

EXCLUDED NO MORE

Wage Replacement Program
for Excluded Undocumented Workers

HB 1773/SB 5626

All Washington workers deserve a safety net if they experience job loss through no fault of their own, no matter their immigration status.

When the unexpected happens and we experience job loss – we should all still be able to feed our families, clothe our kids and keep a roof over our heads. However, Washington State's current unemployment system excludes certain workers solely because of their immigration status. Undocumented workers keep our economy strong, contribute to our communities and care for our families. Their exclusion from unemployment benefits leaves them without the support we all deserve as Washingtonians.

Employers pay unemployment taxes on their employees wages regardless of immigration or work authorization status. The labor of undocumented workers in Washington state has resulted in nearly \$400 million in contributions (between 2010-2019) to the state and federal unemployment insurance trust funds.

HB 1773/SB 5626 would create a Wage Replacement Program for Excluded Undocumented Workers that would annually benefit about 4,500 Washington workers (and thousands of their family members) currently excluded from our unemployment system at no new cost to employers and minimal cost to the state.

THE WAGE REPLACEMENT PROGRAM

The Wage Replacement Program would utilize a **fixed-sum diversion method** and be administered by a **third party**. This will allow for the program to be **revenue neutral** and not impact the state's budget as it would be funded from the current UI tax.

FUNDING MECHANISM - Revenue Neutral

The fixed-sum diversion method is a funding mechanism identified by the 2024 workgroup² convened by the Employment Security Department. The state would utilize a portion of the existing taxes employers already pay on behalf of their employees and divert them into the program.

This program would come from existing taxes rather than leveraging a new tax or increasing an existing tax.

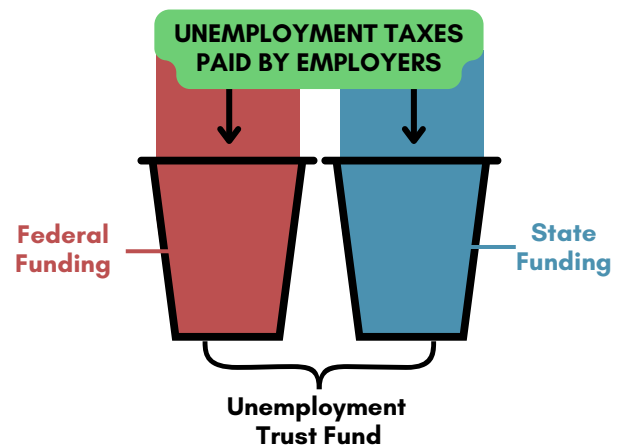
THIRD PARTY ADMINISTRATION

This program would be administered through a third party with the goal of maintaining the privacy of undocumented workers and employers vital information and data. This makes the program more cost effective and less costly to the state.

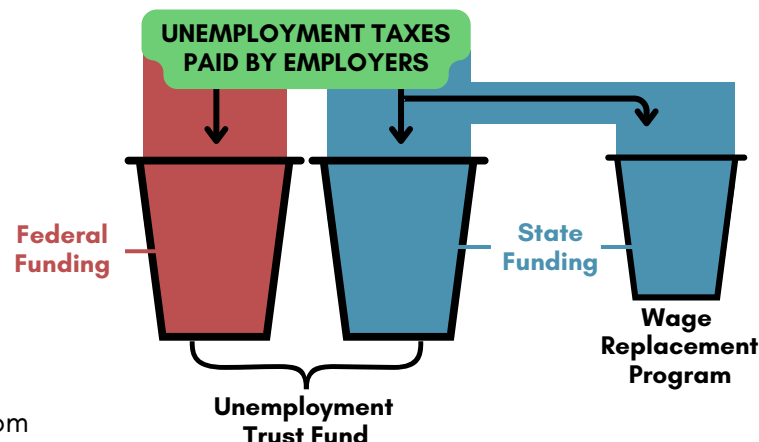
Find out more at www.excludednomore.org.

Contact Orlando Cano with questions: ocperu@outlook.com

Current Funding System



Diversion Method



1. Fiscal Policy Institute, *Unemployment Insurance Taxes Paid for Undocumented Workers in NYS*, 2020.

2. Employment Security Department, *Funding a Wage Replacement Program for Undocumented Workers*, 2024