

## INTRODUCTION

Pursuant to RCW 34.05.328, the Employment Security Department (Department) hereby analyzes the costs and benefits of adopting the proposed rules modifying rules for backdating standby claims under WAC 192-110-015. Standby, as defined in WAC 192-110-015, means a claimant is temporarily unemployed because of a lack of work but expects to return to work with their regular employer within four weeks; expects to begin full-time work with a new employer within two weeks; or is temporarily unemployed due to natural disaster.

These rules are being adopted to address circumstances when claimants should be allowed to backdate applications for standby after employers confirm an expected return-to-work date. As currently written, the rule does not allow for standby claims to be backdated.

## COSTS

Allowing employees to backdate standby does not expand benefits for claimants. There is no projected increase in costs to employers or claimants.

Information technology costs are estimated at \$64,000 for development of system updates to the Unemployment Tax and Benefits System (UTAB), testing, and quality assurance. Operational costs are estimated at \$60,000 for training and policy manual, claimant handbook, webpage, and training manual updates.

Rule implementation requires no ongoing costs for the Department once UTAB and manuals have been updated.

## BENEFITS

Standby status allows both employers and employees to manage temporary layoffs with an expected return-to-work date. Under the proposed rules, claimants are eligible for unemployment benefits without the need to search for other employment. Employers are relieved of the need to recruit and train new employees because claimants are available to return to work. This allows both the claimant and the employer to avoid negative long-term effects from a short-term layoff. Allowing claimants to backdate standby also alleviates burdens on the claimant that may arise from a number of reasons, including misunderstanding the terms of the temporary layoff or receiving incorrect information regarding the filings required to receive unemployment benefits.

The ability to backdate for the convenience of the Department ensures that claimants are not held liable due to circumstances within the Department that are beyond the control of the claimant.

## CONCLUSION

Implementing backdating for standby will benefit both Washington employers and employees. Employees will have an option for relief when a request to backdate standby status is required, allowing claimants to receive benefits and remain available to return to work at the determined return-to-work date. Employers benefit from reducing the onboarding costs of hiring new employees. The Department believes the costs to implement the rule change are outweighed by the benefits to the public.