

HB 2345 -- Redline

Substitute to Bill -- Concerning contributions in the state paid family and medical leave program.

Deletions ~~struck~~ · Insertions underlined

~~H 3130.1Z-0453.3~~ ~~SUBSTITUTE~~ HOUSE BILL 2345 State of Washington 69th Legislature 2026 Regular Session By ~~House Labor & Workplace Standards (originally sponsored by~~ Representatives Schmidt, Berry, Thomas, Ormsby, and Reeves;

by request of Employment Security ~~Department~~Department ~~READ~~Prefiled ~~FIRST~~01/08/26. ~~TIME 01/27/26.~~
Read first time 01/12/26.

Referred to Committee on Labor & Workplace Standards.

and amending RCW ~~50A.10.030, 50A.10.030 and 50B.04.010.~~

(1) The department shall assess for each individual in employment with an employer and for each individual electing coverage a premium based on the amount of the individual's wages subject to subsection ~~(4)((4))~~ (3) of this section.

(2) ~~The~~The commissioner shall ~~((determine~~determine the percentage of paid claims related to family leave benefits and the percentage of paid claims related to medical leave benefits and set the family leave premium and the medical leave premium by applying the proportional share of paid claims for each type of leave to the total premium rate set in subsection (6) of this ~~section))~~section. ~~divide the total premium rate set in subsection (6) of this section into a medical leave premium and family leave premium, as follows:~~

1 ~~SHB~~HB 2345 ~~(a)(3))~~(a) ~~The~~For ~~medical~~family leave ~~premium~~premiums, ~~is an 52~~employer may deduct from the wages of each employee up to 40 percent of the total full amount of the premium rate; required.

~~and (b) The~~For ~~family~~medical leave ~~premium~~premiums, ~~is an 48~~employer percent may deduct from the wages of each employee up to ((45 percent of)) the ~~total full amount of the premium rate; required.~~

~~(3)(a) For ((family)) medical leave premiums, an employer may deduct from the wages of each employee up to the full amount of the premium required.~~

~~(b) For ((medical)) family leave premiums, an employer may deduct from the wages of each employee up to ((45 percent of the full amount of the premium required)) an amount equal to the difference between:~~

~~(i) The full amount of the premium required for family leave plus 45 percent of the full amount of the premium required for medical leave;~~

~~and (ii) the full amount of the premium required for medical leave.~~

~~(4)((4))~~ (3) The commissioner must annually set a maximum limit on the amount of wages that is subject to a premium assessment under this section that is equal to the maximum wages subject to taxation for social security as determined by the social security administration.

~~(5)(a)((5))~~ (4)(a) Employers with fewer than 50 employees employed in the state are not required to pay the employer portion of premiums for family and medical leave.

~~(6)(a)((6))~~ (5)(a) On or around October 20th of each year, the commissioner must calculate the total premium rate as follows:

(ii) Subtract the balance of the family and medical leave insurance account created in RCW 50A.05.070 as of September 30th from the amount determined in (a)(i) of this subsection ~~(6)((6))~~ (5);

and (iii) Divide the difference in (a)(ii) of this subsection ~~(6)((6))~~ (5) by the prior fiscal year's taxable wages.

~~p (b) The commissioner must set the total premium rate at the rate calculated in (a) of this subsection ((6)) (5) subject to the following conditions:~~

~~2(i) SHB If 2345 the (b) The commissioner must determines set the total premium rate at the rate calculated in (a) of this subsection (6) exceeds subject a rate necessary to maintain a three-month reserve at the end of the following conditions: rate collection year, the commissioner must set the total premium rate at p.~~

~~(i) 2 If HB the 2345 commissioner determines the total premium rate calculated in (a) of this subsection exceeds a rate necessary to maintain a three-month reserve at the end of the following rate collection year, the commissioner must set the total premium rate at the minimum rate necessary to close the rate collection year with a three-month reserve;~~

(c) For the purposes of this subsection ~~(6)((6))~~ (5):

~~(7)(a)((7))~~ (6)(a) The employer must collect from the employees the premiums provided under this section through payroll deductions and remit the amounts collected to the department.

~~(8)((8))~~ (7) Premiums shall be collected in the manner and at such intervals as provided in this title and directed by the department.

~~(9)((9))~~ (8) Premiums collected under this section are placed in trust for the employees and employers that the program is intended to assist.

~~(10) (((10)))~~ (9) A city, code city, town, county, or political subdivision may not enact a charter, ordinance, regulation, rule, or resolution:

or ~~p-~~(c) Requiring private employers to supplement duration of leave or amount of wage replacement benefits provided under this title.

~~3Sec. SHB 2345 (c) Requiring private employers to supplement duration of leave or amount of wage replacement benefits provided under this title.~~

2.

RCW 50B.04.010 and 2025 c 380 s 2 are each amended to read as follows:

D.

3 HB 2345 The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Account" means the long-term services and supports trust account created in RCW 50B.04.100.

(2) "Approved service" means long-term services and supports including, but not limited to:

(a) Adult day services;

(b) Care transition coordination;

(c) Memory care;

(d) Adaptive equipment and technology;

(e) Environmental modification;

(f) Personal emergency response system;

(g) Home safety evaluation;

(h) Respite for family caregivers;

(i) Home delivered meals;

(j) Transportation;

(k) Dementia supports;

(l) Education and consultation;

(m) Eligible relative care;

(n) Professional services;

(o) Services that assist paid and unpaid family members caring for eligible individuals, including training for individuals providing care who are not otherwise employed as long-term care workers under RCW 74.39A.074;

(p) In-home personal care;

(q) Assisted living services;

(r) Adult family home services;

and (s) Long-term services and supports provided in nursing homes.

(3) "Benefit unit" means up to \$100 paid by the department of social and health services to a long-term services and supports provider as reimbursement for approved services provided to an eligible beneficiary on a specific date.

The benefit unit must be adjusted annually for inflation by the consumer price index.

The adjusted benefit unit must be calculated to the nearest cent/dollar using the consumer price index for the Seattle, Washington area for urban wage earners and clerical workers, all items, CPI-W, or a successor index, for the 12 months before each September 1st compiled by the United States department of labor's bureau of labor statistics.

Each adjusted benefit unit calculated under this subsection takes effect on the following January 1st.

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4 HB 2345 (4) "Commission" means the long-term services and supports trust commission established in RCW 50B.04.030.

(5) "Eligible beneficiary" means a qualified individual who is age 18 or older, resides in the state of Washington or has elected to keep coverage when they relocate out-of-state under RCW 50B.04.180, has been determined to meet the minimum level of assistance with activities of daily living necessary to receive benefits through the trust program, as provided in RCW 50B.04.060, and has not exhausted the lifetime limit of benefit units.

(6) "Employee" has the meaning provided in RCW 50A.05.010.

(7) "Employer" has the meaning provided in RCW 50A.05.010.

(8) "Employment" has the meaning provided in RCW 50A.05.010.

(9) "Exempt employee" means a person who has been granted a premium assessment exemption by the employment security department.

(10) "Long-term services and supports provider" means:

(a) For entities providing services to an eligible beneficiary in Washington, an entity that meets the

qualifications applicable in law to the approved service they provide, including a qualified or certified home care aide, licensed assisted living facility, licensed adult family home, licensed nursing home, licensed in-home services agency, adult day services program, vendor, instructor, qualified family member, or other entities as registered by the department of social and health services;

and (b) For entities providing services to an eligible beneficiary outside Washington, an entity that meets minimum standards for care provision and program administration, as established by the department of social and health services, and that is appropriately credentialed in the jurisdiction in which the services are being provided as established by the department of social and health services.

(11) "Premium" or "premiums" means the payments required by RCW 50B.04.080 and paid to the employment security department for deposit in the account created in RCW 50B.04.100.

(12) "Program" means the long-term services and supports trust program established in this chapter.

(13) "Qualified family member" means a relative of an eligible beneficiary qualified to meet requirements established by the department of social and health services for the approved service they provide.

D.

5 HB 2345 (14) "Qualified individual" means an individual who meets the duration of payment requirements, as established in this chapter.

(15) "State actuary" means the office of the state actuary created in RCW 44.44.010.

(16) "Wage or wages" means all remuneration paid by an employer to an employee.

Remuneration has the meaning provided in RCW 50A.05.010.

All wages are subject to a premium assessment and not limited by the commissioner of the employment security department, as provided under RCW 50A.10.030(((4))) (3).

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