

A photograph showing the silhouettes of several people standing in a meeting room, illuminated by a bright light source from the left, creating a strong backlight effect. The scene is set against a large window with vertical frames.

Unemployment Insurance ADVISORY COMMITTEE



Employment Security Department
WASHINGTON STATE

February 12, 2021

UI Policy Discussion



**Employment
Security
Department**
WASHINGTON STATE

Unemployment Insurance Advisory Committee Presentation

February 12, 2021

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Employment Security Department

Agenda



- Federal UI Program Update
- State UI Legislative Update
- Governor's Proposal (SB 5061) Implementation
- Rulemaking Update

Federal Continued Assistance Act (CAA): Enacted Provisions



Federal Provision Extensions

- **Waiting Week:** Federal financing extended at 50% from December 26, 2020 through March 14, 2021. State proclamation waiving the waiting week expired. SB 5061 waives when fully funded/permanent rulemaking required for partial funding.
- **Shared Work:** Federal financing of benefits extended through March 14, 2021; state proclamation preventing employer charging expired on January 4, 2021. SB 5061 reinstates non-charging (signed February 6, 2021).
- **Reimbursable Employers:** Federal financing of 50% of benefits paid to employees of reimbursable employers extended through March 14, 2021.
- **Trust Fund Loan Interest:** Interest free federal loans for states that must borrow to maintain UI trust fund solvency extended through March 14, 2021.

CAA: Implemented By ESD



Pandemic Emergency Unemployment Compensation (PEUC)

- Extends PEUC to March 14, 2021 and allows individuals receiving benefits as of March 14, 2021 to continue through April 5, 2021.
- Increases the number of weeks of PEUC benefits an individual may claim from 13 to 24.

Pandemic Unemployment Assistance (PUA)

- Extends PUA to March 14, 2021 and allows individuals receiving benefits as of March 14, 2021 to continue through April 5, 2021.
- Increases the number of weeks of benefits an individual may claim from 39 to 50.
- Limits payment of retroactive PUA benefits to weeks of unemployment after December 1, 2020.

Federal Pandemic Unemployment Compensation (FPUC)

- Restores the supplemental FPUC payment at \$300 per week from December 26, 2020 through March 14, 2021.

CAA: ESD Implementation In Progress



Pandemic Unemployment Assistance (PUA)

- Provides states authority to waive overpayments made without fault on the part of the individual or when such repayment would violate equity and good conscience.
- Requires individuals receiving PUA as of January 31, 2021 to submit documentation to substantiate employment or self-employment.

CAA: Not Yet Implemented By ESD



Mixed Earner Unemployment Compensation (MEUC)

- Provides a federally funded \$100 per week additional benefit from December 26, 2020 to March 14, 2021 to individuals who have at least \$5,000 a year in self-employment income but are disqualified from receiving PUA because they are eligible for regular state unemployment benefits.

CAA: Extended Benefits



Extended Benefits (EB)

- Federal financing extended through March 14, 2021.
- Provides a temporary waiver of the mandatory “EB freeze period” (13 weeks) for states that trigger back onto the program because of fluctuations in their unemployment rates.
- Allows claimants to receive all eligible extended benefits even if their 52-week unemployment benefit year has expired.

ESD Agency Request Legislation



Extended Benefits – HB 1492/SB 5425

- Allows ESD to take advantage of flexibilities in the Continued Assistance Act to maximize payment of extended benefits to claimants.
- Makes a technical conformity correction

Job Search – HB 1493/SB 5427

- Increased flexibility for job search rules.

Other State Legislation



Voluntary Quit Expansion– SB 5064

- Expands allowable voluntary quits under certain circumstances for lack of access to care for child or vulnerable adult, changed working conditions, and relocating to be closer to minor child.

Adjudicator Reserves– SB 5193

- Creates reserve adjudicator pool and directs ESD to take other actions to improve UI program.

UI Penalties and Audits-HB 1474

- Strengthens penalty and audit tools for employer violations in unemployment insurance.

Cybersecurity in State Government – SB 5432

- Creates new “Office of Cybersecurity” to set cybersecurity standards for all of state government.

SB 5061: Governor's Request Legislation



Tax Provisions

- Goal: Send revised 2021 tax notices the last week in February followed by Voluntary Contributions Program notices.
- ESD-Employer communications partnership.

Other Provisions

- Provisions required to be enacted upon the Governor signing the bill either codify in statute what was occurring by rule or Governor's proclamation or can be done manually as we update our IT systems.
- High-risk claimant voluntary quit provision must be implemented by April 4, 2021. Increased minimum WBA goes into effect July 1, 2021.

SB 5061: Emergency Rules Withdrawn



- **Emergency Rule WAC 192-320-078**: Defined catastrophic occurrence to include a COVID-19 infection at the employer's place of business that caused the employer to close or severely curtail operations, thereby allowing these employers relief of benefit charges. This rule was permanently codified.
- **Emergency Rule WAC 192-320-079**: Non-charged waiting week benefits while the waiting week was waived. SB 5061 codified permanent measures regarding when the waiting week is waived and when those benefits are charged.

SB 5061: New Emergency Rule



Combined-Wage Claim Benefit Charging - Background

- Combined-wage claim = when a claimant works for more than one employer in more than one state, all their wages are combined into one unemployment claim filed in one state.
- The “paying” state pays the benefits, then bills the other “transferring” states whose employers paid wages in the base year for their share of the benefits.
- The “transferring” state then charges its employers for their share of the benefits paid by the “paying” state.

SB 5061: New Emergency Rule



Combined-Wage Claim Benefit Charging - Example

Otis works for two quarters in Oregon for Oregon Gravel Co. and two quarters in Washington for Washington Gravel Co. Otis earned \$15,000 per quarter in each state. After becoming unemployed, Otis files his combined-wage claim in Oregon.

Oregon pays Otis \$300/week for 26 weeks, for a total of \$7,800. Oregon bills Washington for \$3,900 and Washington charges Washington Gravel Co. for the \$3,900 in benefits.

SB 5061: New Emergency Rule



Combined-Wage Claim Benefit Charging – Why a new rule?

- “Paying” states only bill “transferring” states once per quarter for all benefits paid during the quarter. The bills are not broken down by individual week, just the total for the quarter.
- New RCW 50.29.021(2)(j) requires benefits paid from week ending March 28 to week ending May 30 to be non-charged.
- Emergency rule says that for combined-wage claims where Washington is the “transferring” state, all benefits for 2Q 2020 are non-charged, 1Q 2020 benefits will be charged.

Emergency Rules That Need Resolution



1. Requirement to attend re-employment services is waived if the WorkSource office is closed and claimant cannot participate remotely.
2. Allow new employers, delinquent employers, and employers in Rate Class 40 to participate in Shared Work program.
3. Allow appellants to file petitions for judicial review via mail and e-mail instead of via mail and personal service.
4. Allow claimants the same flexibility to backdate requests to reopen their claims as is already used for backdating requests to open their initial claim.

Emergency Rules that need resolution



5. Non-charges benefits paid to employees who quit “due to a direct request from a medical professional, local health official, or the secretary of health to be isolated or quarantined as a consequence of COVID-19, even if the employee has not been actually diagnosed with COVID-19.”