

HOUSE BILL REPORT

SHB 1492

As Passed House:
February 24, 2021

Title: An act relating to extended benefits in the unemployment insurance system.

Brief Description: Concerning extended benefits in the unemployment insurance system.

Sponsors: House Committee on Labor & Workplace Standards (originally sponsored by Representatives Sells, Macri, Lovick, Berry, Slatter, Thai, Pollet, Ormsby and Stonier).

Brief History:

Committee Activity:

Labor & Workplace Standards: 2/9/21, 2/12/21 [DPS].

Floor Activity:

Passed House: 2/24/21, 94-2.

Brief Summary of Substitute Bill

- Allows claimants of unemployment insurance to be eligible for extended benefits regardless of whether their 52-week benefit year has expired.
- Allows the state's extended benefit program to "trigger on" without having to wait the 13 weeks between extended benefit periods.
- Amends a job search provision, for the purposes of federal conformity, regarding denying extended benefits for failing to accept an offer of, or apply for, suitable work.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Sells, Chair; Berry, Vice Chair; Hoff, Ranking Minority Member; Mosbrucker, Assistant Ranking Minority Member; Bronoske, Harris and

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.

Ortiz-Self.

Staff: Trudes Tango (786-7384).

Background:

An unemployed individual is eligible to receive unemployment insurance (UI) benefits if the individual meets certain criteria. The Employment Security Department (Department) administers the state's UI program, which must comply with various federal requirements.

Generally, an individual's claim for benefits must be drawn within the individual's benefit year, which is 52 weeks, beginning with the week the individual files a claim. An individual cannot file a new claim until their benefit year is over, even if the individual has received all their benefits.

Federal acts adopted to address the COVID-19 pandemic have provided additional UI benefits to individuals. In general, the Pandemic Emergency Unemployment Compensation act (PEUC) provides 24 weeks of additional benefits, through March 13, 2021, to eligible individuals who have exhausted their regular UI claims.

Extended Benefits Program.

During periods of high unemployment, the Extended Benefits Program (EB) provides additional weeks of benefits to eligible individuals who have exhausted all their regular UI and other benefits, such as PEUC benefits.

Whether a state is in "high unemployment" is based on statutory criteria that considers unemployment rates within a specified period. If the statutory criteria are met, the state's EB program is "triggered on." Depending on how high the unemployment rate is, the additional weeks of benefits range from 13 to 20 weeks. A state's EB period ends ("triggers off") when the criteria for being in EB is no longer met. Once the EB period is off it cannot be triggered on again before the fourteenth week after the end of the prior EB period. Thus, there is a 13-week period between the time a state ends an EB period and when a subsequent EB period is triggered on again.

Typically, the federal government pays 50 percent of extended benefits and the state pays 50 percent. Under the federal acts adopted to address the COVID-19 pandemic, the federal government is paying 100 percent of extended benefits, minus any amounts required to be reduced under the federal Budget Control Act (known as "sequestration").

Job Search Requirements.

Typically, individuals receiving benefits under the EB program must comply with specific job search requirements. Extended benefits will be denied for any week the individual fails to accept an offer, or apply for, suitable work or fails to actively engage in seeking work. However, extended benefits will not be denied if the offer of work was not in writing *and*

the position was not listed with the Department.

Summary of Substitute Bill:

Regarding the periods in which a state's extended benefit program may trigger on, from November 1, 2020 through December 31, 2021, or subsequent date provided by the Department in rule, the state must disregard the requirement that a subsequent extended benefit period may not commence until the fourteenth week following the end of a previous extended benefit period. This means the state may trigger on into an extended benefits period without having to wait 13 weeks between extended benefit periods.

Regarding an individual's eligibility period to receive extended benefits, from December 27, 2020 through April 12, 2021, or a subsequent date provided by the Department in rules, an individual's eligibility period includes any week that is within an extended benefit period, after the individual has exhausted all PEUC benefits. This means the individual may be eligible for extended benefits without regard to whether the individual's 52-week benefit period has expired.

The Department may not adopt a subsequent date if the federal share of extended benefits is less than 50 percent, minus any reductions required by the federal Budget Control Act.

Regarding the job search requirements for individuals receiving compensation under the extended benefits program, extended benefits may not be denied for any week an individual fails to accept a job offer or apply for suitable work if *either* the job was not offered in writing or the job was not listed with the Department.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The unemployment insurance system provides critical support to individuals and to the economy. The federal government has provided billions of dollars in assistance. Extended benefits is a last stop program. The bill allows the Department to make the necessary changes so claimants can maximize federally funded extended benefits and allows the state to take full advantage of federal relief. Extended benefits are not charged to individual employers. The number of weeks available under the extended benefits program is set in statute and the Department cannot change that, but the bill allows the Department flexibility to respond if the federal government makes changes to the program.

(Opposed) None.

Persons Testifying: Representative Sells, prime sponsor; Dan Zeitlin, Washington Employment Security Department; and Joe Kendo, Washington State Labor Council, American Federation of Labor and Congress of Industrial Organizations.

Persons Signed In To Testify But Not Testifying: None.