

HOUSE BILL REPORT

SSB 5425

As Reported by House Committee On:
Labor & Workplace Standards

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

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

Sponsors: Senate Committee on Labor, Commerce & Tribal Affairs (originally sponsored by Senators Stanford, Das, Hasegawa, Keiser, Kuderer, Nguyen and Saldaña; by request of Employment Security Department).

Brief History:

Committee Activity:

Labor & Workplace Standards: 3/19/21, 3/24/21 [DP].

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: Do pass. Signed by 7 members: Representatives Sells, Chair; Berry, Vice Chair; Hoff, Ranking Minority Member; Mosbrucker, Assistant Ranking Minority Member; Bronoske, Harris and Ortiz-Self.

Staff: Trudes Tango (786-7384).

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.

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 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 Extended Benefits 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 Extended Benefits Program period ends ("triggers off") when the criteria for being in extended benefits is no longer met. Once the extended benefit period is off it cannot be triggered on again before the fourteenth week after the end of the prior period. Thus, there is a 13-week period between the time a state ends an Extended Benefits Program period and when a subsequent Extended Benefits Program 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 Extended Benefits 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 pandemic has extended far beyond what anyone would have predicted and unemployment benefits have been critical. The current unemployment insurance laws were not written to handle such extraordinary situations. This bill would lift restrictions that arbitrarily block claimants from receiving full extended benefits, at no cost to the state. It will help speed up the state's economic recovery.

(Opposed) None.

Persons Testifying: Dan Zeitlin, Washington Employment Security Department; and Anne Paxton, Unemployment Law Project.

Persons Signed In To Testify But Not Testifying: None.