

Occupations Exempted from Unemployment Insurance Coverage

When employment is exempt from unemployment insurance (UI) coverage, the employee is not eligible for UI benefits. Certain employment may or may not be exempt from UI coverage, depending on the circumstances. Below is a list of such services and the corresponding sections of the Revised Code of Washington (RCW) which further explain when the listed employment is excluded from coverage*. If you have any questions, we encourage you to contact us at the Employment Security Department to determine whether your services are exempt.

These occupations include:

Agricultural labor – RCW 50.04.150: For small farms (less than \$20,000 annually), the law exempts students who are regularly attending classes or are between two successive academic terms/years, at an elementary school, a secondary school, or an institution of higher education and in the case of corporate farms not covered under RCW 50.04.155, the provisions for family employment in RCW 50.04.180 apply.

Appraisal practitioner – RCW 50.04.255: If services performed by a certified or licensed person under RCW 18.140 in an appraisal business are contingent upon payment to the owner of the facility and the person receives no compensation from the owner, the employment is exempt. Exemption does not include services worked for public and federally exempt private nonprofit employers.

Barber/cosmetologist - RCW 50.04.225: Services performed in a salon/shop are exempt if licensed under RCW 18.16 and the individual is a booth renter as defined under RCW 18.16.020.

Casual labor - RCW 50.04.270: Services such as yard work or minor repair work performed for a private individual, on their personal property, are exempt. These services are taxable for FUTA purposes if the employee earns \$50 or more in cash in a quarter and works more than 24 different days in that quarter or the preceding quarter.

Foreign degree-granting institution – RCW 50.04.125: Employees, who are nonimmigrant aliens under the immigration law of the United States, for the purposes of RCW 50.04.120, shall be considered localized or principally localized, in the country of domicile of the foreign degree-granting institution and are exempt from unemployment insurance.

Independent contractor exception tests - RCW 50.04.140: Independent contractors are exempt from unemployment insurance. Individuals must meet the criteria of the independent contractor exemption tests in this RCW to be considered an independent contractor.

Independent contractor requiring registration or licensing – RCW 50.04.145: Independent contractors in the construction and electrical industries, as defined in this law, are exempt.

Occupations Exempt from Unemployment Insurance Coverage

Outside salesperson paid by commission - RCW 50.04.235: The outside sale of merchandise that an individual is paid by commission is exempt when the services are performed outside all the places of business. The exceptions to remuneration mentioned under RCW 50.04.230 apply.

Massage practitioner - RCW 50.04.223: Services are exempt if the practitioner is licensed under RCW 18.108 and the use of the facility is contingent upon payment to the owner of the business and the individual receives no compensation from the owner for the services they perform.

Musician/entertainer - RCW 50.04.148: Musicians or entertainers are exempt when the person or group performs no other services and doesn't perform regularly and continuously for the business. It doesn't apply to a business that provides this service incidental to their primary business activity.

Domestic service worker - RCW 50.04.160: Employment is exempt if remuneration paid to an individual for domestic service work is less than \$1,000 in any quarter. When the \$1,000 is met, the employer is liable for the entire year and the following year even if they don't pay \$1,000 in a quarter that year.

Corporate officer - RCW 50.04.165: Corporate officers who provide services in Washington are exempt from unemployment insurance coverage unless the employer voluntarily elects to cover them. While your officers are exempt for state unemployment insurance purposes, you will still be required to pay full federal FUTA taxes on them.

Nonresident alien - RCW 50.04.206: Services performed by a nonresident, nonimmigrant, alien under the Immigration and Naturalization Act, Section 101(a)(15)(F), H(ii), H(iii), or J are exempt.

Amateur sports officials - RCW 50.04.246: Services performed by amateur sports officials, on a contest-by-contest basis, for interscholastic and youth or adult recreational sports contests are exempt unless:

1. The individual is employed by a nonprofit organization covered under Section 501(c)(3) of the Internal Revenue Code.
2. A for-profit corporation is sponsoring a sports contest and the individual is employed in another capacity in addition to working as an amateur sports official.

“Amateur sports official” means any individual who serves as a neutral participant in any sports contest where the players are not paid, including, but not limited to, an umpire, referee, judge, linesperson, scorekeeper, timekeeper, or organizer and who is not otherwise employed by the sponsor of the sports contest.

Family employment - RCW 50.04.180: Services are exempt if performed by an individual for their spouse/registered domestic partner or by a person under the age of 18 years (unless married) working for a parent or stepparent.

Services Exempt from Unemployment Insurance Coverage

Real estate/insurance/investment agent, broker, salesperson, or solicitor paid by commission - RCW 50.04.230: All services performed by a licensed agent, broker, salesperson or solicitor are exempt to the extent the individual is paid by commission.

Maritime service - RCW 50.04.170: Services are exempt if the individual on the boat is engaged in catching fish or other forms of aquatic animal life under an arrangement with the owner or operator of the boat for which they receive a share of the boat's or boats' catch of fish/aquatic animal life or a share of the proceeds from the sale of the catch and the amount of the share depends on the amount of the boat's or boats' catch, but only if the operating crew of the boat or each boat from which the individual's receives a share is normally made up of fewer than ten individuals.

Services performed as an officer or member of the crew of a vessel not an American vessel and services on or in connection with an American vessel under contract of service which is not entered into within the United States and during the performance of which the vessel does not touch at a port of the United States.

Newspaper vendor/carrier/delivery person/freelance news correspondent - RCW 50.04.240: Services performed by a newspaper vendor, carrier, or delivery person selling or distributing newspapers and any freelance news correspondent or "stringer" is exempt.

Small performing arts - RCW 50.04.275: Employment is exempt if the person participates in a performance sponsored by an employer under four specific North American Industry Classification System (NAICS), as long as they receive no remuneration other than a nominal stipend and the employer doesn't have more than three individuals in its employment during any part of a day during the calendar year.

"Stipend" means a fixed sum of money paid periodically to defray incidental expenses involved in participating in the performance including, but not limited to, meals, transportation, lodging, costumes, supplies, and childcare.

Travel Services – RCW 50.04.232: Services performed by an outside agent who sells travel services as defined by RCW 19.138.021(7) are exempt to the extent the individual is compensated by commission. The exceptions to remuneration mentioned under RCW 50.04.230 apply.

Foreign governmental service - RCW 50.04.210: The wages of an individual who perform services in this state "for any of the following are not reportable to the state of Washington for unemployment insurance purposes: any other state or its political subdivisions, or of the United States government..." They are employees of that governmental entity. This includes members of Indian tribes.

Tax Exempt Nonprofit Organizations

The only nonprofit organizations exempt for Unemployment Insurance purposes are those meeting the criteria found in [RCW 50.44.040](#) and are exempt under Section 501(c)(3) of the Internal Revenue Code.

Services Exempted from Unemployment Insurance Coverage

- **Church or religious organization** – RCW 50.44.040(1): Services performed for a church/convention/association of churches or an organization operating primarily for religious purposes and is operated, supervised, controlled, or principally supported by a church/convention/association of churches.
- **Ordained, commissioned, or licensed church minister** - RCW 50.44.040(2): Services performed by a duly ordained, commissioned, or licensed minister of a church or by a member of a religious order.
- **Facility carrying out a program for persons with disabilities** - RCW 50.44.040(3): Services performed in a facility for the purpose of rehabilitating individuals whose earning capacity is impaired by age, physical, or mental deficiency or injury, or providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market.
- **Work relief or work-training program** - RCW 50.44.040(4): Services performed as part of an unemployment work-relief or work-training program assisted or financed in whole or part by a federal or state agency or political subdivision.
- **Custodial or penal institution** – RCW 50.44.040(5): Services performed by an inmate of a custodial or penal institution.
- **Hospital** - RCW 50.44.040(6): Services performed by a patient of a hospital.
- **School, college, or university** – RCW 50.44.040(7): Services performed by a student who is enrolled and is regularly attending classes at a school, college or university or services performed by the spouse of the student if the spouse is advised, at the time their work commences, that their employment is under a program to provide financial assistance to the student by the school, college, or university and the employment will not be covered by any program of unemployment insurance.
- **Academic instruction with work experience** - RCW 50.44.040(8): Services performed by an individual under the age of twenty-two who is enrolled in a nonprofit or public educational institution that combines academic instruction with work experience.
- **Nongovernmental preschool** – RCW 50.44.040(9): Services performed by individual at a nongovernmental preschool which is devoted exclusively to the area of child development training of preschool age children through established curriculum of formal classroom instruction which did not employ four or more individuals on each of some twenty days during the calendar year or preceding calendar year, each day being in a different calendar week.
- **Elected official** - RCW 50.44.040(10)(a): Services performed as an elected official of the state or any of its instrumentalities or political subdivisions.
- **Member of National Guard** – RCW 50.44.040(10)(b): Services performed by a member of the National Guard or Air National Guard.
- **Policymaking position** - RCW 50.44.040(10)(c): Services performed in a policymaking position which does not require more than eight hours per week.

***Please review the applicable RCW section completely as the listed services may be covered by UI under certain circumstances. To determine whether your services are exempt, or for any other questions, please call us at 360-902-9360.**