

SENATE BILL REPORT

SB 5041

As of January 18, 2025

Title: An act relating to unemployment insurance benefits for striking or lockout workers.

Brief Description: Concerning unemployment insurance benefits for striking or lockout workers.

Sponsors: Senators Riccelli, Conway, Hasegawa, Saldaña, Salomon, Stanford, Dhingra, Nobles, Trudeau, Valdez, Bateman, Lovelett, Cleveland, Frame, Orwall, Pedersen, Slatter, Wellman and Wilson, C..

Brief History:

Committee Activity: Labor & Commerce: 1/21/25.

Brief Summary of Bill

- Allows individuals unemployed due to a labor strike to receive unemployment insurance (UI) benefits following a specified disqualification period and the waiting week, provided that the labor strike is not found to be prohibited by federal or state law in a final judgment.
- Removes the provision disqualifying an individual for UI benefits based on an employer-initiated lockout resulting from a strike against another employer in a multi-employer bargaining unit.

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Susan Jones (786-7404)

Background: Unemployment Insurance Benefits. The Employment Security Department (ESD) administers Washington State's unemployment insurance program. An unemployed individual is eligible to receive unemployment insurance benefits (UI benefits) if the

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individual:

- worked at least 680 hours in the base year;
- was separated from employment through no fault of the claimant's or quit work for a specified good cause; and
- is able and available to work and is actively searching for suitable work.

A claimant must be unemployed for a one-week waiting period before being eligible for UI benefits.

Certain benefit payments are not charged to the experience rating accounts of employers paying contributions to the UI program.

Disqualification from Unemployment Insurance Benefits During Strike or Lockout. An individual is disqualified from UI benefits when the individual's unemployment is:

- due to a strike at the factory, establishment, or other premises where the individual is or was last employed; or
- due to a lockout by the employer who is a member of a multi-employer bargaining unit and who has locked out the employees at the factory, establishment, or other premises where the individual is or was last employed after one member of the multi-employer bargaining unit has been struck by its employees as a result of the multi-employer bargaining process.

The disqualification does not apply if:

- the individual is not participating in, financing, or directly interested in the strike or lockout that caused the unemployment; and
- the individual does not belong to a grade or class of workers participating in, financing, or directly interested in the strike or lockout.

The disqualification ends when the strike or lockout is terminated.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (Proposed Substitute): The disqualification for striking workers is modified as follows:

- the disqualification for striking workers ends on the earlier of: (1) the second Sunday following the first date of the strike, provided that the strike is not found to be prohibited by federal or state law in a final judgment; or (2) the date the strike ends;
- if a final judgment finds that a strike is prohibited by state or federal law, any benefits paid must be repaid by the workers;
- if retroactive wages are paid for any weeks the individual received benefits, ESD must issue an overpayment assessment to recover the benefits;
- the regular one-week waiting period applies after the disqualification ends; and
- for contribution-paying employers, benefits paid to striking workers are charged only to the experience rating of the separating employer.

The disqualification based on a lockout of employees in a multi-employer bargaining unit is removed, thereby allowing those individuals to qualify for UI benefits.

Appropriation: None.

Fiscal Note: Requested on January 9, 2025.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on January 1, 2026.