

SENATE BILL REPORT

SB 5716

As Reported by Senate Committee On:
Labor & Commerce, February 4, 2019

Title: An act relating to defining when federal government employees are unemployed for purposes of unemployment insurance.

Brief Description: Defining when federal government employees are unemployed for purposes of unemployment insurance.

Sponsors: Senators Keiser, Wellman, Saldaña, Conway, Hunt, Kuderer, Nguyen and Randall.

Brief History:

Committee Activity: Labor & Commerce: 1/31/19, 2/04/19 [DP, w/oRec].

Brief Summary of Bill

- Provides that a federal government employee is unemployed for purposes of unemployment insurance in any week the employee is not receiving wages due to the government's failure to appropriate funding used to pay the wages, regardless of whether the individual is performing any services for the unit of federal government during that week.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Saldaña, Walsh and Wellman.

Minority Report: That it be referred without recommendation.

Signed by Senators King, Ranking Member; Braun.

Staff: Susan Jones (786-7404)

Background: The unemployment insurance system is designed and intended to provide partial wage replacement for workers who are unemployed. Unemployment contributions are paid by employers based, in part, on wages paid in covered employment. Most employment is covered employment.

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.

Eligible unemployed workers receive benefits based on their earnings in their base year. The base year is typically the first four of the last five completed calendar quarters. The Employment Security Department administers the unemployment insurance system.

Unemployment benefits are payable to unemployed workers who meet certain eligibility requirements. A claimant is eligible to receive unemployment insurance benefits if the claimant:

- worked at least 680 hours in the base year;
- was separated from employment through no fault of the claimant's own or quit work for good cause; and
- is available to work, meaning a claimant must be ready, able, and willing to accept any suitable work, and is actively searching for work.

Suitable work is generally employment in an occupation in keeping with the claimant's prior work experience, education, and training.

An individual:

- is generally unemployed in any week during which the individual performs no services and with respect to which no remuneration is payable to the individual, or in any week of less than full time work, if the remuneration payable to the individual with respect to such week is less than one and one-third times the individual's weekly benefit amount plus five dollars.
- is not unemployed in any week which falls totally within a period during which the individual, pursuant to a collective bargaining agreement or individual employment contract, is employed full time in accordance with a definition of full time contained in the agreement or contract, and for which compensation for full time work is payable. This may not be applied retroactively to an individual who had no guarantee of work at the start of such period and subsequently is provided additional work by the employer.

Summary of Bill: An employee of a unit of federal government is unemployed in any week the individual is not receiving wages due to failure of federal government to appropriate the funding used to pay the individual's wages, regardless of whether the individual is performing any services for the unit of federal government at any time during the week.

The bill is retroactive to December 22, 2018.

Appropriation: None.

Fiscal Note: Requested on January 29, 2019.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Staff Summary of Public Testimony: PRO: Unemployment insurance is meant to provide financial support for workers who are unemployed through no fault of their own. There have been federal government shutdowns before where some workers were furloughed and others were deemed essential and required to work without pay. It has never been of this scale and

length of time. For the first time, there was impact to our communities and our economies. There were as many as 16,000 workers who missed multiple paychecks. These workers' jobs are to keep us safe, healthy, and prosperous. They are food inspectors; T.S.A., I.R.S., and F.B.I. agents; Coast Guard officers; Border Patrol agents; air traffic controllers and so many other positions. During most of the shutdown, only those who were not working were eligible for unemployment benefits. When this bill becomes law, unemployment benefits will be extended to those workers who were considered essential and working but without pay. We will demonstrate that Washington State supports the federal workers who support all of us.

Persons Testifying: PRO: Senator Karen Keiser, Prime Sponsor; Suzi LeVine, Commissioner, Employment Security Department.

Persons Signed In To Testify But Not Testifying: No one.