



May 2009

## Summaries of 2009 Unemployment Insurance Laws

### State Economic Stimulus

*Weekly Benefit Amount, Training Benefits, Shared Work, Benefit Charging*

[ESHB 1906](#) temporarily increases the minimum weekly benefit amount (WBA) to \$155 and increases all benefits by another \$45 per week. Greater access to the Training Benefits (TB) Program is provided by eliminating the tenure requirement and extending deadlines. TB eligibility is expanded to those who are injured, honorably discharged military personnel, and low-income workers. Access to the Shared Work Program is expanded, so that an individual may collect up to 52 weeks of benefits and any number of employees in a business may enroll. Shared Work plans can also take effect more quickly.

#### Bill Specifics:

##### *\$45 increase to WBA*

- For the week ending May 9, 2009 and later, the WBA is increased by \$45.
- The increase ends with claims effective after January 3, 2010 and is paid for the duration of the claim.
- The maximum benefit payable is increased by \$45.
- The minimum WBA is \$155.
- If the claim is effective on or after May 3, 2009, the \$45 is payable on regular, extended, emergency, supplemental, and additional benefits.
- If the claim is effective before May 3, 2009 and:
  - There is a regular balance of UI, the \$45 is payable on regular, extended, emergency, supplemental, and additional benefits; or
  - Regular UI is exhausted, the \$45 is payable on TB only.
- The \$45 increase and the increase to the minimum weekly benefit amount are not charged to the employer's experience rating account.
- For rate years 2010 and 2011, the extra \$45 each week is not considered in calculating the total benefits paid amount used to calculate the flat social cost factor.

##### *Training Benefits*

- The TB program is not charged to employers' experience rating accounts.
- The following apply to claims effective on/after April 5, 2009:
  - The TB tenure requirement is removed;
  - The TB application must be submitted within 90 days of notification (instead of 60 days);
  - The individual must enter training by 120 days (instead of 90 days) after notification, or as soon as available;
  - The Commissioner may waive deadlines;

- Enrollment must be full-time; part-time is allowed if a physical, mental, or emotional disability precludes full-time enrollment;
- The individual must be in training for a “high demand occupation” which means an occupation with substantial current or projected employment opportunities.
- TB eligibility expands to other individuals for claims effective on or after September 7, 2009. An individual may be eligible when he/she:
  - Earns an hourly wage of less than 130% of state minimum wage and an assessment determined his or her learning potential will be enhanced;
  - Served in U.S. military in the last 12 months, was honorably discharged, and an assessment determined job-related training is needed; or
  - Has a disability and an assessment indicates an inability to work in his or her previous occupation and job-related training is needed.
- ESD must report to the Legislature by 12/1/2009 and each year thereafter on the Training Benefits Program and its outcomes.

### *Shared Work*

The following changes are effective April 5, 2009:

- The 26 week limit on weeks of Shared Work within a benefit year is removed;
- Any number of employees in a business may enroll; and
- A Shared Work Plan takes effect no more than two weeks after approved, unless the employer requests a later date.

### **Conformity**

*Tax rates, voluntary quits, Extended Benefits*

[SSB 5963](#) fixes Washington State’s “conformity” problem by calculating tax rates based on the same two quarter averaging as benefits, and reduces employer taxes to compensate for that change. The bill also provides that allowance of benefits for a voluntary quit is limited to the eleven reasons articulated in law. This change takes the law back to the requirements prior to the Spain/Batey Washington State Supreme Court decision. Further, as allowed by the federal American Recovery and Reinvestment Act of 2009, Extended Benefits (EB) will be paid to individuals who were eligible for Emergency Unemployment Compensation (EUC) during the EB period that began in February 2009.

### Bill Specifics:

#### *Conformity*

- Beginning with rate year 2010, Washington State switches to paying benefits based on using wages in the two highest base year quarters and charging benefits to employers using that same calculation, which preserves employers’ federal tax credits.

#### *Employer Contributions*

- Beginning with rate year 2010, experience-rated taxes for rate classes 2 through 39 are reduced by 0.02% to 0.55%.
- The minimum flat social cost factor schedule, based on the number of months of benefits in the Trust Fund, is changed to:
  - 0.6% if less than 10 months
  - 0.5% if 10 to 11 months

- 0.45% if 11 to 12 months
- 0.4% if 12 to 13 months
- 0.35% if 13 to 15 months
- 0.25% if 15 to 17 months
- 0.15% if 17 to 18 months
- 0.15% through rate year 2011 if 18 months or more and 0% thereafter.
- The cap on most employers' experience-rated tax and social tax is decreased from 6.5% to 6%, and the cap for certain agriculture, forestry, and fishing employers is decreased from 5.7% to 5.4%.

### *Voluntary Quits*

Effective with separations on or after September 6, 2009:

- An individual has good cause only for the reasons specified in statute.
- An individual can be allowed benefits for good cause when they "quit to follow" a spouse or domestic partner due to that spouse's or partner's employment in a different labor market.

### *EB for individuals who exhausted EUC while in an EB period*

An individual who is eligible for EUC during the current EB period beginning February 15, 2009 is eligible for EB for the week ending February 28, 2009 through the week ending May 29, 2010.

### **Underground Economy**

[SHB 1555](#) provides that in addition to expanding and extending the Joint Legislative Task Force on the Underground Economy, the department now has another collection tool available.

### Bill Specifics:

- Labor and Industries and ESD have a priority lien following the Department of Revenue on retained funds held on public works projects.
- A penalty is created for employers who fail to keep and preserve unemployment insurance records. The penalty may not exceed \$250 or 200 percent of the quarterly tax for each offense, whichever is greater.
- The Joint Legislative Task Force is extended to December 15, 2009 and the scope is expanded beyond the construction industry. Committee membership is modified to include industries and workers outside the construction industry.

### **Good Cause for a Voluntary Quit**

[SB 5804](#) provides that an individual is not disqualified from receiving benefits if he or she simultaneously worked full-time and part-time jobs, is otherwise eligible, and:

- Quit the part-time job and then lost the full-time job; and
- Did not know in advance that the full-time job was ending.

### **Benefit Charge Relief for Returning Military**

[SB 5009](#) provides benefit charge relief may be requested by an employer who lays off an employee who was hired to replace a military service member when the former employee returns from service.

**Domestic Partners**

[E2SSB 5688](#) requires that all agencies amend their rules to ensure all privileges, rights, benefits, and responsibilities granted to a spouse are granted to individuals in a state registered domestic partnership.

**Family Leave Insurance**

[SSB 6158](#) provides that Family Leave Insurance benefits will be paid starting October 1, 2012. The bill does not identify a funding source, nor does it specify which agency will administer the program.