

HOUSE BILL REPORT

HB 2339

As Reported by House Committee On: Labor & Workforce Development

Title: An act relating to unemployment insurance benefit charging relief for part-time employers who continue to employ a claimant on a part-time basis and the claimant qualified for two consecutive claims with wages attributable to at least one employer who employed the claimant in both base years.

Brief Description: Providing unemployment insurance benefit charging relief for part-time employers who continue to employ a claimant on a part-time basis and the claimant qualified for two consecutive claims with wages attributable to at least one employer who employed the claimant in both base years.

Sponsors: Representatives Sells, Condotta, Reykdal, Taylor and Springer.

Brief History:

Committee Activity:

Labor & Workforce Development: 1/18/12, 1/27/12 [DP].

Brief Summary of Bill

- Allows an employer employing a person on a part-time basis who is receiving unemployment benefits to request relief from benefit charges in certain circumstances.

HOUSE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: Do pass. Signed by 13 members: Representatives Sells, Chair; Reykdal, Vice Chair; Condotta, Ranking Minority Member; Shea, Assistant Ranking Minority Member; Fagan, Green, Kenney, Miloscia, Moeller, Ormsby, Roberts, Taylor and Warnick.

Staff: Joan Elgee (786-7106).

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

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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. The base year is generally the first four of the last five completed calendar quarters before the claimant applied for benefits. A full-time worker who was separated and hired at a part-time job and who otherwise meets the eligibility criteria is eligible for reduced benefits, and the part-time employer may be a base year employer.

Most employers pay contributions (payroll taxes) to finance unemployment benefits. An employer's tax rate is experience rated so that the rate is determined, in part, by the benefits paid to its employees. Benefits are charged to base year employers on a pro rata basis according to the amount of wages paid to the claimant by the employer in the claimant's base year compared to the wages paid by all employers. Some benefits, however, are "non-charged" and are pooled within the unemployment system or "socialized."

Noncharged benefits include, for example, benefits paid to an individual later found to be ineligible. Some benefits, such as those paid for certain good cause quits, are charged only to the separating employer. Other benefits may be noncharged if the employer requests relief from charging. For example, a part-time employer who continues to employ the claimant may request relief from charging if the claimant was concurrently employed by at least one other base year employer. An employer requesting relief must do so within 30 days of notification of the initial determination of the claim.

The shared work program provides for the payment of partial benefits in situations where employers elect to retain employees at part-time work rather than layoff employees.

Summary of Bill:

An additional basis allowing an employer to request relief from benefit charges is established. An employer is eligible for relief from charges attributable to a claimant who the employer continues to employ on a regularly scheduled permanent part-time basis and who qualified for two consecutive claims where wages were attributable to at least one employer who employed the claimant in both base years. Benefit charging relief is not available to shared work employers.

The act takes effect January 1, 2013.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on January 1, 2013.

Staff Summary of Public Testimony:

(In support) This bill addresses a specific problem and keeps people at work. An optometrist had an opportunity to hire a person but was only able to hire the person part-time. The person had been laid off and was receiving unemployment benefits. When the person reapplied for benefits, the optometrist was the employer of record and her experience rating went through the roof. The bill is narrowly crafted.

(Opposed) None.

Persons Testifying: Representative Sells, prime sponsor; and Brad Tower, Optometric Physicians of Washington.

Persons Signed In To Testify But Not Testifying: None.