

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 790
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Business & Commerce
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Committee Report (Substituted)

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Current law defines "benefit wage credit" as those wages used to determine an individual's right to benefits. The current definition does not prevent the use of wage credits that were earned from employers from which the claimant had a disqualifying work experience. Therefore, workers who have been fired for misconduct are not prevented from using the wages earned in those jobs as part of their unemployment claim.

C.S.S.B. 790 redefines "benefit wage credit" by providing that the term does not include wages earned from an employer from which the individual's last separation from work before the date of the initial claim was under circumstances for which the individual would be disqualified for benefits. Redefining "benefit wage credit" provides a substantial measure of protection for the integrity of the Unemployment Insurance Trust Fund by preventing the use of wage credits that were earned from employers from which the claimant had a disqualifying work separation. C.S.S.B. 790 reduces the drain on the trust fund, by ensuring that only workers who deserve benefits receive them, and could save employers approximately \$200 million in costs.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 207.004(d)(1), Labor Code, to redefine "benefit wage credits."

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2005.