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SUBSTITUTE HOUSE BILL 2553

State of Washington 61st Legislature 2010 Regular Session

By House Commerce & Labor (originally sponsored by Representatives Conway, Green, White, Appleton, Simpson, Ormsby, Moeller, and Roberts)
READ FIRST TIME 02/03/10.

- AN ACT Relating to improving unemployment benefits; amending RCW 50.20.100, 50.20.119, and 50.20.240; reenacting and amending RCW 50.20.050 and 50.29.021; adding a new section to chapter 50.20 RCW; and
- 4 creating new sections.
- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- The legislature finds that the fundamental 6 NEW SECTION. Sec. 1. 7 purposes of the unemployment insurance system are to provide partial wage replacement to unemployed workers, to provide families and 8 9 communities with a degree of economic stability, and to counter the harmful effects of economic downturns by providing the economy with an 10 11 economic stimulus. To that end, the legislature finds that eligibility 12 requirements, disqualification provisions, and benefit amounts should 13 be improved to enhance the effects of the unemployment insurance system 14 on individuals, families, and communities.
- 15 **Sec. 2.** RCW 50.20.050 and 2009 c 493 s 3 and 2009 c 247 s 1 are each reenacted and amended to read as follows:
- 17 (1) With respect to claims that have an effective date on or after

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January 4, 2004, and ((for)) separations that occur before September 6, 2009:

(a) An individual shall be disqualified from benefits beginning with the first day of the calendar week in which he or she has left work voluntarily without good cause and thereafter for seven calendar weeks and until he or she has obtained bona fide work in employment covered by this title and earned wages in that employment equal to seven times his or her weekly benefit amount.

The disqualification shall continue if the work obtained is a mere sham to qualify for benefits and is not bona fide work. In determining whether work is of a bona fide nature, the commissioner shall consider factors including but not limited to the following:

(i) The duration of the work;

- 14 (ii) The extent of direction and control by the employer over the work; and
- 16 (iii) The level of skill required for the work in light of the 17 individual's training and experience.
 - (b) An individual is not disqualified from benefits under (a) of this subsection when:
 - (i) He or she has left work to accept a bona fide offer of bona fide work as described in (a) of this subsection;
 - (ii) The separation was necessary because of the illness or disability of the claimant or the death, illness, or disability of a member of the claimant's immediate family if:
 - (A) The claimant pursued all reasonable alternatives to preserve his or her employment status by requesting a leave of absence, by having promptly notified the employer of the reason for the absence, and by having promptly requested reemployment when again able to assume employment. These alternatives need not be pursued, however, when they would have been a futile act, including those instances when the futility of the act was a result of a recognized labor/management dispatch system; and
 - (B) The claimant terminated his or her employment status, and is not entitled to be reinstated to the same position or a comparable or similar position;
- (iii)(A) With respect to claims that have an effective date before July 2, 2006, he or she: (I) Left work to relocate for the spouse's employment that, due to a mandatory military transfer: (1) Is outside

the existing labor market area; and (2) is in Washington or another state that, pursuant to statute, does not consider such an individual to have left work voluntarily without good cause; and (II) remained employed as long as was reasonable prior to the move;

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- (B) With respect to claims that have an effective date on or after July 2, 2006, he or she: (I) Left work to relocate for the spouse's employment that, due to a mandatory military transfer, is outside the existing labor market area; and (II) remained employed as long as was reasonable prior to the move;
- (iv) The separation was necessary to protect the claimant or the claimant's immediate family members from domestic violence, as defined in RCW 26.50.010, or stalking, as defined in RCW 9A.46.110;
- 13 (v) The individual's usual compensation was reduced by twenty-five percent or more;
- 15 (vi) The individual's usual hours were reduced by twenty-five 16 percent or more;
 - (vii) The individual's worksite changed, such change caused a material increase in distance or difficulty of travel, and, after the change, the commute was greater than is customary for workers in the individual's job classification and labor market;
 - (viii) The individual's worksite safety deteriorated, the individual reported such safety deterioration to the employer, and the employer failed to correct the hazards within a reasonable period of time;
 - (ix) The individual left work because of illegal activities in the individual's worksite, the individual reported such activities to the employer, and the employer failed to end such activities within a reasonable period of time;
 - (x) The individual's usual work was changed to work that violates the individual's religious convictions or sincere moral beliefs; or
- 31 (xi) The individual left work to enter an apprenticeship program 32 approved by the Washington state apprenticeship training council. 33 Benefits are payable beginning Sunday of the week prior to the week in 34 which the individual begins active participation in the apprenticeship 35 program.
- 36 (2) With respect to separations that occur on or after September 6, 2009, and before July 4, 2010:

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(a) An individual shall be disqualified from benefits beginning with the first day of the calendar week in which he or she has left work voluntarily without good cause and thereafter for seven calendar weeks and until he or she has obtained bona fide work in employment covered by this title and earned wages in that employment equal to seven times his or her weekly benefit amount. Good cause reasons to leave work are limited to reasons listed in (b) of this subsection.

The disqualification shall continue if the work obtained is a mere sham to qualify for benefits and is not bona fide work. In determining whether work is of a bona fide nature, the commissioner shall consider factors including but not limited to the following:

(i) The duration of the work;

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- 13 (ii) The extent of direction and control by the employer over the work; and
- 15 (iii) The level of skill required for the work in light of the 16 individual's training and experience.
 - (b) An individual has good cause and is not disqualified from benefits under (a) of this subsection only under the following circumstances:
 - (i) He or she has left work to accept a bona fide offer of bona fide work as described in (a) of this subsection;
 - (ii) The separation was necessary because of the illness or disability of the claimant or the death, illness, or disability of a member of the claimant's immediate family if:
 - (A) The claimant pursued all reasonable alternatives to preserve his or her employment status by requesting a leave of absence, by having promptly notified the employer of the reason for the absence, and by having promptly requested reemployment when again able to assume employment. These alternatives need not be pursued, however, when they would have been a futile act, including those instances when the futility of the act was a result of a recognized labor/management dispatch system; and
- 33 (B) The claimant terminated his or her employment status, and is 34 not entitled to be reinstated to the same position or a comparable or 35 similar position;
- 36 (iii) The claimant: (A) Left work to relocate for the employment 37 of a spouse or domestic partner that is outside the existing labor

1 market area; and (B) remained employed as long as was reasonable prior
2 to the move;

- (iv) The separation was necessary to protect the claimant or the claimant's immediate family members from domestic violence, as defined in RCW 26.50.010, or stalking, as defined in RCW 9A.46.110;
- (v) The individual's usual compensation was reduced by twenty-five percent or more;
- 8 (vi) The individual's usual hours were reduced by twenty-five 9 percent or more;
 - (vii) The individual's worksite changed, such change caused a material increase in distance or difficulty of travel, and, after the change, the commute was greater than is customary for workers in the individual's job classification and labor market;
 - (viii) The individual's worksite safety deteriorated, the individual reported such safety deterioration to the employer, and the employer failed to correct the hazards within a reasonable period of time;
 - (ix) The individual left work because of illegal activities in the individual's worksite, the individual reported such activities to the employer, and the employer failed to end such activities within a reasonable period of time;
 - (x) The individual's usual work was changed to work that violates the individual's religious convictions or sincere moral beliefs; or
 - (xi) The individual left work to enter an apprenticeship program approved by the Washington state apprenticeship training council. Benefits are payable beginning Sunday of the week prior to the week in which the individual begins active participation in the apprenticeship program.
- 29 (3) With respect to separations that occur on or after July 4, 30 2010:
 - (a) Except as provided in (b) and (c) of this subsection, an individual shall be disqualified from benefits beginning with the first day of the calendar week in which he or she has left work voluntarily and thereafter for seven calendar weeks and until he or she has obtained bona fide work in employment covered by this title and earned wages in that employment equal to seven times his or her weekly benefit amount.

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The disqualification shall continue if the work obtained is a mere sham to qualify for benefits and is not bona fide work. In determining whether work is of a bona fide nature, the commissioner shall consider factors including but not limited to the following:

(i) The duration of the work;

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- 6 <u>(ii) The extent of direction and control by the employer over the</u> 7 <u>work; and</u>
- 8 <u>(iii) The level of skill required for the work in light of the</u> 9 individual's training and experience.
- 10 <u>(b) An individual is not disqualified from benefits under (a) of</u>
 11 this subsection under the following circumstances:
- (i) He or she has left work to accept a bona fide offer of bona fide work as described in (a) of this subsection;
- (ii) The separation was necessary because of the illness or disability of the claimant or the death, illness, or disability of a member of the claimant's immediate family if:
 - (A) The claimant pursued all reasonable alternatives to preserve his or her employment status by requesting a leave of absence, by having promptly notified the employer of the reason for the absence, and by having promptly requested reemployment when again able to assume employment. These alternatives need not be pursued, however, when they would have been a futile act, including those instances when the futility of the act was a result of a recognized labor/management dispatch system; and
 - (B) The claimant terminated his or her employment status, and is not entitled to be reinstated to the same position or a comparable or similar position;
 - (iii) The claimant:
 - (A) Left work to relocate for the employment of a spouse or domestic partner that is outside the existing labor market area; and
 - (B) Remained employed as long as was reasonable prior to the move;
- (iv) The separation was necessary to protect the claimant or the claimant's immediate family members from domestic violence, as defined in RCW 26.50.010, or stalking, as defined in RCW 9A.46.110;
- 35 <u>(v) The individual's usual compensation was reduced by twenty-five</u>
 36 <u>percent or more;</u>
- 37 <u>(vi) The individual's usual hours were reduced by twenty-five</u>
 38 percent or more;

(vii) The individual's worksite changed, such change caused a material increase in distance or difficulty of travel, and, after the change, the commute was greater than is customary for workers in the individual's job classification and labor market;

- (viii) The individual's worksite safety deteriorated, the individual reported such safety deterioration to the employer, and the employer failed to correct the hazards within a reasonable period of time;
- (ix) The individual left work because of illegal activities in the individual's worksite, the individual reported such activities to the employer, and the employer failed to end such activities within a reasonable period of time;
- 13 (x) The individual's usual work was changed to work that violates
 14 the individual's religious convictions or sincere moral beliefs; or
 - (xi) The individual left work to enter an apprenticeship program approved by the Washington state apprenticeship training council. Benefits are payable beginning Sunday of the week prior to the week in which the individual begins active participation in the apprenticeship program.
 - (c) An individual also is not disqualified from benefits under (a) of this subsection if the individual left work because continuing in employment would work an unreasonable hardship on the individual.

 "Unreasonable hardship" means a result not due to the individual's voluntary action that would cause a reasonable person to leave that employment. The circumstances must be based on existing facts, not conjecture, and the reasons for leaving work must be significant. An individual seeking to demonstrate unreasonable hardship must show that:
- 28 <u>(i) The individual left work primarily for reasons connected with</u> 29 his or her employment;
 - (ii) The work-connected reasons were of such a compelling nature they would have caused a reasonably prudent person to leave work; and
- (iii) The individual first exhausted all reasonable alternatives
 before leaving work, unless pursuing reasonable alternatives would have
 been futile.
 - (4) Notwithstanding subsections $((\frac{2}{2}))$ (1) through (3) of this section, for separations occurring on or after July 26, 2009, an individual who was simultaneously employed in full-time employment and

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- part-time employment and is otherwise eligible for benefits from the loss of the full-time employment shall not be disqualified from benefits because the individual:
- 4 (a) Voluntarily quit the part-time employment before the loss of the full-time employment; and
- 6 (b) Did not have prior knowledge that he or she would be separated 7 from full-time employment.
- 8 <u>NEW SECTION.</u> **Sec. 3.** A new section is added to chapter 50.20 RCW 9 to read as follows:
- 10 With respect to claims that have an effective date on or after 11 January 2, 2011, no otherwise eligible individual shall be denied 12 benefits for any week by reason of the application of RCW 50.20.010(1)(c), 50.20.080, or 50.22.020(1) relating to availability 13 for work and active search for work, or failure to apply for or refusal 14 to accept suitable work solely because the individual seeks, applies 15 16 for, or accepts only part-time work, instead of full-time work, if the 17 part-time work is for at least seventeen hours per week.
- 18 **Sec. 4.** RCW 50.20.100 and 2006 c 13 s 14 are each amended to read 19 as follows:
 - (1) Suitable work for an individual is employment in an occupation in keeping with the individual's prior work experience, education, or training and if the individual has no prior work experience, special education, or training for employment available in the general area, then employment which the individual would have the physical and mental ability to perform. In determining whether work is suitable for an individual, the commissioner shall also consider the degree of risk involved to the individual's health, safety, and morals, the individual's physical fitness, the individual's length of unemployment and prospects for securing local work in the individual's customary occupation, the distance of the available work from the individual's residence, and such other factors as the commissioner may deem pertinent, including state and national emergencies.
- 33 (2) For individuals with base year work experience in agricultural 34 labor, any agricultural labor available from any employer shall be 35 deemed suitable unless it meets conditions in RCW 50.20.110 or the

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commissioner finds elements of specific work opportunity unsuitable for a particular individual.

- (3) ((For part-time workers as defined in RCW 50.20.119, suitable work includes suitable work under subsection (1) of this section that is for seventeen or fewer hours per week.
- (4)) For individuals who have qualified for unemployment compensation benefits under RCW 50.20.050 (1)(b)(iv) (($\frac{1}{2}$)), 8 (2)(b)(iv), or (3)(b)(iv), as applicable, an evaluation of the suitability of the work must consider the individual's need to address the physical, psychological, legal, and other effects of domestic violence or stalking.
- **Sec. 5.** RCW 50.20.119 and 2006 c 13 s 15 are each amended to read 13 as follows:
 - (1) With respect to claims that have an effective date on or after January 2, 2005, and before January 2, 2011, an otherwise eligible individual may not be denied benefits for any week because the individual is a part-time worker and is available for, seeks, applies for, or accepts only work of seventeen or fewer hours per week by reason of the application of RCW 50.20.010(1)(c), 50.20.080, or 50.22.020(1) relating to availability for work and active search for work, or failure to apply for or refusal to accept suitable work.
 - (2) For purposes of this section, "part-time worker" means an individual who: (a) Earned wages in "employment" in at least forty weeks in the individual's base year; and (b) did not earn wages in "employment" in more than seventeen hours per week in any weeks in the individual's base year.
- **Sec. 6.** RCW 50.20.240 and 2006 c 13 s 16 are each amended to read 28 as follows:
 - (1)(a) To ensure that following the initial application for benefits, an individual is actively engaged in searching for work, the employment security department shall implement a job search monitoring program. Effective January 4, 2004, the department shall contract with employment security agencies in other states to ensure that individuals residing in those states and receiving benefits under this title are actively engaged in searching for work in accordance with the requirements of this section. The department may use interactive voice

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technology and other electronic means to ensure that individuals are subject to comparable job search monitoring, regardless of whether they reside in Washington or elsewhere.

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- (b) Except for those individuals with employer attachment or union referral, individuals who qualify for unemployment compensation under RCW 50.20.050 (1)(b)(iv) $((or))_{,}$ (2)(b)(iv) or, (3)(b)(iv), applicable, and individuals in commissioner-approved training, individual who has received five or more weeks of benefits under this title, regardless of whether the individual resides in Washington or elsewhere, must provide evidence of seeking work, as directed by the commissioner or the commissioner's agents, for each week beyond five in which a claim is filed. With regard to claims with an effective date before January 4, 2004, the evidence must demonstrate contacts with at least three employers per week or documented in-person job search activity at the local reemployment center. With regard to claims with an effective date on or after January 4, 2004, the evidence must demonstrate contacts with at least three employers per week or documented in-person job search activities at the local reemployment center at least three times per week.
 - (c) In developing the requirements for the job search monitoring program, the commissioner or the commissioner's agents shall utilize an existing advisory committee having equal representation of employers and workers.
- (2) Effective January 4, 2004, an individual who fails to comply fully with the requirements for actively seeking work under RCW 50.20.010 shall lose all benefits for all weeks during which the individual was not in compliance, and the individual shall be liable for repayment of all such benefits under RCW 50.20.190.
- 29 **Sec. 7.** RCW 50.29.021 and 2009 c 493 s 1, 2009 c 50 s 1, and 2009 c 3 s 13 are each reenacted and amended to read as follows:
- 31 (1) This section applies to benefits charged to the experience 32 rating accounts of employers for claims that have an effective date on 33 or after January 4, 2004.
- 34 (2)(a) An experience rating account shall be established and 35 maintained for each employer, except employers as described in RCW 36 50.44.010, 50.44.030, and 50.50.030 who have properly elected to make 37 payments in lieu of contributions, taxable local government employers

as described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, based on existing records of the employment security department.

- (b) Benefits paid to an eligible individual shall be charged to the experience rating accounts of each of such individual's employers during the individual's base year in the same ratio that the wages paid by each employer to the individual during the base year bear to the wages paid by all employers to that individual during that base year, except as otherwise provided in this section.
- (c) When the eligible individual's separating employer is a covered contribution paying base year employer, benefits paid to the eligible individual shall be charged to the experience rating account of only the individual's separating employer if the individual qualifies for benefits under:
- (i) RCW 50.20.050 (1)(b)(i), (2)(b)(i), or (3)(b)(i), as applicable, and became unemployed after having worked and earned wages in the bona fide work; or
 - (ii) RCW 50.20.050 (1)(b) (v) through (x), (2)(b) (v) through (x), or (3)(b) (v) through (x), as applicable.
 - (3) The legislature finds that certain benefit payments, in whole or in part, should not be charged to the experience rating accounts of employers except those employers described in RCW 50.44.010, 50.44.030, and 50.50.030 who have properly elected to make payments in lieu of contributions, taxable local government employers described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, as follows:
 - (a) Benefits paid to any individual later determined to be ineligible shall not be charged to the experience rating account of any contribution paying employer. However, when a benefit claim becomes invalid due to an amendment or adjustment of a report where the employer failed to report or inaccurately reported hours worked or remuneration paid, or both, all benefits paid will be charged to the experience rating account of the contribution paying employer or employers that originally filed the incomplete or inaccurate report or reports. An employer who reimburses the trust fund for benefits paid to workers and who fails to report or inaccurately reported hours worked or remuneration paid, or both, shall reimburse the trust fund

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- for all benefits paid that are based on the originally filed incomplete or inaccurate report or reports.
- (b) Benefits paid to an individual filing under the provisions of chapter 50.06 RCW shall not be charged to the experience rating account of any contribution paying employer only if:
- (i) The individual files under RCW 50.06.020(1) after receiving crime victims' compensation for a disability resulting from a nonwork-related occurrence; or
 - (ii) The individual files under RCW 50.06.020(2).

- (c) Benefits paid which represent the state's share of benefits payable as extended benefits defined under RCW 50.22.010(6) shall not be charged to the experience rating account of any contribution paying employer.
- (d) In the case of individuals who requalify for benefits under RCW 50.20.050 or 50.20.060, benefits based on wage credits earned prior to the disqualifying separation shall not be charged to the experience rating account of the contribution paying employer from whom that separation took place.
- (e) Benefits paid to an individual who qualifies for benefits under RCW 50.20.050 (1)(b) (iv) or (xi), (2)(b) (iv) or (xi) or (3)(b) (iv) or (xi), as applicable, shall not be charged to the experience rating account of any contribution paying employer.
- (f) With respect to claims with an effective date on or after the first Sunday following April 22, 2005, benefits paid that exceed the benefits that would have been paid if the weekly benefit amount for the claim had been determined as one percent of the total wages paid in the individual's base year shall not be charged to the experience rating account of any contribution paying employer. This subsection (3)(f) does not apply to the calculation of contribution rates under RCW 50.29.025 for rate year 2010 and thereafter.
- (g) The forty-five dollar increase paid as part of an individual's weekly benefit amount as provided in RCW 50.20.1201 shall not be charged to the experience rating account of any contribution paying employer.
- 35 (h) With respect to claims where the minimum amount payable weekly 36 is increased to one hundred fifty-five dollars pursuant to RCW 37 50.20.1201(3), benefits paid that exceed the benefits that would have

been paid if the minimum amount payable weekly had been calculated pursuant to RCW 50.20.120 shall not be charged to the experience rating account of any contribution paying employer.

- (i) Training benefits paid to an individual under RCW 50.22.155 shall not be charged to the experience rating account of any contribution paying employer.
- (4)(a) A contribution paying base year employer, not otherwise eligible for relief of charges for benefits under this section, may receive such relief if the benefit charges result from payment to an individual who:
- (i) Last left the employ of such employer voluntarily for reasons not attributable to the employer;
- (ii) Was discharged for misconduct or gross misconduct connected with his or her work not a result of inability to meet the minimum job requirements;
 - (iii) Is unemployed as a result of closure or severe curtailment of operation at the employer's plant, building, worksite, or other facility. This closure must be for reasons directly attributable to a catastrophic occurrence such as fire, flood, or other natural disaster;
 - (iv) Continues to be employed on a regularly scheduled permanent part-time basis by a base year employer and who at some time during the base year was concurrently employed and subsequently separated from at least one other base year employer. Benefit charge relief ceases when the employment relationship between the employer requesting relief and the claimant is terminated. This subsection does not apply to shared work employers under chapter 50.06 RCW; or
 - (v) Was hired to replace an employee who is a member of the military reserves or National Guard and was called to federal active military service by the president of the United States and is subsequently laid off when that employee is reemployed by their employer upon release from active duty within the time provided for reemployment in RCW 73.16.035.
 - (b) The employer requesting relief of charges under this subsection must request relief in writing within thirty days following mailing to the last known address of the notification of the valid initial determination of such claim, stating the date and reason for the separation or the circumstances of continued employment. The

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1 commissioner, upon investigation of the request, shall determine 2 whether relief should be granted.

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NEW SECTION. Sec. 8. If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state or the eligibility of employers in this state for federal unemployment tax credits, the conflicting part of this act is inoperative solely to the extent of the conflict, and the finding or determination does not affect the operation of the remainder of this act. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state or the granting of federal unemployment tax credits to employers in this state.

NEW SECTION. Sec. 9. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

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