
SENATE BILL 5583

State of Washington

54th Legislature

1995 Regular Session

By Senators Newhouse, Heavey, Deccio, Hale, Palmer, Franklin, Pelz, Fraser, Prentice, Prince, A. Anderson and Winsley; by request of Joint Task Force on Unemployment Insurance

Read first time 01/27/95. Referred to Committee on Labor, Commerce & Trade.

1 AN ACT Relating to unemployment insurance contribution rates for
2 successor employers; and amending RCW 50.29.062.

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

4 **Sec. 1.** RCW 50.29.062 and 1989 c 380 s 81 are each amended to read
5 as follows:

6 Predecessor and successor employer contribution rates shall be
7 computed in the following manner:

8 (1) If the successor is an employer, as defined in RCW 50.04.080,
9 at the time of the transfer, ~~((his or her))~~ its contribution rate shall
10 remain unchanged for the remainder of the rate year in which the
11 transfer occurs. From and after January 1 following the transfer, the
12 successor's contribution rate for each rate year shall be based on
13 ~~((his or her))~~ its experience with payrolls and benefits including the
14 experience of the acquired business or portion of a business from the
15 date of transfer, as of the regular computation date for that rate
16 year.

17 (2) If the successor is not an employer at the time of the
18 transfer, ~~((he or she))~~ it shall pay contributions at the ~~((rate class~~
19 ~~assigned to the predecessor employer at the time of the transfer for~~

1 ~~the remainder for that rate year and continuing until such time as he~~
2 ~~or she qualifies for a different rate in his or her own right)) lowest~~
3 ~~rate determined under either of the following:~~

4 (a) The contribution rate of the rate class assigned to the
5 predecessor employer at the time of the transfer for the remainder of
6 that rate year and continuing until the successor qualifies for a
7 different rate in its own right. Any experience relating to the
8 assignment of that rate class attributable to the predecessor is
9 transferred to the successor; or

10 (b) The contribution rate equal to the average industry rate as
11 determined by the commissioner, but not less than one percent, and
12 continuing until the successor qualifies for a different rate in its
13 own right. Assignment of employers by the commissioner to industrial
14 classification, for purposes of this subsection, must be in accordance
15 with established classification practices found in the "Standard
16 Industrial Classification Manual" issued by the federal office of
17 management and budget to the third digit provided in the standard
18 industrial classification code.

19 (3) If the successor is not an employer at the time of the transfer
20 and simultaneously acquires the business or a portion of the business
21 of two or more employers in different rate classes, (~~his or her~~) its
22 rate from the date the transfer occurred until the end of that rate
23 year and until (~~he or she~~) it qualifies in (~~his or her~~) its own
24 right for a new rate, shall be the highest rate class applicable at the
25 time of the acquisition to any predecessor employer who is a party to
26 the acquisition.

27 (4) The contribution rate on any payroll retained by a predecessor
28 employer shall remain unchanged for the remainder of the rate year in
29 which the transfer occurs.

30 (5) In all cases, from and after January 1 following the transfer,
31 the predecessor's contribution rate for each rate year shall be based
32 on (~~his or her~~) its experience with payrolls and benefits as of the
33 regular computation date for that rate year including the experience of
34 the acquired business or portion of business up to the date of
35 transfer: PROVIDED, That if all of the predecessor's business is
36 transferred to a successor or successors, the predecessor shall not be

1 a qualified employer until (~~he or she~~) it satisfies the requirements
2 of a "qualified employer" as set forth in RCW 50.29.010.

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