CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 5525

Chapter 277, Laws of 2025

69th Legislature
2025 Regular Session

MASS LAYOFFS AND BUSINESS CLOSINGS—ADVANCE NOTICE

EFFECTIVE DATE: July 27, 2025

Passed by the Senate April 22, 2025
Yeas 29 Nays 19

DENNY HECK

President of the Senate

Passed by the House April 9, 2025
Yeas 59 Nays 38

LAURIE JINKINS

Speaker of the House of Representatives

Approved May 13, 2025 10:55 AM

BOB FERGUSON

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5525** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

May 14, 2025

Secretary of State
State of Washington

ENGROSSED SUBSTITUTE SENATE BILL 5525

AS AMENDED BY THE HOUSE

Passed Legislature - 2025 Regular Session

State of Washington 69th Legislature 2025 Regular Session

By Senate Labor & Commerce (originally sponsored by Senators Cleveland, Saldaña, Hasegawa, Riccelli, Dhingra, Conway, Nobles, and Valdez)

READ FIRST TIME 02/18/25.

AN ACT Relating to protecting workers facing employment loss due to businesses closing or mass layoffs; adding a new chapter to Title 49 RCW; and prescribing penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

NEW SECTION. **Sec. 1.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Affected employee" means an employee who may reasonably expect to experience an employment loss because of a proposed business closing or mass layoff by an employer.

(2) "Aggrieved employee" means an employee who has worked for the employer ordering the business closing or mass layoff and who, because of the employer's failure to comply with the requirements of this act, did not receive timely notice either directly or through the employee's representative.

(3) "Bargaining representative" means an exclusive representative of employees under the national labor relations act, 29 U.S.C. Sec. 151 et seq., or the railway labor act, 45 U.S.C. Sec. 151 et seq.

(4) "Business closing" means the permanent or temporary shutdown of a single site of employment of one or more facilities or operating

units that will result in an employment loss for 50 or more employees, excluding part-time employees.

(5) "Commissioner" means the commissioner of the employment security department.

(6) "Department" means the employment security department.

(7) "Employee" means a person employed in this state by an employer. "Employee" includes part-time employees.

(8) "Employer" means a person who employs 50 or more employees in this state, excluding part-time employees. "Employer" does not include the state or any political subdivision thereof, including any unit of local government.

(9)(a) "Employment loss" means:

(i) An employment termination, other than a discharge for cause, voluntary separation, or retirement;

(ii) A layoff exceeding six months; or

(iii) A reduction in hours of more than 50 percent of work of individual employees during each month of a six-month period.

(b) "Employment loss" does not include instances when a business closing or mass layoff is the result of the relocation or consolidation of part or all of the employer's business and, before the business closing or mass layoff, the employer offers to transfer the employee to a different site of employment within a reasonable commuting distance, as defined by the department, with no more than a six-month break in employment.

(10) "Mass layoff" means a reduction in employment force that is not the result of a business closing and results in an employment loss during any 30-day period of 50 or more employees, excluding part-time employees.

(11) "Part-time employee" means an employee who is employed for an average of fewer than 20 hours per week, or an employee who has been employed for fewer than six of the twelve months preceding the date on which notice is required. However, if an applicable collective bargaining agreement defines a part-time employee, such definition shall supersede the definition in this subsection.

(12) "Single site of employment" means a single location or a group of contiguous locations, such as a group of structures that form a campus or business park or separate facilities across the street from each other.

NEW SECTION. **Sec. 2.** (1)(a) Subject to section 3 of this act, an employer may not order a business closing or a mass layoff until the end of a 60-day period that begins after the employer, pursuant to this section, serves written notice of such action to the department and to the affected employee or, if the employee is represented by a union, to the employee's bargaining representative.

(b) An employer who has previously announced and carried out a short-term mass layoff of three months or less that is extended beyond three months due to business circumstances not reasonably foreseeable at the time of the initial mass layoff is required to give notice when it becomes reasonably foreseeable that the extension is required. A mass layoff extending beyond three months from the date the mass layoff commenced for any other reason must be treated as an employment loss from the date of commencement of the initial mass layoff.

(c) In the case of the sale of part or all of a business, the seller is responsible for providing notice of any business closing or mass layoff which will take place up to and on the effective date of the sale. The buyer is responsible for providing notice of any business closing or mass layoff that will take place thereafter.

(2) Notice from the employer to the department or affected employees or, if the employees are represented, the employees' bargaining representative must be in written form, include the elements required, as they exist on the effective date of this section, by the federal worker adjustment and retraining notification act, 29 U.S.C. Sec. 2101 et seq., and include the following:

(a) The name and address of the employment site where the business closing or mass layoff will occur, and the name and contact information of a company official to contact for further information;

(b) A statement whether the planned action is expected to be permanent or temporary and, if the entire business is to be closed, a statement to that effect. If the planned action is expected to be temporary, the statement must also include whether the planned action is expected to last longer or shorter than three months;

(c) The expected date of the first employment loss and the anticipated schedule for employment losses;

(d) The job titles of positions to be affected and the names of the employees currently holding the affected jobs. The notice to the department must also include the addresses of the affected employees; and

(e) Whether the mass layoff or business closing is the result of, or will result in, the relocation or contracting out of the employer's operations or the employees' positions.

(3) The employer must provide additional notice of the date or schedule of dates of a planned business closing or mass layoff extended beyond the date of any period announced in the original notice.

NEW SECTION. **Sec. 3.** (1) An employer is not required to comply with the notice requirements under section 2 of this act if:

(a)(i) At the time the notice would have been required, the employer was actively seeking capital or business;

(ii) The capital or business sought, if obtained, would have enabled the employer to avoid or postpone the business closing or mass layoff; and

(iii) The employer reasonably and in good faith believed that giving the notice required by section 2 of this act would have precluded the employer from obtaining the needed capital or business;

(b) The mass layoff or business closing is caused by business circumstances that were not reasonably foreseeable at the time the notice would have been required. The unforeseeable business circumstances must be caused by a sudden, dramatic, and unexpected action or condition outside of the employer's control;

(c) The mass layoff or business closing is due to a natural disaster, such as a flood, earthquake, drought, storm, tornado, or similar effects of nature; or

(d) The mass layoff occurs at:

(i) A construction project and the affected employees were hired with the understanding that their employment was limited to the duration of a particular portion of that construction project; or

(ii) A multiemployer construction project and the only affected employees are subject to a full union referral or dispatch system.

(2) If an exception under this section applies for only part of the 60-day notice window, notice is required at the time the exception no longer applies. If notice is not provided, the employer is liable for each day notice is not provided pursuant to sections 4 and 5 of this act.

(3) The department may not determine an exception under this section applies unless the employer meets the documentation and other

requirements established by the department pursuant to section 7 of this act.

NEW SECTION. **Sec. 4.** (1) An employer that orders a business closing or mass layoff without providing a notice required by section 2 of this act is liable to each aggrieved employee who suffers an employment loss because of the closing or layoff for:

(a) Back pay for each day of violation not less than the higher of:

(i) The average regular rate of compensation received by the employee during the last three years of the employee's employment; or

(ii) The employee's final rate of compensation; and

(b) The value of the cost of any benefits to which the employee would have been entitled had their employment not been lost, including the cost of any medical expenses incurred by the employee that would have been covered under an employee benefit plan.

(2) Liability under this section must be calculated for the period of the employer's violation up to a maximum of 60 days.

(3) The amount for which an employer is liable under this section must be reduced by:

(a) Any wages paid by the employer to the employee during the period of the violation;

(b) Any voluntary and unconditional payment by the employer to the employee that is not required by any legal obligation;

(c) The amount paid to the employee pursuant to the federal worker adjustment and retraining notification act, 29 U.S.C. Sec. 2101 et seq.; and

(d) Any payment by the employer to a third party or trustee, such as premiums for health benefits or payments to a defined contribution pension plan, on behalf and attributable to the employee for the period of the violation.

(4)(a) The department, an aggrieved employee, or the bargaining representative of the aggrieved employee may bring a civil action on behalf of the person, other persons similarly situated, or both, in any court of competent jurisdiction within three years of the alleged violation. The court may award reasonable attorneys' fees as part of costs to any plaintiff who prevails in a civil action brought under this chapter.

(b) If the court determines that an employer conducted a reasonable investigation in good faith and had reasonable grounds to

believe that its conduct was not a violation of this chapter, the court may reduce the amount of any penalty it would otherwise impose against the employer under this chapter.

(c) This chapter does not grant any court the authority to enjoin a mass layoff or business closing.

NEW SECTION. **Sec. 5.** (1) An employer who fails to give the notice required by section 2 of this act to the department is subject to a civil penalty of not more than $500 for each day of the employer's violation. However, the employer is not subject to a civil penalty under this section if the employer pays to all applicable employees the amounts for which the employer is liable under section 4 of this act within three weeks from the date the employer orders the mass layoff, relocation, or termination.

(2) Any civil penalty paid by the employer under the federal worker adjustment and retraining notification act, 29 U.S.C. Sec. 2101 et seq., must be considered a payment of the civil penalty under this section.

(3) All penalties recovered under this section must be paid into the state treasury and credited to the general fund.

NEW SECTION. **Sec. 6.** Except in the cases exempted under section 3(1) (b) through (d) of this act, an employer may not include an employee in an order of a mass layoff if the employee is currently on paid family or medical leave under Title 50A RCW.

NEW SECTION. **Sec. 7.** The department shall administer and enforce the provisions of this chapter and may adopt rules to carry out its purpose. Rules adopted pursuant to this section must include documentation requirements for the exceptions in section 3 of this act.

NEW SECTION. **Sec. 8.** This act may be known and cited as the securing timely notification and benefits for laid-off employees act.

NEW SECTION. **Sec. 9.** Sections 1 through 8 of this act constitute a new chapter in Title 49 RCW.

NEW SECTION. **Sec. 10.** If any provision of this act or its application to any person or circumstance is held invalid, the

remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed by the Senate April 22, 2025.
Passed by the House April 9, 2025.
Approved by the Governor May 13, 2025.
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