FINAL BILL REPORT

HB 1339

C 117 L 91
Synopsis As Enacted

Brief Description: Revising provisions for unemployment compensation.

By Representatives Heavey and O'Brien; by request of Employment Security Department.

House Committee on Commerce & Labor
Senate Committee on Commerce & Labor

Background: Under federal law, state unemployment insurance laws must require an unemployed worker to requalify if the worker applies more than once for benefits based on the same period of employment. To requalify in Washington, a claimant who files a subsequent application for unemployment benefits, using wage credits that were earned before the earlier claim was filed, must have earned at least six times the weekly benefit amount since the initial job separation in the prior benefit year.

If a claimant receives a back pay award, the back pay constitutes wages for the period for which the pay was awarded. The claimant is not liable for overpayment of any unemployment benefits if the back pay award was reduced by the amount of the benefits paid for the same period. Within 30 days of a back pay award, the employer must report to the Employment Security Department the amount by which the back pay award was reduced and must pay the department an amount equal to the reduction.

A claimant may not receive unemployment benefits if he or she is receiving industrial insurance benefits.

The unemployment insurance law does not specify the liability of a purchaser of a business if the prior owner has failed to pay unemployment insurance contributions.

Summary: A change is made in the requirement for establishing an unemployment insurance benefit year when the claimant's base year includes wages earned before the establishment of a prior benefit year. This change applies only to claimants who are unemployed at the time of application. The period in which such a claimant is required to have earnings of not less than six times the weekly benefit amount is changed from the period following the initial job separation in the prior benefit year to the period following the last separation from employment immediately before the application for an initial determination in the previous benefit year.

The procedures applying to a case involving a back pay award are amended. For the purpose of computing the contributions, a back pay award constitutes wages for the period in which it was actually paid, and, for benefit purposes, the award constitutes wages for the period for which it was awarded. The employer is required to (1) reduce the amount of the award by an amount determined by the Employment Security Department (based on the amount of benefits received by the employee); (2) pay an amount equal to the reduction to the department; and (3) pay any taxes due for unemployment insurance on the back pay award. If the employer fails to reduce the back pay award, the department must issue an overpayment assessment against the employee. If the employer fails to pay the department an amount equal to the reduction of the award, the department must issue an assessment of liability against the employer.

A claimant may not receive unemployment benefits if he or she has received or will receive industrial insurance benefits for the same days.

If an employer quits business, any unpaid unemployment insurance contributions become immediately due and must be paid within 10 days. A person who purchases the business may be liable for unemployment contributions that the business owed to the Employment Security Department before the sale. However, the successor owner will not be liable for the back premiums if the successor owner notifies the department of the purchase of the business and the department does not issue a notice of assessment against the business within 180 days.

Votes on Final Passage:

House	98	0	
Senate	47	0	(Senate amended)
House	94	0	(House concurred)

Effective: July 1, 1991 (Sections 1 and 3)
July 7, 1991 (Section 2)