

# HOUSE BILL REPORT

## HB 1649

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### As Reported By House Committee On:

Commerce & Labor

**Title:** An act relating to disqualification from unemployment compensation.

**Brief Description:** Providing for disqualification from unemployment compensation for certain felonies or gross misdemeanors.

**Sponsors:** Representatives Goldsmith, Romero, Lisk, Schoesler and Elliot; by request of Employment Security Department.

### Brief History:

#### Committee Activity:

Commerce & Labor: 2/21/95, 2/27/95 [DPS].

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Lisk, Chairman; Hargrove, Vice Chairman; Thompson, Vice Chairman; Romero, Ranking Minority Member; Conway, Assistant Ranking Minority Member; Cairnes; Cody; Cole; Fuhrman; Goldsmith and Horn.

**Staff:** Chris Cordes (786-7117).

**Background:** A person claiming unemployment insurance benefits is disqualified if he or she was discharged or suspended by the employer for misconduct connected with the work. The disqualification is for five weeks, beginning with the week in which the claimant was discharged or suspended for misconduct, and until the claimant has obtained work and earned wages equal to five times the amount calculated for his or her weekly benefits.

If the person was discharged because of a felony or gross misdemeanor connected with the work and he or she has been convicted of the felony or gross misdemeanor, or has admitted committing the felony or gross misdemeanor to a competent authority, the person's wage credits based on that employment are canceled. Any benefits paid in error based on credits that should have been removed from the base year may be recovered from the claimant.

**Summary of Bill:** An unemployment insurance claimant who has been discharged because of a felony or gross misdemeanor of which the claimant has been convicted or has admitted committing to a competent authority and that is connected with the claimant's work is disqualified from benefits. The disqualification is for five weeks, beginning with the week in which the claimant was discharged or suspended for misconduct, and until the claimant has obtained work and earned wages equal to five times the amount calculated for his or her weekly benefits.

The provision allowing recovery of overpayments from the claimant is modified to remove references to benefits paid in error so that any benefits paid based on credits that are removed from the base year may be recovered from the claimant.

This disqualification applies whether or not the Employment Security Department has made a prior determination on the claim. The department's authority to make redeterminations is modified to permit a redetermination at any time of a claim involving a disqualification for a discharge based on a work-connected felony or gross misdemeanor committed by the claimant.

These provisions are effective for job separations that occur on or after July 2, 1995.

**Substitute Bill Compared to Original Bill:** The substitute bill adds an emergency clause, with an effective date of July 2, 1995. The bill is effective as to job separations that occur on or after July 2, 1995.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect on July 2, 1995.

**Testimony For:** The statute as it is presently worded presents a problem when the Employment Security Department reviews a claim involving a work-connected felony. Some employers do not report the felony, on the advice of counsel, when the person applies for unemployment benefits because the employer may be involved in litigation over the felony. This bill would make it clear that the department has authority to find a disqualification in these circumstances.

**Testimony Against:** None.

**Testified:** Clif Finch, Association of Washington Business; and Dale Ziegler, Employment Security Department.