

Section 601 requires the state Risk Manager to conduct or contract for a feasibility study on the cost and benefits of the State of Washington providing excess liability and property insurance to political subdivisions of the state. No appropriation is provided for this study and the Risk Manager currently faces the possibility of budgetary reductions. In order to conduct the study, it would require an experienced actuary and such personnel are not available on staff.

Also, local governments currently have the opportunity of establishing joint cooperative self-insurance funds under the provisions of RCW 48.62. I would encourage them to pursue the possibilities of establishing excess coverage through such a mechanism in a joint cooperative effort.

With the exception of section 601 and the reference to it in section 1903, Substitute Senate Bill No. 6048 is approved."

CHAPTER 213

[House Bill No. 654]

UNEMPLOYMENT INSURANCE—EXPERIENCE RATING REVISIONS

AN ACT Relating to unemployment insurance experience rating for employers; amending RCW 50.29.010; reenacting and amending RCW 50.29.020; creating a new section; repealing RCW 50.29.022; and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

NEW SECTION. Sec. 1. Section 1, chapter 270, Laws of 1985, section 3, chapter 111, Laws of 1986 and RCW 50.29.022 are each repealed.

Sec. 2. Section 10, chapter 2, Laws of 1970 ex. sess. as last amended by section 1, chapter 111, Laws of 1986 and RCW 50.29.010 are each amended to read as follows:

As used in this chapter:

"Computation date" means July 1st of any year;

"Cut-off date" means September 30th next following the computation date;

"Qualification date" means April 1st of the third year preceding the computation date;

"Rate year" means the calendar year immediately following the computation date;

"Payroll" means all wages (as defined for contribution purposes) paid by an employer to individuals in his employment;

"Qualified employer" means any employer who (1) reported some employment in the twelve-month period beginning with the qualification date, (2) had no period of four or more consecutive calendar quarters for which he or she reported no employment in the two calendar years immediately preceding the computation date, and (3) has submitted by the cut-off date all reports, contributions, interest, and penalties required under this title for the period preceding the computation date. Unpaid contributions, interest, and penalties may be disregarded for the purposes of this section if they constitute less than either ~~((twenty-five))~~ one hundred dollars or one-half of one percent of the employer's total tax reported for the twelve-month

period immediately preceding the computation date. Late reports, contributions, penalties, or interest from employment defined under RCW 50.04.160 may be disregarded for the purposes of this section if showing is made to the satisfaction of the commissioner that an otherwise qualified employer acted in good faith and that forfeiture of qualification for a reduced contribution rate because of such delinquency would be inequitable.

Sec. 3. Section 11, chapter 2, Laws of 1970 ex. sess. as last amended by section 1, chapter 42, Laws of 1985 and by section 2, chapter 270, Laws of 1985 and by section 1, chapter 299, Laws of 1985 and 50.29.020 are each reenacted and amended to read as follows:

(1) An experience rating account shall be established and maintained for each employer, except employers as described in RCW 50.44.010 and 50.44.030 who have properly elected to make payments in lieu of contributions, taxable local government employers as described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, based on existing records of the employment security department. Benefits paid to any eligible individuals shall be charged to the experience rating accounts of each of his employers during his base year in the same ratio that the wages paid by each employer to the individual during the base year bear to the wages paid by all employers to that individual during that base year(~~(; except as provided in RCW 50.29.022)~~).

(2) The legislature finds that certain benefit payments, in whole or in part, should not be charged to the experience rating accounts of employers except those employers described in RCW 50.44.010 and 50.44.030 who have properly elected to make payments in lieu of contributions, taxable local government employers described in RCW 50.44.035, and those employers who are required to make payments in lieu of contributions, as follows:

(a) Benefits paid to any individuals later determined to be ineligible shall not be charged to the experience rating account of any contribution paying employer.

(b) Benefits paid to an individual under the provisions of RCW 50.12.050 shall not be charged to the account of any contribution paying employer if the wage credits earned in this state by the individual during his base year are less than the minimum amount necessary to qualify the individual for unemployment benefits.

(c) Benefits paid to an individual filing under the provisions of chapter 50.06 RCW shall not be charged to the experience rating account of any contribution paying employer.

(d) Benefits paid which represent the state's share of benefits payable under chapter 50.22 RCW shall not be charged to the experience rating account of any contribution paying employer.

(e) In the case of individuals who requalify for benefits under RCW 50.20.050 or 50.20.060, benefits based on wage credits earned prior to the

disqualifying separation shall not be charged to the experience rating account of the contribution paying employer from whom that separation took place.

(f) Benefits paid to an individual as the result of a determination by the commissioner that no stoppage of work exists, pursuant to RCW 50.20-.090, shall not be charged to the experience rating account of any contribution paying employer.

(g) In the case of individuals identified under RCW 50.20.015, benefits paid with respect to a calendar quarter, which exceed the total amount of wages earned in the state of Washington in the higher of two corresponding calendar quarters included within the individual's determination period, as defined in RCW 50.20.015, shall not be charged to the experience rating account of any contribution paying employer.

(h) Beginning July 1, 1985, a contribution-paying base year employer, not otherwise eligible for relief of charges for benefits under this section, may receive such relief if:

(i) The benefit charges result from payment to an individual who last left the employ of such employer voluntarily for reasons not attributable to the employer, or was discharged for misconduct connected with his or her work; and

(ii) The employer requests relief of charges in writing within thirty days following mailing to the last known address of the notification of the initial determination of such a claim, stating the date and reason for the last leaving; and

(iii) Upon investigation of the separation, the commissioner rules that the relief should be granted.

(i) Benefits paid to an individual who does not successfully complete an approved on-the-job training program under RCW 50.12.240 shall not be charged to the experience rating account of the contribution paying employer who provided the approved on-the-job training.

NEW SECTION. Sec. 4. This act shall not be construed as affecting any existing right acquired or liability or obligation incurred under the sections amended or repealed in this act, or under any rule, regulation, or order adopted under those sections, nor as affecting any proceeding instituted thereunder.

NEW SECTION. Sec. 5. This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect immediately.

Passed the House February 25, 1987.

Passed the Senate April 15, 1987.

Approved by the Governor April 29, 1987.

Filed in Office of Secretary of State April 29, 1987.