
Commerce & Labor Committee

HB 1528

Brief Description: Concerning unemployment benefits paid to retirees.

Sponsors: Representatives Clements and Chandler.

Brief Summary of Bill

- For purposes of unemployment compensation, excludes remuneration paid to certain retirees by certain public employers from the definition of "wages."

Hearing Date: 2/12/03

Staff: Jill Reinmuth (786-7134).

Background:

A retiree in certain public employee retirement systems may be eligible for unemployment benefits following certain postretirement employment.

Postretirement Employment

All state administered retirement plans restrict the ability of retirees to collect their retirement allowances if they return to employment in jobs that would be covered by the same retirement plan. However, TRS 1 retirees who have a one calendar month break from employment may work up to 1,500 hours in a school year without a reduction of their allowances. PERS 1 retirees may work up to 1,500 hours in a calendar year. Similarly, PERS 2, SERS 2 and 3, and TRS 2 and 3 retirees who have the required break in service may work up to 867 hours in a calendar year without a reduction of their allowances.

Unemployment Benefits

An individual is eligible to receive regular unemployment benefits if he or she: (1) worked at least 680 hours in his or her base year; (2) was separated from employment through no fault of his or her own or quit work for good cause; and (3) is able to work and is actively seeking employment.

The individuals' weekly benefit amount is based on the wages paid during the base year.

The weekly benefit amount is equal to the individual's wages in the two highest quarters in the base year divided by two and multiplied by .04, up to a maximum amount that is equal to 70 percent of the average weekly wage.

The individual's maximum benefits payable is also based on the wages paid during the base year. The total amount of benefits potentially payable is found by taking the lesser of 30 times the weekly benefit amount, or one-third of the total gross wages in all four quarters of the base year.

Summary of Bill:

For purposes of unemployment compensation, the definition of "wages" is modified to exclude remuneration paid to certain retirees by certain public employers. "Retiree" and "employer" have the same meaning as laws governing the following state administered retirement plans: PERS 1, 2, and 3; TRS 1, 2, and 3; and SERS 2 and 3.

Rules Authority: The bill does not address the rule-making powers of any agency.

Appropriation: None.

Fiscal Note: Requested on February 6, 2003.

Effective Date: The bill contains an emergency clause and takes effect immediately.