

# SENATE BILL REPORT

## HB 1903

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As Reported by Senate Committee On:  
Commerce & Labor, March 27, 2013

**Title:** An act relating to unemployment insurance benefit charging relief for part-time employers who continue to employ a claimant on a part-time basis and the claimant qualified for two consecutive claims with wages attributable to at least one employer who employed the claimant in both base years.

**Brief Description:** Providing unemployment insurance benefit charging relief for part-time employers who continue to employ a claimant on a part-time basis and the claimant qualified for two consecutive claims with wages attributable to at least one employer who employed the claimant in both base years.

**Sponsors:** Representatives Fitzgibbon and Ryu.

**Brief History:** Passed House: 3/09/13, 87-10.

**Committee Activity:** Commerce & Labor: 3/25/13, 3/27/13 [DP].

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### SENATE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass.

Signed by Senators Holmquist Newbry, Chair; Braun, Vice Chair; Conway, Ranking Member; Hasegawa, Hewitt and King.

**Staff:** Mac Nicholson (786-7445)

**Background:** The unemployment compensation program is a federal and state program that provides wage replacement benefits to people who became unemployed through no fault of their own. A state payroll tax levied on employers provides funding for benefits, and includes an experience-rated component and a social tax component. An employer's experience-rated component of the unemployment insurance (UI) tax is calculated using all UI benefits paid to claimants that are charged to the employer. The social tax covers benefit payments that are not charged to any specific employer; rather, the benefits are socialized among all rate-paying employers.

When a claimant has multiple employers during the claimant's base year and is separated from at least one of the employers, benefits will be charged to all employers on a pro rata basis according to the amount of wages paid to the claimant by the employer compared to the

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total wages paid to the claimant by all employers. An employer who concurrently employed the claimant on a permanent part-time basis during the claimant's base year, and continues to do so, may request benefit charge relief.

**Summary of Bill:** An additional benefit charge relief allowance is established for employers who continue to employ a claimant who qualified for two consecutive unemployment claims. The benefit charge can be requested by the employer when wages were attributable to the employer in both of the claimant's base years, and the employer continues to employ the claimant on a permanent part-time basis.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill takes effect on January 1, 2014.

**Staff Summary of Public Testimony:** PRO: This bill incentivizes small businesses to hire unemployed workers rather than penalize them for doing so. This is a small, common-sense way to encourage employers to hire people. This will provide relief in a limited circumstance for employers.

OTHER: The concern is over the socialized cost of the legislation. This is a very real problem. There should be another way to address the problem rather than socializing the cost.

**Persons Testifying:** PRO: Representative Fitzgibbon, prime sponsor; Trent House, Optometric Physicians of WA.

OTHER: Mark Johnson, WA Retail Assn.