

SENATE BILL REPORT

SB 6238

As Passed Senate, February 12, 2000

Title: An act relating to eligibility for unemployment insurance benefits when an employee voluntarily participates in an employer initiated layoff.

Brief Description: Addressing the eligibility for unemployment insurance benefits when an employee voluntarily participates in an employer initiated layoff.

Sponsors: Senator Fairley; by request of Employment Security Department.

Brief History:

Committee Activity: Labor & Workforce Development: 1/11/2000, 2/3/2000 [DP].
Passed Senate, 2/12/2000, 42-0.

SENATE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Majority Report: Do pass.

Signed by Senators Fairley, Chair; Franklin, Vice Chair; Hochstatter, Kline, Oke and Wojahn.

Staff: Elizabeth Mitchell (786-7430)

Background: Workers are eligible to receive unemployment benefits if they become unemployed through no fault of their own, or if they voluntarily leave work with good cause. Benefits are not payable if an employee voluntarily leaves work without good cause.

The Employment Security Department adopted a rule in 1993 to allow workers who participate in employer-initiated layoffs to collect unemployment benefits. This rule provides that leaving a job as part of an employer-initiated layoff will not constitute quitting voluntarily if certain conditions are met.

However, there have been conflicting judicial interpretations regarding this section. In 1998, one division of the Washington Court of Appeals ruled that workers who participated in employer-initiated layoffs qualified to receive benefits, while another division ruled that such workers did not qualify for benefits. The department feels that these conflicting interpretations have resulted in confusion for claimants, employers and adjudicators.

Summary of Bill: Participating in an employer initiated layoff is not considered leaving work voluntarily if: (1) an employer announces a layoff; (2) a worker volunteers to be laid off; (3) the employer determines which individuals are to be laid off; and (4) the employer subsequently lays off the worker.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This bill allows more flexibility for workers; workers who are better prepared to be laid off can participate in layoffs, not only those who were last hired.

Testimony Against: None.

Testified: PRO: Jeff Johnson, Washington State Labor Council; Dave Ziegler, Employment Security Department.