

EHB 2901 - S AMD 876

By Senator Honeyford

NOT ADOPTED 03/13/02

1 On page 8, after line 27, insert the following:

2 "NEW SECTION. **Sec. I.** A new section is added to chapter 50.24 RCW  
3 to read as follows:

4 (1) For the purposes of this section:

5 (a) Individual benefits- means benefits paid to individuals who  
6 are not considered to have left work voluntarily without good cause  
7 under RCW 50.20.050(2).

8 (b) Individual contributions- means the money payments due to the  
9 state unemployment compensation fund as provided under this section.

10 (2) For the rate year immediately following a year in which the  
11 fund balance ratio is determined to be 1.39 or less under RCW  
12 50.29.025, individual contributions to the state unemployment  
13 compensation fund shall accrue and become payable by each employer in  
14 accordance with such rules as the commissioner may adopt.

15 (3) The commissioner shall determine the rate of individual  
16 contributions. The individual contribution rate shall be the lowest  
17 rate necessary to ensure that the total amount of individual  
18 contributions that accrue and become payable for the specified rate  
19 year equals the total amount of individual benefits paid in the  
20 completed state fiscal year immediately preceding the rate year.

21 (4) The commissioner shall determine the amount of wages subject to  
22 the individual contribution rate under RCW 50.24.010.

23 (5) An employer may deduct individual contributions, in whole or in  
24 part, from the remuneration of individuals in employment of the  
25 employer.

26 (6) In the payment of any individual contributions, a fractional  
27 part of a cent shall be disregarded unless it amounts to one-half cent  
28 or more, in which case it shall be increased to one cent.

29 (7) This section does not apply to: (a) Employers who are required  
30 to make payments in lieu of contributions; (b) employers described in  
31 RCW 50.44.010, 50.44.030, and 50.50.030 who have properly elected to

1 make payments in lieu of contributions; and (c) taxable local  
2 government employers described in RCW 50.44.035.

3 **Sec. II.** RCW 50.04.072 and 1985 ex.s. c 5 s 5 are each amended to  
4 read as follows:

5 The terms "contributions," "individual contributions," and  
6 "payments in lieu of contributions" used in this title, whether  
7 singular or plural, designate the money payments to be made to the  
8 state unemployment compensation fund, to the federal interest payment  
9 fund under RCW 50.16.070, or to the special account in the  
10 administrative contingency fund under RCW 50.24.014 and are deemed to  
11 be taxes due to the state of Washington.

12 **Sec. III.** RCW 50.16.010 and 1993 c 483 s 7 and 1993 c 226 s 10  
13 are each reenacted and amended to read as follows:

14 There shall be maintained as special funds, separate and apart  
15 from all public moneys or funds of this state an unemployment  
16 compensation fund, an administrative contingency fund, and a federal  
17 interest payment fund, which shall be administered by the commissioner  
18 exclusively for the purposes of this title, and to which RCW 43.01.050  
19 shall not be applicable.

20 The unemployment compensation fund shall consist of:

21 (1) All contributions, individual contributions, and payments in  
22 lieu of contributions collected pursuant to the provisions of this  
23 title,

24 (2) Any property or securities acquired through the use of moneys  
25 belonging to the fund,

26 (3) All earnings of such property or securities,

27 (4) Any moneys received from the federal unemployment account in  
28 the unemployment trust fund in accordance with Title XII of the social  
29 security act, as amended,

30 (5) All money recovered on official bonds for losses sustained by  
31 the fund,

32 (6) All money credited to this state's account in the unemployment  
33 trust fund pursuant to section 903 of the social security act, as  
34 amended,

35 (7) All money received from the federal government as reimbursement  
36 pursuant to section 204 of the federal-state extended compensation act  
37 of 1970 (84 Stat. 708-712; 26 U.S.C. Sec. 3304), and

1 (8) All moneys received for the fund from any other source.

2 All moneys in the unemployment compensation fund shall be  
3 commingled and undivided.

4 The administrative contingency fund shall consist of all interest  
5 on delinquent contributions collected pursuant to this title, all fines  
6 and penalties collected pursuant to the provisions of this title, all  
7 sums recovered on official bonds for losses sustained by the fund, and  
8 revenue received under RCW 50.24.014: PROVIDED, That all fees, fines,  
9 forfeitures and penalties collected or assessed by a district court  
10 because of the violation of a state law shall be remitted as provided  
11 in chapter 3.62 RCW as now exists or is later amended.

12 Moneys available in the administrative contingency fund, other than  
13 money in the special account created under RCW 50.24.014, shall be  
14 expended upon the direction of the commissioner, with the approval of  
15 the governor, whenever it appears to him or her that such expenditure  
16 is necessary for:

17 (a) The proper administration of this title and no federal funds  
18 are available for the specific purpose to which such expenditure is to  
19 be made, provided, the moneys are not substituted for appropriations  
20 from federal funds which, in the absence of such moneys, would be made  
21 available.

22 (b) The proper administration of this title for which purpose  
23 appropriations from federal funds have been requested but not yet  
24 received, provided, the administrative contingency fund will be  
25 reimbursed upon receipt of the requested federal appropriation.

26 (c) The proper administration of this title for which compliance  
27 and audit issues have been identified that establish federal claims  
28 requiring the expenditure of state resources in resolution. Claims  
29 must be resolved in the following priority: First priority is to  
30 provide services to eligible participants within the state; second  
31 priority is to provide substitute services or program support; and last  
32 priority is the direct payment of funds to the federal government.

33 Money in the special account created under RCW 50.24.014 may only  
34 be expended, after appropriation, for the purposes specified in RCW  
35 50.62.010, 50.62.020, 50.62.030, 50.04.070, 50.04.072, 50.16.010,  
36 50.29.025, 50.24.014, 50.44.053, and 50.22.010."

37 Renumber the sections consecutively and correct any internal  
38 references accordingly.

1 **EHB 2901** - S AMD  
2 By Senator Honeyford

3

4 On page 1, line 1 of the title, after "insurance;" strike the  
5 remainder of the title and insert the following:

6 amending RCW 50.16.010, 50.22.140, 50.22.150, 50.20.120, 50.24.010,  
7 50.29.020, 50.29.025, 50.29.025, 50.29.010, 50.29.062, and 50.24.014;  
8 adding a new section to chapters 50.20 and 50.24 RCW; adding new  
9 sections to chapter 50.29 RCW; creating new sections; providing an  
10 effective date; providing expiration dates; and declaring an  
11 emergency.

« END »

**EFFECT:** (1) Defines "individual benefits" as benefits that are paid to individuals who are not considered to have left work voluntarily without good cause.

(2) For any rate year in which the schedule in effect is Schedule D, E, or F, requires employers to pay "individual contributions" to the Unemployment Insurance Trust Fund, and permits employers to deduct "individual contributions" from employee wages.

(3) Directs the Commissioner of the Employment Security Department to set the rate of individual contributions at the lowest rate necessary to collect a total amount of individual contributions in that rate (calendar) year equal to the total amount of individual benefits paid in the last completed fiscal year.