

SENATE BILL REPORT

SB 5771

As Passed Senate, March 10, 1995

Title: An act relating to third party employers.

Brief Description: Establishing unemployment insurance liability for third party employers.

Sponsors: Senators Pelz, Newhouse and Deccio; by request of Employment Security Department.

Brief History:

Committee Activity: Labor, Commerce & Trade: 2/16/95, 2/20/95 [DP].
Passed Senate, 3/10/95, 44-0.

SENATE COMMITTEE ON LABOR, COMMERCE & TRADE

Majority Report: Do pass.

Signed by Senators Pelz, Chair; Heavey, Vice Chair; Deccio, Franklin, Fraser, Hale, Newhouse, Palmer and Wojahn.

Staff: Patrick Woods (786-7430)

Background: For unemployment insurance (UI) purposes, some businesses are not liable for UI benefits if the workers were hired through temporary help agencies, employee leasing firms, or employee referral firms.

The department has frequently encountered instances where each business entity claims not to be the employer. The department requests that legislation be passed designating the entity that supplies the employees as the employer for unemployment insurance purposes.

Summary of Bill: For unemployment insurance purposes, the business entity supplying employees to another firm is considered the employer. This includes temporary help agencies, employee leasing firms and employee referral agencies.

Appropriation: None.

Fiscal Note: Requested on February 10, 1995.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The bill will clarify which employer is liable for unemployment benefits paid to laid-off workers.

Testimony Against: None.

Testified: Dale Ziegler, ESD.

