
SENATE BILL 5534

State of Washington

60th Legislature

2007 Regular Session

By Senators Kohl-Welles, Clements and Keiser

Read first time 01/23/2007. Referred to Committee on Labor, Commerce, Research & Development.

1 AN ACT Relating to an exemption from unemployment compensation
2 contributions for certain small performing arts industries; and
3 amending RCW 50.04.320.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 50.04.320 and 1998 c 162 s 1 are each amended to read
6 as follows:

7 (1) For the purpose of payment of contributions, "wages" means the
8 remuneration paid by one employer during any calendar year to an
9 individual in its employment under this title or the unemployment
10 compensation law of any other state in the amount specified in RCW
11 50.24.010. If an employer (hereinafter referred to as a successor
12 employer) during any calendar year acquires substantially all the
13 operating assets of another employer (hereinafter referred to as a
14 predecessor employer) or assets used in a separate unit of a trade or
15 business of a predecessor employer, and immediately after the
16 acquisition employs in the individual's trade or business an individual
17 who immediately before the acquisition was employed in the trade or
18 business of the predecessor employer, then, for the purposes of
19 determining the amount of remuneration paid by the successor employer

1 to the individual during the calendar year which is subject to
2 contributions, any remuneration paid to the individual by the
3 predecessor employer during that calendar year and before the
4 acquisition shall be considered as having been paid by the successor
5 employer.

6 (2) For the purpose of payment of benefits, "wages" means the
7 remuneration paid by one or more employers to an individual for
8 employment under this title during his base year: PROVIDED, That at
9 the request of a claimant, wages may be calculated on the basis of
10 remuneration payable. The department shall notify each claimant that
11 wages are calculated on the basis of remuneration paid, but at the
12 claimant's request a redetermination may be performed and based on
13 remuneration payable.

14 (3) For the purpose of payment of benefits and payment of
15 contributions, the term "wages" includes tips which are received after
16 January 1, 1987, while performing services which constitute employment,
17 and which are reported to the employer for federal income tax purposes.

18 (4)(a)(i) "Remuneration" means all compensation paid for personal
19 services including commissions and bonuses and the cash value of all
20 compensation paid in any medium other than cash. The reasonable cash
21 value of compensation paid in any medium other than cash and the
22 reasonable value of gratuities shall be estimated and determined in
23 accordance with rules prescribed by the commissioner.

24 (ii) Remuneration does not include payments to members of a reserve
25 component of the armed forces of the United States, including the
26 organized militia of the state of Washington, for the performance of
27 duty for periods not exceeding seventy-two hours at a time.
28 Remuneration also does not include stipends paid to individuals
29 participating in performances sponsored by employers whose North
30 American industry classification code is within "711110," "711120,"
31 "711130," or "712110," so long as the stipends paid to an individual do
32 not exceed one hundred dollars per week and six hundred dollars per
33 year, and the employer does not employ more than three individuals on
34 a full-time basis at any time in a calendar year. The term "stipend"
35 as used in this subsection means reimbursement for expenses incurred as
36 a result of participating in performances sponsored by an employer
37 whose North American industry classification code is within "711110,"

1 "711120," "711130," or "712110." The expenses for which reimbursement
2 is appropriate include, but are not limited to, child care, mileage,
3 and meals.

4 (b) Previously accrued compensation, other than severance pay or
5 payments received pursuant to plant closure agreements, when assigned
6 to a specific period of time by virtue of a collective bargaining
7 agreement, individual employment contract, customary trade practice, or
8 request of the individual compensated, shall be considered remuneration
9 for the period to which it is assigned. Assignment clearly occurs when
10 the compensation serves to make the individual eligible for all regular
11 fringe benefits for the period to which the compensation is assigned.

12 (c) Settlements or other proceeds received by an individual as a
13 result of a negotiated settlement for termination of an individual
14 written employment contract prior to its expiration date shall be
15 considered remuneration. The proceeds shall be deemed assigned in the
16 same intervals and in the same amount for each interval as compensation
17 was allocated under the contract.

18 (d) Except as provided in (c) of this subsection, the provisions of
19 this subsection (4) pertaining to the assignment of previously accrued
20 compensation shall not apply to individuals subject to RCW 50.44.050.

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