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SENATOR BEUTLER: No?

SENATOR MATZKE: That's a commonly accepted assumption, but actually the payment of vacation pay is one of the employment benefits. Now, to achieve that benefit you may have to have worked a certain period of time, but it, like any other benefit, health insurance or retirement fund, is subject to whatever the employment agreement is. So the situation is simply this; that so long as you are being paid vacation pay you are still receiving the equivalent of wages, and so during that period of time you are receiving those benefits...if the rule weren't that way, what we would have would be double-dipping. In other words, you would be getting vacation pay whenever you received it and you would also get unemployment compensation at the same time.

SENATOR BEUTLER: Well, let's say we had two different employees, Senator, and one, for whatever reasons, chose not to take his vacation pay and was terminated on March 1, and you're saying that this bill would require that that vacation pay then substitute for unemployment compensation as you described, by the method you just described. Now let's say you had a second employee who took their vacation in January, but was also fired on March 1. That person gets to take unemployment insurance in the full amount, and the two are treated differently. Would that not be the case?

SENATOR MATZKE: Well, clearly, if you've used up your vacation and your employment is terminated, then with the...there's a one-week disqualification under the Unemployment Compensation Law, they would be entitled to draw unemployment compensation, yes. But in the situation where someone had accrued vacation, that would be prorated just as if they continued their employment and continued to be paid fully.

SENATOR BEUTLER: Well, if the one person has used their vacation, then should we not assume that that vacation had been earned? Because if it had not been earned, they could not use it.

SENATOR MATZKE: I guess where I have to quibble with you is on the definition of "earned." It certainly is accrued with respect to the period of employment. I think it's a term of