

SENATE BILL REPORT

SB 5701

AS OF FEBRUARY 19, 1993

Brief Description: Regulating unemployment insurance.

SPONSORS: Senators Prentice and Franklin; by request of Employment Security Department

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Patrick Woods (786-7430)

Hearing Dates: February 22, 1993

BACKGROUND:

Under existing state unemployment statutes, individuals are disqualified from receiving unemployment benefits when (1) they have left work voluntarily and without "good cause;" (2) they have been discharged or suspended for misconduct; or (3) they have failed to apply for or accept available work. An individual continues to be ineligible to receive benefits until he or she has obtained "bona fide work" and earned wages of not less than their weekly benefit amount in each of five calendar weeks.

A husband or wife who leaves work to relocate with his or her spouse is deemed to have left work voluntarily without "good cause" and is therefore deemed ineligible to receive unemployment benefits. The spouse continues to be ineligible to receive benefits until he or she has obtained "bona fide work" and earned wages of not less than their weekly benefit amount in each of five calendar weeks or by certifying to the department on a weekly basis for ten weeks that they are actively seeking employment.

Unemployment benefits are capped at 60 percent of the state average weekly wage. The highest benefit level is currently \$274 per week. Corporate officers are not currently required to have mandatory coverage under unemployment insurance. There are approximately 36,000 corporate officers in the state, and the department estimates that a small percentage have chosen to be covered under the state's unemployment insurance program.

SUMMARY:

The eligibility requirement for individuals who are denied unemployment benefits due to (1) voluntary quit; (2) discharge or suspension from work; or (3) having failed to apply for or accept available work are modified. Such claimants are considered eligible to receive benefits when they have

obtained "bona fide" work and earned wages equal to five times their weekly benefit amount.

A husband or wife who leaves work to relocate with his or her spouse is deemed to have left work with good cause and is eligible to receive unemployment benefits provided he or she is actively seeking employment.

Corporate officers are required to be covered under the state's unemployment insurance program.

Appropriation: none

Revenue: none

Fiscal Note: requested