

# SENATE BILL REPORT

## SB 6415

---

As Reported By Senate Committee On:  
Labor, Commerce & Trade, January 24, 1996

**Title:** An act relating to employer sponsored programs for voluntary work force reductions.

**Brief Description:** Eliminating unemployment compensation disqualification for participation in employer sponsored programs for voluntary work force reductions.

**Sponsors:** Senators Pelz, Newhouse and Kohl; by request of Employment Security Department.

**Brief History:**

**Committee Activity:** Labor, Commerce & Trade: 1/9/96, 1/24/96 [DPA].

---

### SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

**Majority Report:** Do pass as amended.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Franklin, Fraser and Wojahn.

**Staff:** Patrick Woods (786-7430)

**Background:** In recent years, numerous companies have downsized or reduced their workforce in order to maintain their competitiveness in the marketplace. This downsizing process may entail various mechanisms for laying off employees, which may include allowing employees to volunteer to be laid off and providing them with a special separation benefit package.

This process does not conform to historical criteria for receiving unemployment payments, as claimants who voluntarily quit are generally denied benefits. As a result, the Employment Security Department established an administrative rule to permit certain individuals that volunteer for layoffs to be eligible for unemployment benefits. However, the department considers statutory authorization for this administrative rule appropriate.

**Summary of Amended Bill:** Laid-off workers are eligible to receive unemployment benefits if they left work under the following conditions: (a) their employer initiated a voluntary work force reduction program, which may include a special benefit package; (b) the individual volunteered to be included in the reduction-in-force; and (c) the employer retained discretion over which individuals are released.

**Amended Bill Compared to Original Bill:** The amendment removes retirees from the provisions of the bill, so that they are not eligible to receive unemployment benefits in the event of a voluntary layoff.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Testimony For:** The bill will confirm the Department of Employment Security's rule allowing voluntarily laid off workers to receive unemployment benefits.

**Testimony Against:** The bill represents an added cost to employers.

**Testified:** Dale Ziegler, ESD (pro); Clif Finch, AWB; Jeff Johnson, WSLC (pro); David Miller, North Star Lumber Co. (pro).