

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 394  
By: Jackson  
Economic Development  
3/3/1999  
Committee Report (Substituted)

### **DIGEST**

Currently, under Texas law, an individual is disqualified from unemployment compensation benefits if the individual is receiving or has received wages in lieu of notice or certain public compensation for qualified disabilities. This bill expands current law by disqualifying individuals from unemployment compensation benefits if the individual is receiving or has received severance pay.

### **PURPOSE**

As proposed, C.S.S.B. 394 disqualifies claimants for unemployment benefits who have received severance pay.

### **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 207.049, Labor Code, to provide that an individual is disqualified for benefits for a benefit period for which the individual is receiving or has received remuneration in the form of severance among other forms of remuneration, except severance pay that is explicitly outlined in a group employment contract. Establishes that if the remuneration received under Subsection (a)(1), or (3) is less than the benefits that an individual would otherwise be eligible to receive, an individual is entitled to receive benefits that are reduced by the amount of the remuneration, adjusted as provided by Section 207.006, notwithstanding Subsection (a). Makes conforming changes.

SECTION 2. Effective date: September 1, 1999.  
Makes application of this Act prospective.

SECTION 3. Emergency clause.

### **SUMMARY OF COMMITTEE CHANGES**

#### SECTION 1.

Amends Section 207.049(a), Labor Code, to provide that an individual is disqualified for benefits for a benefit period for which the individual is receiving or has received remuneration in the form of severance among other forms of remuneration, except severance pay that is explicitly outlined in a group employment contract, rather than severance or other separation pay or payments of accrued vacation leave, sick leave, or other personal leave. Makes conforming changes.