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SENATE BILL 5765

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State of Washington

58th Legislature

2003 Regular Session

By Senator Honeyford; by request of Employment Security Department

Read first time 02/11/2003. Referred to Committee on Commerce & Trade.

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

1 this section shall be in effect for assigning tax rates for the rate  
2 year. The intervals for determining the effective tax schedule shall  
3 be:

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

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

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

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

		Percent of Cumulative Schedules of Contributions Rates Taxable Payrolls for Effective Tax Schedule									
		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		
45.01	50.00	10	1.56	1.86	2.26	2.66	3.06	3.46	3.86		
50.01	55.00	11	1.84	2.14	2.45	2.85	3.25	3.66	3.95		
55.01	60.00	12	2.03	2.33	2.64	3.04	3.44	3.85	4.15		
60.01	65.00	13	2.22	2.52	2.83	3.23	3.64	4.04	4.34		
65.01	70.00	14	2.40	2.71	3.02	3.43	3.83	4.24	4.54		
70.01	75.00	15	2.68	2.90	3.21	3.62	4.02	4.43	4.63		
75.01	80.00	16	2.87	3.09	<del>(3.69)</del>	3.81	4.22	4.53	4.73		
					<u>3.42</u>						
80.01	85.00	17	3.27	3.47	3.77	4.17	4.57	4.87	4.97		
85.01	90.00	18	3.67	3.87	4.17	4.57	4.87	4.97	5.17		
90.01	95.00	19	4.07	4.27	4.57	4.97	5.07	5.17	5.37		
95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	5.40		

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

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

(b) For all other employers not qualified to be in the array, the contribution rate shall be a rate equal to the average industry rate as

1 determined by the commissioner; however, the rate may not be less than  
2 one percent. Assignment of employers by the commissioner to industrial  
3 classification, for purposes of this section, shall be in accordance  
4 with established classification practices found in the "Standard  
5 Industrial Classification Manual" issued by the federal office of  
6 management and budget to the third digit provided in the standard  
7 industrial classification code, or in the North American industry  
8 classification system code.

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