

FINAL BILL REPORT

EHB 1394

C 122 L 13
Synopsis as Enacted

Brief Description: Changing the employment security department's settlement authority.

Sponsors: Representatives Reykdal, Manweller, Sells, Hunt, Green, Van De Wege and Appleton; by request of Employment Security Department.

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

Background:

Most employment is covered for purposes of unemployment insurance. Most covered employers are required to pay contributions (taxes) on a percentage of their taxable payroll. Alternatively, some employers reimburse the Employment Security Department (ESD) for benefits paid to their former workers.

The ESD is authorized to compromise with employers for owed taxes, interest, or penalties when collection of the full amount would result in the insolvency of the employer. With individual claimants who have received a benefit overpayment, however, the ESD may settle if it would be against equity and good conscience to collect the full amount.

Summary:

The ESD may compromise and settle with employers under the same standards as it does with individual claimants. The ESD is authorized to enter into settlement agreements with employers for less than the amount of contributions, interest, or penalties due, regardless of whether the employer would be facing insolvency if forced to pay the full amount, if collection of the full amount would be against equity and good conscience.

The ESD's settlement authority applies retroactively to January 1, 2013.

Votes on Final Passage:

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|--------|----|---|-------------------|
| House | 96 | 0 | |
| Senate | 48 | 0 | (Senate amended) |
| House | 94 | 0 | (House concurred) |

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.

Effective: May 3, 2013