
**Labor & Workplace Standards
Committee**

HB 2613

Brief Description: Granting relief of unemployment benefit charges when discharge is required by law and removing outdated statutory language.

Sponsors: Representatives Sells and Mosbrucker; by request of Employment Security Department.

Brief Summary of Bill

- Allows for employer relief of unemployment insurance benefit charges for claimants unable to satisfy a job prerequisite.
- Requires annual reports from the Employment Security Department to its Advisory Council on noncharged benefits due to temporary replacements for workers on Paid Family and Medical Leave.
- Removes outdated statutory provisions.

Hearing Date: 1/20/20

Staff: Lily Smith (786-7175).

Background:

The unemployment compensation system provides partial wage replacement benefits for workers who are unemployed through no fault of their own. Eligible unemployed workers receive benefits based on their earnings in their base year. The Employment Security Department (Department) administers this system.

Most covered employers pay contributions through payroll taxes to finance benefits. The tax rate for these employers is experience rated so that the rate is determined, in part, by the benefits paid to its employees. Benefits are charged to base year employers on a pro rata basis according to the amount of wages paid to the claimant by the employer in the claimant's base year compared to

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the wages paid by all employers. Some benefits, however, are "non-charged" and are pooled within the unemployment system or "socialized."

Noncharged benefits include, for example, benefits paid to an individual later found to be ineligible. Other benefits may be noncharged if the employer requests relief from charging, for example, benefits paid to an individual that left voluntarily or was discharged for misconduct.

The Employment Security Advisory Council (ESAC) is tasked with assisting the Commissioner of the Department in creating policies and discussing problems in the administration of unemployment insurance. The ESAC consists in equal parts of representatives of employers, employees, and the general public.

Paid Family and Medical Leave (PFML) provides partial wage replacement and job protection to employees on leave for specified family and medical reasons.

Summary of Bill:

An additional basis allowing an employer to request relief from benefit charges is established. An employer is eligible for relief from charges attributable to a claimant who was discharged because they were unable to satisfy a job prerequisite required by law or rule.

The Commissioner of the Department must annually report to ESAC, beginning in 2021 and ending in 2030, the amount of non-charged benefits due to layoffs of employees that temporarily replaced permanent employees on PFML.

Outdated statutory provisions are removed, and conforming changes are made.

Appropriation: None.

Fiscal Note: Requested on January 14, 2020.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.