

# HOUSE BILL REPORT

## HB 1833

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### 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:** Concerning unemployment compensation payable to individuals who took family and medical leave.

**Sponsors:** Representatives Kagi, Conway and Simpson.

### Brief History:

#### Committee Activity:

Commerce & Labor: 2/24/03, 2/26/03 [DP].

#### Brief Summary of 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.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass. Signed by 5 members: Representatives Conway, Chair; Wood, Vice Chair; Hudgins, Kenney and McCoy.

**Minority Report:** Do not pass. Signed by 4 members: Representatives Chandler, Ranking Minority Member; Condotta, Assistant Ranking Minority Member; Crouse and Holmquist.

**Staff:** Jill Reinmuth (786-7134).

### 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.

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**Summary of Bill:**

The Employment Security Department (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. A claimant may request a redetermination if the claimants:

- Took unpaid family and medical leave totaling six or more weeks in his or her base year; and
- Has a maximum payable benefit that is less than 30 times the claimant's weekly benefit amount.

If a claimant requests 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 have an effective date on or after July 6, 2003.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill

is passed.

**Testimony For:** The workforce has changed. Labor force participation by women has increased. Single-parent families have increased. Americans are working more and working longer. Family and medical leave is a small antidote to these changes. This bill recognizes the importance of such leave by removing a penalty that someone who takes leave and then becomes unemployed now pays. There is precedence for a special base period in other contexts such as workers' compensation.

**Testimony Against:** A change such as this is not appropriate when the unemployment insurance system needs to be reformed. This bill invites abuse. Employees may take leave and then become unemployed because they prefer not to continue working. This bill will also increase costs. The unemployment insurance system currently costs 2.5 times the national average. It increases complexity in a system that is already complex.

**Testified:** (In support) Robby Stern, Washington State Labor Council.

(Neutral) Mary Clogston, Employment Security Department.

(Opposed) Amber Balch, Association of Washington Business; Gary Smith, Independent Business Association; and Mark Johnson, National Federation of Independent Business.