

SENATE BILL REPORT

SB 6082

As Reported By Senate Committee On:
Labor, Commerce, Research & Development, February 27, 2007

Title: An act relating to unemployment insurance voluntary quit provisions.

Brief Description: Addressing unemployment insurance for employees who voluntarily quit work.

Sponsors: Senators Kohl-Welles and Keiser.

Brief History:

Committee Activity: Labor, Commerce, Research & Development: 2/20/07, 2/27/07 [DPS, DNP].

SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

Majority Report: That Substitute Senate Bill No. 6082 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Franklin, Murray and Prentice.

Minority Report: Do not pass.

Signed by Senators Clements, Ranking Minority Member, Hewitt and Holmquist.

Staff: Jennifer Strus (786-7316)

Background: In 2003, the Legislature, in ESB 6097, substantially changed portions of the unemployment compensation law. The bill changed the reasons under which a person could voluntarily quit his or her job and still qualify for unemployment compensation.

After the passage of ESB 6097, a person may qualify for unemployment compensation benefits even though he or she voluntarily quit his her job in the following circumstances:

- 1) He or she accepted a bona fide offer of bona fide work;
- 2) The separation was necessary because of the illness or disability of the claimant or the death, illness, or disability of a member of the claimant's immediate family;
- 3) The claimant left work to relocate for the spouse's employment which was due to a mandatory military transfer;
- 4) The separation was necessary to protect the claimant or his or her immediate family members from domestic violence;
- 5) The claimant's usual compensation was reduced by more than 25 percent;
- 6) The claimant's usual hours were reduced by 25 percent;

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- 7) The claimant's worksite changed, such change caused a material increase in distance or difficulty of travel, and after the change, the commute was greater than is customary for workers in the claimant's job classification;
- 8) The claimant's worksite safety deteriorated;
- 9) The claimant left work because of illegal activities in the worksite;
- 10) The claimant's work was changed to work that violated the individual's religious convictions or sincere moral beliefs.

In December 2006, the Employment Security Department issued a study on the impact of ESB 6097 on voluntary quits. The study found that of the unemployment compensation denials for voluntary quits which were the result of domestic or marital responsibility, 71 percent were women and 29 percent were men. Generally, in the denials for voluntary quits, women were disproportionately impacted.

Summary of Bill: For unemployment compensation claims that have an effective date after January 4, 2008, an individual is considered to have left work voluntarily and with good cause of a necessitous and compelling nature when:

- 1) He or she left work to accept a bona fide offer of a bone fide job;
- 2) The separation was because of the illness or disability of the claimant or the disability, death or illness of an immediate family member;
- 3) The claimant left work for reason attributable to the employer including leaving as a result of changes in conditions created by the employer;
- 4) The claimant left work to accompany his or her spouse or domestic partner to a place from which it is impractical to commute. The term "spouse" includes a person to whom marriage is imminent;
- 5) The claimant left work because of an undue family hardship. "Undue family hardship" arises when an individual is unable to obtain child care for a minor child; elder care for an aged or disabled parent; or care for any disabled member of the individual's immediate family.
- 6) The separation was necessary to protect the individual or his or her immediate family members from domestic violence; or
- 7) The individual left work after making a good faith complaint about violations of civil or criminal law to the employer and the complaint was not corrected after a reasonable period of time.

In determining whether the individual left work voluntarily without good cause, the ESD Commissioner must consider, in addition to the factors 1 through 7 above, the following factors: 1) degree of risk involved to individual's health, safety and morals, and the individual's physical fitness for work;

- 2) the individual's ability to perform the work;
- 3) and such other factors the commissioner may determine are pertinent.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Labor, Commerce, Research & Development): It is clarified that undue hardship includes separation because of illness or disability of claimant or the death, illness or disability of a family member. Language regarding the individual taking all reasonable precautions to protect employment status is added to the portion where undue hardship is due

to inability to obtain child care or elder care. It is also clarified when the employer will be charged for an employee voluntarily quitting and when the employee will not be charged.

Appropriation: None.

Fiscal Note: Requested on February 16, 2007.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Although there have been good strides made in unemployment insurance in the last several years, some more changes are needed to alleviate some of the unintended consequences and make the law more equitable. The law needs to be fixed because of the disparate and discriminatory impact to women from the changes in the voluntary quit provisions made in 2003. This bill restores the voluntary quit provisions to those that existed before 2003 with several exceptions. The unemployment insurance law was created when men were predominate in the workforce. Those demographics have changed dramatically but the law hasn't changed with it. This bill puts Washington back on par with many other states that have general good cause exceptions to voluntary quit provisions.

CON: The law is not discriminatory on its face. It is up to a couple to decide who will quit a job and whether they will move. The unemployment insurance benefits are designed for people who involuntarily, through no fault of their own, lose their job. This bill goes against that purpose. Even if the employee isn't responsible for the cost of a person who voluntarily quits through no fault of the employer, the costs will still be socialized and employers will nonetheless have to pay. The bill violates federal law because it provides unemployment insurance benefits even though the claimant is not available for suitable work. Increased unemployment insurance costs are very expensive to small businesses and this bill would increase those costs.

Persons Testifying: PRO: Pam Crone, NW Women's Law Center, Washington State Labor Council; Rebecca Smith, National Employment Law Project; Marc Lampson, Unemployment Law Project.

CON: Carolyn Logue, National Federation of Independent Business; Mellani McAleenan, Association of Washington Business.