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**Labor & Workforce Development  
Committee**

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**HB 1056**

**Brief Description:** Authorizing certain corporate officers to receive unemployment benefits.

**Sponsors:** Representatives Angel, Manweller and Sells.

**Brief Summary of Bill**

- Specifies that a corporate officer is unemployed if the officer's wages with the corporation are less than 25 percent of the officer's total wages.

**Hearing Date:** 1/23/13

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

**Background:**

The unemployment compensation system is designed and intended to provide partial wage replacement for individuals who are unemployed through no fault of their own. Unemployment benefits are payable to individuals who are unemployed and who meet other eligibility requirements.

The general rule specifies that an individual is unemployed if he or she performs no paid services or performs less than full-time work. The weekly compensation from the part-time work must be less than 1-1/3 times the individual's weekly unemployment benefits plus \$5.

A special rule applies to corporate officers who own 10 percent or more of a corporation's outstanding stock or who are family members of such an officer. This rule specifies that such a corporate officer is unemployed if the corporation is dissolved or if the officer permanently resigns or is permanently removed from office.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill:**

The special rule applicable to corporate officers is modified. A corporate officer is also unemployed if the officer's base year wages with the corporation are less than 25 percent of the officer's total base year wages.

**Appropriation:** None.

**Fiscal Note:** Requested on 1/17/13.

**Effective Date:** The bill takes effect on December 29, 2013.