

1 **HB 2901** - H AMD TO H AMD (2901 AMH .... H4760.7)

2 By Representative \_\_\_\_

3 On page 8, after line 9 of the amendment, insert the following:

4 "NEW SECTION. **Sec. 5.** A new section is added to chapter 50.24  
5 RCW to read as follows:

6 (1) For the purposes of this section:

7 (a) Individual benefits- means benefits paid to individuals who  
8 are not considered to have left work voluntarily without good cause  
9 under RCW 50.20.050(2).

10 (b) Individual contributions- means the money payments due to the  
11 state unemployment compensation fund as provided under this section.

12 (2) For the rate year immediately following a year in which the  
13 fund balance ratio is determined to be 1.39 or less under RCW  
14 50.29.025, individual contributions to the state unemployment  
15 compensation fund shall accrue and become payable by each employer in  
16 accordance with such rules as the commissioner may adopt.

17 (3) The commissioner shall determine the rate of individual  
18 contributions. The individual contribution rate shall be the lowest  
19 rate necessary to ensure that the total amount of individual  
20 contributions that accrue and become payable for the specified rate  
21 year equals the total amount of individual benefits paid in the  
22 completed state fiscal year immediately preceding the rate year.

23 (4) The commissioner shall determine the amount of wages subject  
24 to the individual contribution rate under RCW 50.24.010.

25 (5) An employer may deduct individual contributions, in whole or  
26 in part, from the remuneration of individuals in employment of the  
27 employer.

28 (6) In the payment of any individual contributions, a fractional  
29 part of a cent shall be disregarded unless it amounts to one-half cent  
30 or more, in which case it shall be increased to one cent.

31 (7) This section does not apply to: (a) Employers who are required  
32 to make payments in lieu of contributions; (b) employers described in  
33 RCW 50.44.010, 50.44.030, and 50.50.030 who have properly elected to  
34 make payments in lieu of contributions; and (c) taxable local  
35 government employers described in RCW 50.44.035.

1           **Sec. 6.** RCW 50.04.072 and 1985 ex.s. c 5 s 5 are each amended to  
2 read as follows:

3           The terms "contributions," "individual contributions," and  
4 "payments in lieu of contributions" used in this title, whether  
5 singular or plural, designate the money payments to be made to the  
6 state unemployment compensation fund, to the federal interest payment  
7 fund under RCW 50.16.070, or to the special account in the  
8 administrative contingency fund under RCW 50.24.014 and are deemed to  
9 be taxes due to the state of Washington.

10           **Sec. 7.** RCW 50.16.010 and 1993 c 483 s 7 and 1993 c 226 s 10 are  
11 each reenacted and amended to read as follows:

12           There shall be maintained as special funds, separate and apart  
13 from all public moneys or funds of this state an unemployment  
14 compensation fund, an administrative contingency fund, and a federal  
15 interest payment fund, which shall be administered by the commissioner  
16 exclusively for the purposes of this title, and to which RCW 43.01.050  
17 shall not be applicable.

18           The unemployment compensation fund shall consist of:

19           (1) All contributions, individual contributions, and payments in  
20 lieu of contributions collected pursuant to the provisions of this  
21 title,

22           (2) Any property or securities acquired through the use of moneys  
23 belonging to the fund,

24           (3) All earnings of such property or securities,

25           (4) Any moneys received from the federal unemployment account in  
26 the unemployment trust fund in accordance with Title XII of the social  
27 security act, as amended,

28           (5) All money recovered on official bonds for losses sustained by  
29 the fund,

30           (6) All money credited to this state's account in the unemployment  
31 trust fund pursuant to section 903 of the social security act, as  
32 amended,

33           (7) All money received from the federal government as  
34 reimbursement pursuant to section 204 of the federal-state extended  
35 compensation act of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and

36           (8) All moneys received for the fund from any other source.

37           All moneys in the unemployment compensation fund shall be  
38 commingled and undivided.

1           The administrative contingency fund shall consist of all interest  
2 on delinquent contributions collected pursuant to this title, all fines  
3 and penalties collected pursuant to the provisions of this title, all  
4 sums recovered on official bonds for losses sustained by the fund, and  
5 revenue received under RCW 50.24.014: PROVIDED, That all fees, fines,  
6 forfeitures and penalties collected or assessed by a district court  
7 because of the violation of a state law shall be remitted as provided  
8 in chapter 3.62 RCW as now exists or is later amended.

9           Moneys available in the administrative contingency fund, other  
10 than money in the special account created under RCW 50.24.014, shall be  
11 expended upon the direction of the commissioner, with the approval of  
12 the governor, whenever it appears to him or her that such expenditure  
13 is necessary for:

14           (a) The proper administration of this title and no federal funds  
15 are available for the specific purpose to which such expenditure is to  
16 be made, provided, the moneys are not substituted for appropriations  
17 from federal funds which, in the absence of such moneys, would be made  
18 available.

19           (b) The proper administration of this title for which purpose  
20 appropriations from federal funds have been requested but not yet  
21 received, provided, the administrative contingency fund will be  
22 reimbursed upon receipt of the requested federal appropriation.

23           (c) The proper administration of this title for which compliance  
24 and audit issues have been identified that establish federal claims  
25 requiring the expenditure of state resources in resolution. Claims  
26 must be resolved in the following priority: First priority is to  
27 provide services to eligible participants within the state; second  
28 priority is to provide substitute services or program support; and last  
29 priority is the direct payment of funds to the federal government.

30           Money in the special account created under RCW 50.24.014 may only  
31 be expended, after appropriation, for the purposes specified in RCW  
32 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010,  
33 50.29.025, 50.24.014, 50.44.053, and 50.22.010."

34           Renumber remaining sections and correct internal references  
35 accordingly.

36           Correct the title.

**EFFECT:** (1) Defines "individual benefits" as benefits that are paid to individuals who are not considered to have left work voluntarily without good cause.

(2) For any rate year in which the schedule in effect is Schedule D, E, or F, requires employers to pay "individual contributions" to the Unemployment Insurance Trust Fund, and permits employers to deduct "individual contributions" from employee wages.

(3) Directs the Commissioner of the Employment Security Department to set the rate of individual contributions at the lowest rate necessary to collect a total amount of individual contributions in that rate (calendar) year equal to the total amount of individual benefits paid in the last completed fiscal year.