
Labor & Workplace Standards Committee

HB 2264

Brief Description: Concerning unemployment insurance benefits for workers separated from employment as a result of employer-initiated layoffs or workforce reductions.

Sponsors: Representatives Berry and Scott.

Brief Summary of Bill

- Allows a person to access unemployment insurance benefits when voluntarily participating in an employer-initiated layoff or reduction in force plan so long as their termination is the result of the plan.

Hearing Date: 1/13/26

Staff: Kelly Leonard (786-7147).

Background:

The unemployment insurance (UI) system, administered by the Employment Security Department, is designed to provide partial wage replacement for unemployed workers. A worker is eligible to receive UI 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, is able to work, and is actively searching for work. Eligible workers can receive up to 26 weeks of UI benefits in a benefit year. The weekly benefit amount is calculated based on the eligible worker's earnings in the prior base year and then adjusted based on a statutory formula. The current maximum weekly benefit amount is \$1,152.

The Employment Security Department's rules provide that a worker is considered to have been separated from employment through no fault of his or her own if the worker volunteers to

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participate in an employer-initiated layoff or reduction in force plan. However, the following steps must be taken:

1. the employer must take the first action in the separation process by announcing to its employees that the employer plans to reduce its workforce through a layoff or reduction in force, and that employees can offer to be among those included in the layoff or reduction in force;
2. the worker offers to be one of the employees included in the layoff or reduction in force; and
3. the employer takes the final action in the separation process by accepting the offer, thereby ending the employment relationship.

Washington courts have found that the requirement for the employer to take the final action in the separation process applies broadly, effectively prohibiting benefits if the employer does not retain final authority to choose which volunteers it ultimately terminates or if an employee is allowed to rescind his or her offer.

Summary of Bill:

The Bill modifies the steps required for a worker to retain UI eligibility when voluntarily participating in an employer-initiated layoff or reduction in force plan by removing the requirement that the employer take "the final action" in the separation process. Instead, for claims on or after June 14, 2026, the separating employer need only terminate the person's employment as a result of the employer's layoff or reduction in force plan. The separating employer may allow an employee to rescind an offer, and allowing this option does not disqualify a person from UI benefits.

Appropriation: None.

Fiscal Note: Requested on January 9, 2026.

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