

BILL ANALYSIS

Senate Research Center
83R15211 MAW-F

H.B. 916
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Economic Development
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Chapter 204 (Contributions), Labor Code, governs the Texas unemployment compensation contribution system. Section 204.021 (Chargebacks) says that benefits paid to a claimant are charged to the account of the claimant's former employer. An employer's unemployment compensation rate is calculated based on the history of unemployment claims against the employer. Benefits paid to a claimant are counted as "chargebacks" against the employer's account. An employer's premiums rise if a former employee receives benefits from the unemployment compensation fund. A claim filed against an employer remains on the employer's account for three years.

Section 204.022(a) (relating to prohibiting benefits computed on benefit wage credits of an employee or former employee from being charged to the account of an employer) allows employers to be exempted from the chargeback system if a former employee claims unemployment benefits. This may occur in specified situations when the separation from employment was not due to the fault of the employer, such as in the event of a natural disaster. Chargebacks are not posted on those employers' accounts. Added costs of providing unemployment benefits to these claimants is paid by all contributors to the unemployment insurance system.

H.B. 916 amends current law relating to the amount of a chargeback for unemployment compensation benefits paid to a person who is partially unemployed.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 204.022, Labor Code, by adding Subsection (a-1), as follows:

(a-1) Prohibits benefits computed on benefit wage credits of an employee from being charged to the account of an employer if the employee continued to work the employee's customary hours for the employer when the employee's benefit year began. Provides that this subsection does not apply to a claim for unemployment benefits made under Chapter 215 (Shared Work Unemployment Compensation Program).

SECTION 2. Makes application of the change in law made by this Act prospective.

SECTION 3. Effective date: September 1, 2013.