

SENATE BILL REPORT

SB 6334

As Reported by Senate Committee On:
Labor, Commerce & Consumer Protection, February 2, 2010

Title: An act relating to unemployment benefits when a person voluntarily terminates employment.

Brief Description: Addressing unemployment benefits when a person voluntarily terminates employment.

Sponsors: Senators Kohl-Welles, Keiser, Kline, McDermott and Franklin.

Brief History:

Committee Activity: Labor, Commerce & Consumer Protection: 1/21/10, 2/02/10 [DPS, DNP].

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Majority Report: That Substitute Senate Bill No. 6334 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Franklin and Kline.

Minority Report: Do not pass.

Signed by Senators Honeyford and King.

Staff: Mac Nicholson (786-7445)

Background: An individual is disqualified from unemployment benefits if the individual left work voluntarily without good cause. An individual has good cause and is not disqualified from benefits only under the 11 listed good cause quit provisions.

Summary of Bill (Recommended Substitute): Language limiting good cause only to the 11 reasons listed in statute is inapplicable to individuals who separate from work on or after January 2, 2011.

For separations occurring on or after January 2, 2011, an individual will not be disqualified from benefits if the individual left work for one of the 11 reasons listed in the voluntary quit section, or if the individual left work because continuing in employment would work an unreasonable hardship. Unreasonable hardship means a result not due to the individual's voluntary action that would cause a reasonable person to leave employment. To demonstrate

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an unreasonable hardship, the individual must show that he or she left work primarily for reasons connected with his or her employment, the work-connected reasons were of a compelling nature that would have caused a reasonably prudent person to leave work, and the individual exhausted all reasonable alternatives before leaving work.

EFFECT OF CHANGES MADE BY LABOR, COMMERCE & CONSUMER PROTECTION COMMITTEE (Recommended Substitute): The substitute provides that the new voluntary quits language applies to separations that occur on or after January 2, 2011.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: PRO: We need to remember this is about people. In the years where the Employment Security Department (ESD) had no discretion, many people were denied benefits in terrible cases. There's no guarantee that everyone will receive benefits if ESD is given discretion, its only the extreme cases. ESD is in a position to evaluate and make a determination as to whether the individual left work for good cause.

CON: Businesses put people to work. The current system is fair, and this bill flips the system. The language of this bill is too broad. People leave their jobs because they're unhappy, and this language would allow all of those individuals to be eligible for benefits which would increase employer taxes. There are currently many avenues for relief for employees in terrible situations. The Unemployment Insurance (UI) trust fund has been drawn down, so there are concerns about the solvency of the fund as we move forward. Extending benefits will lead to greater levels of payouts and greater taxes, which will only hinder job creation. Employers already face exorbitant expenses to do business in this state, including a significant increase in UI taxes, and the state should be careful not to increase expenses. Taxes will double next year under existing eligibility requirements, and any expansion will only increase taxes.

Persons Testifying: PRO: Rebecca Johnson, Washington State Labor Council.

CON: Lisa Harris, TruBlue; Nancy Hiteshue, Washington Roundtable; Donna Steward, Association of Washington Business; Jeff Kirby, Washington State Security Council; Patrick Connor, National Federation of Independent Business.