

---

SENATE BILL 5917

---

State of Washington

54th Legislature

1995 Regular Session

By Senators Gaspard, Quigley, Newhouse and Winsley

Read first time 02/14/95. Referred to Committee on Labor, Commerce & Trade.

1 AN ACT Relating to determining unemployment insurance contribution  
2 rates; amending RCW 50.16.094, 50.22.090, 50.29.020, and 50.29.062;  
3 reenacting and amending RCW 50.29.025; creating a new section;  
4 providing an effective date; providing an expiration date; and  
5 declaring an emergency.

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

7 **Sec. 1.** RCW 50.16.094 and 1993 c 226 s 6 are each amended to read  
8 as follows:

9 An individual may be eligible for applicable employment security  
10 benefits while participating in work force training. Eligibility is at  
11 the discretion of the commissioner of employment security after  
12 submitting a commissioner-approved training waiver and developing a  
13 detailed individualized training plan.

14 ~~((Benefits paid under this section may not be charged to the  
15 experience rating accounts of individual employers.))~~

16 The commissioner shall adopt rules as necessary to implement this  
17 section.

1       **Sec. 2.** RCW 50.22.090 and 1993 c 316 s 10 are each amended to read  
2 as follows:

3       (1) An additional benefit period is established for counties  
4 identified under subsection (2) of this section beginning on the first  
5 Sunday after July 1, 1991, and for the forest products industry  
6 beginning with the third week after the first Sunday after July 1,  
7 1991. Benefits shall be paid as provided in subsection (3) of this  
8 section to exhaustees eligible under subsection (4) of this section.

9       (2) The additional benefit period applies to counties having a  
10 population of less than five hundred thousand beginning with the third  
11 week after a week in which the commissioner determines that a county  
12 meets two of the following three criteria, as determined by the  
13 department, for the most recent year in which such data is available:

14 (a) A lumber and wood products employment location quotient at or above  
15 the state average; (b) projected or actual direct lumber and wood  
16 products job losses of one hundred positions or more, except counties  
17 having a population greater than two hundred thousand but less than  
18 five hundred thousand must have direct lumber and wood products job  
19 losses of one thousand positions or more; or (c) an annual unemployment  
20 rate twenty percent or more above the state average. The additional  
21 benefit period for a county may end no sooner than fifty-two weeks  
22 after the additional benefit period begins.

23       (3) Additional benefits shall be paid as follows:

24       (a) No new claims for additional benefits shall be accepted for  
25 weeks beginning after July 1, 1995, but for claims established on or  
26 before July 1, 1995, weeks of unemployment occurring after July 1,  
27 1995, shall be compensated as provided in this section.

28       (b) The total additional benefit amount shall be one hundred four  
29 times the individual's weekly benefit amount, reduced by the total  
30 amount of regular benefits and extended benefits paid, or deemed paid,  
31 with respect to the benefit year. Additional benefits shall not be  
32 payable for weeks more than two years beyond the end of the benefit  
33 year of the regular claim for an individual whose benefit year ends on  
34 or after July 27, 1991, and shall not be payable for weeks ending on or  
35 after two years after March 26, 1992, for individuals who become  
36 eligible as a result of chapter 47, Laws of 1992.

37       (c) Notwithstanding the provisions of (b) of this subsection,  
38 individuals will be entitled to up to five additional weeks of benefits  
39 following the completion or termination of training.

1 (d) The weekly benefit amount shall be calculated as specified in  
2 RCW 50.22.040.

3 (e) Benefits paid under this section shall be paid under the same  
4 terms and conditions as regular benefits (~~and shall not be charged to~~  
5 ~~the experience rating account of individual employers~~). The  
6 additional benefit period shall be suspended with the start of an  
7 extended benefit period, or any totally federally funded benefit  
8 program, with eligibility criteria and benefits comparable to the  
9 program established by this section, and shall resume the first week  
10 following the end of the federal program.

11 (f) The amendments in chapter 316, Laws of 1993 affecting  
12 subsection (3) (b) and (c) of this section shall apply in the case of  
13 all individuals determined to be monetarily eligible under this section  
14 without regard to the date eligibility was determined.

15 (4) An additional benefit eligibility period is established for any  
16 exhaustee who:

17 (a)(i) At the time of last separation from employment, resided in  
18 or was employed in a county identified under subsection (2) of this  
19 section; or

20 (ii) During his or her base year, earned wages in at least six  
21 hundred eighty hours in the forest products industry, which shall be  
22 determined by the department but shall include the industries assigned  
23 the major group standard industrial classification codes "24" and "26"  
24 and the industries involved in the harvesting and management of logs,  
25 transportation of logs and wood products, processing of wood products,  
26 and the manufacturing and distribution of wood processing and logging  
27 equipment. The commissioner may adopt rules further interpreting the  
28 industries covered under this subsection. For the purposes of this  
29 subsection, "standard industrial classification code" means the code  
30 identified in RCW 50.29.025(6)(c); and

31 (b)(i) Has received notice of termination or layoff; and

32 (ii) Is unlikely to return to employment in his or her principal  
33 occupation or previous industry because of a diminishing demand within  
34 his or her labor market for his or her skills in the occupation or  
35 industry; and

36 (c)(i)(A) Is notified by the department of the requirements of this  
37 section and develops an individual training program that is submitted  
38 to the commissioner for approval not later than sixty days after the  
39 individual is notified of the requirements of this section, and enters

1 the approved training program not later than ninety days after the date  
2 of the individual's termination or layoff, or ninety days after July 1,  
3 1991, whichever is later, unless the department determines that the  
4 training is not available during the ninety-day period, in which case  
5 the individual shall enter training as soon as it is available; or

6 (B) Is unemployed as the result of a plant closure that occurs  
7 after November 1, 1992, in a county identified under subsection (2) of  
8 this section, did not comply with the requirements of (c)(i)(A) of this  
9 subsection due to good cause as demonstrated to the department, such as  
10 ambiguity over possible sale of the plant, develops a training program  
11 that is submitted to the commissioner for approval not later than sixty  
12 days from a date determined by the department to accommodate the good  
13 cause, and enters the approved training program not later than ninety  
14 days after the revised date established by the department, unless the  
15 department determines that the training is not available during the  
16 ninety-day period, in which case the individual shall enter training as  
17 soon as it is available; or

18 (ii) Is enrolled in training approved under this section on a full-  
19 time basis and maintains satisfactory progress in the training; and

20 (d) Does not receive a training allowance or stipend under the  
21 provisions of any federal or state law.

22 (5) For the purposes of this section:

23 (a) "Training program" means:

24 (i) A remedial education program determined to be necessary after  
25 counseling at the educational institution in which the individual  
26 enrolls pursuant to his or her approved training program; or

27 (ii) A vocational training program at an educational institution  
28 that:

29 (A) Is training for a labor demand occupation;

30 (B) Is likely to facilitate a substantial enhancement of the  
31 individual's marketable skills and earning power; and

32 (C) Does not include on-the-job training or other training under  
33 which the individual is paid by an employer for work performed by the  
34 individual during the time that the individual receives additional  
35 benefits under subsection (1) of this section.

36 (b) "Educational institution" means an institution of higher  
37 education as defined in RCW 28B.10.016 or an educational institution as  
38 defined in RCW 28C.04.410(3).

1 (c) "Training allowance or stipend" means discretionary use, cash-  
2 in-hand payments available to the individual to be used as the  
3 individual sees fit, but does not mean direct or indirect compensation  
4 for training costs, such as tuition or books and supplies.

5 (6) The commissioner shall adopt rules as necessary to implement  
6 this section.

7 (7) For the purpose of this section, an individual who has a  
8 benefit year beginning after January 1, 1989, and ending before July  
9 27, 1991, shall be treated as if his or her benefit year ended on July  
10 27, 1991.

11 **Sec. 3.** RCW 50.29.020 and 1993 c 483 s 19 are each amended to read  
12 as follows:

13 (1) An experience rating account shall be established and  
14 maintained for each employer, except employers as described in RCW  
15 50.44.010 and 50.44.030 who have properly elected to make payments in  
16 lieu of contributions, taxable local government employers as described  
17 in RCW 50.44.035, and those employers who are required to make payments  
18 in lieu of contributions, based on existing records of the employment  
19 security department. Benefits paid to any eligible individuals shall  
20 be charged to the experience rating accounts of each of such  
21 individual's employers during the individual's base year in the same  
22 ratio that the wages paid by each employer to the individual during the  
23 base year bear to the wages paid by all employers to that individual  
24 during that base year, except as otherwise provided in this section.

25 (2) The legislature finds that certain benefit payments, in whole  
26 or in part, should not be charged to the experience rating accounts of  
27 employers except those employers described in RCW 50.44.010 and  
28 50.44.030 who have properly elected to make payments in lieu of  
29 contributions, taxable local government employers described in RCW  
30 50.44.035, and those employers who are required to make payments in  
31 lieu of contributions, as follows:

32 (a) Benefits paid to any individuals later determined to be  
33 ineligible shall not be charged to the experience rating account of any  
34 contribution paying employer.

35 (b) ~~((Benefits paid to an individual under the provisions of RCW  
36 50.12.050 shall not be charged to the account of any contribution  
37 paying employer if the wage credits earned in this state by the~~

1 individual during his or her base year are less than the minimum amount  
2 necessary to qualify the individual for unemployment benefits.

3 ~~(e))~~ Benefits paid to an individual filing under the provisions of  
4 chapter 50.06 RCW shall not be charged to the experience rating account  
5 of any contribution paying employer only if:

6 (i) The individual files under RCW 50.06.020(1) after receiving  
7 crime victims' compensation for a disability resulting from a nonwork-  
8 related occurrence; or

9 (ii) The individual files under RCW 50.06.020(2).

10 ~~((d))~~ (c) Benefits paid which represent the state's share of  
11 benefits payable under chapter 50.22 RCW shall not be charged to the  
12 experience rating account of any contribution paying employer.

13 ~~((e))~~ (d) In the case of individuals who requalify for benefits  
14 under RCW 50.20.050 or 50.20.060, benefits based on wage credits earned  
15 prior to the disqualifying separation shall not be charged to the  
16 experience rating account of the contribution paying employer from whom  
17 that separation took place.

18 ~~((f))~~ (e) In the case of individuals identified under RCW  
19 50.20.015, benefits paid with respect to a calendar quarter, which  
20 exceed the total amount of wages earned in the state of Washington in  
21 the higher of two corresponding calendar quarters included within the  
22 individual's determination period, as defined in RCW 50.20.015, shall  
23 not be charged to the experience rating account of any contribution  
24 paying employer.

25 ~~((g) Benefits paid to an individual who does not successfully~~  
26 ~~complete an approved on the job training program under RCW 50.12.240~~  
27 ~~may not be charged to the experience rating account of the~~  
28 ~~contribution paying employer who provided the approved on the job~~  
29 ~~training.))~~

30 (3)(a) Beginning July 1, 1985, a contribution-paying base year  
31 employer, not otherwise eligible for relief of charges for benefits  
32 under this section, may receive such relief if the benefit charges  
33 result from payment to an individual who:

34 (i) Last left the employ of such employer voluntarily for reasons  
35 not attributable to the employer;

36 (ii) Was discharged for misconduct connected with his or her work  
37 not a result of inability to meet the minimum job requirements;

38 (iii) Is unemployed as a result of closure or severe curtailment of  
39 operation at the employer's plant, building, work site, or other

1 facility. This closure must be for reasons directly attributable to a  
2 catastrophic occurrence such as fire, flood, or other natural disaster;  
3 or

4 (iv) Continues to be employed on a regularly scheduled permanent  
5 part-time basis by a base year employer and who at some time during the  
6 base year was concurrently employed and subsequently separated from at  
7 least one other base year employer. Benefit charge relief ceases when  
8 the employment relationship between the employer requesting relief and  
9 the claimant is terminated. This subsection does not apply to shared  
10 work employers under chapter 50.60 RCW.

11 (b) The employer requesting relief of charges under this subsection  
12 must request relief in writing within thirty days following mailing to  
13 the last known address of the notification of the valid initial  
14 determination of such claim, stating the date and reason for the  
15 separation or the circumstances of continued employment. The  
16 commissioner, upon investigation of the request, shall determine  
17 whether relief should be granted.

18 **Sec. 4.** RCW 50.29.025 and 1993 c 483 s 21 and 1993 c 226 s 13 are  
19 each reenacted and amended to read as follows:

20 The contribution rate for each employer shall be determined under  
21 this section.

22 (1) A fund balance ratio shall be determined by dividing the  
23 balance in the unemployment compensation fund as of the June 30th  
24 immediately preceding the rate year by the total remuneration paid by  
25 all employers subject to contributions during the second calendar year  
26 preceding the rate year and reported to the department by the following  
27 March 31st. The division shall be carried to the fourth decimal place  
28 with the remaining fraction, if any, disregarded. The fund balance  
29 ratio shall be expressed as a percentage.

30 (2) The interval of the fund balance ratio, expressed as a  
31 percentage, shall determine which tax schedule in subsection (5) of  
32 this section shall be in effect for assigning tax rates for the rate  
33 year except that during rate year 1995 tax schedule AA shall be in  
34 effect. The intervals for determining the effective tax schedule shall  
35 be:

1	Interval of the	
2	Fund Balance Ratio	Effective
3	Expressed as a Percentage	Tax Schedule
4	<del>((3.90))</del> <u>2.90</u> and above	AA
5	<del>((3.40 to 3.89))</del> <u>2.50 to 2.89</u>	A
6	<del>((2.90 to 3.39))</del> <u>2.10 to 2.49</u>	B
7	<del>((2.40 to 2.89))</del> <u>1.60 to 2.09</u>	C
8	<del>((1.90 to 2.39))</del> <u>1.10 to 1.59</u>	D
9	<del>((1.40 to 1.89))</del> <u>0.60 to 1.09</u>	E
10	Less than <del>((1.40))</del> <u>0.60</u>	F

11 (3) An array shall be prepared, listing all qualified employers in  
12 ascending order of their benefit ratios. The array shall show for each  
13 qualified employer: (a) Identification number; (b) benefit ratio; (c)  
14 taxable payrolls for the four calendar quarters immediately preceding  
15 the computation date and reported to the department by the cut-off  
16 date; (d) a cumulative total of taxable payrolls consisting of the  
17 employer's taxable payroll plus the taxable payrolls of all other  
18 employers preceding him or her in the array; and (e) the percentage  
19 equivalent of the cumulative total of taxable payrolls.

20 (4) Each employer in the array shall be assigned to one of twenty  
21 rate classes according to the percentage intervals of cumulative  
22 taxable payrolls set forth in subsection (5) of this section:  
23 PROVIDED, That if an employer's taxable payroll falls within two or  
24 more rate classes, the employer and any other employer with the same  
25 benefit ratio shall be assigned to the lowest rate class which includes  
26 any portion of the employer's taxable payroll.

27 (5) The contribution rate for each employer in the array shall be  
28 the rate specified in the following table for the rate class to which  
29 he or she has been assigned, as determined under subsection (4) of this  
30 section, within the tax schedule which is to be in effect during the  
31 rate year:

32	Percent of									
33	Cumulative		Schedule of Contribution Rates							
34	Taxable Payrolls		for Effective Tax Schedule							
35			((Rate							
36	From	To	Class	AA	A	B	C	D	E	F
37	0.00	5.00	1	0.48	0.36	0.46	0.86	1.36	1.76	2.36
38	5.01	10.00	2	0.48	0.36	0.66	1.06	1.56	1.96	2.56
39	10.01	15.00	3	0.58	0.46	0.86	1.26	1.66	2.16	2.76



1	<del>15.01</del>	<del>20.00</del>	<del>4</del>	<del>0.58</del>	<del>0.66</del>	<del>1.06</del>	<del>1.46</del>	<del>1.86</del>	<del>2.36</del>	<del>2.96</del>
2	<del>20.01</del>	<del>25.00</del>	<del>5</del>	<del>0.78</del>	<del>0.86</del>	<del>1.26</del>	<del>1.66</del>	<del>2.06</del>	<del>2.56</del>	<del>3.06</del>
3	<del>25.01</del>	<del>30.00</del>	<del>6</del>	<del>0.98</del>	<del>1.06</del>	<del>1.46</del>	<del>1.86</del>	<del>2.26</del>	<del>2.66</del>	<del>3.16</del>
4	<del>30.01</del>	<del>35.00</del>	<del>7</del>	<del>1.08</del>	<del>1.26</del>	<del>1.66</del>	<del>2.06</del>	<del>2.46</del>	<del>2.86</del>	<del>3.26</del>
5	<del>35.01</del>	<del>40.00</del>	<del>8</del>	<del>1.28</del>	<del>1.46</del>	<del>1.86</del>	<del>2.26</del>	<del>2.66</del>	<del>3.06</del>	<del>3.46</del>
6	<del>40.01</del>	<del>45.00</del>	<del>9</del>	<del>1.48</del>	<del>1.66</del>	<del>2.06</del>	<del>2.46</del>	<del>2.86</del>	<del>3.26</del>	<del>3.66</del>
7	<del>45.01</del>	<del>50.00</del>	<del>10</del>	<del>1.68</del>	<del>1.86</del>	<del>2.26</del>	<del>2.66</del>	<del>3.06</del>	<del>3.46</del>	<del>3.86</del>
8	<del>50.01</del>	<del>55.00</del>	<del>11</del>	<del>1.98</del>	<del>2.16</del>	<del>2.46</del>	<del>2.86</del>	<del>3.26</del>	<del>3.66</del>	<del>3.96</del>
9	<del>55.01</del>	<del>60.00</del>	<del>12</del>	<del>2.18</del>	<del>2.36</del>	<del>2.66</del>	<del>3.06</del>	<del>3.46</del>	<del>3.86</del>	<del>4.16</del>
10	<del>60.01</del>	<del>65.00</del>	<del>13</del>	<del>2.38</del>	<del>2.56</del>	<del>2.86</del>	<del>3.26</del>	<del>3.66</del>	<del>4.06</del>	<del>4.36</del>
11	<del>65.01</del>	<del>70.00</del>	<del>14</del>	<del>2.58</del>	<del>2.76</del>	<del>3.06</del>	<del>3.46</del>	<del>3.86</del>	<del>4.26</del>	<del>4.56</del>
12	<del>70.01</del>	<del>75.00</del>	<del>15</del>	<del>2.88</del>	<del>2.96</del>	<del>3.26</del>	<del>3.66</del>	<del>4.06</del>	<del>4.46</del>	<del>4.66</del>
13	<del>75.01</del>	<del>80.00</del>	<del>16</del>	<del>3.08</del>	<del>3.16</del>	<del>3.46</del>	<del>3.86</del>	<del>4.26</del>	<del>4.56</del>	<del>4.76</del>
14	<del>80.01</del>	<del>85.00</del>	<del>17</del>	<del>3.28</del>	<del>3.36</del>	<del>3.66</del>	<del>4.06</del>	<del>4.46</del>	<del>4.76</del>	<del>4.86</del>
15	<del>85.01</del>	<del>90.00</del>	<del>18</del>	<del>3.68</del>	<del>3.76</del>	<del>4.06</del>	<del>4.46</del>	<del>4.76</del>	<del>4.86</del>	<del>5.06</del>
16	<del>90.01</del>	<del>95.00</del>	<del>19</del>	<del>4.08</del>	<del>4.16</del>	<del>4.46</del>	<del>4.86</del>	<del>4.96</del>	<del>5.06</del>	<del>5.26</del>
17	<del>95.01</del>	<del>100.00</del>	<del>20</del>	<del>5.40</del>	<del>5.40</del>	<del>5.40</del>	<del>5.40</del>	<del>5.40</del>	<del>5.40</del>	<del>5.40</del>

18				<u>Rate</u>								
19	<u>From</u>	<u>To</u>	<u>Class</u>	<u>AA</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>		
20	<u>0.00</u>	<u>5.00</u>	<u>1</u>	<u>0.36</u>	<u>0.36</u>	<u>0.46</u>	<u>0.86</u>	<u>1.36</u>	<u>1.76</u>	<u>2.36</u>		
21	<u>5.01</u>	<u>10.00</u>	<u>2</u>	<u>0.36</u>	<u>0.36</u>	<u>0.66</u>	<u>1.06</u>	<u>1.56</u>	<u>1.96</u>	<u>2.56</u>		
22	<u>10.01</u>	<u>15.00</u>	<u>3</u>	<u>0.46</u>	<u>0.46</u>	<u>0.86</u>	<u>1.26</u>	<u>1.66</u>	<u>2.16</u>	<u>2.76</u>		
23	<u>15.01</u>	<u>20.00</u>	<u>4</u>	<u>0.46</u>	<u>0.66</u>	<u>1.06</u>	<u>1.46</u>	<u>1.86</u>	<u>2.36</u>	<u>2.96</u>		
24	<u>20.01</u>	<u>25.00</u>	<u>5</u>	<u>0.66</u>	<u>0.86</u>	<u>1.26</u>	<u>1.66</u>	<u>2.06</u>	<u>2.56</u>	<u>3.06</u>		
25	<u>25.01</u>	<u>30.00</u>	<u>6</u>	<u>0.86</u>	<u>1.06</u>	<u>1.46</u>	<u>1.86</u>	<u>2.26</u>	<u>2.66</u>	<u>3.16</u>		
26	<u>30.01</u>	<u>35.00</u>	<u>7</u>	<u>0.96</u>	<u>1.26</u>	<u>1.66</u>	<u>2.06</u>	<u>2.46</u>	<u>2.86</u>	<u>3.26</u>		
27	<u>35.01</u>	<u>40.00</u>	<u>8</u>	<u>1.16</u>	<u>1.46</u>	<u>1.86</u>	<u>2.26</u>	<u>2.66</u>	<u>3.06</u>	<u>3.46</u>		
28	<u>40.01</u>	<u>45.00</u>	<u>9</u>	<u>1.36</u>	<u>1.66</u>	<u>2.06</u>	<u>2.46</u>	<u>2.86</u>	<u>3.26</u>	<u>3.66</u>		
29	<u>45.01</u>	<u>50.00</u>	<u>10</u>	<u>1.56</u>	<u>1.86</u>	<u>2.26</u>	<u>2.66</u>	<u>3.06</u>	<u>3.46</u>	<u>3.86</u>		
30	<u>50.01</u>	<u>55.00</u>	<u>11</u>	<u>1.86</u>	<u>2.16</u>	<u>2.46</u>	<u>2.86</u>	<u>3.26</u>	<u>3.66</u>	<u>3.96</u>		
31	<u>55.01</u>	<u>60.00</u>	<u>12</u>	<u>2.06</u>	<u>2.36</u>	<u>2.66</u>	<u>3.06</u>	<u>3.46</u>	<u>3.86</u>	<u>4.16</u>		
32	<u>60.01</u>	<u>65.00</u>	<u>13</u>	<u>2.26</u>	<u>2.56</u>	<u>2.86</u>	<u>3.26</u>	<u>3.66</u>	<u>4.06</u>	<u>4.36</u>		
33	<u>65.01</u>	<u>70.00</u>	<u>14</u>	<u>2.46</u>	<u>2.76</u>	<u>3.06</u>	<u>3.46</u>	<u>3.86</u>	<u>4.26</u>	<u>4.56</u>		
34	<u>70.01</u>	<u>75.00</u>	<u>15</u>	<u>2.76</u>	<u>2.96</u>	<u>3.26</u>	<u>3.66</u>	<u>4.06</u>	<u>4.46</u>	<u>4.66</u>		
35	<u>75.01</u>	<u>80.00</u>	<u>16</u>	<u>2.96</u>	<u>3.16</u>	<u>3.46</u>	<u>3.86</u>	<u>4.26</u>	<u>4.56</u>	<u>4.76</u>		
36	<u>80.01</u>	<u>85.00</u>	<u>17</u>	<u>3.16</u>	<u>3.36</u>	<u>3.66</u>	<u>4.06</u>	<u>4.46</u>	<u>4.76</u>	<u>4.86</u>		
37	<u>85.01</u>	<u>90.00</u>	<u>18</u>	<u>3.56</u>	<u>3.76</u>	<u>4.06</u>	<u>4.46</u>	<u>4.76</u>	<u>4.86</u>	<u>5.06</u>		
38	<u>90.01</u>	<u>95.00</u>	<u>19</u>	<u>3.96</u>	<u>4.16</u>	<u>4.46</u>	<u>4.86</u>	<u>4.96</u>	<u>5.06</u>	<u>5.26</u>		
39	<u>95.01</u>	<u>100.00</u>	<u>20</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>		

40 (6) The contribution rate for each employer not qualified to be in  
41 the array shall be as follows:

42 (a) Employers who do not meet the definition of "qualified  
43 employer" by reason of failure to pay contributions when due shall be  
44 assigned the contribution rate of five and six-tenths percent, except

1 employers who have an approved agency-deferred payment contract by  
2 September 30 of the previous rate year. If any employer with an  
3 approved agency-deferred payment contract fails to make any one of the  
4 succeeding deferred payments or fails to submit any succeeding tax  
5 report and payment in a timely manner, the employer's tax rate shall  
6 immediately revert to five and six-tenths percent for the current rate  
7 year;

8 (b) The contribution rate for employers exempt as of December 31,  
9 1989, who are newly covered under the section 78, chapter 380, Laws of  
10 1989 amendment to RCW 50.04.150 and not yet qualified to be in the  
11 array shall be 2.5 percent for employers whose standard industrial code  
12 is "013", "016", "017", "018", "019", "021", or "081"; and

13 (c) For all other employers not qualified to be in the array, the  
14 contribution rate shall be a rate equal to the average industry rate as  
15 determined by the commissioner; however, the rate may not be less than  
16 one percent. Assignment of employers by the commissioner to industrial  
17 classification, for purposes of this subsection, shall be in accordance  
18 with established classification practices found in the "Standard  
19 Industrial Classification Manual" issued by the federal office of  
20 management and budget to the third digit provided in the Standard  
21 Industrial Classification code.

22 **Sec. 5.** RCW 50.29.025 and 1993 c 483 s 21 and 1993 c 226 s 14 are  
23 each reenacted and amended to read as follows:

24 The contribution rate for each employer shall be determined under  
25 this section.

26 (1) A fund balance ratio shall be determined by dividing the  
27 balance in the unemployment compensation fund as of the June 30th  
28 immediately preceding the rate year by the total remuneration paid by  
29 all employers subject to contributions during the second calendar year  
30 preceding the rate year and reported to the department by the following  
31 March 31st. The division shall be carried to the fourth decimal place  
32 with the remaining fraction, if any, disregarded. The fund balance  
33 ratio shall be expressed as a percentage.

34 (2) The interval of the fund balance ratio, expressed as a  
35 percentage, shall determine which tax schedule in subsection (5) of  
36 this section shall be in effect for assigning tax rates for the rate  
37 year. The intervals for determining the effective tax schedule shall  
38 be:

Interval of the Fund Balance Ratio Expressed as a Percentage	Effective Tax Schedule
<del>((3.90))</del> <u>2.90</u> and above	AA
<del>((3.40 to 3.89))</del> <u>2.50 to 2.89</u>	A
<del>((2.90 to 3.39))</del> <u>2.10 to 2.49</u>	B
<del>((2.40 to 2.89))</del> <u>1.60 to 2.09</u>	C
<del>((1.90 to 2.39))</del> <u>1.10 to 1.59</u>	D
<del>((1.40 to 1.89))</del> <u>0.60 to 1.09</u>	E
Less than <del>((1.40))</del> <u>0.60</u>	F

(3) An array shall be prepared, listing all qualified employers in ascending order of their benefit ratios. The array shall show for each qualified employer: (a) Identification number; (b) benefit ratio; (c) taxable payrolls for the four calendar quarters immediately preceding the computation date and reported to the department by the cut-off date; (d) a cumulative total of taxable payrolls consisting of the employer's taxable payroll plus the taxable payrolls of all other employers preceding him or her in the array; and (e) the percentage equivalent of the cumulative total of taxable payrolls.

(4) Each employer in the array shall be assigned to one of twenty rate classes according to the percentage intervals of cumulative taxable payrolls set forth in subsection (5) of this section: PROVIDED, That if an employer's taxable payroll falls within two or more rate classes, the employer and any other employer with the same benefit ratio shall be assigned to the lowest rate class which includes any portion of the employer's taxable payroll.

(5) The contribution rate for each employer in the array shall be the rate specified in the following tables for the rate class to which he or she has been assigned, as determined under subsection (4) of this section, within the tax schedule which is to be in effect during the rate year:

Percent of		Schedules of Contributions Rates								
Cumulative		for Effective Tax Schedule								
Taxable Payrolls										
Rate										
From	To	Class	AA	A	B	C	D	E	F	
0.00	5.00	1	0.48	0.48	0.58	0.98	1.48	1.88	2.48	
5.01	10.00	2	0.48	0.48	0.78	1.18	1.68	2.08	2.68	

1	10.01	15.00	3	0.58	0.58	0.98	1.38	1.78	2.28	2.88
2	15.01	20.00	4	0.58	0.78	1.18	1.58	1.98	2.48	3.08
3	20.01	25.00	5	0.78	0.98	1.38	1.78	2.18	2.68	3.18
4	25.01	30.00	6	0.98	1.18	1.58	1.98	2.38	2.78	3.28
5	30.01	35.00	7	1.08	1.38	1.78	2.18	2.58	2.98	3.38
6	35.01	40.00	8	1.28	1.58	1.98	2.38	2.78	3.18	3.58
7	40.01	45.00	9	1.48	1.78	2.18	2.58	2.98	3.38	3.78
8	45.01	50.00	10	1.68	1.98	2.38	2.78	3.18	3.58	3.98
9	50.01	55.00	11	1.98	2.28	2.58	2.98	3.38	3.78	4.08
10	55.01	60.00	12	2.18	2.48	2.78	3.18	3.58	3.98	4.28
11	60.01	65.00	13	2.38	2.68	2.98	3.38	3.78	4.18	4.48
12	65.01	70.00	14	2.58	2.88	3.18	3.58	3.98	4.38	4.68
13	70.01	75.00	15	2.88	3.08	3.38	3.78	4.18	4.58	4.78
14	75.01	80.00	16	3.08	3.28	3.58	3.98	4.38	4.68	4.88
15	80.01	85.00	17	3.28	3.48	3.78	4.18	4.58	4.88	4.98
16	85.01	90.00	18	3.68	3.88	4.18	4.58	4.88	4.98	5.18
17	90.01	95.00	19	4.08	4.28	4.58	4.98	5.08	5.18	5.38
18	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	5.40

19 (6) The contribution rate for each employer not qualified to be in  
20 the array shall be as follows:

21 (a) Employers who do not meet the definition of "qualified  
22 employer" by reason of failure to pay contributions when due shall be  
23 assigned the contribution rate of five and six-tenths percent, except  
24 employers who have an approved agency-deferred payment contract by  
25 September 30 of the previous rate year. If any employer with an  
26 approved agency-deferred payment contract fails to make any one of the  
27 succeeding deferred payments or fails to submit any succeeding tax  
28 report and payment in a timely manner, the employer's tax rate shall  
29 immediately revert to five and six-tenths percent for the current rate  
30 year;

31 (b) The contribution rate for employers exempt as of December 31,  
32 1989, who are newly covered under the section 78, chapter 380, Laws of  
33 1989 amendment to RCW 50.04.150 and not yet qualified to be in the  
34 array shall be 2.5 percent for employers whose standard industrial code  
35 is "013", "016", "017", "018", "019", "021", or "081"; and

36 (c) For all other employers not qualified to be in the array, the  
37 contribution rate shall be a rate equal to the average industry rate as  
38 determined by the commissioner; however, the rate may not be less than  
39 one percent. Assignment of employers by the commissioner to industrial  
40 classification, for purposes of this subsection, shall be in accordance  
41 with established classification practices found in the "Standard  
42 Industrial Classification Manual" issued by the federal office of

1 management and budget to the third digit provided in the Standard  
2 Industrial Classification code.

3 **Sec. 6.** RCW 50.29.062 and 1989 c 380 s 81 are each amended to read  
4 as follows:

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

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

16 (2) If the successor is not an employer at the time of the  
17 transfer, ~~((he or she))~~ it shall pay contributions at the ~~((rate class~~  
18 ~~assigned to the predecessor employer at the time of the transfer for~~  
19 ~~the remainder for that rate year and continuing until such time as he~~  
20 ~~or she qualifies for a different rate in his or her own right))~~ lowest  
21 rate determined under either of the following:

22 (a) The contribution rate of the rate class assigned to the  
23 predecessor employer at the time of the transfer for the remainder of  
24 that rate year and continuing until the successor qualifies for a  
25 different rate in its own right. Any experience relating to the  
26 assignment of that rate class attributable to the predecessor is  
27 transferred to the successor; or

28 (b) The contribution rate equal to the average industry rate as  
29 determined by the commissioner, but not less than one percent, and  
30 continuing until the successor qualifies for a different rate in its  
31 own right. Assignment of employers by the commissioner to industrial  
32 classification, for purposes of this subsection, must be in accordance  
33 with established classification practices found in the "Standard  
34 Industrial Classification Manual" issued by the federal office of  
35 management and budget to the third digit provided in the standard  
36 industrial classification code.

37 (3) If the successor is not an employer at the time of the transfer  
38 and simultaneously acquires the business or a portion of the business

1 of two or more employers in different rate classes, (~~his or her~~) its  
2 rate from the date the transfer occurred until the end of that rate  
3 year and until (~~he or she~~) it qualifies in (~~his or her~~) its own  
4 right for a new rate, shall be the highest rate class applicable at the  
5 time of the acquisition to any predecessor employer who is a party to  
6 the acquisition.

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

10 (5) In all cases, from and after January 1 following the transfer,  
11 the predecessor's contribution rate for each rate year shall be based  
12 on (~~his or her~~) its experience with payrolls and benefits as of the  
13 regular computation date for that rate year including the experience of  
14 the acquired business or portion of business up to the date of  
15 transfer: PROVIDED, That if all of the predecessor's business is  
16 transferred to a successor or successors, the predecessor shall not be  
17 a qualified employer until (~~he or she~~) it satisfies the requirements  
18 of a "qualified employer" as set forth in RCW 50.29.010.

19 NEW SECTION. Sec. 7. Sections 1 through 3 of this act apply only  
20 to benefit changes attributable to new claims effective after July 1,  
21 1995.

22 NEW SECTION. Sec. 8. (1) Sections 1 through 4, 6, and 7 of this  
23 act are necessary for the immediate preservation of the public peace,  
24 health, or safety, or support of the state government and its existing  
25 public institutions, and shall take effect immediately.

26 (2) Section 5 of this act shall take effect January 1, 1998.

27 NEW SECTION. Sec. 9. Section 4 of this act expires January 1,  
28 1998.

--- END ---