

# HOUSE BILL ANALYSIS

## SB 5571

**Brief Description:** Providing for a single form for employers to report unemployment insurance contributions and industrial insurance premiums and assessments.

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**Sponsors:** Senate Committee on Commerce & Labor (originally sponsored by Senators Newhouse, Schow, Anderson, Horn, Heavey, Franklin, Fraser, Long and Oke; by request of the Joint Task Force on Nonpayment of Employer Obligations)

Hearing: March 24, 1997

### BACKGROUND:

Employers covered by the industrial insurance law who are not self-insured make quarterly reports to pay industrial insurance premiums. Contribution-paying employers under the unemployment insurance system also report and pay quarterly.

The industrial insurance report to the Department of Labor and Industries must include:

- a true and accurate— payroll;
- the total amount paid to workers; and
- a segregation of employment in the different premium classes.

The unemployment insurance report to the Employment Security Department must include:

- the amounts paid to employees;
- the names of all workers;
- the hours worked; and
- any other information prescribed by the commissioner of the Employment Security Department.

The director of the Department of Labor and Industries also has authority to approve the sufficiency of the industrial insurance report and may require individual employers to file supplementary reports with the names of employees, the hours worked, the rate of pay, and the premium classes in which work was performed.

In 1996, Substitute House Bill 2513 created the Task Force on Nonpayment of Employer Obligations. The task force was directed to make recommendations on, among other issues,

methods of improving compliance with employer responsibilities for covering workers under state industrial insurance law and other laws.

The task force report in December, 1996, included a recommendation that employers should be required to report industrial insurance premiums and unemployment insurance contributions on a unified report form beginning in 1998. The recommendation included requiring the report to be a multiple part form mailed to a central location with separate pages being forwarded to the respective agency.

**SUMMARY OF BILL:**

Beginning with reports due in calendar year 1988, employers must make industrial insurance premium and unemployment insurance contribution reports on a form jointly adopted by the Department of Labor and Industries and the Employment Security Department. The form must include multiple parts, with separate pages for each agency's report. The agencies must also adopt joint rules establishing procedures for employers to mail the form to a central location and be distributed from there to each agency.

**FISCAL NOTE:** Not requested.

**EFFECTIVE DATE:** Ninety days after adjournment of session in which bill is passed.