HOUSE BILL 1106

State of Washington 68th Legislature 2023 Regular Session

By Representatives Fosse, Reeves, Reed, Berry, Doglio, Wylie, Kloba, Santos, and Ormsby

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- 1 AN ACT Relating to qualifications for unemployment insurance when
- 2 an individual voluntarily leaves work; amending RCW 50.20.050 and
- 3 50.29.021; adding a new section to chapter 50.04 RCW; and creating a
- 4 new section.

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subsection.

- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 50.04
- 7 RCW to read as follows:
- 8 "Vulnerable adult" has the same meaning as in RCW 74.34.020.
- 9 **Sec. 2.** RCW 50.20.050 and 2022 c 268 s 42 are each amended to 10 read as follows:
- 11 (1) With respect to separations that occur on or after September 12 6, 2009, and for separations that occur before April 4, 2021:
- 13 (a) A claimant shall be disqualified from benefits beginning with the first day of the calendar week in which the claimant left work 14 15 voluntarily without good cause and thereafter for seven calendar 16 weeks and until the claimant obtains bona fide work in employment 17 covered by this title and earned wages in that employment equal to seven times the claimant's weekly benefit amount. Good cause reasons 18 19 to leave work are limited to reasons listed in (b) of this

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The disqualification shall continue if the work obtained is a mere sham to qualify for benefits and is not bona fide work. In determining whether work is of a bona fide nature, the commissioner shall consider factors including but not limited to the following:

(i) The duration of the work;

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- (ii) The extent of direction and control by the employer over the work; and
- 8 (iii) The level of skill required for the work in light of the 9 claimant's training and experience.
- 10 (b) A claimant has good cause and is not disqualified from 11 benefits under (a) of this subsection only under the following 12 circumstances:
 - (i) The claimant has left work to accept a bona fide offer of bona fide work as described in (a) of this subsection;
 - (ii) The separation was necessary because of the illness or disability of the claimant or the death, illness, or disability of a member of the claimant's immediate family if:
 - (A) The claimant pursued all reasonable alternatives 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. These alternatives need not be pursued, however, when they would have been a futile act, including those instances when the futility of the act was a result of a recognized labor/management dispatch system; and
 - (B) The claimant terminated the claimant's employment status, and is not entitled to be reinstated to the same position or a comparable or similar position;
 - (iii) The claimant: (A) Left work to relocate for the employment of a spouse or domestic partner that is outside the existing labor market area; and (B) remained employed as long as was reasonable prior to the move;
 - (iv) The separation was necessary to protect the claimant or the claimant's immediate family members from domestic violence, as defined in RCW 7.105.010, or stalking, as defined in RCW 9A.46.110;
- 36 (v) The claimant's usual compensation was reduced by twenty-five 37 percent or more;
- 38 (vi) The claimant's usual hours were reduced by twenty-five 39 percent or more;

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- (vii) The claimant's worksite changed, such change caused a material increase in distance or difficulty of travel, and, after the change, the commute was greater than is customary for workers in the claimant's job classification and labor market;
- (viii) The claimant's worksite safety deteriorated, the claimant reported such safety deterioration to the employer, and the employer failed to correct the hazards within a reasonable period of time;
- (ix) The claimant left work because of illegal activities in the claimant's worksite, the claimant reported such activities to the employer, and the employer failed to end such activities within a reasonable period of time;
- (x) The claimant's usual work was changed to work that violates the claimant's religious convictions or sincere moral beliefs; or
- (xi) The claimant left work to enter an apprenticeship program approved by the Washington state apprenticeship training council. Benefits are payable beginning Sunday of the week prior to the week in which the claimant begins active participation in the apprenticeship program.
- 19 (2) With respect to separations that occur on or after April 4, 20 2021:
 - (a) A claimant shall be disqualified from benefits beginning with the first day of the calendar week in which the claimant has left work voluntarily without good cause and thereafter for seven calendar weeks and until the claimant has obtained bona fide work in employment covered by this title and earned wages in that employment equal to seven times the claimant's weekly benefit amount. Good cause reasons to leave work are limited to reasons listed in (b) of this subsection.

The disqualification shall continue if the work obtained is a mere sham to qualify for benefits and is not bona fide work. In determining whether work is of a bona fide nature, the commissioner shall consider factors including but not limited to the following:

(i) The duration of the work;

- 34 (ii) The extent of direction and control by the employer over the 35 work; and
- 36 (iii) The level of skill required for the work in light of the 37 claimant's training and experience.
- 38 (b) A claimant has good cause and is not disqualified from 39 benefits under (a) of this subsection only under the following 40 circumstances:

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(i) The claimant has left work to accept a bona fide offer of bona fide work as described in (a) of this subsection;

- (ii) The separation was necessary because ((of the)): Of the illness or disability of the claimant ((or)); of the death, illness, or disability of a member of the claimant's immediate family ((if)) for separations that occur before September 3, 2023; of the death, illness, or disability of a family member for separations that occur on or after September 3, 2023; or the care for a child or a vulnerable adult in the claimant's care is inaccessible for separations that occur on or after July 7, 2024, so long as:
- (A) The claimant made reasonable efforts to preserve the claimant's employment status by requesting ((a leave of absence, by having promptly notified)) changes in working conditions or work schedule that would accommodate the death, illness, disability, or caregiving inaccessibility, or by requesting a leave of absence, promptly notifying the employer of the reason for the absence, and ((by having promptly requested)) promptly requesting reemployment when again able to assume employment. These alternatives need not be pursued, however, when they would have been a futile act, including those instances when the futility of the act was a result of a recognized labor/management dispatch system; and
- (B) The claimant terminated the claimant's employment status, and is not entitled to be reinstated to the same position or a comparable or similar position;
- (iii) The claimant: (A) Left work to relocate for the employment of a spouse or domestic partner that is outside the existing labor market area; and (B) remained employed as long as was reasonable prior to the move;
- (iv) The separation was necessary to protect the claimant or the claimant's immediate family members from domestic violence, as defined in RCW 7.105.010, or stalking, as defined in RCW 9A.46.110;
- (v) The claimant's usual compensation was reduced by twenty-five
 percent or more;
- (vi) (A) The claimant's usual hours were reduced by twenty-five percent or more; or
 - (B) If, for separations that occur on or after July 7, 2024, the claimant has 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 claimant and not based on a system of seniority,

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changes the regularly scheduled shift or split shift start or end time by six or more hours for that shift on a nontemporary basis;

- (vii) The claimant's worksite changed, such change caused a material increase in distance or difficulty of travel, and, after the change, the commute was greater than is customary for workers in the individual's job classification and labor market;
- (viii) The claimant's worksite safety deteriorated, the claimant reported such safety deterioration to the employer, and the employer failed to correct the hazards within a reasonable period of time;
- (ix) The claimant left work because of illegal activities in the claimant's worksite, the claimant reported such activities to the employer, and the employer failed to end such activities within a reasonable period of time;
- (x) The claimant's usual work was changed to work that violates the claimant's religious convictions or sincere moral beliefs;
- (xi) The claimant left work to enter an apprenticeship program approved by the Washington state apprenticeship training council. Benefits are payable beginning Sunday of the week prior to the week in which the claimant begins active participation in the apprenticeship program; $((\Theta r))$
 - (xii) During a public health emergency:

- (A) The claimant was unable to perform the claimant's work for the employer from the claimant's home;
 - (B) The claimant is able to perform, available to perform, and can actively seek suitable work which can be performed for an employer from the claimant's home; and
 - (C) The claimant or another individual residing with the claimant is at higher risk of severe illness or death from the disease that is the subject of the public health emergency because the higher risk individual:
 - (I) Was in an age category that is defined as high risk for the disease that is the subject of the public health emergency by the federal centers for disease control and prevention, the department of health, or the equivalent agency in the state where the individual resides; or
 - (II) Has an underlying health condition, verified as required by the department by rule, that is identified as a risk factor for the disease that is the subject of the public health emergency by the federal centers for disease control and prevention, the department of

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1 health, or the equivalent agency in the state where the individual 2 resides; or

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- (xiii) For separations that occur on or after July 7, 2024, the claimant left work to relocate outside the existing labor market because of the geographical location of, proximity to, or separation from a minor child, where the claimant's parental rights to the minor child have not been terminated.
- (3) With respect to claims that occur on or after July 4, 2021, a 8 claimant has good cause and is not disqualified from benefits under subsection (2)(a) of this section under the following circumstances, 10 in addition to those listed under subsection (2)(b) of this section, 11 12 if, during a public health emergency, the claimant worked at a health care facility as defined in RCW 9A.50.010, was directly involved in 13 14 the delivery of health services, and left work for the period of quarantine consistent with the recommended guidance from the United 15 16 States centers for disease control and prevention or subject to the 17 direction of the state or local health jurisdiction because of exposure to or contracting the disease that is the subject of the 18 19 declaration of the public health emergency.
 - (4) Notwithstanding subsection (1) of this section, a claimant who was simultaneously employed in full-time employment and part-time employment and is otherwise eligible for benefits from the loss of the full-time employment shall not be disqualified from benefits because the claimant:
 - (a) Voluntarily quit the part-time employment before the loss of the full-time employment; and
- (b) Did not have prior knowledge that the claimant would be 27 28 separated from full-time employment.
- 29 Sec. 3. RCW 50.29.021 and 2021 c 251 s 4 are each amended to 30 read as follows:
- 31 (1) (a) An experience rating account shall be established and 32 maintained for each employer, except employers as described in RCW 50.44.010, 50.44.030, and 50.50.030 who have properly elected to make 33 payments in lieu of contributions, taxable local government employers 34 as described in RCW 50.44.035, and those employers who are required 35 to make payments in lieu of contributions, based on existing records 36 37 of the employment security department.
- 38 (b) Benefits paid to an eligible individual shall be charged to the experience rating accounts of each of such individual's employers 39

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- during the individual's base year in the same ratio that the wages paid by each employer to the individual during the base year bear to the wages paid by all employers to that individual during that base year, except as otherwise provided in this section.
- 5 (c) When the eligible individual's separating employer is a 6 covered contribution paying base year employer, benefits paid to the 7 eligible individual shall be charged to the experience rating account 8 of only the individual's separating employer if the individual 9 qualifies for benefits under:
- 10 (i) RCW 50.20.050 (1)(b)(i) or (2)(b)(i), as applicable, and 11 became unemployed after having worked and earned wages in the bona 12 fide work;
- 13 (ii) RCW 50.20.050 (1)(b) (v) through (x) or (2)(b) (v) through 14 (x); or

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- (iii) During a public health emergency, the claimant worked at a health care facility as defined in RCW 9A.50.010, was directly involved in the delivery of health services, and was terminated from work due to entering quarantine because of exposure to or contracting the disease that is the subject of the declaration of the public health emergency.
- (2) The legislature finds that certain benefit payments, in whole or in part, should not be charged to the experience rating accounts of employers except those employers described in RCW 50.44.010, 50.44.030, and 50.50.030 who have properly elected to make payments in lieu of contributions, taxable local government employers described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, as follows:
- (a) Benefits paid to any individual later determined to be ineligible shall not be charged to the experience rating account of any contribution paying employer, except as provided in subsection (4) of this section.
- (b) Benefits paid to an individual filing under the provisions of chapter 50.06 RCW shall not be charged to the experience rating account of any contribution paying employer only if:
- (i) The individual files under RCW 50.06.020(1) after receiving crime victims' compensation for a disability resulting from a nonwork-related occurrence; or
 - (ii) The individual files under RCW 50.06.020(2).
- 39 (c) Benefits paid which represent the state's share of benefits 40 payable as extended benefits defined under RCW 50.22.010(6) shall not

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1 be charged to the experience rating account of any contribution 2 paying employer.

- (d) In the case of individuals who requalify for benefits under RCW 50.20.050 or 50.20.060, benefits based on wage credits earned prior to the disqualifying separation shall not be charged to the experience rating account of the contribution paying employer from whom that separation took place.
- (e) Benefits paid to an individual who qualifies for benefits under RCW 50.20.050(1)(b) (iv) or (xi), (2)(b) (iv), (xi), ($\frac{\text{ex}}{\text{experience}}$) (xii), or (Xiii), or (Xiii), as applicable, shall not be charged to the experience rating account of any contribution paying employer.
- (f) Benefits paid that exceed the benefits that would have been paid if the weekly benefit amount for the claim had been determined as one percent of the total wages paid in the individual's base year shall not be charged to the experience rating account of any contribution paying employer. This subsection (2)(f) does not apply to the calculation of contribution rates under RCW 50.29.025 for rate year 2010 and thereafter.
- (g) Upon approval of an individual's training benefits plan submitted in accordance with RCW 50.22.155(2), an individual is considered enrolled in training, and regular benefits beginning with the week of approval shall not be charged to the experience rating account of any contribution paying employer.
 - (h) Training benefits paid to an individual under RCW 50.22.155 shall not be charged to the experience rating account of any contribution paying employer.
 - (i) (i) Benefits paid during the one week waiting period when the one week waiting period is fully paid or fully reimbursed by the federal government shall not be charged to the experience rating account of any contribution paying employer.
 - (ii) In the event the one week waiting period is partially paid or partially reimbursed by the federal government, the department may, by rule, elect to not charge, in full or in part, benefits paid during the one week waiting period to the experience rating account of any contribution paying employer.
- 36 (j) Benefits paid for all weeks starting with the week ending 37 March 28, 2020, and ending with the week ending May 30, 2020, shall 38 not be charged to the experience rating account of any contribution 39 paying employer.

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(3) (a) A contribution paying base year employer, except employers as provided in subsection (5) of this section, not otherwise eligible for relief of charges for benefits under this section, may receive such relief if the benefit charges result from payment to an individual who:

- (i) Last left the employ of such employer voluntarily for reasons not attributable to the employer;
- (ii) Was discharged for misconduct or gross misconduct connected with his or her work not a result of inability to meet the minimum job requirements;
- (iii) Is unemployed as a result of closure or severe curtailment of operation at the employer's plant, building, worksite, or other facility. This closure must be for reasons directly attributable to a catastrophic occurrence such as fire, flood, or other natural disaster, or to the presence of any dangerous, contagious, or infectious disease that is the subject of a public health emergency at the employer's plant, building, worksite, or other facility;
- (iv) Continues to be employed on a regularly scheduled permanent part-time basis by a base year employer and who at some time during the base year was concurrently employed and subsequently separated from at least one other base year employer. Benefit charge relief ceases when the employment relationship between the employer requesting relief and the claimant is terminated. This subsection does not apply to shared work employers under chapter 50.60 RCW;
- (v) Continues to be employed on a regularly scheduled permanent part-time basis by a base year employer and who qualified for two consecutive unemployment claims where wages were attributable to at least one employer who employed the individual in both base years. Benefit charge relief ceases when the employment relationship between the employer requesting relief and the claimant is terminated. This subsection does not apply to shared work employers under chapter 50.60 RCW;
- (vi) Was hired to replace an employee who is a member of the military reserves or National Guard and was called to federal active military service by the president of the United States and is subsequently laid off when that employee is reemployed by their employer upon release from active duty within the time provided for reemployment in RCW 73.16.035;
- (vii) Worked for an employer for 20 weeks or less, and was laid off at the end of temporary employment when that employee temporarily

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replaced a permanent employee receiving family or medical leave benefits under Title 50A RCW, and the layoff is due to the return of that permanent employee. This subsection (3)(a)(vii) applies to claims with an effective date on or after January 1, 2020; or

- (viii) Was discharged because the individual was unable to satisfy a job prerequisite required by law or administrative rule.
- (b) The employer requesting relief of charges under this subsection must request relief in writing within ((thirty)) 30 days following mailing to the last known address of the notification of the valid initial determination of such claim, stating the date and reason for the separation or the circumstances of continued employment. The commissioner, upon investigation of the request, shall determine whether relief should be granted.
- (4) When a benefit claim becomes invalid due to an amendment or adjustment of a report where the employer failed to report or inaccurately reported hours worked or remuneration paid, or both, all benefits paid will be charged to the experience rating account of the contribution paying employer or employers that originally filed the incomplete or inaccurate report or reports. An employer who reimburses the trust fund for benefits paid to workers and who fails to report or inaccurately reported hours worked or remuneration paid, or both, shall reimburse the trust fund for all benefits paid that are based on the originally filed incomplete or inaccurate report or reports.
- (5) An employer's experience rating account may not be relieved of charges for a benefit payment and an employer who reimburses the trust fund for benefit payments may not be credited for a benefit payment if a benefit payment was made because the employer or employer's agent failed to respond timely or adequately to a written request of the department for information relating to the claim or claims without establishing good cause for the failure and the employer or employer's agent has a pattern of such failures. The commissioner has the authority to determine whether the employer has good cause under this subsection.
- (a) For the purposes of this subsection, "adequately" means providing accurate information of sufficient quantity and quality that would allow a reasonable person to determine eligibility for benefits.
- 39 (b)(i) For the purposes of this subsection, "pattern" means a 40 benefit payment was made because the employer or employer's agent

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failed to respond timely or adequately to a written request of the department for information relating to a claim or claims without establishing good cause for the failure, if the greater of the following calculations for an employer is met:

(A) At least three times in the previous two years; or

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- 6 (B) Twenty percent of the total current claims against the 7 employer.
- 8 (ii) If an employer's agent is utilized, a pattern is established 9 based on each individual client employer that the employer's agent 10 represents.

11 NEW SECTION. Sec. 4. If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to 12 the allocation of federal funds to the state or the eligibility of 13 employers in this state for federal unemployment tax credits, the 14 15 conflicting part of this act is inoperative solely to the extent of 16 the conflict, and the finding or determination does not affect the operation of the remainder of this act. Rules adopted under this act 17 18 must meet federal requirements that are a necessary condition to the 19 receipt of federal funds by the state or the granting of federal 20 unemployment tax credits to employers in this state.

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