

FINAL BILL REPORT

SB 5771

C 120 L 95
Synopsis as Enacted

Brief Description: Establishing unemployment insurance liability for third party employers.

Sponsors: Senators Pelz, Newhouse and Deccio; by request of Employment Security Department.

Senate Committee on Labor, Commerce & Trade
House Committee on Commerce & Labor

Background: For unemployment insurance (UI) purposes, some businesses are not liable for UI benefits if the workers are hired through temporary help agencies, employee leasing firms, or employee referral firms.

The department has frequently encountered instances involving third party employers where each business entity claims not to be the employer. The department requests that legislation be passed designating the entity that supplies the employees as the employer for unemployment insurance purposes.

Summary: For unemployment insurance purposes, the business entity supplying employees to another firm is considered the employer. This includes temporary help agencies, employee leasing firms and employee referral agencies.

Votes on Final Passage:

Senate	44	0
House	97	0

Effective: July 23, 1995