

2 **HB 2901** - H AMD 0507 ADOPTED 3-11-02

3 By Representative

4

5 Strike everything after the enacting clause and insert the
6 following:

7 "Sec. 1. RCW 50.22.140 and 2000 2nd sp.s. c 1 s 916 are each
8 amended to read as follows:

9 (1) The employment security department is authorized to pay
10 training benefits under RCW 50.22.150, but may not obligate
11 expenditures beyond the limits specified in this section or as
12 otherwise set by the legislature. For the fiscal year ending June 30,
13 2000, the commissioner may not obligate more than twenty million
14 dollars for training benefits. For the two fiscal years ending June
15 30, 2002, the commissioner may not obligate more than sixty million
16 dollars for training benefits. Any funds not obligated in one fiscal
17 year may be carried forward to the next fiscal year. For each fiscal
18 year beginning after June 30, 2002, the commissioner may not obligate
19 more than twenty million dollars annually in addition to any funds
20 carried (~~over~~) forward from previous fiscal years. The department
21 shall develop a process to ensure that expenditures do not exceed
22 available funds and to prioritize access to funds when again available.

23 (2) After June 30, 2002, in addition to the amounts that may be
24 obligated under subsection (1) of this section, the commissioner may
25 obligate up to thirty-four million dollars for training benefits under
26 RCW 50.22.150 for individuals in the aerospace industry assigned the
27 standard industrial classification code "372" or the North American
28 industry classification system code "336411" whose claims are filed
29 before January 5, 2003. The funds provided in this subsection must be
30 fully obligated for training benefits for these individuals before the
31 funds provided in subsection (1) of this section may be obligated for
32 training benefits for these individuals. Any amount of the funds
33 specified in this subsection that is not obligated as permitted may not
34 be carried forward to any future period.

1 **Sec. 2.** RCW 50.22.150 and 2000 c 2 s 8 are each amended to read as
2 follows:

3 (1) Subject to availability of funds, training benefits are
4 available for an individual who is eligible for or has exhausted
5 entitlement to unemployment compensation benefits and who:

6 (a) Is a dislocated worker as defined in RCW 50.04.075;

7 (b) Except as provided under subsection (2) of this section, has
8 demonstrated, through a work history, sufficient tenure in an
9 occupation or in work with a particular skill set. This screening will
10 take place during the assessment process;

11 (c) Is, after assessment of demand for the individual's occupation
12 or skills in the individual's labor market, determined to need job-
13 related training to find suitable employment in his or her labor
14 market. Beginning July 1, 2001, the assessment of demand for the
15 individual's occupation or skill sets must be substantially based on
16 declining occupation or skill sets identified in local labor market
17 areas by the local work force development councils, in cooperation with
18 the employment security department and its labor market information
19 division, under subsection (~~((9))~~) (10) of this section;

20 (d) Develops an individual training program that is submitted to
21 the commissioner for approval within sixty days after the individual is
22 notified by the employment security department of the requirements of
23 this section;

24 (e) Enters the approved training program by ninety days after the
25 date of the notification, unless the employment security department
26 determines that the training is not available during the ninety-day
27 period, in which case the individual enters training as soon as it is
28 available; and

29 (f) Is enrolled in training approved under this section on a full-
30 time basis as determined by the educational institution, and is making
31 satisfactory progress in the training as certified by the educational
32 institution.

33 (2) Until June 30, 2002, the following individuals who meet the
34 requirements of subsection (1) of this section may, without regard to
35 the tenure requirements under subsection (1)(b) of this section,
36 receive training benefits as provided in this section:

37 (a) An exhaustee who has base year employment in the aerospace
38 industry assigned the standard industrial classification code "372" or
39 the North American industry classification system code "336411";

1 (b) An exhaustee who has base year employment in the forest
2 products industry, determined by the department, but including the
3 industries assigned the major group standard industrial classification
4 codes "24" and "26" or any equivalent codes in the North American
5 industry classification system code, and the industries involved in the
6 harvesting and management of logs, transportation of logs and wood
7 products, processing of wood products, and the manufacturing and
8 distribution of wood processing and logging equipment; or

9 (c) An exhaustee who has base year employment in the fishing
10 industry assigned the standard industrial classification code "0912" or
11 any equivalent codes in the North American industry classification
12 system code.

13 (3) An individual is not eligible for training benefits under this
14 section if he or she:

15 (a) Is a standby claimant who expects recall to his or her regular
16 employer;

17 (b) Has a definite recall date that is within six months of the
18 date he or she is laid off; or

19 (c) Is unemployed due to a regular seasonal layoff which
20 demonstrates a pattern of unemployment consistent with the provisions
21 of RCW 50.20.015. Regular seasonal layoff does not include layoff due
22 to permanent structural downsizing or structural changes in the
23 individual's labor market.

24 (4) The definitions in this subsection apply throughout this
25 section unless the context clearly requires otherwise.

26 (a) "Educational institution" means an institution of higher
27 education as defined in RCW 28B.10.016 or an educational institution as
28 defined in RCW 28C.04.410, including equivalent educational
29 institutions in other states.

30 (b) "Sufficient tenure" means earning a plurality of wages in a
31 particular occupation or using a particular skill set during the base
32 year and at least two of the four twelve-month periods immediately
33 preceding the base year.

34 (c) "Training benefits" means additional benefits paid under this
35 section.

36 (d) "Training program" means:

37 (i) An education program determined to be necessary as a
38 prerequisite to vocational training after counseling at the educational

1 institution in which the individual enrolls under his or her approved
2 training program; or

3 (ii) A vocational training program at an educational institution:

4 (A) That is targeted to training for a high demand occupation.
5 Beginning July 1, 2001, the assessment of high demand occupations
6 authorized for training under this section must be substantially based
7 on labor market and employment information developed by local work
8 force development councils, in cooperation with the employment security
9 department and its labor market information division, under subsection
10 ~~((+9))~~ (10) of this section;

11 (B) That is likely to enhance the individual's marketable skills
12 and earning power; and

13 (C) That meets the criteria for performance developed by the work
14 force training and education coordinating board for the purpose of
15 determining those training programs eligible for funding under Title I
16 of P.L. 105-220.

17 "Training program" does not include any course of education
18 primarily intended to meet the requirements of a baccalaureate or
19 higher degree, unless the training meets specific requirements for
20 certification, licensing, or for specific skills necessary for the
21 occupation.

22 (5) Benefits shall be paid as follows:

23 (a)(i) Except as provided in (a)(iii) of this subsection, for
24 exhaustees who are eligible under subsection (1) of this section, the
25 total training benefit amount shall be fifty-two times the individual's
26 weekly benefit amount, reduced by the total amount of regular benefits
27 and extended benefits paid, or deemed paid, with respect to the benefit
28 year; or

29 (ii) For exhaustees who are eligible under subsection (2) of this
30 section, for claims filed before June 30, 2002, the total training
31 benefit amount shall be seventy-four times the individual's weekly
32 benefit amount, reduced by the total amount of regular benefits and
33 extended benefits paid, or deemed paid, with respect to the benefit
34 year. ~~((Beginning with new claims filed after June 30, 2002, for~~
35 exhaustees eligible under subsection (2) of this section, the total
36 training benefit amount shall be fifty-two times the individual's
37 weekly benefit amount, reduced by the total amount of regular benefits
38 and extended benefits paid, or deemed paid, with respect to the benefit
39 year)); or

1 (iii) For exhaustees eligible under subsection (1) of this section
2 from industries listed under subsection (2)(a) of this section, for
3 claims filed on or after June 30, 2002, but before January 5, 2003, the
4 total training benefit amount shall be seventy-four times the
5 individual's weekly benefit amount, reduced by the total amount of
6 regular benefits and extended benefits paid, or deemed paid, with
7 respect to the benefit year.

8 (b) The weekly benefit amount shall be the same as the regular
9 weekly amount payable during the applicable benefit year and shall be
10 paid under the same terms and conditions as regular benefits. The
11 training benefits shall be paid before any extended benefits but not
12 before any similar federally funded program.

13 (c) Training benefits are not payable for weeks more than two years
14 beyond the end of the benefit year of the regular claim.

15 (6) The requirement under RCW 50.22.010(10) relating to exhausting
16 regular benefits does not apply to an individual otherwise eligible for
17 training benefits under this section when the individual's benefit year
18 ends before his or her training benefits are exhausted and the
19 individual is eligible for a new benefit year. These individuals will
20 have the option of remaining on the original claim or filing a new
21 claim.

22 (7)(a) Except as provided in (b) of this subsection, individuals
23 who receive training benefits under this section or under any previous
24 additional benefits program for training are not eligible for training
25 benefits under this section for five years from the last receipt of
26 training benefits under this section or under any previous additional
27 benefits program for training.

28 (b) With respect to claims that are filed before January 5, 2003,
29 an individual in the aerospace industry assigned the standard
30 industrial code "372" or the North American industry classification
31 system code "336411" who received training benefits under this section,
32 and who had been making satisfactory progress in a training program but
33 did not complete the program, is eligible, without regard to the five-
34 year limitation of this section and without regard to the requirement
35 of subsection (1)(b) of this section, if applicable, to receive
36 training benefits under this section in order to complete that training
37 program. The total training benefit amount that applies to the
38 individual is seventy-four times the individual's weekly benefit
39 amount, reduced by the total amount of regular benefits paid, or deemed

1 paid, with respect to the benefit year in which the training program
2 resumed and, if applicable, reduced by the amount of training benefits
3 paid, or deemed paid, with respect to the benefit year in which the
4 training program commenced.

5 (8) An individual eligible to receive a trade readjustment
6 allowance under chapter 2 of Title II of the Trade Act of 1974, as
7 amended, shall not be eligible to receive benefits under this section
8 for each week the individual receives such trade readjustment
9 allowance. An individual eligible to receive emergency unemployment
10 compensation, so called, under any federal law, shall not be eligible
11 to receive benefits under this section for each week the individual
12 receives such compensation.

13 (9) All base year employers are interested parties to the approval
14 of training and the granting of training benefits.

15 ~~((+9+))~~ (10) By July 1, 2001, each local work force development
16 council, in cooperation with the employment security department and its
17 labor market information division, must identify occupations and skill
18 sets that are declining and occupations and skill sets that are in high
19 demand. For the purposes of RCW 50.22.130 through 50.22.150 and
20 section 9, chapter 2, Laws of 2000, "high demand" means demand for
21 employment that exceeds the supply of qualified workers for occupations
22 or skill sets in a labor market area. Local work force development
23 councils must use state and locally developed labor market information.
24 Thereafter, each local work force development council shall update this
25 information annually or more frequently if needed.

26 ~~((+10+))~~ (11) The commissioner shall adopt rules as necessary to
27 implement this section.

28 NEW SECTION. Sec. 3. A new section is added to chapter 50.20 RCW
29 to read as follows:

30 (1) From July 1, 2002, to June 30, 2004, the maximum amount payable
31 weekly shall be four hundred ninety-six dollars.

32 (2) From July 1, 2004, to June 30, 2010, the maximum amount payable
33 weekly shall be seventy percent of the "average weekly wage" for the
34 calendar year preceding such June 30th, except that the maximum amount
35 payable weekly shall not increase by more than four percent each year.
36 If growth in the average annual wage causes growth in the maximum
37 amount payable weekly that exceeds four percent, then fifty percent of
38 the growth rate that exceeds four percent shall be added to the maximum

1 amount payable weekly in any of the subsequent three years. For years
2 in which the potential recaptured growth rate exceeds the growth rate
3 needed to reach four percent, the excess recaptured growth rate is
4 available to be added to the maximum amount payable weekly in the
5 remaining years in the three-year period. Each year, the department
6 shall add any excess recaptured growth rate to the maximum amount
7 payable weekly. Remaining portions of the excess additional growth
8 rate not applied within the three-year period shall lapse. The sum of
9 the growth rate and the excess additional growth rate shall not exceed
10 four percent.

11 (3) If the maximum amount payable weekly is less than seventy
12 percent of the average weekly wage on June 30, 2010, it shall be
13 restored to seventy percent of the average weekly wage using one of the
14 following methods. The maximum amount payable weekly may be restored:
15 (a) In equal increments in the four fiscal years ending on June 30,
16 2014; or (b) in increments which, together with the growth rate in the
17 maximum amount payable weekly, do not exceed nine percent in each
18 fiscal year. The applicable method is the method that restores the
19 maximum amount payable weekly to seventy percent of the average weekly
20 wage first.

21 **Sec. 4.** RCW 50.20.120 and 1993 c 483 s 12 are each amended to read
22 as follows:

23 (1) Subject to the other provisions of this title, benefits shall
24 be payable to any eligible individual during the individual's benefit
25 year in a maximum amount equal to the lesser of thirty times the weekly
26 benefit amount (determined hereinafter) or one-third of the
27 individual's base year wages under this title: PROVIDED, That as to
28 any week beginning on and after March 31, 1981, which falls in an
29 extended benefit period as defined in RCW 50.22.010(1), as now or
30 hereafter amended, an individual's eligibility for maximum benefits in
31 excess of twenty-six times his or her weekly benefit amount will be
32 subject to the terms and conditions set forth in RCW 50.22.020, as now
33 or hereafter amended.

34 (2) An individual's weekly benefit amount shall be an amount equal
35 to one twenty-fifth of the average quarterly wages of the individual's
36 total wages during the two quarters of the individual's base year in
37 which such total wages were highest. The maximum and minimum amounts
38 payable weekly shall be determined as of each June 30th to apply to

1 benefit years beginning in the twelve-month period immediately
2 following such June 30th. Except as provided in section 3 of this act,
3 the maximum amount payable weekly shall be seventy percent of the
4 "average weekly wage" for the calendar year preceding such June 30th.
5 The minimum amount payable weekly shall be fifteen percent of the
6 "average weekly wage" for the calendar year preceding such June 30th.
7 If any weekly benefit, maximum benefit, or minimum benefit amount
8 computed herein is not a multiple of one dollar, it shall be reduced to
9 the next lower multiple of one dollar.

10 **Sec. 5.** RCW 50.24.010 and 2000 c 2 s 2 are each amended to read as
11 follows:

12 (1) Contributions shall accrue and become payable by each employer
13 (except employers as described in RCW 50.44.010 who have properly
14 elected to make payments in lieu of contributions and those employers
15 who are required to make payments in lieu of contributions) for each
16 calendar year in which the employer is subject to this title at the
17 rate established pursuant to chapter 50.29 RCW.

18 (2) In each rate year, the amount of wages subject to tax for each
19 individual shall be one hundred fifteen percent of the amount of wages
20 subject to tax for the previous year rounded to the next lower one
21 hundred dollars, except that:

22 (a) For employers assigned under RCW 50.29.025 to rate class 1
23 through 18, the amount of wages subject to tax in any rate year shall
24 not exceed eighty percent of the "average annual wage for contributions
25 purposes" for the second preceding calendar year rounded to the next
26 lower one hundred dollars. ((However, the amount subject to tax shall
27 be twenty four thousand three hundred dollars for rate year 2000.))

28 (b) For employers assigned under RCW 50.29.025 to rate class 19
29 through 20E, and contribution paying employers not qualified to be in
30 the array under RCW 50.29.025(6), the amount of wages subject to tax:

31 (i) For rate year 2003, shall not exceed eighty-five percent of the
32 "average annual wage for contributions purposes" for the second
33 preceding calendar year rounded to the next lower one hundred dollars.

34 (ii) For rate year 2004 and thereafter, shall not exceed ninety
35 percent of the "average annual wage for contributions purposes" for the
36 second preceding calendar year rounded to the next lower one hundred
37 dollars.

1 (3) In making computations under this section and RCW 50.29.010,
2 wages paid based on services for employers making payments in lieu of
3 contributions shall not be considered remuneration. Moneys paid from
4 the fund, based on services performed for employers who make payments
5 in lieu of contributions, which have not been reimbursed to the fund as
6 of any June 30 shall be deemed an asset of the unemployment
7 compensation fund, to the extent that such moneys exceed the amount of
8 payments in lieu of contributions which the commissioner has previously
9 determined to be uncollectible: PROVIDED, FURTHER, That the amount
10 attributable to employment with the state shall also include interest
11 as provided for in RCW 50.44.020.

12 (4)(a) Contributions shall become due and be paid by each employer
13 to the treasurer for the unemployment compensation fund in accordance
14 with such regulations as the commissioner may prescribe, and shall not
15 be deducted, in whole or in part, from the remuneration of individuals
16 in employment of the employer. Any deduction in violation of the
17 provisions of this section shall be unlawful.

18 (b) In the payment of any contributions, a fractional part of a
19 cent shall be disregarded unless it amounts to one-half cent or more,
20 in which case it shall be increased to one cent.

21 **Sec. 6.** RCW 50.29.020 and 2000 c 2 s 3 are each amended to read as
22 follows:

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

35 (2) The legislature finds that certain benefit payments, in whole
36 or in part, should not be charged to the experience rating accounts of
37 employers except those employers described in RCW 50.44.010 and
38 50.44.030 who have properly elected to make payments in lieu of

1 contributions, taxable local government employers described in RCW
2 50.44.035, and those employers who are required to make payments in
3 lieu of contributions, as follows:

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

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

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

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

14 (c) Benefits paid which represent the state's share of benefits
15 payable as extended benefits defined under RCW 50.22.010(6) shall not
16 be charged to the experience rating account of any contribution paying
17 employer.

18 (d) In the case of individuals who requalify for benefits under RCW
19 50.20.050 or 50.20.060, benefits based on wage credits earned prior to
20 the disqualifying separation shall not be charged to the experience
21 rating account of the contribution paying employer from whom that
22 separation took place.

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

29 ~~((f) Benefits paid under RCW 50.22.150 shall not be charged to the
30 experience rating account of any contribution paying employer.))~~

31 (3)(a) A contribution-paying base year employer, not otherwise
32 eligible for relief of charges for benefits under this section, may
33 receive such relief if the benefit charges result from payment to an
34 individual who:

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

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

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

6 (iv) Continues to be employed on a regularly scheduled permanent
7 part-time basis by a base year employer and who at some time during the
8 base year was concurrently employed and subsequently separated from at
9 least one other base year employer. Benefit charge relief ceases when
10 the employment relationship between the employer requesting relief and
11 the claimant is terminated. This subsection does not apply to shared
12 work employers under chapter 50.60 RCW.

13 (b) The employer requesting relief of charges under this subsection
14 must request relief in writing within thirty days following mailing to
15 the last known address of the notification of the valid initial
16 determination of such claim, stating the date and reason for the
17 separation or the circumstances of continued employment. The
18 commissioner, upon investigation of the request, shall determine
19 whether relief should be granted.

20 **Sec. 7.** RCW 50.29.025 and 2000 c 2 s 4 are each amended to read as
21 follows:

22 The contribution rate for each employer subject to contributions
23 under RCW 50.24.010 shall be determined under this section.

24 (1) A fund balance ratio shall be determined by dividing the
25 balance in the unemployment compensation fund as of the September 30th
26 immediately preceding the rate year by the total remuneration paid by
27 all employers subject to contributions during the second calendar year
28 preceding the rate year and reported to the department by the following
29 March 31st. The division shall be carried to the fourth decimal place
30 with the remaining fraction, if any, disregarded. The fund balance
31 ratio shall be expressed as a percentage.

32 (2) The interval of the fund balance ratio, expressed as a
33 percentage, shall determine which tax schedule in subsection (5) of
34 this section shall be in effect for assigning tax rates for the rate
35 year, except that during rate year 2004 tax schedule C shall be in
36 effect unless a lower tax schedule is determined to be in effect by the
37 interval of the fund balance ratio. The intervals for determining the
38 effective tax schedule shall be:

1	Interval of the	
2	Fund Balance Ratio	Effective
3	Expressed as a Percentage	Tax Schedule
4	2.90 and above	AA
5	2.10 to 2.89	A
6	1.70 to 2.09	B
7	1.40 to 1.69	C
8	1.00 to 1.39	D
9	0.70 to 0.99	E
10	Less than 0.70	F

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

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

27 (5)(a) Except as provided in RCW 50.29.026 and sections 9 and 10 of
28 this act, the contribution rate for each employer in the array shall be
29 the rate specified in the following tables for the rate class to which
30 he or she has been assigned, as determined under subsection (4) of this
31 section, within the tax schedule which is to be in effect during the
32 rate year:

1 ((Percent of
2 Cumulative Schedules of Contributions Rates
3 Taxable Payrolls for Effective Tax Schedule

4 Rate

5	From	To	Class	AA	A	B	C	D	E	F
6	0.00	5.00	1	0.47	0.47	0.57	0.97	1.47	1.87	2.47
7	5.01	10.00	2	0.47	0.47	0.77	1.17	1.67	2.07	2.67
8	10.01	15.00	3	0.57	0.57	0.97	1.37	1.77	2.27	2.87
9	15.01	20.00	4	0.57	0.73	1.11	1.51	1.90	2.40	2.98
10	20.01	25.00	5	0.72	0.92	1.30	1.70	2.09	2.59	3.08
11	25.01	30.00	6	0.91	1.11	1.49	1.89	2.29	2.69	3.18
12	30.01	35.00	7	1.00	1.29	1.69	2.08	2.48	2.88	3.27
13	35.01	40.00	8	1.19	1.48	1.88	2.27	2.67	3.07	3.47
14	40.01	45.00	9	1.37	1.67	2.07	2.47	2.87	3.27	3.66
15	45.01	50.00	10	1.56	1.86	2.26	2.66	3.06	3.46	3.86
16	50.01	55.00	11	1.84	2.14	2.45	2.85	3.25	3.66	3.95
17	55.01	60.00	12	2.03	2.33	2.64	3.04	3.44	3.85	4.15
18	60.01	65.00	13	2.22	2.52	2.83	3.23	3.64	4.04	4.34
19	65.01	70.00	14	2.40	2.71	3.02	3.43	3.83	4.24	4.54
20	70.01	75.00	15	2.68	2.90	3.21	3.62	4.02	4.43	4.63
21	75.01	80.00	16	2.87	3.09	3.69	3.81	4.22	4.53	4.73
22	80.01	85.00	17	3.27	3.47	3.77	4.17	4.57	4.87	4.97
23	85.01	90.00	18	3.67	3.87	4.17	4.57	4.87	4.97	5.17
24	90.01	95.00	19	4.07	4.27	4.57	4.97	5.07	5.17	5.37
25	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	5.40))

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

29 Rate

30	From	To	Class	AA	A	B	C	D	E	F
31	0.00	5.00	1	0.47	0.47	0.62	1.02	1.47	1.87	2.47
32	5.01	10.00	2	0.47	0.47	0.82	1.22	1.67	2.07	2.67
33	10.01	15.00	3	0.57	0.57	1.02	1.42	1.77	2.27	2.87
34	15.01	20.00	4	0.57	0.73	1.16	1.56	1.90	2.40	2.98
35	20.01	25.00	5	0.72	0.92	1.30	1.70	2.09	2.59	3.08
36	25.01	30.00	6	0.91	1.11	1.49	1.89	2.29	2.69	3.18
37	30.01	35.00	7	1.00	1.29	1.69	2.08	2.48	2.88	3.27
38	35.01	40.00	8	1.19	1.48	1.88	2.27	2.67	3.07	3.47
39	40.01	45.00	9	1.37	1.67	2.07	2.47	2.87	3.27	3.66
40	45.01	50.00	10	1.56	1.86	2.26	2.66	3.06	3.46	3.86
41	50.01	55.00	11	1.84	2.14	2.45	2.85	3.25	3.66	3.95
42	55.01	60.00	12	2.03	2.33	2.64	3.04	3.44	3.85	4.15
43	60.01	65.00	13	2.22	2.52	2.83	3.23	3.64	4.04	4.34
44	65.01	70.00	14	2.40	2.71	3.02	3.43	3.83	4.24	4.54

1	<u>70.01</u>	<u>75.00</u>	<u>15</u>	<u>2.68</u>	<u>2.90</u>	<u>3.21</u>	<u>3.62</u>	<u>4.02</u>	<u>4.43</u>	<u>4.63</u>
2	<u>75.01</u>	<u>80.00</u>	<u>16</u>	<u>2.87</u>	<u>3.09</u>	<u>3.42</u>	<u>3.81</u>	<u>4.22</u>	<u>4.53</u>	<u>4.73</u>
3	<u>80.01</u>	<u>85.00</u>	<u>17</u>	<u>3.27</u>	<u>3.47</u>	<u>3.77</u>	<u>4.17</u>	<u>4.57</u>	<u>4.87</u>	<u>4.97</u>
4	<u>85.01</u>	<u>90.00</u>	<u>18</u>	<u>3.67</u>	<u>3.87</u>	<u>4.17</u>	<u>4.57</u>	<u>4.87</u>	<u>4.97</u>	<u>5.17</u>
5	<u>90.01</u>	<u>95.00</u>	<u>19</u>	<u>4.10</u>	<u>4.30</u>	<u>4.60</u>	<u>5.00</u>	<u>5.10</u>	<u>5.20</u>	<u>5.40</u>
6	<u>95.01</u>	<u>100.00</u>	<u>20</u>							
7			<u>20A</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.55</u>	<u>5.60</u>
8			<u>20B</u>	<u>5.40</u>	<u>5.45</u>	<u>5.50</u>	<u>5.55</u>	<u>5.60</u>	<u>5.65</u>	<u>5.70</u>
9			<u>20C</u>	<u>5.50</u>	<u>5.55</u>	<u>5.60</u>	<u>5.65</u>	<u>5.70</u>	<u>5.75</u>	<u>5.80</u>
10			<u>20D</u>	<u>5.60</u>	<u>5.65</u>	<u>5.70</u>	<u>5.75</u>	<u>5.80</u>	<u>5.85</u>	<u>5.90</u>
11			<u>20E</u>	<u>5.70</u>	<u>5.75</u>	<u>5.80</u>	<u>5.85</u>	<u>5.90</u>	<u>5.95</u>	<u>6.00</u>

12 (b) Employers assigned to rate class 20 shall be assigned to one of
13 the rate classes 20A through E as follows:

14 (i) Employers with a benefit ratio of less than 0.054000 shall be
15 assigned to rate class 20A;

16 (ii) Employers with a benefit ratio of at least 0.054000 but less
17 than 0.063000 shall be assigned to rate class 20B;

18 (iii) Employers with a benefit ratio of at least 0.063000 but less
19 than 0.068000 shall be assigned to rate class 20C;

20 (iv) Employers with a benefit ratio of at least 0.068000 but less
21 than 0.075000 shall be assigned to rate class 20D; and

22 (v) Employers with a benefit ratio of 0.075000 or higher shall be
23 assigned to rate class 20E.

24 (c) The maximum contribution rate for employers whose standard
25 industrial classification code is within major group "01," "02," or
26 "07," or is code "5148," or the equivalent code in the North American
27 industry classification system code, may not exceed the rate in rate
28 class 20A for the applicable rate year.

29 (6) Except as provided in sections 9 and 10 of this act, the
30 contribution rate for each employer not qualified to be in the array
31 shall be as follows:

32 (a) Employers who do not meet the definition of "qualified
33 employer" by reason of failure to pay contributions when due shall be
34 assigned a contribution rate two-tenths higher than that in rate class
35 20E for the applicable rate year, except employers who have an approved
36 agency-deferred payment contract by September 30 of the previous rate
37 year. If any employer with an approved agency-deferred payment
38 contract fails to make any one of the succeeding deferred payments or
39 fails to submit any succeeding tax report and payment in a timely
40 manner, the employer's tax rate shall immediately revert to a

1 contribution rate two-tenths higher than that in rate class 20E for the
2 applicable rate year; and

3 (b) For all other employers not qualified to be in the array, the
4 contribution rate shall be a rate equal to the average industry rate as
5 determined by the commissioner; however, the rate may not be less than
6 one percent. Assignment of employers by the commissioner to industrial
7 classification, for purposes of this section, shall be in accordance
8 with established classification practices found in the "Standard
9 Industrial Classification Manual" issued by the federal office of
10 management and budget to the third digit provided in the standard
11 industrial classification code, or in the North American industry
12 classification system code.

13 **Sec. 8.** RCW 50.29.025 and 2000 c 2 s 4 are each amended to read as
14 follows:

15 The contribution rate for each employer subject to contributions
16 under RCW 50.24.010 shall be determined under this section.

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

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

30	Interval of the	
31	Fund Balance Ratio	Effective
32	Expressed as a Percentage	Tax Schedule
33	2.90 and above	AA
34	2.10 to 2.89	A
35	1.70 to 2.09	B
36	1.40 to 1.69	C

1	1.00 to 1.39	D
2	0.70 to 0.99	E
3	Less than 0.70	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)(a) Except as provided in RCW 50.29.026 and sections 9 and 10 of
21 this act, the contribution rate for each employer in the array shall be
22 the rate specified in the following tables for the rate class to which
23 he or she has been assigned, as determined under subsection (4) of this
24 section, within the tax schedule which is to be in effect during the
25 rate year:

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

29 Rate

From	To	Class	AA	A	B	C	D	E	F
0.00	5.00	1	0.47	0.47	0.57	0.97	1.47	1.87	2.47
5.01	10.00	2	0.47	0.47	0.77	1.17	1.67	2.07	2.67
10.01	15.00	3	0.57	0.57	0.97	1.37	1.77	2.27	2.87
15.01	20.00	4	0.57	0.73	1.11	1.51	1.90	2.40	2.98
20.01	25.00	5	0.72	0.92	1.30	1.70	2.09	2.59	3.08
25.01	30.00	6	0.91	1.11	1.49	1.89	2.29	2.69	3.18
30.01	35.00	7	1.00	1.29	1.69	2.08	2.48	2.88	3.27
35.01	40.00	8	1.19	1.48	1.88	2.27	2.67	3.07	3.47
40.01	45.00	9	1.37	1.67	2.07	2.47	2.87	3.27	3.66

1	45.01	50.00	10	1.56	1.86	2.26	2.66	3.06	3.46	3.86
2	50.01	55.00	11	1.84	2.14	2.45	2.85	3.25	3.66	3.95
3	55.01	60.00	12	2.03	2.33	2.64	3.04	3.44	3.85	4.15
4	60.01	65.00	13	2.22	2.52	2.83	3.23	3.64	4.04	4.34
5	65.01	70.00	14	2.40	2.71	3.02	3.43	3.83	4.24	4.54
6	70.01	75.00	15	2.68	2.90	3.21	3.62	4.02	4.43	4.63
7	75.01	80.00	16	2.87	3.09	3.69	3.81	4.22	4.53	4.73
8	80.01	85.00	17	3.27	3.47	3.77	4.17	4.57	4.87	4.97
9	85.01	90.00	18	3.67	3.87	4.17	4.57	4.87	4.97	5.17
10	90.01	95.00	19	4.07	4.27	4.57	4.97	5.07	5.17	5.37
11	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	5.40))

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

15			<u>Rate</u>							
16	<u>From</u>	<u>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>
17	0.00	5.00	1	0.47	0.47	0.62	1.02	1.47	1.87	2.47
18	5.01	10.00	2	0.47	0.47	0.82	1.22	1.67	2.07	2.67
19	10.01	15.00	3	0.57	0.57	1.02	1.42	1.77	2.27	2.87
20	15.01	20.00	4	0.57	0.73	1.14	1.54	1.90	2.40	2.98
21	20.01	25.00	5	0.72	0.92	1.30	1.70	2.09	2.59	3.08
22	25.01	30.00	6	0.91	1.03	1.44	1.89	2.29	2.69	3.18
23	30.01	35.00	7	1.00	1.17	1.61	2.08	2.48	2.88	3.27
24	35.01	40.00	8	1.19	1.35	1.79	2.27	2.67	3.07	3.47
25	40.01	45.00	9	1.37	1.52	1.97	2.47	2.87	3.27	3.66
26	45.01	50.00	10	1.56	1.69	2.15	2.66	3.06	3.46	3.86
27	50.01	55.00	11	1.84	1.95	2.33	2.85	3.25	3.66	3.95
28	55.01	60.00	12	2.03	2.12	2.51	3.04	3.44	3.85	4.15
29	60.01	65.00	13	2.22	2.29	2.69	3.23	3.64	4.04	4.34
30	65.01	70.00	14	2.40	2.47	2.87	3.43	3.83	4.24	4.54
31	70.01	75.00	15	2.64	2.68	3.05	3.62	4.02	4.43	4.63
32	75.01	80.00	16	2.81	2.87	3.25	3.81	4.22	4.53	4.73
33	80.01	85.00	17	3.27	3.30	3.58	4.17	4.57	4.87	4.97
34	85.01	90.00	18	3.67	3.87	4.17	4.57	4.87	4.97	5.17
35	90.01	95.00	19	4.10	4.30	4.60	5.00	5.10	5.20	5.40
36	95.01	100.00	20							
37			20A	5.40	5.40	5.40	5.40	5.40	5.55	5.60
38			20B	5.40	5.45	5.50	5.55	5.60	5.65	5.70
39			20C	5.50	5.55	5.60	5.65	5.70	5.75	5.80
40			20D	5.60	5.65	5.70	5.75	5.80	5.85	5.90
41			20E	5.70	5.75	5.80	5.85	5.90	5.95	6.00

42 (b) Employers assigned to rate class 20 shall be assigned to one of
43 the rate classes 20A through E as follows:

1 (i) Employers with a benefit ratio of less than 0.054000 shall be
2 assigned to rate class 20A;

3 (ii) Employers with a benefit ratio of at least 0.054000 but less
4 than 0.063000 shall be assigned to rate class 20B;

5 (iii) Employers with a benefit ratio of at least 0.063000 but less
6 than 0.068000 shall be assigned to rate class 20C;

7 (iv) Employers with a benefit ratio of at least 0.068000 but less
8 than 0.075000 shall be assigned to rate class 20D; and

9 (v) Employers with a benefit ratio of 0.075000 or higher shall be
10 assigned to rate class 20E.

11 (c) The maximum contribution rate for employers whose standard
12 industrial classification code is within major group "01," "02," or
13 "07," or is code "5148," or the equivalent code in the North American
14 industry classification system code, may not exceed the rate in rate
15 class 20A for the applicable rate year.

16 (6) Except as provided in sections 9 and 10 of this act, the
17 contribution rate for each employer not qualified to be in the array
18 shall be as follows:

19 (a) Employers who do not meet the definition of "qualified
20 employer" by reason of failure to pay contributions when due shall be
21 assigned a contribution rate two-tenths higher than that in rate class
22 20E for the applicable rate year, except employers who have an approved
23 agency-deferred payment contract by September 30 of the previous rate
24 year. If any employer with an approved agency-deferred payment
25 contract fails to make any one of the succeeding deferred payments or
26 fails to submit any succeeding tax report and payment in a timely
27 manner, the employer's tax rate shall immediately revert to a
28 contribution rate two-tenths higher than that in rate class 20E for the
29 applicable rate year; and

30 (b) For all other employers not qualified to be in the array, the
31 contribution rate shall be a rate equal to the average industry rate as
32 determined by the commissioner; however, the rate may not be less than
33 one percent. Assignment of employers by the commissioner to industrial
34 classification, for purposes of this section, shall be in accordance
35 with established classification practices found in the "Standard
36 Industrial Classification Manual" issued by the federal office of
37 management and budget to the third digit provided in the standard
38 industrial classification code, or in the North American industry
39 classification system code.

1 NEW SECTION. **Sec. 9.** A new section is added to chapter 50.29 RCW
2 to read as follows:

3 For rate years 2003 and 2004, the contribution rate of each
4 employer subject to contributions under RCW 50.24.010 shall include, in
5 addition to the contribution rate under RCW 50.29.025, an insolvency
6 surcharge of fifteen one-hundredths of one percent. However, the
7 insolvency surcharge is not in effect:

8 (1) For rate year 2003, if, before January 1, 2003, federal Reed
9 act moneys are transferred to the account of this state pursuant to
10 section 903 of the social security act (42 U.S.C. Sec. 1103), as
11 amended, in an amount equal to or greater than fifteen one-hundredths
12 of one percent multiplied by the amount of total taxable payroll for
13 fiscal year 2002.

14 (2) For rate year 2004, if the fund balance ratio under RCW
15 50.29.025 is equal to or greater than 1.40 on September 30, 2003.

16 NEW SECTION. **Sec. 10.** A new section is added to chapter 50.29 RCW
17 to read as follows:

18 (1) Beginning with contributions assessed for rate year 2005, the
19 contribution rate of each employer subject to contributions under RCW
20 50.24.010 shall include, in addition to the contribution rate under RCW
21 50.29.025, an equity surcharge as determined under this section if the
22 employer's experience rating account has ineffective charges in at
23 least three of the four completed fiscal years immediately preceding
24 the computation date. The commissioner shall determine the equity
25 surcharge rate for a rate year for each applicable employer as follows:

26 (a) If the employer's net ineffective charges are equal to or less
27 than zero, no equity surcharge is applicable to the employer. If the
28 employer's net ineffective charges are greater than zero, an equity
29 surcharge is applicable to the employer.

30 (b) An employer's equity surcharge rate for a rate year is equal to
31 the net ineffective charges divided by the employer's taxable payroll,
32 expressed as a percentage.

33 (2) The equity surcharge may not exceed four-tenths of one percent,
34 except that for any given rate year the maximum surcharge is six-tenths
35 of one percent if the commissioner determines that the total
36 ineffective charges in the completed fiscal year immediately preceding
37 the computation date is greater than fifteen percent of the total
38 benefits paid in that fiscal year.

1 (3) This section does not apply to an employer in rate class 20A
2 through 20E whose assigned standard industrial classification code is
3 within major group "09" or is "203," or the equivalent codes in the
4 North American industry classification system code.

5 (4) For purposes of this section:

6 (a) "Ineffective charges" means the dollar amount charged in the
7 previous four completed fiscal years to an employer's experience rating
8 account attributable to unemployment benefits paid to claimants that
9 exceed the contributions paid by the respective employer in those four
10 fiscal years.

11 (b) "Net ineffective charges" means the sum of the employer's
12 ineffective charges as defined in (a) of this subsection reduced by the
13 employer's estimated contributions.

14 (c) "Estimated contributions" means the employer's taxable payroll
15 multiplied by the employer's contribution rate assigned under RCW
16 50.29.025 for the next applicable rate year.

17 (d) "Taxable payroll" means the amount of wages subject to tax for
18 the employer as determined under RCW 50.24.010 in the completed fiscal
19 year immediately preceding the computation date.

20 **Sec. 11.** RCW 50.29.010 and 1987 c 213 s 2 are each amended to read
21 as follows:

22 As used in this chapter:

23 (1) "Computation date" means July 1st of any year;

24 (2) "Cut-off date" means September 30th next following the
25 computation date;

26 (3) "Qualification date" means April 1st of the ~~((third))~~ second
27 year preceding the computation date;

28 (4) "Rate year" means the calendar year immediately following the
29 computation date;

30 (5) "Payroll" means all wages (as defined for contribution
31 purposes) paid by an employer to individuals in his or her employment;

32 (6) "Qualified employer" means any employer who ~~((+1))~~ (a)
33 reported some employment in the twelve-month period beginning with the
34 qualification date, ~~((+2))~~ (b) had no period of four or more
35 consecutive calendar quarters for which he or she reported no
36 employment in the two calendar years immediately preceding the
37 computation date, and ~~((+3))~~ (c) has submitted by the cut-off date all
38 reports, contributions, interest, and penalties required under this

1 title for the period preceding the computation date. Unpaid
2 contributions, interest, and penalties may be disregarded for the
3 purposes of this section if they constitute less than either one
4 hundred dollars or one-half of one percent of the employer's total tax
5 reported for the twelve-month period immediately preceding the
6 computation date. Late reports, contributions, penalties, or interest
7 from employment defined under RCW 50.04.160 may be disregarded for the
8 purposes of this section if showing is made to the satisfaction of the
9 commissioner that an otherwise qualified employer acted in good faith
10 and that forfeiture of qualification for a reduced contribution rate
11 because of such delinquency would be inequitable.

12 **Sec. 12.** RCW 50.29.062 and 1996 c 238 s 1 are each amended to read
13 as follows:

14 Predecessor and successor employer contribution rates shall be
15 computed in the following manner:

16 (1) If the successor is an employer, as defined in RCW 50.04.080,
17 at the time of the transfer, its contribution rate shall remain
18 unchanged for the remainder of the rate year in which the transfer
19 occurs. From and after January 1 following the transfer, the
20 successor's contribution rate for each rate year shall be based on its
21 experience with payrolls and benefits including the experience of the
22 acquired business or portion of a business from the date of transfer,
23 as of the regular computation date for that rate year.

24 (2) If the successor is not an employer at the time of the
25 transfer, it shall pay contributions at the lowest rate determined
26 under either of the following:

27 (a)(i) For transfers before January 1, 1997, the contribution rate
28 of the rate class assigned to the predecessor employer at the time of
29 the transfer for the remainder of that rate year and continuing until
30 the successor qualifies for a different rate in its own right;

31 (ii) For transfers on or after January 1, 1997, the contribution
32 rate of the rate class assigned to the predecessor employer at the time
33 of the transfer for the remainder of that rate year. Any experience
34 relating to the assignment of that rate class attributable to the
35 predecessor is transferred to the successor. Beginning with the
36 January 1 following the transfer, the successor's contribution rate
37 shall be based on the transferred experience of the acquired business
38 and the successor's experience after the transfer; or

1 (b) The contribution rate equal to the average industry rate as
2 determined by the commissioner, but not less than one percent, and
3 continuing until the successor qualifies for a different rate in its
4 own right. Assignment of employers by the commissioner to industrial
5 classification, for purposes of this subsection, must be in accordance
6 with established classification practices found in the "Standard
7 Industrial Classification Manual" issued by the federal office of
8 management and budget to the third digit provided in the standard
9 industrial classification code, or in the North American industry
10 classification code system.

11 (3) If the successor is not an employer at the time of the transfer
12 and simultaneously acquires the business or a portion of the business
13 of two or more employers in different rate classes, its rate from the
14 date the transfer occurred until the end of that rate year and until it
15 qualifies in its own right for a new rate, shall be the highest rate
16 class applicable at the time of the acquisition to any predecessor
17 employer who is a party to the acquisition, but not less than one
18 percent.

19 (4) If the successor is not an employer at the time of the
20 transfer, the taxable wage base applicable to the predecessor employer
21 at the time of the transfer shall continue to apply to the successor
22 employer for the remainder of the rate year in which the transfer
23 occurs.

24 (5) The contribution rate on any payroll retained by a predecessor
25 employer shall remain unchanged for the remainder of the rate year in
26 which the transfer occurs.

27 ((+5)) (6) In all cases, from and after January 1 following the
28 transfer, the predecessor's contribution rate for each rate year shall
29 be based on its experience with payrolls and benefits as of the regular
30 computation date for that rate year including the experience of the
31 acquired business or portion of business up to the date of transfer:
32 PROVIDED, That if all of the predecessor's business is transferred to
33 a successor or successors, the predecessor shall not be a qualified
34 employer until it satisfies the requirements of a "qualified employer"
35 as set forth in RCW 50.29.010.

36 In addition to contributions at rates computed under this section,
37 predecessor and successor employers are subject to contributions under
38 rates computed as provided in sections 9 and 10 of this act.

1 **Sec. 13.** RCW 50.24.014 and 2000 c 2 s 15 are each amended to read
2 as follows:

3 (1)(a) A separate and identifiable account to provide for the
4 financing of special programs to assist the unemployed is established
5 in the administrative contingency fund. Contributions to this account
6 shall accrue and become payable by each employer, except employers as
7 described in RCW 50.44.010 and 50.44.030 who have properly elected to
8 make payments in lieu of contributions, taxable local government
9 employers as described in RCW 50.44.035, and those employers who are
10 required to make payments in lieu of contributions, at a basic rate of
11 two one-hundredths of one percent. The amount of wages subject to tax
12 shall be determined under RCW 50.24.010.

13 (b) A separate and identifiable account is established in the
14 administrative contingency fund for financing the employment security
15 department's administrative cost under RCW 50.22.150 (~~and~~), the costs
16 under RCW 50.22.150(9), and the administrative cost under chapter
17 . . . , Laws of 2002 (this act). Contributions to this account shall
18 accrue and become payable by each employer, except employers as
19 described in RCW 50.44.010 and 50.44.030 who have properly elected to
20 make payments in lieu of contributions, taxable local government
21 employers as described in RCW 50.44.035, those employers who are
22 required to make payments in lieu of contributions, those employers
23 described under RCW 50.29.025(6)(b), and those qualified employers
24 assigned one of the rate classes 20A through 20E under RCW 50.29.025,
25 at a basic rate of one one-hundredth of one percent. The amount of
26 wages subject to tax shall be determined under RCW 50.24.010. (~~Any~~
27 ~~amount of contributions payable under this subsection (1)(b) that~~
28 ~~exceeds the amount that would have been collected at a rate of four~~
29 ~~one thousandths of one percent must be deposited in the unemployment~~
30 ~~compensation trust fund.))~~

31 (c) For the first calendar quarter of 1994 only, the basic two one-
32 hundredths of one percent contribution payable under (a) of this
33 subsection shall be increased by one-hundredth of one percent to a
34 total rate of three one-hundredths of one percent. The proceeds of
35 this incremental one-hundredth of one percent shall be used solely for
36 the purposes described in section 22, chapter 483, Laws of 1993, and
37 for the purposes of conducting an evaluation of the call center
38 approach to unemployment insurance under section 5, chapter 161, Laws
39 of 1998. During the 1997-1999 fiscal biennium, any surplus from

1 contributions payable under this subsection (c) may be deposited in the
2 unemployment compensation trust fund, used to support tax and wage
3 automated systems projects that simplify and streamline employer
4 reporting, or both.

5 (2)(a) Contributions under this section shall become due and be
6 paid by each employer under rules as the commissioner may prescribe,
7 and shall not be deducted, in whole or in part, from the remuneration
8 of individuals in the employ of the employer. Any deduction in
9 violation of this section is unlawful.

10 (b) In the payment of any contributions under this section, a
11 fractional part of a cent shall be disregarded unless it amounts to
12 one-half cent or more, in which case it shall be increased to one cent.

13 (3) If the commissioner determines that federal funding has been
14 increased to provide financing for the services specified in chapter
15 50.62 RCW, the commissioner shall direct that collection of
16 contributions under this section be terminated on the following January
17 1st.

18 NEW SECTION. **Sec. 14.** If any part of this act is found to be in
19 conflict with federal requirements that are a prescribed condition to
20 the allocation of federal funds to the state or the eligibility of
21 employers in this state for federal unemployment tax credits, the
22 conflicting part of this act is inoperative solely to the extent of the
23 conflict, and the finding or determination does not affect the
24 operation of the remainder of this act. Rules adopted under this act
25 must meet federal requirements that are a necessary condition to the
26 receipt of federal funds by the state or the granting of federal
27 unemployment tax credits to employers in this state.

28 NEW SECTION. **Sec. 15.** If any provision of this act or its
29 application to any person or circumstance is held invalid, the
30 remainder of the act or the application of the provision to other
31 persons or circumstances is not affected.

32 NEW SECTION. **Sec. 16.** (1) Section 3 of this act applies beginning
33 with claims that have an effective date on or after July 7, 2002.

34 (2) Sections 5 and 7 of this act apply to rate years beginning on
35 or after January 1, 2003.

1 (3) Section 6 of this act applies to benefits charged to the
2 experience rating accounts of employers for claims that have an
3 effective date on or after July 7, 2002.

4 (4) Section 8 of this act applies to rate years beginning on or
5 after January 1, 2005.

6 NEW SECTION. **Sec. 17.** (1) Sections 7 and 9 of this act expire
7 January 1, 2005.

8 (2) Section 3 of this act expires July 1, 2014.

9 NEW SECTION. **Sec. 18.** (1) Section 3 of this act is necessary for
10 the immediate preservation of the public peace, health, or safety, or
11 support of the state government and its existing public institutions,
12 and takes effect immediately.

13 (2) Section 8 of this act takes effect January 1, 2005."

14 Correct the title.

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