

2 **ESSB 6421** - H COMM AMD **ADOPTED 3/3/98**
3 By Committee on Commerce & Labor

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5 Strike everything after the enacting clause and insert the
6 following:

7 "**Sec. 1.** RCW 50.04.320 and 1995 c 296 s 1 are each amended to read
8 as follows:

9 (1) For the purpose of payment of contributions, "wages" means the
10 remuneration paid by one employer during any calendar year to an
11 individual in its employment under this title or the unemployment
12 compensation law of any other state in the amount specified in RCW
13 50.24.010. If an employer (hereinafter referred to as a successor
14 employer) during any calendar year acquires substantially all the
15 operating assets of another employer (hereinafter referred to as a
16 predecessor employer) or assets used in a separate unit of a trade or
17 business of a predecessor employer, and immediately after the
18 acquisition employs in the individual's trade or business an individual
19 who immediately before the acquisition was employed in the trade or
20 business of the predecessor employer, then, for the purposes of
21 determining the amount of remuneration paid by the successor employer
22 to the individual during the calendar year which is subject to
23 contributions, any remuneration paid to the individual by the
24 predecessor employer during that calendar year and before the
25 acquisition shall be considered as having been paid by the successor
26 employer.

27 (2) For the purpose of payment of benefits, "wages" means the
28 remuneration paid by one or more employers to an individual for
29 employment under this title during his base year: PROVIDED, That at
30 the request of a claimant, wages may be calculated on the basis of
31 remuneration payable. The department shall notify each claimant that
32 wages are calculated on the basis of remuneration paid, but at the
33 claimant's request a redetermination may be performed and based on
34 remuneration payable.

35 (3) For the purpose of payment of benefits and payment of
36 contributions, the term "wages" includes tips which are received after

1 January 1, 1987, while performing services which constitute employment,
2 and which are reported to the employer for federal income tax purposes.

3 (4)(a) "Remuneration" means all compensation paid for personal
4 services including commissions and bonuses and the cash value of all
5 compensation paid in any medium other than cash. The reasonable cash
6 value of compensation paid in any medium other than cash and the
7 reasonable value of gratuities shall be estimated and determined in
8 accordance with rules prescribed by the commissioner. Remuneration
9 does not include payments to members of a reserve component of the
10 armed forces of the United States, including the organized militia of
11 the state of Washington, for the performance of duty for periods not
12 exceeding seventy-two hours at a time.

13 (b) Previously accrued compensation, other than severance pay or
14 payments received pursuant to plant closure agreements, when assigned
15 to a specific period of time by virtue of a collective bargaining
16 agreement, individual employment contract, customary trade practice, or
17 request of the individual compensated, shall be considered remuneration
18 for the period to which it is assigned. Assignment clearly occurs when
19 the compensation serves to make the individual eligible for all regular
20 fringe benefits for the period to which the compensation is assigned.

21 (c) Settlements or other proceeds received by an individual as a
22 result of a negotiated settlement for termination of an individual
23 written employment contract (~~((with a public agency))~~) prior to its
24 expiration date shall be considered remuneration. The proceeds shall
25 be deemed assigned in the same intervals and in the same amount for
26 each interval as compensation was allocated under the contract.

27 (d) Except as provided in (c) of this subsection, the provisions of
28 this subsection (4) pertaining to the assignment of previously accrued
29 compensation shall not apply to individuals subject to RCW 50.44.050.

30 NEW SECTION. Sec. 2. If any part of this act is found to be in
31 conflict with federal requirements that are a prescribed condition to
32 the allocation of federal funds to the state or the eligibility of
33 employers in this state for federal unemployment tax credits, the
34 conflicting part of this act is inoperative solely to the extent of the
35 conflict, and the finding or determination does not affect the
36 operation of the remainder of this act. Rules adopted under this act
37 must meet federal requirements that are a necessary condition to the

1 receipt of federal funds by the state or the granting of federal
2 unemployment tax credits to employers in this state.

3 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of the
5 state government and its existing public institutions, and takes effect
6 on the Sunday following the day that the governor signs this act and is
7 effective for initial claims filed on or after that Sunday."

8 Correct the title.

9 EFFECT: The striking amendment (1) deletes the sections of the
10 engrossed substitute bill relating to exempting members of corporate
11 boards of directors from unemployment insurance coverage; (2) adds
12 language limiting the assignment of settlement proceeds for
13 unemployment insurance purposes to the settlements involving individual
14 written employment contracts; and (3) makes the bill effective on the
15 first Sunday after the Governor signs the bill.

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