

SENATE BILL REPORT

SB 5571

As Passed Senate, March 12, 1997

Title: An act relating to reporting payments under unemployment insurance and industrial insurance.

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

Sponsors: Senators Newhouse, Schow, Anderson, Horn, Heavey, Franklin, Fraser, Long and Oke; by request of Joint Task Force on Nonpayment of Employer Obligations.

Brief History:

Committee Activity: Commerce & Labor: 2/20/97, 2/25/97 [DP].
Passed Senate, 3/12/97, 48-0.

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

Signed by Senators Schow, Chair; Horn, Vice Chair; Franklin, Fraser, Heavey and Newhouse.

Staff: Jack Brummel (786-7428)

Background: By statute, employers (other than self-insured employers) must pay quarterly industrial insurance premiums to the Department of Labor and Industries. The statute requires the report to include, for the period covered, a true and accurate— payroll, the total amount paid to workers, and a segregation of employment in the different premium classes. The director also has authority to approve the sufficiency of the 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.

Employers paying unemployment insurance contributions must make quarterly reports to the Employment Security Department. By statute, the reports must include the amounts paid to employees, the names of all workers, the hours worked, and any other information prescribed by the commissioner.

Summary of Bill: Employers are to report industrial insurance premiums and unemployment insurance contributions on a unified form beginning with reports due in calendar year 1998. The unified report is to be a multiple part form mailed to a central location with separate pages being forwarded to the Employment Security Department and the Department of Labor and Industries.

Appropriation: None.

Fiscal Note: Requested on February 3, 1997.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Testified: No one.

House Amendment(s): The amendment: (1) deletes the requirement for employers to begin reporting industrial insurance premiums and unemployment insurance contributions on a unified form beginning January 1998. The amendment requires the Department of Labor and Industries and the Employment Security Department to develop, and report to the Legislature by January 1, 1998, a plan for reporting on a unified report. The agencies must also report the results of a study that cross-matches the names or UBI numbers, or both, of employers who file reports under only one law;

(2) adds that, under the industrial insurance law, an alien beneficiary will receive the same benefits as other beneficiaries whether or not residing in the U.S. (unless a treaty provides otherwise or the U.S. does not maintain diplomatic relations with the country of residence). For determining who is a beneficiary, the amendment changes the definition of "dependent" to delete the exclusion of specified relatives who are alien dependents not residing in the U.S.; and

(3) adds a provision requiring the Employment Security Department to include on the annual tax notice to employers in 1997 and 1998 the following information from the previous rate year: (a) the taxable wages reported by the employer; (b) the employer's contribution rate and contributions paid; (c) the benefits charged to the employer's account and the benefits not charged under the "marginal labor force attachment" noncharging provision; (d) the amount of contribution representing the employer's share of socialized costs. The notice must include an explanation in plain language of socialized cost.