

SENATE BILL REPORT

SB 5584

As Passed Senate, March 3, 1995

Title: An act relating to noncharging of benefits to employers' unemployment insurance experience rating accounts.

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.

Brief History:

Committee Activity: Labor, Commerce & Trade: 1/31/95, 2/13/95 [DP].
Passed Senate, 3/3/95, 48-0.

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: Do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Deccio, Franklin, Fraser, Hale, Newhouse and Palmer.

Staff: Patrick Woods (786-7430)

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 Legislative 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 injury or illness.

Summary of Bill: 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 who do not successfully complete an approved on-the-job training program; and (5) beneficiaries who are unemployed due to an on-the-job temporary total disability.

Appropriation: None.

Fiscal Note: Requested on January 25, 1995.

Effective Date: The bill contains an emergency clause and takes effect immediately.

Testimony For: The bill is needed to address the increasing level of noncharged benefits and tie the unemployment insurance experience rates to employers that lay off workers.

Testimony Against: None.

Testified: Jeff Johnson, WSLC, AFL/CIO.