



1 that no extended benefit period may begin by reason of an "on"  
2 indicator before the fourteenth week after the close of a prior  
3 extended benefit period which was in effect with respect to this state.

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

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

12 (b) For benefits for weeks of unemployment beginning after March 6,  
13 1993:

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

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

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

30 (i) The average rate of insured unemployment, not seasonally  
31 adjusted, equaled or exceeded one hundred twenty percent of the average  
32 of such rates for the corresponding thirteen-week period ending in all  
33 of the preceding three calendar years and equaled or exceeded five  
34 percent; or

35 (ii) The average rate of total unemployment, seasonally adjusted,  
36 as determined by the United States secretary of labor, for the period  
37 consisting of the most recent three months for which data for all

1 states are published before the close of the week equals or exceeds six  
2 and one-half percent; and

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

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

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

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

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

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

33 (ii) The average rate of total unemployment in the state,  
34 seasonally adjusted, as determined by the United States secretary of  
35 labor, for the three-month period referred to in (a) of this  
36 subsection, equals or exceeds one hundred ten percent of the average  
37 for any of the corresponding three-month periods ending in the three  
38 preceding calendar years.

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

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

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

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

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

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

22 (b) For an individual who is eligible for emergency unemployment  
23 compensation during the extended benefit period beginning February 15,  
24 2009, the period consisting of the week ending February 28, 2009,  
25 (~~through the week ending May 29, 2010~~) and applies as provided under  
26 the tax relief, unemployment insurance reauthorization, and job  
27 creation act of 2010 (P.L. 111-312) as it existed on December 17, 2010,  
28 or such subsequent date as may be provided by the department by rule,  
29 consistent with the purposes of this subsection.

30 (9) "Additional benefit eligibility period" of an individual means  
31 the period consisting of the weeks in his or her benefit year which  
32 begin in an additional benefit period that is in effect and, if his or  
33 her benefit year ends within such additional benefit period, any weeks  
34 thereafter which begin in such period.

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

37 (a) Has received, prior to such week, all of the regular benefits  
38 that were payable to him or her under this title or any other state law

1 (including dependents' allowances and regular benefits payable to  
2 federal civilian employees and ex-servicemen under 5 U.S.C. chapter 85)  
3 in his or her current benefit year that includes such week; or

4 (b) Has received, prior to such week, all of the regular benefits  
5 that were available to him or her under this title or any other state  
6 law (including dependents' allowances and regular benefits available to  
7 federal civilian employees and ex-servicemen under 5 U.S.C. chapter 85)  
8 in his or her current benefit year that includes such week, after the  
9 cancellation of some or all of his or her wage credits or the total or  
10 partial reduction of his or her rights to regular benefits: PROVIDED,  
11 That, for the purposes of (a) and (b), an individual shall be deemed to  
12 have received in his or her current benefit year all of the regular  
13 benefits that were payable to him or her, or available to him or her,  
14 as the case may be, even though:

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

20 (ii) By reason of the seasonal provisions of another state law, he  
21 or she is not entitled to regular benefits with respect to such week of  
22 unemployment (although he or she may be entitled to regular benefits  
23 with respect to future weeks of unemployment in the next season, as the  
24 case may be, in his or her current benefit year), and he or she is  
25 otherwise an exhaustee within the meaning of this section with respect  
26 to his or her right to regular benefits under such state law seasonal  
27 provisions during the season or off season in which that week of  
28 unemployment occurs; or

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

33 (c) His or her benefit year having ended prior to such week, he or  
34 she has insufficient wages or employment, or both, on the basis of  
35 which he or she could establish in any state a new benefit year that  
36 would include such week, or having established a new benefit year that  
37 includes such week, he or she is precluded from receiving regular

1 benefits by reason of the provision in RCW 50.04.030 which meets the  
2 requirement of section 3304(a)(7) of the Federal Unemployment Tax Act,  
3 or the similar provision in any other state law; and

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

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

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

16 **Sec. 2.** RCW 50.22.155 and 2009 c 3 s 4 are each amended to read as  
17 follows:

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

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

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

32 (b) For claims with an effective date on or after September 7,  
33 2009, the individual:

34 (i) Earned an average hourly wage in the individual's base year  
35 that is less than one hundred thirty percent of the state minimum  
36 wage((7)) and, after assessment, it is determined that the individual's

1 earning potential will be enhanced through vocational training. The  
2 individual's average hourly wage is calculated by dividing the total  
3 wages paid by the total hours worked in the individual's base year;

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

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

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

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

20 (b) The individual must enter the approved training program by one  
21 hundred twenty days after the date of the notification, unless the  
22 employment security department determines that the training is not  
23 available during the one hundred twenty days, in which case the  
24 individual enters training as soon as it is available;

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

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

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

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

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

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

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

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

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

11 (c) "Training benefits" means additional benefits paid under this  
12 section.

13 (d) "Training program" means:

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

18 (ii) A vocational training program at an educational institution  
19 that:

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

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

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

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

32 (8) Benefits shall be paid as follows:

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

37 (b) The weekly benefit amount shall be the same as the regular



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

3 (c) Training benefits shall be paid before any extended benefits  
4 but not before any similar federally funded program.

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

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

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

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

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

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

32 (14) Each local workforce development council, in cooperation with  
33 the employment security department and its labor market information  
34 division, must identify occupations and skill sets that are declining  
35 and high-demand occupations and skill sets. Each local workforce  
36 development council shall update this information annually or more  
37 frequently if needed.

1 (15) The commissioner shall adopt rules as necessary to implement  
2 this section.

3 **PART II**

4 **Dependent Allowances**

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

7 (~~Except as provided in RCW 50.20.1201,~~) Benefits shall be payable  
8 as provided in this section.

9 (1) For claims with an effective date on or after April 4, 2004,  
10 benefits shall be payable to any eligible individual during the  
11 individual's benefit year in a maximum amount equal to the lesser of  
12 twenty-six times the weekly benefit amount, as determined in subsection  
13 (2) of this section, or one-third of the individual's base year wages  
14 under this title plus any dependents' allowance as provided for in  
15 section 4 of this act.

16 (2) For claims with an effective date on or after April 24, 2005,  
17 an individual's weekly benefit amount shall be an amount equal to three  
18 and eighty-five one-hundredths percent of the average quarterly wages  
19 of the individual's total wages during the two quarters of the  
20 individual's base year in which such total wages were highest plus any  
21 dependents' allowance as provided for in section 4 of this act.

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

25 (a) The maximum amount payable weekly for an individual shall be  
26 either four hundred ninety-six dollars or sixty-three percent of the  
27 "average weekly wage" for the calendar year preceding such June 30th,  
28 whichever is greater, plus any dependents' allowance as provided for in  
29 section 4 of this act.

30 (b) The minimum amount payable weekly for an individual shall be  
31 fifteen percent of the "average weekly wage" for the calendar year  
32 preceding such June 30th plus any dependents' allowance as provided for  
33 in section 4 of this act.

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

1        NEW SECTION.    **Sec. 4.**    A new section is added to chapter 50.20 RCW  
2 to read as follows:

3        For claims with an effective date on and after August 19, 2012, the  
4 employment security department shall pay dependents' allowances as a  
5 portion of an individual's weekly benefit amount, as provided in RCW  
6 50.20.120.

7        (1) An eligible individual is entitled to receive fifteen dollars  
8 for each dependent. However, an individual's weekly benefit amount may  
9 not include an aggregate total dependents' allowance of more than fifty  
10 dollars.

11        (2) For the purpose of this section, "dependent" is defined as an  
12 individual who is the natural child, stepchild, or adopted child of an  
13 individual applying for benefits, or a child in the custody of an  
14 individual applying for benefits pursuant to the terms of an order and:

15        (a) Under the age of eighteen;

16        (b) Eighteen years of age or older and incapable of earning wages  
17 because of mental or physical incapacity; or

18        (c) Under twenty-four years of age and enrolled full time in an  
19 accredited secondary school, technical school, college, university, or  
20 job-training program.

21        (3) For at least ninety consecutive days, or the duration of the  
22 relationship if less than ninety days, immediately preceding the week  
23 the application for benefits is filed, the dependent must have:

24        (a) Lived with the individual applying for benefits; or

25        (b) Been reliant on the individual applying for benefits for  
26 financial support.

27        (4) When applying for an initial determination, the individual must  
28 certify the number of his or her dependents and whether the  
29 dependent(s) meet the requirements of subsection (3) of this section.  
30 The department may require individuals claiming or receiving a  
31 dependents' allowance to produce documents or other information  
32 necessary to verify the identity of dependents and show they qualify as  
33 dependents. The department must notify individuals applying for  
34 benefits that making a false statement or misrepresentation will result  
35 in disqualification for benefits pursuant to RCW 50.20.070.

36        (5) If the individual acquires any additional dependents in the  
37 course of a benefit year, the dependents' allowance shall be adjusted

1 accordingly during the next following complete calendar week. Such  
2 addition shall be subject to certification as provided in subsection  
3 (4) of this section.

4 (6) The commissioner shall periodically examine a sample of  
5 individuals claiming benefits to verify whether they are accurately  
6 reporting dependents.

7 (7) The commissioner shall adopt rules as necessary to implement  
8 this section.

9 **PART III**  
10 **Social Tax**

11 **Sec. 5.** RCW 50.29.025 and 2010 c 72 s 1 are each amended to read  
12 as follows:

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

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

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

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

	Benefit Ratio		Rate	Rate
	At least	Less than	Class	(percent)
		0.000001	1	0.00
	0.000001	0.001250	2	0.13

1	0.001250	0.002500	3	0.25
2	0.002500	0.003750	4	0.38
3	0.003750	0.005000	5	0.50
4	0.005000	0.006250	6	0.63
5	0.006250	0.007500	7	0.75
6	0.007500	0.008750	8	0.88
7	0.008750	0.010000	9	1.00
8	0.010000	0.011250	10	1.15
9	0.011250	0.012500	11	1.30
10	0.012500	0.013750	12	1.45
11	0.013750	0.015000	13	1.60
12	0.015000	0.016250	14	1.75
13	0.016250	0.017500	15	1.90
14	0.017500	0.018750	16	2.05
15	0.018750	0.020000	17	2.20
16	0.020000	0.021250	18	2.35
17	0.021250	0.022500	19	2.50
18	0.022500	0.023750	20	2.65
19	0.023750	0.025000	21	2.80
20	0.025000	0.026250	22	2.95
21	0.026250	0.027500	23	3.10
22	0.027500	0.028750	24	3.25
23	0.028750	0.030000	25	3.40
24	0.030000	0.031250	26	3.55
25	0.031250	0.032500	27	3.70
26	0.032500	0.033750	28	3.85
27	0.033750	0.035000	29	4.00
28	0.035000	0.036250	30	4.15
29	0.036250	0.037500	31	4.30
30	0.037500	0.040000	32	4.45
31	0.040000	0.042500	33	4.60
32	0.042500	0.045000	34	4.75
33	0.045000	0.047500	35	4.90
34	0.047500	0.050000	36	5.05
35	0.050000	0.052500	37	5.20
36	0.052500	0.055000	38	5.30
37	0.055000	0.057500	39	5.35

2 (b) The graduated social cost factor rate shall be determined as  
3 follows:

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

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

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

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

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

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

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

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

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

32 (iii) For the purposes of this section:

33 (A) "Total social cost" means the amount calculated by subtracting  
34 the array calculation factor contributions paid by all employers with  
35 respect to the four consecutive calendar quarters immediately preceding  
36 the computation date and paid to the employment security department by  
37 the cut-off date from the total unemployment benefits paid to claimants  
38 in the same four consecutive calendar quarters. To calculate the flat

1 social cost factor for rate year 2005, the commissioner shall calculate  
2 the total social cost using the array calculation factor contributions  
3 that would have been required to be paid by all employers in the  
4 calculation period if (a) of this subsection had been in effect for the  
5 relevant period. To calculate the flat social cost factor for rate  
6 years 2010 and 2011, the forty-five dollar increase paid as part of an  
7 individual's weekly benefit amount as provided in RCW 50.20.1201 shall  
8 not be considered for purposes of calculating the total unemployment  
9 benefits paid to claimants in the four consecutive calendar quarters  
10 immediately preceding the computation date.

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

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

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

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

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

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

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

36 (B) The social cost factor rate shall be a rate equal to the  
37 average industry social cost factor rate as determined by the



1 commissioner, plus fifteen percent of that amount, but not more than  
2 the social cost factor rate assigned to rate class 40 under (b)(ii) of  
3 this subsection.

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

5 (A) The array calculation factor rate shall be a rate equal to the  
6 average industry array calculation factor rate as determined by the  
7 commissioner, multiplied by the history factor, but not less than one  
8 percent or more than the array calculation factor rate in rate class  
9 40;

10 (B) The social cost factor rate shall be a rate equal to the  
11 average industry social cost factor rate as determined by the  
12 commissioner, multiplied by the history factor, but not more than the  
13 social cost factor rate assigned to rate class 40 under (b)(ii) of this  
14 subsection; and

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

28

	History		History
	Ratio		Factor
			(percent)
	At least	Less than	
29			
30			
31			
32			
33	(I)	.95	90
34	(II)	.95	100
35	(III)	1.05	115

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

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

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

14 (ii) Each employer in the array shall be assigned to one of forty  
15 rate classes according to his or her benefit ratio as follows, and,  
16 except as provided in RCW 50.29.026, the array calculation factor rate  
17 for each employer in the array shall be the rate specified in the rate  
18 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
0.007500	0.008750	8	0.76
0.008750	0.010000	9	0.88
0.010000	0.011250	10	1.01
0.011250	0.012500	11	1.14
0.012500	0.013750	12	1.28
0.013750	0.015000	13	1.41
0.015000	0.016250	14	1.54
0.016250	0.017500	15	1.67
0.017500	0.018750	16	1.80

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

25 (b) The graduated social cost factor rate shall be determined as  
26 follows:

27 (i)(A) Except as provided in (b)(i)(B) and (C) of this subsection,  
28 the commissioner shall calculate the flat social cost factor for a rate  
29 year by dividing the total social cost by the total taxable payroll.  
30 The division shall be carried to the second decimal place with the  
31 remaining fraction disregarded unless it amounts to five hundredths or  
32 more, in which case the second decimal place shall be rounded to the  
33 next higher digit. The flat social cost factor shall be expressed as  
34 a percentage.

35 (B)(I) If, on the cut-off date, the balance in the unemployment  
36 compensation fund is determined by the commissioner to be an amount  
37 that will provide more than ten months of unemployment benefits, the

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

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

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

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

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

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

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

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

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

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

10 (VII) At least eighteen months of unemployment benefits, the  
11 minimum shall be fifteen hundredths of one percent through rate year  
12 2011 and shall be zero thereafter.

13 (ii)(A) For rate years through 2010, the graduated social cost  
14 factor rate for each employer in the array is the flat social cost  
15 factor multiplied by the percentage specified as follows for the rate  
16 class to which the employer has been assigned in (a)(ii) of this  
17 subsection, except that the sum of an employer's array calculation  
18 factor rate and the graduated social cost factor rate may not exceed  
19 six percent or, for employers whose North American industry  
20 classification system code is within "111," "112," "1141," "115,"  
21 "3114," "3117," "42448," or "49312," may not exceed five and four-  
22 tenths percent:

23 ((+A)) (I) Rate class 1 - 78 percent;

24 ((+B)) (II) Rate class 2 - 82 percent;

25 ((+C)) (III) Rate class 3 - 86 percent;

26 ((+D)) (IV) Rate class 4 - 90 percent;

27 ((+E)) (V) Rate class 5 - 94 percent;

28 ((+F)) (VI) Rate class 6 - 98 percent;

29 ((+G)) (VII) Rate class 7 - 102 percent;

30 ((+H)) (VIII) Rate class 8 - 106 percent;

31 ((+I)) (IX) Rate class 9 - 110 percent;

32 ((+J)) (X) Rate class 10 - 114 percent;

33 ((+K)) (XI) Rate class 11 - 118 percent; and

34 ((+L)) (XII) Rate classes 12 through 40 - 120 percent.

35 (B) For rate years 2011 and thereafter, the graduated social cost  
36 factor rate for each employer in the array is the flat social cost  
37 factor multiplied by the percentage specified as follows for the rate  
38 class to which the employer has been assigned in (a)(ii) of this

1 subsection, except that the sum of an employer's array calculation  
2 factor rate and the graduated social cost factor rate may not exceed  
3 six percent or, for employers whose North American industry  
4 classification system code is within "111," "112," "1141," "115,"  
5 "3114," "3117," "42448," or "49312," may not exceed five and four-  
6 tenths percent:

7 (I) Rate class 1 - 40 percent;

8 (II) Rate class 2 - 44 percent;

9 (III) Rate class 3 - 48 percent;

10 (IV) Rate class 4 - 52 percent;

11 (V) Rate class 5 - 56 percent;

12 (VI) Rate class 6 - 60 percent;

13 (VII) Rate class 7 - 64 percent;

14 (VIII) Rate class 8 - 68 percent;

15 (IX) Rate class 9 - 72 percent;

16 (X) Rate class 10 - 76 percent;

17 (XI) Rate class 11 - 80 percent;

18 (XII) Rate class 12 - 84 percent;

19 (XIII) Rate class 13 - 88 percent;

20 (XIV) Rate class 14 - 92 percent;

21 (XV) Rate class 15 - 96 percent;

22 (XVI) Rate class 16 - 100 percent;

23 (XVII) Rate class 17 - 104 percent;

24 (XVIII) Rate class 18 - 108 percent;

25 (XIX) Rate class 19 - 112 percent;

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

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

28 (iii) For the purposes of this section:

29 (A) "Total social cost" means the amount calculated by subtracting  
30 the array calculation factor contributions paid by all employers with  
31 respect to the four consecutive calendar quarters immediately preceding  
32 the computation date and paid to the employment security department by  
33 the cut-off date from the total unemployment benefits paid to claimants  
34 in the same four consecutive calendar quarters.

35 (B) "Total taxable payroll" means the total amount of wages subject  
36 to tax, as determined under RCW 50.24.010, for all employers in the  
37 four consecutive calendar quarters immediately preceding the

1 computation date and reported to the employment security department by  
2 the cut-off date.

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

5 (i) For rate years through 2010:

6 (A) The array calculation factor rate shall be two-tenths higher  
7 than that in rate class 40, except employers who have an approved  
8 agency-deferred payment contract by September 30th of the previous rate  
9 year. If any employer with an approved agency-deferred payment  
10 contract fails to make any one of the succeeding deferred payments or  
11 fails to submit any succeeding tax report and payment in a timely  
12 manner, the employer's tax rate shall immediately revert to an array  
13 calculation factor rate two-tenths higher than that in rate class 40;  
14 and

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

17 (ii) For rate years 2011 and thereafter:

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

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

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

36 (IV) For an employer who enters an approved agency-deferred payment  
37 contract as described in (c)(ii)(A)(II) or (III) of this subsection,  
38 but who fails to make any one of the succeeding deferred payments or

1 fails to submit any succeeding tax report and payment in a timely  
2 manner, the array calculation factor rate shall immediately revert to  
3 the applicable array calculation factor rate under (c)(ii)(A)(I) of  
4 this subsection; and

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

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

8 (i) The array calculation factor rate shall be a rate equal to the  
9 average industry array calculation factor rate as determined by the  
10 commissioner, multiplied by the history factor, but not less than one  
11 percent or more than the array calculation factor rate in rate class  
12 40;

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

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

	History		History
	Ratio		Factor
			(percent)
34	At least	Less than	
35	(A)	.95	90
36	(B)	.95	100



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

6 **PART IV**  
7 **Miscellaneous**

8 NEW SECTION. **Sec. 6.** If any part of this act is found to be in  
9 conflict with federal requirements that are a prescribed condition to  
10 the allocation of federal funds to the state or the eligibility of  
11 employers in this state for federal unemployment tax credits, the  
12 conflicting part of this act is inoperative solely to the extent of the  
13 conflict, and the finding or determination does not affect the  
14 operation of the remainder of this act. Rules adopted under this act  
15 must meet federal requirements that are a necessary condition to the  
16 receipt of federal funds by the state or the granting of federal  
17 unemployment tax credits to employers in this state.

18 NEW SECTION. **Sec. 7.** If any provision of this act or its  
19 application to any person or circumstance is held invalid, the  
20 remainder of the act or the application of the provision to other  
21 persons or circumstances is not affected.

22 NEW SECTION. **Sec. 8.** Sections 1, 2, and 5 through 7 of this act  
23 are necessary for the immediate preservation of the public peace,  
24 health, or safety, or support of the state government and its existing  
25 public institutions, and take effect immediately.

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