
SENATE BILL 5525

State of Washington

69th Legislature

2025 Regular Session

By Senators Cleveland, Saldaña, Hasegawa, Riccelli, Dhingra, Conway, Nobles, and Valdez

Read first time 01/27/25. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to protecting workers facing employment loss due
2 to businesses closing or mass layoffs; adding a new chapter to Title
3 49 RCW; and prescribing penalties.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The definitions in this section apply
6 throughout this chapter unless the context clearly requires
7 otherwise.

8 (1) "Affected employee" means an employee who may reasonably
9 expect to experience an employment loss because of a proposed
10 business closing or mass layoff by an employer.

11 (2) "Aggrieved employee" means an employee who has worked for the
12 employer ordering the business closing or mass layoff and who,
13 because of the employer's failure to comply with the requirements of
14 this act, did not receive timely notice either directly or through
15 the employee's representative.

16 (3) "Bargaining representative" means an exclusive representative
17 of employees under the national labor relations act, 29 U.S.C. Sec.
18 151 et seq., or the railway labor act, 45 U.S.C. Sec. 151 et seq.

19 (4) "Business closing" means the permanent or temporary shutdown
20 of a single site of employment of one or more facilities or operating

1 units that will result in an employment loss for 50 or more
2 employees, excluding part-time employees.

3 (5) "Commissioner" means the commissioner of the employment
4 security department.

5 (6) "Department" means the employment security department.

6 (7) "Employee" means a person employed in this state by an
7 employer. "Employee" includes part-time employees.

8 (8) "Employer" means a person who employs 50 or more employees in
9 this state, excluding part-time employees. However, for the purposes
10 of section 6 of this act only, "employer" means a person who employs
11 100 or more employees in this state, excluding part-time employees.

12 (9) (a) "Employment loss" means:

13 (i) An employment termination, other than a discharge for cause,
14 voluntary separation, or retirement;

15 (ii) A layoff exceeding six months; or

16 (iii) A reduction in hours of more than 50 percent of work of
17 individual employees during each month of a six-month period.

18 (b) "Employment loss" does not include instances when a business
19 closing or mass layoff is the result of the relocation or
20 consolidation of part or all of the employer's business and, before
21 the business closing or mass layoff, the employer offers to transfer
22 the employee to a different site of employment within a reasonable
23 commuting distance, as defined by the department, with no more than a
24 six-month break in employment.

25 (10) "Mass layoff" means a reduction in employment force that is
26 not the result of a business closing and results in an employment
27 loss during any 30-day period of 50 or more employees, excluding
28 part-time employees.

29 (11) "Part-time employee" means an employee who is employed for
30 an average of fewer than 20 hours per week, or an employee who has
31 been employed for fewer than six of the twelve months preceding the
32 date on which notice is required. However, if an applicable
33 collective bargaining agreement defines a part-time employee, such
34 definition shall supersede the definition in this subsection.

35 (12) "Single site of employment" means a single location or a
36 group of contiguous locations, such as a group of structures that
37 form a campus or business park or separate facilities across the
38 street from each other.

1 NEW SECTION. **Sec. 2.** (1)(a) Subject to section 3 of this act,
2 an employer may not order a business closing or a mass layoff until
3 the end of a 60-day period that begins after the employer, pursuant
4 to this section, serves written notice of such action to the
5 department and to the affected employee or, if the employee is
6 represented by a union, to the employee's bargaining representative.

7 (b) An employer who has previously announced and carried out a
8 short-term mass layoff of three months or less that is extended
9 beyond three months due to business circumstances not reasonably
10 foreseeable at the time of the initial mass layoff is required to
11 give notice when it becomes reasonably foreseeable that the extension
12 is required. A mass layoff extending beyond three months from the
13 date the mass layoff commenced for any other reason must be treated
14 as an employment loss from the date of commencement of the initial
15 mass layoff.

16 (c) In the case of the sale of part or all of a business, the
17 seller is responsible for providing notice of any business closing or
18 mass layoff which will take place up to and on the effective date of
19 the sale. The buyer is responsible for providing notice of any
20 business closing or mass layoff that will take place thereafter.

21 (2) Notice from the employer to the department or affected
22 employees or, if the employees are represented, the employees'
23 bargaining representative must be in written form, include the
24 elements required, as they exist on the effective date of this
25 section, by the federal worker adjustment and retraining notification
26 act, 29 U.S.C. Sec. 2101 et seq., and include the following:

27 (a) The name and address of the employment site where the
28 business closing or mass layoff will occur, and the name and contact
29 information of a company official to contact for further information;

30 (b) A statement whether the planned action is expected to be
31 permanent or temporary and, if the entire business is to be closed, a
32 statement to that effect. If the planned action is expected to be
33 temporary, the statement must also include whether the planned action
34 is expected to last longer or shorter than three months;

35 (c) The expected date of the first employment loss and the
36 anticipated schedule for employment losses; and

37 (d) The job titles of positions to be affected and the names of
38 the employees currently holding the affected jobs. The notice to the
39 department must also include the addresses of the affected employees.

1 (3) The employer must provide additional notice of the date or
2 schedule of dates of a planned business closing or mass layoff
3 extended beyond the date of any period announced in the original
4 notice.

5 NEW SECTION. **Sec. 3.** (1) An employer is not required to comply
6 with the notice requirements under section 2 of this act if:

7 (a)(i) At the time the notice would have been required, the
8 employer was actively seeking capital or business;

9 (ii) The capital or business sought, if obtained, would have
10 enabled the employer to avoid or postpone the business closing or
11 mass layoff; and

12 (iii) The employer reasonably and in good faith believed that
13 giving the notice required by section 2 of this act would have
14 precluded the employer from obtaining the needed capital or business;

15 (b) The mass layoff or business closing is caused by business
16 circumstances that were not reasonably foreseeable at the time the
17 notice would have been required. The unforeseeable business
18 circumstances must be caused by a sudden, dramatic, and unexpected
19 action or condition outside of the employer's control; or

20 (c) The mass layoff or business closing is due to a natural
21 disaster, such as a flood, earthquake, drought, storm, tornado, or
22 similar effects of nature.

23 (2) If an exception under this section applies for only part of
24 the 60-day notice window, notice is required at the time the
25 exception no longer applies. If notice is not provided, the employer
26 is liable for each day notice is not provided pursuant to sections 4
27 and 5 of this act.

28 (3) The department may not determine an exception under this
29 section applies unless the employer meets the documentation and other
30 requirements established by the department pursuant to section 7 of
31 this act.

32 NEW SECTION. **Sec. 4.** (1) An employer that orders a business
33 closing or mass layoff without providing a notice required by section
34 2 of this act is liable to each aggrieved employee who suffers an
35 employment loss because of the closing or layoff for:

36 (a) Back pay for each day of violation not less than the higher
37 of:

1 (i) The average regular rate of compensation received by the
2 employee during the last three years of the employee's employment; or

3 (ii) The employee's final rate of compensation; and

4 (b) The value of the cost of any benefits to which the employee
5 would have been entitled had their employment not been lost,
6 including the cost of any medical expenses incurred by the employee
7 that would have been covered under an employee benefit plan.

8 (2) Liability under this section must be calculated for the
9 period of the employer's violation up to a maximum of 60 days.

10 (3) The amount for which an employer is liable under this section
11 must be reduced by:

12 (a) Any wages paid by the employer to the employee during the
13 period of the violation;

14 (b) Any voluntary and unconditional payment by the employer to
15 the employee that is not required by any legal obligation;

16 (c) The amount paid to the employee pursuant to the federal
17 worker adjustment and retraining notification act, 29 U.S.C. Sec.
18 2101 et seq.; and

19 (d) Any payment by the employer to a third party or trustee, such
20 as premiums for health benefits or payments to a defined contribution
21 pension plan, on behalf and attributable to the employee for the
22 period of the violation.

23 (4)(a) The department, an aggrieved employee, or the bargaining
24 representative of the aggrieved employee may bring a civil action on
25 behalf of the person, other persons similarly situated, or both, in
26 any court of competent jurisdiction within three years of the alleged
27 violation. The court may award reasonable attorneys' fees as part of
28 costs to any plaintiff who prevails in a civil action brought under
29 this chapter.

30 (b) If the court determines that an employer conducted a
31 reasonable investigation in good faith and had reasonable grounds to
32 believe that its conduct was not a violation of this chapter, the
33 court may reduce the amount of any penalty it would otherwise impose
34 against the employer under this chapter.

35 (c) This chapter does not grant any court the authority to enjoin
36 a mass layoff or business closing.

37 NEW SECTION. **Sec. 5.** (1) An employer who fails to give the
38 notice required by section 2 of this act to the department is subject
39 to a civil penalty of not more than \$500 for each day of the

1 employer's violation. However, the employer is not subject to a civil
2 penalty under this section if the employer pays to all applicable
3 employees the amounts for which the employer is liable under section
4 4 of this act within three weeks from the date the employer orders
5 the mass layoff, relocation, or termination.

6 (2) Any civil penalty paid by the employer under the federal
7 worker adjustment and retraining notification act, 29 U.S.C. Sec.
8 2101 et seq., must be considered a payment of the civil penalty under
9 this section.

10 (3) All penalties recovered under this section must be paid into
11 the state treasury and credited to the general fund.

12 NEW SECTION. **Sec. 6.** (1) When a mass layoff or business closing
13 occurs, the employer must pay in full for the continuation of
14 existing group health insurance, no matter where the group policy was
15 written, issued, or delivered, for each employee experiencing
16 employment loss as a result of the business closing or mass layoff
17 and their dependents, if covered under the group policy, from the
18 date of the business closing or employee's layoff for a period of 120
19 days or until the employee becomes eligible for other group coverage,
20 whichever is less.

21 (2) The department may investigate alleged violations of this
22 section and may, upon a finding that an employer has violated this
23 section, issue a notice of violation and order a payment to the
24 employee equal to the value of the cost of any benefits to which the
25 employee would have been entitled, including the cost of any medical
26 expenses incurred by the employee that would have been covered under
27 an employee benefit plan. However, the department may not investigate
28 an alleged violation occurring more than three years prior.

29 (3) (a) An employer may appeal a notice of violation or order of
30 payment issued by the department by filing a notice of appeal with
31 the commissioner within 30 days of the department's issuance of the
32 notice of violation. A notice of violation or order of payment not
33 appealed within 30 days is final and binding, and not subject to
34 further appeal.

35 (b) A notice of appeal filed with the commissioner under this
36 section stays the effectiveness of the notice of violation or order
37 of payment pending final review of the appeal by the commissioner as
38 provided for in chapter 34.05 RCW.

1 (c) Upon receipt of a notice of appeal, the commissioner shall
2 assign the hearing to an administrative law judge of the office of
3 administrative hearings to conduct the hearing and issue an initial
4 order. The hearing and review procedures must be conducted in
5 accordance with chapter 34.05 RCW, and the standard of review by the
6 administrative law judge must be de novo. Any party who seeks to
7 challenge an initial order shall file a petition for administrative
8 review with the commissioner within 30 days after service of the
9 initial order. The commissioner shall conduct an administrative
10 review in accordance with chapter 34.05 RCW.

11 (d) The commissioner shall issue all final orders after appeal of
12 the initial order. The final order of the commissioner is subject to
13 judicial review in accordance with chapter 34.05 RCW.

14 (e) Orders that are not appealed within the time period specified
15 in this section and chapter 34.05 RCW are final and binding, and not
16 subject to further appeal.

17 NEW SECTION. **Sec. 7.** The department shall administer and
18 enforce the provisions of this chapter and may adopt rules to carry
19 out its purpose. Rules adopted pursuant to this section must include
20 documentation requirements for the exceptions in section 3 of this
21 act.

22 NEW SECTION. **Sec. 8.** This act may be known and cited as the
23 securing timely notification and benefits for laid-off employees act.

24 NEW SECTION. **Sec. 9.** Sections 1 through 8 of this act
25 constitute a new chapter in Title 49 RCW.

26 NEW SECTION. **Sec. 10.** If any provision of this act or its
27 application to any person or circumstance is held invalid, the
28 remainder of the act or the application of the provision to other
29 persons or circumstances is not affected.

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