

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 6421

Chapter 162, Laws of 1998

55th Legislature
1998 Regular Session

UNEMPLOYMENT COMPENSATION FOR PERSONS WITH PUBLIC EMPLOYMENT
CONTRACTS--REVISIONS

EFFECTIVE DATE: 3/29/98

Passed by the Senate March 9, 1998
YEAS 48 NAYS 1

BRAD OWEN

President of the Senate

Passed by the House March 3, 1998
YEAS 88 NAYS 0

CLYDE BALLARD

**Speaker of the
House of Representatives**

Approved March 25, 1998

GARY LOCKE

Governor of the State of Washington

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6421** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MIKE O'CONNELL

Secretary

FILED

March 25, 1998 - 4:48 p.m.

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 6421

AS AMENDED BY THE HOUSE

Passed Legislature - 1998 Regular Session

State of Washington 55th Legislature 1998 Regular Session

By Senate Committee on Commerce & Labor (originally sponsored by Senators Schow, Heavey and Winsley; by request of Employment Security Department)

Read first time 02/04/98.

1 AN ACT Relating to unemployment compensation for persons with
2 public employment contracts; amending RCW 50.04.320; creating a new
3 section; providing an effective date; and declaring an emergency.

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

5 **Sec. 1.** RCW 50.04.320 and 1995 c 296 s 1 are each amended to read
6 as follows:

7 (1) For the purpose of payment of contributions, "wages" means the
8 remuneration paid by one employer during any calendar year to an
9 individual in its employment under this title or the unemployment
10 compensation law of any other state in the amount specified in RCW
11 50.24.010. If an employer (hereinafter referred to as a successor
12 employer) during any calendar year acquires substantially all the
13 operating assets of another employer (hereinafter referred to as a
14 predecessor employer) or assets used in a separate unit of a trade or
15 business of a predecessor employer, and immediately after the
16 acquisition employs in the individual's trade or business an individual
17 who immediately before the acquisition was employed in the trade or
18 business of the predecessor employer, then, for the purposes of
19 determining the amount of remuneration paid by the successor employer

1 to the individual during the calendar year which is subject to
2 contributions, any remuneration paid to the individual by the
3 predecessor employer during that calendar year and before the
4 acquisition shall be considered as having been paid by the successor
5 employer.

6 (2) For the purpose of payment of benefits, "wages" means the
7 remuneration paid by one or more employers to an individual for
8 employment under this title during his base year: PROVIDED, That at
9 the request of a claimant, wages may be calculated on the basis of
10 remuneration payable. The department shall notify each claimant that
11 wages are calculated on the basis of remuneration paid, but at the
12 claimant's request a redetermination may be performed and based on
13 remuneration payable.

14 (3) For the purpose of payment of benefits and payment of
15 contributions, the term "wages" includes tips which are received after
16 January 1, 1987, while performing services which constitute employment,
17 and which are reported to the employer for federal income tax purposes.

18 (4)(a) "Remuneration" means all compensation paid for personal
19 services including commissions and bonuses and the cash value of all
20 compensation paid in any medium other than cash. The reasonable cash
21 value of compensation paid in any medium other than cash and the
22 reasonable value of gratuities shall be estimated and determined in
23 accordance with rules prescribed by the commissioner. Remuneration
24 does not include payments to members of a reserve component of the
25 armed forces of the United States, including the organized militia of
26 the state of Washington, for the performance of duty for periods not
27 exceeding seventy-two hours at a time.

28 (b) Previously accrued compensation, other than severance pay or
29 payments received pursuant to plant closure agreements, when assigned
30 to a specific period of time by virtue of a collective bargaining
31 agreement, individual employment contract, customary trade practice, or
32 request of the individual compensated, shall be considered remuneration
33 for the period to which it is assigned. Assignment clearly occurs when
34 the compensation serves to make the individual eligible for all regular
35 fringe benefits for the period to which the compensation is assigned.

36 (c) Settlements or other proceeds received by an individual as a
37 result of a negotiated settlement for termination of an individual
38 written employment contract (~~((with a public agency))~~) prior to its
39 expiration date shall be considered remuneration. The proceeds shall

1 be deemed assigned in the same intervals and in the same amount for
2 each interval as compensation was allocated under the contract.

3 (d) Except as provided in (c) of this subsection, the provisions of
4 this subsection (4) pertaining to the assignment of previously accrued
5 compensation shall not apply to individuals subject to RCW 50.44.050.

6 NEW SECTION. **Sec. 2.** If any part of this act is found to be in
7 conflict with federal requirements that are a prescribed condition to
8 the allocation of federal funds to the state or the eligibility of
9 employers in this state for federal unemployment tax credits, the
10 conflicting part of this act is inoperative solely to the extent of the
11 conflict, and the finding or determination does not affect the
12 operation of the remainder of this act. Rules adopted under this act
13 must meet federal requirements that are a necessary condition to the
14 receipt of federal funds by the state or the granting of federal
15 unemployment tax credits to employers in this state.

16 NEW SECTION. **Sec. 3.** This act is necessary for the immediate
17 preservation of the public peace, health, or safety, or support of the
18 state government and its existing public institutions, and takes effect
19 on the Sunday following the day that the governor signs this act and is
20 effective for initial claims filed on or after that Sunday.

Passed the Senate March 9, 1998.

Passed the House March 3, 1998.

Approved by the Governor March 25, 1998.

Filed in Office of Secretary of State March 25, 1998.