
SUBSTITUTE HOUSE BILL 1959

State of Washington

68th Legislature

2024 Regular Session

By House Labor & Workplace Standards (originally sponsored by Representatives Walen, Ryu, Berry, Ramel, Reed, Ormsby, Doglio, Fosse, Lekanoff, Tharinger, Riccelli, Wylie, Pollet, and Davis)

1 AN ACT Relating to extending certain requirements in the state
2 paid family and medical leave program to employers with fewer than 50
3 employees; amending RCW 50A.10.030 and 50A.24.010; and providing an
4 effective date.

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

6 **Sec. 1.** RCW 50A.10.030 and 2023 c 116 s 1 are each amended to
7 read as follows:

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

12 (2) The commissioner shall determine the percentage of paid
13 claims related to family leave benefits and the percentage of paid
14 claims related to medical leave benefits and set the family leave
15 premium and the medical leave premium by applying the proportional
16 share of paid claims for each type of leave to the total premium rate
17 set in subsection (~~((6))~~) (5) of this section.

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

1 (b) For medical leave premiums, an employer may deduct from the
2 wages of each employee up to 45 percent of the full amount of the
3 premium required.

4 (c) An employer may elect to pay all or any portion of the
5 employee's share of the premium for family leave or medical leave
6 benefits, or both.

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

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

14 ~~(b) If an employer with fewer than 50 employees elects to pay the
15 premiums, the employer is then eligible for assistance under RCW
16 50A.24.010.~~

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

19 (i) Calculate an amount that equals 140 percent of the prior
20 fiscal year's expenses, including the total amount of benefits paid
21 and the department's administrative costs;

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

25 (iii) Divide the difference in (a)(ii) of this subsection ~~((+6))~~
26 (5) by the prior fiscal year's taxable wages. The quotient must be
27 carried to the fourth decimal place and then rounded up to the
28 nearest one hundredth of one percent.

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

32 (i) If the commissioner determines the total premium rate
33 calculated in (a) of this subsection exceeds a rate necessary to
34 maintain a three-month reserve at the end of the following rate
35 collection year, the commissioner must set the total premium rate at
36 the minimum rate necessary to close the rate collection year with a
37 three-month reserve; and

38 (ii) The total premium rate must not exceed 1.20 percent.

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

1 (i) "Taxable wages" means the total amount of wages subject to a
2 premium assessment under this section for all individuals in
3 employment with an employer and all individuals electing coverage.

4 (ii) "Three-month reserve" means the average monthly expenses,
5 including the total amount of benefits paid and the department's
6 administrative costs, in the prior 12 calendar months from the date
7 of the calculation in this subsection multiplied by three.

8 ~~((7))~~ (6)(a) The employer must collect from the employees the
9 premiums provided under this section through payroll deductions and
10 remit the amounts collected to the department.

11 (b) In collecting employee premiums through payroll deductions,
12 the employer shall act as the agent of the employees and shall remit
13 the amounts to the department as required by this title.

14 ~~((c) On September 30th of each year, the department shall
15 average the number of employees reported by an employer over the last
16 four completed calendar quarters to determine the size of the
17 employer for the next calendar year for the purposes of this section
18 and RCW 50A.24.010.~~

19 ~~(8))~~ (7) Premiums shall be collected in the manner and at such
20 intervals as provided in this title and directed by the department.

21 ~~((9))~~ (8) Premiums collected under this section are placed in
22 trust for the employees and employers that the program is intended to
23 assist.

24 ~~((10))~~ (9) A city, code city, town, county, or political
25 subdivision may not enact a charter, ordinance, regulation, rule, or
26 resolution:

27 (a) Creating a paid family or medical leave insurance program
28 that alters or amends the requirements of this title for any private
29 employer;

30 (b) Providing for local enforcement of the provisions of this
31 title; or

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

34 **Sec. 2.** RCW 50A.24.010 and 2019 c 13 s 36 are each amended to
35 read as follows:

36 (1) The legislature recognizes that while family leave and
37 medical leave benefit both employees and employers, there may be
38 costs that disproportionately impact small businesses. To equitably
39 balance the risks among employers, the legislature intends to assist

1 small businesses with the costs of an employee's use of family or
2 medical leave.

3 (2) Employers with (~~one hundred fifty~~) 150 or fewer employees
4 (~~and employers with fifty or fewer employees who are assessed all~~
5 ~~premiums under RCW 50A.10.030(5)(b)~~) may apply to the department for
6 a grant under this section.

7 (3)(a) An employer may receive a grant of (~~three thousand~~
8 ~~dollars~~) \$3,000 if the employer hires a temporary worker to replace
9 an employee on family or medical leave for a period of seven days or
10 more.

11 (b) For an employee's family or medical leave, an employer may
12 receive a grant of up to (~~one thousand dollars~~) \$1,000 as
13 reimbursement for significant additional wage-related costs due to
14 the employee's leave.

15 (c) An employer may receive a grant under (a) or (b) of this
16 subsection, but not both, except that an employer who received a
17 grant under (b) of this subsection may receive a grant of the
18 difference between the grant awarded under (b) of this subsection and
19 (~~three thousand dollars~~) \$3,000 if the employee on leave extended
20 the leave beyond the leave initially planned and the employer hired a
21 temporary worker for the employee on leave.

22 (4) An employer may apply for a grant no more than (~~ten~~) 10
23 times per calendar year and no more than once for each employee on
24 leave.

25 (5) To be eligible for a grant, the employer must provide the
26 department written documentation showing the temporary worker hired
27 or significant wage-related costs incurred are due to an employee's
28 use of family or medical leave.

29 (~~The department must assess an employer with fewer than~~
30 ~~fifty employees who receives a grant under this section for all~~
31 ~~premiums for three years from the date of receipt of a grant.~~

32 (~~7~~) The grants under this section shall be funded from the
33 family and medical leave insurance account.

34 (~~8~~) (7) The commissioner shall adopt rules as necessary to
35 implement this section.

36 (~~9~~) (8) For the purposes of determining eligibility for
37 grants under this section, on September 30th of each year, the
38 department shall average the number of employees (~~must be calculated~~
39 ~~as provided in RCW 50A.10.030~~) reported by an employer over the last

1 four completed calendar quarters to determine the size of the
2 employer for the next calendar year.

3 (~~(10)~~) (9) An employer who has an approved voluntary plan is
4 not eligible to receive a grant under this section.

5 NEW SECTION. **Sec. 3.** This act takes effect January 1, 2025.

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