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HOUSE BILL 2012

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State of Washington

67th Legislature

2022 Regular Session

By Representatives Young, Graham, and Sutherland

Read first time 01/17/22. Referred to Committee on Appropriations.

1 AN ACT Relating to establishing an exemption from the payment of  
2 premiums to the long-term services and supports trust program based  
3 on certain veterans' benefits; amending RCW 50B.04.080; adding new  
4 sections to chapter 50B.04 RCW; and declaring an emergency.

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)~~) .58 percent  
13 of the 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~~  
16 ~~one)~~) .58 percent. In addition, the pension funding council must set  
17 the premium rate at the lowest amount necessary to maintain the  
18 actuarial solvency of the long-term services and supports trust  
19 account created in RCW 50B.04.100 in accordance with recognized  
20 insurance principles and designed to attempt to limit fluctuations in  
21 the premium rate. To facilitate the premium rate setting the office

1 of the state actuary must perform a biennial actuarial audit and  
2 valuation of the fund and make recommendations to the pension funding  
3 council.

4 (2) (a) The employer must collect from the employees the premiums  
5 provided under this section through payroll deductions and remit the  
6 amounts collected to the employment security department.

7 (b) In collecting employee premiums through payroll deductions,  
8 the employer shall act as the agent of the employees and shall remit  
9 the amounts to the employment security department as required by this  
10 chapter.

11 (3) Nothing in this chapter requires any party to a collective  
12 bargaining agreement in existence on October 19, 2017, to reopen  
13 negotiations of the agreement or to apply any of the responsibilities  
14 under this chapter unless and until the existing agreement is  
15 reopened or renegotiated by the parties or expires.

16 (4) (a) Premiums shall be collected in the manner and at such  
17 intervals as provided in this chapter and directed by the employment  
18 security department.

19 (b) To the extent feasible, the employment security department  
20 shall use the premium assessment, collection, and reporting  
21 procedures in Title 50A RCW.

22 (5) The employment security department shall deposit all premiums  
23 collected in this section in the long-term services and supports  
24 trust account created in RCW 50B.04.100.

25 (6) Premiums collected in this section are placed in the trust  
26 account for the individuals who become eligible for the program.

27 (7) If the premiums established in this section are increased,  
28 the legislature shall notify each qualified individual by mail that  
29 the person's premiums have been increased, describe the reason for  
30 increasing the premiums, and describe the plan for restoring the  
31 funds so that premiums are returned to (~~(fifty-eight hundredths of~~  
32 ~~one)~~) .58 percent of the individual's wages.

33 NEW SECTION. **Sec. 2.** A new section is added to chapter 50B.04  
34 RCW to read as follows:

35 (1) Beginning July 1, 2022, the employment security department  
36 shall accept and approve applications for exemptions from the premium  
37 assessment under RCW 50B.04.080 for any individual who meets the  
38 criteria for an exemption based on the individual's status as a

1 veteran with a service-connected disability, as provided in this  
2 section.

3 (2) An individual may qualify for the exemption in subsection (1)  
4 of this section by establishing that the individual is a veteran of  
5 the United States military and has been rated by the federal veterans  
6 benefits administration as having a service-connected disability of  
7 30 percent or greater.

8 (3) An individual with an exemption based upon a service-  
9 connected disability status in subsection (1) of this section may, at  
10 any time, cancel the exemption and resume payment of the premium  
11 assessment under RCW 50B.04.080. The employment security department  
12 may reduce the number of benefit units that an individual who obtains  
13 an exemption based upon a service-connected disability may receive.  
14 The employment security department shall develop a formula for  
15 determining the reduction of benefit units based upon the amount of  
16 time that a person held an exemption and the overall number of years  
17 that the person paid the premium under RCW 50B.04.080 prior to making  
18 an application for benefits.

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

21 (5) Exempt employees are not entitled to a refund of any premium  
22 deductions made before the effective date of an approved exemption.

23 (6) An exempt employee shall provide written notification to all  
24 employers with whom the employee is employed during the period of the  
25 exemption based on hardship.

26 (7) If an exempt employee fails to notify an employer of an  
27 exemption, the exempt employee is not entitled to a refund of any  
28 premium deductions made before notification is provided.

29 (8) Employers shall not deduct premiums after being notified by  
30 an employee of an approved exemption issued under this section.

31 (a) Employers shall retain written notifications of exemptions  
32 received from employees.

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

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

39 (9) The employment security department shall adopt rules  
40 necessary to implement and administer the activities specified in

1 this section related to the program, including rules on the  
2 submission and processing of applications under this section.

3 NEW SECTION. **Sec. 3.** A new section is added to chapter 50B.04  
4 RCW to read as follows:

5 (1) The employment security department and the department of  
6 veterans affairs shall engage in discussions with the federal  
7 veterans benefits administration to develop an outreach strategy to  
8 notify veterans of the exemption established in section 2 of this  
9 act.

10 (2) By January 1, 2023, the employment security department and  
11 the department of veterans affairs shall submit an outreach strategy  
12 to the governor and the legislature and begin implementation of the  
13 outreach strategy. The outreach strategy must address:

14 (a) The extent to which the federal veterans benefits  
15 administration is able to share the identities and contact  
16 information of Washington residents who are veterans, particularly  
17 those with a service-connected disability, with the employment  
18 security department and the department of veterans affairs for the  
19 purpose of informing veterans of the exemption from the premium  
20 assessment established in section 2 of this act;

21 (b) A plan for actively informing veterans of the option to apply  
22 for an exemption from the premium assessment under section 2 of this  
23 act; and

24 (c) A plan for the employment security department to establish  
25 efficient procedures for streamlining the exemption application  
26 process and reducing administrative burdens on veterans seeking an  
27 exemption. The procedures must emphasize opportunities for efficiency  
28 on the part of the employment security department both independently  
29 as well as in coordination with the federal veterans benefits  
30 administration.

31 NEW SECTION. **Sec. 4.** This act is necessary for the immediate  
32 preservation of the public peace, health, or safety, or support of  
33 the state government and its existing public institutions, and takes  
34 effect immediately.

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