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## Labor & Workplace Standards Committee

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### HB 1106

**Brief Description:** Concerning qualifications for unemployment insurance when an individual voluntarily leaves work.

**Sponsors:** Representatives Fosse, Reeves, Reed, Berry, Doglio, Wylie, Kloba, Santos and Ormsby.

<p><b>Brief Summary of Bill</b></p> <ul style="list-style-type: none"><li>• Expands access to unemployment insurance benefits by adding circumstances where a person may voluntarily quit for good cause.</li></ul>
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**Hearing Date:** 1/10/23

**Staff:** Kelly Leonard (786-7147).

**Background:**

General.

The unemployment insurance (UI) system, administered by the Employment Security Department (ESD), is designed to provide partial wage replacement for unemployed workers. Eligible unemployed workers receive benefits based on their earnings in their base year, which is typically the first four of the last five completed calendar quarters. A person who is seeking benefits, referred to as a "claimant," is eligible if he or she:

- worked at least 680 hours in the base year;
- voluntarily quit for good cause or was otherwise separated from employment through no fault of his or her own; and
- is available to work and is actively searching for work.

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

### Quitting for Good Cause.

A claimant may voluntarily quit and maintain eligibility for benefits only under one of 12 specifically permitted "good cause" circumstances, also referred to as "voluntary quits." This includes, for example, quitting due to illness or disability, or quitting due to safety issues that were unaddressed by the employer.

It is good cause to quit if the separation was necessary because of the illness or disability of the claimant or the death, illness, or disability of an immediate family member. Under this circumstance, the claimant must have:

- made reasonable efforts to preserve the claimant's employment status by requesting a leave of absence, by having promptly notified the employer of the reason for the absence, and by having promptly requested reemployment when again able to assume employment; and
- terminated the claimant's employment status, and is not entitled to be reinstated to the same position or a comparable or similar position.

### Suitable Work.

To be considered "available for work," a claimant must be ready, able, and willing to accept any suitable work. Suitable work is employment in an occupation in keeping with the claimant's prior work experience, education, and training. Other criteria apply if the claimant has no work experience. In determining whether work is suitable, the ESD must consider certain factors.

### Benefit Charging.

Most employers pay contributions (payroll taxes) to finance unemployment benefits. An employer's tax rate is experience rated so that the rate is determined, in part, by the benefits paid to its employees. Benefits are charged to base-year employers on a pro rata basis according to the amount of wages paid to the person by the employer in the person's base year compared to the wages paid by all employers. Some benefits, such as those paid for certain good cause quits, are charged only to the separating employer, while others are not charged to any employer. A contribution-paying employer may also request relief of certain benefit charges, including for those paid to an individual who last left the employment voluntarily for reasons not attributable to the employer.

### **Summary of Bill:**

#### Quitting for Good Cause.

Additional circumstances where a person may voluntarily quit for good cause are established.

Beginning September 3, 2023, a claimant has good cause and is not disqualified from benefits when separation from employment was necessary because of the death, illness, or disability of a family member (rather than immediate family only). Beginning July 7, 2024, a claimant has good cause and is not disqualified from benefits when separation from employment was necessary because the person was unable to access care for a child or a vulnerable adult. The eligibility criteria for accessing benefits due to a death, illness, or disability are modified, and are also applied to the circumstance involving caregiving inaccessibility. In either circumstance, the

claimant must have:

- made reasonable efforts to preserve the claimant's employment status by requesting changes in working conditions or work schedule that would accommodate the death, illness, disability, or caregiving inaccessibility, or by requesting a leave of absence, promptly notifying the employer of the reason for the absence, and promptly requesting reemployment when again able to assume employment; and
- terminated the claimant's employment status, and is not entitled to be reinstated to the same position or a comparable or similar position.

Beginning July 7, 2024, a person has good cause and is not disqualified from benefits when:

- the person has had a regularly scheduled shift or split shift start or end time for the prior 90 calendar days, and the employer, without request by the person and not based on a system of seniority, changes the regularly scheduled shift or split shift start or end time by six or more hours for that shift on a non temporary basis; or
- the person left work to relocate outside the existing labor market because of the geographical location of, proximity to, or separation from a minor child, where the person's parental rights to the minor child have not been terminated.

Benefit Charging.

Benefits paid to a person who is relocating to be near a minor child are not charged to contribution-paying employers.

**Appropriation:** None.

**Fiscal Note:** Requested on January 6, 2023.

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