

HOUSE BILL REPORT

HB 1486

As Reported by House Committee On:
Labor & Workplace Standards

Title: An act relating to qualifications for unemployment insurance when an individual voluntarily leaves work.

Brief Description: Concerning qualifications for unemployment insurance when an individual voluntarily leaves work.

Sponsors: Representatives Berry, Bronoske, Wicks, Fitzgibbon, Lovick, Shewmake, Lekanoff, Senn, Peterson, Sells, Ramel, Callan, Valdez, Ormsby, Chopp, Harris-Talley, Berg and Pollet.

Brief History:

Committee Activity:

Labor & Workplace Standards: 2/10/21, 2/12/21 [DP].

Brief Summary of Bill

- Adds unemployment insurance good cause quit provisions relating to inaccessibility of certain care and for relocation near a minor child.
- Allows individuals with caregiving responsibilities to restrict their availability and have certain responsibilities considered in the determination of suitable work.
- Makes benefits paid for inaccessibility of certain care due to shift alteration only chargeable to the separating employer.
- Makes benefits paid related to relocation near a minor child noncharged.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: Do pass. Signed by 4 members: Representatives Sells, Chair; Berry,

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Vice Chair; Bronoske and Ortiz-Self.

Minority Report: Do not pass. Signed by 3 members: Representatives Hoff, Ranking Minority Member; Mosbrucker, Assistant Ranking Minority Member; Harris.

Staff: Lily Smith (786-7175).

Background:

General.

The unemployment insurance (UI) system is designed to provide partial wage replacement for workers who are unemployed. 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 (ESD) 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 Quits.

A claimant may quit and maintain eligibility for benefits only under good cause quit circumstances listed in statute.

One good cause quit circumstance is when the separation was necessary because of the illness or disability of the claimant or death, illness, or disability of an immediate 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.

Suitable Work.

To be available for work, a claimant must be ready, able, and willing to accept any suitable work. Suitable work is employment in an occupation in keeping with the claimant's prior work experience, education, and training, or if the claimant has no work experience, other criteria apply. In determining whether work is suitable, the ESD Commissioner must consider a number of factors.

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. A contribution-paying employer may also request relief of certain benefit charges, including for those paid to an individual who last left the employment voluntarily for reasons not attributable to the employer.

2020 Employment Security Department Study.

In 2020 Engrossed Substitute Senate Bill 5473 required the ESD to study and report the impacts to Washington's UI trust fund and the contribution rates of employers if the law was amended to allow UI benefits for individuals who leave work voluntarily for several reasons, including due to inaccessibility of care for a child or vulnerable adult, and for relocation near a minor child. The ESD was also required to study the impacts to the trust fund if these UI benefits were noncharged.

Summary of Bill:

Good Cause Quits.

For claims on or after July 3, 2022:

- the good cause quit circumstance due to death, illness, or disability is modified to:
 - apply to a "family member," rather than "immediate family";
 - include the reason that care for a child or vulnerable adult in the claimant's care is inaccessible; and
 - change the condition that the claimant "pursued all alternatives" to preserve his or her employment status to that the claimant "made reasonable efforts";
- a good cause quit is added for an alteration of the claimant's usual work shifts so as to make care for a child or vulnerable adult in the claimant's care inaccessible; and
- a good cause quit is added for separation from work to relocate outside the existing labor market because of the geographical location of, proximity to, or the separation from a minor child.

Suitable Work.

With respect to searching for work, unemployed individuals with caregiving responsibilities may restrict their hours or days of availability if they show that there is no other person to provide the care within their means, and that there is still a substantial market of employment open to them after the restrictions. In determining suitable work for job search requirements, the ESD Commissioner must consider the individual's responsibilities to provide care for a child or vulnerable adult in the individual's care.

Benefit Charging.

Benefits for a claimant qualifying for a good cause quit due to a work shift alteration are

charged only to the separating employer.

Benefits paid when a claimant left work to relocate outside the existing labor market because of the geographical location of, proximity to, or the separation from a minor child are not charged to contribution-paying 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.

Staff Summary of Public Testimony:

(In support) This bill addresses a range of circumstances not within an individual's control and a systemic problem. Workers may be asked to do overtime or shift hours on short notice, be forced to quit due to caregiving responsibilities, and then have no access to benefits. Voluntary quits are not really voluntary. Workers want to stay employed. Washington's acceptable voluntary quit reasons are restrictive. Reasonable requirements will help keep people in the workforce. The unemployment insurance system forces families to pay a steep price for caregiving. This is a modest and narrow expansion that would have a negligible impact on the fund.

(Opposed) Other states may have more lenient voluntary quit provisions, but they also pay less in unemployment insurance benefits compared to Washington. Other funds and programs should be explored to address these issues. There is concern with the methodology used in the ESD study of impacts from these types of voluntary quits. Employers want to help solve the childcare crisis to be able to find and retain good workers, but they already fully fund the unemployment insurance system, and it should not be used to subsidize voluntary quits. There is already an expansive voluntary quit list. The standards in this bill are not defined clearly.

Persons Testifying: (In support) Representative Berry, prime sponsor; Anne Paxton, Unemployment Law Project; Clive Pontusson, Skidmore Fomina, PLLC; Deborah Sundblad, HKM Employment Attorneys; and Joe Kendo, Washington State Labor Council, American Federation of Labor and Congress of Industrial Organizations.

(Opposed) Bob Battles, Association of Washington Business; Tammie Hetrick, Washington Food Industry Association; Julia Gorton, Washington Hospitality Association; and Jerry Vanderwood, Associated General Contractors of Washington.

Persons Signed In To Testify But Not Testifying: None.