exempt employees are not entitled to a refund of any  
35 premium deductions made before the effective date of an approved  
36 exemption, except for premiums collected prior to the effective date  
37 of the premium assessment under RCW 50B.04.080.

38 ~~((8)) (7)~~ An employee who has received an exemption pursuant to  
39 this section shall provide written notification to all current and  
40 future employers of an approved exemption.

1        ~~((9))~~ (8) If an exempt employee fails to notify an employer of  
2 an exemption, the exempt employee is not entitled to a refund of any  
3 premium deductions made before notification is provided, except for  
4 premiums collected prior to the effective date of the premium  
5 assessment under RCW 50B.04.080.

6        ~~((10))~~ (9) Employers may not deduct premiums after being  
7 notified by an employee of an approved exemption issued under this  
8 section.

9        (a) Employers shall retain written notifications of exemptions  
10 received from employees.

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

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

17        ~~((11))~~ (10) The provisions of RCW 50B.04.085 do not apply to  
18 the exemptions issued pursuant to this section.

19        ~~((12))~~ (11) The employment security department shall adopt  
20 rules necessary to implement and administer the activities specified  
21 in this section related to the program, including rules on the  
22 submission and processing of applications under this section.

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