

FINAL BILL REPORT

SHB 2613

C 86 L 20
Synopsis as Enacted

Brief Description: Granting relief of unemployment benefit charges when discharge is required by law and removing outdated statutory language.

Sponsors: House Committee on Labor & Workplace Standards (originally sponsored by Representatives Sells and Mosbrucker; by request of Employment Security Department).

House Committee on Labor & Workplace Standards
Senate Committee on Labor & Commerce

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 the wages paid by all employers. Some benefits, however, are "noncharged" 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.

Summary:

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.

An additional basis is established to allow an employer to request relief from benefit charges. 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 the ESAC, beginning in 2021 and ending in 2030, the amount of noncharged benefits due to the new basis for relief.

Outdated statutory provisions are removed, and conforming changes are made.

Votes on Final Passage:

House	96	0
Senate	46	0

Effective: June 11, 2020