

HOUSE BILL REPORT

HB 2355

As Reported by House Committee On:

Commerce & Labor

Title: An act relating to unemployment compensation payable to individuals who took family and medical leave.

Brief Description: Modifying unemployment compensation payable to individuals who took family and medical leave.

Sponsors: Representatives Kagi, Conway, Clements, Dickerson, McIntire and Wood.

Brief History:

Committee Activity:

Commerce & Labor: 1/23/02, 2/6/02 [DPS].

Brief Summary of Substitute Bill

- Allows an unemployment insurance claimant to request a special base year when the claimant has taken family and medical leave during the normal base year.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 5 members: Representatives Conway, Chair; Wood, Vice Chair; Clements, Ranking Minority Member; Kenney and Lysen.

Minority Report: Do not pass. Signed by 1 member: Representative Chandler.

Staff: Jill Reinmuth (786-7134); Chris Cordes (786-7103).

Background:

To qualify for unemployment insurance benefits, a claimant must have worked at least 680 hours in his or her base year. The base year is either the first four of the last five calendar quarters completed before applying for benefits, or the last four completed calendar quarters.

The claimant's benefits are based on the wages earned during the base year. The

maximum weeks of benefits that a claimant may receive is the lesser of one-third of the total base year wages or 30 times the claimant's weekly benefit amount. The weekly benefit amount is equal to 4 percent of the average of the claimant's wages in the two base year quarters in which wages are highest, subject to a statutory cap.

Under the federal Family and Medical Leave Act, employees may take up to 12 weeks of leave, which may be paid or unpaid, in any 12-month period for specified purposes. The state family leave law (generally not enforced as long as the federal law is in effect) entitles an employee to up to 12 weeks of paid or unpaid leave in any 24-month period for some of the same purposes. Under some circumstances, leave may be taken intermittently or on a reduced leave schedule.

Summary of Substitute Bill:

The Employment Security Department is required to notify certain unemployment claimants who are found to be eligible for unemployment benefits that they may be eligible for a benefit redetermination. If a claimant has taken unpaid family and medical leave in his or her base year, the claimant may request a redetermination. The department must then evaluate an additional base year, using the four calendar quarters with the highest wages in the last six completed quarters. The department must use the base year that will give the claimant the most potential weeks of benefits.

Family and medical leave— means family leave taken under the federal Family and Medical Leave Act or the state family leave law.

These new provisions apply to unemployment claims that are effective on or after July 7, 2002.

Substitute Bill Compared to Original Bill:

The substitute bill deletes the requirement for the Employment Security Department to use a special base year which would consist of four calendar quarters in which the claimant did not take family leave. Instead, the substitute bill requires the department to notify claimants who are found to be eligible for benefits of a possible benefit redetermination and, on request, to evaluate an additional base year, using the four quarters with the highest wages in the last six completed quarters.

Appropriation: None.

Fiscal Note: Requested on February 8, 2002.

Effective Date of Substitute Bill: Ninety days after adjournment of session in which bill

is passed.

Testimony For: Individuals receiving unemployment insurance benefits should not be penalized for having taken family and medical leave. They should be treated in a manner similar to individuals who were injured at work and received workers' compensation.

Testimony Against: Only a small number of individuals receiving unemployment insurance benefits are affected by having taken family and medical leave. Washington's unemployment insurance system is already one of the most complex in the nation; it will be made even more complex by these proposed changes. Unemployment insurance benefits should not be expanded.

Testified: (In support) Representative Kagi, prime sponsor; and Jeff Johnson, Washington State Labor Council.

(Opposed) Clif Finch, Association of Washington Business; and Mark Johnson, National Federation of Independent Business.