

1 **HB 2901** - H AMD TO H AMD (H4760.7)**Failed 3-11-02 0513**

2 By Representative ____

3 On page 8, after line 9, 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) Beginning on January 1, 2003, individual contributions to the
13 state unemployment compensation fund shall accrue and become payable by
14 each employer in accordance with such rules as the commissioner may
15 adopt.

16 (3) Beginning on September 30, 2002, and on September 30 of each
17 year thereafter, the commissioner shall determine the rate of
18 individual contributions. The individual contribution rate shall be
19 the lowest rate necessary to ensure that the total amount of individual
20 contributions that accrue and become payable for the next rate year
21 equals the total amount of individual benefits paid in the last
22 completed state fiscal 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

1 government employers described in RCW 50.44.035.

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

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

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

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

19 The unemployment compensation fund shall consist of

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

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

25 (3) all earnings of such property or securities,

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

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

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

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

37 (8) all moneys received for the fund from any other source.

1 All moneys in the unemployment compensation fund shall be
2 commingled and undivided.

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

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

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

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

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

32 Money in the special account created under RCW 50.24.014 may only
33 be expended, after appropriation, for the purposes specified in RCW
34 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010,
35 50.29.025, 50.24.014, 50.44.053, and 50.22.010."

36 Renumber remaining sections and correct internal references
37 accordingly.

1 Correct the title.

EFFECT:

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Defines "individual benefits" as benefits that are paid to individuals who are not considered to have left work voluntarily without good cause.

Ø Requires employers to pay "individual contributions" to the Unemployment Insurance Trust Fund, and permits employers to deduct "individual contributions" from employee wages.

Ø 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 the next rate (calendar) year equal to the total amount of individual benefits paid in the last completed fiscal year.