



Summary of Initiative 2124

Prepared for members of the Washington House of Representatives by the House Office of Program Research.

This information has been prepared in response to various requests for a summary of Initiative 2124. It is provided for analytical and legislative policy purposes only. It is not provided as an expression of support for or opposition to any ballot measure. These materials are intended to provide general information and are not intended to be an exhaustive analysis of all issues presented by the measure.

BRIEF SUMMARY

- Provides that employees and self-employed persons must elect to keep coverage in the Long-Term Services and Supports Trust Program (Trust Program).
- Allows employees and self-employed persons who have elected coverage under the Trust Program to opt out of coverage at any time and repeals the exemption for employees who purchased long-term care insurance before November 1, 2021.

BACKGROUND

Initiative 2124

Initiative 2124 was filed in 2023 as an initiative to the Legislature. Once certified, an initiative to the Legislature is submitted to the Legislature at its next regular session, at which time the Legislature must take one of three actions:

- adopt the initiative as proposed, in which case it becomes law without a vote of the people;
- reject or take no action on the proposed initiative, in which case the initiative must be placed on the ballot at the next state general election; or
- approve an alternative to the proposed initiative, in which case both the original proposal and the Legislature's alternative must be placed on the ballot at the next state general election.

The Legislature did not act on Initiative 2124 during its 2024 Regular Session. This initiative is, therefore, being submitted to the people for approval or rejection at the November 2024 general election.

The ballot title and ballot measure summary are as follows:

Ballot Title

Statement of Subject: Initiative Measure No. 2124 concerns state long term care insurance.

Concise Description: This measure would provide that employees and self-employed people must elect to keep coverage under RCW 50B.04 and could opt-out any time. It would also repeal a law governing an exemption for employees.

Should this measure be enacted into law? Yes [] No []

Ballot Measure Summary

This measure would amend state law establishing a state long term care insurance program to provide that employees and self-employed people must elect to keep coverage under RCW 50B.04, allow employees to opt-out of coverage under RCW 50B.04 at any time, and repeal a current law governing exemptions for employees who had purchased long term care insurance before November 1, 2021.

The Long-Term Services and Supports Trust Program

The Long-Term Services and Supports Trust Program (Trust Program) provides long-term care benefits to persons who have paid into the Trust Program for a specific period of time and who have been assessed as needing a certain amount of assistance with activities of daily living. The Trust Program is administered jointly by the Department of Social and Health Services, the Employment Security Department, and the Health Care Authority.

The Trust Program is funded through a 0.58 percent premium assessment on an employee's wages, which began July 1, 2023. Employees may become qualified individuals under the Trust Program if they have paid the premium assessment for either three of the last six years or a total of ten years with no more than a five-year interruption. An employee must have worked at least 500 hours during a particular year in order for that year of premium payments to count toward the employee becoming a qualified individual. Beginning July 1, 2026, employees who relocate outside of Washington may elect to continue participation in the Trust Program if they have paid the premium for at least three years in which they worked at least 500 hours in Washington and they continue to pay premiums after leaving the state.

Persons who become qualified individuals are eligible to receive benefits if they are at least 18 years old and have been assessed as requiring a specified level of assistance or supervision.

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Beginning July 1, 2026, eligible beneficiaries may receive benefits in the form of benefit units that the Department of Social and Health Services pays to long-term services and support providers.

Self-employed individuals may elect to participate in the Trust Program by filing a notice of election with the Employment Security Department according to specified time frames. Self-employed participants must pay premiums based on their earnings until retirement or until they are no longer self-employed. Once a self-employed person elects to participate in the Trust Program, the person may not withdraw from coverage.

There are several voluntary exemptions from the Trust Program. These exemptions apply to:

- United States military veterans who have a specified level of service-connected disability;
- spouses and registered domestic partners of active duty service members;
- employees who hold a nonimmigrant visa for temporary workers; and
- employees who are employed in Washington, but whose primary location of residence is outside of Washington.

In addition, there is an exemption for employees who had previously purchased long-term care insurance. The exemption was available to those employees who attested to the Employment Security Department by December 31, 2022, that they had purchased a long-term care insurance policy before November 1, 2021. While the exemption is no longer available, those who received it continue to be excused from the payment of Trust Program premiums. Employees who received this exemption are prohibited from becoming a qualified individual or eligible beneficiary under the Trust Program.

SUMMARY

Employees and self-employed persons in Washington must elect to maintain coverage under the Long-Term Services and Supports Trust Program (Trust Program). Employees and self-employed persons who have elected coverage under the Trust Program may opt out of coverage at any time, and the exemption from the Trust Program for those who attested to having purchased long-term care insurance is eliminated. The Employment Security Department must adopt rules related to electing coverage and opting out of coverage.

The provisions of the act must be liberally construed to effectuate its policies, purposes, and intent. If any provision of the act or its application is held invalid, the remainder of the act or other applications of the provision are not affected.

Effective Date: The initiative takes effect 30 days after the election at which it is approved.

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