



STATE OF WASHINGTON
EMPLOYMENT SECURITY DEPARTMENT
PO Box 9046 Olympia, WA 98507-9046

May 4, 2009

Ms. Cheryl Atkinson
Administrator
Office of Workforce Security
200 Constitution Avenue, N.W.
Rooms S-4231
Washington, D.C. 20210

Dear Ms. Atkinson:

On behalf of the State of Washington, I am applying for an Unemployment Compensation Modernization incentive payment pursuant to Section 2003 of Public Law 111-5. This application is based upon the inclusion of an "alternate base period" in Washington State law.

The alternate base period provision has been permanently codified in the Revised Code of Washington (RCW) 50.04.020 for over a decade. We are confident that this long-standing provision meets the requirements of federal law.

Attached in support of our application are the following documents.

- Attachment A: Certification (1 page)
- Attachment B: RCW 50.04.020 (1 page)
- Attachment C: Policy guidelines (6 pages)
- Attachment D: Relevant information from the ESD website (1 page)

The required certifications in support of this application are also included.

The Washington State Employment Security Department will utilize these funds to improve and strengthen Washington's unemployment compensation program. The funds will be used for the administration of our unemployment compensation law and public employment offices, consistent with Section 903 of the Social Security Act.

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If your office has any questions or concerns regarding this application, please contact Nan Thomas, Assistant Commissioner of Unemployment Insurance, at (360) 902-9303 or nthomas@esd.wa.gov.

Sincerely,



Karen Lee
Commissioner

Attachments (4)

cc: Jerry Hildebrand
Pat O'Neal
Jamie Bachinski

Certification

I hereby certify that:

- The attached law (RCW 50.04.020), policy, and website information are true and accurate copies of the documents and are currently in effect.
- RCW 50.04.020 is a permanent provision in Washington State law that is not subject to discontinuation under any circumstances other than repeal by the Washington State Legislature.
- This application is submitted in good faith with the intention of providing benefits to unemployed workers who meet the eligibility provisions on which this application is based.

Dated: May 4, 2009

Karen Lee

Karen Lee
Commissioner

Washington State Employment Security Department

Alternate Base Year

RCW 50.04.020: Base year — Alternative base year.

RCW 50.04.020

Base year — Alternative base year.

"Base year" with respect to each individual, shall mean either the first four of the last five completed calendar quarters or the last four completed calendar quarters immediately preceding the first day of the individual's benefit year.

For the purposes of establishing a benefit year, the department shall initially use the first four of the last five completed calendar quarters as the base year. If a benefit year is not established using the first four of the last five completed calendar quarters as the base year, the department shall use the last four completed calendar quarters as the base year.

Computations using the last four completed calendar quarters shall be based on available wage items processed as of the close of business on the day preceding the date of application. The department shall promptly contact employers to request assistance in obtaining wage information for the last completed calendar quarter if it has not been reported at the time of initial application.

[1994 c 3 § 1; 1987 c 27B § 1; 1970 ex.s. c 2 § 1; 1945 c 35 § 3; Rem. Supp. 1945 § 999B-142. Prior: 1943 c 127 § 13; 1939 c 214 § 19; 1937 c 162 § 19.]

Notes:

Conflict with federal requirements — 1994 c 3: "If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state or the eligibility of employers in this state for federal unemployment tax credits, the conflicting part of this act is hereby declared to be inoperative solely to the extent of the conflict, and such finding or determination shall not affect the operation of the remainder of this act. The rules under this act shall meet federal requirements that are a necessary condition to the receipt of federal funds by the state or the granting of federal unemployment tax credits to employers in this state." [1994 c 3 § 4.]

Severability — 1994 c 3: "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [1994 c 3 § 5.]

Effective dates — 1994 c 3: "(1) Section 1 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect April 3, 1994.

(2) Section 2 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect April 1, 1994.

(3) Section 3 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and shall take effect immediately [February 26, 1994]." [1994 c 3 § 6.]

Effective date — 1970 ex.s. c 2: "This act is necessary for the immediate preservation of the public peace, health, and safety, the support of the state government and its existing public institutions, and shall take effect April 5, 1970: PROVIDED, That sections 3 and 8 of this 1970 amendatory act shall not take effect until January 1, 1971." [1970 ex.s. c 2 § 25.]

RCW 50.04.020 Base year -- Alternate base year.

"Base year" means either the first four of the last five completed calendar quarters or the last four completed calendar quarters immediately preceding the first day of the individual's benefit year.

For the purposes of establishing a benefit year, the department shall initially use the first four of the last five completed calendar quarters as the base year. If a benefit year is not established using the first four of the last five completed calendar quarters, the department shall use the last four completed calendar quarters as the base year.

Computations using the last four completed calendar quarters shall be based on available wage credits processed as of the close of business on the day preceding the date of application. The department shall promptly contact employers to request assistance in obtaining wage information for the last completed calendar quarter if it has not been reported at the time of initial application.

The UI Specialist will offer claimants an ABY claim when:

- The regular Washington Intrastate claim is invalid.
- The regular Washington Interstate liable claim is invalid.
- The Washington CWC claim is invalid.

The UI Specialist may file an ABY claim in the Intrastate, Interstate liable or CWC category even if a valid regular claim is available in one of the other categories.

For example:

The claimant can choose to file a:

- WA ABY if not eligible for a regular WA base year claim. (Intrastate claim)
- WA AbY if not eligible for a regular WA base year claim instead of filing a regular base year California claim. (Interstate claim)
- WA ABY if not eligible for a regular WA base year claim instead of filing a regular base year WA CWC because he or she has the right to choose not to

combine.

NOTE: A claimant eligible for a regular Washington claim who has no out of state wages during the Washington regular base year cannot request a Washington ABY CWC to use out of state wages available in the lag quarter. The claimant's only option is a Washington regular base year claim. However, claimant may have a potential ABY (Interstate) if the lag quarter wage state offers an ABY option (Alternate Base Year States desk aid).

We base the ABY claim on the last three-quarters of the regular base year and the lag quarter. Wages earned in the lag quarter may not appear in the wage file until the end of the next quarter. When the UI Specialist files an ABY claim, the lag quarter wages may not yet appear in the wage file. The UI Specialist will request the wages directly from the lag quarter employers under certain conditions (ABY Procedures desk aid).

Establishing ABY During the IC Process

The UI Specialist will only file the ABY claim at the IC if:

- The claimant earned all base year wages in Washington.
- The regular Washington base year claim is invalid.
- The wages and hours displayed on Q01- Preliminary Monetary Determination Screen are correct and complete.

The UI Specialist reviews the claimant's work history to determine if the invalid claim is missing regular base year wages. If not, the claimant can choose to file an ABY claim.

GUIDE will not allow an ABY claim to be filed at the Initial Claim if the UI Specialist has requested wages from another state, the federal government or the military. If the claimant later requests these wages, GUIDE will automatically cancel any ABY request.

Establishing ABY After IC

The UI Specialist cannot file an ABY claim if wages are pending on a regular claim. Pending wages are:

1. Federal wages assigned to Washington which have been requested from the federal agency. (Information entered on IC3)
2. Wages requested from another state for a Combined Wage Claim. (Information entered on IC4)
3. Military wages which require information from a DD214. (Information entered on IC5)
4. Washington wages missing from the initial Statement of Wages and Hours for which an RX1 is filed.

The UI Specialist initially files all requests for out of state or federal wages using the regular base year. The UI Specialist may request ABY wages only when returned wage information does not establish a valid regular base year claim.

The claimant receives a final Statement of Wages and Hours after the receipt of all

requested wages and the completion of all RX1s. If the claim remains invalid, a message on the Statement of Wages and Hours will tell the claimant that they may file an ABY claim. The claimant must call the TeleCenter to request the ABY.

If an action occurs that adds wages to an ABY claim at any time making a regular base year claim valid, the claim automatically reverts to the regular base year. The claimant will receive a new Statement of Wages and Hours explaining why the ABY claim has changed to a regular claim.

If the claimant earned the hours needed to validate the claim in the final quarter in the regular base year but the employer reported the wages in the lag quarter, the claimant has the choice of ABY or an "as earned" claim. If the claimant requests the wages "as earned", the "as earned" redetermination will change all wages for that employer during the base year of the claim. This may cause the hours and wages picked up from the lag quarter to be lost to the quarter prior to the first base year quarter of the claim.

The claimant may file an ABY TTD claim if they cannot qualify for a regular base year TTD claim.

Explaining Options

When a claimant has wages in the base year from more than one state, the UI Specialist offers the claimant one claim option in each of the following categories.

- Intrastate - regular, or if invalid, ABY - wages in Washington only.
- Interstate - regular, or if invalid, ABY (if available based on laws of the liable state) - Wages in a state other than Washington.
- Combined Wage - regular, or if invalid, ABY - wages in two or more states (Washington may be one of the states) during the regular or ABY base year quarters.

The UI Specialist will use the TeleCenter Script to:

- Review the claimant's work history for the past two years.
- Advise the claimant of the claim options available.

- Assist the claimant to choose the best claim.

Claimants have the option to choose not to file an ABY claim. After you explain the use of the most recent completed quarter, some claimants may decide not to file the ABY claim.

NOTE : File an ABY claim only after any redetermination or appeal decision affirms the invalid regular base year.

Claimants who cannot establish a valid regular base year Washington Intrastate, Interstate liable or Washington CWC claim may use the ABY quarters (last four completed calendar quarters) to attempt to establish a valid claim. However, the claimant may only file the ABY if the regular base year claim in the specific category (Intrastate, Interstate, CWC) remains invalid after all wages have been requested.

NOTE : Claimants may have an invalid claim because they do not meet requel using the weekly benefit amount for the new regular base year claim. The UI Specialist may file an ABY claim if the claimant will meet requel based on the ABY weekly benefit amount.

Claimants cannot use the same quarter wages in more than one claim. We use lag quarter wages to establish an ABY claim. Once we use the lag quarter wages, we cannot use those wages for any future claim.

EXAMPLE:

Claimant files a new ABY claim in January 2004. The quarters used to set up this claim include 1/03, 2/03, 3/03 and 4/03. The claimant has enough work during the year to qualify for a new regular claim in January 2005. The quarters potentially used to set up the new claim include 4/03, 1/04, 2/04, and 3/04. The new claim cannot use 4/03 wages. The prior ABY claim used the wages. The claimant must file their claim based on three-quarters (1/04, 2/04, and 3/04). If that claim is not valid, the claimant may file a new ABY claim using 1/04, 2/04, and 3/04 and 4/04.

For an ABY claim to be valid, we must have some or all of the lag quarter employer wages entered into TAXIS. It may take the full current quarter to complete the entry

of the lag quarter employer wages needed to validate the ABY claim. Employers have 30 days after the end of the past quarter to report wages for that quarter. (For example, an employer's report of wages for the first quarter of a year is due by the end of April of that year.) The department has until the completion of the current quarter to enter lag quarter wages into the TAXIS system. (The agency must enter the wages for the first quarter of a year by the end of the second quarter of that year.)

G5308ABY Statistical Report

This report provides statistical information on ABY claims filed during the month and quarter. It is cumulative from the initial filing of an ABY claim. The UI Division can use this report to gather information related to first pay timeliness on ABY claims. The UIRX Unit can get this report quarterly (last day of the quarter). The report lists the following items sorted by quarter:

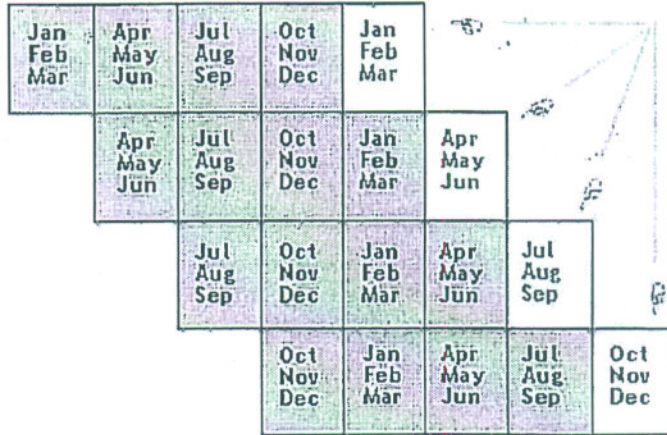
- All ABY claims.
- All valid ABY claims.
- The number of valid ABY claims with first pay made in 0-14 days of process date.
- The number of valid ABY claims with first pay made in 15-21 days of process date.
- The number of valid ABY claims with first pay made in 22-30 days of process date.
- The number of valid ABY claims with first pay made in more than 30 days of process date.
- The number of ABY claims that became valid within the quarter subsequent to the quarter in which the claim was filed.

Alternate base year (ABY) claims

You could be eligible for an alternate base year claim if you do not have the regular hours of work in your regular base year.

The base year for an alternate base year claim is the last four completed calendar years before the week in which you file your claim. You must have 680 hours of work in the alternate base year and still meet all of the other eligibility requirements.

If you file your claim here:



Your base year is the blue-shaded area