New Law May Spare Employers From Unemployment Costs Related to Returning Reservists

Local News

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OLYMPIA - Under a new state law that takes effect this Sunday, most employers in Washington can avoid unemployment-insurance charges for laid-off workers temporarily hired to backfill positions previously held by military reservists. Washington's unemployment-insurance program is an experience-based system. In general, an employer's tax rate depends on the unemployment benefits provided to former employees. Legislation (Senate Bill 5009) approved during the 2009 session allows employers to request relief from benefit charges for temporary employees whom they must lay off when a military reservist or National Guard member returns to work from active military service. The measure goes into effect on July 26.

To avoid being charged for these benefits, employers must contact Employment Security and specify which layoffs are due to military members returning to work. "We corrected a clear wrong," said Sen. Chris Marr, a Spokane Democrat who sponsored the legislation. "We should be encouraging employers to do what they can to support our servicemen and women, not saddling them with higher unemployment insurance costs for doing so. This new law removes that very obstacle and gets the state out of the way." "Employers who welcome reservists back into the work place shouldn't be penalized through higher unemployment taxes," said Employment Security Commissioner Karen Lee. "This law allows our unemployment system to treat both the temporary workers and their employers with compassion." The new law does not apply to certain employers, including state, local and federal governments; public schools; some tribal entities; and some non-profit organizations with 501(c)(3) status. These reimbursable employers are still required to pay dollar for dollar for all unemployment benefits paid to former employees.