

**REPORT TO THE LEGISLATURE
IMPLEMENTATION OF HOUSE BILL 481, 79TH TEXAS LEGISLATURE, REGULAR
SESSION**

Background

House Bill (HB) 481, passed by the 79th Texas Legislature, and effective June 17, 2005, amended Texas Labor Code (Labor Code) Chapter 207, Subchapter B, by adding §207.0211, which exempts certain individuals with disabilities from seeking full-time work. Exempted individuals are those individuals who:

- Have worked part-time for a substantial part of the base period;
- Are receiving Social Security Disability Insurance (SSDI); and
- Are available for and seeking part-time work.

To receive Unemployment Insurance (UI) benefits under the provisions of HB 481, and to be considered able and available for part-time work, a permanently disabled UI claimant must meet the following criteria:

- Unable to work full-time;
- Worked part-time during a substantial part of the claimant's base period;
- Seeking part-time work consistent with the limitations imposed by the claimant's disability; and
- Receiving SSDI benefits under 42 U.S.C. §423.

Additionally, HB 481 amended §204.022(a) of the Labor Code to provide chargeback protection to employers in cases where the former employee's work separation was due to inability to perform the work as a result of a disability for which the individual is receiving SSDI benefits.

Finally, HB 481 directs the Texas Workforce Commission (TWC) to conduct a study on UI benefits paid to eligible individuals as a result of this legislation and report the results to the Lieutenant Governor, the Speaker of the House of Representatives, and the Texas Legislature by December 1, 2006. The following sections of this report are responsive to that requirement. All findings reported below are from the June 17, 2005 to September 30, 2006 period.

Implementation

As a result of HB 481, TWC developed procedures to provide benefits to claimants eligible under the provisions of the bill. These procedures included programming changes to the UI Benefits System and modifications to the claimstaking protocol used both by UI customer service representatives and in the *Apply for Benefits*¹ application on TWC's Web site.

Additionally, information about the eligibility provisions of HB 481 is included in mailings to claimants and posted online at the TWC Web site. The number of individuals impacted by this legislative change was predicted to be quite low, an assumption which has proven correct over the last 15 months of implementation. As such, the systems changes described above have been sufficient to accommodate the relatively small increase in claims resulting from this legislative change.

¹ *Apply for Benefits* is TWC's Internet-based UI initial and continuing claimstaking application.

The implementation activities described below focus on the three areas of major impact: Expanded UI claimant eligibility and benefit receipt, employer chargeback protection, and UI Trust Fund impact.

Eligible UI Claimants

Table 1 provides a breakdown of UI eligibility for claimants receiving SSDI.

Table 1: UI Eligibility for Claimants Receiving SSDI

Total filing for UI benefits by claimants receiving SSDI	260	--
Monetarily ineligible ²	148	57%
Monetarily eligible but disqualified for other reasons ³	27	10%
Monetarily eligible and receiving UI benefits	85	33%

Table 2 presents figures describing UI reciprocity among claimants impacted by HB 481.

Table 2: Monetarily Eligible Claimants Receiving UI

Total claimants receiving UI benefits	85
Average weekly benefit amount	\$109
Average maximum benefit amount	\$2,159
Total benefits paid to all claimants	\$148,598
Average weeks of benefits	11.4
Claimants who exhausted benefits	22
Separation reason	
Laid off	61
Discharged or quit through no fault of their own	24

Employer Chargeback

HB 481 includes a provision that protects base-period employers from chargeback when a claimant is separated from that employment for reasons related to disability performance. This provision was included to remove the disincentive to hire disabled individuals and to protect employers who wished to promote employment opportunities for individuals with disabilities.

UI Administrative Grant and Trust Fund

The costs of implementing the requirements of HB 481 have been associated largely with the development of implementation procedures; programming changes to automated systems; a slight increase in the number of claims; and the research for this legislative report. These slightly increased costs were rolled into existing federal UI funding associated with the administrative grant; TWC incurred no additional costs. The UI Trust Fund impact is the total amount of benefits paid to this population, \$148,598, which is roughly 0.014 percent of the approximately \$1 billion paid to all claimants each year.

² These claimants' earnings from part-time work during their base period were insufficient for the purposes of UI eligibility.

³ Reasons for non-payment include: a disqualifying job separation, such as discharge for misconduct or quitting for reasons not connected with the job; ineligibilities for other issues, such as unavailability for any work; and not pursuing the claim by filing subsequent biweekly payment requests.

Conclusion

TWC continues to monitor the usage of these added provisions to State law and seeks opportunities to more fully engage eligible claimants in need of both UI and reemployment assistance. At the same time, TWC remains mindful of the need to protect employers from chargeback liability. In balancing these two priorities, TWC has successfully implemented the requirements of HB 481.