

2 **ESB 6480** - H AMD TO CL COMM AMD (H-4462.1/94)
3 By Representative Heavey

4

5 On page 7, after line 5 of the amendment, insert the following:

6 "Sec. 5. RCW 50.29.025 and 1993 c 483 s 21 and 1993 c 226 s 13 are
7 each reenacted and amended to read as follows:

8 The contribution rate for each employer shall be determined under
9 this section.

10 (1) A fund balance ratio shall be determined by dividing the
11 balance in the unemployment compensation fund as of the June 30th
12 immediately preceding the rate year by the total remuneration paid by
13 all employers subject to contributions during the second calendar year
14 preceding the rate year and reported to the department by the following
15 March 31st. The division shall be carried to the fourth decimal place
16 with the remaining fraction, if any, disregarded. The fund balance
17 ratio shall be expressed as a percentage.

18 (2) The interval of the fund balance ratio, expressed as a
19 percentage, shall determine which tax schedule in subsection (5) of
20 this section shall be in effect for assigning tax rates for the rate
21 year, except that during rate year 1995 tax schedule AA shall be in
22 effect. The intervals for determining the effective tax schedule shall
23 be:

24	Interval of the Fund Balance Ratio Expressed as a Percentage	Effective Tax Schedule
27	3.90 and above	AA
28	3.40 to 3.89	A
29	2.90 to 3.39	B
30	2.40 to 2.89	C
31	1.90 to 2.39	D
32	1.40 to 1.89	E
33	Less than 1.40	F

34 (3) An array shall be prepared, listing all qualified employers in
35 ascending order of their benefit ratios. The array shall show for each

1 qualified employer: (a) Identification number; (b) benefit ratio; (c)
 2 taxable payrolls for the four calendar quarters immediately preceding
 3 the computation date and reported to the department by the cut-off
 4 date; (d) a cumulative total of taxable payrolls consisting of the
 5 employer's taxable payroll plus the taxable payrolls of all other
 6 employers preceding him or her in the array; and (e) the percentage
 7 equivalent of the cumulative total of taxable payrolls.

8 (4) Each employer in the array shall be assigned to one of twenty
 9 rate classes according to the percentage intervals of cumulative
 10 taxable payrolls set forth in subsection (5) of this section:
 11 PROVIDED, That if an employer's taxable payroll falls within two or
 12 more rate classes, the employer and any other employer with the same
 13 benefit ratio shall be assigned to the lowest rate class which includes
 14 any portion of the employer's taxable payroll.

15 (5) The contribution rate for each employer in the array shall be
 16 the rate specified in the following table for the rate class to which
 17 he or she has been assigned, as determined under subsection (4) of this
 18 section, within the tax schedule which is to be in effect during the
 19 rate year:

Percent of		Schedule of Contribution Rates								
Cumulative		for Effective Tax Schedule								
Taxable Payrolls		((Rate								
From	To	Class	AA	A	B	C	D	E	F	
0.00	5.00	1	0.48	0.36	0.46	0.86	1.36	1.76	2.36	
5.01	10.00	2	0.48	0.36	0.66	1.06	1.56	1.96	2.56	
10.01	15.00	3	0.58	0.46	0.86	1.26	1.66	2.16	2.76	
15.01	20.00	4	0.58	0.66	1.06	1.46	1.86	2.36	2.96	
20.01	25.00	5	0.78	0.86	1.26	1.66	2.06	2.56	3.06	
25.01	30.00	6	0.98	1.06	1.46	1.86	2.26	2.66	3.16	
30.01	35.00	7	1.08	1.26	1.66	2.06	2.46	2.86	3.26	
35.01	40.00	8	1.28	1.46	1.86	2.26	2.66	3.06	3.46	
40.01	45.00	9	1.48	1.66	2.06	2.46	2.86	3.26	3.66	
45.01	50.00	10	1.68	1.86	2.26	2.66	3.06	3.46	3.86	
50.01	55.00	11	1.98	2.16	2.46	2.86	3.26	3.66	3.96	
55.01	60.00	12	2.18	2.36	2.66	3.06	3.46	3.86	4.16	
60.01	65.00	13	2.38	2.56	2.86	3.26	3.66	4.06	4.36	
65.01	70.00	14	2.58	2.76	3.06	3.46	3.86	4.26	4.56	
70.01	75.00	15	2.88	2.96	3.26	3.66	4.06	4.46	4.66	
75.01	80.00	16	3.08	3.16	3.46	3.86	4.26	4.56	4.76	
80.01	85.00	17	3.28	3.36	3.66	4.06	4.46	4.76	4.86	

1	85.01	90.00	18	3.68	3.76	4.06	4.46	4.76	4.86	5.06
2	90.01	95.00	19	4.08	4.16	4.46	4.86	4.96	5.06	5.26
3	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	5.40
4				Rate						
5	From	To	Class	AA	A	B	C	D	E	F
6	<u>0.00</u>	<u>5.00</u>	<u>1</u>	<u>0.36</u>	<u>0.36</u>	<u>0.46</u>	<u>0.86</u>	<u>1.36</u>	<u>1.76</u>	<u>2.36</u>
7	<u>5.01</u>	<u>10.00</u>	<u>2</u>	<u>0.36</u>	<u>0.36</u>	<u>0.66</u>	<u>1.06</u>	<u>1.56</u>	<u>1.96</u>	<u>2.56</u>
8	<u>10.01</u>	<u>15.00</u>	<u>3</u>	<u>0.46</u>	<u>0.46</u>	<u>0.86</u>	<u>1.26</u>	<u>1.66</u>	<u>2.16</u>	<u>2.76</u>
9	<u>15.01</u>	<u>20.00</u>	<u>4</u>	<u>0.46</u>	<u>0.66</u>	<u>1.06</u>	<u>1.46</u>	<u>1.86</u>	<u>2.36</u>	<u>2.96</u>
10	<u>20.01</u>	<u>25.00</u>	<u>5</u>	<u>0.66</u>	<u>0.86</u>	<u>1.26</u>	<u>1.66</u>	<u>2.06</u>	<u>2.56</u>	<u>3.06</u>
11	<u>25.01</u>	<u>30.00</u>	<u>6</u>	<u>0.86</u>	<u>1.06</u>	<u>1.46</u>	<u>1.86</u>	<u>2.26</u>	<u>2.66</u>	<u>3.16</u>
12	<u>30.01</u>	<u>35.00</u>	<u>7</u>	<u>0.96</u>	<u>1.26</u>	<u>1.66</u>	<u>2.06</u>	<u>2.46</u>	<u>2.86</u>	<u>3.26</u>
13	<u>35.01</u>	<u>40.00</u>	<u>8</u>	<u>1.16</u>	<u>1.46</u>	<u>1.86</u>	<u>2.26</u>	<u>2.66</u>	<u>3.06</u>	<u>3.46</u>
14	<u>40.01</u>	<u>45.00</u>	<u>9</u>	<u>1.36</u>	<u>1.66</u>	<u>2.06</u>	<u>2.46</u>	<u>2.86</u>	<u>3.26</u>	<u>3.66</u>
15	<u>45.01</u>	<u>50.00</u>	<u>10</u>	<u>1.56</u>	<u>1.86</u>	<u>2.26</u>	<u>2.66</u>	<u>3.06</u>	<u>3.46</u>	<u>3.86</u>
16	<u>50.01</u>	<u>55.00</u>	<u>11</u>	<u>1.86</u>	<u>2.16</u>	<u>2.46</u>	<u>2.86</u>	<u>3.26</u>	<u>3.66</u>	<u>3.96</u>
17	<u>55.01</u>	<u>60.00</u>	<u>12</u>	<u>2.06</u>	<u>2.36</u>	<u>2.66</u>	<u>3.06</u>	<u>3.46</u>	<u>3.86</u>	<u>4.16</u>
18	<u>60.01</u>	<u>65.00</u>	<u>13</u>	<u>2.26</u>	<u>2.56</u>	<u>2.86</u>	<u>3.26</u>	<u>3.66</u>	<u>4.06</u>	<u>4.36</u>
19	<u>65.01</u>	<u>70.00</u>	<u>14</u>	<u>2.46</u>	<u>2.76</u>	<u>3.06</u>	<u>3.46</u>	<u>3.86</u>	<u>4.26</u>	<u>4.56</u>
20	<u>70.01</u>	<u>75.00</u>	<u>15</u>	<u>2.76</u>	<u>2.96</u>	<u>3.26</u>	<u>3.66</u>	<u>4.06</u>	<u>4.46</u>	<u>4.66</u>
21	<u>75.01</u>	<u>80.00</u>	<u>16</u>	<u>2.96</u>	<u>3.16</u>	<u>3.46</u>	<u>3.86</u>	<u>4.26</u>	<u>4.56</u>	<u>4.76</u>
22	<u>80.01</u>	<u>85.00</u>	<u>17</u>	<u>3.16</u>	<u>3.36</u>	<u>3.66</u>	<u>4.06</u>	<u>4.46</u>	<u>4.76</u>	<u>4.86</u>
23	<u>85.01</u>	<u>90.00</u>	<u>18</u>	<u>3.56</u>	<u>3.76</u>	<u>4.06</u>	<u>4.46</u>	<u>4.76</u>	<u>4.86</u>	<u>5.06</u>
24	<u>90.01</u>	<u>95.00</u>	<u>19</u>	<u>3.96</u>	<u>4.16</u>	<u>4.46</u>	<u>4.86</u>	<u>4.96</u>	<u>5.06</u>	<u>5.26</u>
25	<u>95.01</u>	<u>100.00</u>	<u>20</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>

26 (6) The contribution rate for each employer not qualified to be in
 27 the array shall be as follows:

28 (a) Employers who do not meet the definition of "qualified
 29 employer" by reason of failure to pay contributions when due shall be
 30 assigned the contribution rate of five and six-tenths percent, except
 31 employers who have an approved agency-deferred payment contract by
 32 September 30 of the previous rate year. If any employer with an
 33 approved agency-deferred payment contract fails to make any one of the
 34 succeeding deferred payments or fails to submit any succeeding tax
 35 report and payment in a timely manner, the employer's tax rate shall
 36 immediately revert to five and six-tenths percent for the current rate
 37 year;

38 (b) The contribution rate for employers exempt as of December 31,
 39 1989, who are newly covered under the section 78, chapter 380, Laws of
 40 1989 amendment to RCW 50.04.150 and not yet qualified to be in the
 41 array shall be 2.5 percent for employers whose standard industrial code
 42 is "013", "016", "017", "018", "019", "021", or "081"; and

1 (c) For all other employers not qualified to be in the array, the
2 contribution rate shall be a rate equal to the average industry rate as
3 determined by the commissioner; however, the rate may not be less than
4 one percent. Assignment of employers by the commissioner to industrial
5 classification, for purposes of this subsection, shall be in accordance
6 with established classification practices found in the "Standard
7 Industrial Classification Manual" issued by the federal office of
8 management and budget to the third digit provided in the Standard
9 Industrial Classification code.

10 **Sec. 6.** RCW 50.29.025 and 1994 c ... s 5 (section 5 of this act)
11 are each amended to read as follows:

12 The contribution rate for each employer shall be determined under
13 this section.

14 (1) A fund balance ratio shall be determined by dividing the
15 balance in the unemployment compensation fund as of the June 30th
16 immediately preceding the rate year by the total remuneration paid by
17 all employers subject to contributions during the second calendar year
18 preceding the rate year and reported to the department by the following
19 March 31st. The division shall be carried to the fourth decimal place
20 with the remaining fraction, if any, disregarded. The fund balance
21 ratio shall be expressed as a percentage.

22 (2) The interval of the fund balance ratio, expressed as a
23 percentage, shall determine which tax schedule in subsection (5) of
24 this section shall be in effect for assigning tax rates for the rate
25 year(~~(, except that during rate year 1995 tax schedule AA shall be in~~
26 ~~effect)~~). The intervals for determining the effective tax schedule
27 shall be:

28	Interval of the	
29	Fund Balance Ratio	Effective
30	Expressed as a Percentage	Tax Schedule
31	3.90 and above	AA
32	3.40 to 3.89	A
33	2.90 to 3.39	B
34	2.40 to 2.89	C
35	1.90 to 2.39	D
36	1.40 to 1.89	E
37	Less than 1.40	F

(3) An array shall be prepared, listing all qualified employers in ascending order of their benefit ratios. The array shall show for each qualified employer: (a) Identification number; (b) benefit ratio; (c) taxable payrolls for the four calendar quarters immediately preceding the computation date and reported to the department by the cut-off date; (d) a cumulative total of taxable payrolls consisting of the employer's taxable payroll plus the taxable payrolls of all other employers preceding him or her in the array; and (e) the percentage equivalent of the cumulative total of taxable payrolls.

(4) Each employer in the array shall be assigned to one of twenty rate classes according to the percentage intervals of cumulative taxable payrolls set forth in subsection (5) of this section: PROVIDED, That if an employer's taxable payroll falls within two or more rate classes, the employer and any other employer with the same benefit ratio shall be assigned to the lowest rate class which includes any portion of the employer's taxable payroll.

(5) The contribution rate for each employer in the array shall be the rate specified in the following table for the rate class to which he or she has been assigned, as determined under subsection (4) of this section, within the tax schedule which is to be in effect during the rate year:

Percent of Cumulative Taxable Payrolls (Rate From To Class			Schedule of Contribution Rates for Effective Tax Schedule						
AA	A	B	C	D	E	F			
0.00	5.00	1	0.36	0.36	0.46	0.86	1.36	1.76	2.36
5.01	10.00	2	0.36	0.36	0.66	1.06	1.56	1.96	2.56
10.01	15.00	3	0.46	0.46	0.86	1.26	1.66	2.16	2.76
15.01	20.00	4	0.46	0.66	1.06	1.46	1.86	2.36	2.96
20.01	25.00	5	0.66	0.86	1.26	1.66	2.06	2.56	3.06
25.01	30.00	6	0.86	1.06	1.46	1.86	2.26	2.66	3.16
30.01	35.00	7	0.96	1.26	1.66	2.06	2.46	2.86	3.26
35.01	40.00	8	1.16	1.46	1.86	2.26	2.66	3.06	3.46
40.01	45.00	9	1.36	1.66	2.06	2.46	2.86	3.26	3.66
45.01	50.00	10	1.56	1.86	2.26	2.66	3.06	3.46	3.86
50.01	55.00	11	1.86	2.16	2.46	2.86	3.26	3.66	3.96
55.01	60.00	12	2.06	2.36	2.66	3.06	3.46	3.86	4.16
60.01	65.00	13	2.26	2.56	2.86	3.26	3.66	4.06	4.36
65.01	70.00	14	2.46	2.76	3.06	3.46	3.86	4.26	4.56
70.01	75.00	15	2.76	2.96	3.26	3.66	4.06	4.46	4.66
75.01	80.00	16	2.96	3.16	3.46	3.86	4.26	4.56	4.76

1	80.01	85.00	17	3.16	3.36	3.66	4.06	4.46	4.76	4.86
2	85.01	90.00	18	3.56	3.76	4.06	4.46	4.76	4.86	5.06
3	90.01	95.00	19	3.96	4.16	4.46	4.86	4.96	5.06	5.26
4	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	5.40

	<u>Rate</u>									
	<u>From</u>	<u>To</u>	<u>Class</u>	<u>AA</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
7	<u>0.00</u>	<u>5.00</u>	<u>1</u>	<u>0.48</u>	<u>0.48</u>	<u>0.58</u>	<u>0.98</u>	<u>1.48</u>	<u>1.88</u>	<u>2.48</u>
8	<u>5.01</u>	<u>10.00</u>	<u>2</u>	<u>0.48</u>	<u>0.48</u>	<u>0.78</u>	<u>1.18</u>	<u>1.68</u>	<u>2.08</u>	<u>2.68</u>
9	<u>10.01</u>	<u>15.00</u>	<u>3</u>	<u>0.58</u>	<u>0.58</u>	<u>0.98</u>	<u>1.38</u>	<u>1.78</u>	<u>2.28</u>	<u>2.88</u>
10	<u>15.01</u>	<u>20.00</u>	<u>4</u>	<u>0.58</u>	<u>0.78</u>	<u>1.18</u>	<u>1.58</u>	<u>1.98</u>	<u>2.48</u>	<u>3.08</u>
11	<u>20.01</u>	<u>25.00</u>	<u>5</u>	<u>0.78</u>	<u>0.98</u>	<u>1.38</u>	<u>1.78</u>	<u>2.18</u>	<u>2.68</u>	<u>3.18</u>
12	<u>25.01</u>	<u>30.00</u>	<u>6</u>	<u>0.98</u>	<u>1.18</u>	<u>1.58</u>	<u>1.98</u>	<u>2.38</u>	<u>2.78</u>	<u>3.28</u>
13	<u>30.01</u>	<u>35.00</u>	<u>7</u>	<u>1.08</u>	<u>1.38</u>	<u>1.78</u>	<u>2.18</u>	<u>2.58</u>	<u>2.98</u>	<u>3.38</u>
14	<u>35.01</u>	<u>40.00</u>	<u>8</u>	<u>1.28</u>	<u>1.58</u>	<u>1.98</u>	<u>2.38</u>	<u>2.78</u>	<u>3.18</u>	<u>3.58</u>
15	<u>40.01</u>	<u>45.00</u>	<u>9</u>	<u>1.48</u>	<u>1.78</u>	<u>2.18</u>	<u>2.58</u>	<u>2.98</u>	<u>3.38</u>	<u>3.78</u>
16	<u>45.01</u>	<u>50.00</u>	<u>10</u>	<u>1.68</u>	<u>1.98</u>	<u>2.38</u>	<u>2.78</u>	<u>3.18</u>	<u>3.58</u>	<u>3.98</u>
17	<u>50.01</u>	<u>55.00</u>	<u>11</u>	<u>1.98</u>	<u>2.28</u>	<u>2.58</u>	<u>2.98</u>	<u>3.38</u>	<u>3.78</u>	<u>4.08</u>
18	<u>55.01</u>	<u>60.00</u>	<u>12</u>	<u>2.18</u>	<u>2.48</u>	<u>2.78</u>	<u>3.18</u>	<u>3.58</u>	<u>3.98</u>	<u>4.28</u>
19	<u>60.01</u>	<u>65.00</u>	<u>13</u>	<u>2.38</u>	<u>2.68</u>	<u>2.98</u>	<u>3.38</u>	<u>3.78</u>	<u>4.18</u>	<u>4.48</u>
20	<u>65.01</u>	<u>70.00</u>	<u>14</u>	<u>2.58</u>	<u>2.88</u>	<u>3.18</u>	<u>3.58</u>	<u>3.98</u>	<u>4.38</u>	<u>4.68</u>
21	<u>70.01</u>	<u>75.00</u>	<u>15</u>	<u>2.88</u>	<u>3.08</u>	<u>3.38</u>	<u>3.78</u>	<u>4.18</u>	<u>4.58</u>	<u>4.78</u>
22	<u>75.01</u>	<u>80.00</u>	<u>16</u>	<u>3.08</u>	<u>3.28</u>	<u>3.58</u>	<u>3.98</u>	<u>4.38</u>	<u>4.68</u>	<u>4.88</u>
23	<u>80.01</u>	<u>85.00</u>	<u>17</u>	<u>3.28</u>	<u>3.48</u>	<u>3.78</u>	<u>4.18</u>	<u>4.58</u>	<u>4.88</u>	<u>4.98</u>
24	<u>85.01</u>	<u>90.00</u>	<u>18</u>	<u>3.68</u>	<u>3.88</u>	<u>4.18</u>	<u>4.58</u>	<u>4.88</u>	<u>4.98</u>	<u>5.18</u>
25	<u>90.01</u>	<u>95.00</u>	<u>19</u>	<u>4.08</u>	<u>4.28</u>	<u>4.58</u>	<u>4.98</u>	<u>5.08</u>	<u>5.18</u>	<u>5.38</u>
26	<u>95.01</u>	<u>100.00</u>	<u>20</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>

27 (6) The contribution rate for each employer not qualified to be in
 28 the array shall be as follows:

29 (a) Employers who do not meet the definition of "qualified
 30 employer" by reason of failure to pay contributions when due shall be
 31 assigned the contribution rate of five and six-tenths percent, except
 32 employers who have an approved agency-deferred payment contract by
 33 September 30 of the previous rate year. If any employer with an
 34 approved agency-deferred payment contract fails to make any one of the
 35 succeeding deferred payments or fails to submit any succeeding tax
 36 report and payment in a timely manner, the employer's tax rate shall
 37 immediately revert to five and six-tenths percent for the current rate
 38 year;

39 (b) The contribution rate for employers exempt as of December 31,
 40 1989, who are newly covered under the section 78, chapter 380, Laws of
 41 1989 amendment to RCW 50.04.150 and not yet qualified to be in the

1 array shall be 2.5 percent for employers whose standard industrial code
2 is "013", "016", "017", "018", "019", "021", or "081"; and

3 (c) For all other employers not qualified to be in the array, the
4 contribution rate shall be a rate equal to the average industry rate as
5 determined by the commissioner; however, the rate may not be less than
6 one percent. Assignment of employers by the commissioner to industrial
7 classification, for purposes of this subsection, shall be in accordance
8 with established classification practices found in the "Standard
9 Industrial Classification Manual" issued by the federal office of
10 management and budget to the third digit provided in the Standard
11 Industrial Classification code."

12 Renumber the remaining sections consecutively and correct any
13 internal references accordingly.

14 **ESB 6480** - H AMD TO CL COMM AMD (H-4462.1/94)
15 By Representative

16

17 On page 8, after line 20 of the amendment, insert the following:

18 "NEW SECTION. **Sec. 8.** Section 6 of this act shall take effect
19 January 1, 1998."

--- END ---