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Washington Supreme Court holds that "good cause" for a voluntary quit is not limited to statutory list previously relied on by Employment Security Department. As a result of the court's decision in *Spain v. Employment Security Department,* employees will likely argue that they are entitled to unemployment compensation because they left work voluntarily for "good cause."

High Court Alters Eligibility for Unemployment Insurance in Washington State

By Douglas Edward Smith and Joanna M. Silverstein

On June 19, 2008, the Washington Supreme Court relied on legislative history and the plain language of Washington's unemployment insurance law to hold in *Spain v. Employment Security Department,* No. 7987-8 (June 19, 2008), that the listing of specific reasons in RCW section 50.20.050(2)(b) for which an employee may voluntarily leave a position for "good cause" and still collect unemployment insurance benefits is not exclusive. As a result of court's decision in *Spain*, the door is now open for employees to generally argue that they are entitled to unemployment compensation because they left work voluntarily for "good cause," even if the reason they quit their job does not fall within one of the specific reasons enumerated in the statute.

The facts of the *Spain* case involved two employees who left their jobs because "they found their employers unbearable." Specifically, one employee alleged that she suffered "daily verbal abuse," and the other stated that she "sharply disagreed with management." The Washington State Department of Employment Security denied unemployment benefits to both employees on the basis that under recent amendments to the relevant unemployment insurance statute, the Department "no longer had the statutory authority to grant unemployment benefits when an employee voluntarily leaves a job for any reason other than those listed as not disqualifying in former RCW section 50.20.050(2)."

The Washington Supreme Court disagreed with the Department and held that the Department's position was based on a flawed interpretation of the statute. Specifically, the court held that the legislature did not intend that "good cause" for voluntarily leaving a job be limited to the 10 (now 11) reasons enumerated in the statute. Instead, as explained by the court, the legislature intended that employees should not be disqualified from collecting unemployment benefits if they can demonstrate *either* that they voluntarily left their job for one of the statutorily-listed reasons or for some other, unlisted "good cause" reason. Thus, the court held that the statutory list is not exclusive, and employees are free to assert other "good cause" reasons for voluntarily leaving their jobs that may entitle them to receive unemployment benefits.

The Washington Supreme Court's rejection of a concrete and exclusive list of reasons for determining whether an employee has "good cause" for voluntarily quitting a job will make the determination of who is eligible for unemployment benefits much more difficult. As a result of the *Spain* decision, employers will face increasing uncertainty and expense in unemployment benefit claims. General allegations of "good cause" by employees who have voluntarily left their jobs will have to be evaluated on a case-by-case basis by the Employment Security Department. In the absence of future clarifying legislation by the Washington legislature, there is a significant risk that the holding in the *Spain* decision will likely lead to a higher volume of unemployment insurance claims by employees and increased premiums and administrative costs to employers.

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