FINAL BILL REPORT ESSB 5473

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Synopsis as Enacted

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).

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

Background: Unemployment Benefit Eligibility Conditions. An unemployed individual is eligible to receive waiting period credits or benefits with respect to any week in the eligibility period if the individual:

- has registered for work at, and continues to report at, an employment office;
- has filed an application for an initial determination and made a claim for waiting period credit or for benefits;
- is able to work, and is available for work in any trade, occupation, profession, or business for which the individual is reasonably fitted;
- participates in reemployment services, if so referred; and
- has been unemployed for a waiting period of one week.

To be available for work, an individual must be ready, able, and willing, to accept any suitable work immediately which may be offered and must be actively seeking work pursuant to customary trade practices.

<u>Disqualification for Leaving Work Without Good Cause.</u> An individual will be disqualified from benefits beginning with the first day of the calendar week in which the individual has left work voluntarily without good cause and for the following seven calendar weeks and until the individual has obtained bona fide work in employment and earned wages in that employment equal to seven times the weekly benefit amount.

Good Cause For Leaving Work. There are a number of reasons for leaving work that are considered good cause, including because of the individual's illness or disability, or the death, illness, or disability of a member of the individual's immediate family if the individual took all reasonable precautions to protect the employment status by having promptly notified the employer of the reason for the absence and requested reemployment when the individual is able to assume employment again.

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 individual is disqualified from benefits, if the individual has failed without good cause, either to apply for available, suitable work, or to accept suitable work when offered, or to return to the individual's self-employment.

<u>Suitable Work.</u> Suitable work is employment in an occupation in keeping with the individual's prior work experience, education, or training and if the individual has no prior work experience, special education, or training for employment available in the general area, then employment which the individual would have the physical and mental ability to perform. In determining whether work is suitable, the Employment Security Department (ESD) considers:

- the degree of risk involved to the individual's health, safety, and morals;
- the individual's physical fitness;
- the individual's length of unemployment and prospects for securing local work in the individual's customary occupation; and
- the distance of the available work from the individual's residence.

<u>Employer Rating.</u> Unemployment benefits paid are not charged to the experience rating account of any contribution paying employer if the individual qualifies for benefits because (1) the separation was necessary to protect the claimant or the claimant's immediate family from domestic violence or stalking; or (2) the individual left work to enter an approved apprenticeship program.

Summary: ESD 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 because care for a child or a vulnerable adult in the claimant's care is inaccessible, so long as the claimant made reasonable efforts to preserve the employment status by requesting a leave of absence or changes in working conditions or work schedule that would accommodate the caregiving inaccessibility, by having promptly notified the employer of the reason for the absence, and by having promptly requested reemployment when again able to assume employment;
- the employer, without a commensurate change in pay, substantially increases the individual's job duties; or significantly changes the individual's working conditions; and
- 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.

ESD must also study the impacts to the trust fund if the law was amended to allow unemployment insurance benefits for individuals who leave work voluntarily for the three reasons described above, and the benefits were not charged to the employers' experience rating accounts.

ESD may consider:

• the existing and prior Washington laws, rules, and case law governing the disqualification of individuals from receiving unemployment benefits for leaving work voluntarily without good cause;

- the laws and regulations of other states governing the disqualification of individuals from receiving unemployment benefits for leaving work voluntarily without good cause; and
- any other information the employment security department deems relevant.

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

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

Legislative intent is provided.

Votes on Final Passage:

Senate 40 6

House 57 40 (House amended) Senate 32 17 (Senate concurred)

Effective: June 11, 2020