

# FINAL BILL REPORT

## HB 2264

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#### Synopsis as Enacted

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

**Sponsors:** Representatives Berry, Scott, Reed, Obras, Parshley, Thomas, Ormsby, Fosse and Pollet.

**House Committee on Labor & Workplace Standards**

**Senate Committee on Labor & Commerce**

#### **Background:**

The unemployment insurance (UI) system, administered by the Employment Security Department, provides partial wage replacement benefits to eligible unemployed workers. A worker is eligible to receive benefits if the worker: 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 may receive up to 26 weeks of benefits in a benefit year. The weekly benefit amount is calculated based on the eligible worker's earnings in the prior base year and 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 separated from employment through no fault of his or her own if the worker volunteers to participate in an employer-initiated layoff or reduction in force plan. 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

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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.*

3. the employer takes the final action in the separation process by accepting the offer, thereby ending the employment relationship.

State courts have interpreted 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:**

Requirements for a worker to retain UI eligibility when voluntarily participating in an employer-initiated layoff or reduction in force plan are modified 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 worker's employment as a result of the employer's layoff or reduction in force plan. The separating employer may allow a worker to rescind an offer, and allowing this option does not disqualify the worker from benefits.

**Votes on Final Passage:**

<b>House</b>	94	0
<b>Senate</b>	48	0

**Effective:** June 11, 2026