

HOUSE BILL REPORT

SSB 5009

As Passed House:

April 1, 2009

Title: An act relating to benefits charged to the experience rating accounts of employers.

Brief Description: Creating a military service exemption for benefits charged to the experience rating accounts of employers.

Sponsors: Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Marr, Swecker, Hobbs, King, Sheldon, Kilmer, Ranker, Berkey, Haugen, Kauffman, Rockefeller, Hatfield, McAuliffe, Shin and Roach).

Brief History:

Committee Activity:

Commerce & Labor: 3/13/09, 3/17/09 [DP].

Floor Activity

Passed House: 4/1/09, 97-0.

Brief Summary of Substitute Bill

- Provides that employers may request non-charging of unemployment benefits paid to former employees who were hired to replace employees called to federal active military service.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 8 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Crouse, Green, Moeller and Williams.

Staff: Jill Reinmuth (786-7134)

Background:

An employer must pay contributions (payroll taxes) to finance unemployment benefits, unless the employer is exempt from coverage or reimburses the Employment Security Department for benefits paid to former employees. An employer's contribution rate is based,

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in part, on layoff experience and benefits charged to the employer's experience rating account. Other benefits are pooled within the unemployment system. These "socialized costs" include "non-charged benefits."

An employer must re-employ eligible persons following certain military service under federal and state laws. A person who vacates a position of employment for service in the armed forces or the National Guard is eligible for re-employment if he or she satisfactorily completes his or her service, serves four years or less, and applies for re-employment and returns to his or her job within specified time periods. There are several exceptions to the re-employment requirement.

Summary of Bill:

An employer may request that the employer's experience rating account not be charged for benefits paid to a former employee who was:

- hired to replace another employee who is a member of the military reserves or the National Guard and was called to federal active military service by the President; and
- laid off when the other employee is re-employed upon release from active duty within the time provided in the state law establishing re-employment rights.

The employer must request relief of charges in writing within 30 days of notice of the former employee's application for benefits.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) None.

(Neutral) The Employment Security Department (ESD) is neutral on the bill. The ESD does not anticipate any problems in implementing the bill. There are only a handful of cases like this.

(Opposed) None.

Persons Testifying: (Neutral) Art Wang, Employment Security Department.

Persons Signed In To Testify But Not Testifying: None.