
SENATE BILL 6480

State of Washington

53rd Legislature

1994 Regular Session

By Senators Moore, Vognild, Prentice, Sheldon, Pelz, Nelson, Sutherland and McAuliffe

Read first time 01/24/94. Referred to Committee on Labor & Commerce.

1 AN ACT Relating to unemployment compensation; amending RCW
2 50.16.094, 50.22.090, 50.29.020, 50.29.025, and 50.29.062; reenacting
3 and amending RCW 50.29.025; adding a new section to chapter 50.44 RCW;
4 creating a new section; providing an effective date; and declaring an
5 emergency.

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

7 NEW SECTION. **Sec. 1.** A new section is added to chapter 50.20 RCW
8 to read as follows:

9 The employment security department shall report to the standing
10 committees of the legislature no later than July 1, 1995, regarding any
11 updating of the department's computer technology that is necessary to
12 or could address eliminating or reducing the need to make conditional
13 payments.

14 **Sec. 2.** RCW 50.16.094 and 1993 c 226 s 6 are each amended to read
15 as follows:

16 An individual may be eligible for applicable employment security
17 benefits while participating in work force training. Eligibility is at
18 the discretion of the commissioner of employment security after

1 submitting a commissioner-approved training waiver and developing a
2 detailed individualized training plan.

3 ~~((Benefits paid under this section may not be charged to the
4 experience rating accounts of individual employers.))~~

5 The commissioner shall adopt rules as necessary to implement this
6 section.

7 **Sec. 3.** RCW 50.22.090 and 1993 c 316 s 10 are each amended to read
8 as follows:

9 (1) An additional benefit period is established for counties
10 identified under subsection (2) of this section beginning on the first
11 Sunday after July 1, 1991, and for the forest products industry
12 beginning with the third week after the first Sunday after July 1,
13 1991. Benefits shall be paid as provided in subsection (3) of this
14 section to exhaustees eligible under subsection (4) of this section.

15 (2) The additional benefit period applies to counties having a
16 population of less than five hundred thousand beginning with the third
17 week after a week in which the commissioner determines that a county
18 meets two of the following three criteria, as determined by the
19 department, for the most recent year in which such data is available:

20 (a) A lumber and wood products employment location quotient at or above
21 the state average; (b) projected or actual direct lumber and wood
22 products job losses of one hundred positions or more, except counties
23 having a population greater than two hundred thousand but less than
24 five hundred thousand must have direct lumber and wood products job
25 losses of one thousand positions or more; or (c) an annual unemployment
26 rate twenty percent or more above the state average. The additional
27 benefit period for a county may end no sooner than fifty-two weeks
28 after the additional benefit period begins.

29 (3) Additional benefits shall be paid as follows:

30 (a) No new claims for additional benefits shall be accepted for
31 weeks beginning after July 1, 1995, but for claims established on or
32 before July 1, 1995, weeks of unemployment occurring after July 1,
33 1995, shall be compensated as provided in this section.

34 (b) The total additional benefit amount shall be one hundred four
35 times the individual's weekly benefit amount, reduced by the total
36 amount of regular benefits and extended benefits paid, or deemed paid,
37 with respect to the benefit year. Additional benefits shall not be
38 payable for weeks more than two years beyond the end of the benefit

1 year of the regular claim for an individual whose benefit year ends on
2 or after July 27, 1991, and shall not be payable for weeks ending on or
3 after two years after March 26, 1992, for individuals who become
4 eligible as a result of chapter 47, Laws of 1992.

5 (c) Notwithstanding the provisions of (b) of this subsection,
6 individuals will be entitled to up to five additional weeks of benefits
7 following the completion or termination of training.

8 (d) The weekly benefit amount shall be calculated as specified in
9 RCW 50.22.040.

10 (e) Benefits paid under this section shall be paid under the same
11 terms and conditions as regular benefits (~~and shall not be charged to~~
12 ~~the experience rating account of individual employers~~). The
13 additional benefit period shall be suspended with the start of an
14 extended benefit period, or any totally federally funded benefit
15 program, with eligibility criteria and benefits comparable to the
16 program established by this section, and shall resume the first week
17 following the end of the federal program.

18 (f) The amendments in chapter 316, Laws of 1993 affecting
19 subsection (3) (b) and (c) of this section shall apply in the case of
20 all individuals determined to be monetarily eligible under this section
21 without regard to the date eligibility was determined.

22 (4) An additional benefit eligibility period is established for any
23 exhaustee who:

24 (a)(i) At the time of last separation from employment, resided in
25 or was employed in a county identified under subsection (2) of this
26 section; or

27 (ii) During his or her base year, earned wages in at least six
28 hundred eighty hours in the forest products industry, which shall be
29 determined by the department but shall include the industries assigned
30 the major group standard industrial classification codes "24" and "26"
31 and the industries involved in the harvesting and management of logs,
32 transportation of logs and wood products, processing of wood products,
33 and the manufacturing and distribution of wood processing and logging
34 equipment. The commissioner may adopt rules further interpreting the
35 industries covered under this subsection. For the purposes of this
36 subsection, "standard industrial classification code" means the code
37 identified in RCW 50.29.025(6)(c); and

38 (b)(i) Has received notice of termination or layoff; and

1 (ii) Is unlikely to return to employment in his or her principal
2 occupation or previous industry because of a diminishing demand within
3 his or her labor market for his or her skills in the occupation or
4 industry; and

5 (c)(i)(A) Is notified by the department of the requirements of this
6 section and develops an individual training program that is submitted
7 to the commissioner for approval not later than sixty days after the
8 individual is notified of the requirements of this section, and enters
9 the approved training program not later than ninety days after the date
10 of the individual's termination or layoff, or ninety days after July 1,
11 1991, whichever is later, unless the department determines that the
12 training is not available during the ninety-day period, in which case
13 the individual shall enter training as soon as it is available; or

14 (B) Is unemployed as the result of a plant closure that occurs
15 after November 1, 1992, in a county identified under subsection (2) of
16 this section, did not comply with the requirements of (c)(i)(A) of this
17 subsection due to good cause as demonstrated to the department, such as
18 ambiguity over possible sale of the plant, develops a training program
19 that is submitted to the commissioner for approval not later than sixty
20 days from a date determined by the department to accommodate the good
21 cause, and enters the approved training program not later than ninety
22 days after the revised date established by the department, unless the
23 department determines that the training is not available during the
24 ninety-day period, in which case the individual shall enter training as
25 soon as it is available; or

26 (ii) Is enrolled in training approved under this section on a full-
27 time basis and maintains satisfactory progress in the training; and

28 (d) Does not receive a training allowance or stipend under the
29 provisions of any federal or state law.

30 (5) For the purposes of this section:

31 (a) "Training program" means:

32 (i) A remedial education program determined to be necessary after
33 counseling at the educational institution in which the individual
34 enrolls pursuant to his or her approved training program; or

35 (ii) A vocational training program at an educational institution
36 that:

37 (A) Is training for a labor demand occupation;

38 (B) Is likely to facilitate a substantial enhancement of the
39 individual's marketable skills and earning power; and

1 (C) Does not include on-the-job training or other training under
2 which the individual is paid by an employer for work performed by the
3 individual during the time that the individual receives additional
4 benefits under subsection (1) of this section.

5 (b) "Educational institution" means an institution of higher
6 education as defined in RCW 28B.10.016 or an educational institution as
7 defined in RCW 28C.04.410(3).

8 (c) "Training allowance or stipend" means discretionary use, cash-
9 in-hand payments available to the individual to be used as the
10 individual sees fit, but does not mean direct or indirect compensation
11 for training costs, such as tuition or books and supplies.

12 (6) The commissioner shall adopt rules as necessary to implement
13 this section.

14 (7) For the purpose of this section, an individual who has a
15 benefit year beginning after January 1, 1989, and ending before July
16 27, 1991, shall be treated as if his or her benefit year ended on July
17 27, 1991.

18 **Sec. 4.** RCW 50.29.020 and 1993 c 483 s 19 are each amended to read
19 as follows:

20 (1) An experience rating account shall be established and
21 maintained for each employer, except employers as described in RCW
22 50.44.010 and 50.44.030 who have properly elected to make payments in
23 lieu of contributions, taxable local government employers as described
24 in RCW 50.44.035, and those employers who are required to make payments
25 in lieu of contributions, based on existing records of the employment
26 security department. Benefits paid to any eligible individuals shall
27 be charged to the experience rating accounts of each of such
28 individual's employers during the individual's base year in the same
29 ratio that the wages paid by each employer to the individual during the
30 base year bear to the wages paid by all employers to that individual
31 during that base year, except as otherwise provided in this section.

32 (2) The legislature finds that certain benefit payments, in whole
33 or in part, should not be charged to the experience rating accounts of
34 employers except those employers described in RCW 50.44.010 and
35 50.44.030 who have properly elected to make payments in lieu of
36 contributions, taxable local government employers described in RCW
37 50.44.035, and those employers who are required to make payments in
38 lieu of contributions, as follows:

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

4 ~~((Benefits paid to an individual under the provisions of RCW
5 50.12.050 shall not be charged to the account of any contribution
6 paying employer if the wage credits earned in this state by the
7 individual during his or her base year are less than the minimum amount
8 necessary to qualify the individual for unemployment benefits.~~

9 ~~(e))~~ Benefits paid to an individual filing under the provisions of
10 chapter 50.06 RCW shall not be charged to the experience rating account
11 of any contribution paying employer only if:

12 (i) The individual files under RCW 50.06.020(1) after receiving
13 crime victims' compensation for a disability resulting from a nonwork-
14 related occurrence; or

15 (ii) The individual files under RCW 50.06.020(2).

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

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

24 ~~((f))~~ (e) In the case of individuals identified under RCW
25 50.20.015, benefits paid with respect to a calendar quarter, which
26 exceed the total amount of wages earned in the state of Washington in
27 the higher of two corresponding calendar quarters included within the
28 individual's determination period, as defined in RCW 50.20.015, shall
29 not be charged to the experience rating account of any contribution
30 paying employer.

31 ~~((g) Benefits paid to an individual who does not successfully
32 complete an approved on the job training program under RCW 50.12.240
33 may not be charged to the experience rating account of the
34 contribution paying employer who provided the approved on the job
35 training.))~~

36 (3)(a) Beginning July 1, 1985, a contribution-paying base year
37 employer, not otherwise eligible for relief of charges for benefits
38 under this section, may receive such relief if the benefit charges
39 result from payment to an individual who:

1 (i) Last left the employ of such employer voluntarily for reasons
2 not attributable to the employer;

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

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

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

17 (b) The employer requesting relief of charges under this subsection
18 must request relief in writing within thirty days following mailing to
19 the last known address of the notification of the valid initial
20 determination of such claim, stating the date and reason for the
21 separation or the circumstances of continued employment. The
22 commissioner, upon investigation of the request, shall determine
23 whether relief should be granted.

24 **Sec. 5.** RCW 50.29.025 and 1993 c 483 s 21 and 1993 c 226 s 13 are
25 each reenacted and amended to read as follows:

26 The contribution rate for each employer shall be determined under
27 this section.

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

36 (2) The interval of the fund balance ratio, expressed as a
37 percentage, shall determine which tax schedule in subsection (5) of
38 this section shall be in effect for assigning tax rates for the rate

1 year. The intervals for determining the effective tax schedule shall
 2 be:

3	Interval of the	
4	Fund Balance Ratio	Effective
5	Expressed as a Percentage	Tax Schedule
6	3.90 and above	AA
7	3.40 to 3.89	A
8	2.90 to 3.39	B
9	2.40 to 2.89	C
10	1.90 to 2.39	D
11	1.40 to 1.89	E
12	Less than 1.40	F

13 (3) An array shall be prepared, listing all qualified employers in
 14 ascending order of their benefit ratios. The array shall show for each
 15 qualified employer: (a) Identification number; (b) benefit ratio; (c)
 16 taxable payrolls for the four calendar quarters immediately preceding
 17 the computation date and reported to the department by the cut-off
 18 date; (d) a cumulative total of taxable payrolls consisting of the
 19 employer's taxable payroll plus the taxable payrolls of all other
 20 employers preceding him or her in the array; and (e) the percentage
 21 equivalent of the cumulative total of taxable payrolls.

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

29 (5) The contribution rate for each employer in the array shall be
 30 the rate specified in the following tables for the rate class to which
 31 he or she has been assigned, as determined under subsection (4) of this
 32 section, within the tax schedule which is to be in effect during the
 33 rate year:

34	Percent of		Schedule of Contribution Rates							
35	Cumulative		for Effective Tax Schedule							
36	Taxable Payrolls									
37			((Rate							
38	From	To	Class	AA	A	B	C	D	E	F
39	0.00	5.00	1	0.48	0.36	0.46	0.86	1.36	1.76	2.36

1	5.01	10.00	2	0.48	0.36	0.66	1.06	1.56	1.96	2.56
2	40.01	15.00	3	0.58	0.46	0.86	1.26	1.66	2.16	2.76
3	15.01	20.00	4	0.58	0.66	1.06	1.46	1.86	2.36	2.96
4	20.01	25.00	5	0.78	0.86	1.26	1.66	2.06	2.56	3.06
5	25.01	30.00	6	0.98	1.06	1.46	1.86	2.26	2.66	3.16
6	30.01	35.00	7	1.08	1.26	1.66	2.06	2.46	2.86	3.26
7	35.01	40.00	8	1.28	1.46	1.86	2.26	2.66	3.06	3.46
8	40.01	45.00	9	1.48	1.66	2.06	2.46	2.86	3.26	3.66
9	45.01	50.00	10	1.68	1.86	2.26	2.66	3.06	3.46	3.86
10	50.01	55.00	11	1.98	2.16	2.46	2.86	3.26	3.66	3.96
11	55.01	60.00	12	2.18	2.36	2.66	3.06	3.46	3.86	4.16
12	60.01	65.00	13	2.38	2.56	2.86	3.26	3.66	4.06	4.36
13	65.01	70.00	14	2.58	2.76	3.06	3.46	3.86	4.26	4.56
14	70.01	75.00	15	2.88	2.96	3.26	3.66	4.06	4.46	4.66
15	75.01	80.00	16	3.08	3.16	3.46	3.86	4.26	4.56	4.76
16	80.01	85.00	17	3.28	3.36	3.66	4.06	4.46	4.76	4.86
17	85.01	90.00	18	3.68	3.76	4.06	4.46	4.76	4.86	5.06
18	90.01	95.00	19	4.08	4.16	4.46	4.86	4.96	5.06	5.26
19	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	5.40

20				<u>Rate</u>							
21	<u>From</u>	<u>To</u>	<u>Class</u>	<u>AA</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	
22	<u>0.00</u>	<u>5.00</u>	<u>1</u>	<u>0.30</u>	<u>0.30</u>	<u>0.40</u>	<u>0.75</u>	<u>1.25</u>	<u>1.50</u>	<u>2.00</u>	
23	<u>5.01</u>	<u>10.00</u>	<u>2</u>	<u>0.35</u>	<u>0.35</u>	<u>0.45</u>	<u>0.80</u>	<u>1.30</u>	<u>1.70</u>	<u>2.20</u>	
24	<u>10.01</u>	<u>15.00</u>	<u>3</u>	<u>0.40</u>	<u>0.40</u>	<u>0.50</u>	<u>1.00</u>	<u>1.40</u>	<u>1.80</u>	<u>2.50</u>	
25	<u>15.01</u>	<u>20.00</u>	<u>4</u>	<u>0.45</u>	<u>0.45</u>	<u>0.60</u>	<u>1.10</u>	<u>1.50</u>	<u>1.90</u>	<u>2.70</u>	
26	<u>20.01</u>	<u>25.00</u>	<u>5</u>	<u>0.55</u>	<u>0.60</u>	<u>0.80</u>	<u>1.25</u>	<u>1.75</u>	<u>2.20</u>	<u>2.90</u>	
27	<u>25.01</u>	<u>30.00</u>	<u>6</u>	<u>0.75</u>	<u>0.80</u>	<u>1.10</u>	<u>1.50</u>	<u>1.90</u>	<u>2.50</u>	<u>3.00</u>	
28	<u>30.01</u>	<u>35.00</u>	<u>7</u>	<u>0.85</u>	<u>1.00</u>	<u>1.25</u>	<u>1.75</u>	<u>2.20</u>	<u>2.90</u>	<u>3.25</u>	
29	<u>35.01</u>	<u>40.00</u>	<u>8</u>	<u>1.00</u>	<u>1.10</u>	<u>1.50</u>	<u>1.90</u>	<u>2.40</u>	<u>3.00</u>	<u>3.50</u>	
30	<u>40.01</u>	<u>45.00</u>	<u>9</u>	<u>1.15</u>	<u>1.20</u>	<u>1.75</u>	<u>2.20</u>	<u>2.75</u>	<u>3.30</u>	<u>3.65</u>	
31	<u>45.01</u>	<u>50.00</u>	<u>10</u>	<u>1.15</u>	<u>1.50</u>	<u>1.90</u>	<u>2.40</u>	<u>3.00</u>	<u>3.45</u>	<u>3.80</u>	
32	<u>50.01</u>	<u>55.00</u>	<u>11</u>	<u>1.70</u>	<u>1.90</u>	<u>2.20</u>	<u>2.65</u>	<u>3.15</u>	<u>3.75</u>	<u>3.90</u>	
33	<u>55.01</u>	<u>60.00</u>	<u>12</u>	<u>1.90</u>	<u>2.20</u>	<u>2.40</u>	<u>3.00</u>	<u>3.30</u>	<u>3.90</u>	<u>4.00</u>	
34	<u>60.01</u>	<u>65.00</u>	<u>13</u>	<u>2.10</u>	<u>2.40</u>	<u>2.65</u>	<u>3.20</u>	<u>3.50</u>	<u>3.90</u>	<u>4.10</u>	
35	<u>65.01</u>	<u>70.00</u>	<u>14</u>	<u>2.20</u>	<u>2.65</u>	<u>3.00</u>	<u>3.50</u>	<u>3.90</u>	<u>4.10</u>	<u>4.20</u>	
36	<u>70.01</u>	<u>75.00</u>	<u>15</u>	<u>2.60</u>	<u>2.90</u>	<u>3.30</u>	<u>3.75</u>	<u>4.15</u>	<u>4.30</u>	<u>4.45</u>	
37	<u>75.01</u>	<u>80.00</u>	<u>16</u>	<u>2.80</u>	<u>3.10</u>	<u>3.95</u>	<u>4.15</u>	<u>4.50</u>	<u>4.60</u>	<u>4.60</u>	
38	<u>80.01</u>	<u>85.00</u>	<u>17</u>	<u>3.00</u>	<u>3.75</u>	<u>4.50</u>	<u>4.65</u>	<u>5.00</u>	<u>5.10</u>	<u>5.35</u>	
39	<u>85.01</u>	<u>90.00</u>	<u>18</u>	<u>3.80</u>	<u>4.50</u>	<u>5.00</u>	<u>5.30</u>	<u>5.35</u>	<u>5.40</u>	<u>5.90</u>	
40	<u>90.01</u>	<u>95.00</u>	<u>19</u>	<u>5.40</u>	<u>5.40</u>	<u>5.40</u>	<u>5.50</u>	<u>5.55</u>	<u>5.70</u>	<u>6.05</u>	
41	<u>95.01</u>	<u>100.00</u>	<u>20</u>	<u>6.20</u>	<u>6.20</u>	<u>6.20</u>	<u>6.20</u>	<u>6.20</u>	<u>6.20</u>	<u>6.20</u>	

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

44 (a) Employers who do not meet the definition of "qualified
45 employer" by reason of failure to pay contributions when due shall be
46 assigned the contribution rate of five and six-tenths percent, except
47 employers who have an approved agency-deferred payment contract by
48 September 30 of the previous rate year. If any employer with an
49 approved agency-deferred payment contract fails to make any one of the
50 succeeding deferred payments or fails to submit any succeeding tax

1 report and payment in a timely manner, the employer's tax rate shall
2 immediately revert to five and six-tenths percent for the current rate
3 year;

4 (b) The contribution rate for employers exempt as of December 31,
5 1989, who are newly covered under the section 78, chapter 380, Laws of
6 1989 amendment to RCW 50.04.150 and not yet qualified to be in the
7 array shall be 2.5 percent for employers whose standard industrial code
8 is "013", "016", "017", "018", "019", "021", or "081"; and

9 (c) For all other employers not qualified to be in the array, the
10 contribution rate shall be a rate equal to the average industry rate as
11 determined by the commissioner; however, the rate may not be less than
12 one percent. Assignment of employers by the commissioner to industrial
13 classification, for purposes of this subsection, shall be in accordance
14 with established classification practices found in the "Standard
15 Industrial Classification Manual" issued by the federal office of
16 management and budget to the third digit provided in the Standard
17 Industrial Classification code.

18 **Sec. 6.** RCW 50.29.025 and 1994 c ... s 5 (section 5 of this act)
19 are each amended to read as follows:

20 The contribution rate for each employer shall be determined under
21 this section.

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

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

1	Interval of the	
2	Fund Balance Ratio	Effective
3	Expressed as a Percentage	Tax Schedule
4	3.90 and above	AA
5	3.40 to 3.89	A
6	2.90 to 3.39	B
7	2.40 to 2.89	C
8	1.90 to 2.39	D
9	1.40 to 1.89	E
10	Less than 1.40	F

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

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

27 (5) The contribution rate for each employer in the array shall be
 28 the rate specified in the following tables for the rate class to which
 29 he or she has been assigned, as determined under subsection (4) of this
 30 section, within the tax schedule which is to be in effect during the
 31 rate year:

32	Percent of		Schedule of Contribution Rates							
33	Cumulative		for Effective Tax Schedule							
34	Taxable Payrolls									
35			((Rate							
36	From	To	Class	AA	A	B	C	D	E	F
37	0.00	5.00	1	0.30	0.30	0.40	0.75	1.25	1.50	2.00
38	5.01	10.00	2	0.35	0.35	0.45	0.80	1.30	1.70	2.20
39	10.01	15.00	3	0.40	0.40	0.50	1.00	1.40	1.80	2.50
40	15.01	20.00	4	0.45	0.45	0.60	1.10	1.50	1.90	2.70

1	20.01	25.00	5	0.55	0.60	0.80	1.25	1.75	2.20	2.90
2	25.01	30.00	6	0.75	0.80	1.10	1.50	1.90	2.50	3.00
3	30.01	35.00	7	0.85	1.00	1.25	1.75	2.20	2.90	3.25
4	35.01	40.00	8	1.00	1.10	1.50	1.90	2.40	3.00	3.50
5	40.01	45.00	9	1.15	1.20	1.75	2.20	2.75	3.30	3.65
6	45.01	50.00	10	1.15	1.50	1.90	2.40	3.00	3.45	3.80
7	50.01	55.00	11	1.70	1.90	2.20	2.65	3.15	3.75	3.90
8	55.01	60.00	12	1.90	2.20	2.40	3.00	3.30	3.90	4.00
9	60.01	65.00	13	2.10	2.40	2.65	3.20	3.50	3.90	4.10
10	65.01	70.00	14	2.20	2.65	3.00	3.50	3.90	4.10	4.20
11	70.01	75.00	15	2.60	2.90	3.30	3.75	4.15	4.30	4.45
12	75.01	80.00	16	2.80	3.10	3.95	4.15	4.50	4.60	4.60
13	80.01	85.00	17	3.00	3.75	4.50	4.65	5.00	5.10	5.35
14	85.01	90.00	18	3.80	4.50	5.00	5.30	5.35	5.40	5.90
15	90.01	95.00	19	5.40	5.40	5.40	5.50	5.55	5.70	6.05
16	95.01	100.00	20	6.20	6.20	6.20	6.20	6.20	6.20	6.20

17	Rate										
18	From	To	Class	AA	A	B	C	D	E	F	
19	0.00	5.00	1	0.42	0.42	0.52	0.87	1.37	1.62	2.12	
20	5.01	10.00	2	0.47	0.47	0.57	0.92	1.42	1.82	2.32	
21	10.01	15.00	3	0.52	0.52	0.62	1.12	1.52	1.92	2.62	
22	15.01	20.00	4	0.57	0.57	0.72	1.22	1.62	2.02	2.82	
23	20.01	25.00	5	0.67	0.72	0.92	1.37	1.87	2.32	3.02	
24	25.01	30.00	6	0.87	0.92	1.22	1.62	2.02	2.62	3.12	
25	30.01	35.00	7	0.97	1.12	1.37	1.87	2.32	3.02	3.37	
26	35.01	40.00	8	1.12	1.22	1.62	2.02	2.52	3.12	3.62	
27	40.01	45.00	9	1.27	1.32	1.87	2.32	2.87	3.42	3.77	
28	45.01	50.00	10	1.27	1.62	2.02	2.52	3.12	3.57	3.92	
29	50.01	55.00	11	1.82	2.02	2.32	2.77	3.27	3.87	4.02	
30	55.01	60.00	12	2.02	2.32	2.52	3.12	3.42	4.02	4.12	
31	60.01	65.00	13	2.22	2.52	2.77	3.32	3.62	4.02	4.22	
32	65.01	70.00	14	2.32	2.77	3.12	3.62	4.02	4.22	4.32	
33	70.01	75.00	15	2.72	3.02	3.42	3.87	4.27	4.42	4.57	
34	75.01	80.00	16	2.92	3.22	4.07	4.27	4.62	4.72	4.72	
35	80.01	85.00	17	3.12	3.87	4.62	4.77	5.12	5.22	5.47	
36	85.01	90.00	18	3.92	4.62	5.12	5.42	5.47	5.52	6.02	
37	90.01	95.00	19	5.52	5.52	5.52	5.62	5.67	5.82	6.17	
38	95.01	100.00	20	6.20	6.20	6.20	6.20	6.20	6.20	6.20	

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

41 (a) Employers who do not meet the definition of "qualified
42 employer" by reason of failure to pay contributions when due shall be
43 assigned the contribution rate of five and six-tenths percent, except
44 employers who have an approved agency-deferred payment contract by
45 September 30 of the previous rate year. If any employer with an
46 approved agency-deferred payment contract fails to make any one of the
47 succeeding deferred payments or fails to submit any succeeding tax
48 report and payment in a timely manner, the employer's tax rate shall

1 immediately revert to five and six-tenths percent for the current rate
2 year;

3 (b) The contribution rate for employers exempt as of December 31,
4 1989, who are newly covered under the section 78, chapter 380, Laws of
5 1989 amendment to RCW 50.04.150 and not yet qualified to be in the
6 array shall be 2.5 percent for employers whose standard industrial code
7 is "013", "016", "017", "018", "019", "021", or "081"; and

8 (c) For all other employers not qualified to be in the array, the
9 contribution rate shall be a rate equal to the average industry rate as
10 determined by the commissioner; however, the rate may not be less than
11 one percent. Assignment of employers by the commissioner to industrial
12 classification, for purposes of this subsection, shall be in accordance
13 with established classification practices found in the "Standard
14 Industrial Classification Manual" issued by the federal office of
15 management and budget to the third digit provided in the Standard
16 Industrial Classification code.

17 **Sec. 7.** RCW 50.29.062 and 1989 c 380 s 81 are each amended to read
18 as follows:

19 Predecessor and successor employer contribution rates shall be
20 computed in the following manner:

21 (1) If the successor is an employer at the time of the transfer,
22 his or her contribution rate shall remain unchanged for the remainder
23 of the rate year in which the transfer occurs. From and after January
24 1 following the transfer, the successor's contribution rate for each
25 rate year shall be based on his or her experience with payrolls and
26 benefits including the experience of the acquired business or portion
27 of a business from the date of transfer, as of the regular computation
28 date for that rate year.

29 ~~(2) ((If the successor is not an employer at the time of the~~
30 ~~transfer, he or she shall pay contributions at the rate class assigned~~
31 ~~to the predecessor employer at the time of the transfer for the~~
32 ~~remainder for that rate year and continuing until such time as he or~~
33 ~~she qualifies for a different rate in his or her own right.~~

34 ~~(3) If the successor is not an employer at the time of the transfer~~
35 ~~and simultaneously acquires the business or a portion of the business~~
36 ~~of two or more employers in different rate classes, his or her rate~~
37 ~~from the date the transfer occurred until the end of that rate year and~~
38 ~~until he or she qualifies in his or her own right for a new rate, shall~~

1 ~~be the highest rate class applicable at the time of the acquisition to~~
2 ~~any predecessor employer who is a party to the acquisition.~~

3 ~~(4))~~ The contribution rate on any payroll retained by a
4 predecessor employer shall remain unchanged for the remainder of the
5 rate year in which the transfer occurs.

6 ~~((5))~~ (3) In all cases, from and after January 1 following the
7 transfer, the predecessor's contribution rate for each rate year shall
8 be based on his or her experience with payrolls and benefits as of the
9 regular computation date for that rate year including the experience of
10 the acquired business or portion of business up to the date of
11 transfer: PROVIDED, That if all of the predecessor's business is
12 transferred to a successor or successors, the predecessor shall not be
13 a qualified employer until he or she satisfies the requirements of a
14 "qualified employer" as set forth in RCW 50.29.010.

15 NEW SECTION. **Sec. 8.** A new section is added to chapter 50.44 RCW
16 to read as follows:

17 (1) Each employer subject to this chapter shall pay to the
18 commissioner for the unemployment compensation administration fund an
19 administrative cost assessment determined by the commissioner. The
20 administrative cost assessment shall be based on a calculation of the
21 department's actual cost of processing unemployment insurance benefits
22 paid to former employees of employers who are liable under this
23 chapter.

24 (2) For the purpose of determining the administrative cost
25 assessment, if benefits paid to an individual are based on wages paid
26 by more than one employer, the administrative cost assessment of each
27 employer that is liable under this chapter shall be an amount that
28 bears the same ratio to the total benefits paid to the individual as
29 the total base-period wages paid to the individual by the liable
30 employer bear to the total base-period wages paid to the individual by
31 all of his or her base-period employers.

32 (3) At the end of each calendar quarter, the commissioner shall
33 assess each employer liable under this chapter an amount equal to the
34 cost determined by the department under subsection (2) of this section
35 based on the amount of regular and additional benefits and the amount
36 of extended benefits paid during the quarter that is attributable to
37 service in the employ of the liable employer. The administrative cost
38 assessment shall be paid:

1 (a) Except as provided in (b) of this subsection, not later than
2 thirty days after the assessment was mailed to the last known address
3 of the employer or otherwise delivered to the employer; or

4 (b) By the state, by the expiration of the twelve-month period
5 following the end of the biennium in which the administrative costs
6 attributable to state employment were accrued.

7 (4) Payment of administrative cost assessments by an employer
8 liable under this chapter shall not be deducted or deductible, in whole
9 or in part, from the remuneration of individuals in the employ of the
10 employer. Any deduction in violation of this subsection is unlawful.

11 NEW SECTION. **Sec. 9.** (1) Section 5 of this act is necessary for
12 the immediate preservation of the public peace, health, or safety, or
13 support of the state government and its existing public institutions,
14 and shall take effect immediately.

15 (2) Section 6 of this act shall take effect January 1, 1998.

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