SUBSTITUTE SENATE BILL 6349

State of Washington 66th Legislature 2020 Regular Session

By Senate Labor & Commerce (originally sponsored by Senators Keiser, King, and Conway; by request of Employment Security Department)

AN ACT Relating to paid family and medical leave; amending RCW 1 2 50A.05.010, 50A.10.010, 50A.10.040, 50A.15.020, 50A.15.060, 3 50A.15.080, 50A.15.100, 50A.25.070, 50A.30.010, 50A.30.035, 50A.40.010, 50A.40.020, 50A.40.030, 50A.50.010, and 26.23.060; adding 4 5 new sections to chapter 50A.40 RCW; adding a new section to chapter 50A.05 RCW; and declaring an emergency. 6

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

8 Sec. 1. RCW 50A.05.010 and 2019 c 13 s 1 are each amended to 9 read as follows:

10 Unless the context clearly requires otherwise, the definitions in 11 this section apply throughout this title.

12 13

16

(1)<u>(a)</u> "Casual labor" means work that:

(i) Is performed infrequently and irregularly; and

14 <u>(ii) If performed for an employer, does not promote or advance</u> 15 <u>the employer's customary trade or business.</u>

(b) For purposes of casual labor:

17 <u>(i) "Infrequently" means work performed twelve or fewer times per</u> 18 <u>calendar quarter; and</u>

19 <u>(ii) "Irregularly" means work performed not on a consistent</u> 20 cadence. 1 (2) "Child" includes a biological, adopted, or foster child, a 2 stepchild, <u>a child's spouse</u>, or a child to whom the employee stands 3 in loco parentis, is a legal guardian, or is a de facto parent, 4 regardless of age or dependency status.

5 ((-(2))) (3) "Commissioner" means the commissioner of the 6 department or the commissioner's designee.

7 (((3))) <u>(4)</u> "Department" means the employment security 8 department.

9 (((4))) <u>(5)</u>(a) "Employee" means an individual who is in the 10 employment of an employer.

11 (b) "Employee" does not include employees of the United States of 12 America.

13 (((5))) (6) "Employee's average weekly wage" means the quotient 14 derived by dividing the employee's total wages during the two 15 quarters of the employee's qualifying period in which total wages 16 were highest by twenty-six. If the result is not a multiple of one 17 dollar, the department must round the result to the next lower 18 multiple of one dollar.

(((6))) <u>(7)</u>(a) "Employer" means: (i) Any individual or type of 19 organization, including any partnership, association, trust, estate, 20 21 joint stock company, insurance company, limited liability company, or corporation, whether domestic or foreign, or the receiver, trustee in 22 bankruptcy, trustee, or the legal representative of a deceased 23 24 person, having any person in employment or, having become an 25 employer, has not ceased to be an employer as provided in this title; (ii) the state, state institutions, and state agencies; and (iii) any 26 unit of local government including, but not limited to, a county, 27 city, town, municipal corporation, quasi-municipal corporation, or 28 29 political subdivision.

30

(b) "Employer" does not include the United States of America.

31 (((7))) <u>(8)</u>(a) "Employment" means personal service, of whatever 32 nature, unlimited by the relationship of master and servant as known 33 to the common law or any other legal relationship performed for wages 34 or under any contract calling for the performance of personal 35 services, written or oral, express or implied. The term "employment" 36 includes an individual's entire service performed within or without 37 or both within and without this state, if:

38

(i) The service is localized in this state; or

39 (ii) The service is not localized in any state, but some of the 40 service is performed in this state; and 1 (A) The base of operations of the employee is in the state, or if 2 there is no base of operations, then the place from which such 3 service is directed or controlled is in this state; or

4 (B) The base of operations or place from which such service is 5 directed or controlled is not in any state in which some part of the 6 service is performed, but the individual's residence is in this 7 state.

8 (b) "Employment" does not include:

(i) Self-employed individuals;

10 (ii) <u>Casual labor;</u>

11 <u>(iii)</u> Services for remuneration when it is shown to the 12 satisfaction of the commissioner that:

13 (A)(I) Such individual has been and will continue to be free from 14 control or direction over the performance of such service, both under 15 his or her contract of service and in fact; and

(II) Such service is either outside the usual course of business for which such service is performed, or that such service is performed outside of all the places of business of the enterprises for which such service is performed; and

(III) Such individual is customarily engaged in an independently established trade, occupation, profession, or business, of the same nature as that involved in the contract of service; or

23

9

(B) As a separate alternative:

(I) Such individual has been and will continue to be free from
 control or direction over the performance of such service, both under
 his or her contract of service and in fact; and

(II) Such service is either outside the usual course of business 27 for which such service is performed, or that such service 28 is 29 performed outside of all the places of business of the enterprises which such service is performed, or the individual 30 for is 31 responsible, both under the contract and in fact, for the costs of the principal place of business from which the service is performed; 32 33 and

(III) Such individual is customarily engaged in an independently established trade, occupation, profession, or business, of the same nature as that involved in the contract of service, or such individual has a principal place of business for the work the individual is conducting that is eligible for a business deduction for federal income tax purposes; and

1 (IV) On the effective date of the contract of service, such 2 individual is responsible for filing at the next applicable filing 3 period, both under the contract of service and in fact, a schedule of 4 expenses with the internal revenue service for the type of business 5 the individual is conducting; and

6 (V) On the effective date of the contract of service, or within a reasonable period after the effective date of the contract, such 7 individual has established an account with the department of revenue, 8 and other state agencies as required by the particular case, for the 9 business the individual is conducting for the payment of all state 10 11 taxes normally paid by employers and businesses and has registered for and received a unified business identifier number from the state 12 13 of Washington; and

(VI) On the effective date of the contract of service, such individual is maintaining a separate set of books or records that reflect all items of income and expenses of the business which the individual is conducting; or

18 ((((iii))) (iv) Services that require registration under chapter 19 18.27 RCW or licensing under chapter 19.28 RCW rendered by an 20 individual when:

(A) The individual has been and will continue to be free from
 control or direction over the performance of the service, both under
 the contract of service and in fact;

(B) The service is either outside the usual course of business for which the service is performed, or the service is performed outside of all the places of business of the enterprise for which the service is performed, or the individual is responsible, both under the contract and in fact, for the costs of the principal place of business from which the service is performed;

30 (C) The individual is customarily engaged in an independently 31 established trade, occupation, profession, or business, of the same 32 nature as that involved in the contract of service, or the individual 33 has a principal place of business for the business the individual is 34 conducting that is eligible for a business deduction for federal 35 income tax purposes, other than that furnished by the employer for 36 which the business has contracted to furnish services;

37 (D) On the effective date of the contract of service, the 38 individual is responsible for filing at the next applicable filing 39 period, both under the contract of service and in fact, a schedule of

expenses with the internal revenue service for the type of business
 the individual is conducting;

(E) On the effective date of the contract of service, or within a 3 reasonable period after the effective date of the contract, the 4 individual has an active and valid certificate of registration with 5 6 the department of revenue, and an active and valid account with any 7 other state agencies as required by the particular case, for the business the individual is conducting for the payment of all state 8 taxes normally paid by employers and businesses and has registered 9 for and received a unified business identifier number from the state 10 11 of Washington;

12 (F) On the effective date of the contract of service, the 13 individual is maintaining a separate set of books or records that 14 reflect all items of income and expenses of the business that the 15 individual is conducting; and

16 (G) On the effective date of the contract of service, the 17 individual has a valid contractor registration pursuant to chapter 18 18.27 RCW or an electrical contractor license pursuant to chapter 19 19.28 RCW.

20 (((8))) <u>(9)</u> "Employment benefits" means all benefits provided or 21 made available to employees by an employer, including group life 22 insurance, health insurance, disability insurance, sick leave, annual 23 leave, educational benefits, and pensions.

24 (((-9))) (10) "Family leave" means any leave taken by an employee 25 from work:

(a) To participate in providing care, including physical or
 psychological care, for a family member of the employee made
 necessary by a serious health condition of the family member;

(b) To bond with the employee's child during the first twelve months after the child's birth, or the first twelve months after the placement of a child under the age of eighteen with the employee; or

32 (c) Because of any qualifying exigency as permitted under the 33 federal family and medical leave act, 29 U.S.C. Sec. 2612(a)(1)(E) 34 and 29 C.F.R. Sec. 825.126(b)(1) through (9), as they existed on 35 October 19, 2017, for family members as defined in subsection (10) of 36 this section.

37 (((10))) <u>(11)</u> "Family member" means a child, grandchild, 38 grandparent, parent, sibling, or spouse of an employee.

39 (((11))) <u>(12)</u> "Grandchild" means a child of the employee's child.

SSB 6349

1 (((12))) <u>(13)</u> "Grandparent" means a parent of the employee's 2 parent.

3 (((13))) <u>(14)</u> "Health care provider" means: (a) A person licensed 4 as a physician under chapter 18.71 RCW or an osteopathic physician 5 and surgeon under chapter 18.57 RCW; (b) a person licensed as an 6 advanced registered nurse practitioner under chapter 18.79 RCW; or 7 (c) any other person determined by the commissioner to be capable of 8 providing health care services.

9 (((14))) <u>(15)</u> "Medical leave" means any leave taken by an 10 employee from work made necessary by the employee's own serious 11 health condition.

12 (((15))) <u>(16) "Paid time off" includes vacation leave, personal</u> 13 <u>leave, medical leave, sick leave, compensatory leave, or any other</u> 14 <u>paid leave offered by an employer under the employer's established</u> 15 <u>policy.</u>

16 <u>(17)</u> "Parent" means the biological, adoptive, de facto, or foster 17 parent, stepparent, or legal guardian of an employee or the 18 employee's spouse, or an individual who stood in loco parentis to an 19 employee when the employee was a child.

20 (((16))) <u>(18)</u> "Period of incapacity" means an inability to work, 21 attend school, or perform other regular daily activities because of a 22 serious health condition, treatment of that condition or recovery 23 from it, or subsequent treatment in connection with such inpatient 24 care.

(((17))) <u>(19)</u> "Premium" or "premiums" means the payments required by RCW 50A.10.030 and paid to the department for deposit in the family and medical leave insurance account under RCW 50A.05.070.

28 (((18))) <u>(20)</u> "Qualifying period" means the first four of the 29 last five completed calendar quarters or, if eligibility is not 30 established, the last four completed calendar quarters immediately 31 preceding the application for leave.

32 (((19))) <u>(21)</u>(a) "Remuneration" means all compensation paid for 33 personal services including commissions and bonuses and the cash 34 value of all compensation paid in any medium other than cash.

35 (b) Previously accrued compensation, other than severance pay or 36 payments received pursuant to plant closure agreements, when assigned 37 to a specific period of time by virtue of a collective bargaining 38 agreement, individual employment contract, customary trade practice, 39 or request of the individual compensated, is considered remuneration 40 for the period to which it is assigned. Assignment clearly occurs

when the compensation serves to make the individual eligible for all regular fringe benefits for the period to which the compensation is assigned.

4 (c) Remuneration also includes settlements or other proceeds 5 received by an individual as a result of a negotiated settlement for 6 termination of an individual written employment contract prior to its 7 expiration date. The proceeds are deemed assigned in the same 8 intervals and in the same amount for each interval as compensation 9 was allocated under the contract.

10

(d) Remuneration does not include:

11

(i) The payment of tips;

12 (ii) Supplemental benefit payments made by an employer to an 13 employee in addition to any paid family or medical leave benefits 14 received by the employee; or

(iii) Payments to members of the armed forces of the United States, including the organized militia of the state of Washington, for the performance of duty for periods not exceeding seventy-two hours at a time.

19 (((20))) <u>(22)</u>(a) "Serious health condition" means an illness, 20 injury, impairment, or physical or mental condition that involves:

(i) Inpatient care in a hospital, hospice, or residential medical
 care facility, including any period of incapacity; or

(ii) Continuing treatment by a health care provider. A serious health condition involving continuing treatment by a health care provider includes any one or more of the following:

(A) A period of incapacity of more than three consecutive, full
 calendar days, and any subsequent treatment or period of incapacity
 relating to the same condition, that also involves:

(I) Treatment two or more times, within thirty days of the first day of incapacity, unless extenuating circumstances exist, by a health care provider, by a nurse or physician's assistant under direct supervision of a health care provider, or by a provider of health care services, such as a physical therapist, under orders of, or on referral by, a health care provider; or

(II) Treatment by a health care provider on at least one occasion which results in a regimen of continuing treatment under the supervision of the health care provider;

(B) Any period of incapacity due to pregnancy, or for prenatalcare;

1 (C) Any period of incapacity or treatment for such incapacity due 2 to a chronic serious health condition. A chronic serious health 3 condition is one which:

4 (I) Requires periodic visits, defined as at least twice a year,
5 for treatment by a health care provider, or by a nurse under direct
6 supervision of a health care provider;

7 (II) Continues over an extended period of time, including 8 recurring episodes of a single underlying condition; and

9 (III) May cause episodic rather than a continuing period of 10 incapacity, including asthma, diabetes, and epilepsy;

(D) A period of incapacity which is permanent or long term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by, a health care provider, including Alzheimer's, a severe stroke, or the terminal stages of a disease; or

17 (E) Any period of absence to receive multiple treatments, including any period of recovery from the treatments, by a health 18 care provider or by a provider of health care services under orders 19 of, or on referral by, a health care provider, either for: (I) 20 21 Restorative surgery after an accident or other injury; or (II) a 22 condition that would likely result in a period of incapacity of more 23 than three consecutive, full calendar days in the absence of medical intervention or treatment, such as cancer, severe arthritis, or 24 25 kidney disease.

(b) The requirement in (a)(i) and (ii) of this subsection for treatment by a health care provider means an in-person visit to a health care provider. The first, or only, in-person treatment visit must take place within seven days of the first day of incapacity.

30 (c) Whether additional treatment visits or a regimen of 31 continuing treatment is necessary within the thirty-day period shall 32 be determined by the health care provider.

33 (d) The term extenuating circumstances in (a)(ii)(A)(I) of this subsection means circumstances beyond the employee's control that 34 prevent the follow-up visit from occurring as planned by the health 35 care provider. Whether a given set of circumstances are extenuating 36 depends on the facts. For example, extenuating circumstances exist if 37 a health care provider determines that a second in-person visit is 38 39 needed within the thirty-day period, but the health care provider 40 does not have any available appointments during that time period.

1 (e) Treatment for purposes of (a) of this subsection includes, but is not limited to, examinations to determine if a serious health 2 condition exists and evaluations of the condition. Treatment does not 3 include routine physical examinations, eye examinations, or dental 4 examinations. Under (a) (ii) (A) (II) of this subsection, a regimen of 5 6 continuing treatment includes, but is not limited to, a course of prescription medication, such as an antibiotic, or therapy requiring 7 special equipment to resolve or alleviate the health condition, such 8 as oxygen. A regimen of continuing treatment that includes taking 9 over-the-counter medications, such as aspirin, antihistamines, or 10 salves, or bed rest, drinking fluids, exercise, and other similar 11 12 activities that can be initiated without a visit to a health care provider, is not, by itself, sufficient to constitute a regimen of 13 continuing treatment for purposes of this title. 14

(f) Conditions for which cosmetic treatments are administered, 15 16 such as most treatments for acne or plastic surgery, are not serious 17 health conditions unless inpatient hospital care is required or unless complications develop. Ordinarily, unless complications arise, 18 the common cold, the flu, ear aches, upset stomach, minor ulcers, 19 headaches other than migraines, routine dental or orthodontia 20 problems, and periodontal disease are examples of conditions that are 21 22 not serious health conditions and do not qualify for leave under this 23 title. Restorative dental or plastic surgery after an injury or removal of cancerous growths are serious health conditions provided 24 25 all the other conditions of this section are met. Mental illness 26 resulting from stress or allergies may be serious health conditions, but only if all the conditions of this section are met. 27

(g) (i) Substance abuse may be a serious health condition if the conditions of this section are met. However, leave may only be taken for treatment for substance abuse by a health care provider or by a licensed substance abuse treatment provider. Absence because of the employee's use of the substance, rather than for treatment, does not qualify for leave under this title.

(ii) Treatment for substance abuse does not prevent an employer from taking employment action against an employee. The employer may not take action against the employee because the employee has exercised his or her right to take medical leave for treatment. However, if the employer has an established policy, applied in a nondiscriminatory manner that has been communicated to all employees, that provides under certain circumstances an employee may be

terminated for substance abuse, pursuant to that policy the employee may be terminated whether or not the employee is presently taking medical leave. An employee may also take family leave to care for a covered family member who is receiving treatment for substance abuse. The employer may not take action against an employee who is providing care for a covered family member receiving treatment for substance abuse.

(h) Absences attributable to incapacity under (a) (ii) (B) or (C) 8 of this subsection qualify for leave under this title even though the 9 employee or the family member does not receive treatment from a 10 health care provider during the absence, and even if the absence does 11 12 not last more than three consecutive, full calendar days. For example, an employee with asthma may be unable to report for work due 13 14 to the onset of an asthma attack or because the employee's health care provider has advised the employee to stay home when the pollen 15 16 count exceeds a certain level. An employee who is pregnant may be 17 unable to report to work because of severe morning sickness.

18 ((((21)))) (23) "Service is localized in this state" has the same 19 meaning as described in RCW 50.04.120.

20 ((((22)))) (24) "Spouse" means a husband or wife, as the case may 21 be, or state registered domestic partner.

(((23))) <u>(25)</u> "State average weekly wage" means the most recent average weekly wage calculated under RCW 50.04.355 and available on January 1st of each year.

25 (((24))) <u>(26) "Supplemental benefit payments" means payments made</u> 26 by an employer to an employee as salary continuation or as paid time 27 off. Such payments must be in addition to any paid family or medical 28 leave benefits the employee is receiving.

29

(27) "Typical workweek hours" means:

30 (a) For an hourly employee, the average number of hours worked 31 per week by an employee ((since the beginning of)) within the 32 qualifying period; and

33 (b) Forty hours for a salaried employee, regardless of the number 34 of hours the salaried employee typically works.

35

(((25))) <u>(28)</u> "Wage" or "wages" means:

36 (a) For the purpose of premium assessment, the remuneration paid
37 by an employer to an employee. The maximum wages subject to a premium
38 assessment are those wages as set by the commissioner under RCW
39 50A.10.030;

1 (b) For the purpose of payment of benefits, the remuneration paid by one or more employers to an employee for employment during the 2 employee's qualifying period. At the request of an employee, wages 3 may be calculated on the basis of remuneration payable. The 4 department shall notify each employee that wages are calculated on 5 the basis of remuneration paid, but at the employee's request a 6 7 redetermination may be performed and based on remuneration payable; 8 and

9 (c) For the purpose of a self-employed person electing coverage 10 under RCW 50A.10.010, the meaning is defined by rule.

11 Sec. 2. RCW 50A.10.010 and 2019 c 13 s 19 are each amended to 12 read as follows:

13 (1) For benefits payable beginning January 1, 2020, any selfemployed person, including a sole proprietor, independent contractor, 14 15 partner, or joint venturer, may elect coverage under this title for 16 an initial period of not less than three years and subsequent periods 17 of not less than one year immediately following a period of coverage. Those electing coverage under this section must elect coverage for 18 both family leave and medical leave and are responsible for payment 19 20 of one hundred percent of all premiums assessed to an employee under 21 RCW 50A.10.030. The self-employed person must file a notice of election in writing with the department, in a manner as required by 22 23 the department in rule. The self-employed person is eligible for 24 family and medical leave benefits after working eight hundred twenty 25 hours in the state during the qualifying period following the date of 26 filing the notice.

(2) A self-employed person who has elected coverage may withdraw from coverage within thirty days after the end of each period of coverage, or at such other times as the commissioner may adopt by rule, by filing a notice of withdrawal in writing with the commissioner, such withdrawal to take effect not sooner than thirty days after filing the notice with the commissioner.

(3) The department may cancel elective coverage if the selfemployed person fails to make required payments or file reports. The department may collect due and unpaid premiums and may levy an additional premium for the remainder of the period of coverage. The cancellation shall be effective no later than thirty days from the date of the notice in writing advising the self-employed person of the cancellation. (4) Those electing coverage are considered employers or employees
 where the context so dictates.

3 (5) For the purposes of this section, "independent contractor"
4 means an individual excluded from employment under RCW
5 50A.05.010(((7))) <u>(8)</u>(b) (((ii) and)) (iii) <u>and (iv)</u>.

6 (6) In developing and implementing the requirements of this 7 section, the department shall adopt government efficiencies to 8 improve administration and reduce costs. These efficiencies may 9 include, but are not limited to, requiring that payments be made in a 10 manner and at intervals unique to the elective coverage program.

(7) The department shall adopt rules for determining the hours worked and the wages of individuals who elect coverage under this section and rules for enforcement of this section.

14 Sec. 3. RCW 50A.10.040 and 2019 c 13 s 22 are each amended to 15 read as follows:

(1) An employer may file an application with the department for a conditional waiver for the payment of family and medical leave premiums, assessed under RCW 50A.10.030, for any employee who ((is)):

19 (a) ((Physically based)) Primarily performs work outside of the 20 state;

21 (b) <u>Is employed</u> in the state on a limited or temporary work 22 schedule; and

(c) <u>Is not expected to be employed in the state for eight hundred</u> twenty hours or more in a ((qualifying)) period <u>of four consecutive</u> <u>completed calendar quarters</u>.

(2) ((The department must approve an application that has been
signed by)) Both the employee and employer must sign the application
verifying their belief that the conditions in ((this)) subsection (1)
of this section will be met ((during the qualifying period)).

30 (3) If the ((employee exceeds the eight hundred twenty hours or 31 more in a period of four consecutive complete calendar quarters)) department finds any of the conditions in subsection (1) of this 32 section are no longer satisfied, or were not satisfied at any point 33 after a conditional waiver was approved and is in effect, the 34 department will consider the conditional waiver ((expires)) expired 35 and the employer and employee will be responsible for their shares of 36 all premiums that would have been paid during this period had the 37 38 waiver not been granted. Upon payment of the missed premiums, the employee will be credited for the hours worked and will be eligible 39

1 for benefits under this title as if the premiums were originally
2 paid.

3 Sec. 4. RCW 50A.15.020 and 2019 c 13 s 3 are each amended to 4 read as follows:

5 (1)(((a))) Beginning January 1, 2020, family and medical leave 6 are available and benefits are payable to a qualified employee under 7 this section.

(a) Following a waiting period consisting of the first seven 8 consecutive calendar days, benefits are payable when family or 9 medical leave is required. However, no waiting period is required for 10 leave for the birth or placement of a child, or for leave because of 11 any qualifying exigency as defined under RCW 50A.05.010(10)(c). The 12 waiting period begins the previous Sunday of the week when an 13 otherwise eligible employee takes leave for the minimum claim 14 duration under subsection (2)(c) of this section. Eligible employees 15 16 may satisfy the waiting period requirement while simultaneously receiving paid time off for any part of the waiting period. 17

(b) Benefits may continue during the continuance of the need for family ((and)) or medical leave, subject to the maximum and minimum weekly benefits, duration, and other conditions and limitations established in this title. ((Successive periods of family and medical leave caused by the same or related injury or sickness are deemed a single period of family and medical leave only if separated by less than four months.))

(2) The weekly benefit shall be prorated by the percentage of hours on leave compared to the number of hours provided as the typical workweek hours as defined in RCW 50A.05.010.

(a) The benefits in this section, if not a multiple of onedollar, shall be reduced to the next lower multiple of one dollar.

30 (b) Hours on leave claimed for benefits under this title, if not 31 a multiple of one hour, shall be reduced to the next lower multiple 32 of one hour.

33 (c) The minimum claim duration payment is for eight consecutive 34 hours of leave.

35 (3)(a) The maximum duration of paid family leave may not exceed 36 twelve times the typical workweek hours during a period of fifty-two 37 consecutive calendar weeks.

38 (b) The maximum duration of paid medical leave may not exceed 39 twelve times the typical workweek hours during a period of fifty-two 1 consecutive calendar weeks. This leave may be extended an additional 2 two times the typical workweek hours if the employee experiences a 3 serious health condition with a pregnancy that results in incapacity.

4 (c) An employee is not entitled to paid family and medical leave 5 benefits under this title that exceeds a combined total of sixteen 6 times the typical workweek hours. The combined total of family and 7 medical leave may be extended to eighteen times the typical workweek 8 hours if the employee experiences a serious health condition with a 9 pregnancy that results in incapacity.

(4) The weekly benefit for family and medical leave shall be 10 11 determined as follows: If the employee's average weekly wage is: (a) 12 Equal to or less than one-half of the state average weekly wage, then the benefit amount is equal to ninety percent of the employee's 13 average weekly wage; or (b) greater than one-half of the state 14 average weekly wage, then the benefit amount is the sum of: (i) 15 16 Ninety percent of one-half of the state average weekly wage; and (ii) 17 fifty percent of the difference of the employee's average weekly wage 18 and one-half of the state average weekly wage.

(5) (a) The maximum weekly benefit for family and medical leave that occurs on or after January 1, 2020, shall be one thousand dollars. By September 30, 2020, and by each subsequent September 30th, the commissioner shall adjust the maximum weekly benefit amount to ninety percent of the state average weekly wage. The adjusted maximum weekly benefit amount takes effect on the following January 1st.

(b) The minimum weekly benefit shall not be less than one hundred dollars per week except that if the employee's average weekly wage at the time of family ((and)) or medical leave is less than one hundred dollars per week, the weekly benefit shall be the employee's full wage.

31 Sec. 5. RCW 50A.15.060 and 2019 c 13 s 8 are each amended to 32 read as follows:

33 (1) An employee is not entitled to paid family or medical leave 34 benefits under this title:

35 (a) For any absence occasioned by the willful intention of the 36 employee to bring about injury to or the sickness of the employee or 37 another, or resulting from any injury or sickness sustained in the 38 perpetration by the employee of an illegal act;

1 (b) For any family or medical leave commencing before the 2 employee becomes qualified for benefits under this title;

3 (c) For an employee who is on suspension from his or her 4 employment; or

5 (d) For any period of time during which an employee works for 6 remuneration or profit.

7 (2) An employer may offer supplemental benefit payments to an 8 employee on family or medical leave in addition to any paid family or 9 medical leave benefits the employee is receiving. ((Supplemental 10 benefit payments include, but are not limited to, vacation, sick, or 11 other paid time off.))

12 (a) Supplemental benefit payments are not considered remuneration 13 under RCW 50A.05.010(21) and the department will not prorate or 14 reduce an employee's weekly benefit amount due to the receipt of 15 supplemental benefit payments.

16 <u>(b)</u> The choice to receive supplemental benefit payments lies with 17 the employee. Nothing in this section shall be construed as requiring 18 an employee to receive or an employer to provide supplemental benefit 19 payments.

(3) An individual is disqualified for benefits for any week he or 20 21 she has knowingly and willfully made a false statement or 22 representation involving a material fact or knowingly and willfully 23 failed to report a material fact and, as a result, has obtained or attempted to obtain any benefits under the provisions of this title. 24 25 An individual disgualified for benefits under this subsection (3) for 26 the:

(a) First time is disqualified for an additional twenty-six weeks beginning with the Sunday of the week in which the determination is mailed or delivered, and is subject to an additional penalty of fifteen percent of the amount of benefits overpaid or deemed overpaid;

32 (b) Second time is also disqualified for an additional fifty-two 33 weeks beginning with the Sunday of the week in which the 34 determination is mailed or delivered, and is subject to an additional 35 penalty of twenty-five percent of the amount of benefits overpaid or 36 deemed overpaid;

37 (c) Third time and any time thereafter is also disqualified for 38 an additional one hundred four weeks beginning with the Sunday of the 39 week in which the determination is mailed or delivered, and is subject to an additional penalty of fifty percent of the amount of
 benefits overpaid or deemed overpaid.

3 (4) All penalties collected under this section must be deposited 4 in the family and medical leave enforcement account created under RCW 5 50A.05.080.

6 Sec. 6. RCW 50A.15.080 and 2019 c 13 s 10 are each amended to 7 read as follows:

(1) If ((an)) the department determines an employee is qualified 8 9 for benefits and that the employee owes child support obligations ((under RCW 50A.15.040 and)), the department ((determines that the 10 employee is qualified for benefits, the department shall notify the 11 applicable state or local child support enforcement agency and deduct 12 and withhold an amount from benefits in a manner consistent with RCW 13 14 50.40.050.)) shall notify the applicable state or local child support enforcement agency and deduct and withhold an amount from benefits in 15 16 a manner consistent with RCW 50.40.050.

17 (2) For the purposes of this section, "child support obligations" 18 means only those obligations that are being enforced pursuant to a 19 plan described in section 454 of the social security act which has 20 been approved by the secretary of health and human services under 21 Title IV-D of the social security act (42 U.S.C. Sec. 651 et seq.).

(3) Consistent with ((RCW 50A.15.040(1)(c))) chapter 50A.25 RCW,
 the department may verify child support obligations with the
 department of social and health services.

25 Sec. 7. RCW 50A.15.100 and 2019 c 13 s 38 are each amended to 26 read as follows:

(1) Leave from employment under this title is in addition to leave from employment during which benefits are paid or are payable under Title 51 RCW or other applicable federal or state industrial insurance laws.

31 (2) ((In)) <u>An employee is disqualified from receiving family or</u> 32 <u>medical leave benefits under this title for</u> any week in which ((an)) 33 <u>the</u> employee is ((eligible to receive benefits)) <u>receiving, has</u> 34 <u>received, or will receive compensation, as determined by the</u> 35 <u>governing state or federal agency under:</u>

- 36 <u>(a)</u> Title 50 ((or 51)) RCW((, or));
- 37 <u>(b) RCW 51.32.060;</u>
- 38 (c) RCW 51.32.090; or

1 (d) Any other applicable federal ((or state)) unemployment 2 compensation, industrial insurance, or disability insurance laws((3 the employee is disqualified from receiving family or medical leave 4 benefits under this title)).

5 Sec. 8. RCW 50A.25.070 and 2019 c 13 s 76 are each amended to 6 read as follows:

7 (1) The department may enter into data-sharing contracts and may 8 disclose records and information deemed confidential to state or 9 local government agencies under this chapter only if permitted under 10 subsection (2) of this section and RCW 50A.25.090. A state or local 11 government agency must need the records or information for an 12 official purpose and must also provide:

(a) An application in writing to the department for the records or information containing a statement of the official purposes for which the state or local government agency needs the information or records and specifically identify the records or information sought from the department; and

(b) A written verification of the need for the specific information from the director, commissioner, chief executive, or other official of the requesting state or local government agency either on the application or on a separate document.

(2) The department may disclose information or records deemed confidential under this chapter to the following state or local government agencies:

(a) To the department of social and health services to identify
child support obligations <u>as defined in RCW 50A.15.080</u>;

(b) To the department of revenue to determine potential tax liability or employer compliance with registration and licensing requirements;

30 (c) To the department of labor and industries to compare records31 or information to detect improper or fraudulent claims;

32 (d) To the office of financial management for the purpose of 33 conducting periodic salary or fringe benefit studies pursuant to law;

(e) To the office of the state treasurer and any financial or
 banking institutions deemed necessary by the office of the state
 treasurer and the department for the proper administration of funds;

37 (f) To the office of the attorney general for purposes of legal 38 representation; 1 (g) To a county clerk for the purpose of RCW 9.94A.760 if 2 requested by the county clerk's office;

3 (h) To the office of administrative hearings for the purpose of4 administering the administrative appeal process;

5 (i) To the department of enterprise services for the purpose of 6 agency administration and operations; and

7 (j) To the consolidated technology services agency for the 8 purpose of enterprise technology support.

9 Sec. 9. RCW 50A.30.010 and 2019 c 13 s 56 are each amended to 10 read as follows:

(1) An employer may apply to the commissioner for approval of a voluntary plan for the payment of either family leave benefits or medical leave benefits, or both. The application must be submitted on a form and in the manner as prescribed by the commissioner in rule. The fee for the department's review of each application for approval of a voluntary plan is two hundred fifty dollars.

17 (2) The benefits payable as indemnification for loss of wages 18 under any voluntary plan must be separately stated and designated 19 separately and distinctly in the plan from other benefits, if any.

(3) Neither an employee nor his or her employer are liable forany premiums for benefits covered by an approved voluntary plan.

(4) An employee may only receive payment of benefits for family 22 23 leave, medical leave, or both from one approved plan at a time. An 24 employee who qualifies for benefits and is simultaneously covered by 25 more than one plan under this title will receive benefits under the plan for which the employee has worked the most hours during the 26 employee's qualifying period. The commissioner must adopt rules to 27 28 allow benefits or prevent duplication of benefits to employees simultaneously covered by one or more approved voluntary plans and 29 30 the state program.

31 (5) The commissioner must approve any voluntary plan as to which 32 the commissioner finds that there is at least one employee in 33 employment and all of the following exist:

(a) The benefits afforded to the employees must be at least equivalent to the benefits the employees are entitled to as part of the state's family and medical leave program, including but not limited to the duration of leave. The employer must offer at least one-half of the length of leave as provided in RCW 50A.15.020(3) with pay and provide a monetary payment in an amount equal to or higher

p. 18

SSB 6349

than the total amount of monetary benefits the employee would be 1 entitled to receive as part of the state-run program. The employer 2 may offer the same duration of leave and monetary benefits as offered 3 under the state program. 4

(b) The sick leave an employee is entitled to under RCW 49.46.210 5 6 is in addition to the employer's provided benefits and is in addition to any family ((and)) or medical leave benefits. 7

(c) The plan is available to all of the eligible employees of the 8 employer employed in this state, including future employees. 9

(d) The employer has agreed to make ((the)) all required payroll 10 deductions ((required, if any, and transmit the proceeds to the 11 department for any portions not collected for the voluntary plan))_ 12 including that: 13

14 (i) In the case of plan termination or withdrawal, the employer must remit to the department all required moneys under RCW 50A.30.045 15 16 and 50A.30.065(3); and

17 (ii) If the employer has an approved voluntary plan for either medical leave or family leave but not both, the employer is still 18 19 obligated to remit to the department premiums owed to the state plan for the portions not covered by the employer's approved voluntary 20 21 plan.

(e) The plan will be in effect for a period of not less than one 22 year and, thereafter, continuously unless the commissioner finds that 23 the employer has given notice of withdrawal from the plan in a manner 24 25 specified by the commissioner in rule. The plan may be withdrawn by the employer on the date of any law increasing the benefit amounts or 26 the date of any change in the rate of employee premiums, if notice of 27 28 the withdrawal from the plan is transmitted to the commissioner not less than thirty days prior to the date of that law or change. If the 29 plan is not withdrawn, it must be amended to conform to provide the 30 31 increased benefit amount or change in the rate of the employee's 32 premium on the date of the increase or change.

33 (f) The amount of payroll deductions from the wages of an employee in effect for any voluntary plan may not exceed the maximum 34 payroll deduction for that employee as authorized under RCW 35 50A.10.030. The deductions may not be increased on other than an 36 anniversary of the effective date of the plan, except to the extent 37 that any increase in the deductions from the wages of an employee do 38 39 not exceed the maximum rate authorized under the state program.

1 (g) The voluntary plan provides that an employee of an employer 2 with a voluntary plan for either family leave or medical leave, or 3 both, is eligible for the plan benefits if the employee meets the 4 requirements of RCW 50A.15.010 and has worked at least three hundred 5 forty hours for the employer during the twelve months immediately 6 preceding the date leave will commence.

7 (h) The voluntary plan provides that an employee of an employer 8 with a voluntary plan for either family leave or medical leave, or 9 both, who takes leave under the voluntary plan is entitled to the 10 employment protection provisions contained in RCW 50A.35.010 if the 11 employee has worked for the employer for at least nine months and 12 nine hundred sixty-five hours during the twelve months immediately 13 preceding the date leave will commence.

(i) The voluntary plan provides that the employer maintains theemployee's existing health benefits as provided under RCW 50A.35.020.

16 (6)(a) The department must conduct a review of the expenses 17 incurred in association with the administration of the voluntary 18 plans during the first three years after implementation and report 19 its findings to the legislature.

(b) The review must include an analysis of the adequacy of the 20 21 fee in subsection (1) of this section to cover the department's 22 administrative expenses related to reviewing and approving or denying the applications and administering appeals related to voluntary 23 plans. The review must include an estimate of the next year's 24 25 projected administrative costs related to the voluntary plans. The 26 legislature shall adjust the fee in subsection (1) of this section as needed to ensure the department's administrative expenses related to 27 the voluntary plans are covered by the fee. 28

(c) If the current receipts from the fee in subsection (1) of this section are inadequate to cover the department's administrative expenses related to the voluntary plans, the department may use funds from the family and medical leave insurance account under RCW 50A.05.070 to pay for these expenses.

34 Sec. 10. RCW 50A.30.035 and 2017 3rd sp.s. c 5 s 25 are each 35 amended to read as follows:

An employer with a voluntary plan must provide a notice prepared by or approved by the commissioner regarding the voluntary plan consistent with the provisions of RCW ((50A.04.075)) <u>50A.20.020</u>.

SSB 6349

1 Sec. 11. RCW 50A.40.010 and 2019 c 13 s 15 are each amended to 2 read as follows:

3

(1) It is unlawful for any employer to:

4 (a) Interfere with, restrain, or deny the exercise of, or the 5 attempt to exercise, any valid right provided under this title; or

6 (b) Discharge or in any other manner discriminate against any 7 employee for opposing any practice made unlawful by this title.

8 (2) It is unlawful for any person to discharge or in any other 9 manner discriminate against any employee because the employee has:

(a) Filed any complaint, or has instituted or caused to beinstituted any proceeding, under or related to this title;

12 (b) Given, or is about to give, any information in connection 13 with any inquiry or proceeding relating to any right provided under 14 this title; or

15 (c) Testified, or is about to testify, in any inquiry or 16 proceeding relating to any right provided under this title.

17 <u>(3) As provided in RCW 50A.40.020 and 50A.40.030, the department</u> 18 will investigate allegations of unlawful acts and determine damages, 19 <u>as necessary.</u>

20 Sec. 12. RCW 50A.40.020 and 2019 c 13 s 17 are each amended to 21 read as follows:

(1) An employee who alleges one or more unlawful acts under RCW 50A.40.010 have occurred may file a complaint with the department. The department may not investigate any alleged violation of RCW 50A.40.010 that occurred more than three years before the date the employee filed the complaint.

27 (2) Upon receipt of a complaint ((by an employee)) under subsection (1) of this section, the commissioner shall investigate to 28 determine if ((there has been compliance with RCW 50A.40.010 and the 29 30 related rules. The department will issue a determination including 31 the findings of the investigation and whether a violation may have 32 occurred. Determinations are appealable under chapter 50A.50 RCW. If the investigation indicates that a violation may have occurred, a 33 hearing may be held if requested by an interested party in accordance 34 with chapter 34.05 RCW. The commissioner must issue a written 35 determination including the commissioner's findings after the 36 37 hearing. A judicial appeal from the commissioner's determination may 38 be taken in accordance with chapter 34.05 RCW)) a violation occurred and the amount of any liquidated damages, unless the employee
 terminates the complaint under section 16 of this act.

3 (3) Upon completing an investigation, the commissioner shall 4 issue a determination, unless the complaint is otherwise resolved 5 upon agreement by all parties and in compliance with section 16(6) of 6 this act or withdrawn under section 16(5) of this act. If the 7 department determines a violation occurred, the department may order 8 the employer to pay liquidated damages under RCW 50A.40.030.

9 Sec. 13. RCW 50A.40.030 and 2019 c 13 s 18 are each amended to 10 read as follows:

11 <u>(1)</u> Any employer who violates RCW 50A.40.010 is liable for 12 damages ((equal to:

13 (1) The amount of:

14 (a)))<u>.</u>

15 <u>(2) Damages are owed to the employee and must be paid by the</u> 16 <u>employer to the employee directly.</u>

17 (3) (a) Damages include:

18 <u>(i)</u> Any wages, salary, employment benefits, or other compensation 19 denied or lost to such employee by reason of the violation; or

20 (((b))) (ii) In a case in which wages, salary, employment 21 benefits, or other compensation have not been denied or lost to the 22 employee, any actual monetary losses sustained by the employee as a 23 direct result of the violation, such as the cost of providing care, 24 up to a sum equal to wages or salary for the employee for up to 25 sixteen weeks, or eighteen weeks if the employee experiences a 26 serious health condition with a pregnancy that results in incapacity.

27 (((2)(a) The interest on the amount described in subsection (1)
28 of this section calculated at the prevailing rate; and))

29 (b) <u>Any employer who violates RCW 50A.40.010 is also liable for</u> 30 <u>interest accrued on the damages assessed in this subsection.</u>

(4) For a willful violation, the employer is also liable for an 31 32 additional amount as liquidated damages equal to the sum of the 33 amount described in subsection $\left(\left(\frac{1}{1}\right)\right)$ <u>(3)(a)</u> of this section and the 34 interest described in ((this)) subsection (((2))) (3)(b) of this section. For purposes of this section, "willful" means a knowing and 35 intentional action that is neither accidental nor the result of a 36 bona fide dispute. All liquidated damages are owed to the employee 37 38 and must be paid to the employee directly.

1 <u>(5) Interest in this section is calculated at the prevailing</u> 2 <u>rate.</u>

3 Sec. 14. RCW 50A.50.010 and 2018 c 141 s 3 are each amended to 4 read as follows:

5 (1) Any aggrieved ((person)) party may file an appeal from any determination or redetermination with the commissioner within thirty 6 days after the date of notification or mailing, whichever is earlier, 7 of such determination or redetermination to the ((person's)) party's 8 last known address. If an appeal with respect to any determination is 9 10 pending as of the date when a redetermination is issued, such appeal, 11 unless withdrawn, shall be treated as an appeal from such redetermination. 12

13 (2) Any appeal from a determination of denial of benefits shall be deemed to be an appeal as to all weeks subsequent to the effective 14 15 date of the denial for which benefits have already been denied. If no 16 appeal is taken from any determination, or redetermination, within 17 the time allowed by the provisions of this section for appeal, the determination or redetermination, as the case may be, shall be 18 conclusively deemed to be correct except as provided in respect to 19 20 reconsideration by the commissioner of any determination.

(3) Upon receipt of a notice of appeal, the commissioner shall request the assignment of an administrative law judge under chapter 34.12 RCW to conduct a hearing in accordance with chapter 34.05 RCW and issue a proposed order.

25 Sec. 15. RCW 26.23.060 and 2019 c 13 s 66 are each amended to 26 read as follows:

(1) The division of child support may issue a notice of payrolldeduction:

(a) As authorized by a support order that contains a notice clearly stating that child support may be collected by withholding from earnings, wages, or benefits without further notice to the obligated parent; or

33 (b) After service of a notice containing an income-withholding 34 provision under this chapter or chapter 74.20A RCW.

35 (2) The division of child support shall serve a notice of payroll 36 deduction upon a responsible parent's employer or upon the employment 37 security department for the state in possession of or owing any 38 benefits from the unemployment compensation fund to the responsible

1 parent pursuant to Title 50 RCW or from the paid family and medical 2 leave program under Title 50A RCW:

3 (a) In the manner prescribed for the service of a summons in a4 civil action;

5

(b) By certified mail, return receipt requested;

6 (c) By electronic means if there is an agreement between the 7 secretary and the person, firm, corporation, association, political 8 subdivision, department of the state, or agency, subdivision, or 9 instrumentality of the United States to accept service by electronic 10 means; or

(d) By regular mail to a responsible parent's employer unless the division of child support reasonably believes that service of process in the manner prescribed in (a) or (b) of this subsection is required for initiating an action to ensure employer compliance with the withholding requirement.

(3) Service of a notice of payroll deduction upon an employer or 16 17 employment security department requires the employer or employment security department to immediately make a mandatory payroll deduction 18 from the responsible parent's unpaid disposable earnings or 19 ((unemployment compensation)) benefits paid by the employment 20 security department. The employer or employment security department 21 22 shall thereafter deduct each pay period the amount stated in the notice divided by the number of pay periods per month. The payroll 23 deduction each pay period shall not exceed fifty percent of the 24 25 responsible parent's disposable earnings.

(4) A notice of payroll deduction for support shall have priority
 over any wage assignment, garnishment, attachment, or other legal
 process.

29 (5) The notice of payroll deduction shall be in writing and 30 include:

31 (a) The name and social security number of the responsible 32 parent;

33 (b) The amount to be deducted from the responsible parent's 34 disposable earnings each month, or alternate amounts and frequencies 35 as may be necessary to facilitate processing of the payroll 36 deduction;

37 (c) A statement that the total amount withheld shall not exceed
 38 fifty percent of the responsible parent's disposable earnings;

39 (d) The address to which the payments are to be mailed or 40 delivered; and 1 (e) A notice to the responsible parent warning the responsible 2 parent that, despite the payroll deduction, the responsible parent's 3 privileges to obtain and maintain a license, as defined in RCW 4 74.20A.320, may not be renewed, or may be suspended if the parent is 5 not in compliance with a support order as defined in RCW 74.20A.320.

6 (6) An informational copy of the notice of payroll deduction 7 shall be mailed to the last known address of the responsible parent 8 by regular mail.

9 (7) An employer or employment security department that receives a 10 notice of payroll deduction shall make immediate deductions from the 11 responsible parent's unpaid disposable earnings and remit proper 12 amounts to the Washington state support registry within seven working 13 days of the date the earnings are payable to the responsible parent.

14 (8) An employer, or the employment security department, upon whom a notice of payroll deduction is served, shall make an answer to the 15 16 division of child support within twenty days after the date of 17 service. The answer shall confirm compliance and institution of the 18 payroll deduction or explain the circumstances if no payroll deduction is in effect. The answer shall also state whether the 19 responsible parent is employed by or receives earnings from the 20 21 employer or receives ((unemployment compensation benefits)) benefit 22 payments from the employment security department, whether the employer or employment security department anticipates 23 paying 24 earnings or ((unemployment compensation)) benefits and the amount of 25 earnings or benefit payments. If the responsible parent is no longer 26 employed, or receiving earnings from the employer, the answer shall state the present employer's name and address, if known. If the 27 responsible parent is no longer receiving ((unemployment compensation 28 29 benefits)) benefit payments from the employment security department, the answer shall state the present employer's name and address, if 30 31 known.

32 The returned answer or a payment remitted to the division of 33 child support by the employer constitutes proof of service of the 34 notice of payroll deduction in the case where the notice was served 35 by regular mail.

36 (9) The employer may deduct a processing fee from the remainder 37 of the responsible parent's earnings after withholding under the 38 notice of payroll deduction, even if the remainder is exempt under 39 RCW 26.18.090. The processing fee may not exceed: (a) Ten dollars for

the first disbursement made to the Washington state support registry;
 and (b) one dollar for each subsequent disbursement to the registry.

(10) The notice of payroll deduction shall remain in effect until 3 released by the division of child support, the court enters an order 4 terminating the notice and approving an alternate arrangement under 5 6 RCW 26.23.050, or until the employer no longer employs the responsible parent and is no longer in possession of or owing any 7 earnings to the responsible parent. The employer shall promptly 8 notify the office of support enforcement when the employer no longer 9 employs the parent subject to the notice. For the employment security 10 11 department, the notice of payroll deduction shall remain in effect 12 until released by the division of child support or until the court enters an order terminating the notice. 13

14 (11) The division of child support may use uniform interstate 15 withholding forms adopted by the United States department of health 16 and human services to take withholding actions under this section 17 whether the responsible parent is receiving earnings or unemployment 18 compensation in this state or in another state.

19 <u>NEW SECTION.</u> Sec. 16. A new section is added to chapter 50A.40
20 RCW to read as follows:

(1) If the department issues a determination under RCW 50A.40.020 that an employer owes liquidated damages, the employer must, within thirty calendar days, either pay all damages owed or file an appeal as provided in this title. Thereafter, all parties owed moneys may initiate collection action against the employer by filing a warrant with the clerk of any county within the state.

(a) The warrant may include all damages awarded to the employee
plus reasonable attorneys' fees for the collection action, reasonable
expert witness fees, and other reasonable costs of the action.

30 (b) For purposes of this section, thirty calendar days begins the 31 day the determination is issued.

32 (2) The department is not responsible for collection action 33 against an employer that has defaulted the payment of an award 34 established under RCW 50A.40.030.

35 <u>NEW SECTION.</u> Sec. 17. A new section is added to chapter 50A.40 36 RCW to read as follows:

1 (1) A private action to recover damages under RCW 50A.40.030 may 2 be brought against any employer by any one or more employees for and 3 on behalf of:

4

(a) The employee or employees; or

5

(b) The employees and other employees similarly situated.

6 (2) Any action under subsection (1) of this section must be filed 7 with a court of competent jurisdiction within the state. Any private 8 action for an alleged violation of RCW 50A.40.010 must be commenced 9 within three years of the date of the alleged violation.

10 (3) In an action under subsection (1) of this section the court 11 shall, in addition to any judgment awarded to a prevailing plaintiff, 12 award reasonable attorneys' fees, reasonable expert witness fees, and 13 other costs of the action to be paid by the defendant.

(4) A private right of action is only available to an employee who either has not filed a complaint with the department, has withdrawn a filed complaint under subsection (5) of this section, or has resolved a complaint under subsection (6) of this section.

18 (5) An employee who has filed a complaint with the department 19 under RCW 50A.40.020 may elect to withdraw the complaint by providing 20 written notice to the department within ten business days after 21 filing the complaint with the department. Withdrawing a complaint 22 terminates the department's administrative action.

(6) A complaint may be resolved upon agreement by all parties.
Resolution of a complaint must be communicated to the department
prior to the department's issuance of a determination. Resolution of
a complaint terminates the department's administrative action.

27 (7) In the event the department's administrative action is 28 terminated under subsection (5) or (6) of this section:

(a) The department will immediately discontinue its investigationand any action against the employer; and

31 (b) The determination, if already issued, along with any related 32 findings of fact and conclusions of law, and any payments or offers 33 of payment made by the employer including interest, are not 34 admissible in any court action or other judicial or administrative 35 proceeding.

36 (8) Nothing in this section shall be construed to limit or 37 affect:

(a) Except as provided in subsection (4) of this section, the
 right of any employee to pursue any judicial, administrative, or
 other action available with respect to an employer;

1 (b) The right of the department to pursue any judicial, 2 administrative, or other action available with respect to an employee 3 that is identified as a result of a complaint under RCW 50A.40.020; 4 or

5 (c) The right of the department to pursue any judicial, 6 administrative, or other action available with respect to an employer 7 in the absence of a complaint.

8 <u>NEW SECTION.</u> Sec. 18. A new section is added to chapter 50A.05 9 RCW to read as follows:

10 (1) In the discharge of the duties imposed by this title, the appeal tribunal and any duly authorized representative of the 11 commissioner shall have power to administer oaths and affirmations, 12 13 take depositions, certify to official acts, and issue subpoenas to compel the attendance of witnesses and the production of books, 14 15 papers, correspondence, memoranda, and other records deemed necessary 16 as evidence in connection with any dispute or the administration of 17 this title. It shall be unlawful for any person, without just cause, to fail to comply with subpoenas issued pursuant to the provisions of 18 19 this section.

20 (2) (a) Any authorized representative of the commissioner may 21 apply for and obtain a superior court order approving and authorizing 22 a subpoena in advance of its issuance. The application may be made in 23 the county where the subpoenaed person resides or is found, or the 24 county where the subpoenaed records or documents are located, or in 25 Thurston county. The application must:

26

(i) State that an order is sought pursuant to this subsection;

27

(ii) Adequately specify the records, documents, or testimony; and

(iii) Declare under oath that an investigation is being conducted for a lawfully authorized purpose related to an investigation within the department's authority and that the subpoenaed documents or testimony are reasonably related to an investigation within the department's authority.

33 (b) Where the application under this subsection is made to the 34 satisfaction of the court, the court must issue an order approving 35 the subpoena. An order under this subsection constitutes authority of 36 law for the department to subpoena the records or testimony.

37 (c) Any authorized representative of the commissioner may seek38 approval and a court may issue an order under this subsection without

prior notice to any person, including the person to whom the subpoena
 is directed and the person who is the subject of an investigation.

(3) Subsection (2) of this section is intended to comply with the 3 holdings of State v. Miles, 160 Wn.2d 236 (2007) and State v. Reeder, 4 184 Wn.2d 805 (2015), and Article I, section 7 of the state 5 6 Constitution. These provisions collectively require judicial review 7 investigative subpoenas under certain circumstances. of The department is not required to receive court approval under subsection 8 (2) of this section unless otherwise required by law. 9

10 <u>NEW SECTION.</u> Sec. 19. Section 1 of this act is necessary for 11 the immediate preservation of the public peace, health, or safety, or 12 support of the state government and its existing public institutions, 13 and takes effect immediately.

--- END ---