

FINAL BILL REPORT

SB 5584

C 57 L 95

Synopsis as Enacted

Brief Description: Affecting noncharging of benefits to employers' unemployment insurance experience rating accounts.

Sponsors: Senators Newhouse, Deccio, Hale, Palmer, Franklin, Pelz, Fraser, Prentice, Prince and Winsley; by request of Joint Task Force on Unemployment Insurance.

Senate Committee on Labor, Commerce & Trade

House Committee on Commerce & Labor

Background: Currently, a business that lays off employees for certain specific reasons, primarily when the layoff was beyond its control, does not have its account directly charged for the unemployment insurance (UI) benefits paid out. These costs are pooled among existing employers. This practice is termed "noncharging."

The Joint Task Force on Unemployment Insurance recommended that noncharging be eliminated when: benefits are paid under a combined wage claim with another state; claimants are participating in certain training programs; claimants fail to successfully complete an on-the-job training program; or receive UI benefits after a period of temporary disability resulting from a workplace related injury or illness.

Summary: Benefits paid to employees of businesses under the following circumstances are now directly charged to the employer's account and may no longer be considered as nonchargeable costs: (1) UI beneficiaries participating in commissioner-approved training; (2) UI beneficiaries participating in timber retraining programs; (3) beneficiaries whom an employer paid under a combined wage claim with another state; (4) beneficiaries that do not complete an approved on-the-job training program; and (5) beneficiaries that are unemployed due to an on-the-job temporary total disability.

Votes on Final Passage:

Senate	48	0
House	96	0

Effective: April 17, 1995