

WAC 192-510-030 How will the department determine the wages earned and hours worked for self-employed persons electing coverage?

(1) The department will use the self-employed person's wages reported ((income)) in a quarter and divide it by the state's minimum wage to presume the number of hours worked for the quarter being reported.

((**Example:** For this example, the state's minimum wage is \$12.00 per hour. The self-employed person electing coverage reports \$10,000 of income in a quarter. The department will divide \$10,000 by \$12.00 and presume the self-employed person worked 833 hours in that quarter.))

(2) The self-employed person may overcome the presumption of hours in subsection (1) of this section by providing sufficient documentation to the department including, but not limited to, personal logs or contracts.

(3) If the determination of hours in subsection (1) or (2) of this section is greater than eight hundred twenty hours for that quarter, the number of hours worked will be considered eight hundred twenty hours.

Example: For this example, the state's minimum wage is \$12.00 per hour. The self-employed person electing coverage reports \$10,000 in wages in a quarter. The department will divide \$10,000 by \$12.00 and presume the self-employed person worked 833 hours in that quarter. The department will determine that the self-employed individual worked 820 hours in that quarter.

(4) The department may require copies of tax returns, bank records, or any other documentation deemed necessary by the department to verify or determine the self-employed person's hours and wages.

NEW SECTION

WAC 192-510-031 What are reportable wages for self-employed persons electing coverage? Each quarter, a self-employed individual who has elected coverage under Title 50A RCW will report to the department wages equal to the combined total of:

(1) The self-employed individual's net income related to their self-employment; and

(2) The gross amount of wages, if any, as defined in RCW 50A.04.010(24), paid to the self-employed individual from the self-employed individual's business entity.

Example 1: A sole-proprietor selling crafts online earns \$3,000 in a quarter and incurred \$2,000 in business-related expenses. The individual would report \$1,000 to the department for that quarter.

Example 2: A member of a limited liability company pays herself a salary in the amount of \$10,000 in a quarter. She also takes a draw from her company in the amount of \$5,000. She would report \$15,000 to the department for that quarter.

AMENDATORY SECTION (Amending WSR 18-22-080, filed 11/2/18, effective 12/3/18)

WAC 192-510-066 How are ((premium)) payments applied to paid family and medical leave premiums? (1) A payment received with a premium assessment will be applied to the quarter for which the premium assessment ((is filed)) applies. A payment exceeding the legal fees, penalties, interest and premiums due for that quarter will be applied to any other debt as provided in subsection ((2)) (4) of this section.

(2) If no debt exists, ((a refund will be issued for any)) premium overpayments of less than fifty dollars ((or more)) will be credited to future payments due.

(3) If no debt exists, premium overpayments of ((less than)) fifty dollars or more may be refunded to the employer at the employer's request. Otherwise, such overpayments will be credited to future ((premium assessments)) payments due.

((2)) (4) Payments received will be applied in the following order of priority:

(a) ((Most recently completed quarter's premium)) Current quarter balance;

(b) Any previous quarter premium balance due starting with the oldest quarter;

(c) Then beginning with the oldest quarter in which a balance is owed:

(i) Penalties;

(ii) Fees; and

(iii) Interest charges.

AMENDATORY SECTION (Amending WSR 18-12-032, filed 5/29/18, effective 6/29/18)

WAC 192-510-080 What are the requirements to be eligible for a conditional premium waiver? (1) An employer and employee may be eligible for a conditional waiver of premium payments by satisfying the requirements of RCW 50A.04.120.

Example: A storm hits Washington. An employer in Oregon hires a new employee who lives in Oregon to help with repair work. The employee only works in Washington for the employer for one week and is then laid off. The employer and the employee could submit a conditional premium waiver request for this employee.

(2) A conditional premium waiver is not required for work that is not subject to premiums under WAC 192-510-070 or fails to meet the definition of employment in RCW 50A.04.010 (7)(a).

(3) Any conditional premium waiver request must be submitted to the department online or in another format approved by the department.

(4) As a condition to granting the conditional premium waiver, the employer must file quarterly reports to verify that the employee((s)) for whom a conditional premium waiver has been granted is still ((qualify for the conditional premium)) eligible for the waiver.

(5) Once an employee works eight hundred twenty hours in a ((qualifying)) period of four consecutive complete calendar quarters

localized in Washington for an employer, the conditional premium waiver expires.

(6) The department may require the employer to submit additional documentation as necessary.

(7) If the employee exceeds eight hundred twenty hours (~~or more~~) in a (~~qualifying~~) period of four consecutive complete calendar quarters, the conditional waiver expires and the employer and employee will be responsible for their shares of all premiums that would have been paid during the (~~qualifying~~) period of four consecutive complete calendar quarters in which the employee exceeded eight hundred twenty hours had the waiver not been granted. The employer and employee will each receive a notice of premium assessment. Payment of the missed premiums is due on the date provided in the notice. Upon payment of the missed premiums, the employee will be credited for the hours worked and will be eligible for benefits under this chapter as if the premiums were originally paid.

~~((Example: A storm hits Washington. An employer in Oregon hires a new employee who lives in Oregon to help with repair work. The employee only works in Washington for the employer for one week and is then laid off. The employer could request a conditional premium waiver for this employee.))~~

(8) A request for a conditional premium waiver may be denied if the department finds that the employee does not satisfy the requirements of RCW 50A.04.120.

(9) A conditional premium waiver may be canceled if the department finds that the employee no longer satisfies the requirements of RCW 50A.04.120.