

SENATE BILL REPORT

SB 5698

As of February 3, 1999

Title: An act relating to joint and several liability for purposes of unemployment compensation and workers' compensation.

Brief Description: Creating joint and several liability for purposes of unemployment and workers' compensation.

Sponsors: Senators Fairley and Kline.

Brief History:

Committee Activity: Labor & Workforce Development: 2/4/99.

SENATE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Staff: Jill Reinmuth (786-7452)

Background: For purposes of unemployment compensation, temporary services agencies, employee leasing agencies, and other similar entities are liable for contributions due to insure individuals performing personal services for third parties.

For purposes of workers' compensation, temporary help companies are liable for premiums due to insure individuals performing personal services for third parties. If temporary help companies fail to pay, however, third parties are also liable for such premiums. Third parties who let contracts for work are liable for premiums due to insure individuals performing the work.

Summary of Bill: For purposes of both unemployment compensation and workers' compensation, if a temporary services agency, employee leasing agency, or other similar entity fails to pay contributions or premiums due to insure individuals performing 150 hours or more per quarter of services for a third party, the third party is jointly and severally liable for such contributions or premiums.

The temporary services agency, the employee leasing agency, or other similar entity must keep separate records and submit separate quarterly reports for each third party for which one or more individuals perform 150 hours or more per quarter of services.

The temporary services agency, employee leasing agency, other similar entity, or third party must insure the payment of workers' compensation benefits through the state fund or as a self-insurer.

Employee leasing agency means an entity that places the employees of a client onto its payroll and leases the employees back to the client.

Temporary services agency means an entity that is engaged in the business of furnishing individuals to perform services on a part-time or temporary basis for a third party.

Appropriation: None.

Fiscal Note: Requested on February 1, 1999.

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