

BILL ANALYSIS

Senate Research Center

S.B. 737
By: Carona
Economic Development
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As Filed

DIGEST

Currently, under the Texas Unemployment Compensation Act, certain employees who are partially unemployed are allowed to draw unemployment benefits. The Act defines partial unemployment without reference to the reason for the partial unemployment. This bill would provide that under Section 201.091, Labor Code, an individual is not partially unemployed in regard to unemployment benefits if the individual's work hours are reduced by the individual's employer as a result of a disciplinary action.

Additionally, an employee who elects to file for unemployment benefits during or at the end of a short-term unpaid disciplinary suspension is considered to have been terminated. The employer has the legal burden to show misconduct in termination cases involving such employees. If the employee was considered to have voluntarily quit, instead of being terminated, the legal burden would be placed on the employee to show good cause for quitting. This bill would provide under Section 207.045, Labor Code, that an individual who receives an unpaid suspension of five days or less is to be viewed as voluntarily quitting without good cause in regard to unemployment benefits if the individual does not return to the position of employment after the expiration of suspension.

PURPOSE

As proposed, S.B. 737 sets forth the conditions in which a person is disqualified for eligibility of unemployment compensation benefits for periods of unpaid disciplinary suspensions.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 201.091, Labor Code, by adding Subsection (d), to provide that an individual is not partially employed for purposes of Title 4A, Labor Code, for a benefit period in which the individual is suspended by the individual's employer from the individual's position of employment without compensation as a disciplinary action.

SECTION 2. Amends Section 207.045, Labor Code, by adding Subsection (i), to provide that an individual who is suspended by the individual's employer from the individual's position of employment for a specified term not to exceed five days without compensation as a disciplinary action is considered to have left the position of employment voluntarily without good cause connected to the employment if the individual does not return to the position of employment after the expiration of the period of suspension. Provides that the disqualification for benefits under this subsection continues until the conditions for requalification under Subsection (b) are satisfied.

SECTION 3. Effective date: September 1, 1997.
Makes application of this Act prospective.

SECTION 4. Emergency clause.