

HB 1091 - H AMD 13

By Representatives Morris, Haigh, Clibborn, Blake, Takko, Finn,
Kelley, Seaquist, Eddy, Hurst

WITHDRAWN 02/09/2011

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that the state of
4 Washington has an imbalance in its unemployment taxes versus its
5 benefits. The result has been a robust fund balance that, while
6 helpful to continuing benefits, has caused great hardship for the
7 business community through excessive taxation, and has potentially
8 increased an already excessive rate of unemployment. To correct this
9 situation, immediate relief from excessive and increasing tax levels is
10 a high priority. Furthermore, due to the increase in unemployment
11 created by this situation, additional temporary benefits should be
12 included as well as additional training opportunities.

13 **PART I**

14 **Temporary Benefit Increase**

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 50.20 RCW
16 to read as follows:

17 (1) Except as provided for in subsection (3) of this section, for
18 claims with an effective date on or after March 6, 2011, and before
19 October 2, 2011, an individual's weekly benefit amount shall be the
20 amount established under RCW 50.20.120 plus an additional temporary
21 benefit increase of twenty-five dollars. The weekly benefit amount
22 under this section:

23 (a) Is payable for all weeks of regular, extended, emergency,
24 supplemental, or additional benefits on that claim;

25 (b) Shall increase the maximum benefits payable to the individual
26 under RCW 50.20.120(1) by a corresponding dollar amount; and

27 (c) Shall increase the maximum amount payable weekly and the

1 minimum amount payable weekly, irrespective of the provisions of RCW
2 50.20.120(3).

3 (2) Payment of benefits to individuals whose weekly benefit amounts
4 are increased under this section shall be subject to the same terms and
5 conditions under this title that apply to the payment of benefits to
6 individuals whose benefit amounts are established under RCW 50.20.120.

7 (3) The department must calculate the total amount of temporary
8 benefit increases paid under subsection (1) of this section.

9 (a) In calculating the total amount of temporary benefit increases,
10 weeks of emergency unemployment compensation and extended benefits
11 shall not be considered.

12 (b) Except as provided for in (c) of this subsection, when the
13 total amount of temporary benefit increases for all weeks equals sixty
14 million dollars, the temporary benefit increase under subsection (1) of
15 this section may not be paid for any additional weeks. An individual's
16 maximum benefits payable, maximum amount payable weekly, or the minimum
17 amount payable weekly must be adjusted accordingly.

18 (c) An individual receiving emergency unemployment compensation or
19 extended benefits under this section shall continue to receive the
20 temporary benefit increase for all weeks of emergency unemployment
21 compensation or extended benefits.

22 **Sec. 3.** RCW 50.20.120 and 2009 c 3 s 3 are each amended to read as
23 follows:

24 Except as provided in RCW 50.20.1201 and section 2 of this act,
25 benefits shall be payable as provided in this section.

26 (1) For claims with an effective date on or after April 4, 2004,
27 benefits shall be payable to any eligible individual during the
28 individual's benefit year in a maximum amount equal to the lesser of
29 twenty-six times the weekly benefit amount, as determined in subsection
30 (2) of this section, or one-third of the individual's base year wages
31 under this title.

32 (2) For claims with an effective date on or after April 24, 2005,
33 an individual's weekly benefit amount shall be an amount equal to three
34 and eighty-five one-hundredths percent of the average quarterly wages
35 of the individual's total wages during the two quarters of the
36 individual's base year in which such total wages were highest.

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

4 (a) The maximum amount payable weekly shall be either four hundred
5 ninety-six dollars or sixty-three percent of the "average weekly wage"
6 for the calendar year preceding such June 30th, whichever is greater.

7 (b) The minimum amount payable weekly shall be fifteen percent of
8 the "average weekly wage" for the calendar year preceding such June
9 30th.

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

13 **Sec. 4.** RCW 50.29.021 and 2010 c 25 s 1 are each amended to read
14 as follows:

15 (1) This section applies to benefits charged to the experience
16 rating accounts of employers for claims that have an effective date on
17 or after January 4, 2004.

18 (2)(a) An experience rating account shall be established and
19 maintained for each employer, except employers as described in RCW
20 50.44.010, 50.44.030, and 50.50.030 who have properly elected to make
21 payments in lieu of contributions, taxable local government employers
22 as described in RCW 50.44.035, and those employers who are required to
23 make payments in lieu of contributions, based on existing records of
24 the employment security department.

25 (b) Benefits paid to an eligible individual shall be charged to the
26 experience rating accounts of each of such individual's employers
27 during the individual's base year in the same ratio that the wages paid
28 by each employer to the individual during the base year bear to the
29 wages paid by all employers to that individual during that base year,
30 except as otherwise provided in this section.

31 (c) When the eligible individual's separating employer is a covered
32 contribution paying base year employer, benefits paid to the eligible
33 individual shall be charged to the experience rating account of only
34 the individual's separating employer if the individual qualifies for
35 benefits under:

36 (i) RCW 50.20.050 (1)(b)(i) or (2)(b)(i), as applicable, and became

1 unemployed after having worked and earned wages in the bona fide work;
2 or

3 (ii) RCW 50.20.050 (1)(b) (v) through (x) or (2)(b) (v) through
4 (x).

5 (3) The legislature finds that certain benefit payments, in whole
6 or in part, should not be charged to the experience rating accounts of
7 employers except those employers described in RCW 50.44.010, 50.44.030,
8 and 50.50.030 who have properly elected to make payments in lieu of
9 contributions, taxable local government employers described in RCW
10 50.44.035, and those employers who are required to make payments in
11 lieu of contributions, as follows:

12 (a) Benefits paid to any individual later determined to be
13 ineligible shall not be charged to the experience rating account of any
14 contribution paying employer. However, when a benefit claim becomes
15 invalid due to an amendment or adjustment of a report where the
16 employer failed to report or inaccurately reported hours worked or
17 remuneration paid, or both, all benefits paid will be charged to the
18 experience rating account of the contribution paying employer or
19 employers that originally filed the incomplete or inaccurate report or
20 reports. An employer who reimburses the trust fund for benefits paid
21 to workers and who fails to report or inaccurately reported hours
22 worked or remuneration paid, or both, shall reimburse the trust fund
23 for all benefits paid that are based on the originally filed incomplete
24 or inaccurate report or reports.

25 (b) Benefits paid to an individual filing under the provisions of
26 chapter 50.06 RCW shall not be charged to the experience rating account
27 of any contribution paying employer only if:

28 (i) The individual files under RCW 50.06.020(1) after receiving
29 crime victims' compensation for a disability resulting from a nonwork-
30 related occurrence; or

31 (ii) The individual files under RCW 50.06.020(2).

32 (c) Benefits paid which represent the state's share of benefits
33 payable as extended benefits defined under RCW 50.22.010(6) shall not
34 be charged to the experience rating account of any contribution paying
35 employer.

36 (d) In the case of individuals who requalify for benefits under RCW
37 50.20.050 or 50.20.060, benefits based on wage credits earned prior to

1 the disqualifying separation shall not be charged to the experience
2 rating account of the contribution paying employer from whom that
3 separation took place.

4 (e) Benefits paid to an individual who qualifies for benefits under
5 RCW 50.20.050 (1)(b) (iv) or (xi) or (2)(b) (iv) or (xi), as
6 applicable, shall not be charged to the experience rating account of
7 any contribution paying employer.

8 (f) With respect to claims with an effective date on or after the
9 first Sunday following April 22, 2005, benefits paid that exceed the
10 benefits that would have been paid if the weekly benefit amount for the
11 claim had been determined as one percent of the total wages paid in the
12 individual's base year shall not be charged to the experience rating
13 account of any contribution paying employer. This subsection (3)(f)
14 does not apply to the calculation of contribution rates under RCW
15 50.29.025 for rate year 2010 and thereafter.

16 (g) The forty-five dollar increase paid as part of an individual's
17 weekly benefit amount as provided in RCW 50.20.1201 and the twenty-five
18 dollar increase paid as part of an individual's weekly benefit amount
19 as provided in section 2 of this act shall not be charged to the
20 experience rating account of any contribution paying employer.

21 (h) With respect to claims where the minimum amount payable weekly
22 is increased to one hundred fifty-five dollars pursuant to RCW
23 50.20.1201(3), benefits paid that exceed the benefits that would have
24 been paid if the minimum amount payable weekly had been calculated
25 pursuant to RCW 50.20.120 shall not be charged to the experience rating
26 account of any contribution paying employer.

27 (i) Training benefits paid to an individual under RCW 50.22.155
28 shall not be charged to the experience rating account of any
29 contribution paying employer.

30 (4)(a) A contribution paying base year employer, not otherwise
31 eligible for relief of charges for benefits under this section, may
32 receive such relief if the benefit charges result from payment to an
33 individual who:

34 (i) Last left the employ of such employer voluntarily for reasons
35 not attributable to the employer;

36 (ii) Was discharged for misconduct or gross misconduct connected
37 with his or her work not a result of inability to meet the minimum job
38 requirements;

1 (iii) Is unemployed as a result of closure or severe curtailment of
2 operation at the employer's plant, building, worksite, or other
3 facility. This closure must be for reasons directly attributable to a
4 catastrophic occurrence such as fire, flood, or other natural disaster;

5 (iv) Continues to be employed on a regularly scheduled permanent
6 part-time basis by a base year employer and who at some time during the
7 base year was concurrently employed and subsequently separated from at
8 least one other base year employer. Benefit charge relief ceases when
9 the employment relationship between the employer requesting relief and
10 the claimant is terminated. This subsection does not apply to shared
11 work employers under chapter 50.06 RCW; or

12 (v) Was hired to replace an employee who is a member of the
13 military reserves or National Guard and was called to federal active
14 military service by the president of the United States and is
15 subsequently laid off when that employee is reemployed by their
16 employer upon release from active duty within the time provided for
17 reemployment in RCW 73.16.035.

18 (b) The employer requesting relief of charges under this subsection
19 must request relief in writing within thirty days following mailing to
20 the last known address of the notification of the valid initial
21 determination of such claim, stating the date and reason for the
22 separation or the circumstances of continued employment. The
23 commissioner, upon investigation of the request, shall determine
24 whether relief should be granted.

25 **Sec. 5.** RCW 50.16.030 and 2006 c 13 s 7 are each amended to read
26 as follows:

27 (1)(a) Except as provided in (b) and (c) of this subsection, moneys
28 shall be requisitioned from this state's account in the unemployment
29 trust fund solely for the payment of benefits and repayment of loans
30 from the federal government to guarantee solvency of the unemployment
31 compensation fund in accordance with regulations prescribed by the
32 commissioner, except that money credited to this state's account
33 pursuant to section 903 of the social security act, as amended, shall
34 be used exclusively as provided in (~~RCW 50.16.030(5)~~) subsection (5)
35 of this section. The commissioner shall from time to time requisition
36 from the unemployment trust fund such amounts, not exceeding the
37 amounts standing to its account therein, as he or she deems necessary

1 for the payment of benefits for a reasonable future period. Upon
2 receipt thereof the treasurer shall deposit such moneys in the benefit
3 account and shall issue his or her warrants for the payment of benefits
4 solely from such benefits account.

5 (b) During fiscal year 2006, moneys for the payment of regular
6 benefits as defined in RCW 50.22.010 shall be requisitioned (~~during~~
7 ~~fiscal year 2006~~) in the following order:

8 (i) First, from the moneys credited to this state's account in the
9 unemployment trust fund pursuant to section 903 of the social security
10 act, as amended in section 209 of the temporary extended unemployment
11 compensation act of 2002 (42 U.S.C. Sec. 1103(d)), the amount equal to
12 the amount of benefits charged that exceed the contributions paid in
13 the four consecutive calendar quarters ending on June 30, 2006, because
14 the social cost factor contributions that employers are subject to
15 under RCW 50.29.025(2)(b)(ii)(B) are less than the social cost factor
16 contributions that these employers would have been subject to if RCW
17 50.29.025(2)(b)(ii)(A) had applied to these employers; and

18 (ii) Second, after the requisitioning required under (b)(i) of this
19 subsection, from all other moneys credited to this state's account in
20 the unemployment trust fund.

21 (c) During fiscal years 2012 and 2013, if moneys are credited to
22 this state's account in the unemployment trust fund pursuant to section
23 903(f)(3) of the social security act, as amended in section 2003 of the
24 American recovery and reinvestment act of 2009 (42 U.S.C. Sec.
25 1103(f)(3)), moneys for the payment of regular benefits as defined in
26 RCW 50.22.010 shall be requisitioned in the following order:

27 (i) First, from the moneys credited to this state's account in the
28 unemployment trust fund pursuant to section 903 of the social security
29 act, as amended in section 2003 of the American recovery and
30 reinvestment act of 2009 (42 U.S.C. Sec. 1103(f)), a total amount
31 during the two-year period consisting of fiscal years 2012 and 2013
32 that is equal to the total amount of temporary benefit increases under
33 section 2 of this act. This subsection shall not be construed as
34 requiring that the total amount be requisitioned in each of these
35 fiscal years; and

36 (ii) Second, after the requisitioning required under (c)(i) of this
37 subsection, from all other moneys credited to this state's account in
38 the unemployment trust fund.

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

9 (3) Any balance of moneys requisitioned from the unemployment trust
10 fund which remains unclaimed or unpaid in the benefit account after the
11 expiration of the period for which sums were requisitioned shall either
12 be deducted from estimates for, and may be utilized for the payment of,
13 benefits during succeeding periods, or in the discretion of the
14 commissioner, shall be redeposited with the secretary of the treasury
15 of the United States of America to the credit of this state's account
16 in the unemployment trust fund.

17 (4) Money credited to the account of this state in the unemployment
18 trust fund by the secretary of the treasury of the United States of
19 America pursuant to section 903 of the social security act, as amended,
20 may be requisitioned and used for the payment of expenses incurred for
21 the administration of this title pursuant to a specific appropriation
22 by the legislature, provided that the expenses are incurred and the
23 money is requisitioned after the enactment of an appropriation law
24 which:

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

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

30 (c) Limits the amount which may be obligated during a twelve-month
31 period beginning on July 1st and ending on the next June 30th to an
32 amount which does not exceed the amount by which (i) the aggregate of
33 the amounts credited to the account of this state pursuant to section
34 903 of the social security act, as amended, during the same twelve-
35 month period and the thirty-four preceding twelve-month periods,
36 exceeds (ii) the aggregate of the amounts obligated pursuant to ((RCW
37 50.16.030 (4), (5) and)) subsections (4) through (6) of this section
38 and charged against the amounts credited to the account of this state

1 during any of such thirty-five twelve-month periods. For the purposes
2 of (~~RCW 50.16.030 (4), (5) and~~) subsections (4) through (6) of this
3 section, amounts obligated during any such twelve-month period shall be
4 charged against equivalent amounts which were first credited and which
5 are not already so charged; except that no amount obligated for
6 administration during any such twelve-month period may be charged
7 against any amount credited during such a twelve-month period earlier
8 than the thirty-fourth twelve-month period preceding such period:
9 PROVIDED, That any amount credited to this state's account under
10 section 903 of the social security act, as amended, which has been
11 appropriated for expenses of administration, whether or not withdrawn
12 from the trust fund shall be excluded from the unemployment
13 compensation fund balance for the purpose of experience rating credit
14 determination.

15 (5) Money credited to the account of this state pursuant to section
16 903 of the social security act, as amended, may not be withdrawn or
17 used except for the payment of benefits and for the payment of expenses
18 of administration and of public employment offices pursuant to (~~RCW~~
19 ~~50.16.030 (4), (5) and~~) subsections (4) through (6) of this section.
20 However, moneys credited because of excess amounts in federal accounts
21 in federal fiscal years 1999, 2000, and 2001 shall be used solely for
22 the administration of the unemployment compensation program and are not
23 subject to appropriation by the legislature for any other purpose.

24 (6) Money requisitioned as provided in (~~RCW 50.16.030 (4), (5)~~
25 ~~and~~) subsections (4) through (6) of this section for the payment of
26 expenses of administration shall be deposited in the unemployment
27 compensation fund, but until expended, shall remain a part of the
28 unemployment compensation fund. The commissioner shall maintain a
29 separate record of the deposit, obligation, expenditure and return of
30 funds so deposited. Any money so deposited which either will not be
31 obligated within the period specified by the appropriation law or
32 remains unobligated at the end of the period, and any money which has
33 been obligated within the period but will not be expended, shall be
34 returned promptly to the account of this state in the unemployment
35 trust fund.

36 **PART II**
37 **Extended Benefits**

1 **Sec. 6.** RCW 50.22.010 and 2009 c 493 s 4 are each amended to read
2 as follows:

3 As used in this chapter, unless the context clearly indicates
4 otherwise:

5 (1) "Extended benefit period" means a period which:

6 (a) Begins with the third week after a week for which there is an
7 "on" indicator; and

8 (b) Ends with the third week after the first week for which there
9 is an "off" indicator: PROVIDED, That no extended benefit period shall
10 last for a period of less than thirteen consecutive weeks, and further
11 that no extended benefit period may begin by reason of an "on"
12 indicator before the fourteenth week after the close of a prior
13 extended benefit period which was in effect with respect to this state.

14 (2) There is an "on" indicator for this state for a week if the
15 commissioner determines, in accordance with the regulations of the
16 United States secretary of labor, that for the period consisting of
17 such week and the immediately preceding twelve weeks:

18 (a) The rate of insured unemployment, not seasonally adjusted,
19 equaled or exceeded one hundred twenty percent of the average of such
20 rates for the corresponding thirteen-week period ending in each of the
21 preceding two calendar years and equaled or exceeded five percent; or

22 (b) For benefits for weeks of unemployment beginning after March 6,
23 1993:

24 (i) The average rate of total unemployment, seasonally adjusted, as
25 determined by the United States secretary of labor, for the period
26 consisting of the most recent three months for which data for all
27 states are published before the close of the week equals or exceeds six
28 and one-half percent; and

29 (ii) The average rate of total unemployment in the state,
30 seasonally adjusted, as determined by the United States secretary of
31 labor, for the three-month period referred to in (b)(i) of this
32 subsection, equals or exceeds one hundred ten percent of the average
33 for either or both of the corresponding three-month periods ending in
34 the two preceding calendar years.

35 (c) This subsection applies as provided under the tax relief,
36 unemployment insurance reauthorization, and job creation act of 2010
37 (P.L. 111-312) as it existed on December 17, 2010, or such subsequent

1 date as may be provided by the department by rule, consistent with the
2 purposes of this subsection:

3 (i) The average rate of insured unemployment, not seasonally
4 adjusted, equaled or exceeded one hundred twenty percent of the average
5 of such rates for the corresponding thirteen-week period ending in all
6 of the preceding three calendar years and equaled or exceeded five
7 percent; or

8 (ii) The average rate of total unemployment, seasonally adjusted,
9 as determined by the United States secretary of labor, for the period
10 consisting of the most recent three months for which data for all
11 states are published before the close of the week equals or exceeds six
12 and one-half percent; and

13 (iii) The average rate of total unemployment in the state,
14 seasonally adjusted, as determined by the United States secretary of
15 labor, for the three-month period referred to in (c)(ii) of this
16 subsection, equals or exceeds one hundred ten percent of the average
17 for any of the corresponding three-month periods ending in the three
18 preceding calendar years.

19 (3) "High unemployment period" means any period of unemployment
20 beginning after March 6, 1993, during which an extended benefit period
21 would be in effect if:

22 (a) The average rate of total unemployment, seasonally adjusted, as
23 determined by the United States secretary of labor, for the period
24 consisting of the most recent three months for which data for all
25 states are published before the close of the week equals or exceeds
26 eight percent; and

27 (b) The average rate of total unemployment in the state, seasonally
28 adjusted, as determined by the United States secretary of labor, for
29 the three-month period referred to in (a) of this subsection, equals or
30 exceeds one hundred ten percent of the average for either or both of
31 the corresponding three-month periods ending in the two preceding
32 calendar years.

33 (c) This subsection applies as provided under the tax relief,
34 unemployment insurance reauthorization, and job creation act of 2010
35 (P.L. 111-312) as it existed on December 17, 2010, or such subsequent
36 date as may be provided by the department by rule, consistent with the
37 purposes of this subsection.

1 (i) The average rate of total unemployment, seasonally adjusted, as
2 determined by the United States secretary of labor, for the period
3 consisting of the most recent three months for which data for all
4 states are published before the close of the week equals or exceeds
5 eight percent; and

6 (ii) The average rate of total unemployment in the state,
7 seasonally adjusted, as determined by the United States secretary of
8 labor, for the three-month period referred to in (a) of this
9 subsection, equals or exceeds one hundred ten percent of the average
10 for any of the corresponding three-month periods ending in the three
11 preceding calendar years.

12 (4) There is an "off" indicator for this state for a week only if,
13 for the period consisting of such week and immediately preceding twelve
14 weeks, none of the options specified in subsection (2) or (3) of this
15 section result in an "on" indicator.

16 (5) "Regular benefits" means benefits payable to an individual
17 under this title or under any state law (including benefits payable to
18 federal civilian employees and to ex-servicemen pursuant to 5 U.S.C.
19 chapter 85) other than extended benefits or additional benefits.

20 (6) "Extended benefits" means benefits payable for weeks of
21 unemployment beginning in an extended benefit period to an individual
22 under this title or under any state law (including benefits payable to
23 federal civilian employees and to ex-servicemen pursuant to 5 U.S.C.
24 chapter 85) other than regular or additional benefits.

25 (7) "Additional benefits" are benefits totally financed by the
26 state and payable under this title to exhaustees by reason of
27 conditions of high unemployment or by reason of other special factors.

28 (8) "Eligibility period" of an individual means:

29 (a) The period consisting of the weeks in his or her benefit year
30 which begin in an extended benefit period that is in effect in this
31 state and, if his or her benefit year ends within such extended benefit
32 period, any weeks thereafter which begin in such period; or

33 (b) For an individual who is eligible for emergency unemployment
34 compensation during the extended benefit period beginning February 15,
35 2009, the period consisting of the week ending February 28, 2009,
36 ((through the week ending May 29, 2010)) and applies as provided under
37 the tax relief, unemployment insurance reauthorization, and job

1 creation act of 2010 (P.L. 111-312) as it existed on December 17, 2010,
2 or such subsequent date as may be provided by the department by rule,
3 consistent with the purposes of this subsection.

4 (9) "Additional benefit eligibility period" of an individual means
5 the period consisting of the weeks in his or her benefit year which
6 begin in an additional benefit period that is in effect and, if his or
7 her benefit year ends within such additional benefit period, any weeks
8 thereafter which begin in such period.

9 (10) "Exhaustee" means an individual who, with respect to any week
10 of unemployment in his or her eligibility period:

11 (a) Has received, prior to such week, all of the regular benefits
12 that were payable to him or her under this title or any other state law
13 (including dependents' allowances and regular benefits payable to
14 federal civilian employees and ex-servicemen under 5 U.S.C. chapter 85)
15 in his or her current benefit year that includes such week; or

16 (b) Has received, prior to such week, all of the regular benefits
17 that were available to him or her under this title or any other state
18 law (including dependents' allowances and regular benefits available to
19 federal civilian employees and ex-servicemen under 5 U.S.C. chapter 85)
20 in his or her current benefit year that includes such week, after the
21 cancellation of some or all of his or her wage credits or the total or
22 partial reduction of his or her rights to regular benefits: PROVIDED,
23 That, for the purposes of (a) and (b), an individual shall be deemed to
24 have received in his or her current benefit year all of the regular
25 benefits that were payable to him or her, or available to him or her,
26 as the case may be, even though:

27 (i) As a result of a pending appeal with respect to wages or
28 employment, or both, that were not included in the original monetary
29 determination with respect to his or her current benefit year, he or
30 she may subsequently be determined to be entitled to more regular
31 benefits; or

32 (ii) By reason of the seasonal provisions of another state law, he
33 or she is not entitled to regular benefits with respect to such week of
34 unemployment (although he or she may be entitled to regular benefits
35 with respect to future weeks of unemployment in the next season, as the
36 case may be, in his or her current benefit year), and he or she is
37 otherwise an exhaustee within the meaning of this section with respect

1 to his or her right to regular benefits under such state law seasonal
2 provisions during the season or off season in which that week of
3 unemployment occurs; or

4 (iii) Having established a benefit year, no regular benefits are
5 payable to him or her during such year because his or her wage credits
6 were canceled or his or her right to regular benefits was totally
7 reduced as the result of the application of a disqualification; or

8 (c) His or her benefit year having ended prior to such week, he or
9 she has insufficient wages or employment, or both, on the basis of
10 which he or she could establish in any state a new benefit year that
11 would include such week, or having established a new benefit year that
12 includes such week, he or she is precluded from receiving regular
13 benefits by reason of the provision in RCW 50.04.030 which meets the
14 requirement of section 3304(a)(7) of the Federal Unemployment Tax Act,
15 or the similar provision in any other state law; and

16 (d)(i) Has no right for such week to unemployment benefits or
17 allowances, as the case may be, under the Railroad Unemployment
18 Insurance Act, the Trade Expansion Act of 1962, and such other federal
19 laws as are specified in regulations issued by the United States
20 secretary of labor; and

21 (ii) Has not received and is not seeking for such week unemployment
22 benefits under the unemployment compensation law of Canada, unless the
23 appropriate agency finally determines that he or she is not entitled to
24 unemployment benefits under such law for such week.

25 (11) "State law" means the unemployment insurance law of any state,
26 approved by the United States secretary of labor under section 3304 of
27 the internal revenue code of 1954.

28 **Sec. 7.** RCW 50.22.155 and 2009 c 3 s 4 are each amended to read as
29 follows:

30 (1) This section applies to claims with an effective date on or
31 after April 5, 2009.

32 (2) Subject to availability of funds, training benefits are
33 available for an individual who is eligible for or has exhausted
34 entitlement to unemployment compensation benefits when:

35 (a) The individual is a dislocated worker as defined in RCW
36 50.04.075 and, after assessment of the individual's labor market,
37 occupation, or skills, is determined to need job-related training to

1 find suitable employment in the individual's labor market. The
2 assessment of demand for the individual's occupation or skill sets must
3 be substantially based on declining occupation or skill sets and high-
4 demand occupations identified in local labor market areas by the local
5 workforce development councils in cooperation with the employment
6 security department and its labor market information division; or

7 (b) For claims with an effective date on or after September 7,
8 2009, the individual:

9 (i) Earned an average hourly wage in the individual's base year
10 that is less than one hundred thirty percent of the state minimum
11 wage((7)) and, after assessment, it is determined that the individual's
12 earning potential will be enhanced through vocational training. The
13 individual's average hourly wage is calculated by dividing the total
14 wages paid by the total hours worked in the individual's base year;

15 (ii) Served in the United States military or the Washington
16 national guard during the twelve-month period prior to the application
17 date, was honorably discharged from military service or the Washington
18 national guard and, after assessment, is determined to need job-related
19 training to find suitable employment in the individual's labor market;

20 (iii) Is currently serving in the Washington national guard and,
21 after assessment, is determined to need job-related training to find
22 suitable employment in the individual's labor market; or

23 (iv) Is disabled due to an injury or illness and, after assessment,
24 is determined to be unable to return to his or her previous occupation
25 and to need job-related training to find suitable employment in the
26 individual's labor market.

27 (3)(a) The individual must develop an individual training program
28 that is submitted to the commissioner for approval within ninety days
29 after the individual is notified by the employment security department
30 of the requirements of this section;

31 (b) The individual must enter the approved training program by one
32 hundred twenty days after the date of the notification, unless the
33 employment security department determines that the training is not
34 available during the one hundred twenty days, in which case the
35 individual enters training as soon as it is available;

36 (c) The department may waive the deadlines established under this
37 subsection for reasons deemed by the commissioner to be good cause.

1 (4) The individual must be enrolled in training approved under this
2 section on a full-time basis as determined by the educational
3 institution, except that less than full-time training may be approved
4 when the individual has a physical, mental, or emotional disability
5 that precludes enrollment on a full-time basis.

6 (5) The individual must make satisfactory progress in the training
7 as defined by the commissioner and certified by the educational
8 institution.

9 (6) An individual is not eligible for training benefits under this
10 section if he or she:

11 (a) Is a standby claimant who expects recall to his or her regular
12 employer; or

13 (b) Has a definite recall date that is within six months of the
14 date he or she is laid off.

15 (7) The following definitions apply throughout this section unless
16 the context clearly requires otherwise.

17 (a) "Educational institution" means an institution of higher
18 education as defined in RCW 28B.10.016 or an educational institution as
19 defined in RCW 28C.04.410, including equivalent educational
20 institutions in other states.

21 (b) "High-demand occupation" means an occupation with a substantial
22 number of current or projected employment opportunities.

23 (c) "Training benefits" means additional benefits paid under this
24 section.

25 (d) "Training program" means:

26 (i) An education program determined to be necessary as a
27 prerequisite to vocational training after counseling at the educational
28 institution in which the individual enrolls under his or her approved
29 training program; or

30 (ii) A vocational training program at an educational institution
31 that:

32 (A) Is targeted to training for a high-demand occupation;

33 (B) Is likely to enhance the individual's marketable skills and
34 earning power; and

35 (C) Meets the criteria for performance developed by the workforce
36 training and education coordinating board for the purpose of
37 determining those training programs eligible for funding under Title I
38 of P.L. 105-220.

1 "Training program" does not include any course of education
2 primarily intended to meet the requirements of a baccalaureate or
3 higher degree, unless the training meets specific requirements for
4 certification, licensing, or for specific skills necessary for the
5 occupation.

6 (8) Benefits shall be paid as follows:

7 (a) The total training benefit amount shall be fifty-two times the
8 individual's weekly benefit amount, reduced by the total amount of
9 regular benefits and extended benefits paid, or deemed paid, with
10 respect to the benefit year.

11 (b) The weekly benefit amount shall be the same as the regular
12 weekly amount payable during the applicable benefit year and shall be
13 paid under the same terms and conditions as regular benefits.

14 (c) Training benefits shall be paid before any extended benefits
15 but not before any similar federally funded program. Effective July 3,
16 2011, training benefits shall be paid after any federally funded
17 program.

18 (d) Training benefits are not payable for weeks more than two years
19 beyond the end of the benefit year of the regular claim. However,
20 training benefits are not payable for weeks more than three years
21 beyond the end of the benefit year of the regular claim when
22 individuals are eligible for benefits in accordance with RCW 50.22.010
23 (2)(c) or (3)(c).

24 (9) The requirement under RCW 50.22.010(10) relating to exhausting
25 regular benefits does not apply to an individual otherwise eligible for
26 training benefits under this section when the individual's benefit year
27 ends before his or her training benefits are exhausted and the
28 individual is eligible for a new benefit year. These individuals will
29 have the option of remaining on the original claim or filing a new
30 claim.

31 (10) Individuals who receive training benefits under RCW 50.22.150
32 or this section are not eligible for training benefits under this
33 section for five years from the last receipt of training benefits.

34 (11) An individual eligible to receive a trade readjustment
35 allowance under chapter 2, Title II of the trade act of 1974, as
36 amended, shall not be eligible to receive benefits under this section
37 for each week the individual receives such trade readjustment
38 allowance.

1 (12) An individual eligible to receive emergency unemployment
2 compensation under any federal law shall not be eligible to receive
3 benefits under this section for each week the individual receives such
4 compensation.

5 (13) All base year employers are interested parties to the approval
6 of training and the granting of training benefits.

7 (14) Each local workforce development council, in cooperation with
8 the employment security department and its labor market information
9 division, must identify occupations and skill sets that are declining
10 and high-demand occupations and skill sets. Each local workforce
11 development council shall update this information annually or more
12 frequently if needed.

13 (15) The commissioner shall adopt rules as necessary to implement
14 this section.

15 PART III

16 Training Benefits

17 **Sec. 8.** RCW 50.20.099 and 2000 c 2 s 10 are each amended to read
18 as follows:

19 (1) To ensure that unemployment insurance benefits are paid in
20 accordance with RCW 50.20.098, the employment security department shall
21 verify that an individual is eligible to work in the United States
22 before the individual receives training benefits under RCW 50.22.150 or
23 50.22.155.

24 (2) By July 1, 2002, the employment security department shall:

25 (a) Develop and implement an effective method for determining,
26 where appropriate, eligibility to work in the United States for
27 individuals applying for unemployment benefits under this title;

28 (b) Review verification systems developed by federal agencies for
29 verifying a person's eligibility to receive unemployment benefits under
30 this title and evaluate the effectiveness of these systems for use in
31 this state; and

32 (c) Report its initial findings to the legislature by September 1,
33 2000, and its final report by July 1, 2002.

34 (3) Where federal law prohibits the conditioning of unemployment
35 benefits on a verification of an individual's status as a qualified or
36 authorized alien, the requirements of this section shall not apply.

1 demand occupations identified in local labor market areas by the local
2 workforce development councils in cooperation with the employment
3 security department and its labor market information division; or

4 ~~((b))~~ (ii) For claims with an effective date on or after
5 September 7, 2009, the individual:

6 ~~((i))~~ (A) Earned an average hourly wage in the individual's base
7 year that is less than one hundred thirty percent of the state minimum
8 wage~~((7))~~ and, after assessment, it is determined that the individual's
9 earning potential will be enhanced through vocational training. The
10 individual's average hourly wage is calculated by dividing the total
11 wages paid by the total hours worked in the individual's base year;

12 ~~((ii))~~ (B) Served in the United States military or the Washington
13 national guard during the twelve-month period prior to the application
14 date, was honorably discharged from military service or the Washington
15 national guard and, after assessment, is determined to need job-related
16 training to find suitable employment in the individual's labor market;

17 ~~((iii))~~ (C) Is currently serving in the Washington national guard
18 and, after assessment, is determined to need job-related training to
19 find suitable employment in the individual's labor market; or

20 ~~((iv))~~ (D) Is disabled due to an injury or illness and, after
21 assessment, is determined to be unable to return to his or her previous
22 occupation and to need job-related training to find suitable employment
23 in the individual's labor market.

24 ~~((3)(a))~~ (b)(i) The individual must develop an individual
25 training program that is submitted to the commissioner for approval
26 within ninety days after the individual is notified by the employment
27 security department of the requirements of this section;

28 ~~((b))~~ (ii) The individual must enter the approved training
29 program by one hundred twenty days after the date of the notification,
30 unless the employment security department determines that the training
31 is not available during the one hundred twenty days, in which case the
32 individual enters training as soon as it is available;

33 ~~((e))~~ (iii) The department may waive the deadlines established
34 under this subsection for reasons deemed by the commissioner to be good
35 cause.

36 ~~((4))~~ (c) The individual must be enrolled in training approved
37 under this section on a full-time basis as determined by the

1 educational institution, except that less than full-time training may
2 be approved when the individual has a physical, mental, or emotional
3 disability that precludes enrollment on a full-time basis.

4 ~~((+5))~~ (d) The individual must make satisfactory progress in the
5 training as defined by the commissioner and certified by the
6 educational institution.

7 ~~((+6))~~ (e) An individual is not eligible for training benefits
8 under this section if he or she:

9 ~~((+a))~~ (i) Is a standby claimant who expects recall to his or her
10 regular employer; or

11 ~~((+b))~~ (ii) Has a definite recall date that is within six months
12 of the date he or she is laid off.

13 ~~((+7))~~ (f) The following definitions apply throughout this
14 ~~((section))~~ subsection (1) unless the context clearly requires
15 otherwise.

16 ~~((+a))~~ (i) "Educational institution" means an institution of
17 higher education as defined in RCW 28B.10.016 or an educational
18 institution as defined in RCW 28C.04.410, including equivalent
19 educational institutions in other states.

20 ~~((+b))~~ (ii) "High-demand occupation" means an occupation with a
21 substantial number of current or projected employment opportunities.

22 ~~((+c))~~ (iii) "Training benefits" means additional benefits paid
23 under this section.

24 ~~((+d))~~ (iv) "Training program" means:

25 ~~((+i))~~ (A) An education program determined to be necessary as a
26 prerequisite to vocational training after counseling at the educational
27 institution in which the individual enrolls under his or her approved
28 training program; or

29 ~~((+ii))~~ (B) A vocational training program at an educational
30 institution that:

31 ~~((+A))~~ (I) Is targeted to training for a high-demand occupation;

32 ~~((+B))~~ (II) Is likely to enhance the individual's marketable
33 skills and earning power; and

34 ~~((+C))~~ (III) Meets the criteria for performance developed by the
35 workforce training and education coordinating board for the purpose of
36 determining those training programs eligible for funding under Title I
37 of P.L. 105-220.

1 "Training program" does not include any course of education
2 primarily intended to meet the requirements of a baccalaureate or
3 higher degree, unless the training meets specific requirements for
4 certification, licensing, or for specific skills necessary for the
5 occupation.

6 ~~((+8))~~ (g) Benefits shall be paid as follows:

7 ~~((+a))~~ (i) The total training benefit amount shall be fifty-two
8 times the individual's weekly benefit amount, reduced by the total
9 amount of regular benefits and extended benefits paid, or deemed paid,
10 with respect to the benefit year.

11 ~~((+b))~~ (ii) The weekly benefit amount shall be the same as the
12 regular weekly amount payable during the applicable benefit year and
13 shall be paid under the same terms and conditions as regular benefits.

14 ~~((+e))~~ (iii) Training benefits shall be paid before any extended
15 benefits but not before any similar federally funded program.
16 Effective July 3, 2011, training benefits shall be paid after any
17 federally funded program.

18 ~~((+d))~~ (iv) Training benefits are not payable for weeks more than
19 two years beyond the end of the benefit year of the regular claim.
20 However, training benefits are not payable for weeks more than three
21 years beyond the end of the benefit year of the regular claim when
22 individuals are eligible for benefits in accordance with RCW 50.22.010
23 (2)(c) or (3)(c).

24 ~~((+9))~~ (h) The requirement under RCW 50.22.010(10) relating to
25 exhausting regular benefits does not apply to an individual otherwise
26 eligible for training benefits under this section when the individual's
27 benefit year ends before his or her training benefits are exhausted and
28 the individual is eligible for a new benefit year. These individuals
29 will have the option of remaining on the original claim or filing a new
30 claim.

31 ~~((+10))~~ (i) Individuals who receive training benefits under RCW
32 50.22.150 or this section are not eligible for training benefits under
33 this section for five years from the last receipt of training benefits.

34 ~~((+11))~~ (j) An individual eligible to receive a trade readjustment
35 allowance under chapter 2, Title II of the trade act of 1974, as
36 amended, shall not be eligible to receive benefits under this section
37 for each week the individual receives such trade readjustment
38 allowance.

1 ~~((12))~~ (k) An individual eligible to receive emergency
2 unemployment compensation under any federal law shall not be eligible
3 to receive benefits under this section for each week the individual
4 receives such compensation.

5 ~~((13))~~ (l) All base year employers are interested parties to the
6 approval of training and the granting of training benefits.

7 ~~((14))~~ (m) Each local workforce development council, in
8 cooperation with the employment security department and its labor
9 market information division, must identify occupations and skill sets
10 that are declining and high-demand occupations and skill sets. Each
11 local workforce development council shall update this information
12 annually or more frequently if needed.

13 ~~((15))~~ (2) With respect to claims with an effective date on or
14 after July 1, 2012:

15 (a) Training benefits are available for an individual who is
16 eligible for or has exhausted entitlement to unemployment compensation
17 benefits when:

18 (i) The individual is a dislocated worker as defined in RCW
19 50.04.075 and, after assessment of the individual's labor market,
20 occupation, or skills, is determined to need job-related training to
21 find suitable employment in the individual's labor market. The
22 assessment of demand for the individual's occupation or skill sets must
23 be substantially based on declining occupation or skill sets and high-
24 demand occupations identified in local labor market areas by the local
25 workforce development councils in cooperation with the employment
26 security department and its labor market information division; or

27 (ii) Subject to the availability of funds as specified in RCW
28 50.22.140, the individual:

29 (A) Earned an average hourly wage in the individual's base year
30 that is less than one hundred thirty percent of the state minimum wage
31 and, after assessment, it is determined that the individual's earning
32 potential will be enhanced through vocational training. The
33 individual's average hourly wage is calculated by dividing the total
34 wages paid by the total hours worked in the individual's base year;

35 (B) Served in the United States military or the Washington national
36 guard during the twelve-month period prior to the application date, was
37 honorably discharged from military service or the Washington national

1 guard and, after assessment, is determined to need job-related training
2 to find suitable employment in the individual's labor market;

3 (C) Is currently serving in the Washington national guard and,
4 after assessment, is determined to need job-related training to find
5 suitable employment in the individual's labor market; or

6 (D) Is disabled due to an injury or illness and, after assessment,
7 is determined to be unable to return to his or her previous occupation
8 and to need job-related training to find suitable employment in the
9 individual's labor market.

10 (b)(i) Except for an individual eligible under (a)(i) of this
11 subsection, the individual must develop an individual training plan
12 that is submitted to the commissioner for approval within ninety days
13 after the individual is notified by the employment security department
14 of the requirements of this section;

15 (ii) Except for an individual eligible under (a)(i) of this
16 subsection, the individual must enroll in the approved training program
17 by one hundred twenty days after the date of the notification, unless
18 the employment security department determines that the training is not
19 available during the one hundred twenty days, in which case the
20 individual enters training as soon as it is available;

21 (iii) An individual eligible under (a)(i) of this subsection must
22 submit an individual training plan and enroll in the approved training
23 program prior to the end of the individual's benefit year;

24 (iv) The department may waive the deadlines established under
25 (b)(i) and (ii) of this subsection for reasons deemed by the
26 commissioner to be good cause.

27 (c) Except for an individual eligible under (a)(i) of this
28 subsection, the individual must be enrolled in training approved under
29 this section on a full-time basis as determined by the educational
30 institution, except that less than full-time training may be approved
31 when the individual has a physical, mental, or emotional disability
32 that precludes enrollment on a full-time basis.

33 (d) The individual must make satisfactory progress in the training
34 as defined by the commissioner and certified by the educational
35 institution.

36 (e) An individual is not eligible for training benefits under this
37 section if he or she:

1 (i) Is a standby claimant who expects recall to his or her regular
2 employer; or

3 (ii) Has a definite recall date that is within six months of the
4 date he or she is laid off.

5 (f) The following definitions apply throughout this subsection (2)
6 unless the context clearly requires otherwise:

7 (i) "Educational institution" means an institution of higher
8 education as defined in RCW 28B.10.016 or an educational institution as
9 defined in RCW 28C.04.410, including equivalent educational
10 institutions in other states.

11 (ii) "High-demand occupation" means an occupation with a
12 substantial number of current or projected employment opportunities.

13 (iii) "Training benefits" means additional benefits paid under this
14 section.

15 (iv) "Training program" means:

16 (A) An education program determined to be necessary as a
17 prerequisite to vocational training after counseling at the educational
18 institution in which the individual enrolls under his or her approved
19 training program; or

20 (B) A vocational training program at an educational institution
21 that:

22 (I) Is targeted to training for a high-demand occupation;

23 (II) Is likely to enhance the individual's marketable skills and
24 earning power; and

25 (III) Meets the criteria for performance developed by the workforce
26 training and education coordinating board for the purpose of
27 determining those training programs eligible for funding under Title I
28 of P.L. 105-220.

29 "Training program" does not include any course of education
30 primarily intended to meet the requirements of a baccalaureate or
31 higher degree, unless the training meets specific requirements for
32 certification, licensing, or for specific skills necessary for the
33 occupation.

34 (g) Available benefits shall be paid as follows:

35 (i) The total training benefit amount shall be fifty-two times the
36 individual's weekly benefit amount, reduced by the total amount of
37 regular benefits paid, or deemed paid, with respect to the benefit
38 year.

1 (ii) The weekly benefit amount shall be the same as the regular
2 weekly amount payable during the applicable benefit year and shall be
3 paid under the same terms and conditions as regular benefits.

4 (iii) Training benefits shall be paid after any federally funded
5 program.

6 (iv) Training benefits are not payable for weeks more than two
7 years beyond the end of the benefit year of the regular claim.
8 However, training benefits are not payable for weeks more than three
9 years beyond the end of the benefit year of the regular claim when
10 individuals are eligible for benefits in accordance with RCW 50.22.010
11 (2)(c) or (3)(c).

12 (h) The requirement under RCW 50.22.010(10) relating to exhausting
13 regular benefits does not apply to an individual otherwise eligible for
14 training benefits under this section when the individual's benefit year
15 ends before his or her training benefits are exhausted and the
16 individual is eligible for a new benefit year. These individuals will
17 have the option of remaining on the original claim or filing a new
18 claim.

19 (i) Except for individuals eligible under (a)(i) of this
20 subsection, individuals who receive training benefits under RCW
21 50.22.150 or this section are not eligible for training benefits under
22 this section for five years from the last receipt of training benefits.

23 (j) An individual eligible to receive a trade readjustment
24 allowance under chapter 2, Title II of the trade act of 1974, as
25 amended, shall not be eligible to receive benefits under this section
26 for each week the individual receives such trade readjustment
27 allowance.

28 (k) An individual eligible to receive emergency unemployment
29 compensation under any federal law shall not be eligible to receive
30 benefits under this section for each week the individual receives such
31 compensation.

32 (l) All base year employers are interested parties to the approval
33 of training and the granting of training benefits.

34 (m) Each local workforce development council, in cooperation with
35 the employment security department and its labor market information
36 division, must identify occupations and skill sets that are declining
37 and high-demand occupations and skill sets. Each local workforce

1 development council shall update this information annually or more
2 frequently if needed.

3 (3) The commissioner shall adopt rules as necessary to implement
4 this section.

5 **Sec. 11.** RCW 50.22.140 and 2002 c 149 s 1 are each amended to read
6 as follows:

7 (1) The employment security department is authorized to pay
8 training benefits under RCW 50.22.150 and 50.22.155, but may not
9 obligate expenditures beyond the limits specified in this section or as
10 otherwise set by the legislature. ~~((For the fiscal year ending June~~
11 ~~30, 2000, the commissioner may not obligate more than twenty million~~
12 ~~dollars for training benefits. For the two fiscal years ending June~~
13 ~~30, 2002, the commissioner may not obligate more than sixty million~~
14 ~~dollars for training benefits.)) Any funds not obligated in one fiscal~~
15 ~~year may be carried forward to the next fiscal year. ((For each fiscal~~
16 ~~year beginning after June 30, 2002,)) The commissioner may not obligate~~
17 ~~more than twenty million dollars annually in addition to any funds~~
18 ~~carried forward from previous fiscal years. ((The department shall~~
19 ~~develop a process to ensure that expenditures do not exceed available~~
20 ~~funds and to prioritize access to funds when again available.))~~

21 (2) ~~((After June 30, 2002, in addition to the amounts that may be~~
22 ~~obligated under subsection (1) of this section, the commissioner may~~
23 ~~obligate up to thirty four million dollars for training benefits under~~
24 ~~RCW 50.22.150 for individuals in the aerospace industry assigned the~~
25 ~~standard industrial classification code "372" or the North American~~
26 ~~industry classification system code "336411" whose claims are filed~~
27 ~~before January 5, 2003. The funds provided in this subsection must be~~
28 ~~fully obligated for training benefits for these individuals before the~~
29 ~~funds provided in subsection (1) of this section may be obligated for~~
30 ~~training benefits for these individuals. Any amount of the funds~~
31 ~~specified in this subsection that is not obligated as permitted may not~~
32 ~~be carried forward to any future period.)) If the amount available for
33 training benefits at any time is equal to or less than five million
34 dollars, funds will no longer be obligated for individuals in RCW
35 50.22.155(2)(a)(ii). If funds are exhausted, training benefits will
36 continue to be obligated to dislocated workers only under RCW~~

1 50.22.155(2)(a)(i). The following year's obligation for training
2 benefits will be reduced by a corresponding amount.

3 **Sec. 12.** RCW 50.24.014 and 2009 c 566 s 2 are each amended to read
4 as follows:

5 (1)(a) A separate and identifiable account to provide for the
6 financing of special programs to assist the unemployed is established
7 in the administrative contingency fund. All money in this account
8 shall be expended solely for the purposes of this title and for no
9 other purposes whatsoever. Contributions to this account shall accrue
10 and become payable by each employer, except employers as described in
11 RCW 50.44.010 and 50.44.030 who have properly elected to make payments
12 in lieu of contributions, taxable local government employers as
13 described in RCW 50.44.035, and those employers who are required to
14 make payments in lieu of contributions, at a basic rate of two one-
15 hundredths of one percent. The amount of wages subject to tax shall be
16 determined under RCW 50.24.010.

17 (b) A separate and identifiable account is established in the
18 administrative contingency fund for financing the employment security
19 department's administrative costs under RCW 50.22.150 and 50.22.155 and
20 the costs under RCW 50.22.150(11) and 50.22.155(~~((+14))~~) (1)(m) and
21 (2)(m). All money in this account shall be expended solely for the
22 purposes of this title and for no other purposes whatsoever.
23 Contributions to this account shall accrue and become payable by each
24 employer, except employers as described in RCW 50.44.010 and 50.44.030
25 who have properly elected to make payments in lieu of contributions,
26 taxable local government employers as described in RCW 50.44.035, those
27 employers who are required to make payments in lieu of contributions,
28 those employers described under RCW 50.29.025(~~((+1)(f)(ii))~~) (2)(d), and
29 those qualified employers assigned rate class 20 or rate class 40, as
30 applicable, under RCW 50.29.025, at a basic rate of one one-hundredth
31 of one percent. The amount of wages subject to tax shall be determined
32 under RCW 50.24.010. Any amount of contributions payable under this
33 subsection (1)(b) that exceeds the amount that would have been
34 collected at a rate of four one-thousandths of one percent must be
35 deposited in the account created in (a) of this subsection.

36 (2)(a) Contributions under this section shall become due and be
37 paid by each employer under rules as the commissioner may prescribe,

1 and shall not be deducted, in whole or in part, from the remuneration
2 of individuals in the employ of the employer. Any deduction in
3 violation of this section is unlawful.

4 (b) In the payment of any contributions under this section, a
5 fractional part of a cent shall be disregarded unless it amounts to
6 one-half cent or more, in which case it shall be increased to one cent.

7 (3) If the commissioner determines that federal funding has been
8 increased to provide financing for the services specified in chapter
9 50.62 RCW, the commissioner shall direct that collection of
10 contributions under this section be terminated on the following January
11 1st.

12 **Sec. 13.** RCW 50.04.075 and 1984 c 181 s 1 are each amended to read
13 as follows:

14 (1) With respect to claims with an effective date prior to July 1,
15 2012, "dislocated worker" means any individual who:

16 ~~((+1))~~ (a) Has been terminated or received a notice of termination
17 from employment;

18 ~~((+2))~~ (b) Is eligible for or has exhausted entitlement to
19 unemployment compensation benefits; and

20 ~~((+3))~~ (c) Is unlikely to return to employment in the individual's
21 principal occupation or previous industry because of a diminishing
22 demand for their skills in that occupation or industry.

23 (2) With respect to claims with an effective date on or after July
24 1, 2012, "dislocated worker" means any individual who:

25 (a) Has been involuntarily and indefinitely separated from
26 employment as a result of a permanent reduction of operations at the
27 individual's place of employment, or has separated from a declining
28 occupation; and

29 (b) Is eligible for or has exhausted entitlement to unemployment
30 compensation benefits.

31 **Sec. 14.** RCW 50.20.130 and 2010 c 8 s 13022 are each amended to
32 read as follows:

33 (1) If an eligible individual is available for work for less than
34 a full week, he or she shall be paid his or her weekly benefit amount
35 reduced by one-seventh of such amount for each day that he or she is

1 unavailable for work: PROVIDED, That if he or she is unavailable for
2 work for three days or more of a week, he or she shall be considered
3 unavailable for the entire week.

4 (2) Each eligible individual who is unemployed in any week shall be
5 paid with respect to such week a benefit in an amount equal to his or
6 her weekly benefit amount less:

7 (a) Seventy-five percent of that part of the remuneration (if any)
8 payable to him or her with respect to such week which is in excess of
9 five dollars; or

10 (b) For any weeks in which the individual is receiving training
11 benefits as provided in RCW 50.22.155(2), half of that part of the
12 remuneration (if any) payable to him or her with respect to such week
13 which is in excess of five dollars. ((Such benefit))

14 (3) The benefits in this section, if not a multiple of one dollar,
15 shall be reduced to the next lower multiple of one dollar.

16 **Sec. 15.** RCW 50.29.021 and 2010 c 25 s 1 are each amended to read
17 as follows:

18 (1) This section applies to benefits charged to the experience
19 rating accounts of employers for claims that have an effective date on
20 or after January 4, 2004.

21 (2)(a) An experience rating account shall be established and
22 maintained for each employer, except employers as described in RCW
23 50.44.010, 50.44.030, and 50.50.030 who have properly elected to make
24 payments in lieu of contributions, taxable local government employers
25 as described in RCW 50.44.035, and those employers who are required to
26 make payments in lieu of contributions, based on existing records of
27 the employment security department.

28 (b) Benefits paid to an eligible individual shall be charged to the
29 experience rating accounts of each of such individual's employers
30 during the individual's base year in the same ratio that the wages paid
31 by each employer to the individual during the base year bear to the
32 wages paid by all employers to that individual during that base year,
33 except as otherwise provided in this section.

34 (c) When the eligible individual's separating employer is a covered
35 contribution paying base year employer, benefits paid to the eligible
36 individual shall be charged to the experience rating account of only

1 the individual's separating employer if the individual qualifies for
2 benefits under:

3 (i) RCW 50.20.050 (1)(b)(i) or (2)(b)(i), as applicable, and became
4 unemployed after having worked and earned wages in the bona fide work;
5 or

6 (ii) RCW 50.20.050 (1)(b) (v) through (x) or (2)(b) (v) through
7 (x).

8 (3) The legislature finds that certain benefit payments, in whole
9 or in part, should not be charged to the experience rating accounts of
10 employers except those employers described in RCW 50.44.010, 50.44.030,
11 and 50.50.030 who have properly elected to make payments in lieu of
12 contributions, taxable local government employers described in RCW
13 50.44.035, and those employers who are required to make payments in
14 lieu of contributions, as follows:

15 (a) Benefits paid to any individual later determined to be
16 ineligible shall not be charged to the experience rating account of any
17 contribution paying employer. However, when a benefit claim becomes
18 invalid due to an amendment or adjustment of a report where the
19 employer failed to report or inaccurately reported hours worked or
20 remuneration paid, or both, all benefits paid will be charged to the
21 experience rating account of the contribution paying employer or
22 employers that originally filed the incomplete or inaccurate report or
23 reports. An employer who reimburses the trust fund for benefits paid
24 to workers and who fails to report or inaccurately reported hours
25 worked or remuneration paid, or both, shall reimburse the trust fund
26 for all benefits paid that are based on the originally filed incomplete
27 or inaccurate report or reports.

28 (b) Benefits paid to an individual filing under the provisions of
29 chapter 50.06 RCW shall not be charged to the experience rating account
30 of any contribution paying employer only if:

31 (i) The individual files under RCW 50.06.020(1) after receiving
32 crime victims' compensation for a disability resulting from a nonwork-
33 related occurrence; or

34 (ii) The individual files under RCW 50.06.020(2).

35 (c) Benefits paid which represent the state's share of benefits
36 payable as extended benefits defined under RCW 50.22.010(6) shall not
37 be charged to the experience rating account of any contribution paying
38 employer.

1 (d) In the case of individuals who requalify for benefits under RCW
2 50.20.050 or 50.20.060, benefits based on wage credits earned prior to
3 the disqualifying separation shall not be charged to the experience
4 rating account of the contribution paying employer from whom that
5 separation took place.

6 (e) Benefits paid to an individual who qualifies for benefits under
7 RCW 50.20.050 (1)(b) (iv) or (xi) or (2)(b) (iv) or (xi), as
8 applicable, shall not be charged to the experience rating account of
9 any contribution paying employer.

10 (f) With respect to claims with an effective date on or after the
11 first Sunday following April 22, 2005, benefits paid that exceed the
12 benefits that would have been paid if the weekly benefit amount for the
13 claim had been determined as one percent of the total wages paid in the
14 individual's base year shall not be charged to the experience rating
15 account of any contribution paying employer. This subsection (3)(f)
16 does not apply to the calculation of contribution rates under RCW
17 50.29.025 for rate year 2010 and thereafter.

18 (g) The forty-five dollar increase paid as part of an individual's
19 weekly benefit amount as provided in RCW 50.20.1201 and the twenty-five
20 dollar increase paid as part of an individual's weekly benefit amount
21 as provided in section 2 of this act shall not be charged to the
22 experience rating account of any contribution paying employer.

23 (h) With respect to claims where the minimum amount payable weekly
24 is increased to one hundred fifty-five dollars pursuant to RCW
25 50.20.1201(3), benefits paid that exceed the benefits that would have
26 been paid if the minimum amount payable weekly had been calculated
27 pursuant to RCW 50.20.120 shall not be charged to the experience rating
28 account of any contribution paying employer.

29 (i) Upon approval of an individual's training benefits plan
30 submitted in accordance with RCW 50.22.155(2), an individual is
31 considered enrolled in training, and regular benefits beginning with
32 the week of approval shall not be charged to the experience rating
33 account of any contribution paying employer.

34 (j) Training benefits paid to an individual under RCW 50.22.155
35 shall not be charged to the experience rating account of any
36 contribution paying employer.

37 (4)(a) A contribution paying base year employer, not otherwise

1 eligible for relief of charges for benefits under this section, may
2 receive such relief if the benefit charges result from payment to an
3 individual who:

4 (i) Last left the employ of such employer voluntarily for reasons
5 not attributable to the employer;

6 (ii) Was discharged for misconduct or gross misconduct connected
7 with his or her work not a result of inability to meet the minimum job
8 requirements;

9 (iii) Is unemployed as a result of closure or severe curtailment of
10 operation at the employer's plant, building, worksite, or other
11 facility. This closure must be for reasons directly attributable to a
12 catastrophic occurrence such as fire, flood, or other natural disaster;

13 (iv) Continues to be employed on a regularly scheduled permanent
14 part-time basis by a base year employer and who at some time during the
15 base year was concurrently employed and subsequently separated from at
16 least one other base year employer. Benefit charge relief ceases when
17 the employment relationship between the employer requesting relief and
18 the claimant is terminated. This subsection does not apply to shared
19 work employers under chapter 50.06 RCW; or

20 (v) Was hired to replace an employee who is a member of the
21 military reserves or National Guard and was called to federal active
22 military service by the president of the United States and is
23 subsequently laid off when that employee is reemployed by their
24 employer upon release from active duty within the time provided for
25 reemployment in RCW 73.16.035.

26 (b) The employer requesting relief of charges under this subsection
27 must request relief in writing within thirty days following mailing to
28 the last known address of the notification of the valid initial
29 determination of such claim, stating the date and reason for the
30 separation or the circumstances of continued employment. The
31 commissioner, upon investigation of the request, shall determine
32 whether relief should be granted.

33 **Sec. 16.** RCW 50.22.157 and 2009 c 3 s 6 are each amended to read
34 as follows:

35 (1) The employment security department shall report to the
36 appropriate committees of the legislature by December 1, 2009, and
37 every year thereafter, on the status of the training benefits program

1 and the resulting outcomes. The report shall include a survey based
2 assessment of the employment outcomes for program participants within
3 the previous three years. The department shall also include in its
4 report:

5 ((+1)) (a) A demographic analysis of participants in the training
6 benefits program under this section including the number of claimants
7 per North American industry classification system code and the gender,
8 race, age, and geographic representation of participants;

9 ((+2)) (b) The duration of training benefits claimed per claimant;

10 ((+3)) (c) An analysis of the training provided to participants
11 including the occupational category supported by the training, whether
12 the training received would lead to employment in a high demand
13 occupation, whether a degree or certificate is required in that
14 occupational category to obtain employment, those participants who
15 complete training in relationship to those that do not, the number of
16 participants who take courses in basic language, reading, or writing
17 skills to improve their employability, and the reasons for
18 noncompletion of approved training programs;

19 ((+4)) (d) The employment and wage history of participants,
20 including the pretraining and posttraining wage, the type of work
21 participants were engaged in prior to unemployment, and whether those
22 participating in training return to their previous employer ~~((after~~
23 ~~training terminates))~~ within two years of receiving training, or are
24 employed in a field for which they were retrained; ~~((and~~

25 +5)) (e) An identification and analysis of administrative costs at
26 both the local and state level for administering this program;

27 (f) A projection of program costs for the next fiscal year; and

28 (g) The total funds obligated for training benefits, and the net
29 balance remaining to be obligated subject to the restrictions of RCW
30 50.22.140.

31 (2) The joint legislative audit and review committee is directed to
32 conduct a thorough review and evaluation of the training benefits
33 program on the following schedule:

34 (a) Three years after the implementation of the training benefits
35 portion of this act and every five years thereafter; and

36 (b) In any year in which the employment security department is
37 required to suspend obligation of training benefits funds pursuant to

1 RCW 50.22.140(2), or total expenditures exceed twenty-five million
2 dollars.

3 (3) As part of the review conducted under subsection (2) of this
4 section, the joint legislative audit and review committee shall:

5 (a) Assess whether the program is complying with legislative
6 intent;

7 (b) Assess whether the program is effective;

8 (c) Assess whether the program is operating in an efficient and
9 economical manner which results in optimum performance; and

10 (d) Make recommendations on how to improve the training benefits
11 program.

12 (4) After a review of the training benefits program has been
13 completed by the joint legislative audit and review committee, the
14 appropriate committees of the legislature must hold a public hearing on
15 the review and consider potential changes to improve the program.

16 **PART IV**
17 **Social Tax**

18 **Sec. 17.** RCW 50.29.025 and 2010 c 72 s 1 are each amended to read
19 as follows:

20 (1) For contributions assessed for rate years 2005 through 2009,
21 the contribution rate for each employer subject to contributions under
22 RCW 50.24.010 shall be the sum of the array calculation factor rate and
23 the graduated social cost factor rate determined under this subsection,
24 and the solvency surcharge determined under RCW 50.29.041, if any.

25 (a) The array calculation factor rate shall be determined as
26 follows:

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

33 (ii) Each employer in the array shall be assigned to one of forty
34 rate classes according to his or her benefit ratio as follows, and,
35 except as provided in RCW 50.29.026, the array calculation factor rate

1 for each employer in the array shall be the rate specified in the rate
2 class to which the employer has been assigned:

	Benefit Ratio		Rate	Rate
	At least	Less than	Class	(percent)
3				
4				
5		0.000001	1	0.00
6	0.000001	0.001250	2	0.13
7	0.001250	0.002500	3	0.25
8	0.002500	0.003750	4	0.38
9	0.003750	0.005000	5	0.50
10	0.005000	0.006250	6	0.63
11	0.006250	0.007500	7	0.75
12	0.007500	0.008750	8	0.88
13	0.008750	0.010000	9	1.00
14	0.010000	0.011250	10	1.15
15	0.011250	0.012500	11	1.30
16	0.012500	0.013750	12	1.45
17	0.013750	0.015000	13	1.60
18	0.015000	0.016250	14	1.75
19	0.016250	0.017500	15	1.90
20	0.017500	0.018750	16	2.05
21	0.018750	0.020000	17	2.20
22	0.020000	0.021250	18	2.35
23	0.021250	0.022500	19	2.50
24	0.022500	0.023750	20	2.65
25	0.023750	0.025000	21	2.80
26	0.025000	0.026250	22	2.95
27	0.026250	0.027500	23	3.10
28	0.027500	0.028750	24	3.25
29	0.028750	0.030000	25	3.40
30	0.030000	0.031250	26	3.55
31	0.031250	0.032500	27	3.70
32	0.032500	0.033750	28	3.85
33	0.033750	0.035000	29	4.00
34	0.035000	0.036250	30	4.15
35	0.036250	0.037500	31	4.30
36	0.037500	0.040000	32	4.45

1	0.040000	0.042500	33	4.60
2	0.042500	0.045000	34	4.75
3	0.045000	0.047500	35	4.90
4	0.047500	0.050000	36	5.05
5	0.050000	0.052500	37	5.20
6	0.052500	0.055000	38	5.30
7	0.055000	0.057500	39	5.35
8	0.057500		40	5.40

9 (b) The graduated social cost factor rate shall be determined as
10 follows:

11 (i)(A) Except as provided in (b)(i)(B) and (C) of this subsection,
12 the commissioner shall calculate the flat social cost factor for a rate
13 year by dividing the total social cost by the total taxable payroll.
14 The division shall be carried to the second decimal place with the
15 remaining fraction disregarded unless it amounts to five hundredths or
16 more, in which case the second decimal place shall be rounded to the
17 next higher digit. The flat social cost factor shall be expressed as
18 a percentage.

19 (B) If, on the cut-off date, the balance in the unemployment
20 compensation fund is determined by the commissioner to be an amount
21 that will provide more than ten months of unemployment benefits, the
22 commissioner shall calculate the flat social cost factor for the rate
23 year immediately following the cut-off date by reducing the total
24 social cost by the dollar amount that represents the number of months
25 for which the balance in the unemployment compensation fund on the cut-
26 off date will provide benefits above ten months and dividing the result
27 by the total taxable payroll. However, the calculation under this
28 subsection (1)(b)(i)(B) for a rate year may not result in a flat social
29 cost factor that is more than four-tenths lower than the calculation
30 under (b)(i)(A) of this subsection for that rate year.

31 For the purposes of this subsection, the commissioner shall
32 determine the number of months of unemployment benefits in the
33 unemployment compensation fund using the benefit cost rate for the
34 average of the three highest calendar benefit cost rates in the twenty
35 consecutive completed calendar years immediately preceding the cut-off
36 date or a period of consecutive calendar years immediately preceding
37 the cut-off date that includes three recessions, if longer.

1 (C) The minimum flat social cost factor calculated under this
2 subsection (1)(b) shall be six-tenths of one percent, except that if
3 the balance in the unemployment compensation fund is determined by the
4 commissioner to be an amount that will provide:

5 (I) At least twelve months but less than fourteen months of
6 unemployment benefits, the minimum shall be five-tenths of one percent;
7 or

8 (II) At least fourteen months of unemployment benefits, the minimum
9 shall be five-tenths of one percent, except that, for employers in rate
10 class 1, the minimum shall be forty-five hundredths of one percent.

11 (ii)(A) Except as provided in (b)(ii)(B) of this subsection, the
12 graduated social cost factor rate for each employer in the array is the
13 flat social cost factor multiplied by the percentage specified as
14 follows for the rate class to which the employer has been assigned in
15 (a)(ii) of this subsection, except that the sum of an employer's array
16 calculation factor rate and the graduated social cost factor rate may
17 not exceed six and five-tenths percent or, for employers whose North
18 American industry classification system code is within "111," "112,"
19 "1141," "115," "3114," "3117," "42448," or "49312," may not exceed six
20 percent through rate year 2007 and may not exceed five and seven-tenths
21 percent for rate years 2008 and 2009:

22 (I) Rate class 1 - 78 percent;

23 (II) Rate class 2 - 82 percent;

24 (III) Rate class 3 - 86 percent;

25 (IV) Rate class 4 - 90 percent;

26 (V) Rate class 5 - 94 percent;

27 (VI) Rate class 6 - 98 percent;

28 (VII) Rate class 7 - 102 percent;

29 (VIII) Rate class 8 - 106 percent;

30 (IX) Rate class 9 - 110 percent;

31 (X) Rate class 10 - 114 percent;

32 (XI) Rate class 11 - 118 percent; and

33 (XII) Rate classes 12 through 40 - 120 percent.

34 (B) For contributions assessed beginning July 1, 2005, through
35 December 31, 2007, for employers whose North American industry
36 classification system code is "111," "112," "1141," "115," "3114,"
37 "3117," "42448," or "49312," the graduated social cost factor rate is
38 zero.

1 (iii) For the purposes of this section:

2 (A) "Total social cost" means the amount calculated by subtracting
3 the array calculation factor contributions paid by all employers with
4 respect to the four consecutive calendar quarters immediately preceding
5 the computation date and paid to the employment security department by
6 the cut-off date from the total unemployment benefits paid to claimants
7 in the same four consecutive calendar quarters. To calculate the flat
8 social cost factor for rate year 2005, the commissioner shall calculate
9 the total social cost using the array calculation factor contributions
10 that would have been required to be paid by all employers in the
11 calculation period if (a) of this subsection had been in effect for the
12 relevant period. To calculate the flat social cost factor for rate
13 years 2010 and 2011, the forty-five dollar increase paid as part of an
14 individual's weekly benefit amount as provided in RCW 50.20.1201 shall
15 not be considered for purposes of calculating the total unemployment
16 benefits paid to claimants in the four consecutive calendar quarters
17 immediately preceding the computation date.

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

23 (c) For employers who do not meet the definition of "qualified
24 employer" by reason of failure to pay contributions when due:

25 (i) The array calculation factor rate shall be two-tenths higher
26 than that in rate class 40, except employers who have an approved
27 agency-deferred payment contract by September 30th of the previous rate
28 year. If any employer with an approved agency-deferred payment
29 contract fails to make any one of the succeeding deferred payments or
30 fails to submit any succeeding tax report and payment in a timely
31 manner, the employer's tax rate shall immediately revert to an array
32 calculation factor rate two-tenths higher than that in rate class 40;
33 and

34 (ii) The social cost factor rate shall be the social cost factor
35 rate assigned to rate class 40 under (b)(ii) of this subsection.

36 (d) For all other employers not qualified to be in the array:

37 (i) For rate years 2005, 2006, and 2007:

1 (A) The array calculation factor rate shall be a rate equal to the
2 average industry array calculation factor rate as determined by the
3 commissioner, plus fifteen percent of that amount; however, the rate
4 may not be less than one percent or more than the array calculation
5 factor rate in rate class 40; and

6 (B) The social cost factor rate shall be a rate equal to the
7 average industry social cost factor rate as determined by the
8 commissioner, plus fifteen percent of that amount, but not more than
9 the social cost factor rate assigned to rate class 40 under (b)(ii) of
10 this subsection.

11 (ii) For contributions assessed for rate years 2008 and 2009:

12 (A) The array calculation factor rate shall be a rate equal to the
13 average industry array calculation factor rate as determined by the
14 commissioner, multiplied by the history factor, but not less than one
15 percent or more than the array calculation factor rate in rate class
16 40;

17 (B) The social cost factor rate shall be a rate equal to the
18 average industry social cost factor rate as determined by the
19 commissioner, multiplied by the history factor, but not more than the
20 social cost factor rate assigned to rate class 40 under (b)(ii) of this
21 subsection; and

22 (C) The history factor shall be based on the total amounts of
23 benefits charged and contributions paid in the three fiscal years
24 ending prior to the computation date by employers not qualified to be
25 in the array, other than employers in (c) of this subsection, who were
26 first subject to contributions in the calendar year ending three years
27 prior to the computation date. The commissioner shall calculate the
28 history ratio by dividing the total amount of benefits charged by the
29 total amount of contributions paid in this three-year period by these
30 employers. The division shall be carried to the second decimal place
31 with the remaining fraction disregarded unless it amounts to five
32 one-hundredths or more, in which case the second decimal place shall be
33 rounded to the next higher digit. The commissioner shall determine the
34 history factor according to the history ratio as follows:

35

	History	History
	Ratio	Factor
		(percent)
	At least	Less than
(I)		.95 90
(II)	.95	1.05 100
(III)	1.05	115

(2) For contributions assessed in rate year 2010 and thereafter, the contribution rate for each employer subject to contributions under RCW 50.24.010 shall be the sum of the array calculation factor rate and the graduated social cost factor rate determined under this subsection, and the solvency surcharge determined under RCW 50.29.041, if any.

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

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

(ii) Each employer in the array shall be assigned to one of forty rate classes according to his or her benefit ratio as follows, and, except as provided in RCW 50.29.026, the array calculation factor rate for each employer in the array shall be the rate specified in the rate 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	0.11
	0.001250	0.002500	3	0.22
	0.002500	0.003750	4	0.33
	0.003750	0.005000	5	0.43
	0.005000	0.006250	6	0.54
	0.006250	0.007500	7	0.65

1	0.007500	0.008750	8	0.76
2	0.008750	0.010000	9	0.88
3	0.010000	0.011250	10	1.01
4	0.011250	0.012500	11	1.14
5	0.012500	0.013750	12	1.28
6	0.013750	0.015000	13	1.41
7	0.015000	0.016250	14	1.54
8	0.016250	0.017500	15	1.67
9	0.017500	0.018750	16	1.80
10	0.018750	0.020000	17	1.94
11	0.020000	0.021250	18	2.07
12	0.021250	0.022500	19	2.20
13	0.022500	0.023750	20	2.38
14	0.023750	0.025000	21	2.50
15	0.025000	0.026250	22	2.63
16	0.026250	0.027500	23	2.75
17	0.027500	0.028750	24	2.88
18	0.028750	0.030000	25	3.00
19	0.030000	0.031250	26	3.13
20	0.031250	0.032500	27	3.25
21	0.032500	0.033750	28	3.38
22	0.033750	0.035000	29	3.50
23	0.035000	0.036250	30	3.63
24	0.036250	0.037500	31	3.75
25	0.037500	0.040000	32	4.00
26	0.040000	0.042500	33	4.25
27	0.042500	0.045000	34	4.50
28	0.045000	0.047500	35	4.75
29	0.047500	0.050000	36	5.00
30	0.050000	0.052500	37	5.15
31	0.052500	0.055000	38	5.25
32	0.055000	0.057500	39	5.30
33	0.057500		40	5.40

34 (b) The graduated social cost factor rate shall be determined as
35 follows:

36 (i)(A) Except as provided in (b)(i)(B) and (C) of this subsection,
37 the commissioner shall calculate the flat social cost factor for a rate

1 year by dividing the total social cost by the total taxable payroll.
2 The division shall be carried to the second decimal place with the
3 remaining fraction disregarded unless it amounts to five hundredths or
4 more, in which case the second decimal place shall be rounded to the
5 next higher digit. The flat social cost factor shall be expressed as
6 a percentage.

7 (B)(I) If, on the cut-off date, the balance in the unemployment
8 compensation fund is determined by the commissioner to be an amount
9 that will provide more than ten months of unemployment benefits, the
10 commissioner shall calculate the flat social cost factor for the rate
11 year immediately following the cut-off date by reducing the total
12 social cost by the dollar amount that represents the number of months
13 for which the balance in the unemployment compensation fund on the cut-
14 off date will provide benefits above ten months and dividing the result
15 by the total taxable payroll. However, the calculation under this
16 subsection (2)(b)(i)(B) for a rate year may not result in a flat social
17 cost factor that is more than four-tenths lower than the calculation
18 under (b)(i)(A) of this subsection for that rate year. For rate year
19 2011 and thereafter, the calculation may not result in a flat social
20 cost factor that is more than one and twenty-two one-hundredths
21 percent.

22 (II) If, on the cut-off date, the balance in the unemployment
23 compensation fund is determined by the commissioner to be an amount
24 that will provide ten months of unemployment benefits or less, the flat
25 social cost factor for the rate year immediately following the cut-off
26 date may not increase by more than fifty percent over the previous rate
27 year or may not exceed one and twenty-two one-hundredths percent,
28 whichever is greater.

29 (III) For the purposes of this subsection (2)(b), the commissioner
30 shall determine the number of months of unemployment benefits in the
31 unemployment compensation fund using the benefit cost rate for the
32 average of the three highest calendar benefit cost rates in the twenty
33 consecutive completed calendar years immediately preceding the cut-off
34 date or a period of consecutive calendar years immediately preceding
35 the cut-off date that includes three recessions, if longer. The
36 twenty-five dollar increase paid as part of an individual's weekly
37 benefit amount as provided in section 2 of this act shall not be

1 considered in calculating the benefit cost rate when determining the
2 number of months of unemployment benefits in the unemployment
3 compensation fund.

4 (C) The minimum flat social cost factor calculated under this
5 subsection (2)(b) shall be six-tenths of one percent, except that if
6 the balance in the unemployment compensation fund is determined by the
7 commissioner to be an amount that will provide:

8 (I) At least ten months but less than eleven months of unemployment
9 benefits, the minimum shall be five-tenths of one percent; or

10 (II) At least eleven months but less than twelve months of
11 unemployment benefits, the minimum shall be forty-five hundredths of
12 one percent; or

13 (III) At least twelve months but less than thirteen months of
14 unemployment benefits, the minimum shall be four-tenths of one percent;
15 or

16 (IV) At least thirteen months but less than fifteen months of
17 unemployment benefits, the minimum shall be thirty-five hundredths of
18 one percent; or

19 (V) At least fifteen months but less than seventeen months of
20 unemployment benefits, the minimum shall be twenty-five hundredths of
21 one percent; or

22 (VI) At least seventeen months but less than eighteen months of
23 unemployment benefits, the minimum shall be fifteen hundredths of one
24 percent; or

25 (VII) At least eighteen months of unemployment benefits, the
26 minimum shall be fifteen hundredths of one percent through rate year
27 2011 and shall be zero thereafter.

28 (ii)(A) For rate years through 2010, the graduated social cost
29 factor rate for each employer in the array is the flat social cost
30 factor multiplied by the percentage specified as follows for the rate
31 class to which the employer has been assigned in (a)(ii) of this
32 subsection, except that the sum of an employer's array calculation
33 factor rate and the graduated social cost factor rate may not exceed
34 six percent or, for employers whose North American industry
35 classification system code is within "111," "112," "1141," "115,"
36 "3114," "3117," "42448," or "49312," may not exceed five and four-
37 tenths percent:

38 ((A)) (I) Rate class 1 - 78 percent;

1 (XVIII) Rate class 18 - 108 percent;

2 (XIX) Rate class 19 - 112 percent;

3 (XX) Rate class 20 - 116 percent; and

4 (XXI) Rate classes 21 through 40 - 120 percent.

5 (iii) For the purposes of this section:

6 (A) "Total social cost" means the amount calculated by subtracting
7 the array calculation factor contributions paid by all employers with
8 respect to the four consecutive calendar quarters immediately preceding
9 the computation date and paid to the employment security department by
10 the cut-off date from the total unemployment benefits paid to claimants
11 in the same four consecutive calendar quarters. To calculate the flat
12 social cost factor for rate years 2012 and 2013, the twenty-five dollar
13 increase paid as part of an individual's weekly benefit amount as
14 provided in section 2 of this act shall not be considered for purposes
15 of calculating the total unemployment benefits paid to claimants in the
16 four consecutive calendar quarters immediately preceding the
17 computation date.

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

23 (c) For employers who do not meet the definition of "qualified
24 employer" by reason of failure to pay contributions when due:

25 (i) For rate years through 2010:

26 (A) The array calculation factor rate shall be two-tenths higher
27 than that in rate class 40, except employers who have an approved
28 agency-deferred payment contract by September 30th of the previous rate
29 year. If any employer with an approved agency-deferred payment
30 contract fails to make any one of the succeeding deferred payments or
31 fails to submit any succeeding tax report and payment in a timely
32 manner, the employer's tax rate shall immediately revert to an array
33 calculation factor rate two-tenths higher than that in rate class 40;
34 and

35 (B) The social cost factor rate shall be the social cost factor
36 rate assigned to rate class 40 under (b)(ii)(A) of this subsection.

37 (ii) For rate years 2011 and thereafter:

1 (A)(I) For an employer who does not enter into an approved agency-
2 deferred payment contract as described in (c)(ii)(A)(II) or (III) of
3 this subsection, the array calculation factor rate shall be the rate it
4 would have been if the employer had not been delinquent in payment plus
5 an additional one percent or, if the employer is delinquent in payment
6 for a second or more consecutive year, an additional two percent;

7 (II) For an employer who enters an approved agency-deferred payment
8 contract by September 30th of the previous rate year, the array
9 calculation factor rate shall be the rate it would have been if the
10 employer had not been delinquent in payment;

11 (III) For an employer who enters an approved agency-deferred
12 payment contract after September 30th of the previous rate year, but
13 within thirty days of the date the department sent its first tax rate
14 notice, the array calculation factor rate shall be the rate it would
15 have been had the employer not been delinquent in payment plus an
16 additional one-half of one percent or, if the employer is delinquent in
17 payment for a second or more consecutive year, an additional one and
18 one-half percent;

19 (IV) For an employer who enters an approved agency-deferred payment
20 contract as described in (c)(ii)(A)(II) or (III) of this subsection,
21 but who fails to make any one of the succeeding deferred payments or
22 fails to submit any succeeding tax report and payment in a timely
23 manner, the array calculation factor rate shall immediately revert to
24 the applicable array calculation factor rate under (c)(ii)(A)(I) of
25 this subsection; and

26 (B) The social cost factor rate shall be the social cost factor
27 rate assigned to rate class 40 under (b)(ii)(B) of this subsection.

28 (d) For all other employers not qualified to be in the array:

29 (i) The array calculation factor rate shall be a rate equal to the
30 average industry array calculation factor rate as determined by the
31 commissioner, multiplied by the history factor, but not less than one
32 percent or more than the array calculation factor rate in rate class
33 40;

34 (ii) The social cost factor rate shall be a rate equal to the
35 average industry social cost factor rate as determined by the
36 commissioner, multiplied by the history factor, but not more than the
37 social cost factor rate assigned to rate class 40 for the relevant year
38 under (b)(ii) (A) or (B) of this subsection; and

1 (iii) The history factor shall be based on the total amounts of
 2 benefits charged and contributions paid in the three fiscal years
 3 ending prior to the computation date by employers not qualified to be
 4 in the array, other than employers in (c) of this subsection, who were
 5 first subject to contributions in the calendar year ending three years
 6 prior to the computation date. The commissioner shall calculate the
 7 history ratio by dividing the total amount of benefits charged by the
 8 total amount of contributions paid in this three-year period by these
 9 employers. The division shall be carried to the second decimal place
 10 with the remaining fraction disregarded unless it amounts to five
 11 one-hundredths or more, in which case the second decimal place shall be
 12 rounded to the next higher digit. The commissioner shall determine the
 13 history factor according to the history ratio as follows:

14

	History		History
	Ratio		Factor
			(percent)
	At least	Less than	
15			
16			
17			
18			
19	(A)	.95	90
20	(B)	.95	100
21	(C)	1.05	115

22 (3) Assignment of employers by the commissioner to industrial
 23 classification, for purposes of this section, shall be in accordance
 24 with established classification practices found in the North American
 25 industry classification system code.

26 **PART V**
 27 **Miscellaneous**

28 NEW SECTION. **Sec. 18.** A new section is added to chapter 43.215
 29 RCW to read as follows:

30 For the working connections child care program, the department
 31 shall not count the twenty-five dollar increase paid as part of an
 32 individual's weekly benefit amount as provided in section 2 of this act
 33 when determining a consumer's income eligibility and copayment.

1 NEW SECTION. **Sec. 19.** A new section is added to chapter 70.47 RCW
2 to read as follows:

3 The administrator shall not count the twenty-five dollar increase
4 paid as part of an individual's weekly benefit amount as provided in
5 section 2 of this act when determining an individual's gross family
6 income, eligibility, and premium share.

7 NEW SECTION. **Sec. 20.** A new section is added to chapter 74.09 RCW
8 to read as follows:

9 For apple health for kids, the department shall not count the
10 twenty-five dollar increase paid as part of an individual's weekly
11 benefit amount as provided in section 2 of this act when determining
12 family income, eligibility, and payment levels.

13 NEW SECTION. **Sec. 21.** If any part of this act is found to be in
14 conflict with federal requirements that are a prescribed condition to
15 the allocation of federal funds to the state or the eligibility of
16 employers in this state for federal unemployment tax credits, the
17 conflicting part of this act is inoperative solely to the extent of the
18 conflict, and the finding or determination does not affect the
19 operation of the remainder of this act. Rules adopted under this act
20 must meet federal requirements that are a necessary condition to the
21 receipt of federal funds by the state or the granting of federal
22 unemployment tax credits to employers in this state.

23 NEW SECTION. **Sec. 22.** In determining under section 21 of this act
24 which if any part of this act is in conflict with federal requirements
25 that are a prescribed condition to the allocation of federal funds to
26 the state or the eligibility of employers in the state for federal
27 unemployment tax credits, the commissioner of the Washington state
28 employment security department shall have full and complete authority
29 and discretion to determine the extent of the conflict and to determine
30 which provisions of this act shall be inoperative and which shall
31 remain in effect in order to remedy the conflict with federal
32 requirements.

33 NEW SECTION. **Sec. 23.** If any provision of this act or its

1 application to any person or circumstance is held invalid, the
2 remainder of the act or the application of the provision to other
3 persons or circumstances is not affected.

4 NEW SECTION. **Sec. 24.** Sections 4 and 7 of this act expire July 1,
5 2012, unless the United States department of labor determines by
6 October 1, 2011, that this act does not meet the requirements of
7 section 2003 of the federal American recovery and reinvestment act of
8 2009 for unemployment insurance modernization incentive funding.

9 NEW SECTION. **Sec. 25.** Sections 8 through 16 of this act take
10 effect July 1, 2012, unless the United States department of labor
11 determines by October 1, 2011, that this act does not meet the
12 requirements of section 2003 of the federal American recovery and
13 reinvestment act of 2009 for unemployment insurance modernization
14 incentive funding.

15 NEW SECTION. **Sec. 26.** The employment security department must
16 provide notice of the expiration date of sections 4 and 7 of this act
17 and the effective date of sections 8 through 16 of this act to affected
18 parties, the chief clerk of the house of representatives, the secretary
19 of the senate, the office of the code reviser, and others as deemed
20 appropriate by the department.

21 NEW SECTION. **Sec. 27.** Sections 1 through 7 and 17 through 22 of
22 this act are necessary for the immediate preservation of the public
23 peace, health, or safety, or support of the state government and its
24 existing public institutions, and take effect immediately."

25 Correct the title.

EFFECT: (1) Findings. Adds statement expressing legislative findings that the state has an imbalance in its unemployment taxes versus its benefits, that immediate tax relief is a high priority, and that additional temporary benefits and training opportunities should be included.

(2) Temporary benefit increase. Adds \$25 to an individual's weekly benefit amount. Makes corresponding increases to the maximum amount of regular benefits payable (maximum duration), the maximum amount payable weekly, and the minimum amount payable weekly. Makes changes applicable to claims with an effective date on or after March 6, 2011, and before October 2, 2011. Specifies that, except for individuals receiving extended unemployment compensation or extended benefits, the temporary benefit increase is not added in any week after the total amount of temporary benefit increases for all weeks equals \$60 million. Specifies that weeks of emergency unemployment compensation and extended benefits are not considered in calculating the total amount. Provides that, during the two-year period consisting of FY 2012 and 2013, a total amount equal to the total amount of temporary benefit increases is requisitioned first from the Unemployment Trust Fund, if the Modernization Incentive Payment is credited to the Trust Fund. Provides for noncharging of the additional \$25, and specifies that the additional \$25 is not considered when calculating the flat social cost factor rate.

(3) Extended benefits. Same as sections 1 and 2 of House Bill 1090, which make changes to the extended benefits program for 2011, including a three-year look back period.

(4) Training benefits. Same as part I of House Bill 1091, which expands the definition of "dislocated worker," eliminates certain deadlines and requirements for dislocated workers, and modifies the funding cap for training benefits, except as follows:

(a) Makes changes to training benefits applicable beginning July 1, 2012.

(b) Requires the Employment Security Department to include the following in annual program reports: Assessments of employment outcomes; an analysis of whether training leads to employment in high-demand occupations, whether degrees or certificates are required to obtain employment, and the number of participants who take courses in basic language, reading, or writing skills; an analysis of the type of work participants were engaged in prior to unemployment, and whether they return to their previous employer within 2 years, or are employed in a field for which they were retrained; a projection of program costs for the next fiscal year; and an analysis of the total funds obligated for training benefits and the net balance remaining to be obligated.

(c) Directs the Joint Legislative Audit and Review Committee (JLARC) to review and evaluate the training benefits program in 3 years and every 5 years thereafter, as well as in any year in which the ESD suspends obligation of training benefit funds or total expenditures exceed \$25 million. Requires the JLARC: To assess whether the program complies with legislative intent, is effective, and operates in a manner which results in optimum performance; and to make recommendations on program improvements. Also requires, after a JLARC review is completed, that legislative committees hold public hearings and consider changes.

(5) Social tax. Same as part II of House Bill 1091, which establishes caps on the flat social rate and reduces the multipliers used for certain graduated social rates for rate year 2011 and thereafter, except as follows: Provides for noncharging of the temporary benefit increase, and specifies that the temporary benefit increase is not considered when calculating the flat social cost factor rate.

(6) Severability. Gives the Commissioner of the Employment Security Department authority and discretion to make determinations to

remedy any conflict with federal requirements.

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