

SENATE BILL REPORT

SB 5731

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, MARCH 2, 1993

Brief Description: Revising provisions for unemployment compensation deductions for pensions.

SPONSORS: Senators Fraser, Moore, Amondson and Prince

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: That Substitute Senate Bill No. 5731 be substituted therefor, and the substitute bill do pass.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Amondson, Cantu, Fraser, Sutherland, and Vognild.

Staff: Patrick Woods (786-7430)

Hearing Dates: February 22, 1993; March 2, 1993

BACKGROUND:

Federal law requires that most pensions based on prior employment be deducted from unemployment insurance benefits. States are permitted to consider employee contributions when calculating the deduction from benefits. As a result, 50 percent of Social Security pensions are deducted from unemployment benefits. However, in recent years, the federal government has granted states the option of not deducting Social Security pensions from unemployment benefits.

The Department of Employment Security has received complaints from senior citizens regarding Social Security deductions.

SUMMARY:

The provision authorizing the deduction of Social Security pensions from unemployment insurance benefits is repealed.

EFFECT OF PROPOSED SUBSTITUTE:

Technical language is added to conform with federal standards.

Appropriation: none

Revenue: none

Fiscal Note: requested

TESTIMONY FOR:

Directing the department to not deduct Social Security from unemployment insurance benefits will enhance the quality of life for unemployed senior citizens.

TESTIMONY AGAINST:

Directing the department to not deduct Social Security payments from unemployment insurance benefits will have a fiscal impact on the unemployment insurance fund.

TESTIFIED: Robert Dilger, Washington State Building Trades (pro); Carolyn Logue, WFIB (con); George C. Kirkmire, Washington Contract Loggers Association (con)