

By: Murphy

H.B. No. 14

A BILL TO BE ENTITLED

AN ACT

relating to the qualification for unemployment benefits of a person receiving severance pay.

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

SECTION 1. Subchapter C, Chapter 207, Labor Code, is amended by adding Section 207.0491 to read as follows:

Sec. 207.0491. RECEIPT OF SEVERANCE PAY. (a) In this section, "severance pay" means income paid on termination of employment in addition to the employee's usual earnings from the employer at the time of termination. The term does not include any remuneration received by an employee under:

(1) a settlement agreement entered into between the employee and the employer based on alleged sexual harassment or other alleged employer misconduct; or

(2) a written contract, including a collective bargaining agreement, negotiated with the employer before the date of separation from employment of the employee.

(b) An individual is disqualified for benefits if the individual is receiving severance pay.

(c) The disqualification under this section continues for the number of weeks computed by dividing the individual's gross severance package by the individual's gross weekly wage during the individual's benefit year.

SECTION 2. This Act applies only to eligibility for

1 unemployment compensation benefits based on a claim that is filed  
2 with the Texas Workforce Commission on or after the effective date  
3 of this Act. A claim filed before the effective date of this Act is  
4 governed by the law in effect on the date the claim was filed, and  
5 the former law is continued in effect for that purpose.

6 SECTION 3. This Act takes effect immediately if it receives  
7 a vote of two-thirds of all the members elected to each house, as  
8 provided by Section 39, Article III, Texas Constitution. If this  
9 Act does not receive the vote necessary for immediate effect, this  
10 Act takes effect September 1, 2011.