

FINAL BILL REPORT

ESHB 1106

C 240 L 23
Synopsis as Enacted

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

Sponsors: House Committee on Labor & Workplace Standards (originally sponsored by Representatives Fosse, Reeves, Reed, Berry, Doglio, Wylie, Kloba, Santos and Ormsby).

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

Background:

General.

The unemployment insurance (UI) system, administered by the Employment Security Department (ESD), is designed to provide partial wage replacement for unemployed workers. Eligible unemployed workers receive benefits based on their earnings in their base year, which is typically the first four of the last five completed calendar quarters. A person who is seeking benefits, referred to as a "claimant," is eligible if he or she:

- worked at least 680 hours in the base year;
- voluntarily quit for good cause or was otherwise separated from employment through no fault of his or her own; and
- is available to work and is actively searching for work.

Quitting for Good Cause.

A claimant may voluntarily quit and maintain eligibility for benefits only under one of 12 specifically permitted "good cause" circumstances, also referred to as "voluntary quits." This includes, for example, quitting due to illness or disability, or quitting due to safety issues that were unaddressed by the employer.

It is good cause to quit if the separation was necessary because of the illness or disability of the claimant or the death, illness, or disability of an immediate family member. Under this circumstance, the claimant must have:

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- made reasonable efforts to preserve the claimant's employment status by requesting a leave of absence, by having promptly notified the employer of the reason for the absence, and by having promptly requested reemployment when again able to assume employment; and
- terminated the claimant's employment status, and is not entitled to be reinstated to the same position or a comparable or similar position.

Suitable Work.

To be considered "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. Other criteria apply if the claimant has no work experience. In determining whether work is suitable, the ESD must consider certain factors.

Benefit Charging.

Most employers pay contributions (payroll taxes) to finance benefits. An employer's tax rate is experience rated so that the rate is determined, in part, by the benefits paid to its employees. By default, benefits are proportionally charged to base-year employers according to the amount of wages paid to the person by each employer in the person's base year compared to the wages paid by all employers. However, state law directs some benefits to be charged only to the separating employer, while directing others not to be charged to any employer. A contribution-paying employer may also request relief of certain benefit charges, including for those paid to a person who last left the employment voluntarily for reasons not attributable to the employer. In specific instances, benefits not directly charged to any employer are pooled within the UI system or "socialized," meaning the costs are evenly shared by all employers participating in the system.

Summary:

Quitting for Good Cause.

Additional circumstances where a person may voluntarily quit for good cause are established.

Death, Illness, Disability, or Care Access. The voluntary quit pertaining to death, illness, or disability is expanded. Beginning September 3, 2023, a claimant has good cause and is not disqualified from benefits when separation from employment was necessary because of the death, illness, or disability of a family member (rather than immediate family only).

A temporary voluntary quit is established pertaining to care inaccessibility. Beginning July 7, 2024, through July 8, 2029, a claimant has good cause and is not disqualified from benefits when separation from employment was necessary because the person was unable to access care for a child or a vulnerable adult. These benefits are not directly charged to contribution-paying employers," meaning the costs are socialized and evenly shared by all employers participating in the UI system.

The eligibility criteria for accessing benefits due to a death, illness, or disability are modified, and are also applied to the circumstance involving care inaccessibility. In either circumstance, the claimant must have:

- made reasonable efforts to preserve the claimant's employment status by requesting changes in working conditions or work schedule that would accommodate the death, illness, disability, or care inaccessibility, or by requesting a leave of absence, promptly notifying the employer of the reason for the absence, and promptly requesting reemployment when again able to assume employment; and
- terminated his or her employment status, and he or she is not entitled to be reinstated to the same position or a comparable or similar position.

The ESB must submit a report to the Legislature by November 1, 2028, on the voluntary quit pertaining to care inaccessibility, including details on the number of claims, the impact on the trust fund and employer experience ratings, and other related trends.

Involuntary Shift Changes. Beginning July 7, 2024, a claimant has good cause and is not disqualified from benefits when he or she had a regularly scheduled shift or split shift start or end time for the prior 90 calendar days, and the employer, without request by the person and not based on a system of seniority, changes the regularly scheduled shift or split shift start or end time by six or more hours for that shift on a non temporary basis.

Relocating to Follow Minor Child. Beginning July 7, 2024, a claimant has good cause and is not disqualified from benefits when he or she: (1) left work to relocate in order to follow a minor child who moved outside of his or her labor market; (2) remained employed as long as was reasonable prior to relocating; and (3) had parental rights over the minor child at the time of the job separation. These benefits are not directly charged to contribution-paying employers, meaning the costs are socialized and evenly shared by all employers participating in the UI system.

Votes on Final Passage:

House	51	44	
Senate	26	20	(Senate amended)
House	56	41	(House concurred)

Effective: July 23, 2023