

**FINAL BILL REPORT**

**SSB 6073**

**C 3 L 94**

**SYNOPSIS AS ENACTED**

**Brief Description:** Correcting unemployment compensation statutes for base year compensation and defining employment.

**SPONSORS:** Senate Committee on Labor & Commerce (originally sponsored by Senators Prentice, Newhouse and Vognild; by request of Employment Security Department)

**SENATE COMMITTEE ON LABOR & COMMERCE**

**HOUSE COMMITTEE ON COMMERCE & LABOR**

**BACKGROUND:**

Unemployment Insurance Claimant Base Year: Unemployment insurance programs in all states determine claimant eligibility through the use of a "base year." In Washington, "conventional base year" is the first four of the last five completed calendar quarters. A claimant must have worked 680 hours in his or her base year in order to qualify for benefits.

In 1987 the Legislature authorized an "alternate base year." This process allows claimants that do not have the necessary 680 hours of employment in the conventional base year to move their base year forward to the most recent four completed quarters. Under the alternate base year process, the Employment Security Department was provided administrative relief by not requiring that it contact employers or take other special administrative action to speed the data collection process. However, since employers may not have reported more recent work to the department in the last quarter, there was often a delay in establishing a claimant's alternate base year claims.

The U.S. Department of Labor contends that this provision granting administrative relief to the department violates the federally mandated "payment when due" requirement and raises a conformity issue. The states are required to be in conformity with the federal standards in order to receive administrative funding and maintain valuable employer tax credits.

Massage Therapists/Public and Private Nonprofit Institutions: The fact that an unemployment insurance (UI) claimant was employed by a "covered employer" is a basic test for determining UI eligibility. Like other forms of insurance, benefits are available only for individuals covered by the

policy and although states have some discretion about who is covered, the minimum standards are stipulated in federal law.

In 1993 the Legislature provided a limited exemption from UI coverage for licensed massage practitioners who merely rent office space and are not considered employees. In reviewing this provision, the U.S. Department of Labor informed the state Employment Security Department that under federal law, licensed massage practitioners who provided services for a public or private nonprofit institution must be covered under the unemployment insurance program.

Federal Extended Benefits: The Department of Employment Security received notice that the federal extended benefits program was scheduled to terminate on February 26, 1994. Thousands of workers had one week's notice that their benefits were ending even though many had several weeks left in their eligibility period.

**SUMMARY:**

The Department of Employment Security is directed to promptly contact employers requesting wage information on a claimant's last completed calendar quarter.

The existing statutory exemption from UI coverage for licensed massage practitioners is modified. Licensed massage practitioners who provide services for public and private nonprofit employers are required to be covered under the state's unemployment insurance program.

The conformity issues raised by the U.S. Department of Labor are addressed.

A limited unemployment insurance additional benefit program is established. This has the effect of continuing the existing federal extended benefits program that was scheduled to terminate February 26, 1994. Approximately 27,000 unemployed workers now participating in the federal extended benefit program continue to receive up to their maximum 13 weeks of UI benefits. No new participants are authorized under the additional benefit program.

**VOTES ON FINAL PASSAGE:**

Senate	47	1	
House	94	0	(House amended)
Senate	47	0	(Senate concurred)

**EFFECTIVE:** February 26, 1994  
April 1, 1994 (Section 2)  
April 3, 1994 (Section 1)