

By: Morales Shaw

H.B. No. 2604

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a paid parental leave program administered by the Texas Workforce Commission; imposing an employer contribution.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle B, Title 4, Labor Code, is amended by adding Chapter 319 to read as follows:

CHAPTER 319. PAID PARENTAL LEAVE FOR CERTAIN EMPLOYEES

Sec. 319.001. DEFINITIONS. In this chapter:

(1) "Employee" means an individual who performs services for an employer for compensation under a contract for hire, whether express or implied. The term does not include an independent contractor.

(2) "Employer" means a person that employs one or more employees.

(3) "Program" means the Texas Family Fund Program established under Section 319.002.

Sec. 319.002. ESTABLISHMENT OF PROGRAM; RULEMAKING. (a) The commission shall establish the Texas Family Fund Program to administer, distribute payments for, and assess contributions for paid parental leave under this chapter.

(b) The commission shall adopt rules as necessary to implement this chapter.

Sec. 319.003. PAID PARENTAL LEAVE FOR CERTAIN EMPLOYEES.

1 (a) This section applies only to an employee who:

2 (1) has worked for the employer:

3 (A) not less than 540 hours during the preceding
4 six months; or

5 (B) on a full-time basis during the preceding
6 three months.

7 (b) Subject to Subsections (c) and (d), an employee is
8 entitled to 12 weeks of paid leave funded by the program for the:

9 (1) birth of a child;

10 (2) birth of a child by the employee's spouse;

11 (3) birth of a child by a gestational surrogate; or

12 (4) adoption of a child.

13 (c) An employee who takes paid leave under Subsection (b) is
14 entitled to paid leave for each week of paid leave taken under that
15 subsection in an amount equal to:

16 (1) 100 percent of the employee's weekly wage if the
17 employee is paid:

18 (A) an hourly rate that is not greater than \$15 an
19 hour; or

20 (B) an annual salary as a full-time employee that
21 is not greater than \$31,200;

22 (2) 95 percent of the employee's weekly wage if the
23 employee is paid:

24 (A) an hourly rate that is more than \$15 an hour
25 and not greater than \$20 an hour; or

26 (B) an annual salary as a full-time employee that
27 is more than \$31,200 and not greater than \$41,600; or

1 (3) 80 percent of the employee's weekly wage or \$1,000,
2 whichever amount is less, if the employee is paid:

3 (A) an hourly rate that is more than \$20 an hour;
4 or

5 (B) an annual salary as a full-time employee that
6 is more than \$41,600.

7 (d) This section does not entitle an employee to leave in
8 addition to any leave the employee is entitled to under the federal
9 Family and Medical Leave Act of 1993 (29 U.S.C. Section 2601 et
10 seq.). An employee is not entitled to paid leave under this section
11 for any period during which the employee is taking other paid leave.

12 (e) An employee who qualifies for leave under this section
13 under Subsection (a)(1)(A) only may not take leave under this
14 section:

15 (1) later than the first anniversary of the date of
16 birth or adoption of a child described by Subsection (b); and

17 (2) more than one time during a 12-month period.

18 Sec. 319.004. EMPLOYER CONTRIBUTION. (a) Except as
19 provided by Subsection (d), an employer shall pay a contribution on
20 wages paid during a calendar year. The contribution shall be paid
21 to the commission in accordance with rules adopted by the
22 commission.

23 (b) An employer's contribution under Subsection (a) is an
24 amount equal to 0.15 percent of all wages paid by the employer
25 during the calendar year.

26 (c) An employer may not deduct any part of a contribution
27 under this section from the wages of an individual.

1 (d) This section does not apply to an employer that:

2 (1) maintains a self-funded paid leave policy.

3 Sec. 319.005. ADMINISTRATION OF CONTRIBUTIONS. (a) On
4 receipt of contributions under Section 319.004, the commission
5 shall forward the contributions to the comptroller.

6 (b) The comptroller shall immediately deposit contributions
7 under this chapter in the Texas Family Fund.

8 (c) The comptroller is custodian of the Texas Family Fund
9 and shall administer the fund in accordance with the directions of
10 the commission. The comptroller shall issue warrants on the Texas
11 Family Fund for the payment of paid leave under this chapter in
12 accordance with rules adopted by the commission.

13 Sec. 319.006. TEXAS FAMILY FUND. (a) The Texas Family Fund
14 is a special fund.

15 (b) The fund consists of:

16 (1) contributions collected under this chapter;

17 (2) interest earned on money in the fund; and

18 (3) other money received for the fund from any other
19 source.

20 (c) Benefits are due and payable only to the extent money is
21 available for that purpose in the fund. This state and the
22 commission are not liable for any amount in excess of the amount in
23 the fund.

24 SECTION 2. Not later than January 1, 2024, the Texas
25 Workforce Commission shall:

26 (1) establish the Texas Family Fund Program in
27 accordance with Section 319.002, Labor Code, as added by this Act;

1 and

2 (2) adopt rules necessary to implement Chapter 319,
3 Labor Code, as added by this Act.

4 SECTION 3. An employee is not entitled to paid leave under
5 Chapter 319, Labor Code, as added by this Act, before September 1,
6 2024.

7 SECTION 4. This Act takes effect September 1, 2023.