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SENATE BILL 6309

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State of Washington 57th Legislature

2002 Regular Session

By Senators Prentice, Winsley and Fairley; by request of Employment Security Department

Read first time 01/15/2002. Referred to Committee on Labor, Commerce & Financial Institutions.

1 AN ACT Relating to correcting rate class 16 in schedule B by  
2 amending RCW 50.29.025 and making no other changes; and amending RCW  
3 50.29.025.

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

5 **Sec. 1.** RCW 50.29.025 and 2000 c 2 s 4 are each amended to read as  
6 follows:

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

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

17 (2) The interval of the fund balance ratio, expressed as a  
18 percentage, shall determine which tax schedule in subsection (5) of  
19 this section shall be in effect for assigning tax rates for the rate

1 year. The intervals for determining the effective tax schedule shall  
2 be:

3	Interval of the	
4	Fund Balance Ratio	Effective
5	Expressed as a Percentage	Tax Schedule
6	2.90 and above	AA
7	2.10 to 2.89	A
8	1.70 to 2.09	B
9	1.40 to 1.69	C
10	1.00 to 1.39	D
11	0.70 to 0.99	E
12	Less than 0.70	F

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

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

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

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

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5			Rate							
6	From	To	Class	AA	A	B	C	D	E	F
7	0.00	5.00	1	0.47	0.47	0.57	0.97	1.47	1.87	2.47
8	5.01	10.00	2	0.47	0.47	0.77	1.17	1.67	2.07	2.67
9	10.01	15.00	3	0.57	0.57	0.97	1.37	1.77	2.27	2.87
10	15.01	20.00	4	0.57	0.73	1.11	1.51	1.90	2.40	2.98
11	20.01	25.00	5	0.72	0.92	1.30	1.70	2.09	2.59	3.08
12	25.01	30.00	6	0.91	1.11	1.49	1.89	2.29	2.69	3.18
13	30.01	35.00	7	1.00	1.29	1.69	2.08	2.48	2.88	3.27
14	35.01	40.00	8	1.19	1.48	1.88	2.27	2.67	3.07	3.47
15	40.01	45.00	9	1.37	1.67	2.07	2.47	2.87	3.27	3.66
16	45.01	50.00	10	1.56	1.86	2.26	2.66	3.06	3.46	3.86
17	50.01	55.00	11	1.84	2.14	2.45	2.85	3.25	3.66	3.95
18	55.01	60.00	12	2.03	2.33	2.64	3.04	3.44	3.85	4.15
19	60.01	65.00	13	2.22	2.52	2.83	3.23	3.64	4.04	4.34
20	65.01	70.00	14	2.40	2.71	3.02	3.43	3.83	4.24	4.54
21	70.01	75.00	15	2.68	2.90	3.21	3.62	4.02	4.43	4.63
22	75.01	80.00	16	2.87	3.09	<del>(3.69)</del>	3.81	4.22	4.53	4.73
23						<u>3.42</u>				
24	80.01	85.00	17	3.27	3.47	3.77	4.17	4.57	4.87	4.97
25	85.01	90.00	18	3.67	3.87	4.17	4.57	4.87	4.97	5.17
26	90.01	95.00	19	4.07	4.27	4.57	4.97	5.07	5.17	5.37
27	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	5.40

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

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

1 (b) For all other employers not qualified to be in the array, the  
2 contribution rate shall be a rate equal to the average industry rate as  
3 determined by the commissioner; however, the rate may not be less than  
4 one percent. Assignment of employers by the commissioner to industrial  
5 classification, for purposes of this section, shall 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 system code.

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