

SHB 1732 - H AMD 776

By Representative Corry

SCOPE AND OBJECT 01/19/2022

1 On page 1, after line 9, insert the following:

2 "NEW SECTION. Sec. 1. (1) The legislature finds:

3 (a) Persons born before January 1, 1968, may be struggling to make
4 ends meet and adding additional financial burden may cause extreme
5 harm;

6 (b) These individuals born before January 1, 1968, may have to
7 leave their jobs to avoid paying this tax, removing their ability to
8 become qualified individuals and receive the benefit of this program;
9 and

10 (c) An exemption based on hardship allows individuals born before
11 January 1, 1968, and others to continue to vest during financial
12 hardship, thereby protecting these individuals from having to quit
13 their jobs and risk never becoming eligible beneficiaries.

14 (2) The legislature, therefore, intends to modify the conditions
15 to become a qualified individual by extending the opportunity for
16 those born before January 1, 1968, and others to become qualified
17 individuals through the use of an exemption based on hardship."
18

19 Renumber the remaining sections consecutively and correct any
20 internal references accordingly.
21

22 On page 7, line 30, after "(1)" strike "~~(The)~~ Except as provided
23 in subsection (2) of this section" and insert "(a) ~~(The)~~ Except as
24 provided in subsection (2) of this section and section 4 of this act"
25

26 On page 7, at the beginning of line 35, strike "(a)" and insert
27 "~~(a)~~(i)"

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2 On page 7, at the beginning of line 37, strike "(b)" and insert
3 "~~((b))~~(ii)"

4
5 On page 7, after line 38, insert the following:
6 "(b) When determining the number of years worked under (a) of this
7 subsection, the employment security department shall consider each
8 year that a person held an approved exemption based on hardship under
9 section 4 of this act as the equivalent of one year toward meeting the
10 minimum number of years of premium payments in either (a)(i) or (a)
11 (ii) of this subsection."

12
13 On page 8, after line 25, insert the following:

14
15 "NEW SECTION. Sec. 4. A new section is added to chapter 50B.04
16 RCW to read as follows:

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

22 (2) An individual may demonstrate hardship by establishing that
23 the income of the individual's household does not exceed 300 percent
24 of the federal poverty guidelines, as adjusted for family size, as
25 determined annually by the department of health and human services.
26 The commission may recommend other circumstances that constitute
27 hardship for the employment security department to consider. The
28 employment security department may establish standards for any
29 additional exemption based upon hardship upon recommendation by the
30 commission.

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

1 (4) An individual with an exemption based upon hardship may, at
2 any time, cancel the exemption and resume payment of the premium
3 assessment under RCW 50B.04.080.

4 (5) Each year that an individual holds an exemption based on
5 hardship qualifies as a year toward meeting the minimum requirement
6 to become a qualified individual under RCW 50B.04.050.

7 (6) Approved exemptions will take effect on the first day of the
8 quarter immediately following the approval of the exemption.

9 (7) Exempt employees are not entitled to a refund of any premium
10 deductions made before the effective date of an approved exemption.

11 (8) An exempt employee must provide written notification to all
12 employers with whom the employee is employed during the period of
13 the exemption based on hardship.

14 (9) If an exempt employee fails to notify an employer of an
15 exemption, the exempt employee is not entitled to a refund of any
16 premium deductions made before notification is provided.

17 (10) Employers must not deduct premiums after being notified by
18 an employee of an approved exemption issued under this section.

19 (a) Employers must retain written notifications of exemptions
20 received from employees.

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

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

27 (11) The employment security department must adopt rules
28 necessary to implement and administer the activities specified in
29 this section related to the program, including rules on the
30 submission and processing of applications under this section."

31
32 Renumber the remaining sections consecutively and correct any
33 internal references accordingly.

1 On page 9, line 21, after "(1)" strike "Beginning ((~~January 1,~~
2 ~~2022~~))" and insert "((~~Beginning January 1, 2022~~)) Unless otherwise
3 exempted pursuant to this chapter, beginning"

4

5 Correct the title.

6

EFFECT: Establishes an exemption based on hardship under the Long-Term Services and Supports (LTSS) Trust Program as a temporary exemption from the premium assessment for persons whose household income is at or below 300 percent of the Federal Poverty Level. Authorizes the LTSS Trust Commission to recommend other circumstances to qualify for the exemption. Requires that the exemption be renewed in renewal periods not less than two years. Allows the employee to cancel the exemption and resume payment of the premium. Provides that each year that the employee holds an exemption based on hardship qualifies as a year of making premium payments required to become a qualified individual.

Makes legislative findings regarding the establishment of a hardship exemption for persons born before 1968, and others. Declares legislative intent to allow for a hardship exemption.

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