

CHAPTER 20

S.B. No. 424

An Act relating to the effect of payment of unemployment compensation benefits to a person who receives an award of back pay and the liability of an employer; amending the Texas Unemployment Compensation Act, as amended (Article 5221b-1 et seq., Vernon's Texas Civil Statutes), by adding Section 7-C.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. The Texas Unemployment Compensation Act, as amended (Article 5221b-1 et seq., Vernon's Texas Civil Statutes), is amended by adding Section 7-C to read as follows:

"Section 7-C. EFFECT OF BACK PAY AWARDS. (a) If a back pay award to a claimant is reduced because of the receipt of unemployment compensation benefits by the claimant, the employer against whom the back pay award was made shall notify the Commission of the back pay award. The employer must notify the Commission in writing not later than the 12th day after the day on which the employer learns about the reduction in the back pay award.

"(b) An employer that has been assessed a back pay award to a claimant that has been reduced because of the receipt of unemployment compensation benefits by the claimant shall reimburse the fund for the amount of benefits paid from the fund equal to the amount of the reduction in the back pay award. The employer is not liable under this section to pay more than the amount by which the Commission determines that the claimant was overpaid unemployment compensation benefits because of the back pay award. The employer shall reimburse the fund for those benefits as provided by rules adopted by the Commission.

"(c) If a claimant has been overpaid unemployment compensation benefits because of a back pay award and the employer against whom the back pay award was assessed is required to reimburse the fund for the amount equal to the amount of the reduction as provided by Subsection (b) of this section, the liability of the employer to reimburse the fund is the only liability with respect to the overpayment, and the payment of the reimbursement by the employer shall be credited against the overpayment. Notwithstanding any other provision of this Act, a claimant is not liable with respect to an overpayment caused by a reduction in a back pay award that creates liability for the employer under Subsection (b) of this section."

SECTION 2. This Act takes effect September 1, 1985, and applies to employer liability for reimbursement of the unemployment compensation fund for a reduction made in a back pay award that is granted on or after that date.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed the Senate on February 25, 1985, by a viva-voce vote; passed the House on March 27, 1985, by a non-record vote.

Approved: April 3, 1985

Effective: September 1, 1985