
**Labor & Workplace Standards
Committee**

ESSB 5473

Brief Description: Studying exceptions to provisions disqualifying individuals from receiving unemployment benefits for leaving work voluntarily without good cause.

Sponsors: Senate Committee on Labor & Commerce (originally sponsored by Senators Saldaña and Nguyen).

Brief Summary of Engrossed Substitute Bill

- Requires the Employment Security Department to study economic impacts if unemployment benefits were allowed for certain voluntary quits.

Hearing Date: 2/20/20

Staff: Lily Smith (786-7175).

Background:

Unemployment Insurance.

The unemployment insurance system is designed to provide partial wage replacement for workers who are unemployed. The Employment Security Department (Department) administers this system.

A claimant is eligible to receive unemployment benefits if the claimant: (1) worked at least 680 hours in the base year; (2) was separated from employment through no fault of the claimant's or quit work for good cause; and (3) is available to work and is actively searching for work.

Good Cause Quit.

A claimant may quit and maintain eligibility for benefits only under good cause quit circumstances listed in statute. These circumstances include when the separation was necessary because of the illness or disability of the claimant or death, illness, or disability of an immediate

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family member. This good cause quit circumstance requires that the claimant: (1) pursued all reasonable alternatives to preserve his or her employment status by requesting a leave of absence, having promptly notified the employer of the reason for the absence, and having promptly requested reemployment when able to work; and (2) terminated his or her employment status and is not entitled to be reinstated to the same, comparable, or similar position.

Benefit Charging.

Most employers pay contributions (payroll taxes) to finance unemployment benefits. An employer's tax rate 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, such as those paid for certain good cause quits, are charged only to the separating employer.

Summary of Bill:

The Department must study the impacts to Washington's unemployment insurance trust fund and the contribution rates of employers if the law was amended to allow unemployment insurance benefits for individuals who leave work voluntarily for the following reasons:

- the separation was necessary due to inaccessibility of care for a child or a vulnerable adult, if the claimant complies with certain conditions;
- the employer, without a commensurate change in pay, substantially increases the individual's job duties or significantly changes the individual's working conditions; or
- the individual left work to relocate outside the existing labor market because of the geographical location of or proximity to and the separation from a minor child.

The Department may consider Washington law and other states' laws governing the disqualification of individuals from receiving unemployment benefits for leaving work voluntarily without good cause, as well as any other information the Department deems relevant.

The Department must meet at least three times with a representative of the largest business association and a representative of an organization that provides low-cost representation or free advice and counsel to people regarding their unemployment benefits, to discuss the information gathered by the Department.

By November 6, 2020, the Department must report to the Governor and the appropriate committees of the Legislature, providing the impact described above and any recommendations for how the statutes and rules may be amended to address these circumstances while limiting adverse impacts to the unemployment trust fund and the contribution rates of employers.

Appropriation: None.

Fiscal Note: Available.

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