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**Commerce & Labor Committee**

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**SSB 5702**

**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 Summary of Substitute Bill**

- Requires churches, conventions or associations of churches, and certain organizations operated for religious purposes to inform their employees of their unemployment insurance status.

**Hearing Date:** 3/27/07

**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
- 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 Bill:**

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*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.*

Churches or conventions or associations of churches are required to inform their employees of their unemployment insurance status. 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.

Specifically, these employers must:

- Inform employees at the time of hire that the employer is exempt from unemployment insurance coverage; and
- Post and maintain printed notices informing employees that the employer is exempt from unemployment insurance taxes and that the employee will not be eligible for unemployment benefits based on employment with the employer.

**Rules Authority:** The bill does not contain provisions addressing the rule-making powers of an agency.

**Appropriation:** None.

**Fiscal Note:** Available.

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