

HOUSE BILL REPORT

HB 1682

As Reported by House Committee On:
Labor & Workplace Standards

Title: An act relating to part-time workers in the unemployment insurance system.

Brief Description: Concerning part-time workers in the unemployment insurance system.

Sponsors: Representatives Ortiz-Self, Berry, Simmons, Gregerson, Doglio, Reed, Scott and Pollet.

Brief History:

Committee Activity:

Labor & Workplace Standards: 2/11/25, 2/18/25 [DPS].

Brief Summary of Substitute Bill

- Expands the definition of part-time worker in the unemployment insurance system to include any worker who previously worked an average of 35 or fewer weekly hours in their base year, and allows the worker to remain eligible for benefits if the worker is available for and willing to accept a position with average hours equal to or more than their previous average hours.
- Allows a full-time worker who becomes unavailable for full-time work to remain eligible for unemployment insurance benefits based on certain factors.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 6 members: Representatives Berry, Chair; Fosse, Vice Chair; Scott, Vice Chair; Bronoske, Obras and Ortiz-Self.

Minority Report: Do not pass. Signed by 2 members: Representatives Schmidt, Ranking

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.

Minority Member; Ybarra, Assistant Ranking Minority Member.

Minority Report: Without recommendation. Signed by 1 member: Representative McEntire.

Staff: Kelly Leonard (786-7147).

Background:

The unemployment insurance (UI) system, administered by the Employment Security Department (ESD), is designed to provide partial wage replacement for unemployed workers. A worker is eligible to receive benefits if he or she: worked at least 680 hours in covered employment in his or her base year; was separated from employment through no fault of his or her own or quit work for good cause; and is available to work and is actively searching for suitable work.

To be considered available for work, the worker must be available for work for at least 40 hours during the week during the hours customary for his or her trade or occupation, and must be willing to accept suitable full-time, part-time, and temporary work during those hours. However, this requirement does not apply to part-time workers. A person is a part-time worker if he or she was employed for at least 40 weeks in the base year but did not earn wages for more than 17 hours per week in any week. A part-time worker must be available for and willing to accept work of 17 or fewer hours per week, and may otherwise refuse any job requiring 18 or more hours per week.

The amount of an eligible worker's benefits is calculated based on his or her earnings in the prior base year and then adjusted based on a statutory formula. The current maximum weekly benefit amount is \$1,079. The UI system is funded by taxes and payments made by employers. Most employers are contribution-paying employers, referred to as taxable employers. For this category, benefits are financed through employer contributions, referred to as payroll taxes. An employer's contributions are determined by multiple factors, including an experience rating based on the benefits paid to its employees. State and local governments, federally recognized tribes, and some nonprofit organizations qualify as reimbursable employers. For reimbursable employers, the employer reimburses the ESD for benefits actually paid to separated employees instead of paying payroll taxes.

Summary of Substitute Bill:

The requirements governing availability for certain hours of work are modified for unemployment insurance claims effective on or after August 3, 2025.

A person is a part-time worker if he or she was employed for at least 40 weeks in the worker's base year, and worked, on average, less than 35 hours per week. A part-time

worker must be available for and seeking work that is for a number of hours per week equal to or more than the individual's average number of weekly hours in their base year.

If a worker is not a part-time worker, he or she may not be disqualified for being unavailable for full-time work if:

- the worker has become unable to work full-time as a result of: the illness of himself, herself, or a family member; the death of a family member; the inaccessibility of care for a child or a vulnerable adult; or the need for protection against domestic violence or stalking; and
- the worker is available for and is seeking work that is for at least 20 hours per week.

Substitute Bill Compared to Original Bill:

For the provisions pertaining to part-time workers, the substitute bill:

- modifies the definition of part-time worker to mean an individual who worked, on average, less than 35 hours per week during their base year (rather than worked an average number of weekly hours that the employer considers to be less than full time); and
- provides that the worker may not be denied benefits if the worker is available for and seeks work for a number of hours per week that is equal to or more than the worker's average number of weekly hours in their base year (rather than an average number of weekly hours that is comparable to or more than the worker's average number of weekly hours in their base year).

For the provisions pertaining to full-time workers who become unable to work full time, the substitute bill:

- removes from the underlying bill the following circumstances that would qualify the worker to switch to less than full-time work: the individual's disability; and "other circumstance beyond the individual's control"; and
- provides that the worker must be available for and seek work that is for at least 20 hours per week (rather than an average number of 20 or more weekly hours).

The substitute bill adds amendatory provisions to align other requirements in the Employment Security Act with the substitute bill.

Appropriation: None.

Fiscal Note: Requested on February 6, 2025.

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

Staff Summary of Public Testimony:

(In support) Current law contains an arbitrary standard for part-time workers to qualify for unemployment insurance, requiring those workers to never have worked a single week over 17 hours in their base year. This means a worker who previously worked an average of 20 hours per week must be available for full-time work in order to be eligible for unemployment insurance benefits. No other state in the country has this type of standard. This has a disproportionate impact on parents and caretakers who work part time while managing other responsibilities, as well as disabled persons. Nearly 700,000 workers in Washington are part-time workers, most of whom are women. It is time to change this policy. The other part of the bill updates the reasons a full-time worker can switch to part-time work while maintaining eligibility. The bill updates state laws to reflect the realities of the modern workplace for working families. This is an equity and justice bill, a pro-working family bill.

(Opposed) None.

Persons Testifying: Representative Lillian Ortiz-Self, prime sponsor; Anne Paxton, Unemployment Law Project; and Christoph Mair, Washington State Labor Council, AFL-CIO.

Persons Signed In To Testify But Not Testifying: None.