

Introduction to Unemployment Insurance and Paid Family & Medical Leave



**Employment
Security
Department**
WASHINGTON STATE

Cami Feek, Commissioner

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Employment Security at a glance



Cami Feek

Employment Security Commissioner

Employment Security at a glance



UNEMPLOYMENT INSURANCE



PAID FAMILY AND MEDICAL LEAVE



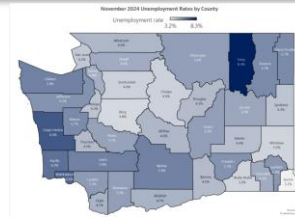
WA CARES



WORKSOURCE PARTNER



LABOR MARKET INFORMATION



WIOA



Overview of Washington State Unemployment Insurance Program



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Josh Dye, Interim Government Relations Director

What is Unemployment Insurance?



PHILOSOPHY

Fundamentally, UI is an insurance program

Just like your car insurance, the more you use it the more expensive it becomes

Job loss impacts more than just the individual and their family

HISTORY

UI began in the United States with the Social Security Act of 1935

Washington implemented our UI program in 1938



STRUCTURE

UI is a federal-state partnership

The federal government sets broad guidelines and provides funding through the Federal Unemployment Tax Act (FUTA)

ESD collects taxes from employers and deposits them into the UI Trust Fund

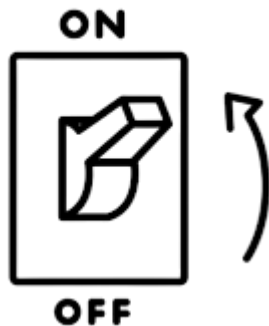
Eligibility Criteria



MONETARY

For monetary eligibility

680 hours*



*Must be in covered employment

NON-MONETARY

Non-monetary factors include:

- Being 'able and available'
- Job search efforts
- Legal authorization to work
- Reason for job separation*

*You must have lost your job through no fault of your own, such as being laid off, quitting with a statutorily defined 'good cause,' or being terminated for reasons other than misconduct

BASE YEAR

The base year for an employee determines:

- Hours toward eligibility
- Weekly benefit amount based on earnings during the time period
- Which employers are potentially charged for paid benefits

Eligibility Criteria: Base Year



If a claimant files an unemployment claim on January 17, 2025

	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025 (Jan 17, 2025)
Regular Base Year	X	X	X	X		
Alternate Base Year		X	X	X	X	

Benefits



APPLYING

Required once for a claim:

- File an initial application
- Be unemployed through no fault of their own*
- Actively look for work
- Able and available for work

Required weekly for a claim:

- Be unemployed
- File a weekly claim
- Actively seek suitable work
- Be able and available for suitable work

BENEFIT AMOUNT

Weekly Benefit

- Minimum: **\$342***
(~\$35.5k per year or less)
- Maximum: **\$1,079**
(~112k per year or more)

Total Benefit is the lower of:

- 26 x the WBA, or
- 1/3 of total base year wages

*A claimant may not receive a higher WBA than their average weekly earnings during the base year

WEEKLY BENEFIT AMOUNT

Weekly Benefit Amount calculation:

- Average the two highest earning quarters in the base year
- Multiply the average by .0385 (3.85%)
- Round down to the nearest whole dollar amount
- If it is lower than the minimum, the claimant will receive the lesser between the minimum and their average weekly wage
- If it is higher than the max the claimant receives \$1,079

Employer Contributions and Tax Rates



REPORTING

Reports are due quarterly

- Q1 due April 30
- Q2 due July 31
- Q3 due October 31
- Q4 due January 31

Reports include, for each employee:

- Name & Social Security No.
- Gross amount paid
- Hours worked in quarter
- SOC Code or job title

EMPLOYER TYPE

Taxable

- Assigned an annual tax rate based on experience rating
- Assigned a portion of the social tax based on experience rating

Reimbursable

- Dollar for dollar repayment
- Eligible employer types include:
 - Some nonprofit organizations
 - Government entities
 - Federally recognized Tribes

EXPERIENCE RATING

Calculated over a rolling four-year cycle

Employer is assigned a Rate Class to determine tax rate (between 1 -40)

Formula:
$$\frac{\text{Benefits Charges}}{\text{Taxable Wages}}$$

Benefits are proportionately charged to all employers in the claimant's base year*.

*Some benefits are 100% charged to the separating employer

State Unemployment Taxes



SOCIAL COST

Some benefits are not charged to the employer

The social tax is determined by the months of benefits available in the Trust Fund, up to 0.6%

An employer's social tax rate is determined by their Rate Class

Each Rate Class pays a certain percentage of the social tax rate

OTHER ACCOUNTS

Employment Services Administration Account

- Commonly referred to as CPP
- Surcharge on employers to support employees getting back to work
- Provides additional administrative funding

Administrative Contingency Account

- Commonly referred to as P&I
- Penalties and interest collected from employers

FUNDING GAP

More than half of the funding our agency receives is federal, but that funding has declined in real terms over many years as costs have risen.

We bridge this gap utilizing state funding sources, but the gap continues to widen.

Paid Family and Medical Leave Program Overview



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Paid Leave history



Oct. 19, 2017
Paid Leave law
became effective.

July 1, 2019
Employers began
reporting and
remitting premiums
to ESD quarterly.

Jan. 1, 2019
Employers began
withholding
premiums from
employees.

Jan. 1, 2020
Workers began
applying for
benefits.

Paid Family & Medical Leave



HOW IT WORKS

Paid Family & Medical Leave provides workers paid time off to care for themselves or a family member.

Workers become eligible when they've worked enough hours in their qualifying period and experience a qualifying event.

FUNDING

The program is funded through premiums paid by employers and workers.

Premium rates are adjusted annually on January 1.

Employer responsibilities



Collect premiums

Premium split between employer and employee



Report & pay

Report employee hours and wages and remit premiums to ESD quarterly



Notify employees

1. Display workplace poster
2. Give notice of rights

Two-part benefit eligibility



HOURS WORKED

- 820 hours in the qualifying period.
- Qualifying period mimics UI base year.
- At one employer or cumulatively.

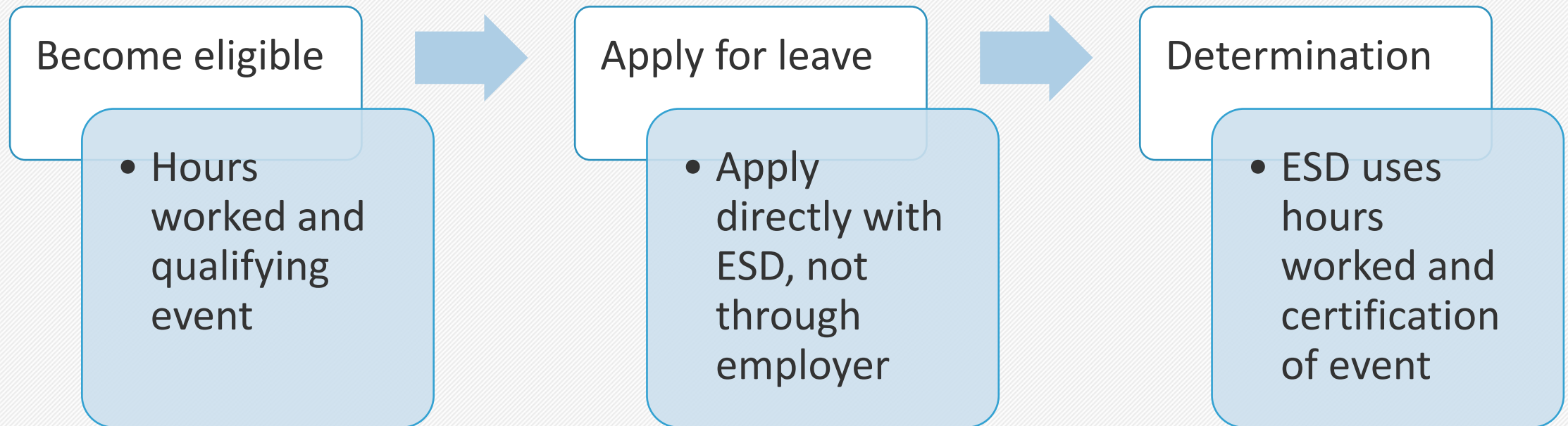


QUALIFYING EVENT

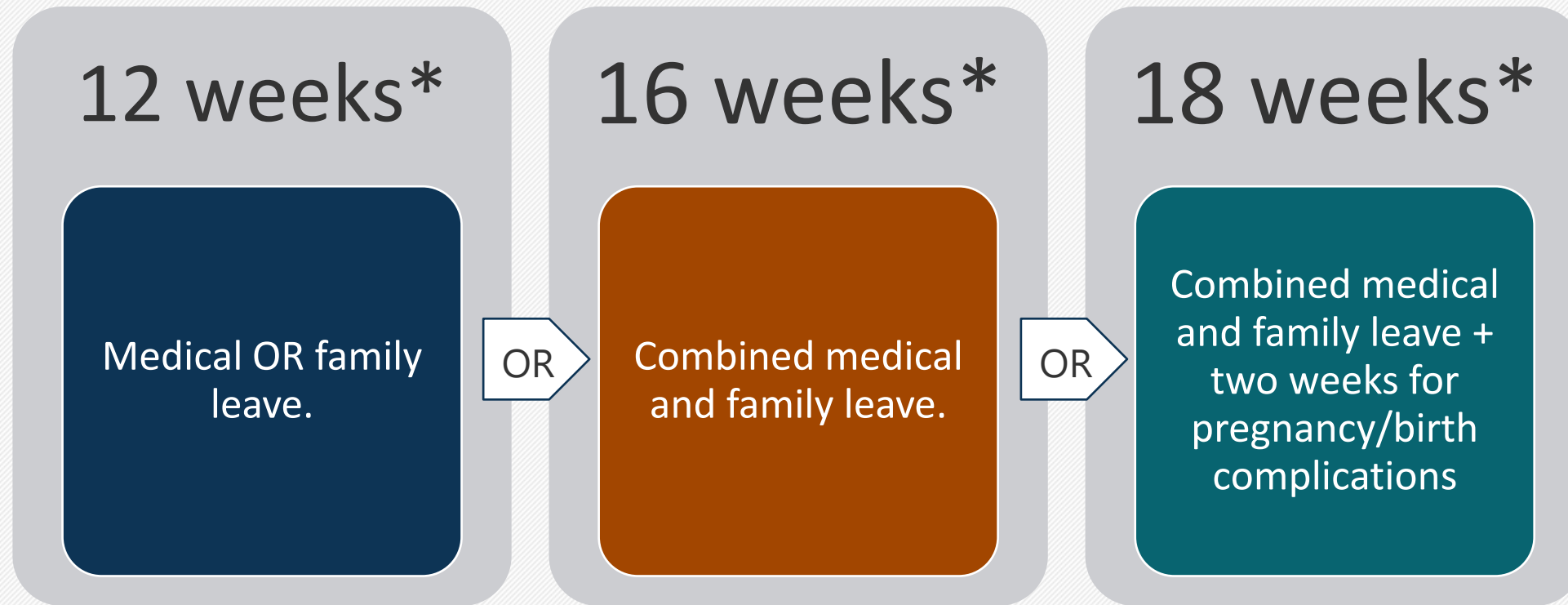
- Serious health condition (your own or a family member's).
- Birth or placement.
- Military events.



Application process



How much time can someone take?



*Weeks = typical workweeks

How much do people get paid?



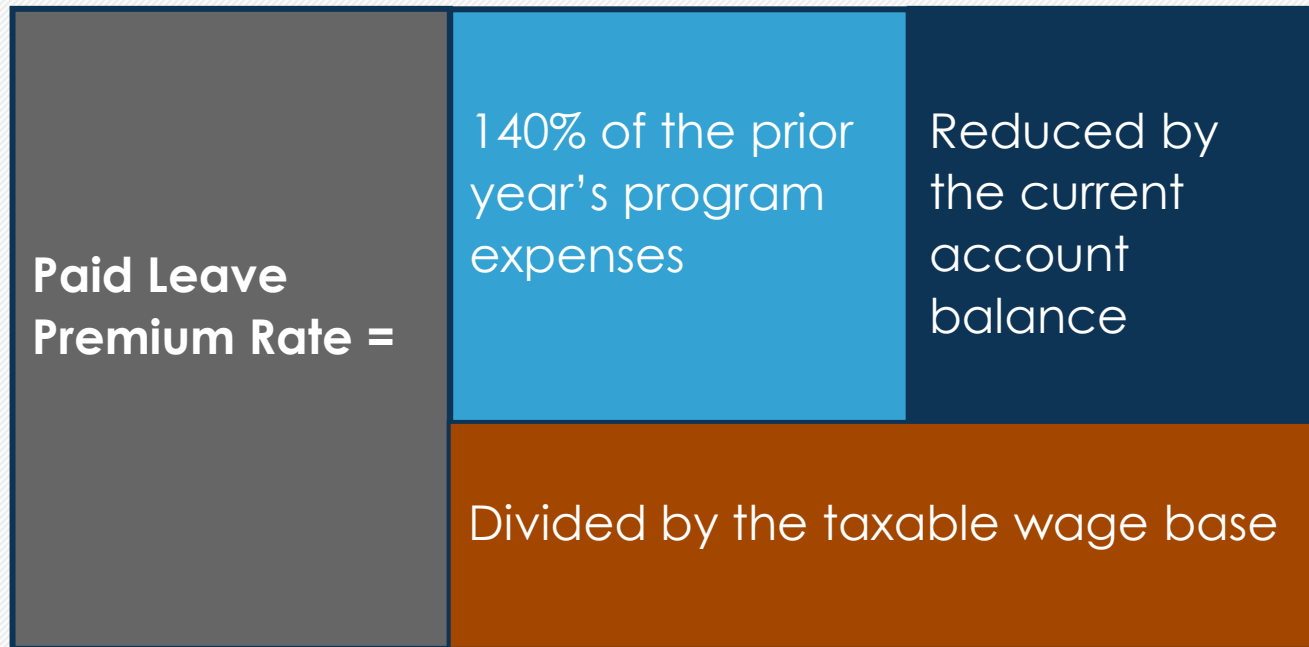
- Portion of your average weekly wages.
 - Minimum of \$100
 - Maximum of \$1542*
- Estimate benefits online at paidleave.wa.gov/estimate-your-weekly-pay/.
- Submit weekly claims to get paid.



Weekly wage	Weekly benefit payment
\$500	\$450
\$750	\$675
\$1000	\$842
\$1500	\$1092
\$2399 +	\$1542*

* Maximum weekly benefit amount as of Jan. 1, 2025

Paid Leave Premium Rate

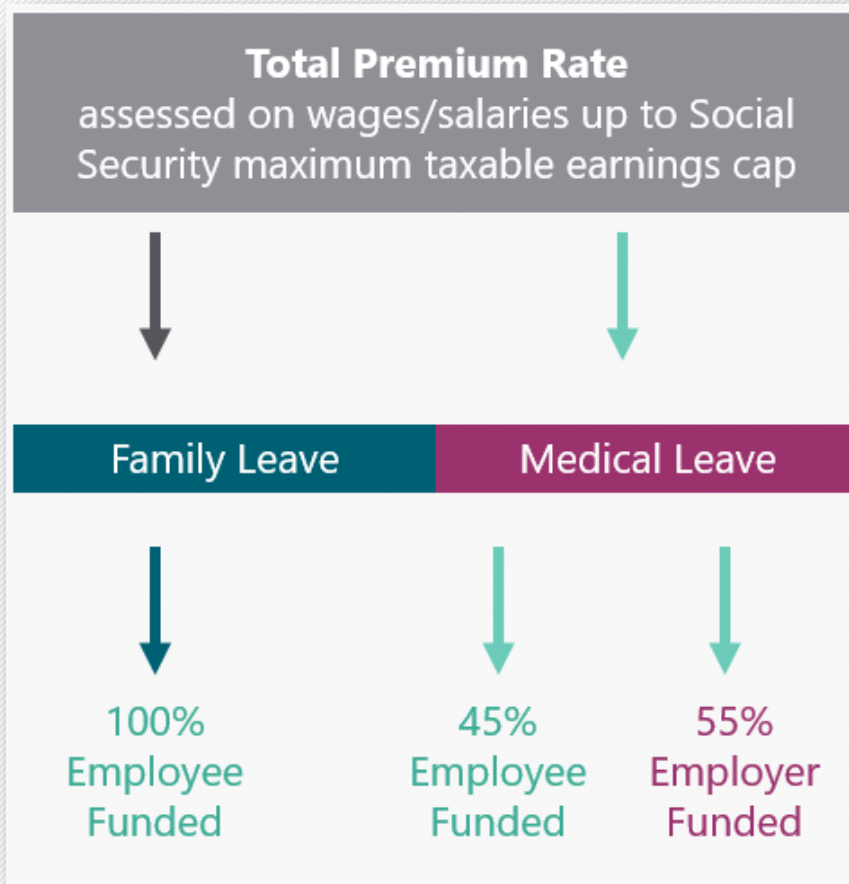


$$\frac{140\% (\textit{benefits paid} + \textit{admin costs}) - \textit{Sept 30 account balance}}{\textit{taxable wages}}$$

Rate overview



- Family/medical split depends on **proportion of family or medical claims paid in prior fiscal year**
 - Claims paid = leave claims with at least one payment in the prior fiscal year
- Family/medical split is recalculated every year alongside the premium rate
- Employee/employer funding proportions stays the same



Thank you.

Happy to take any questions.



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