

# FINAL BILL REPORT

## HB 1056

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Synopsis as Enacted

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

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

**House Committee on Labor & Workforce Development**  
**Senate Committee on Commerce & Labor**

**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 a qualifying corporate officer is unemployed if the corporation is dissolved or if the officer permanently resigns or is permanently removed from office.

**Summary:**

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.

**Votes on Final Passage:**

House	96	0
Senate	36	12

**Effective:** December 29, 2013

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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.*