



# Unemployment Insurance Advisory Committee

## Meeting details

**Date:** Wednesday, September 16, 2020

**Time:** 10:00 a.m. to 12:00 p.m.

**Location:** Zoom

### Committee members present

- Robert Battles
- Julia Gorton
- Tammie Hetrick
- Sybill Hyppolite
- Kevin Perkey
- Cindy Richardson
- Josh Swanson
- Jerry VanderWood
- Brenda Wiest

### Committee members absent

### ESD staff

- Joy Adams
- Kris Bowen
- Sara Crosby
- Wendy Goldmark
- Mariana Hernandez
- Matt LaPalm
- Scott Michael
- Larry Sheahan
- Dan Zeitlin

## Summary

### Meeting Recorded

This meeting was recorded and is available at <https://esd.wa.gov/newsroom/UIAC/recordings>.

### Welcome and Opening Remarks

Employment Security Department (ESD) Policy Director, Dan Zeitlin, welcomed everyone and asked Wendy Goldmark to take roll. All committee members were present.

**Agenda**

Dan Zeitlin reviewed the meeting agenda and asked if anyone had any questions. (See Addendum I.)

**Meeting Minutes**

Dan Zeitlin requested that everyone review the meeting minutes for September 2, 2020 and provide their feedback. Kevin Perkey made a motion to approve the minutes for September 2, 2020. Bob Battles seconded the motion. Dan asked for all members in favor to say, "Aye". All members responded, "Aye". Dan asked for all members that disapprove to say, "Nay". No one responded. Meeting minutes were approved.

Responses to action items and outstanding questions from the September 2, 2020 meeting can be found in Addendum II of this document.

**Unemployment Insurance Program Updates**

Dan Zeitlin provided updates on the following:

**Lost Wages Assistance (LWA) Program**

- FEMA notified states that they will stop at 6 weeks of LWA benefits.
- Washington was approved for the maximum amount granted, up to 6 weeks per claimant, depending on their eligibility.
- In total, WA received roughly \$960 million to provide LWA benefits to potentially over a half million claimants.
- This additional \$300 covers the week ending August 1st, through the week ending September 5th.
- While PUA claimants already certify they are out of work for COVID-19 related reasons, individuals receiving state unemployment benefits, Pandemic Emergency Unemployment Compensation or Extended benefits need to certify they are unemployed or partially unemployed due to COVID-19.
- On September 8, we began sending notification to claimants paid in those weeks so that they can complete the certification. Most are doing so online, but we also have a dedicated phone line used primarily by those who do not file online and correspond by mail.
- The first batch of payments will be released on Monday, September 21 and will be received once processed by the claimant's bank.
- We will continue to certify and issue payments for the life of the program.

**Rulemaking***Work Search*

- While the work search requirement is currently waived, we have been working on expanding our list of what counts as a job search activity in conjunction with local workforce partners.
- However, we have not yet done the rulemaking to have that expanded list legally reflected in our administrative rules.
- Accordingly, we filed the CR 101, taking the initial step to announce to the public that we are starting the permanent rulemaking process in order to expand our list of what counts as a job search activity, and inviting the public's initial feedback.
- Job search requirements will be a part of today's discussion.

*Emergency Rule on PEUC Overpayment Waivers*

- We also have an emergency rule related to PEUC overpayments.
- There are times when a claimant who is claiming PEUC will actually be eligible for a new, regular unemployment claim.
- This usually occurs when a person becomes unemployed, qualifies for Claim #1, returns to work long enough to qualify for a new claim, becomes unemployed again, and returns to filing weekly claims on Claim #1 as Claim #1 hasn't been exhausted yet.
- When Claim #1 gets exhausted (either because the claimant got all the money they are entitled to or the claimant hit the 1-year mark), the claimant needs to then start on Claim #2, based on the wages they earned in the middle of Claim #1.
- Sometimes, Claim #2 will pay a lower weekly benefit amount than Claim #1. So if a claimant is getting weeks of PEUC on Claim #1 when they should have instead been claiming on Claim #2, we have to switch the person from PEUC to Claim #2, which will then create an overpayment when Claim #1 has a higher weekly benefit than Claim #2.
- The last time we had emergency unemployment benefits following the Great Recession, we adopted a rule ([WAC 192-240-070\(3\)](#)) that said the overpayment created by the difference between Claim #1 and Claim #2 will automatically be waived.
- However, the U.S. Department of Labor, when it issued guidance on PEUC, specifically said we have to determine overpayment waivers on an individual basis, and we cannot apply "blanket waivers" to a group of claimants.

- Therefore, we have to adopt an emergency rule so that we can stay in conformity with Department of Labor guidance on PEUC, which continues to allow for PEUC overpayment waivers, but on an individual rather than blanket basis.
- The emergency rule will be filed soon.

*Update – The \$25 Million COVID-19 Fund*

- We have completed rulemaking on the \$25 Million COVID-19 Fund that will be used to offset benefit charges incurred by employers who are impacted by COVID-19.

### **UI Benefits 101, Emergency Rules and Common Claimant Issues**

Joy Adams, ESD UI Quality Assurance and Operations Manager, gave a comprehensive [slide presentation](#) on UI benefits, emergency rules and common claimant issues. During the discussion, several topics were flagged to revisit at subsequent meetings:

- 680 hours requirement
- Challenges with customer experience when there's no wages reported
- Weekly Benefit Amount (WBA) calculation
- Good cause quit issue and strike issue (in terms of job separation)
- Able and available and "not in school" (customer experience of people who were working full time and also attending school, then answered the question about school as yes)
- Questions that workers are asked to answer when filing electronically aren't intuitive and when customers answer incorrectly (vacation, retirement, school, etc.) has caused weeks and weeks of delays
- Work search requirements and suitable work (and impact of requiring work search when there's not enough jobs out there)

### **Action Items**

- Develop slide to send out regarding part time workers and earnings adjustments / earnings disregard process (**Joy**)
- Provide information about what other states are doing (instead of 680 base year hours)
- Look into how other states may be working around federal requirements around denying people on strike (possibly New York and Mass.) (**Scott**)
- Share November report with committee (which specifically addresses voluntary quit allowances and how they compare to other states)

### **Resources:**

- Comparison chart of what the other states are doing to determine monetary entitlement is on Pages 5-7 on this link: <https://oui.doleta.gov/unemploy/pdf/uilawcompar/2019/monetary.pdf>
- Pages 29-31 is the comparison of different state work search requirements: <https://oui.doleta.gov/unemploy/pdf/uilawcompar/2019/nonmonetary.pdf>

- Federal law does not require us to deny benefits while individuals are on strike. This is state law. Federal law does say that work that is vacant directly due to a strike, lockout or labor dispute is not suitable work. <https://oui.doleta.gov/unemploy/pdf/uilawcompar/2019/nonmonetary.pdf> Page 20 starts a summary of the various provisions states have with regard to benefit eligibility arising out of labor disputes.

**Potential Agenda Items for Next Meeting**

- UI Customer Experience and Operatons
- UI Budget

**Public Comments**

None.

**Adjourned**

Dan Zeitlin thanked everyone for their continued active participation and for their commitment to this work, then ended the meeting at 12:03 p.m.

**Next meeting**

The next Unemployment Insurance Advisory Committee meeting is on Tuesday, September 29, 2020 from 1:30 pm to 2:30 pm via Zoom.

**Addendum I****Agenda****Unemployment Insurance Advisory Committee (UIAC)**Wednesday, September 16, 2020 | 10:00 am - 12:00 pm | Via Zoom

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**Agenda Items**

<b>Time</b>	<b>Topic</b>
10:00 am	Welcome from Dan Zeitlin, Director, Policy, Data, Performance & Integrity Division, Employment Security Department (ESD) <ul style="list-style-type: none"><li>• Agenda Review</li></ul>
10:05 am	Approval of September 2, 2020 Meeting Minutes
10:10 am	UI Program Update -Dan Zeitlin, Director, ESD
10:20 am	UI Benefits 101, Emergency Rules and Common Claimant Issues -Dan Zeitlin, Director, ESD -Joy Adams, Manager, ESD -Scott Michael, Manager, ESD
11:40 am	Next Agenda Discussion
11:50 am	Public Comments
12:00 pm	Adjourn

For more information, please visit the UIAC website at <https://esd.wa.gov/newsroom/UIAC>

**RECORDING DISCLAIMER:**

This meeting may be recorded. Please be advised that if the meeting is recorded, your image and voice will be captured and recorded during the videoconference. Your participation in this videoconference equals consent to be recorded as required by law.

## Addendum II

### Unemployment Insurance Advisory Committee (UIAC)

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Wednesday, September 2, 2020 | 10:00 am - 12:00 pm | Via Zoom

#### Action Items and Outstanding Questions

**What kind of liability will the state have if claimants go through the adjudication process and then there are no Lost Wages Assistance Program funds left?**

The program parameters are clear that when the funding is expended, the benefit will end. We are, however, doing what we can to mitigate the risk by using generous claimant forecasts in our grants funding requests, managing the adjudication load for the affected weeks, and carefully monitoring available funds.

**Will CARES Act money cover the 25% share / state cost of the Lost Wages Assistance program?**

The state share of benefit costs is satisfied by the underlying benefit payment from the trust fund. The state share of administrative costs will be covered by Coronavirus Relief Fund managed through OFM.

**Provide additional examples of other tax rate classes and scenarios for 2020 vs 2021 beyond that provided in the presentation.**

The attached spreadsheet uses the example of a business that employs 20 workers each making \$56,500 (taxable wages) or more in 2021 in each rate class.

**Is there a preset timeframe for how often money is borrowed if needed from the federal government?**

Federal advances are taken out daily as needed to meet benefit payment obligations.

**Will employers (collectively) experience an approximate \$650 million social tax increase and \$193 million solvency tax increase for a total tax increase of \$843 million in 2021?**

Based upon the June trust fund forecast, ESD projects a total tax increase across all Washington employers of \$1.1 billion in 2021: \$655.1 million of the increase is projected in social tax collections, \$254.1 million of the increase is projected in experience tax collection and \$193.8 million is projected in solvency tax collections. The solvency tax would be enacted if on September 30, 2020 projections show the trust fund is unable to pay 7 months of benefits.

For more information, please visit the UIAC website at <https://esd.wa.gov/newsroom/UIAC>

Sample Business: Employs 20 workers each making \$56,500 (taxable wages) or more in 2021.

Tax rate class	Year	Taxable Wages	Experience Tax Rate	Graduated Social Tax Rate	Solvency surcharge	Total Tax Rate	Tax Paid	Average tax per employee
1	2020	\$ 1,054,000	0.00%	0.10%		0.10%	\$ 1,054	\$ 53
1	2021	\$ 1,130,000	0.00%	0.49%	0.2%	0.69%	\$ 7,797	\$ 390
2	2020	\$ 1,054,000	0.11%	0.11%		0.22%	\$ 2,319	\$ 116
2	2021	\$ 1,130,000	0.11%	0.54%	0.2%	0.85%	\$ 9,605	\$ 480
3	2020	\$ 1,054,000	0.22%	0.12%		0.34%	\$ 3,584	\$ 179
3	2021	\$ 1,130,000	0.22%	0.59%	0.2%	1.01%	\$ 11,413	\$ 571
4	2020	\$ 1,054,000	0.33%	0.13%		0.46%	\$ 4,848	\$ 242
4	2021	\$ 1,130,000	0.33%	0.63%	0.2%	1.16%	\$ 13,108	\$ 655
5	2020	\$ 1,054,000	0.43%	0.14%		0.57%	\$ 6,008	\$ 300
5	2021	\$ 1,130,000	0.43%	0.68%	0.2%	1.31%	\$ 14,803	\$ 740
6	2020	\$ 1,054,000	0.54%	0.15%		0.69%	\$ 7,273	\$ 364
6	2021	\$ 1,130,000	0.54%	0.73%	0.2%	1.47%	\$ 16,611	\$ 831
7	2020	\$ 1,054,000	0.65%	0.16%		0.81%	\$ 8,537	\$ 427
7	2021	\$ 1,130,000	0.65%	0.78%	0.2%	1.63%	\$ 18,419	\$ 921
8	2020	\$ 1,054,000	0.76%	0.17%		0.93%	\$ 9,802	\$ 490
8	2021	\$ 1,130,000	0.76%	0.83%	0.2%	1.79%	\$ 20,227	\$ 1,011
9	2020	\$ 1,054,000	0.88%	0.18%		1.06%	\$ 11,172	\$ 559
9	2021	\$ 1,130,000	0.88%	0.88%	0.2%	1.96%	\$ 22,148	\$ 1,107
10	2020	\$ 1,054,000	1.01%	0.19%		1.20%	\$ 12,648	\$ 632
10	2021	\$ 1,130,000	1.01%	0.93%	0.2%	2.14%	\$ 24,182	\$ 1,209
11	2020	\$ 1,054,000	1.14%	0.20%		1.34%	\$ 14,124	\$ 706
11	2021	\$ 1,130,000	1.14%	0.98%	0.2%	2.32%	\$ 26,216	\$ 1,311
12	2020	\$ 1,054,000	1.28%	0.21%		1.49%	\$ 15,705	\$ 785
12	2021	\$ 1,130,000	1.28%	1.02%	0.2%	2.50%	\$ 28,250	\$ 1,413
13	2020	\$ 1,054,000	1.41%	0.22%		1.63%	\$ 17,180	\$ 859
13	2021	\$ 1,130,000	1.41%	1.07%	0.2%	2.68%	\$ 30,284	\$ 1,514
14	2020	\$ 1,054,000	1.54%	0.23%		1.77%	\$ 18,656	\$ 933
14	2021	\$ 1,130,000	1.54%	1.12%	0.2%	2.86%	\$ 32,318	\$ 1,616
15	2020	\$ 1,054,000	1.67%	0.24%		1.91%	\$ 20,131	\$ 1,007
15	2021	\$ 1,130,000	1.67%	1.17%	0.2%	3.04%	\$ 34,352	\$ 1,718
16	2020	\$ 1,054,000	1.80%	0.25%		2.05%	\$ 21,607	\$ 1,080
16	2021	\$ 1,130,000	1.80%	1.22%	0.2%	3.22%	\$ 36,386	\$ 1,819
17	2020	\$ 1,054,000	1.94%	0.26%		2.20%	\$ 23,188	\$ 1,159
17	2021	\$ 1,130,000	1.94%	1.27%	0.2%	3.41%	\$ 38,533	\$ 1,927
18	2020	\$ 1,054,000	2.07%	0.27%		2.34%	\$ 24,664	\$ 1,233
18	2021	\$ 1,130,000	2.07%	1.32%	0.2%	3.59%	\$ 40,567	\$ 2,028
19	2020	\$ 1,054,000	2.20%	0.28%		2.48%	\$ 26,139	\$ 1,307
19	2021	\$ 1,130,000	2.20%	1.37%	0.2%	3.77%	\$ 42,601	\$ 2,130
20	2020	\$ 1,054,000	2.38%	0.29%		2.67%	\$ 28,142	\$ 1,407
20	2021	\$ 1,130,000	2.38%	1.42%	0.2%	4.00%	\$ 45,200	\$ 2,260
21	2020	\$ 1,054,000	2.50%	0.30%		2.80%	\$ 29,512	\$ 1,476
21	2021	\$ 1,130,000	2.50%	1.46%	0.2%	4.16%	\$ 47,008	\$ 2,350
22	2020	\$ 1,054,000	2.63%	0.30%		2.93%	\$ 30,882	\$ 1,544
22	2021	\$ 1,130,000	2.63%	1.46%	0.2%	4.29%	\$ 48,477	\$ 2,424
23	2020	\$ 1,054,000	2.75%	0.30%		3.05%	\$ 32,147	\$ 1,607
23	2021	\$ 1,130,000	2.75%	1.46%	0.2%	4.41%	\$ 49,833	\$ 2,492



24	2020	\$ 1,054,000	2.88%	0.30%		3.18%	\$ 33,517	\$ 1,676
24	2021	\$ 1,130,000	2.88%	1.46%	0.2%	4.54%	\$ 51,302	\$ 2,565
25	2020	\$ 1,054,000	3.00%	0.30%		3.30%	\$ 34,782	\$ 1,739
25	2021	\$ 1,130,000	3.00%	1.46%	0.2%	4.66%	\$ 52,658	\$ 2,633
26	2020	\$ 1,054,000	3.13%	0.30%		3.43%	\$ 36,152	\$ 1,808
26	2021	\$ 1,130,000	3.13%	1.46%	0.2%	4.79%	\$ 54,127	\$ 2,706
27	2020	\$ 1,054,000	3.25%	0.30%		3.55%	\$ 37,417	\$ 1,871
27	2021	\$ 1,130,000	3.25%	1.46%	0.2%	4.91%	\$ 55,483	\$ 2,774
28	2020	\$ 1,054,000	3.38%	0.30%		3.68%	\$ 38,787	\$ 1,939
28	2021	\$ 1,130,000	3.38%	1.46%	0.2%	5.04%	\$ 56,952	\$ 2,848
29	2020	\$ 1,054,000	3.50%	0.30%		3.80%	\$ 40,052	\$ 2,003
29	2021	\$ 1,130,000	3.50%	1.46%	0.2%	5.16%	\$ 58,308	\$ 2,915
30	2020	\$ 1,054,000	3.63%	0.30%		3.93%	\$ 41,422	\$ 2,071
30	2021	\$ 1,130,000	3.63%	1.46%	0.2%	5.29%	\$ 59,777	\$ 2,989
31	2020	\$ 1,054,000	3.75%	0.30%		4.05%	\$ 42,687	\$ 2,134
31	2021	\$ 1,130,000	3.75%	1.46%	0.2%	5.41%	\$ 61,133	\$ 3,057
32	2020	\$ 1,054,000	4.00%	0.30%		4.30%	\$ 45,322	\$ 2,266
32	2021	\$ 1,130,000	4.00%	1.46%	0.2%	5.66%	\$ 63,958	\$ 3,198
33	2020	\$ 1,054,000	4.25%	0.30%		4.55%	\$ 47,957	\$ 2,398
33	2021	\$ 1,130,000	4.25%	1.46%	0.2%	5.91%	\$ 66,783	\$ 3,339
34	2020	\$ 1,054,000	4.50%	0.30%		4.80%	\$ 50,592	\$ 2,530
34	2021	\$ 1,130,000	4.50%	1.46%	0.2%	6.16%	\$ 69,608	\$ 3,480
35	2020	\$ 1,054,000	4.75%	0.30%		5.05%	\$ 53,227	\$ 2,661
35	2021	\$ 1,130,000	4.75%	1.25%	0.2%	6.20%	\$ 70,060	\$ 3,503
36	2020	\$ 1,054,000	5.00%	0.30%		5.30%	\$ 55,862	\$ 2,793
36	2021	\$ 1,130,000	5.00%	1.00%	0.2%	6.20%	\$ 70,060	\$ 3,503
37	2020	\$ 1,054,000	5.15%	0.30%		5.45%	\$ 57,443	\$ 2,872
37	2021	\$ 1,130,000	5.15%	0.85%	0.2%	6.20%	\$ 70,060	\$ 3,503
38	2020	\$ 1,054,000	5.25%	0.30%		5.55%	\$ 58,497	\$ 2,925
38	2021	\$ 1,130,000	5.25%	0.75%	0.2%	6.20%	\$ 70,060	\$ 3,503
39	2020	\$ 1,054,000	5.30%	0.30%		5.60%	\$ 59,024	\$ 2,951
39	2021	\$ 1,130,000	5.30%	0.70%	0.2%	6.20%	\$ 70,060	\$ 3,503
40	2020	\$ 1,054,000	5.40%	0.30%		5.70%	\$ 60,078	\$ 3,004
40	2021	\$ 1,130,000	5.40%	0.60%	0.2%	6.20%	\$ 70,060	\$ 3,503