

1 **ESB 5920 - H AMD ADOPTED 3-4-94**

2 By Representative Heavey

3 Strike everything after the enacting clause and insert the
4 following:

5 NEW SECTION. **Sec. 1.** (1) The purpose of this act is to
6 provide for a study which will review incentives that encourage
7 workers receiving unemployment insurance benefits to seek
8 employment opportunities and return to full-time employment with
9 the result that the unemployment insurance trust fund is
10 positively affected.

11 (2)(a) The employment security department shall undertake a
12 pilot project to determine the effect of allowing unemployment
13 insurance claimants to keep a greater portion of their weekly
14 benefits when engaged in part-time or temporary employment, as
15 provided in section 2 of this act. The department shall develop
16 a plan to implement the project, including the number of
17 participants and the criteria for participation in the project.
18 The plan shall be reviewed and approved by the unemployment
19 insurance advisory committee before the pilot is implemented.

20 (b) The department shall report to the appropriate
21 committees of the legislature on the pilot project by December
22 31, 1996. The report shall include the impact on the
23 unemployment insurance trust fund and on claimants participating
24 in the project.

25
26 NEW SECTION. **Sec. 2.** For the purposes of the pilot project
27 created under section 1 of this act, the following requirements
28 for defining "unemployment" and level of unemployment insurance
29 benefit deductions is as follows:

30 (1)(a) An individual shall be deemed to be "unemployed" in
31 any week during which the individual performs no services and

1 with respect to which no remuneration is payable to the
2 individual, or in any week of less than full time work, if the
3 remuneration payable to the individual with respect to such week
4 is less than one and one-half times the individual's weekly
5 benefit amount plus fifteen dollars. The commissioner shall
6 prescribe regulations applicable to unemployed individuals making
7 such distinctions in the procedures as to such types of
8 unemployment as the commissioner deems necessary.

9 (b) An individual shall be deemed not to be "unemployed"
10 during any week which falls totally within a period during which
11 the individual, pursuant to a collective bargaining agreement or
12 individual employment contract, is employed full time in
13 accordance with a definition of full time contained in the
14 agreement or contract, and for which compensation for full time
15 work is payable. This subsection may not be applied
16 retroactively to an individual who had no guarantee of work at
17 the start of such period and subsequently is provided additional
18 work by the employer; and

19 (2) If an eligible individual is available for work for less
20 than a full week, he or she shall be paid his or her weekly
21 benefit amount reduced by one-seventh of such amount for each day
22 that he or she is unavailable for work. However, if he or she is
23 unavailable for work for three days or more of a week, he or she
24 shall be considered unavailable for the entire week.

25 Each eligible individual who is unemployed in any week shall
26 be paid with respect to such week a benefit in an amount equal to
27 his or her weekly benefit amount less sixty-six and two-thirds
28 percent of that part of the remuneration, if any, payable to him
29 or her with respect to such week which is in excess of fifteen
30 dollars. Such benefit, if not a multiple of one dollar, shall be
31 reduced to the next lower multiple of one dollar.

32

1 **Sec. 3.** RCW 50.24.014 and 1993 c 483 ú 20 are each amended
2 to read as follows:

3 (1)(a) A separate and identifiable account to provide for
4 the financing of special programs to assist the unemployed is
5 established in the administrative contingency fund.
6 Contributions to this account shall accrue and become payable by
7 each employer, except employers as described in RCW 50.44.010 and
8 50.44.030 who have properly elected to make payments in lieu of
9 contributions, taxable local government employers as described in
10 RCW 50.44.035, and those employers who are required to make
11 payments in lieu of contributions, at a basic rate of two one-
12 hundredths of one percent. The amount of wages subject to tax
13 shall be determined under RCW 50.24.010.

14 (b) For the first calendar quarter of 1994 only, (~~this~~)
15 the basic two one-hundredths of one percent contribution payable
16 under (a) of this subsection shall be increased by one-hundredth
17 of one percent to a total rate of three one-hundredths of one
18 percent. The proceeds of this incremental one-hundredth of one
19 percent shall be used solely for the purposes described in
20 section 22, chapter 483, Laws of 1993, and for the purposes
21 described in section 1 of this act. Any surplus from
22 contributions payable under this subsection (b) will be deposited
23 in the unemployment compensation trust fund.

24 (2)(a) Contributions under this section shall become due and
25 be paid by each employer under rules as the commissioner may
26 prescribe, and shall not be deducted, in whole or in part, from
27 the remuneration of individuals in the employ of the employer.
28 Any deduction in violation of this section is unlawful.

29 (b) In the payment of any contributions under this section,
30 a fractional part of a cent shall be disregarded unless it
31 amounts to one-half cent or more, in which case it shall be
32 increased to one cent.

1 (3) If the commissioner determines that federal funding has
2 been increased to provide financing for the services specified in
3 chapter 50.62 RCW, the commissioner shall direct that collection
4 of contributions under this section be terminated on the
5 following January 1st.

6
7 NEW SECTION. **Sec. 4.** The sum of four hundred thousand
8 dollars, or as much thereof as may be necessary, is appropriated
9 for the biennium ending June 30, 1995, from the unemployment
10 insurance funds collected under RCW 50.24.014(1)(b) to the
11 employment security department for the purposes of section 1 of
12 this act.

13
14 NEW SECTION. **Sec. 5.** Sections 1 and 2 of this act shall
15 expire July 1, 1997.

16
17 NEW SECTION. **Sec. 6.** If any part of this act is found to
18 be in conflict with federal requirements that are a prescribed
19 condition to the allocation of federal funds to the state or the
20 eligibility of employers in this state for federal unemployment
21 tax credits, the conflicting part of this act is hereby declared
22 to be inoperative solely to the extent of the conflict, and such
23 finding or determination shall not affect the operation of the
24 remainder of this act. The rules under this act shall meet
25 federal requirements that are a necessary condition to the
26 receipt of federal funds by the state or the granting of federal
27 unemployment tax credits to employers in this state."

EFFECT: The striking amendment changes the pilot project on
the incentives for encouraging unemployment claimants to
return to work. Instead of limiting the pilot project to
one site only, the striking amendment allows the Employment
Security Department to design a pilot project that must be
approved by the Unemployment Insurance Advisory Committee
before implementation. The pilot is funded with \$400,000,

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instead of \$200,000, from the money designated for the Joint Task Force on Unemployment Insurance.