

HOUSE BILL REPORT

SB 6134

As Passed House:

March 4, 2026

Title: An act relating to notice to striking workers applying for unemployment insurance benefits of potential overpayment assessment upon receipt of retroactive wages.

Brief Description: Concerning notice to striking workers applying for unemployment insurance benefits of potential overpayment assessment upon receipt of retroactive wages.

Sponsors: Senator King.

Brief History:

Committee Activity:

Labor & Workplace Standards: 2/24/26, 2/25/26 [DP].

Floor Activity:

Passed House: 3/4/26, 94-0.

Brief Summary of Bill

- Requires the Employment Security Department to notify a striking worker applying for unemployment insurance benefits of the potential to receive an overpayment assessment if the worker receives retroactive wages from the employer.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: Do pass. Signed by 9 members: Representatives Berry, Chair; Fosse, Vice Chair; Scott, Vice Chair; Schmidt, Ranking Minority Member; Ybarra, Assistant Ranking Minority Member; Bronoske, McEntire, Obras and Ortiz-Self.

Staff: Kelly Leonard (786-7147).

Background:

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.

The unemployment insurance (UI) system, administered by the Employment Security Department (ESD), provides partial wage replacement benefits for unemployed workers. An individual 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, is able to work, and is actively searching for work. Generally, an eligible workers can receive up to 26 weeks of benefits in a benefit year. An eligible worker must complete a one-week waiting period before receiving benefits. 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.

Unemployment Insurance Benefits for Striking Workers.

In 2025 the state passed legislation allowing for eligible workers to receive benefits when unemployed due to a labor strike. The legislation is temporary, allowing benefits from January 1, 2026, through December 31, 2035.

Additional limits apply to benefits for eligible workers who are unemployed due to a labor strike. A worker is disqualified until the second Sunday after a strike begins, which is followed by the one-week waiting period. An eligible worker may receive only six weeks of benefits. The ESD must issue an overpayment assessment for recovery of benefits if either the worker subsequently receives retroactive wages for any week for which he or she received benefits or a final judgment finds that a strike is prohibited by state or federal law. For any overpayment assessment, the ESD must impose interest of 1 percent per month on the outstanding balance if the individual fails to repay the overpayment and fails to arrange a repayment plan.

Payroll Taxes.

Most employers are contribution-paying employers, referred to as taxable employers. For this category, benefits are paid from the UI Trust Fund, which is funded through employer contributions, referred to as payroll taxes. An employer's tax rate includes an experience-rate factor (experience rating), a social-cost factor (social tax), and under certain conditions, a solvency surcharge. In most circumstances, a person's benefits are proportionally charged to the experience rating of all his or her base year employers according to the amount of wages paid to the person by each employer in the person's base year compared to the wages paid by all employers. However, benefits paid to striking workers are charged only to the experience rating of the separating employer. The more benefits charged to the employer, the higher the employer's experience rate class and tax liability. In contrast, state and local governments, federally recognized tribes, and some nonprofit organizations are eligible to become reimbursable employers. For this category, the employer reimburses the ESD for benefits actually paid to separated employees, instead of paying payroll taxes.

Summary of Bill:

When a worker applies for benefits due to a labor strike, the ESD must notify the worker of

the potential for an overpayment assessment resulting from the receipt of retroactive wages. The ESD may provide notice through an acknowledgment box in the online application process, a letter, or another reasonable method.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) It is very common for employers to pay retroactive wages in settlements to resolve labor strikes. Since the state is allowing UI benefits for striking workers, it is important for those workers to be informed that they will have to pay back benefits if they receive retroactive wages in a settlement. The ESD does not currently provide this information, and workers may be unaware of their obligations to pay back benefits until they receive an overpayment assessment. This bill ensures that workers will know the risks. The bill helps to better protect workers, employers, and taxpayers.

(Opposed) None.

Persons Testifying: Senator Curtis King, prime sponsor; and Elizabeth New, Washington Policy Center.

Persons Signed In To Testify But Not Testifying: None.