
SUBSTITUTE HOUSE BILL 2344

State of Washington 62nd Legislature 2012 Regular Session

By House Labor & Workforce Development (originally sponsored by Representatives Angel, Sells, Condotta, and Moscoso)

READ FIRST TIME 01/31/12.

1 AN ACT Relating to not disqualifying certain corporate officers
2 from receiving unemployment benefits; amending RCW 50.04.310; creating
3 a new section; and declaring an emergency.

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

5 **Sec. 1.** RCW 50.04.310 and 2007 c 146 s 5 are each amended to read
6 as follows:

7 (1) An individual:

8 (a) Is "unemployed" in any week during which the individual
9 performs no services and with respect to which no remuneration is
10 payable to the individual, or in any week of less than full time work,
11 if the remuneration payable to the individual with respect to such week
12 is less than one and one-third times the individual's weekly benefit
13 amount plus five dollars. The commissioner shall prescribe regulations
14 applicable to unemployed individuals making such distinctions in the
15 procedures as to such types of unemployment as the commissioner deems
16 necessary.

17 (~~(2) An individual~~) (b) Is not "unemployed" (~~during~~) in any
18 week which falls totally within a period during which the individual,
19 pursuant to a collective bargaining agreement or individual employment

1 contract, is employed full time in accordance with a definition of full
2 time contained in the agreement or contract, and for which compensation
3 for full time work is payable. This subsection may not be applied
4 retroactively to an individual who had no guarantee of work at the
5 start of such period and subsequently is provided additional work by
6 the employer.

7 ~~((3))~~ (2)(a) An officer of a corporation who owns ten percent or
8 more of the outstanding stock of the corporation, or a corporate
9 officer who is a family member of an officer who owns ten percent or
10 more of the outstanding stock of the corporation, whose claim for
11 benefits is based on any wages with that corporation(~~(, is)~~):

12 ~~((a))~~ (i) Is not "unemployed" in any week during the individual's
13 term of office or ownership in the corporation, even if wages are not
14 being paid(~~(+)~~), unless the corporate officer's covered base year wages
15 with that corporation are less than twenty-five percent of his or her
16 total covered base year wages.

17 ~~((b))~~ (ii) Is "unemployed" in any week upon dissolution of the
18 corporation or if the officer permanently resigns or is permanently
19 removed from their appointment and responsibilities with that
20 corporation in accordance with its articles of incorporation or bylaws
21 or if the corporate officer's covered base year wages with that
22 corporation are less than twenty-five percent of his or her total
23 covered base year wages.

24 (b) As used in this subsection (2), "family member" means persons
25 who are members of a family by blood or marriage as parents,
26 stepparents, grandparents, spouses, children, brothers, sisters,
27 stepchildren, adopted children, or grandchildren.

28 NEW SECTION. Sec. 2. If any part of this act is found to be in
29 conflict with federal requirements that are a prescribed condition to
30 the allocation of federal funds to the state or the eligibility of
31 employers in this state for federal unemployment tax credits, the
32 conflicting part of this act is inoperative solely to the extent of the
33 conflict, and the finding or determination does not affect the
34 operation of the remainder of this act. Rules adopted under this act
35 must meet federal requirements that are a necessary condition to the
36 receipt of federal funds by the state or the granting of federal
37 unemployment tax credits to employers in this state.

1 NEW SECTION. **Sec. 3.** If any provision of this act or its
2 application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

5 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
6 preservation of the public peace, health, or safety, or support of the
7 state government and its existing public institutions, and takes effect
8 immediately.

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