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**Commerce & Labor Committee**

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**HB 2647**

**Brief Description:** Allowing certain individuals to seek part-time employment while maintaining eligibility for unemployment insurance in order to qualify for the unemployment insurance modernization incentive provisions of the American recovery and reinvestment act of 2009.

**Sponsors:** Representatives Conway, Moeller, Williams, Green, White, Appleton, Simpson, Kenney, Hudgins, Morrell, Hunt, Ormsby, Haigh and Roberts; by request of Employment Security Department.

**Brief Summary of Bill**

- Provides that an individual who was in part-time work may not be denied unemployment benefits solely because he or she seeks only part-time work.

**Hearing Date:** 1/13/10

**Staff:** Jill Reinmuth (786-7134).

**Background:**

An individual is eligible to receive unemployment benefits if he or she: (1) worked at least 680 hours in covered employment in his or her base year; (2) was separated from employment through no fault of his or her own or quit work for good cause; and (3) is able to work and is actively searching for suitable work.

"Suitable work" is employment in an occupation in keeping with the individual's prior work experience, education, or training (unless such work is not available in the general area). For most workers, "suitable work" is full-time. For part-time workers, however, "suitable work" includes work for 17 or fewer hours per week. "Part-time workers" are defined as those workers who earn wages in at least 40 weeks of the base year and who do not earn wages in more than 17 hours per week in any weeks of the base year.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

States with unemployment insurance laws that provide for no denial of benefits to part-time workers seeking only part-time work may qualify to receive modernization incentive payments under the federal American Recovery and Reinvestment Act of 2009. One-third of an incentive payment is contingent on state law providing for an alternative base period. Two-thirds is contingent on state law providing for at least two of the following:

- no denial of benefits to part-time workers seeking only part-time work;
- no disqualification from benefits for separating from employment for certain compelling family reasons;
- continuation of weekly benefits for exhaustees in state-approved training; or
- dependents' allowances of at least \$15 per dependent per week.

Washington received one-third of the incentive payment, approximately \$49 million, but has not qualified to receive the other two-thirds of the incentive payment.

**Summary of Bill:**

An individual may not be denied benefits solely because he or she is seeking only part-time work if the Employment Security Department determines that a majority of the weeks of work in the individual's base period were for part-time work. "Part-time work" means work of fewer than 35 hours per week. "Seeking only part-time work" means seeking work that has comparable hours to the claimant's part-time work experience, except that a claimant must be available for at least 20 hours of work per week.

An individual is not "unemployed" (and therefore, may be denied benefits) if he or she earned wages in part-time work and accepts suitable work. For part-time workers, "suitable work" is employment for a number of hours per week that is comparable to the number of hours worked per week for a majority of weeks in the individual's base year, but no less than 20 hours per work.

These changes apply to separations that occur on or after January 2, 2011.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect on January 2, 2011.