

SENATE BILL REPORT

SB 5551

As of January 27, 1999

Title: An act relating to conforming unemployment compensation statutes with federal law.

Brief Description: Conforming unemployment compensation statutes with federal law.

Sponsors: Senator Fairley; by request of Employment Security Department.

Brief History:

Committee Activity: Labor & Workforce Development: .

SENATE COMMITTEE ON LABOR & WORKFORCE DEVELOPMENT

Staff: David Pringle (786-7448)

Background: State unemployment insurance laws are required to conform with federal laws. Interpretation of state laws must be in substantial compliance with the federal law and application must result in identical outcomes or penalties for nonconformity may be imposed. These penalties can include loss of employer federal tax credits and state administrative funding. Three issues of conforming state unemployment compensation law to federal standards have arisen.

The federal Personal Responsibility and Work Opportunity Act of 1996 requires state food stamp agencies to collect any over-issuance of food stamps by withholding unemployment compensation payable to a member of the household. Washington law allows only child support obligations to be deducted from unemployment compensation benefits before they are received.

Recent federal law conditions a certain distribution of excess funds for employment security administration on the Secretary of Labor's determination that a state will use the funds only to pay expenses incurred for the administration of unemployment security law.

In 1995 the Washington State Court of Appeals reinterpreted the method of determining eligibility for unemployment compensation for some part-time teachers between academic years. The United States Department of Labor found this interpretation out of conformity with the requirements of the Federal Unemployment Tax Act (FUTA).

Summary of Bill: An individual filing a new claim for unemployment compensation must disclose any over-issuance of food stamp coupons. An exception is added to the prohibition on levy or attachment of unemployment benefits for recovery of food stamp over-issuance.

Money credited to the state from excess amounts in employment security accounts during the years of 1999, 2000, and 2001 must be used solely for administration of the unemployment compensation program and not subject to appropriation for any other purpose.

It is clarified that teachers are not eligible for unemployment compensation during vacation periods if they have a reasonable assurance of returning to teach for any educational institution immediately following the holiday.

Appropriation: None.

Fiscal Note: Not requested.

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