

CHANGES TO UNEMPLOYMENT- INSURANCE TAX RATES FOR 2010

For most employers, unemployment-insurance tax rates are relatively stable and do not change much from year to year. Next year will be different.

The enormous increase in unemployment in 2009 will affect 2010 tax rates for many employers. If employees received benefits that were chargeable to specific employers, it will affect the individual employers' experience rating and, ultimately, increase their rates. The effect is averaged over a four-year period through June 2009.

In addition, the Legislature enacted SSB 5963 this year to fix a problem with state law not being in "conformity" with federal unemployment-insurance law. This law has three changes that could affect rates.

First, SSB 5963 ends the practice in which benefits were based on the two highest quarters in a year, while each employer's "experience" (the basis for your rate) was based on all four quarters. Under the old law, the difference in these calculations had been shared (socialized) among all employers. Under the new law, we will assign experience based on two quarters. Experience for the four years prior to this change will be reflected in the 2010 tax rate.

Second, SSB 5963 reduces the tax rate for all but two rate classes and reduces the total combined tax rate that could be assessed. For many employers, the increase in your experience tax rate that is based on the change to two-quarter averaging will be offset by the reduction in most tax rates. However, your own tax rate will depend on your particular circumstances.

Third, SSB 5963 reduces the tax rates for socialized costs of unemployment insurance. Although you will pay less than you would have otherwise, the amount you pay will depend on the size of the unemployment-insurance trust fund and on your own experience.

Although it is difficult to predict the combined effect of these changes on individual employers, we know 2010 will bring changes to a large number of Washington's businesses.

Washington Farm Bureau offers a full service unemployment claims management program. For more information and to receive a quote, please see our website at <http://www.wsfb.com/UIClaimsMgmtProgram>.

ESSENTIAL TRAINING: REGISTER TODAY!

December

Live Seminar: No Match and Beyond - Strategies for a Legal and Stable Workforce: Receive a briefing on the New "No-match" Regulation; Compare costs and benefits of different guest worker programs; and Discuss legislation and regulations that would make E-verify mandatory.

Wenatchee (15th), Pasco (16th), Yakima (16th), Bothell (17th), Mt. Vernon (17th), Olympia (18th)

January

Two Day Supervisor Training Class (Spanish): Learn and practice communication skills related to day-to-day interactions with employees as well as difficult situations, such as employee discipline and conflict; Enhance their ability to supervise, correct, discipline, and effectively communicate to workers; and Learn effective listening skills - enable participants to learn through small group interactions and role plays. Mt. Vernon (January 26/27) and Pasco (January 28/29)

For details and to register, please see our website at www.wsfb.com.

Editor

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WASHINGTON EMPLOYER MUST CONTINUE TIME-LOSS BENEFITS DESPITE FIRING EMPLOYEE

When an injured employee was ready to return to a light-duty job but could not, because the employer had fired him for a violation of its safety rules, he still remained eligible for wage replacement benefits, the Washington Court of Appeals held, because the employer had not previously contested its liability.

Timothy Walker had been a Redi-Mix concrete truck driver for about a month when he took a turn too fast and rolled his truck. His employer, Glacier Northwest Inc., fired him several weeks later in accordance with company policy. Meanwhile, Walker received medical and time-loss compensation benefits for injuries suffered in the accident in accordance with state Department of Labor and Industries procedures.

About two months later, Walker was released by his doctor for light-duty work, but Glacier refused to offer him a position because it had fired him. The company then sought permission to stop paying compensation benefits.

The Department of Labor and Industries ordered the payments to continue under Wash. Rev. Code 51-32-.090(4), which states that an employer may stop paying benefits to an injured worker after the employee is offered work that he or she can physically perform. Glacier did not offer Walker work because it had fired him.

On appeal, the trial court ruled in favor of the employer. That decision was reversed by the appeals court. When an employee cannot perform light-duty work with the original employer, the employer may attempt to force the employee to find modified work elsewhere by requesting rehabilitation services from the Department of Labor and Industries, the appeals court noted, but Glacier did not do that.

More importantly, the employer did not contest its liability for benefits when Walker was unable to perform any work and had been fired for cause, the court explained. Only after Walker was able to perform modified work did Glacier assert his misconduct as a reason to terminate benefits.

“We discern no reason why the basis for Walker’s firing would only become relevant at that point,” the court said, holding that the trial court erred in ruling that the applicable code section applied to deny the employee benefits in this case and that the wage replacement benefits must continue.

Glacier Northwest Inc. v. Walker, Wash. Ct. App., No. 38150-8-II, (July 28, 2009). Editor’s Note: This article should not be construed as legal advice.

MANDATORY RETRO SAFETY WORKSHOPS - DECEMBER DATES

As a WA Farm Bureau Retro/Safety member you are required to attend at least one workshop per year. Please check the locations to see which one is closest to you. You can attend more than one workshop, and multiple attendees from one company can attend a workshop. Workshops start at 8:30 a.m. You do not need to register.

December 1 - Wenatchee (Wenatchee Community Center - 504 S. Chelan Ave.)

December 2 - Omak (Best Western - 820 Koala Dr.)

December 8 - Lacey (Farm Bureau - 975 Carpenter Rd.)

December 9 - Ridgefield (Tri Mountain Golf Course - 701 NW 299th St.)

December 15 - Selah (Selah Civic Center - 216 S. 1st Street)

December 16 - Sunnyside (Snipes Mountain Brewing - 905 Yakima Valley Hwy.)

Please see <http://www.wsfb.com/employers/retro/winter-safety-workshops> for the agenda and ALL scheduled dates.