

Initiative Measure No. 2119

Filed June 12, 2023

OPT OUT OF STATE-RUN LONG TERM INSURANCE SCHEME

AN ACT Relating to all Washington workers having the choice to opt in or out of the state's long term insurance scheme; amending RCW 50B.04.090; creating new sections; and repealing RCW 50B.04.085.

NEW SECTION. **Sec. 1.** The state of Washington's government-operated Long Term Insurance scheme has too many conditions and restrictions to provide good value to working people and families in the state. Even more troubling, the scheme is actuarially unsound meaning the monies the state deducts from workers' paychecks are not enough to cover the scheme's overhead, operating costs, and benefit obligations. In short, the scheme is a bad deal and working people in Washington should have the ability to opt out of it if they choose to.

This initiative provides all Washington workers with that reasonable option.

Sec. 2. RCW 50B.04.090 and 2022 c 1 s 6 are each amended to read as follows:

(1) Beginning July 1, 2023, and subject to the protections established by subsection 8 of this section, any self-employed person, including a sole proprietor, independent contractor, partner, or joint venturer, may elect coverage under this chapter. Coverage must be elected before July 1, 2026, or within three years of becoming self-employed for the first time. Those electing coverage under this subsection are responsible for payment of 100 percent of all premiums assessed to an employee under

RCW 50B.04.080. The self-employed person must file a notice of election in writing with the employment security department, in the manner required by the employment security department in rule. The self-employed person is eligible for benefits after paying the long-term services and supports premium for the time required under RCW 50B.04.050.

(2) A self-employed person who has elected coverage may not withdraw from coverage unless they opt out under subsection 8 of this section.

(3) A self-employed person who elects coverage must continue to pay premiums until such time that the individual retires from the workforce or is no longer self-employed or they opt out under subsection 8 of this section. To cease premium assessment and collection, the self-employed person must file a notice with the employment security department if the individual retires from the workforce or is no longer self-employed or they opt out under subsection 8 of this section.

(4) The employment security department may cancel elective coverage if the self-employed person fails to make required payments or file reports. The employment security department may collect due and unpaid premiums and may levy an additional premium for the remainder of the period of coverage. The cancellation must be effective no later than 30 days from the date of the notice in writing advising the self-employed person of the cancellation.

(5) Those electing coverage are considered employers or employees where the context so dictates.

(6) For the purposes of this section, "independent contractor" means an individual excluded from the definition of "employment" in RCW 50B.04.010.

(7) The employment security 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.

(8) An employee in Washington is allowed to choose whether or not to receive coverage under RCW 50B.04.080. If an employee has chosen to receive coverage under this

section, the employee is allowed to opt out at any time. The employment security department shall adopt rules to implement the protections provided by this subsection.

NEW SECTION. Sec. 3. RCW 50B.04.085 (Premium assessment-Exemptions) and 2021 c 113 s 5 & 2020 c 98 s 7 are each repealed.

NEW SECTION. Sec. 4. The provisions of this act are to be liberally construed to effectuate the policies, purposes, and intent of this act.

NEW SECTION. Sec. 5. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

--- **END** ---