

SUBJECT: Disqualifying certain employees from receiving unemployment benefits

COMMITTEE: Economic and Small Business Development — favorable, without amendment

VOTE: 5 ayes — Button, Faircloth, Isaac, Metcalf, Villalba

2 nays — Johnson, E. Rodriguez

2 absent — C. Anderson, Vo

WITNESSES: For — Michelle Collins; (*Registered, but did not testify*: Jon Fisher, Associated Builders and Contractors of Texas; Pamela Bratton, Meador Staffing Services, Texas Society for Human Resource Management State Council; Annie Spilman, National Federation of Independent Business-Texas; Kathy Williams, Texas Association of Staffing; Cathy Dewitt, Texas Association of Business; Steven Garza and Daniel Gonzalez, Texas Association of Realtors)

Against — Rene Lara, Texas AFL-CIO

On — Chuck Ross, Texas Workforce Commission

BACKGROUND: Labor Code, ch. 207 determines the conditions under which an individual is entitled to receive unemployment compensation benefits.

DIGEST: HB 934 would disqualify an individual from receiving unemployment compensation benefits if the individual had given advance notice of resignation, and was then terminated between giving notice and the individual's last day of work as stated in the advance notice. The individual would not be entitled to benefits regardless of whether the employer paid the employee for the entire notice period.

This bill would take effect September 1, 2015, and would apply only to a claim for unemployment compensation benefits filed on or after that date.

**SUPPORTERS
SAY:**

HB 934 would close a loophole and provide employers with increased flexibility to manage their workforces. It would prevent employees who knew they were about to be fired from resigning before the employer had a chance to terminate them in order to be eligible for unemployment benefits. Such behavior violates the intended purpose of unemployment benefits.

**OPPONENTS
SAY:**

HB 934 would incentivize employees to wait until the last moment to tell their employer that they were leaving. It would provide an avenue for a spiteful employer to fire an employee after the employee had provided the courtesy of advance notice.