

BILL ANALYSIS

H.B. 611
By: Thompson
Economic Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The U.S. Family and Medical Leave Act (1993) requires employers of more than 50 people to give workers up to 12 weeks of unpaid leave for birth, adoption, serious illness or caring for a family member. Each year, millions of American workers qualify for family or medical unpaid leave but do not utilize it because most workers who are eligible, especially low-wage earners, can't afford to take time off without pay. However, these are the workers who could benefit most from paid leave. Low-income workers are more likely to lose their jobs when they have to take time off of work. They are also less likely to have a savings account to help them through periods of unemployment.

A survey by the University of California depicted that 78% of Americans surveyed supported paid family leave. Lower wage workers are hit hardest by the lack of a minimum paid leave standard. According to one Harvard researcher, 76% of low-wage workers have no paid leave. Research from the Urban Institute shows that for working parents with income levels below 200% of the federal poverty line, 41% have no paid leave of any kind. This bill would allow a parent to become eligible for unemployment compensation benefits if they provide at-home infant care after the birth or adoption of a child.

RULEMAKING AUTHORITY

It is the opinion of the committee that rulemaking authority is expressly delegated to the Texas Workforce Commission in SECTION 1 and SECTION 4 of the bill.

ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 207, Labor Code, by adding Section 207.026 as follows:

- (a) States the definition of the word "parent."
- (b) Establishes that unemployment compensation benefits cannot be denied to an individual who satisfies the requirements of Subsection (d) solely because he/she voluntarily leaves the workforce to care for a newborn child or an adopted child.
- (c) States that an individual who is on leave from work or who has left work to care for a newborn or an adopted child, and is also eligible for benefits under Subsection (d), is not required to comply with the provisions relating to availability for work, active search for work or refusal to apply for or to accept suitable work.
- (d) Provides eligibility requirements, except as provided by Subsection (e), under which a parent can receive unemployment benefits.
- (e) Establishes that a parent who is under the age of 18 years and who attends high school, or a high school equivalency program, may receive benefits when school is not in session in the school district in which the parent lives.
- (f) States that a parent receiving benefits may not be employed outside of the parent's home while receiving benefits.

(g) States that a parent who is eligible for benefits may not receive benefits for more than 12 weeks and establishes the date on which these benefits will begin.

(h) Sets the amount of benefits received by a parent as an amount equal to the number of weeks a parent receives benefits multiplied by 60% of the parent's average weekly wage earned four calendar weeks prior to the birth or the adoption of a child. This amount is reduced by any amount paid to the parent by an employer due to the birth or the adoption of a child and by any amount paid to the parent under the disability insurance plan contributed to by the employer.

(i) Establishes that a parent may not receive benefits for more than 12 months his/her lifetime.

(j) States that an employer shall provide notice to employees on their first day of employment, by rule, regarding the availability of benefits as prescribed by the commission.

(k) Requires this section to be applied in accordance with any applicable regulations of the United States Department of Labor.

SECTION 2. Amends Chapter 207.045(d), Labor Code, as follows:

(d) Adds language to establish that an individual who is available to work may not be disqualified for benefits because the individual left work due to the adoption of a child or the birth of the individual's child, if the individual is eligible for benefits under Section 207.026. It also makes conforming changes.

SECTION 3. Reenacts and amends Chapter 204.022 (a), Labor Code, as amended by Chapters 39, 493, and 728, Acts of the 79th Regular Session of the Legislature, as follows:

(a) Adds language to provide that benefits computed on benefit wage credits of an employee or former employee may not be charged to an employer's account if the employee's last separation from the employer's employment before the employee's benefit year resulted from his/her leaving employment or taking leave to care for a newborn child, if the individual is eligible to receive benefits under Section 207.026. It also makes conforming changes.

SECTION 4. (a) Identifies the prospective application of this Act.

(b) States that this Act prevails over another Act of the 80th legislature relating to additions and corrections in enacted codes.

(c) Requires the Texas Workforce Commission to adopt rules as necessary to implement Section 207.026, Labor Code, no later than November 1, 2007.

SECTION 5. States the effective date for this Act.

EFFECTIVE DATE

September 1, 2007.