

NEW SECTION. Sec. 15. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

NEW SECTION. Sec. 16. Sections 10 and 11 of this act shall take effect July 1, 1988.

Passed the House March 18, 1987.

Passed the Senate April 13, 1987.

Approved by the Governor April 23, 1987.

Filed in Office of Secretary of State April 23, 1987.

CHAPTER 171

[Substitute House Bill No. 656]

JOB SERVICE PROGRAM FOR THE UNEMPLOYED

AN ACT Relating to service for the unemployed; amending RCW 50.62.010, 50.62.030, 50.29.025, and 50.24.014; creating a new section; repealing section 14, chapter 5, Laws of 1985 ex. sess. (uncodified); and making an appropriation.

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

Sec. 1. Section 1, chapter 5, Laws of 1985 ex. sess. and RCW 50.62-.010 are each amended to read as follows:

The legislature finds and declares that:

(1) The number of persons unemployed in the state is significantly above the national average.

(2) Persons who are unemployed represent a skilled resource to the economy and the quality of life for all persons in the state.

(3) There are jobs available in the state that can be filled by unemployed persons.

(4) A public labor exchange can appreciably expedite the employment of unemployed job seekers and filling employer vacancies thereby contributing to the overall health of the state and national economies.

(5) The Washington state job service of the employment security department has provided a proven service of assisting persons to find employment for the past fifty years.

(6) Expediting the reemployment of unemployment insurance claimants will reduce payment of claims drawn from the state unemployment insurance trust fund.

(7) Increased emphasis on assisting in the reemployment of claimants and monitoring claimants' work search efforts will positively impact employer tax rates resulting from the recently enacted experience rating legislation, chapter 205, Laws of 1984.

(8) Special employment service efforts are necessary to adequately serve agricultural employers who have unique needs in the type of workers, recruitment efforts, and the urgency of obtaining sufficient workers.

(9) Study and research of issues related to employment and unemployment provides economic information vital to the decision-making process.

The legislature finds it necessary and in the public interest to ~~((establish))~~ have a program of job service to assist persons drawing unemployment insurance claims to find employment, to provide employment assistance to the agricultural industry, and to conduct research into issues related to employment and unemployment.

Sec. 2. Section 3, chapter 5, Laws of 1985 ex. sess. and RCW 50.62-.030 are each amended to read as follows:

Job service resources shall be used to assist with the reemployment of unemployed workers using the most efficient and effective means of service delivery. The job service program of the employment security department may undertake any program or activity for which funds are available and which furthers the goals of this chapter. These programs and activities may include, but are not limited to:

(1) Supplementing basic employment services, with special job search and claimant placement assistance designed to assist unemployment insurance claimants to obtain employment;

(2) Providing employment services, such as recruitment, screening, and referral of qualified workers, to agricultural areas where these services have in the past contributed to positive economic conditions for the agricultural industry; and

(3) Providing otherwise unobtainable information and analysis to the legislature and program managers about issues related to employment and unemployment ~~((; and~~

~~(4) To research and consider the degree to which the employment security department can contract with private employment agencies, private for-profit and not-for-profit organizations in the fields of job placement, vocational counseling, career development, career change and employment preparation on a fee for service=performance basis)).~~

Sec. 3. Section 5, chapter 205, Laws of 1984 as amended by section 7, chapter 5, Laws of 1985 ex. sess. and RCW 50.29.025 are each amended to read as follows:

~~((For the rate year 1984 and each rate year thereafter,))~~ The contribution rate for each employer shall be determined under this section.

(1) A fund balance ratio shall be determined by dividing the balance in the unemployment compensation fund as of the June 30th immediately preceding the rate year by the total remuneration paid by all employers subject to contributions during the second calendar year preceding the rate year and reported to the department by the following March 31st. The division

shall be carried to the fourth decimal place with the remaining fraction, if any, disregarded. The fund balance ratio shall be expressed as a percentage.

(2) The interval of the fund balance ratio, expressed as a percentage, shall determine which tax schedule in subsection (5) (~~(or (6))~~) of this section shall be in effect for assigning tax rates for the rate year (~~(: PROVIDED, That a uniform tax rate of 3.3 percent shall be in effect for the rate year 1984)~~). The intervals for determining the effective tax schedule shall be:

| Interval of the Fund Balance Ratio Expressed as a Percentage | Effective Tax Schedule |
|--|---------------------------|
| 3.40 and above | A |
| 2.90 to 3.39 | B |
| 2.40 to 2.89 | C |
| 1.90 to 2.39 | D |
| 1.40 to 1.89 | E |
| Less than 1.40 | F |

(3) An array shall be prepared, listing all qualified employers in ascending order of their benefit ratios. The array shall show for each qualified employer: (a) Identification number; (b) benefit ratio; (c) taxable payrolls for the four calendar quarters immediately preceding the computation date and reported to the department by the cut-off date; (d) a cumulative total of taxable payrolls consisting of the employer's taxable payroll plus the taxable payrolls of all other employers preceding him or her in the array; and (e) the percentage equivalent of the cumulative total of taxable payrolls.

(4) Each employer in the array shall be assigned to one of twenty rate classes according to the percentage intervals of cumulative taxable payrolls set forth in subsection (5) (~~(or (6))~~) of this section: PROVIDED, That if an employer's taxable payroll falls within two or more rate classes, the employer and any other employer with the same benefit ratio shall be assigned to the lowest rate class which includes any portion of the employer's taxable payroll.

(5) (~~Except as provided in subsection (6) of this section, the contribution rate for each employer in the array shall be the rate specified in the following table for the rate class to which he or she has been assigned, as determined under subsection (4) of this section, within the tax schedule which is to be in effect during the rate year:~~

| | |
|--------------------|--------------------------------------|
| — Percent of | |
| — Cumulative | — Schedule of Contribution Rates for |
| — Taxable Payrolls | — Effective Tax Schedule |
| — Rate | |

| From | To | Class | A | B | C | D | E | F |
|-------|--------|-------|-----|-----|-----|-----|-----|-----|
| 0.00 | 5.00 | 1 | 0.5 | 0.6 | 1.0 | 1.5 | 1.9 | 2.5 |
| 5.01 | 10.00 | 2 | 0.5 | 0.8 | 1.2 | 1.7 | 2.1 | 2.7 |
| 10.01 | 15.00 | 3 | 0.6 | 1.0 | 1.4 | 1.8 | 2.3 | 2.9 |
| 15.01 | 20.00 | 4 | 0.8 | 1.2 | 1.6 | 2.0 | 2.5 | 3.1 |
| 20.01 | 25.00 | 5 | 1.0 | 1.4 | 1.8 | 2.2 | 2.7 | 3.2 |
| 25.01 | 30.00 | 6 | 1.2 | 1.6 | 2.0 | 2.4 | 2.8 | 3.3 |
| 30.01 | 35.00 | 7 | 1.4 | 1.8 | 2.2 | 2.6 | 3.0 | 3.4 |
| 35.01 | 40.00 | 8 | 1.6 | 2.0 | 2.4 | 2.8 | 3.2 | 3.6 |
| 40.01 | 45.00 | 9 | 1.8 | 2.2 | 2.6 | 3.0 | 3.4 | 3.8 |
| 45.01 | 50.00 | 10 | 2.0 | 2.4 | 2.8 | 3.2 | 3.6 | 4.0 |
| 50.01 | 55.00 | 11 | 2.3 | 2.6 | 3.0 | 3.4 | 3.8 | 4.1 |
| 55.01 | 60.00 | 12 | 2.5 | 2.8 | 3.2 | 3.6 | 4.0 | 4.3 |
| 60.01 | 65.00 | 13 | 2.7 | 3.0 | 3.4 | 3.8 | 4.2 | 4.5 |
| 65.01 | 70.00 | 14 | 2.9 | 3.2 | 3.6 | 4.0 | 4.4 | 4.7 |
| 70.01 | 75.00 | 15 | 3.1 | 3.4 | 3.8 | 4.2 | 4.6 | 4.8 |
| 75.01 | 80.00 | 16 | 3.3 | 3.6 | 4.0 | 4.4 | 4.7 | 4.9 |
| 80.01 | 85.00 | 17 | 3.5 | 3.8 | 4.2 | 4.6 | 4.9 | 5.0 |
| 85.01 | 90.00 | 18 | 3.9 | 4.2 | 4.6 | 4.9 | 5.0 | 5.2 |
| 90.01 | 95.00 | 19 | 4.3 | 4.6 | 5.0 | 5.1 | 5.2 | 5.4 |
| 95.01 | 100.00 | 20 | 5.4 | 5.4 | 5.4 | 5.4 | 5.4 | 5.4 |

(6) For rate years 1986 and 1987,)) The contribution rate for each employer in the array shall be the rate specified in the following table for the rate class to which he or she has been assigned, as determined under subsection (4) of this section, within the tax schedule which is to be in effect during the rate year:

| Percent of Cumulative Taxable Payrolls | | | Schedule of Contribution Rates for Effective Tax Schedule | | | | | |
|--|-------|------------|---|------|------|------|------|------|
| From | To | Rate Class | A | B | C | D | E | F |
| 0.00 | 5.00 | 1 | 0.48 | 0.58 | 0.98 | 1.48 | 1.88 | 2.48 |
| 5.01 | 10.00 | 2 | 0.48 | 0.78 | 1.18 | 1.68 | 2.08 | 2.68 |
| 10.01 | 15.00 | 3 | 0.58 | 0.98 | 1.38 | 1.78 | 2.28 | 2.88 |
| 15.01 | 20.00 | 4 | 0.78 | 1.18 | 1.58 | 1.98 | 2.48 | 3.08 |
| 20.01 | 25.00 | 5 | 0.98 | 1.38 | 1.78 | 2.18 | 2.68 | 3.18 |
| 25.01 | 30.00 | 6 | 1.18 | 1.58 | 1.98 | 2.38 | 2.78 | 3.28 |
| 30.01 | 35.00 | 7 | 1.38 | 1.78 | 2.18 | 2.58 | 2.98 | 3.38 |
| 35.01 | 40.00 | 8 | 1.58 | 1.98 | 2.38 | 2.78 | 3.18 | 3.58 |
| 40.01 | 45.00 | 9 | 1.78 | 2.18 | 2.58 | 2.98 | 3.38 | 3.78 |
| 45.01 | 50.00 | 10 | 1.98 | 2.38 | 2.78 | 3.18 | 3.58 | 3.98 |

| | | | | | | | | |
|-------|--------|----|------|------|------|------|------|------|
| 50.01 | 55.00 | 11 | 2.28 | 2.58 | 2.98 | 3.38 | 3.78 | 4.08 |
| 55.01 | 60.00 | 12 | 2.48 | 2.78 | 3.18 | 3.58 | 3.98 | 4.28 |
| 60.01 | 65.00 | 13 | 2.68 | 2.98 | 3.38 | 3.78 | 4.18 | 4.48 |
| 65.01 | 70.00 | 14 | 2.88 | 3.18 | 3.58 | 3.98 | 4.38 | 4.68 |
| 70.01 | 75.00 | 15 | 3.08 | 3.38 | 3.78 | 4.18 | 4.58 | 4.78 |
| 75.01 | 80.00 | 16 | 3.28 | 3.58 | 3.98 | 4.38 | 4.68 | 4.88 |
| 80.01 | 85.00 | 17 | 3.48 | 3.78 | 4.18 | 4.58 | 4.88 | 4.98 |
| 85.01 | 90.00 | 18 | 3.88 | 4.18 | 4.58 | 4.88 | 4.98 | 5.18 |
| 90.01 | 95.00 | 19 | 4.28 | 4.58 | 4.98 | 5.08 | 5.18 | 5.38 |
| 95.01 | 100.00 | 20 | 5.40 | 5.40 | 5.40 | 5.40 | 5.40 | 5.40 |

~~((7))~~ (6) The contribution rate for each employer not qualified to be in the array shall be a rate equal to the average industry tax rate as determined by the commissioner; however, the rate may not be less than one percent: PROVIDED, That employers who do not meet the definition of "qualified employer" by reason of failure to pay contributions when due shall be assigned the contribution rate of five and four-tenths percent. Assignment of employers by the commissioner to industrial classification, for purposes of this subsection, shall be in accordance with established classification practices found in the "Standard Industrial Classification Manual" issued by the federal office of management and budget to the third digit provided in the Standard Industrial Classification code.

Sec. 4. Section 8, chapter 5, Laws of 1985 ex. sess. and RCW 50.24-.014 are each amended to read as follows:

A separate and identifiable account to provide for the financing of special programs to assist the unemployed is established in the administrative contingency fund. Contributions to this account shall accrue and become payable by 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, at the rate of two one-hundredths of one percent. The amount of wages subject to tax shall be determined under RCW 50.24.010.

Contributions under this section shall become due and be paid by each employer under rules as the commissioner may prescribe, and shall not be deducted, in whole or in part, from the remuneration of individuals in the employ of the employer. Any deduction in violation of this section is unlawful.

In the payment of any contributions under this section, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent.

If the commissioner determines that federal funding has been increased to provide financing for the services specified in ~~((this act))~~ chapter 50.62

RCW, the commissioner shall direct that collection of contributions under this section be terminated on the following January 1st.

~~((Contributions under this section shall be payable only for calendar years 1986 and 1987.))~~

NEW SECTION. Sec. 5. Section 14, chapter 5, Laws of 1985 ex. sess. (uncodified) is repealed.

NEW SECTION. Sec. 6. The sum of six million three hundred fifty thousand dollars, or so much thereof as may be necessary, is appropriated from the special account of the administrative contingency fund of the employment security department to the employment security department to support the job service program under chapter 50.62 RCW for the biennium ending June 30, 1989. However, if federal funding is increased to provide for the financing of the services specified in this act, this appropriation shall be reduced by the amount that federal funding is increased specifically for such services. This portion of the state appropriation shall be deposited in the unemployment compensation fund.

NEW SECTION. Sec. 7. If any part of this act is found to be in conflict with federal requirements which are a prescribed condition to the allocation of federal funds to the state or the eligibility of employers in this state for federal unemployment tax credits, the conflicting part of this act is hereby declared to be inoperative solely to the extent of the conflict, and such finding or determination shall not affect the operation of the remainder of this act. The rules under this act shall meet federal requirements which are a necessary condition to the receipt of federal funds by the state or the granting of federal unemployment tax credits to employers in this state.

NEW SECTION. Sec. 8. If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected.

Passed the House March 12, 1987.

Passed the Senate April 13, 1987.

Approved by the Governor April 23, 1987.

Filed in Office of Secretary of State April 23, 1987.

CHAPTER 172

[Engrossed Substitute House Bill No. 465]

WAGE CLAIMS—LABOR AND INDUSTRIES DEPARTMENT AUTHORITY REVISED

AN ACT Relating to collection of wages; amending RCW 49.48.040; and prescribing penalties.

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