
SUBSTITUTE SENATE BILL 6034

State of Washington

55th Legislature

1997 Regular Session

By Senate Committee on Commerce & Labor (originally sponsored by Senator Anderson)

Read first time 03/05/97.

1 AN ACT Relating to unemployment insurance benefits and
2 contributions; amending RCW 50.20.120, 50.29.020, and 50.29.025;
3 creating a new section; and providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 50.20.120 and 1993 c 483 s 12 are each amended to read
6 as follows:

7 (1) Subject to the other provisions of this title, benefits shall
8 be payable to any eligible individual during the individual's benefit
9 year in a maximum amount equal to the lesser of thirty times the weekly
10 benefit amount (determined hereinafter) or one-third of the
11 individual's base year wages under this title: PROVIDED, That as to
12 any week beginning on and after March 31, 1981, which falls in an
13 extended benefit period as defined in RCW 50.22.010(1), as now or
14 hereafter amended, an individual's eligibility for maximum benefits in
15 excess of twenty-six times his or her weekly benefit amount will be
16 subject to the terms and conditions set forth in RCW 50.22.020, as now
17 or hereafter amended.

18 (2) An individual's weekly benefit amount shall be an amount equal
19 to ~~((one twenty-fifth of the average quarterly wages of the~~

1 ~~individual's total wages during the two quarters of~~) one percent of
2 the total wages paid in the individual's base year (~~in which such~~
3 ~~total wages were highest~~). The maximum and minimum amounts payable
4 weekly shall be determined as of each June 30th to apply to benefit
5 years beginning in the twelve-month period immediately following such
6 June 30th. The maximum amount payable weekly shall be seventy percent
7 of the "average weekly wage" for the calendar year preceding such June
8 30th. The minimum amount payable weekly shall be fifteen percent of
9 the "average weekly wage" for the calendar year preceding such June
10 30th. If any weekly benefit, maximum benefit, or minimum benefit
11 amount computed herein is not a multiple of one dollar, it shall be
12 reduced to the next lower multiple of one dollar.

13 (3) This section is null and void unless sections 2 and 3, chapter
14 . . . , Laws of 1997 (sections 2 and 3 of this act) become law.

15 **Sec. 2.** RCW 50.29.020 and 1995 c 57 s 3 are each amended to read
16 as follows:

17 (1) An experience rating account shall be established and
18 maintained for each employer, except employers as described in RCW
19 50.44.010 and 50.44.030 who have properly elected to make payments in
20 lieu of contributions, taxable local government employers as described
21 in RCW 50.44.035, and those employers who are required to make payments
22 in lieu of contributions, based on existing records of the employment
23 security department. Benefits paid to any eligible individuals shall
24 be charged to the experience rating accounts of each of such
25 individual's employers during the individual's base year in the same
26 ratio that the wages paid by each employer to the individual during the
27 base year bear to the wages paid by all employers to that individual
28 during that base year, except as otherwise provided in this section.

29 (2) The legislature finds that certain benefit payments, in whole
30 or in part, should not be charged to the experience rating accounts of
31 employers except those employers described in RCW 50.44.010 and
32 50.44.030 who have properly elected to make payments in lieu of
33 contributions, taxable local government employers described in RCW
34 50.44.035, and those employers who are required to make payments in
35 lieu of contributions, as follows:

36 (a) Benefits paid to any individuals later determined to be
37 ineligible shall not be charged to the experience rating account of any
38 contribution paying employer.

1 (b) Benefits paid to an individual filing under the provisions of
2 chapter 50.06 RCW shall not be charged to the experience rating account
3 of any contribution paying employer only if:

4 (i) The individual files under RCW 50.06.020(1) after receiving
5 crime victims' compensation for a disability resulting from a nonwork-
6 related occurrence; or

7 (ii) The individual files under RCW 50.06.020(2).

8 (c) Benefits paid which represent the state's share of benefits
9 payable under chapter 50.22 RCW shall not be charged to the experience
10 rating account of any contribution paying employer.

11 (d) In the case of individuals who requalify for benefits under RCW
12 50.20.050 or 50.20.060, benefits based on wage credits earned prior to
13 the disqualifying separation shall not be charged to the experience
14 rating account of the contribution paying employer from whom that
15 separation took place.

16 ~~((e) In the case of individuals identified under RCW 50.20.015,
17 benefits paid with respect to a calendar quarter, which exceed the
18 total amount of wages earned in the state of Washington in the higher
19 of two corresponding calendar quarters included within the individual's
20 determination period, as defined in RCW 50.20.015, shall not be charged
21 to the experience rating account of any contribution paying employer.))~~

22 (3)(a) Beginning July 1, 1985, a contribution-paying base year
23 employer, not otherwise eligible for relief of charges for benefits
24 under this section, may receive such relief if the benefit charges
25 result from payment to an individual who:

26 (i) Last left the employ of such employer voluntarily for reasons
27 not attributable to the employer;

28 (ii) Was discharged for misconduct connected with his or her work
29 not a result of inability to meet the minimum job requirements;

30 (iii) Is unemployed as a result of closure or severe curtailment of
31 operation at the employer's plant, building, work site, or other
32 facility. This closure must be for reasons directly attributable to a
33 catastrophic occurrence such as fire, flood, or other natural disaster;
34 or

35 (iv) Continues to be employed on a regularly scheduled permanent
36 part-time basis by a base year employer and who at some time during the
37 base year was concurrently employed and subsequently separated from at
38 least one other base year employer. Benefit charge relief ceases when
39 the employment relationship between the employer requesting relief and

1 the claimant is terminated. This subsection does not apply to shared
2 work employers under chapter 50.60 RCW.

3 (b) The employer requesting relief of charges under this subsection
4 must request relief in writing within thirty days following mailing to
5 the last known address of the notification of the valid initial
6 determination of such claim, stating the date and reason for the
7 separation or the circumstances of continued employment. The
8 commissioner, upon investigation of the request, shall determine
9 whether relief should be granted.

10 (4) This section is null and void unless sections 1 and 3, chapter
11 . . . , Laws of 1997 (sections 1 and 3 of this act) become law.

12 **Sec. 3.** RCW 50.29.025 and 1995 c 4 s 2 are each amended to read as
13 follows:

14 The contribution rate for each employer shall be determined under
15 this section.

16 (1) A fund balance ratio shall be determined by dividing the
17 balance in the unemployment compensation fund as of the June 30th
18 immediately preceding the rate year by the total remuneration paid by
19 all employers subject to contributions during the second calendar year
20 preceding the rate year and reported to the department by the following
21 March 31st. The division shall be carried to the fourth decimal place
22 with the remaining fraction, if any, disregarded. The fund balance
23 ratio shall be expressed as a percentage.

24 (2) The interval of the fund balance ratio, expressed as a
25 percentage, shall determine which tax schedule in subsection (5) of
26 this section shall be in effect for assigning tax rates for the rate
27 year. The intervals for determining the effective tax schedule shall
28 be:

29	Interval of the	
30	Fund Balance Ratio	Effective
31	Expressed as a Percentage	Tax Schedule
32	2.90 and above	AA
33	2.50 to 2.89	A
34	2.10 to 2.49	B
35	1.70 to 2.09	C

1	1.30 to 1.69	D
2	1.00 to 1.29	E
3	Less than 1.00	F

4 (3) An array shall be prepared, listing all qualified employers in
5 ascending order of their benefit ratios. The array shall show for each
6 qualified employer: (a) Identification number; (b) benefit ratio; (c)
7 taxable payrolls for the four calendar quarters immediately preceding
8 the computation date and reported to the department by the cut-off
9 date; (d) a cumulative total of taxable payrolls consisting of the
10 employer's taxable payroll plus the taxable payrolls of all other
11 employers preceding him or her in the array; and (e) the percentage
12 equivalent of the cumulative total of taxable payrolls.

13 (4) Each employer in the array shall be assigned to one of twenty
14 rate classes according to the percentage intervals of cumulative
15 taxable payrolls set forth in subsection (5) of this section:
16 PROVIDED, That if an employer's taxable payroll falls within two or
17 more rate classes, the employer and any other employer with the same
18 benefit ratio shall be assigned to the lowest rate class which includes
19 any portion of the employer's taxable payroll.

20 (5) The contribution rate for each employer in the array shall be
21 the rate specified in the following tables for the rate class to which
22 he or she has been assigned, as determined under subsection (4) of this
23 section, within the tax schedule which is to be in effect during the
24 rate year:

25 ((Percent of
26 Cumulative Schedules of Contributions Rates
27 Taxable Payrolls for Effective Tax Schedule

		<i>Rate</i>									
<i>From To</i>	<i>Class</i>	<i>AA</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>			
0.00	5.00	1	0.48	0.48	0.58	0.98	1.48	1.88	2.48		
5.01	10.00	2	0.48	0.48	0.78	1.18	1.68	2.08	2.68		
10.01	15.00	3	0.58	0.58	0.98	1.38	1.78	2.28	2.88		
15.01	20.00	4	0.58	0.78	1.18	1.58	1.98	2.48	3.08		
20.01	25.00	5	0.78	0.98	1.38	1.78	2.18	2.68	3.18		
25.01	30.00	6	0.98	1.18	1.58	1.98	2.38	2.78	3.28		
30.01	35.00	7	1.08	1.38	1.78	2.18	2.58	2.98	3.38		
35.01	40.00	8	1.28	1.58	1.98	2.38	2.78	3.18	3.58		
40.01	45.00	9	1.48	1.78	2.18	2.58	2.98	3.38	3.78		
45.01	50.00	10	1.68	1.98	2.38	2.78	3.18	3.58	3.98		

1	50.01	55.00	11	1.98	2.28	2.58	2.98	3.38	3.78	4.08
2	55.01	60.00	12	2.18	2.48	2.78	3.18	3.58	3.98	4.28
3	60.01	65.00	13	2.38	2.68	2.98	3.38	3.78	4.18	4.48
4	65.01	70.00	14	2.58	2.88	3.18	3.58	3.98	4.38	4.68
5	70.01	75.00	15	2.88	3.08	3.38	3.78	4.18	4.58	4.78
6	75.01	80.00	16	3.08	3.28	3.58	3.98	4.38	4.68	4.88
7	80.01	85.00	17	3.28	3.48	3.78	4.18	4.58	4.88	4.98
8	85.01	90.00	18	3.68	3.88	4.18	4.58	4.88	4.98	5.18
9	90.01	95.00	19	4.08	4.28	4.58	4.98	5.08	5.18	5.38
10	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	5.40

11 Percent of
12 Cumulative Schedules of Contributions Rates
13 Taxable Payrolls for Effective Tax Schedule

14			<u>Rate</u>							
15	<u>From To</u>	<u>Class</u>	<u>AA</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	
16	<u>0.00 5.00</u>	<u>1</u>	<u>0.36</u>	<u>0.36</u>	<u>0.46</u>	<u>0.86</u>	<u>1.36</u>	<u>1.76</u>	<u>2.36</u>	
17	<u>5.01 10.00</u>	<u>2</u>	<u>0.36</u>	<u>0.36</u>	<u>0.57</u>	<u>0.98</u>	<u>1.42</u>	<u>1.82</u>	<u>2.40</u>	
18	<u>10.01 15.00</u>	<u>3</u>	<u>0.40</u>	<u>0.46</u>	<u>0.68</u>	<u>1.10</u>	<u>1.46</u>	<u>1.86</u>	<u>2.45</u>	
19	<u>15.01 20.00</u>	<u>4</u>	<u>0.45</u>	<u>0.56</u>	<u>0.79</u>	<u>1.20</u>	<u>1.52</u>	<u>1.92</u>	<u>2.50</u>	
20	<u>20.01 25.00</u>	<u>5</u>	<u>0.55</u>	<u>0.66</u>	<u>0.90</u>	<u>1.30</u>	<u>1.60</u>	<u>2.00</u>	<u>2.55</u>	
21	<u>25.01 30.00</u>	<u>6</u>	<u>0.65</u>	<u>0.76</u>	<u>1.01</u>	<u>1.40</u>	<u>1.70</u>	<u>2.10</u>	<u>2.60</u>	
22	<u>30.01 35.00</u>	<u>7</u>	<u>0.75</u>	<u>0.86</u>	<u>1.12</u>	<u>1.50</u>	<u>1.80</u>	<u>2.20</u>	<u>2.65</u>	
23	<u>35.01 40.00</u>	<u>8</u>	<u>0.85</u>	<u>1.00</u>	<u>1.23</u>	<u>1.60</u>	<u>1.90</u>	<u>2.30</u>	<u>2.70</u>	
24	<u>40.01 45.00</u>	<u>9</u>	<u>0.95</u>	<u>1.10</u>	<u>1.24</u>	<u>1.70</u>	<u>2.00</u>	<u>2.40</u>	<u>2.80</u>	
25	<u>45.01 50.00</u>	<u>10</u>	<u>1.05</u>	<u>1.20</u>	<u>1.35</u>	<u>1.80</u>	<u>2.20</u>	<u>2.60</u>	<u>2.95</u>	
26	<u>50.01 55.00</u>	<u>11</u>	<u>1.15</u>	<u>1.30</u>	<u>1.46</u>	<u>2.00</u>	<u>2.40</u>	<u>2.80</u>	<u>3.10</u>	
27	<u>55.01 60.00</u>	<u>12</u>	<u>1.25</u>	<u>1.40</u>	<u>1.67</u>	<u>2.20</u>	<u>2.60</u>	<u>3.00</u>	<u>3.30</u>	
28	<u>60.01 65.00</u>	<u>13</u>	<u>1.45</u>	<u>1.50</u>	<u>2.00</u>	<u>2.40</u>	<u>2.80</u>	<u>3.20</u>	<u>3.50</u>	
29	<u>65.01 70.00</u>	<u>14</u>	<u>1.65</u>	<u>1.70</u>	<u>2.20</u>	<u>2.60</u>	<u>3.00</u>	<u>3.40</u>	<u>3.70</u>	
30	<u>70.01 75.00</u>	<u>15</u>	<u>1.85</u>	<u>1.90</u>	<u>2.30</u>	<u>2.80</u>	<u>3.20</u>	<u>3.60</u>	<u>3.90</u>	
31	<u>75.01 80.00</u>	<u>16</u>	<u>2.05</u>	<u>2.50</u>	<u>2.80</u>	<u>3.10</u>	<u>3.60</u>	<u>3.90</u>	<u>4.10</u>	
32	<u>80.01 85.00</u>	<u>17</u>	<u>2.55</u>	<u>3.30</u>	<u>3.50</u>	<u>3.70</u>	<u>4.00</u>	<u>4.20</u>	<u>4.40</u>	
33	<u>85.01 90.00</u>	<u>18</u>	<u>3.55</u>	<u>4.00</u>	<u>4.30</u>	<u>4.60</u>	<u>5.00</u>	<u>5.10</u>	<u>5.20</u>	
34	<u>90.01 95.00</u>	<u>19</u>	<u>4.55</u>	<u>4.90</u>	<u>5.20</u>	<u>5.60</u>	<u>5.80</u>	<u>6.00</u>	<u>6.20</u>	
35	<u>95.01 100.00</u>	<u>20</u>	<u>6.00</u>	<u>6.20</u>	<u>6.40</u>	<u>6.60</u>	<u>6.80</u>	<u>7.00</u>	<u>7.20</u>	

36 (6) The contribution rate for each employer not qualified to be in
37 the array shall be as follows:

38 (a) Employers who do not meet the definition of "qualified
39 employer" by reason of failure to pay contributions when due shall be
40 assigned ((the)) a contribution rate ((of five and six tenths percent))
41 that is two-tenths percent higher than the rate in effect in rate class
42 20, except employers who have an approved agency-deferred payment

1 contract by September 30 of the previous rate year. If any employer
2 with an approved agency-deferred payment contract fails to make any one
3 of the succeeding deferred payments or fails to submit any succeeding
4 tax report and payment in a timely manner, the employer's tax rate
5 shall immediately revert to ~~((five and six tenths percent))~~ the
6 contribution rate that is two-tenths percent higher than the rate in
7 effect in rate class 20 for the current rate year;

8 (b) The contribution rate for employers exempt as of December 31,
9 1989, who are newly covered under the section 78, chapter 380, Laws of
10 1989 amendment to RCW 50.04.150 and not yet qualified to be in the
11 array shall be 2.5 percent for employers whose standard industrial code
12 is "013", "016", "017", "018", "019", "021", or "081"; and

13 (c) For all other employers not qualified to be in the array, the
14 contribution rate shall be a rate equal to the average industry rate as
15 determined by the commissioner; however, the rate may not be less than
16 one percent. Assignment of employers by the commissioner to industrial
17 classification, for purposes of this subsection, shall be in accordance
18 with established classification practices found in the "Standard
19 Industrial Classification Manual" issued by the federal office of
20 management and budget to the third digit provided in the Standard
21 Industrial Classification code.

22 (7) This section is null and void unless sections 1 and 2, chapter
23 . . . , Laws of 1997 (sections 1 and 2 of this act) become law.

24 NEW SECTION. Sec. 4. If any part of this act is found to be in
25 conflict with federal requirements that are a prescribed condition to
26 the allocation of federal funds to the state or the eligibility of
27 employers in this state for federal unemployment tax credits, the
28 conflicting part of this act is inoperative solely to the extent of the
29 conflict, and the finding or determination does not affect the
30 operation of the remainder of this act. Rules adopted under this act
31 must meet federal requirements that are a necessary condition to the
32 receipt of federal funds by the state or the granting of federal
33 unemployment tax credits to employers in this state.

34 NEW SECTION. Sec. 5. (1) Section 3 of this act takes effect
35 January 1, 1998.

1 (2) Sections 1 and 2 of this act apply to weeks of unemployment
2 beginning after January 3, 1998.

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