

SENATE BILL REPORT

SB 6023

As Reported By Senate Committee On:
Commerce & Labor, February 6, 1998

Title: An act relating to unemployment compensation coverage for members of boards of directors.

Brief Description: Exempting members of boards of directors from unemployment compensation coverage.

Sponsors: Senators Thibaudeau, Fraser and Kohl.

Brief History:

Committee Activity: Commerce & Labor: 2/6/98 [DP].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

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

Staff: Patrick Woods (786-7430)

Background: Currently under state law, a corporation is required to provide unemployment insurance (UI) coverage for the members of its board of directors if: a) the board member is engaged in work activities outside of the standard board responsibilities; and b) the board member receives compensation for these specific work activities.

Unemployment insurance coverage for corporate officers is optional. However, the decision on whether to participate in the UI program is required to be uniform for all officers. A business that chooses not to provide UI coverage for its officers must inform them in writing of the decision.

Summary of Bill: Unemployment insurance coverage for corporate board members is optional. However, the decision on whether to participate in the UI program must be uniform for all board members.

Appropriation: None.

Fiscal Note: Requested on February 4, 1998.

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

Testimony For: The bill will give corporations the option of whether to provide unemployment insurance coverage to their board members.

Testimony Against: None.

Testified: Norman and Pat Frey, Clover Corporation (pro).