
ENGROSSED SUBSTITUTE SENATE BILL 5702

State of Washington

53rd Legislature

1993 Regular Session

By Senate Committee on Labor & Commerce (originally sponsored by Senators Prentice, Wojahn and Franklin; by request of Employment Security Department)

Read first time 03/03/93.

1 AN ACT Relating to unemployment insurance; amending RCW 50.04.323,
2 50.06.010, 50.06.020, 50.06.030, 50.13.040, 50.16.010, 50.20.050,
3 50.20.060, 50.20.080, 50.20.120, 50.20.190, 50.22.010, 50.22.020,
4 50.22.030, 50.22.050, 50.29.020, 50.24.014, and 50.29.025; adding a new
5 section to chapter 50.04 RCW; adding new sections to chapter 50.20 RCW;
6 creating new sections; providing effective dates; and declaring an
7 emergency.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9 NEW SECTION. **Sec. 1.** A new section is added to chapter 50.04 RCW
10 to read as follows:

11 "Misconduct" means an employee's act or failure to act in willful
12 disregard of his or her employer's interest where the effect of the
13 employee's act or failure to act is to harm the employer's business.

14 **Sec. 2.** RCW 50.04.323 and 1983 1st ex.s. c 23 s 7 are each amended
15 to read as follows:

16 (1) The amount of benefits payable to an individual for any week
17 which begins after October 3, 1980, and which begins in a period with
18 respect to which such individual is receiving a governmental or other

1 pension, retirement or retired pay, annuity, or any other similar
2 periodic payment which is based on the previous work of such individual
3 shall be reduced (but not below zero) by an amount equal to the amount
4 of such pension, retirement or retired pay, annuity, or other payment,
5 which is reasonably attributable to such week(~~(: PROVIDED, That)~~).

6 However:

7 (a) The requirements of this subsection shall apply to any pension,
8 retirement or retired pay, annuity, or other similar periodic payment
9 only if--

10 (i) Such pension, retirement or retired pay, annuity, or similar
11 payment is under a plan maintained (or contributed to) by a base period
12 employer; and

13 (ii) In the case of such a payment not made under the Social
14 Security Act or the Railroad Retirement Act of 1974 (or corresponding
15 provisions of prior law), services performed for such employer by the
16 individual after the beginning of the base period (or remuneration for
17 such services) affect eligibility for, or increase the amount of, such
18 pension, retirement or retired pay, annuity, or similar payment;
19 (~~and~~)

20 (b) The amount of any such a reduction shall take into account
21 contributions made by the individual for the pension, retirement or
22 retired pay, annuity, or other similar periodic payment, in accordance
23 with regulations prescribed by the commissioner; and

24 (c) No deduction shall be made from the amount of benefits payable
25 for a week for individuals receiving federal social security pensions
26 to take into account the individuals' contributions to the pension
27 program.

28 (2) In the event that a retroactive pension or retirement payment
29 covers a period in which an individual received benefits under the
30 provisions of this title, the amount in excess of the amount to which
31 such individual would have been entitled had such retirement or pension
32 payment been considered as provided in this section shall be
33 recoverable under RCW 50.20.190.

34 (3) A lump sum payment accumulated in a plan described in this
35 section paid to an individual eligible for such payment shall be
36 prorated over the life expectancy of the individual computed in
37 accordance with the commissioner's regulation.

1 (4) The resulting weekly benefit amount payable after reduction
2 under this section, if not a multiple of one dollar, shall be reduced
3 to the next lower multiple of one dollar.

4 (5) Any ambiguity in subsection (1) of this section should be
5 construed in a manner consistent with 26 U.S.C. Sec. 3304 (a)(15) as
6 last amended by P.L. 96-364.

7 **Sec. 3.** RCW 50.06.010 and 1984 c 65 s 1 are each amended to read
8 as follows:

9 This chapter is enacted for the purpose of providing the protection
10 of the unemployment compensation system to persons who have suffered a
11 temporary total disability (~~((compensable under industrial insurance or
12 crime victims compensation laws))~~) and is a recognition by this
13 legislature of the economic hardship confronting those persons who have
14 not been promptly reemployed after a prolonged period of temporary
15 total disability.

16 **Sec. 4.** RCW 50.06.020 and 1984 c 65 s 2 are each amended to read
17 as follows:

18 The benefits of this chapter shall be allowed only to:

19 (1) Individuals who have suffered a temporary total disability and
20 have received compensation under the industrial insurance or crime
21 victims compensation laws of this state, any other state or the United
22 States for a period of not less than thirteen consecutive calendar
23 weeks by reason of such temporary total disability (~~((shall be allowed~~
24 the benefits of this chapter)); or

25 (2) Individuals who are reentering the work force after an absence
26 of not less than thirteen consecutive calendar weeks resulting from
27 temporary total physical disability because of a nonwork-related injury
28 or illness: PROVIDED, That individuals authorized to receive benefits
29 under this subsection are required to meet other eligibility
30 requirements under Title 50 RCW.

31 **Sec. 5.** RCW 50.06.030 and 1987 c 278 s 3 are each amended to read
32 as follows:

33 (1) In the case of individuals eligible under RCW 50.06.020(1), an
34 application for initial determination made pursuant to this chapter, to
35 be considered timely, must be filed in writing with the employment
36 security department within twenty-six weeks following the week in which

1 the period of temporary total disability commenced. Notice from the
2 department of labor and industries shall satisfy this requirement. The
3 records of the agency supervising the award of compensation shall be
4 conclusive evidence of the fact of temporary disability and the
5 beginning date of such disability.

6 (2) In the case of individuals eligible under RCW 50.06.020(2), an
7 application for initial determination must be filed in writing with the
8 employment security department within twenty-six weeks following the
9 week in which the period of temporary total physical disability
10 commenced. This filing requirement is satisfied by filing a signed
11 statement from the attending physician stating the date that the
12 disability commenced and stating that the individual was unable to
13 reenter the work force during the time of the disability. The
14 department may examine any medical information related to the
15 disability. If the claim is appealed, a base year employer may examine
16 the medical information related to the disability and require, at the
17 employer's expense, that the individual obtain the opinion of a second
18 health care provider selected by the employer concerning any
19 information related to the disability.

20 (3) The employment security department shall process and issue an
21 initial determination of entitlement or nonentitlement as the case may
22 be.

23 (4) For the purpose of this chapter, a special base year is
24 established for an individual consisting of either the first four of
25 the last five completed calendar quarters or the last four completed
26 calendar quarters immediately prior to the first day of the calendar
27 week in which the individual's temporary total disability commenced,
28 and a special individual benefit year is established consisting of the
29 entire period of disability and a fifty-two consecutive week period
30 commencing with the first day of the calendar week immediately
31 following the week or part thereof with respect to which the individual
32 received his final temporary total disability compensation under the
33 applicable industrial insurance or crime victims compensation laws, or
34 the week in which the individual reentered the work force after an
35 absence under subsection (2) of this section, as applicable, except
36 that no special benefit year shall have a duration in excess of three
37 hundred twelve calendar weeks: PROVIDED HOWEVER, That such special
38 benefit year will not be established unless the criteria contained in
39 RCW 50.04.030 has been met, except that an individual meeting the

1 ((~~disability and filing~~)) eligibility requirements of this chapter and
2 who has an unexpired benefit year established which would overlap the
3 special benefit year provided by this chapter, notwithstanding the
4 provisions in RCW 50.04.030 relating to the establishment of a
5 subsequent benefit year and RCW 50.40.010 relating to waiver of rights,
6 may elect to establish a special benefit year under this chapter:
7 PROVIDED FURTHER, that the unexpired benefit year shall be terminated
8 with the beginning of the special benefit year if the individual elects
9 to establish such special benefit year.

10 (5) For the purposes of establishing a benefit year, the department
11 shall initially use the first four of the last five completed calendar
12 quarters as the base year. If a benefit year is not established using
13 the first four of the last five calendar quarters as the base year, the
14 department shall use the last four completed calendar quarters as the
15 base year.

16 **Sec. 6.** RCW 50.13.040 and 1977 ex.s. c 153 s 4 are each amended to
17 read as follows:

18 (1) An individual shall have access to all records and information
19 concerning that individual held by the department of employment
20 security, unless the information is exempt from disclosure under RCW
21 42.17.310.

22 (2) An employing unit shall have access to its own records and to
23 any records and information relating to a benefit claim by an
24 individual if the employing unit is either the individual's last
25 employer or is the individual's base year employer.

26 (3) An employing unit shall have access to any records and
27 information relating to any decision to allow or deny benefits if:

28 (a) The decision is based on employment or an offer of employment
29 with the employing unit; or

30 (b) If the decision is based on material information provided by
31 the employing unit.

32 (4) An employing unit shall have access to general summaries of
33 benefit claims by individuals whose benefits are chargeable to the
34 employing unit's experience rating or reimbursement account.

35 **Sec. 7.** RCW 50.16.010 and 1991 sp.s. c 13 s 59 are each amended to
36 read as follows:

1 There shall be maintained as special funds, separate and apart from
2 all public moneys or funds of this state an unemployment compensation
3 fund, an administrative contingency fund, and a federal interest
4 payment fund, which shall be administered by the commissioner
5 exclusively for the purposes of this title, and to which RCW 43.01.050
6 shall not be applicable. The unemployment compensation fund shall
7 consist of

8 (1) all contributions and payments in lieu of contributions
9 collected pursuant to the provisions of this title,

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

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

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

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

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

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

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

25 All moneys in the unemployment compensation fund shall be
26 commingled and undivided.

27 The administrative contingency fund shall consist of all interest
28 on delinquent contributions collected pursuant to this title, all fines
29 and penalties collected pursuant to the provisions of this title, all
30 sums recovered on official bonds for losses sustained by the fund, and
31 revenue received under RCW 50.24.014: PROVIDED, That all fees, fines,
32 forfeitures and penalties collected or assessed by a district court
33 because of the violation of a state law shall be remitted as provided
34 in chapter 3.62 RCW as now exists or is later amended. Moneys
35 available in the administrative contingency fund, other than money in
36 the special account created under RCW 50.24.014, shall be expended upon
37 the direction of the commissioner, with the approval of the governor,
38 whenever it appears to him or her that such expenditure is necessary
39 for:

1 (a) The proper administration of this title and no federal funds
2 are available for the specific purpose to which such expenditure is to
3 be made, provided, the moneys are not substituted for appropriations
4 from federal funds which, in the absence of such moneys, would be made
5 available.

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

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

17 Money in the special account created under RCW 50.24.014 may only
18 be expended, after appropriation, for the purposes specified in RCW
19 (~~(74.09.035, 74.09.510, 74.09.520, and 74.09.700)~~) 50.62.010,
20 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010, 50.29.025,
21 50.24.014, 50.44.053, and 50.22.010.

22 **Sec. 8.** RCW 50.20.050 and 1982 1st ex.s. c 18 s 6 are each amended
23 to read as follows:

24 (1) An individual shall be disqualified from benefits beginning
25 with the first day of the calendar week in which he or she has left the
26 most recent work voluntarily without good cause and thereafter for five
27 calendar weeks and until he or she has obtained bona fide work and
28 earned wages (~~(of not less than his or her suspended weekly benefit~~
29 ~~amount in each of five calendar weeks)) equal to five times his or her
30 weekly benefit amount.~~

31 The disqualification shall continue if the work obtained is a mere
32 sham to qualify for benefits and is not bona fide work. In determining
33 whether work is of a bona fide nature, the commissioner shall consider
34 factors including but not limited to the following:

35 (a) The duration of the work;

36 (b) The extent of direction and control by the employer over the
37 work; and

1 (c) The level of skill required for the work in light of the
2 individual's training and experience.

3 (2) An individual shall not be considered to have left the most
4 recent work voluntarily without good cause when:

5 (a) He or she has left work to accept a bona fide offer of bona
6 fide work as described in subsection (1) of this section; ~~((or))~~

7 (b) The separation was because of the illness or disability of the
8 claimant or the death, illness, or disability of a member of the
9 claimant's immediate family if the claimant took all reasonable
10 precautions, in accordance with any regulations that the commissioner
11 may prescribe, to protect his or her employment status by having
12 promptly notified the employer of the reason for the absence and by
13 having promptly requested reemployment when again able to assume
14 employment: PROVIDED, That these precautions need not have been taken
15 when they would have been a futile act, including those instances when
16 the futility of the act was a result of a recognized labor/management
17 dispatch system; or

18 (c) He or she has left work to relocate for employment outside the
19 existing labor market area with his or her spouse if the claimant
20 remained employed as long as was reasonable prior to the move.

21 (3)(a) In determining under this section whether an individual has
22 left the most recent work voluntarily without good cause, the
23 commissioner shall only consider work-connected factors such as the
24 degree of risk involved to the individual's health, safety, and morals,
25 the individual's physical fitness for the work, the individual's
26 ability to perform the work, distance to work and transportation
27 available and such other work connected factors as the commissioner may
28 deem pertinent, including state and national emergencies. ~~((Good cause~~
29 ~~shall not be established for voluntarily leaving work because of its~~
30 ~~distance from an individual's residence where the distance was known to~~
31 ~~the individual at the time he or she accepted the employment and where,~~
32 ~~in the judgment of the department, the distance is customarily traveled~~
33 ~~by workers in the individual's job classification and labor market,~~
34 ~~nor because of any other significant work factor which was generally~~
35 ~~known and present at the time he or she accepted employment, unless the~~
36 ~~related circumstances have so changed as to amount to a substantial~~
37 ~~involuntary deterioration of the work factor or unless the commissioner~~
38 ~~determines that other related))~~

1 (b) Good cause shall be established whenever an individual quits
2 work because hours of work offered, pay, or any other significant work
3 factor has deteriorated to the detriment of the employee by more than
4 ten percent, unless the reduction has been specifically agreed to in
5 writing by the individual and the employer.

6 (c) Notwithstanding the requirement for written agreements in (b)
7 of this subsection, good cause may be established when work-related
8 circumstances would work an unreasonable hardship on the individual
9 were he or she required to continue in the employment.

10 (4) Subsections (1) and (3) of this section shall not apply to an
11 individual whose marital status or domestic responsibilities cause him
12 or her to leave employment. Such an individual shall not be eligible
13 for unemployment insurance benefits beginning with the first day of the
14 calendar week in which he or she left the most recent work without good
15 cause and thereafter for five calendar weeks and until he or she has
16 requalified, either by obtaining bona fide work and earning wages ((of
17 not less than the suspended weekly benefit amount in each of five
18 calendar weeks)) equal to five times his or her weekly benefit amount
19 or by reporting in person to the department during ten different
20 calendar weeks and certifying on each occasion that he or she is ready,
21 able, and willing to immediately accept any suitable work which may be
22 offered, is actively seeking work pursuant to customary trade
23 practices, and is utilizing such employment counseling and placement
24 services as are available through the department. This subsection does
25 not apply to individuals covered by subsection (2)(c) of this section.

26 **Sec. 9.** RCW 50.20.060 and 1982 1st ex.s. c 18 s 16 are each
27 amended to read as follows:

28 ~~((1))~~ An individual shall be disqualified from benefits beginning
29 with the first day of the calendar week in which he or she has been
30 discharged or suspended for misconduct connected with his or her most
31 recent work and thereafter for five calendar weeks and until he or she
32 has obtained work and earned wages ((of not less than the suspended
33 weekly benefit amount in each of five calendar weeks)) equal to five
34 times his or her benefit amount. Alcoholism shall not constitute a
35 defense to disqualification from benefits due to misconduct.

36 ~~((2))~~ An individual who has been discharged because of a felony or
37 a gross misdemeanor of which he or she has been convicted, or has
38 admitted committing to a competent authority, and which is connected

1 with his or her work shall be disqualified from receiving any benefits
2 for which base year credits are earned in any employment prior to the
3 discharge. Such disqualification begins with the first day of the
4 calendar week in which he or she has been discharged, and all benefits
5 paid during the period the individual was disqualified shall be
6 recoverable, notwithstanding RCW 50.20.190, 50.24.020, or any other
7 provision of this title.))

8 **Sec. 10.** RCW 50.20.080 and 1959 c 321 s 1 are each amended to read
9 as follows:

10 An individual is disqualified for benefits, if the commissioner
11 finds that ((he)) the individual has failed without good cause, either
12 to apply for available, suitable work when so directed by the
13 employment office or the commissioner, or to accept suitable work when
14 offered ((him)) the individual, or to return to his or her customary
15 self-employment (if any) when so directed by the commissioner. Such
16 disqualification shall begin with the week of the refusal and
17 thereafter for five calendar weeks and continue until ((he)) the
18 individual has obtained work and earned wages therefor of not less than
19 five times his or her suspended weekly benefit amount ((in each of five
20 weeks)).

21 NEW SECTION. **Sec. 11.** A new section is added to chapter 50.20 RCW
22 to read as follows:

23 CANCELLATION OF WAGE/HOUR CREDITS. (1) An individual who has been
24 discharged from his or her most recent work because of a felony or
25 gross misdemeanor of which he or she has been convicted, or has
26 admitted committing to a competent authority, and that is connected
27 with his or her work shall have all hourly wage credits based on that
28 employment canceled.

29 (2) The employer shall notify the department of such an admission
30 or conviction, not later than six months following the admission or
31 conviction.

32 (3) The claimant shall disclose any conviction of the claimant of
33 a work-connected felony or gross misdemeanor occurring in the previous
34 two years to the department at the time of application for benefits.

35 (4) All benefits that are paid in error based on wage/hour credits
36 that should have been removed from the claimant's base year are

1 recoverable, notwithstanding RCW 50.20.190 or 50.24.020 or any other
2 provisions of this title.

3 **Sec. 12.** RCW 50.20.120 and 1984 c 205 s 1 are each amended to read
4 as follows:

5 (1) Subject to the other provisions of this title, benefits shall
6 be payable to any eligible individual during the individual's benefit
7 year in a maximum amount equal to the lesser of thirty times the weekly
8 benefit amount (determined hereinafter) or one-third of the
9 individual's base year wages under this title: PROVIDED, That as to
10 any week beginning on and after March 31, 1981, which falls in an
11 extended benefit period as defined in RCW 50.22.010(1), as now or
12 hereafter amended, an individual's eligibility for maximum benefits in
13 excess of twenty-six times his or her weekly benefit amount will be
14 subject to the terms and conditions set forth in RCW 50.22.020, as now
15 or hereafter amended.

16 (2) An individual's weekly benefit amount shall be an amount equal
17 to one twenty-fifth of the average quarterly wages of the individual's
18 total wages during the two quarters of the individual's base year in
19 which such total wages were highest. The maximum and minimum amounts
20 payable weekly shall be determined as of each June 30th to apply to
21 benefit years beginning in the twelve-month period immediately
22 following such June 30th. The maximum amount payable weekly shall be
23 ~~((fifty-five))~~ seventy percent of the "average weekly wage" for the
24 calendar year preceding such June 30th(~~(: PROVIDED, That if as of the~~
25 ~~first December 31st on which the ratio of the balance in the~~
26 ~~unemployment compensation fund to total remuneration paid by all~~
27 ~~employers subject to contributions during the calendar year ending on~~
28 ~~such December 31st and reported to the department by the following~~
29 ~~March 31st is 0.024 or more, the maximum amount payable weekly for~~
30 ~~benefit years beginning with the first full calendar week in July next~~
31 ~~following, and thereafter, shall be sixty percent of the "average~~
32 ~~weekly wage"))). The computation for this ratio shall be carried to the
33 fourth decimal place with the remaining fraction, if any, disregarded:
34 PROVIDED FURTHER, That for benefit years beginning before July 7, 1985,
35 the maximum amount payable weekly shall not exceed one hundred eighty-
36 five dollars. The minimum amount payable weekly shall be fifteen
37 percent of the "average weekly wage" for the calendar year preceding
38 such June 30th. If any weekly benefit, maximum benefit, or minimum~~

1 benefit amount computed herein is not a multiple of one dollar, it
2 shall be reduced to the next lower multiple of one dollar.

3 **Sec. 13.** RCW 50.20.190 and 1991 c 117 s 3 are each amended to read
4 as follows:

5 (1) An individual who is paid any amount as benefits under this
6 title to which he or she is not entitled shall, unless otherwise
7 relieved pursuant to this section, be liable for repayment of the
8 amount overpaid. The department shall issue an overpayment assessment
9 setting forth the reasons for and the amount of the overpayment. The
10 amount assessed, to the extent not collected, may be deducted from any
11 future benefits payable to the individual: PROVIDED, That in the
12 absence of fraud, misrepresentation, or willful nondisclosure, every
13 determination of liability shall be mailed or personally served not
14 later than two years after the close of the individual's benefit year
15 in which the purported overpayment was made unless the merits of the
16 claim are subjected to administrative or judicial review in which event
17 the period for serving the determination of liability shall be extended
18 to allow service of the determination of liability during the six-month
19 period following the final decision affecting the claim.

20 (2) The commissioner may waive an overpayment if the commissioner
21 finds that said overpayment was not the result of fraud,
22 misrepresentation, willful nondisclosure, or fault attributable to the
23 individual and that the recovery thereof would be against equity and
24 good conscience: PROVIDED, HOWEVER, That the overpayment so waived
25 shall be charged against the individual's applicable entitlement for
26 the eligibility period containing the weeks to which the overpayment
27 was attributed as though such benefits had been properly paid.

28 (3) Any assessment herein provided shall constitute a determination
29 of liability from which an appeal may be had in the same manner and to
30 the same extent as provided for appeals relating to determinations in
31 respect to claims for benefits: PROVIDED, That an appeal from any
32 determination covering overpayment only shall be deemed to be an appeal
33 from the determination which was the basis for establishing the
34 overpayment unless the merits involved in the issue set forth in such
35 determination have already been heard and passed upon by the appeal
36 tribunal. If no such appeal is taken to the appeal tribunal by the
37 individual within thirty days of the delivery of the notice of
38 determination of liability, or within thirty days of the mailing of the

1 notice of determination, whichever is the earlier, said determination
2 of liability shall be deemed conclusive and final. Whenever any such
3 notice of determination of liability becomes conclusive and final, the
4 commissioner, upon giving at least twenty days notice by certified mail
5 return receipt requested to the individual's last known address of the
6 intended action, may file with the superior court clerk of any county
7 within the state a warrant in the amount of the notice of determination
8 of liability plus a filing fee of five dollars. The clerk of the
9 county where the warrant is filed shall immediately designate a
10 superior court cause number for the warrant, and the clerk shall cause
11 to be entered in the judgment docket under the superior court cause
12 number assigned to the warrant, the name of the person(s) mentioned in
13 the warrant, the amount of the notice of determination of liability,
14 and the date when the warrant was filed. The amount of the warrant as
15 docketed shall become a lien upon the title to, and any interest in,
16 all real and personal property of the person(s) against whom the
17 warrant is issued, the same as a judgment in a civil case duly docketed
18 in the office of such clerk. A warrant so docketed shall be sufficient
19 to support the issuance of writs of execution and writs of garnishment
20 in favor of the state in the manner provided by law for a civil
21 judgment. A copy of the warrant shall be mailed to the person(s)
22 mentioned in the warrant by certified mail to the person's last known
23 address within five days of its filing with the clerk.

24 (4) On request of any agency which administers an employment
25 security law of another state, the United States, or a foreign
26 government and which has found in accordance with the provisions of
27 such law that a claimant is liable to repay benefits received under
28 such law, the commissioner may collect the amount of such benefits from
29 the claimant to be refunded to the agency. In any case in which under
30 this section a claimant is liable to repay any amount to the agency of
31 another state, the United States, or a foreign government, such amounts
32 may be collected without interest by civil action in the name of the
33 commissioner acting as agent for such agency if the other state, the
34 United States, or the foreign government extends such collection rights
35 to the employment security department of the state of Washington, and
36 provided that the court costs be paid by the governmental agency
37 benefiting from such collection.

38 (5) Any employer who is a party to a back pay award or settlement
39 due to loss of wages shall, within thirty days of the award or

1 settlement, report to the department the amount of the award or
2 settlement, the name and social security number of the recipient of the
3 award or settlement, and the period for which it is awarded. When an
4 individual has been awarded or receives back pay, for benefit purposes
5 the amount of the back pay shall constitute wages paid in the period
6 for which it was awarded. For contribution purposes, the back pay
7 award or settlement shall constitute wages paid in the period in which
8 it was actually paid. The following requirements shall also apply:

9 (a) The employer shall reduce the amount of the back pay award or
10 settlement by an amount determined by the department based upon the
11 amount of unemployment benefits received by the recipient of the award
12 or settlement during the period for which the back pay award or
13 settlement was awarded;

14 (b) The employer shall pay to the unemployment compensation fund,
15 in a manner specified by the commissioner, an amount equal to the
16 amount of such reduction;

17 (c) The employer shall also pay to the department any taxes due for
18 unemployment insurance purposes on the entire amount of the back pay
19 award or settlement notwithstanding any reduction made pursuant to (a)
20 of this subsection;

21 (d) If the employer fails to reduce the amount of the back pay
22 award or settlement as required in (a) of this subsection, the
23 department shall issue an overpayment assessment against the recipient
24 of the award or settlement in the amount that the back pay award or
25 settlement should have been reduced; and

26 (e) If the employer fails to pay to the department an amount equal
27 to the reduction as required in (b) of this subsection, the department
28 shall issue an assessment of liability against the employer which shall
29 be collected pursuant to the procedures for collection of assessments
30 provided herein and in RCW 50.24.110.

31 (6) When an individual fails to repay an overpayment assessment
32 that is due and fails to arrange for satisfactory repayment terms, the
33 commissioner shall impose an interest penalty of one percent per month
34 of the outstanding balance (~~((for each month that payments are not made~~
35 ~~in a timely fashion))~~). Interest shall accrue immediately on
36 overpayments assessed pursuant to RCW 50.20.070 and shall be imposed
37 when the assessment becomes final. For any other overpayment, interest
38 shall accrue when the individual has missed two or more of their
39 monthly payments either partially or in full. The interest penalty

1 shall be used to fund detection and recovery of overpayment and
2 collection activities.

3 NEW SECTION. **Sec. 14.** A new section is added to chapter 50.20 RCW
4 to read as follows:

5 All receipts from interest assessed against unemployment insurance
6 claimants shall be deposited in the administrative contingency account
7 and shall be used for the purpose of RCW 50.20.190(3).

8 **Sec. 15.** RCW 50.22.010 and 1985 ex.s. c 5 s 10 are each amended to
9 read as follows:

10 As used in this chapter, unless the context clearly indicates
11 otherwise:

12 (1) "Extended benefit period" means a period which:

13 (a) Begins with the third week after a week for which there is an
14 "on" indicator; and

15 (b) Ends with the third week after the first week for which there
16 is an "off" indicator: PROVIDED, That no extended benefit period shall
17 last for a period of less than thirteen consecutive weeks, and further
18 that no extended benefit period may begin by reason of an "on"
19 indicator before the fourteenth week after the close of a prior
20 extended benefit period which was in effect with respect to this state.

21 (2) There is an "on" indicator for this state for a week if the
22 commissioner determines, in accordance with the regulations of the
23 United States secretary of labor, that for the period consisting of
24 such week and the immediately preceding twelve weeks((7)):

25 (a) The rate of insured unemployment ((+)), not seasonally
26 adjusted((+) either:

27 (a)), equaled or exceeded one hundred twenty percent of the
28 average of such rates for the corresponding thirteen-week period ending
29 in each of the preceding two calendar years and equaled or exceeded
30 five percent; or

31 ((Equaled or exceeded six percent:—PROVIDED, That the six
32 percent trigger shall apply only until December 31, 1985)) For benefits
33 for weeks of unemployment beginning after March 6, 1993:

34 (i) The average rate of total unemployment, seasonally adjusted, as
35 determined by the United States secretary of labor, for the period
36 consisting of the most recent three months for which data for all

1 states are published before the close of the week equals or exceeds six
2 and one-half percent; and

3 (ii) The average rate of total unemployment in the state,
4 seasonally adjusted, as determined by the United States secretary of
5 labor, for the three-month period referred to in (b)(i) of this
6 subsection, equals or exceeds one hundred ten percent of the average
7 for either or both of the corresponding three-month periods ending in
8 the two preceding calendar years.

9 (3) "High unemployment period" means any period of unemployment
10 beginning after March 6, 1993, during which an extended benefit period
11 would be in effect if:

12 (a) The average rate of total unemployment, seasonally adjusted, as
13 determined by the United States secretary of labor, for the period
14 consisting of the most recent three months for which data for all
15 states are published before the close of the week equals or exceeds
16 eight percent; and

17 (b) The average rate of total unemployment in the state, seasonally
18 adjusted, as determined by the United States secretary of labor, for
19 the three-month period referred to in (a) of this subsection, equals or
20 exceeds one hundred ten percent of the average for either or both of
21 the corresponding three-month periods ending in the two preceding
22 calendar years.

23 ~~(4) There is an "off" indicator for this state for a week ((if the~~
24 ~~commissioner determines, in accordance with the regulations of the~~
25 ~~United States secretary of labor, that for the period consisting of~~
26 ~~such week and the immediately preceding twelve weeks, the rate of~~
27 ~~insured unemployment (not seasonally adjusted) was either:~~

28 ~~(a) Less than five percent; or~~

29 ~~(b) Five percent or more but less than six percent and the rate of~~
30 ~~insured unemployment was less than one hundred twenty percent of the~~
31 ~~average of the rates for the corresponding thirteen week period ending~~
32 ~~in each of the two preceding calendar years: PROVIDED, That the six~~
33 ~~percent trigger shall apply only until December 31, 1985)) only if, for~~
34 the period consisting of such week and immediately preceding twelve
35 weeks, none of the options specified in subsection (2) or (3) of this
36 section result in an "on" indicator.

37 ~~((+4))~~ (5) "Regular benefits" means benefits payable to an
38 individual under this title or under any state law (including benefits
39 payable to federal civilian employees and to ex-servicemen pursuant to

1 5 U.S.C. chapter 85) other than extended benefits or additional
2 benefits.

3 ~~((+5))~~ (6) "Extended benefits" means benefits payable for weeks of
4 unemployment beginning in an extended benefit period to an individual
5 under this title or under any state law (including benefits payable to
6 federal civilian employees and to ex-servicemen pursuant to 5 U.S.C.
7 chapter 85) other than regular or additional benefits.

8 ~~((+6))~~ (7) "Additional benefits" are benefits totally financed by
9 the state and payable under this title to exhaustees by reason of
10 conditions of high unemployment or by reason of other special factors.

11 ~~((+7))~~ (8) "Eligibility period" of an individual means the period
12 consisting of the weeks in his or her benefit year which begin in an
13 extended benefit period that is in effect in this state and, if his or
14 her benefit year ends within such extended benefit period, any weeks
15 thereafter which begin in such period.

16 ~~((+8))~~ (9) "Additional benefit eligibility period" of an
17 individual means the period consisting of the weeks in his or her
18 benefit year which begin in an additional benefit period that is in
19 effect and, if his or her benefit year ends within such additional
20 benefit period, any weeks thereafter which begin in such period.

21 ~~((+9))~~ (10) "Exhaustee" means an individual who, with respect to
22 any week of unemployment in his or her eligibility period:

23 (a) Has received, prior to such week, all of the regular benefits
24 that were payable to him or her under this title or any other state law
25 (including dependents' allowances and regular benefits payable to
26 federal civilian employees and ex-servicemen under 5 U.S.C. chapter 85)
27 in his or her current benefit year that includes such week; or

28 (b) Has received, prior to such week, all of the regular benefits
29 that were available to him or her under this title or any other state
30 law (including dependents' allowances and regular benefits available to
31 federal civilian employees and ex-servicemen under 5 U.S.C. chapter 85)
32 in his or her current benefit year that includes such week, after the
33 cancellation of some or all of his or her wage credits or the total or
34 partial reduction of his or her rights to regular benefits: PROVIDED,
35 That, for the purposes of (a) and (b), an individual shall be deemed to
36 have received in his or her current benefit year all of the regular
37 benefits that were payable to him or her, or available to him or her,
38 as the case may be, even though:

1 (i) As a result of a pending appeal with respect to wages or
2 employment, or both, that were not included in the original monetary
3 determination with respect to his or her current benefit year, he or
4 she may subsequently be determined to be entitled to more regular
5 benefits; or

6 (ii) By reason of the seasonal provisions of another state law, he
7 or she is not entitled to regular benefits with respect to such week of
8 unemployment (although he or she may be entitled to regular benefits
9 with respect to future weeks of unemployment in the next season, as the
10 case may be, in his or her current benefit year), and he or she is
11 otherwise an exhaustee within the meaning of this section with respect
12 to his or her right to regular benefits under such state law seasonal
13 provisions during the season or off season in which that week of
14 unemployment occurs; or

15 (iii) Having established a benefit year, no regular benefits are
16 payable to him or her during such year because his or her wage credits
17 were canceled or his or her right to regular benefits was totally
18 reduced as the result of the application of a disqualification; or

19 (c) His or her benefit year having ended prior to such week, he or
20 she has insufficient wages or employment, or both, on the basis of
21 which he or she could establish in any state a new benefit year that
22 would include such week, or having established a new benefit year that
23 includes such week, he or she is precluded from receiving regular
24 benefits by reason of the provision in RCW 50.04.030 which meets the
25 requirement of section 3304(a)(7) of the Federal Unemployment Tax Act,
26 or the similar provision in any other state law; and

27 (d)(i) Has no right for such week to unemployment benefits or
28 allowances, as the case may be, under the Railroad Unemployment
29 Insurance Act, the Trade Expansion Act of 1962, and such other federal
30 laws as are specified in regulations issued by the United States
31 secretary of labor; and

32 (ii) Has not received and is not seeking for such week unemployment
33 benefits under the unemployment compensation law of Canada, unless the
34 appropriate agency finally determines that he or she is not entitled to
35 unemployment benefits under such law for such week.

36 (~~(10)~~) (11) "State law" means the unemployment insurance law of
37 any state, approved by the United States secretary of labor under
38 section 3304 of the internal revenue code of 1954.

1 **Sec. 16.** RCW 50.22.020 and 1981 c 35 s 8 are each amended to read
2 as follows:

3 When the result would not be inconsistent with the other provisions
4 of this chapter, the provisions of this title and commissioner's
5 regulations enacted pursuant thereto, which apply to claims for, or the
6 payment of, regular benefits, shall apply to claims for, and the
7 payment of, extended benefits: PROVIDED, That

8 (1) Payment of extended compensation under this chapter shall not
9 be made to any individual for any week of unemployment in his or her
10 eligibility period--

11 (a) During which he or she fails to accept any offer of suitable
12 work (as defined in subsection (3) of this section) or fails to apply
13 for any suitable work to which he or she was referred by the employment
14 security department; or

15 (b) During which he or she fails to actively engage in seeking
16 work.

17 (2) If any individual is ineligible for extended compensation for
18 any week by reason of a failure described in subsections (1)(a) or
19 (1)(b) of this section, the individual shall be ineligible to receive
20 extended compensation for any week which begins during a period which--

21 (a) Begins with the week following the week in which such failure
22 occurs; and

23 (b) Does not end until such individual has been employed during at
24 least four weeks which begin after such failure and the total of the
25 remuneration earned by the individual for being so employed is not less
26 than the product of four multiplied by the individual's weekly benefit
27 amount (as determined under RCW 50.20.120) for his or her benefit year.

28 (3) For purposes of this section, the term "suitable work" means,
29 with respect to any individual, any work which is within such
30 individual's capabilities and which does not involve conditions
31 described in RCW 50.20.110: PROVIDED, That if the individual furnishes
32 evidence satisfactory to the employment security department that such
33 individual's prospects for obtaining work in his or her customary
34 occupation within a reasonably short period are good, the determination
35 of whether any work is suitable work with respect to such individual
36 shall be made in accordance with RCW 50.20.100.

37 (4) Extended compensation shall not be denied under subsection
38 (1)(a) of this section to any individual for any week by reason of a
39 failure to accept an offer of, or apply for, suitable work if:

1 (a) The gross average weekly remuneration payable to such
2 individual for the position does not exceed the sum of--

3 (i) The individual's weekly benefit amount (as determined under RCW
4 50.20.120) for his or her benefit year; plus

5 (ii) The amount (if any) of supplemental unemployment compensation
6 benefits (as defined in section 501(c)(17)(D) of the Internal Revenue
7 Code of 1954, 26 U.S.C. Sec. 501(c)(17)(D)), payable to such individual
8 for such week;

9 (b) The position was not offered to such individual in writing and
10 was not listed with the employment security department;

11 (c) Such failure would not result in a denial of compensation under
12 the provisions of RCW 50.20.080 and 50.20.100 to the extent such
13 provisions are not inconsistent with the provisions of subsections (3)
14 and (5) of this section; or

15 (d) The position pays wages less than the higher of--

16 (i) The minimum wage provided by section (6)(a)(1) of the Fair
17 Labor Standards Act of 1938, without regard to any exemption; or

18 (ii) Any applicable state or local minimum wage.

19 (5) For purposes of this section, an individual shall be treated as
20 actively engaged in seeking work during any week if:

21 (a) The individual has engaged in a systematic and sustained effort
22 to obtain work during such week; and

23 (b) The individual provides tangible evidence to the employment
24 security department that he or she has engaged in such an effort during
25 such week.

26 (6) The employment security department shall refer applicants for
27 benefits under this chapter to any suitable work to which subsections
28 (4)(a) through (4)(d) of this section would not apply.

29 (7) No provisions of this title which terminates a disqualification
30 for voluntarily leaving employment, being discharged for misconduct, or
31 refusing suitable employment shall apply for purposes of determining
32 eligibility for extended compensation unless such termination is based
33 upon employment subsequent to the date of such disqualification.

34 (8) The provisions of subsections (1) through (7) of this section
35 shall apply with respect to weeks of unemployment beginning after March
36 31, 1981. However, the provisions of subsections (1) through (7) of
37 this section shall not apply to those weeks of unemployment beginning
38 after March 6, 1993, and before January 1, 1995.

1 **Sec. 17.** RCW 50.22.030 and 1982 1st ex.s. c 18 s 4 are each
2 amended to read as follows:

3 (1) An individual shall be eligible to receive extended benefits
4 with respect to any week of unemployment in his or her eligibility
5 period only if the commissioner finds with respect to such week that:

6 (a) The individual is an "exhaustee" as defined in RCW 50.22.010;

7 (b) He or she has satisfied the requirements of this title for the
8 receipt of regular benefits that are applicable to individuals claiming
9 extended benefits, including not being subject to a disqualification
10 for the receipt of benefits; and

11 (c) He or she has earned wages in the applicable base year of at
12 least:

13 (i) Forty times his or her weekly benefit amount; or

14 (ii) One and one-half times his or her insured wages in the
15 calendar quarter of the base period in which the insured wages are the
16 highest, for weeks of unemployment on or after July 3, 1992.

17 (2) An individual filing an interstate claim in any state under the
18 interstate benefit payment plan shall not be eligible to receive
19 extended benefits for any week beyond the first two weeks claimed for
20 which extended benefits are payable unless an extended benefit period
21 embracing such week is also in effect in the agent state.

22 **Sec. 18.** RCW 50.22.050 and 1982 1st ex.s. c 18 s 5 are each
23 amended to read as follows:

24 (1) The total extended benefit amount payable to any eligible
25 individual with respect to his or her applicable benefit year shall be
26 the least of the following amounts:

27 (a) Fifty percent of the total amount of regular benefits which
28 were payable to him or her under this title in his or her applicable
29 benefit year;

30 (b) Thirteen times his or her weekly benefit amount which was
31 payable to him or her under this title for a week of total unemployment
32 in the applicable benefit year; or

33 (c) Thirty-nine times his or her weekly benefit amount which was
34 payable to him or her under this title for a week of total unemployment
35 in the applicable benefit year, reduced by the total amount of regular
36 benefits which were paid (or deemed paid) to him or her under this
37 title with respect to the benefit year.

1 (2) Notwithstanding any other provision of this chapter, if the
2 benefit year of any eligible individual ends within an extended benefit
3 period, the extended benefits which the individual would otherwise be
4 entitled to receive with respect to weeks of unemployment beginning
5 after the end of the benefit year and within the extended benefit
6 period shall be reduced (but not below zero) by the product of the
7 number of weeks for which the individual received any amount as a trade
8 readjustment allowance within that benefit year, multiplied by the
9 individual's weekly extended benefit amount.

10 (3) Effective for weeks beginning in a high unemployment period as
11 defined in RCW 50.22.010(3) the total extended benefit amount payable
12 to any eligible individual with respect to his or her applicable
13 benefit year shall be the least of the following amounts:

14 (a) Eighty percent of the total amount of regular benefits that
15 were payable to him or her under this title in his or her applicable
16 benefit year;

17 (b) Twenty times his or her weekly benefit amount that was payable
18 to him or her under this title for a week of total unemployment in the
19 applicable benefit year; or

20 (c) Forty-six times his or her weekly benefit amount that was
21 payable to him or her under this title for a week of total unemployment
22 in the applicable benefit year, reduced by the total amount of regular
23 benefits which were paid, or deemed paid, to him or her under this
24 title with respect to the benefit year.

25 **Sec. 19.** RCW 50.29.020 and 1991 c 129 s 1 are each amended to read
26 as follows:

27 (1) An experience rating account shall be established and
28 maintained for each employer, except employers as described in RCW
29 50.44.010 and 50.44.030 who have properly elected to make payments in
30 lieu of contributions, taxable local government employers as described
31 in RCW 50.44.035, and those employers who are required to make payments
32 in lieu of contributions, based on existing records of the employment
33 security department. Benefits paid to any eligible individuals shall
34 be charged to the experience rating accounts of each of such
35 individual's employers during the individual's base year in the same
36 ratio that the wages paid by each employer to the individual during the
37 base year bear to the wages paid by all employers to that individual
38 during that base year, except as otherwise provided in this section.

1 (2) The legislature finds that certain benefit payments, in whole
2 or in part, should not be charged to the experience rating accounts of
3 employers except those employers described in RCW 50.44.010 and
4 50.44.030 who have properly elected to make payments in lieu of
5 contributions, taxable local government employers described in RCW
6 50.44.035, and those employers who are required to make payments in
7 lieu of contributions, as follows:

8 (a) Benefits paid to any individuals later determined to be
9 ineligible shall not be charged to the experience rating account of any
10 contribution paying employer.

11 (b) Benefits paid to an individual under the provisions of RCW
12 50.12.050 shall not be charged to the account of any contribution
13 paying employer if the wage credits earned in this state by the
14 individual during his or her base year are less than the minimum amount
15 necessary to qualify the individual for unemployment benefits.

16 (c) Benefits paid to an individual filing under the provisions of
17 chapter 50.06 RCW shall not be charged to the experience rating account
18 of any contribution paying employer.

19 (d) Benefits paid which represent the state's share of benefits
20 payable under chapter 50.22 RCW shall not be charged to the experience
21 rating account of any contribution paying employer.

22 (e) In the case of individuals who requalify for benefits under RCW
23 50.20.050 or 50.20.060, benefits based on wage credits earned prior to
24 the disqualifying separation shall not be charged to the experience
25 rating account of the contribution paying employer from whom that
26 separation took place.

27 (f)(i) Benefits paid to an individual as the result of a
28 determination by the commissioner that no stoppage of work exists,
29 pursuant to RCW 50.20.090, shall not be charged to the experience
30 rating account of any contribution paying employer.

31 (ii) Benefits paid to an individual under RCW 50.20.090(1) for
32 weeks of unemployment ending before February 20, 1987, shall not be
33 charged to the experience rating account of any base year employer.

34 (g) In the case of individuals identified under RCW 50.20.015,
35 benefits paid with respect to a calendar quarter, which exceed the
36 total amount of wages earned in the state of Washington in the higher
37 of two corresponding calendar quarters included within the individual's
38 determination period, as defined in RCW 50.20.015, shall not be charged
39 to the experience rating account of any contribution paying employer.

1 (h) Benefits paid to an individual who does not successfully
2 complete an approved on-the-job training program under RCW 50.12.240
3 may not be charged to the experience rating account of the
4 contribution-paying employer who provided the approved on-the-job
5 training.

6 (i) Beginning July 1, 1985, a contribution-paying base year
7 employer, not otherwise eligible for relief of charges for benefits
8 under this section, may receive such relief if the benefit charges
9 result from payment to an individual who:

10 (i) ~~((The benefit charges result from payment to an individual~~
11 ~~who)) Last left the employ of such employer voluntarily for reasons not~~
12 ~~attributable to the employer(, or was discharged for misconduct~~
13 ~~connected with his or her work; and))i~~

14 (ii) ~~((The employer requests relief of charges in writing within~~
15 ~~thirty days following mailing to the last known address of the~~
16 ~~notification of the initial determination of such a claim, stating the~~
17 ~~date and reason for the last leaving; and~~

18 (iii) ~~Upon investigation of the separation, the commissioner rules~~
19 ~~that the relief should be granted.~~

20 (i) ~~An employer who employed a claimant during the claimant's base~~
21 ~~year, and who continues to employ the claimant, is eligible for relief~~
22 ~~of benefit charges if relief is requested in writing within thirty days~~
23 ~~of notification by the department of the claimant's application for~~
24 ~~initial determination of eligibility. Relief of benefit charges shall~~
25 ~~cease when the employment relationship with the claimant ends. This~~
26 ~~subsection shall not apply to shared work employers under chapter 50.60~~
27 ~~RCW.~~

28 (j) ~~Benefits paid to an individual who does not successfully~~
29 ~~complete an approved on the job training program under RCW 50.12.240~~
30 ~~shall not be charged to the experience rating account of the~~
31 ~~contribution paying employer who provided the approved on the job~~
32 ~~training.~~

33 (k) ~~Benefits paid resulting from a closure or severe curtailment of~~
34 ~~operations at the employer's plant, building, work site, or facility~~
35 ~~due to damage caused by fire, flood, or other natural disaster shall~~
36 ~~not be charged to the experience rating account of the employer if:~~

37 (i)) Was discharged for misconduct connected with his or her work
38 not a result of inability to meet the minimum job requirements;

1 (iii) Is unemployed as a result of closure or severe curtailment of
2 operation at the employer's plant, building, work site, or other
3 facility. This closure must be for reasons directly attributable to a
4 catastrophic occurrence such as fire, flood, or other natural disaster;
5 or

6 (iv) Continues to be employed on a regularly scheduled permanent
7 part-time basis by a base year employer and who at some time during the
8 base year was concurrently employed and subsequently separated from at
9 least one other base year employer. Benefit charge relief ceases when
10 the employment relationship between that employer and the claimant is
11 terminated. This subsection does not apply to shared work employers
12 under chapter 50.60 RCW.

13 (j) The employer (~~(petitions for)~~) requests relief of charges(~~(+~~
14 and

15 (~~ii) The commissioner approves granting relief of charges~~) in
16 writing within thirty days following mailing to the last known address
17 of the notification of the valid initial determination of such claim,
18 stating the date and reason for the separation or the circumstances of
19 continued employment, and, upon investigation of the request, the
20 commissioner rules that relief should be granted.

21 **Sec. 20.** RCW 50.24.014 and 1987 c 171 s 4 are each amended to read
22 as follows:

23 A separate and identifiable account to provide for the financing of
24 special programs to assist the unemployed is established in the
25 administrative contingency fund. Contributions to this account shall
26 accrue and become payable by each employer, except employers as
27 described in RCW 50.44.010 and 50.44.030 who have properly elected to
28 make payments in lieu of contributions, taxable local government
29 employers as described in RCW 50.44.035, and those employers who are
30 required to make payments in lieu of contributions, at (~~(the)~~) a basic
31 rate of two one-hundredths of one percent. The amount of wages subject
32 to tax shall be determined under RCW 50.24.010.

33 For the first calendar quarter of 1994 only, this basic two one-
34 hundredths of one percent shall be increased by one hundredth of one
35 percent to a total rate of three one-hundredths of one percent. The
36 proceeds of this incremental one-hundredth of one percent shall be used
37 solely for the purposes described in section 22 of this act. Any
38 surplus will be deposited in the unemployment compensation trust fund.

1 Contributions under this section shall become due and be paid by
2 each employer under rules as the commissioner may prescribe, and shall
3 not be deducted, in whole or in part, from the remuneration of
4 individuals in the employ of the employer. Any deduction in violation
5 of this section is unlawful.

6 In the payment of any contributions under this section, a
7 fractional part of a cent shall be disregarded unless it amounts to
8 one-half cent or more, in which case it shall be increased to one cent.

9 If the commissioner determines that federal funding has been
10 increased to provide financing for the services specified in chapter
11 50.62 RCW, the commissioner shall direct that collection of
12 contributions under this section be terminated on the following January
13 1st.

14 **Sec. 21.** RCW 50.29.025 and 1990 c 245 s 7 are each amended to read
15 as follows:

16 The contribution rate for each employer shall be determined under
17 this section.

18 (1) A fund balance ratio shall be determined by dividing the
19 balance in the unemployment compensation fund as of the June 30th
20 immediately preceding the rate year by the total remuneration paid by
21 all employers subject to contributions during the second calendar year
22 preceding the rate year and reported to the department by the following
23 March 31st. The division shall be carried to the fourth decimal place
24 with the remaining fraction, if any, disregarded. The fund balance
25 ratio shall be expressed as a percentage.

26 (2) The interval of the fund balance ratio, expressed as a
27 percentage, shall determine which tax schedule in subsection (5) of
28 this section shall be in effect for assigning tax rates for the rate
29 year. The intervals for determining the effective tax schedule shall
30 be:

31	Interval of the	
32	Fund Balance Ratio	Effective
33	Expressed as a Percentage	Tax Schedule
34	<u>3.90 and above</u>	<u>AA</u>
35	3.40 ((and above)) <u>to 3.89</u>	A
36	2.90 to 3.39	B
37	2.40 to 2.89	C

1	1.90 to 2.39	D
2	1.40 to 1.89	E
3	Less than 1.40	F

4 (3) An array shall be prepared, listing all qualified employers in
5 ascending order of their benefit ratios. The array shall show for each
6 qualified employer: (a) Identification number; (b) benefit ratio; (c)
7 taxable payrolls for the four calendar quarters immediately preceding
8 the computation date and reported to the department by the cut-off
9 date; (d) a cumulative total of taxable payrolls consisting of the
10 employer's taxable payroll plus the taxable payrolls of all other
11 employers preceding him or her in the array; and (e) the percentage
12 equivalent of the cumulative total of taxable payrolls.

13 (4) Each employer in the array shall be assigned to one of twenty
14 rate classes according to the percentage intervals of cumulative
15 taxable payrolls set forth in subsection (5) of this section:
16 PROVIDED, That if an employer's taxable payroll falls within two or
17 more rate classes, the employer and any other employer with the same
18 benefit ratio shall be assigned to the lowest rate class which includes
19 any portion of the employer's taxable payroll.

20 (5) The contribution rate for each employer in the array shall be
21 the rate specified in the following table for the rate class to which
22 he or she has been assigned, as determined under subsection (4) of this
23 section, within the tax schedule which is to be in effect during the
24 rate year:

Percent of			Schedule of Contribution Rates for							
Cumulative			Effective Tax Schedule							
Taxable Payrolls			Rate							
From	To	Class	<u>AA</u>	A	B	C	D	E	F	
30	0.00	5.00	1	<u>0.48</u>	0.48	0.58	0.98	1.48	1.88	2.48
31	5.01	10.00	2	<u>0.48</u>	0.48	0.78	1.18	1.68	2.08	2.68
32	10.01	15.00	3	<u>0.58</u>	0.58	0.98	1.38	1.78	2.28	2.88
33	15.01	20.00	4	<u>0.58</u>	0.78	1.18	1.58	1.98	2.48	3.08
34	20.01	25.00	5	<u>0.78</u>	0.98	1.38	1.78	2.18	2.68	3.18
35	25.01	30.00	6	<u>0.98</u>	1.18	1.58	1.98	2.38	2.78	3.28
36	30.01	35.00	7	<u>1.08</u>	1.38	1.78	2.18	2.58	2.98	3.38
37	35.01	40.00	8	<u>1.28</u>	1.58	1.98	2.38	2.78	3.18	3.58
38	40.01	45.00	9	<u>1.48</u>	1.78	2.18	2.58	2.98	3.38	3.78

1	45.01	50.00	10	<u>1.68</u>	1.98	2.38	2.78	3.18	3.58	3.98
2	50.01	55.00	11	<u>1.98</u>	2.28	2.58	2.98	3.38	3.78	4.08
3	55.01	60.00	12	<u>2.18</u>	2.48	2.78	3.18	3.58	3.98	4.28
4	60.01	65.00	13	<u>2.38</u>	2.68	2.98	3.38	3.78	4.18	4.48
5	65.01	70.00	14	<u>2.58</u>	2.88	3.18	3.58	3.98	4.38	4.68
6	70.01	75.00	15	<u>2.88</u>	3.08	3.38	3.78	4.18	4.58	4.78
7	75.01	80.00	16	<u>3.08</u>	3.28	3.58	3.98	4.38	4.68	4.88
8	80.01	85.00	17	<u>3.28</u>	3.48	3.78	4.18	4.58	4.88	4.98
9	85.01	90.00	18	<u>3.68</u>	3.88	4.18	4.58	4.88	4.98	5.18
10	90.01	95.00	19	<u>4.08</u>	4.28	4.58	4.98	5.08	5.18	5.38
11	95.01	100.00	20	<u>5.40</u>	5.40	5.40	5.40	5.40	5.40	5.40

12 (6) The contribution rate for each employer not qualified to be in
13 the array shall be as follows:

14 (a) Employers who do not meet the definition of "qualified
15 employer" by reason of failure to pay contributions when due shall be
16 assigned the contribution rate of five and (~~four-tenths~~) six-tenths
17 percent, except employers who have an approved agency-deferred payment
18 contract by September 30 of the previous rate year. If any employer
19 with an approved agency-deferred payment contract fails to make any one
20 of the succeeding deferred payments or fails to submit any succeeding
21 tax report and payment in a timely manner, the employer's tax rate
22 shall immediately revert to five and (~~four-tenths~~) six-tenths percent
23 for the current rate year;

24 (b) The contribution rate for employers exempt as of December 31,
25 1989, who are newly covered under the section 78, chapter 380, Laws of
26 1989 amendment to RCW 50.04.150 and not yet qualified to be in the
27 array shall be 2.5 percent for employers whose standard industrial code
28 is "013", "016", "017", "018", "019", "021", or "081"; and

29 (c) For all other employers not qualified to be in the array, the
30 contribution rate shall be a rate equal to the average industry rate as
31 determined by the commissioner; however, the rate may not be less than
32 one percent. Assignment of employers by the commissioner to industrial
33 classification, for purposes of this subsection, shall be in accordance
34 with established classification practices found in the "Standard
35 Industrial Classification Manual" issued by the federal office of
36 management and budget to the third digit provided in the Standard
37 Industrial Classification code.

1 NEW SECTION. **Sec. 22.** (1) There is hereby created a joint task
2 force on unemployment insurance composed of the following members:

3 (a) Four members of the senate labor and commerce committee, two
4 from each of the major caucuses, to be appointed by the president of
5 the senate;

6 (b) Four members of the house of representatives commerce and labor
7 committee, two from each of the major caucuses, to be appointed by the
8 speaker of the house of representatives; and

9 (c) Up to eight members appointed jointly by the president of the
10 senate and the speaker of the house of representatives representing
11 business and labor in equal numbers. The business representatives
12 shall be selected from nominations submitted by state-wide business
13 organizations representing a cross-section of industries. The labor
14 representatives shall be selected from nominations submitted by state-
15 wide labor organizations representing a cross-section of industries.

16 (2) The employment security department unemployment insurance
17 advisory committee shall act as an advisory body to the task force.

18 (3) The senate committee services and the office of program
19 research shall provide the staff support as mutually agreed by the
20 cochairs of the task force. The task force shall designate the
21 cochairs.

22 (4) The members of the task force shall be reimbursed for travel
23 expenses as provided in RCW 43.03.050 and 43.03.060.

24 (5) The task force shall study the following issues:

25 (a) Financing and administration of unemployment insurance;

26 (b) Social costs;

27 (c) Administrative costs;

28 (d) Experience rating systems;

29 (e) Tax rates;

30 (f) Trust fund adequacy;

31 (g) Accountability and administrative funding of employment
32 security department programs; and

33 (h) Any other issues deemed appropriate by the task force.

34 (6) The task force shall report its findings to the legislature by
35 December 31, 1993.

36 NEW SECTION. **Sec. 23.** (1) Sections 1 and 8 through 11 of this act
37 are necessary for the immediate preservation of the public peace,
38 health, or safety, or support of the state government and its existing

1 public institutions, and shall take effect July 3, 1993, and shall be
2 effective as to separations occurring after July 3, 1993.

3 (2) Section 2 of this act is necessary for the immediate
4 preservation of the public peace, health, or safety, or support of the
5 state government and its existing public institutions, and shall take
6 effect July 3, 1993, and is effective as to weeks claimed after July 3,
7 1993.

8 (3) Section 12 of this act is necessary for the immediate
9 preservation of the public peace, health, or safety, or support of the
10 state government and its existing public institutions, and shall take
11 effect July 3, 1993, and is effective as to new claims filed after July
12 3, 1993.

13 (4) Section 19 of this act is necessary for the immediate
14 preservation of the public peace, health, or safety, or support of the
15 state government and its existing public institutions, and shall take
16 effect July 3, 1993, and is effective as to requests for relief of
17 charges received after July 3, 1993.

18 (5) Sections 15, 17, and 18 of this act shall be effective to new
19 extended benefit claims filed after October 2, 1993.

20 (6) Sections 13 and 14 of this act shall take effect January 1,
21 1994.

22 (7) Sections 3, 4, 5, and 13 of this act shall take effect January
23 2, 1994.

24 (8) Sections 20 and 21 of this act shall take effect for tax year
25 1994.

26 (9) Section 16 of this act is necessary for the immediate
27 preservation of the public peace, health, or safety, or support of the
28 state government and its existing public institutions, and shall take
29 effect immediately.

30 NEW SECTION. **Sec. 24.** If any part of this act is found to be in
31 conflict with federal requirements that are a prescribed condition to
32 the allocation of federal funds to the state or the eligibility of
33 employers in this state for federal unemployment tax credits, the
34 conflicting part of this act is hereby declared to be inoperative
35 solely to the extent of the conflict, and such finding or determination
36 shall not affect the operation of the remainder of this act. The rules
37 under this act shall meet federal requirements that are a necessary

1 condition to the receipt of federal funds by the state or the granting
2 of federal unemployment tax credits to employers in this state.

3 NEW SECTION. **Sec. 25.** If any provision of this act or its
4 application to any person or circumstance is held invalid, the
5 remainder of the act or the application of the provision to other
6 persons or circumstances is not affected.

--- END ---