

HOUSE BILL REPORT

SSB 5702

As Reported by House Committee On:
Commerce & Labor

Title: An act relating to notice to certain employees of a claim of exemption from paying unemployment insurance taxes.

Brief Description: Requiring notice to certain employees of a claim of exemption from paying unemployment insurance taxes.

Sponsors: Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Benton, Keiser, Swecker, Kohl-Welles and Roach).

Brief History:

Committee Activity:

Commerce & Labor: 3/27/07, 3/30/07 [DPA].

Brief Summary of Substitute Bill
(As Amended by House Committee)

- Requires churches, conventions or associations of churches, and certain organizations operated for religious purposes, to inform employees that they may not be eligible to receive unemployment benefits based on that employment.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass as amended. Signed by 7 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Green, Moeller and Williams.

Staff: Jill Reinmuth (786-7134).

Background:

For purposes of unemployment compensation, most employment is covered employment. The following, however, are not covered employment:

- services performed in the employ of churches or conventions or associations of churches; and

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

- services performed in the employ of organizations which are operated primarily for religious purposes and which are operated, supervised, controlled, or principally supported by churches or conventions or associations of churches.

Benefits are payable to unemployed workers who worked at least 680 hours in covered employment in their base years and meet other eligibility requirements. Contributions (taxes) are paid by employers on wages paid in covered employment.

Summary of Amended Bill:

Churches or conventions or associations of churches are required to inform individuals performing services excluded from covered employment that they may not be eligible to receive unemployment benefits based on such services. These employers must provide a written notice of this exclusion at the time of hire, and display a poster giving notice of this exclusion in a conspicuous place. Organizations which are operated primarily for religious purposes and which are operated, supervised, controlled, or principally supported by churches or conventions or associations of churches are also subject to this requirement.

Amended Bill Compared to Substitute Bill:

References to exemptions from taxation are changed to exclusions from employment. Separate sections are consolidated. Other technical corrections are made.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) None.

(Opposed) None.

(Available for questions) A constituent was surprised to learn that they were not eligible for unemployment benefits. There are initial costs of about \$41,000 in FY 2008.

Persons Testifying: (Available for questions) Jill Will, Employment Security Department.

Persons Signed In To Testify But Not Testifying: None.