

SENATE BILL REPORT

SB 5608

As Reported by Senate Committee On:
Commerce & Labor, February 22, 2013

Title: An act relating to not disqualifying certain corporate officers from receiving unemployment benefits.

Brief Description: Authorizing certain corporate officers to receive unemployment benefits.

Sponsors: Senators Holmquist Newbry and Benton.

Brief History:

Committee Activity: Commerce & Labor: 2/22/13 [DP].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

Signed by Senators Holmquist Newbry, Chair; Braun, Vice Chair; Conway, Ranking Member; Hewitt, Keiser and King.

Staff: Mac Nicholson (786-7445)

Background: The unemployment compensation system provides partial wage replacement for individuals who are unemployed through no fault of their own. Generally, benefits are payable to individuals who are unemployed and who meet other eligibility requirements. An individual is unemployed if the individual performs no paid services or performs less than full-time work.

A corporate officer who owns at least 10 percent of the corporation's outstanding stock, or a corporate officer who is a family member of an officer who owns at least 10 percent of the corporation's stock, is not considered unemployed in any week during the officer's term of office or ownership in the corporation, even if wages are not being paid. Such an officer will be considered unemployed upon dissolution of the corporation or if the officer permanently resigns or is permanently removed from their appointment.

Summary of Bill: A corporate officer is unemployed if the corporate officer's covered base-year wages with that corporation are less than 25 percent of the corporate officer's total covered base-year wages.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Appropriation: None.

Fiscal Note: Available (on companion).

Committee/Commission/Task Force Created: No.

Effective Date: The bill takes effect on December 29, 2013.

Staff Summary of Public Testimony: None.

Persons Testifying: No one.