

Initiative Measure No. 2124

June 13, 2023

OPT OUT OF STATE-RUN LONG TERM CARE COVERAGE ACT

AN ACT Relating to all Washington workers having the choice to opt out of the government-operated long term insurance scheme; amending RCW 50B.04.090; creating new sections; and repealing RCW 50B.04.085.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF WASHINGTON:

Sec. 1. 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 or self-employed person in Washington must elect to keep coverage under this Chapter. If an employee or self-employed person has elected coverage under this Chapter, the employee or self-employed person must also have the option to opt out at any time. The employment security department shall adopt rules to implement this section.

Sec. 2. RCW 50B.04.085 (Premium assessment-Exemptions) and 2021 c 113 s 5 & 2020 c 98 s 7 are each repealed.

NEW SECTION. **Sec. 3.** The provisions of this act are to be liberally construed to effectuate the policies, purposes, and intent of this act.

NEW SECTION. **Sec. 4.** 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.

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