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SENATE BILL 6885

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State of Washington                      59th Legislature                      2006 Regular Session

By Senators Kohl-Welles, McAuliffe, Thibaudeau, Keiser and Fairley

Read first time 02/02/2006.                      Referred to Committee on Labor,  
Commerce, Research & Development.

1            AN ACT Relating to unemployment insurance; amending RCW 50.20.120,  
2            50.24.010, 50.29.025, 50.29.041, and 50.16.030; creating new sections;  
3            repealing 2005 c 133 s 10 (uncodified); and declaring an emergency.

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

5            **Sec. 1.** RCW 50.20.120 and 2005 c 133 s 3 are each amended to read  
6            as follows:

7            (1)(a) Subject to the other provisions of this title, benefits  
8            shall be payable to any eligible individual during the individual's  
9            benefit year in a maximum amount equal to the lesser of thirty times  
10           the weekly benefit amount, as determined in subsection (2) of this  
11           section, or one-third of the individual's base year wages under this  
12           title: PROVIDED, That as to any week which falls in an extended  
13           benefit period as defined in RCW 50.22.010(1), an individual's  
14           eligibility for maximum benefits in excess of twenty-six times his or  
15           her weekly benefit amount will be subject to the terms and conditions  
16           set forth in RCW 50.22.020.

17           (b) With respect to claims that have an effective date on or after  
18           the first Sunday of the calendar month immediately following the month  
19           in which the commissioner finds that the state unemployment rate is six

1 and eight-tenths percent or less, benefits shall be payable to any  
2 eligible individual during the individual's benefit year in a maximum  
3 amount equal to the lesser of twenty-six times the weekly benefit  
4 amount, as determined in subsection (2) of this section, or one-third  
5 of the individual's base year wages under this title.

6 (2)(a) For claims with an effective date before January 4, 2004, an  
7 individual's weekly benefit amount shall be an amount equal to one  
8 twenty-fifth of the average quarterly wages of the individual's total  
9 wages during the two quarters of the individual's base year in which  
10 such total wages were highest.

11 (b) With respect to claims with an effective date on or after  
12 January 4, 2004, and before January 2, 2005, an individual's weekly  
13 benefit amount shall be an amount equal to one twenty-fifth of the  
14 average quarterly wages of the individual's total wages during the  
15 three quarters of the individual's base year in which such total wages  
16 were highest.

17 (c)(i) With respect to claims with an effective date on or after  
18 January 2, 2005, except as provided in (c)(ii) of this subsection, an  
19 individual's weekly benefit amount shall be an amount equal to one  
20 percent of the total wages paid in the individual's base year.

21 (ii) With respect to claims with an effective date on or after the  
22 first Sunday following April 22, 2005, (~~and before July 1, 2007,~~) an  
23 individual's weekly benefit amount shall be an amount equal to three  
24 and eighty-five one-hundredths percent of the average quarterly wages  
25 of the individual's total wages during the two quarters of the  
26 individual's base year in which such total wages were highest.

27 (3) The maximum and minimum amounts payable weekly shall be  
28 determined as of each June 30th to apply to benefit years beginning in  
29 the twelve-month period immediately following such June 30th.

30 (a)(i) With respect to claims that have an effective date before  
31 January 4, 2004, the maximum amount payable weekly shall be seventy  
32 percent of the "average weekly wage" for the calendar year preceding  
33 such June 30th.

34 (ii) With respect to claims that have an effective date on or after  
35 January 4, 2004, the maximum amount payable weekly shall be either four  
36 hundred ninety-six dollars or sixty-three percent of the "average  
37 weekly wage" for the calendar year preceding such June 30th, whichever  
38 is greater.

1 (b) The minimum amount payable weekly shall be fifteen percent of  
2 the "average weekly wage" for the calendar year preceding such June  
3 30th.

4 (4) If any weekly benefit, maximum benefit, or minimum benefit  
5 amount computed herein is not a multiple of one dollar, it shall be  
6 reduced to the next lower multiple of one dollar.

7 **Sec. 2.** RCW 50.24.010 and 2000 c 2 s 2 are each amended to read as  
8 follows:

9 (1) Contributions shall accrue and become payable by each employer  
10 (except employers as described in RCW 50.44.010 who have properly  
11 elected to make payments in lieu of contributions and those employers  
12 who are required to make payments in lieu of contributions) for each  
13 calendar year in which the employer is subject to this title at the  
14 rate established pursuant to chapter 50.29 RCW.

15 (2) In each rate year, the amount of wages subject to tax for each  
16 individual shall be one hundred fifteen percent of the amount of wages  
17 subject to tax for the previous year rounded to the next lower one  
18 hundred dollars, except that:

19 (a) Through rate year 2006, the amount of wages subject to tax in  
20 any rate year shall not exceed eighty percent of the "average annual  
21 wage for contributions purposes" for the second preceding calendar year  
22 rounded to the next lower one hundred dollars. (~~However, the amount~~  
23 ~~subject to tax shall be twenty four thousand three hundred dollars for~~  
24 ~~rate year 2000.~~))

25 (b) For rate year 2007 and thereafter, the amount of wages subject  
26 to tax in any rate year shall not exceed seventy-five percent of the  
27 "average annual wage for contributions purposes" for the second  
28 preceding calendar year rounded to the next lower one hundred dollars.

29 (3) In making computations under this section and RCW 50.29.010,  
30 wages paid based on services for employers making payments in lieu of  
31 contributions shall not be considered remuneration. Moneys paid from  
32 the fund, based on services performed for employers who make payments  
33 in lieu of contributions, which have not been reimbursed to the fund as  
34 of any June 30 shall be deemed an asset of the unemployment  
35 compensation fund, to the extent that such moneys exceed the amount of  
36 payments in lieu of contributions which the commissioner has previously

1 determined to be uncollectible: PROVIDED, FURTHER, That the amount  
2 attributable to employment with the state shall also include interest  
3 as provided for in RCW 50.44.020.

4 (4)(a) Contributions shall become due and be paid by each employer  
5 to the treasurer for the unemployment compensation fund in accordance  
6 with such regulations as the commissioner may prescribe, and shall not  
7 be deducted, in whole or in part, from the remuneration of individuals  
8 in employment of the employer. Any deduction in violation of the  
9 provisions of this section shall be unlawful.

10 (b) In the payment of any contributions, a fractional part of a  
11 cent shall be disregarded unless it amounts to one-half cent or more,  
12 in which case it shall be increased to one cent.

13 **Sec. 3.** RCW 50.29.025 and 2005 c 133 s 5 are each amended to read  
14 as follows:

15 (1) Except as provided in subsection (2) of this section, the  
16 contribution rate for each employer subject to contributions under RCW  
17 50.24.010 shall be determined under this subsection.

18 (a) A fund balance ratio shall be determined by dividing the  
19 balance in the unemployment compensation fund as of the September 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 (b) The interval of the fund balance ratio, expressed as a  
27 percentage, shall determine which tax schedule in (e) of this  
28 subsection 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	2.90 and above	AA
35	2.10 to 2.89	A

1	1.70 to 2.09	B
2	1.40 to 1.69	C
3	1.00 to 1.39	D
4	0.70 to 0.99	E
5	Less than 0.70	F

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

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

22 (e) Except as provided in RCW 50.29.026, the contribution rate for  
23 each employer in the array shall be the rate specified in the following  
24 tables for the rate class to which he or she has been assigned, as  
25 determined under (d) of this subsection, within the tax schedule which  
26 is to be in effect during the rate year:

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Percent of		Schedules of Contributions Rates								
Cumulative		for Effective Tax Schedule								
Taxable Payrolls										
Rate										
From	To Class	AA	A	B	C	D	E	F		
0.00	5.00	1	0.47	0.47	0.57	0.97	1.47	1.87	2.47	
5.01	10.00	2	0.47	0.47	0.77	1.17	1.67	2.07	2.67	
10.01	15.00	3	0.57	0.57	0.97	1.37	1.77	2.27	2.87	
15.01	20.00	4	0.57	0.73	1.11	1.51	1.90	2.40	2.98	

1	20.01	25.00	5	0.72	0.92	1.30	1.70	2.09	2.59	3.08
2	25.01	30.00	6	0.91	1.11	1.49	1.89	2.29	2.69	3.18
3	30.01	35.00	7	1.00	1.29	1.69	2.08	2.48	2.88	3.27
4	35.01	40.00	8	1.19	1.48	1.88	2.27	2.67	3.07	3.47
5	40.01	45.00	9	1.37	1.67	2.07	2.47	2.87	3.27	3.66
6	45.01	50.00	10	1.56	1.86	2.26	2.66	3.06	3.46	3.86
7	50.01	55.00	11	1.84	2.14	2.45	2.85	3.25	3.66	3.95
8	55.01	60.00	12	2.03	2.33	2.64	3.04	3.44	3.85	4.15
9	60.01	65.00	13	2.22	2.52	2.83	3.23	3.64	4.04	4.34
10	65.01	70.00	14	2.40	2.71	3.02	3.43	3.83	4.24	4.54
11	70.01	75.00	15	2.68	2.90	3.21	3.62	4.02	4.43	4.63
12	75.01	80.00	16	2.87	3.09	3.42	3.81	4.22	4.53	4.73
13	80.01	85.00	17	3.27	3.47	3.77	4.17	4.57	4.87	4.97
14	85.01	90.00	18	3.67	3.87	4.17	4.57	4.87	4.97	5.17
15	90.01	95.00	19	4.07	4.27	4.57	4.97	5.07	5.17	5.37
16	95.01	100.00	20	5.40	5.40	5.40	5.40	5.40	5.40	5.40

17 (f) The contribution rate for each employer not qualified to be in  
18 the array shall be as follows:

19 (i) Employers who do not meet the definition of "qualified  
20 employer" by reason of failure to pay contributions when due shall be  
21 assigned a contribution rate two-tenths higher than that in rate class  
22 20 for the applicable rate year, except employers who have an approved  
23 agency-deferred payment contract by September 30 of the previous rate  
24 year. If any employer with an approved agency-deferred payment  
25 contract fails to make any one of the succeeding deferred payments or  
26 fails to submit any succeeding tax report and payment in a timely  
27 manner, the employer's tax rate shall immediately revert to a  
28 contribution rate two-tenths higher than that in rate class 20 for the  
29 applicable rate year; and

30 (ii) For all other employers not qualified to be in the array, the  
31 contribution rate shall be a rate equal to the average industry rate as  
32 determined by the commissioner; however, the rate may not be less than  
33 one percent.

34 (2) Beginning with contributions assessed for rate year 2005, the  
35 contribution rate for each employer subject to contributions under RCW  
36 50.24.010 shall be the sum of the array calculation factor rate and the  
37 graduated social cost factor rate determined under this subsection, and  
38 the solvency surcharge determined under RCW 50.29.041, if any.

39 (a) The array calculation factor rate shall be determined as  
40 follows:

1 (i) An array shall be prepared, listing all qualified employers in  
 2 ascending order of their benefit ratios. The array shall show for each  
 3 qualified employer: (A) Identification number; (B) benefit ratio; and  
 4 (C) taxable payrolls for the four consecutive calendar quarters  
 5 immediately preceding the computation date and reported to the  
 6 employment security department by the cut-off date.

7 (ii) Each employer in the array shall be assigned to one of forty  
 8 rate classes according to his or her benefit ratio as follows, and,  
 9 except as provided in RCW 50.29.026, the array calculation factor rate  
 10 for each employer in the array shall be the rate specified in the rate  
 11 class to which the employer has been assigned:

Benefit Ratio		Rate	Rate
At least	Less than	Class	(percent)
	0.000001	1	0.00
0.000001	0.001250	2	0.13
0.001250	0.002500	3	0.25
0.002500	0.003750	4	0.38
0.003750	0.005000	5	0.50
0.005000	0.006250	6	0.63
0.006250	0.007500	7	0.75
0.007500	0.008750	8	0.88
0.008750	0.010000	9	1.00
0.010000	0.011250	10	1.15
0.011250	0.012500	11	1.30
0.012500	0.013750	12	1.45
0.013750	0.015000	13	1.60
0.015000	0.016250	14	1.75
0.016250	0.017500	15	1.90
0.017500	0.018750	16	2.05
0.018750	0.020000	17	2.20
0.020000	0.021250	18	2.35
0.021250	0.022500	19	2.50
0.022500	0.023750	20	2.65
0.023750	0.025000	21	2.80
0.025000	0.026250	22	2.95
0.026250	0.027500	23	3.10

1	0.027500	0.028750	24	3.25
2	0.028750	0.030000	25	3.40
3	0.030000	0.031250	26	3.55
4	0.031250	0.032500	27	3.70
5	0.032500	0.033750	28	3.85
6	0.033750	0.035000	29	4.00
7	0.035000	0.036250	30	4.15
8	0.036250	0.037500	31	4.30
9	0.037500	0.040000	32	4.45
10	0.040000	0.042500	33	4.60
11	0.042500	0.045000	34	4.75
12	0.045000	0.047500	35	4.90
13	0.047500	0.050000	36	5.05
14	0.050000	0.052500	37	5.20
15	0.052500	0.055000	38	5.30
16	0.055000	0.057500	39	5.35
17	0.057500		40	5.40

18 (b) The graduated social cost factor rate shall be determined as  
19 follows:

20 (i)(A) Except as provided in (b)(i)(B)(~~(C)~~) and (C)(~~(D)~~) of  
21 this subsection, the commissioner shall calculate the flat social cost  
22 factor for a rate year by dividing the total social cost by the total  
23 taxable payroll. The division shall be carried to the second decimal  
24 place with the remaining fraction disregarded unless it amounts to five  
25 hundredths or more, in which case the second decimal place shall be  
26 rounded to the next higher digit. The flat social cost factor shall be  
27 expressed as a percentage.

28 (B) If, on the cut-off date, the balance in the unemployment  
29 compensation fund is determined by the commissioner to be an amount  
30 that will provide more than (~~ten~~) the months of unemployment benefits  
31 specified as follows, the commissioner shall calculate the flat social  
32 cost factor for the rate year immediately following the cut-off date  
33 by:

34 (I) If more than ten months but less than twelve months, reducing  
35 the total social cost by the dollar amount that represents the number  
36 of months for which the balance in the unemployment compensation fund  
37 on the cut-off date will provide benefits above ten months and dividing  
38 the result by the total taxable payroll. However, the calculation



1 under this subsection (2)(b)(i)(B)(I) for a rate year may not result in  
2 a flat social cost factor that is more than two-tenths lower than the  
3 calculation under (b)(i)(A) of this subsection for that rate year.

4 (II) If at least twelve months but less than fourteen months,  
5 reducing the total social cost by the dollar amount that represents the  
6 number of months for which the balance in the unemployment compensation  
7 fund on the cut-off date will provide benefits above twelve months and  
8 dividing the result by the total taxable payroll. However, the  
9 calculation under this subsection (2)(b)(i)(B)(II) for a rate year may  
10 not result in a flat social cost factor that is more than three-tenths  
11 lower than the calculation under (b)(i)(A) of this subsection for that  
12 rate year.

13 (III) If fourteen months or more, reducing the total social cost by  
14 the dollar amount that represents the number of months for which the  
15 balance in the unemployment compensation fund on the cut-off date will  
16 provide benefits above fourteen months and dividing the result by the  
17 total taxable payroll. However, the calculation under this subsection  
18 (2)(b)(i)(B)(III) for a rate year may not result in a flat social cost  
19 factor that is more than four-tenths lower than the calculation under  
20 (b)(i)(A) of this subsection for that rate year.

21 For the purposes of this subsection, the commissioner shall  
22 determine the number of months of unemployment benefits in the  
23 unemployment compensation fund using the benefit cost rate for the  
24 average of the three highest calendar benefit cost rates in the twenty  
25 consecutive completed calendar years immediately preceding the cut-off  
26 date or a period of consecutive calendar years immediately preceding  
27 the cut-off date that includes three recessions, if longer.

28 (C) The minimum flat social cost factor calculated under this  
29 subsection (2)(b) shall be six-tenths of one percent, except that if  
30 the flat social cost factor is calculated:

31 (I) Under (b)(i)(B)(II) of this subsection, the minimum shall be  
32 fifty-five one-hundredths of one percent; or

33 (II) Under (b)(i)(B)(III) of this subsection, the minimum shall be  
34 five-tenths of one percent.

35 ~~((D) With respect to rate year 2007, the flat social cost factor~~  
36 ~~shall be the lesser of:~~

37 ~~(I) The flat social cost factor determined under (b)(i)(A) through~~  
38 ~~(C) of this subsection; or~~

1 ~~(II) The flat social cost factor that would be determined under~~  
2 ~~(b)(i)(A) through (C) of this subsection if RCW 50.20.120(2)(c)(i) had~~  
3 ~~been in effect during the immediately preceding rate year.)~~

4 (ii)(A) Except as provided in (b)(ii)(B) of this subsection, the  
5 graduated social cost factor rate for each employer in the array is the  
6 flat social cost factor multiplied by the percentage specified as  
7 follows for the rate class to which the employer has been assigned in  
8 (a)(ii) of this subsection, except that the sum of an employer's array  
9 calculation factor rate and the graduated social cost factor rate may  
10 not exceed six and five-tenths percent or, for employers whose North  
11 American industry classification system code is within "111," "112,"  
12 "1141," "115," "3114," "3117," or "42448," may not exceed six percent  
13 through rate year 2006 and may not exceed five and seven-tenths percent  
14 for rate year 2007 and thereafter:

- 15 (I) Rate class 1 - 78 percent;
- 16 (II) Rate class 2 - 82 percent;
- 17 (III) Rate class 3 - 86 percent;
- 18 (IV) Rate class 4 - 90 percent;
- 19 (V) Rate class 5 - 94 percent;
- 20 (VI) Rate class 6 - 98 percent;
- 21 (VII) Rate class 7 - 102 percent;
- 22 (VIII) Rate class 8 - 106 percent;
- 23 (IX) Rate class 9 - 110 percent;
- 24 (X) Rate class 10 - 114 percent;
- 25 (XI) Rate class 11 - 118 percent; and
- 26 (XII) Rate classes 12 through 40 - 120 percent.

27 (B) For contributions assessed beginning July 1, 2005, through June  
28 30, ~~((2007))~~ 2006, for employers whose North American industry  
29 classification system code is "111," "112," "1141," "115," "3114,"  
30 "3117," "42448," or "49312," the graduated social cost factor rate is  
31 zero.

32 (iii) For the purposes of this section:

33 (A) "Total social cost" means(+

34 ~~(I) Except as provided in (b)(iii)(A)(II) of this subsection,~~) the  
35 amount calculated by subtracting the array calculation factor  
36 contributions paid by all employers with respect to the ~~((four))~~  
37 sixteen consecutive calendar quarters immediately preceding the  
38 computation date and paid to the employment security department by the

1 cut-off date from the total unemployment benefits paid to claimants in  
2 the same (~~four~~) sixteen consecutive calendar quarters. To calculate  
3 the flat social cost factor for rate year 2005, the commissioner shall  
4 calculate the total social cost using the array calculation factor  
5 contributions that would have been required to be paid by all employers  
6 in the calculation period if (a) of this subsection had been in effect  
7 for the relevant period.

8 ~~((II) For rate year 2007, the amount calculated under  
9 (b)(iii)(A)(I) of this subsection reduced by the amount of benefits  
10 charged that exceed the contributions paid in the four consecutive  
11 calendar quarters immediately preceding the applicable computation date  
12 because, as applicable, specified employers are subject to the social  
13 cost contributions under (b)(ii)(B) of this subsection, and/or because  
14 the social cost factor contributions are paid under (b)(i)(D)(II) of  
15 this subsection.))~~

16 (B) "Total taxable payroll" means the total amount of wages subject  
17 to tax, as determined under RCW 50.24.010, for all employers in the  
18 four consecutive calendar quarters immediately preceding the  
19 computation date and reported to the employment security department by  
20 the cut-off date.

21 (c) The array calculation factor rate for each employer not  
22 qualified to be in the array shall be as follows:

23 (i) Employers who do not meet the definition of "qualified  
24 employer" by reason of failure to pay contributions when due shall be  
25 assigned an array calculation factor rate two-tenths higher than that  
26 in rate class 40, except employers who have an approved agency-deferred  
27 payment contract by September 30th of the previous rate year. If any  
28 employer with an approved agency-deferred payment contract fails to  
29 make any one of the succeeding deferred payments or fails to submit any  
30 succeeding tax report and payment in a timely manner, the employer's  
31 tax rate shall immediately revert to an array calculation factor rate  
32 two-tenths higher than that in rate class 40; and

33 (ii) For all other employers not qualified to be in the array, the  
34 array calculation factor rate shall be a rate equal to the average  
35 industry array calculation factor rate as determined by the  
36 commissioner, plus fifteen percent of that amount; however, the rate  
37 may not be less than one percent or more than the array calculation  
38 factor rate in rate class 40.

1 (d) The graduated social cost factor rate for each employer not  
2 qualified to be in the array shall be as follows:

3 (i) For employers whose array calculation factor rate is determined  
4 under (c)(i) of this subsection, the social cost factor rate shall be  
5 the social cost factor rate assigned to rate class 40 under (b)(ii) of  
6 this subsection.

7 (ii) For employers whose array calculation factor rate is  
8 determined under (c)(ii) of this subsection, the social cost factor  
9 rate shall be a rate equal to the average industry social cost factor  
10 rate as determined by the commissioner, plus fifteen percent of that  
11 amount, but not more than the social cost factor rate assigned to rate  
12 class 40 under (b)(ii) of this subsection.

13 (3) Assignment of employers by the commissioner to industrial  
14 classification, for purposes of this section, shall be in accordance  
15 with established classification practices found in the "Standard  
16 Industrial Classification Manual" issued by the federal office of  
17 management and budget to the third digit provided in the standard  
18 industrial classification code, or in the North American industry  
19 classification system code.

20 **Sec. 4.** RCW 50.29.041 and 2003 2nd sp.s. c 4 s 16 are each amended  
21 to read as follows:

22 Beginning with contributions assessed for rate year 2005, the  
23 contribution rate of each employer subject to contributions under RCW  
24 50.24.010 shall include a solvency surcharge determined as follows:

25 (1) This section shall apply to employers' contributions for a rate  
26 year immediately following a cut-off date only if, on the cut-off date,  
27 the balance in the unemployment compensation fund is determined by the  
28 commissioner to be an amount that will provide fewer than (~~six~~) eight  
29 months of unemployment benefits.

30 (2) The solvency surcharge shall be the lowest rate necessary, as  
31 determined by the commissioner, but not more than two-tenths of one  
32 percent, to provide revenue during the applicable rate year that will  
33 fund unemployment benefits for the number of months that is the  
34 difference between (~~eight~~) ten months and the number of months for  
35 which the balance in the unemployment compensation fund on the cut-off  
36 date will provide benefits.

1 (3) The basis for determining the number of months of unemployment  
2 benefits shall be the same basis used in RCW 50.29.025(2)(b)(i)(B).

3 **Sec. 5.** RCW 50.16.030 and 2005 c 133 s 6 are each amended to read  
4 as follows:

5 (1)(a) Except as provided in (b) (~~and (c)~~) of this subsection,  
6 moneys shall be requisitioned from this state's account in the  
7 unemployment trust fund solely for the payment of benefits and  
8 repayment of loans from the federal government to guarantee solvency of  
9 the unemployment compensation fund in accordance with regulations  
10 prescribed by the commissioner, except that money credited to this  
11 state's account pursuant to section 903 of the social security act, as  
12 amended, shall be used exclusively as provided in RCW 50.16.030(5).  
13 The commissioner shall from time to time requisition from the  
14 unemployment trust fund such amounts, not exceeding the amounts  
15 standing to its account therein, as he or she deems necessary for the  
16 payment of benefits for a reasonable future period. Upon receipt  
17 thereof the treasurer shall deposit such moneys in the benefit account  
18 and shall issue his or her warrants for the payment of benefits solely  
19 from such benefits account.

20 (b) Moneys for the payment of regular benefits as defined in RCW  
21 50.22.010 shall be requisitioned during fiscal year(~~s~~) 2006 (~~and~~  
22 ~~2007~~) in the following order:

23 (i) First, from the moneys credited to this state's account in the  
24 unemployment trust fund pursuant to section 903 of the social security  
25 act, as amended in section 209 of the temporary extended unemployment  
26 compensation act of 2002 (42 U.S.C. Sec. 1103(d)), the amount equal to  
27 the amount of benefits charged that exceed the contributions paid in  
28 the four consecutive calendar quarters ending on June 30, 2006, (~~for~~  
29 ~~the fiscal year 2006 calculation, and ending on June 30, 2007, for the~~  
30 ~~fiscal year 2007 calculation,~~) because the social cost factor  
31 contributions that employers are subject to under RCW  
32 50.29.025(2)(b)(ii)(B) are less than the social cost factor  
33 contributions that these employers would have been subject to if RCW  
34 50.29.025(2)(b)(ii)(A) had applied to these employers; and

35 (ii) Second, after the requisitioning required under (b)(i) of this  
36 subsection (~~in the respective fiscal year~~), from all other moneys  
37 credited to this state's account in the unemployment trust fund.

1       ~~((c) After the requisitioning required under (b) of this~~  
2 ~~subsection, if applicable, moneys for the payment of regular benefits~~  
3 ~~as defined in RCW 50.22.010 shall be requisitioned during calendar year~~  
4 ~~2007 in the following order:~~

5       ~~(i) First, from the moneys credited to this state's account in the~~  
6 ~~unemployment trust fund pursuant to section 903 of the social security~~  
7 ~~act, as amended in section 209 of the temporary extended unemployment~~  
8 ~~compensation act of 2002 (42 U.S.C. Sec. 1103(d)), the amount equal to~~  
9 ~~the amount of benefits paid under RCW 50.20.120(2)(c)(ii) beginning on~~  
10 ~~the first Sunday following April 22, 2005, and ending on June 30, 2007,~~  
11 ~~that exceed the amount of benefits that would have been paid if the~~  
12 ~~weekly benefit amount had been determined as one percent of the total~~  
13 ~~wages paid in the individual's base year; and~~

14       ~~(ii) Second, after the requisitioning required under (c)(i) of this~~  
15 ~~subsection in the respective calendar year, from all other moneys~~  
16 ~~credited to this state's account in the unemployment trust fund.)~~

17       (2) Expenditures of such moneys in the benefit account and refunds  
18 from the clearing account shall not be subject to any provisions of law  
19 requiring specific appropriations or other formal release by state  
20 officers of money in their custody, and RCW 43.01.050, as amended,  
21 shall not apply. All warrants issued by the treasurer for the payment  
22 of benefits and refunds shall bear the signature of the treasurer and  
23 the countersignature of the commissioner, or his or her duly authorized  
24 agent for that purpose.

25       (3) Any balance of moneys requisitioned from the unemployment trust  
26 fund which remains unclaimed or unpaid in the benefit account after the  
27 expiration of the period for which sums were requisitioned shall either  
28 be deducted from estimates for, and may be utilized for the payment of,  
29 benefits during succeeding periods, or in the discretion of the  
30 commissioner, shall be redeposited with the secretary of the treasury  
31 of the United States of America to the credit of this state's account  
32 in the unemployment trust fund.

33       (4) Money credited to the account of this state in the unemployment  
34 trust fund by the secretary of the treasury of the United States of  
35 America pursuant to section 903 of the social security act, as amended,  
36 may be requisitioned and used for the payment of expenses incurred for  
37 the administration of this title pursuant to a specific appropriation

1 by the legislature, provided that the expenses are incurred and the  
2 money is requisitioned after the enactment of an appropriation law  
3 which:

4 (a) Specifies the purposes for which such money is appropriated and  
5 the amounts appropriated therefor;

6 (b) Limits the period within which such money may be obligated to  
7 a period ending not more than two years after the date of the enactment  
8 of the appropriation law; and

9 (c) Limits the amount which may be obligated during a twelve-month  
10 period beginning on July 1st and ending on the next June 30th to an  
11 amount which does not exceed the amount by which (i) the aggregate of  
12 the amounts credited to the account of this state pursuant to section  
13 903 of the social security act, as amended, during the same twelve-  
14 month period and the thirty-four preceding twelve-month periods,  
15 exceeds (ii) the aggregate of the amounts obligated pursuant to RCW  
16 50.16.030 (4), (5) and (6) and charged against the amounts credited to  
17 the account of this state during any of such thirty-five twelve-month  
18 periods. For the purposes of RCW 50.16.030 (4), (5) and (6), amounts  
19 obligated during any such twelve-month period shall be charged against  
20 equivalent amounts which were first credited and which are not already  
21 so charged; except that no amount obligated for administration during  
22 any such twelve-month period may be charged against any amount credited  
23 during such a twelve-month period earlier than the thirty-fourth  
24 twelve-month period preceding such period: PROVIDED, That any amount  
25 credited to this state's account under section 903 of the social  
26 security act, as amended, which has been appropriated for expenses of  
27 administration, whether or not withdrawn from the trust fund shall be  
28 excluded from the unemployment compensation fund balance for the  
29 purpose of experience rating credit determination.

30 (5) Money credited to the account of this state pursuant to section  
31 903 of the social security act, as amended, may not be withdrawn or  
32 used except for the payment of benefits and for the payment of expenses  
33 of administration and of public employment offices pursuant to RCW  
34 50.16.030 (4), (5) and (6). However, moneys credited because of excess  
35 amounts in federal accounts in federal fiscal years 1999, 2000, and  
36 2001 shall be used solely for the administration of the unemployment  
37 compensation program and are not subject to appropriation by the  
38 legislature for any other purpose.

1 (6) Money requisitioned as provided in RCW 50.16.030 (4), (5) and  
2 (6) for the payment of expenses of administration shall be deposited in  
3 the unemployment compensation fund, but until expended, shall remain a  
4 part of the unemployment compensation fund. The commissioner shall  
5 maintain a separate record of the deposit, obligation, expenditure and  
6 return of funds so deposited. Any money so deposited which either will  
7 not be obligated within the period specified by the appropriation law  
8 or remains unobligated at the end of the period, and any money which  
9 has been obligated within the period but will not be expended, shall be  
10 returned promptly to the account of this state in the unemployment  
11 trust fund.

12 NEW SECTION. **Sec. 6.** In June 2005, the employment security  
13 department issued a report regarding the impact of chapter 4, Laws of  
14 2003 2nd sp. sess. on the voluntary quit provision changes contained in  
15 the act. The report indicated that a number of the changes seemed to  
16 disproportionately impact women, although the department indicated that  
17 because chapter 4, Laws of 2003 2nd sp. sess. had gone into effect less  
18 than a year before the report was due, it did not have sufficient data  
19 to definitively state the impact of the voluntary quit provisions. The  
20 department is directed to continue this study from the effective date  
21 of the voluntary quit provisions of chapter 4, Laws of 2003 2nd sp.  
22 sess. to September 30, 2006, and report to the appropriate committees  
23 of the legislature by December 15, 2006.

24 NEW SECTION. **Sec. 7.** 2005 c 133 s 10 (uncodified) is repealed.

25 NEW SECTION. **Sec. 8.** Sections 3 and 4 of this act apply to rate  
26 years beginning on or after January 1, 2007.

27 NEW SECTION. **Sec. 9.** If any provision of this act or its  
28 application to any person or circumstance is held invalid, the  
29 remainder of the act or the application of the provision to other  
30 persons or circumstances is not affected.

31 NEW SECTION. **Sec. 10.** If any part of this act is found to be in  
32 conflict with federal requirements that are a prescribed condition to  
33 the allocation of federal funds to the state or the eligibility of



1 employers in this state for federal unemployment tax credits, the  
2 conflicting part of this act is inoperative solely to the extent of the  
3 conflict, and the finding or determination does not affect the  
4 operation of the remainder of this act. Rules adopted under this act  
5 must meet federal requirements that are a necessary condition to the  
6 receipt of federal funds by the state or the granting of federal  
7 unemployment tax credits to employers in this state.

8 NEW SECTION. **Sec. 11.** 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 takes effect  
11 immediately.

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