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## Commerce & Labor Committee

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### SSB 6735

**Brief Description:** Providing for direct deposit of unemployment compensation benefits.

**Sponsors:** Senate Committee on Labor, Commerce & Financial Institutions (originally sponsored by Senators Rasmussen, Prentice, Benton, Keiser, Hochstatter, Honeyford, Winsley, Gardner and Regala).

#### Brief Summary of Substitute Bill

- Allows unemployment compensation recipients to elect to have their benefits deposited directly to their accounts in financial institutions.

**Hearing Date:** 2/26/02

**Staff:** Jill Reinmuth (786-7134).

#### Background:

Currently, the Employment Security Department pays unemployment benefits to an eligible individual by mailing checks to him or her. The department does not pay benefits by direct deposit.

In 1988, however, the department paid benefits by direct deposit as part of a one-year pilot project to study electronic benefits distribution. Just over eight percent of eligible individuals elected to have the department pay benefits by direct deposit.

Thirteen other states pay unemployment benefits to some eligible individuals by making direct deposits of benefits to their accounts.

#### Summary of Bill:

An eligible individual may elect to have his or her unemployment benefits deposited directly to his or her account in a financial institution. The deposit may be credited to the individual's account in the financial institution, or immediately transferred to his or her account in any other financial institution. Financial institution— refers to a bank, credit union, or savings and loan association.

**Rules Authority:** The bill does not contain provisions addressing the rule-making powers of an agency.

**Appropriation:** None.

**Fiscal Note:** Available.

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