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CHAPTER 207. BENEFITS

Subchapter A. Payment of Benefits

Sec. 207.001. Payment of Benefits

Benefits are paid through the commission in accordance with rules adopted by the commission and are due and payable under this subtitle only to the extent provided by this subtitle.

Sec. 207.002. Benefits for Total Unemployment

- (a) An eligible individual who is totally unemployed in a benefit period is entitled to benefits for the benefit period at the rate of 1/25 of the wages received by the individual from employment by employers during that quarter in the individual's base period in which wages were highest. For purposes of this subsection, the wages received by the individual from employment by employers during the individual's base period include wages ordered to be paid to the individual by a final order of the commission under Chapter 61 that:
 - (1) were due to be paid to the individual by an employer during the individual's base period; and
 - (2) will be credited to the date or dates on which the payment of those wages was due.
- (a-1) The commission by rule shall determine the method of crediting wages to a particular quarter for purposes of Subsection (a).
- (a-2) The rate of benefits paid under this section may not be more than the maximum weekly benefit amount computed under Subsection (b) or less than the minimum weekly benefit amount computed under Subsection (b) for each benefit period.
- (b) The maximum weekly benefit amount is 47.6 percent of the average weekly wage in covered employment in this state. The minimum weekly benefit amount is 7.6 percent of the average weekly wage in covered employment in this state.
- (c) The commission shall determine the average weekly wage in covered employment and compute the maximum and minimum weekly benefit amount not later than October 1 of each year based on the annual average weekly wage for the preceding year. If a benefit amount computed under this subsection includes cents, the commission shall adjust the benefit amount as follows:
 - (1) if the computed benefit amount includes at least one cent but not more than 49 cents, the commission shall round the benefit down to the nearest multiple of \$1; and

- (2) if the computed benefit amount includes at least 50 cents but not more than 99 cents, the commission shall round the benefit amount up to the nearest multiple of \$1.
- (c-1) An increase in the maximum weekly benefit amount may not exceed \$14 in any year. An increase in the minimum weekly benefit amount may not exceed \$1 in any year.
- (d) An increase in maximum and minimum benefit amounts under this section takes effect on October 1.
- (e) The maximum benefit amount payable to an individual for a benefit period under this section on the effective date of a valid claim is the maximum benefit amount payable to that individual until the individual establishes a new benefit year.
- (f) In this section, "**wages**" has the meaning assigned in Subchapter F, Chapter 201, except that the limitation of wages provided in Section 201.082(1) does not apply.

(NOTE: See Illustration on Page 151)

Sec. 207.003. Benefits for Partial Unemployment

- (a) An eligible individual who is partially unemployed in a benefit period is entitled to partial benefits for that benefit period.
- (b) The amount of a partial benefit is computed by:
 - (1) adding the individual's benefit amount and the greater of \$5 or 25 percent of the benefit amount; and
 - (2) subtracting the amount of the wages earned by the individual during the benefit period from the amount computed under Subdivision (1).
- (c) In this section "**wages**" has the meaning assigned in Subchapter F, Chapter 201, except that the limitation of wages provided in Section 201.082(1) does not apply.

(NOTE: See Illustration on Page 151)

Sec. 207.004. Benefit Wage Credits

- (a) The commission shall credit as benefit wage credits during an individual's base period:
 - (1) wages the individual received for employment from an employer during the individual's base period; and
 - (2) wages ordered to be paid by a final order issued by the commission under Chapter 61 that:

- (A) were due to be paid by an employer during the individual's base period; and
- (B) will be credited to the date or dates on which the payment of those wages was due.

- (a-1) The commission by rule shall determine the method of crediting wages to an individual's base period for purposes of Subsection (a).
- (b) Wages used to qualify an individual for regular benefits under this subtitle or under any other unemployment compensation law may not be used again to qualify the individual for regular benefits.
- (c) If an employer fails to report, when requested by the commission, wages that were paid to an individual during a base period, the commission may determine the amount of benefit wage credits for the individual for the base period from the best information obtained by the commission.
- (d) In this section:
 - (1) **"Benefit wage credits"** means those wages used to determine an individual's right to benefits.
 - (2) **"Wages"** has the meaning assigned in Subchapter F, Chapter 201, except that the limitation of wages provided in Section 201.082(1) does not apply.

Sec. 207.005. Maximum Amount of Benefits

The maximum amount of benefits payable to an eligible individual during a benefit year may not exceed the lesser of:

- (1) 26 times the individual's benefit amount; or
- (2) 27 percent of the individual's benefit wage credits.

(NOTE: See Illustration on Page 151)

Sec. 207.006. Adjustment of Benefits

If a benefit rate or benefit payable computed under this chapter is not a multiple of \$1, the benefit rate or benefit payable is increased to the next multiple of \$1.

(NOTE: See Illustration on Page 151)

Sec. 207.007. Fees Limitation; Legal Representation; Criminal Offense; Penalty

- (a) An individual claiming benefits under this subtitle may not be charged a fee in a proceeding under this subtitle by:
 - (1) the commission or a representative of the commission; or
 - (2) a court or an officer of a court.
- (b) An individual claiming benefits in a proceeding before the commission or a court may be represented by counsel or another authorized agent. Counsel or an agent representing an individual under this subtitle may charge and collect a fee for the counsel's or agent's services.
- (c) A person who violates this section commits an offense. An offense under this section is punishable by:
 - (1) a fine of not less than \$50 and not more than \$500;
 - (2) imprisonment for not more than six months; or
 - (3) both a fine and imprisonment.

Sec. 207.008. Suitable Work

- (a) In determining whether work is suitable for an individual, the commission shall consider:
 - (1) the degree of risk involved to the individual's health, safety, and morals at the place of performance of the work;
 - (2) the individual's physical fitness and previous training;
 - (3) the individual's experience and previous earnings;
 - (4) the individual's length of unemployment and prospects for securing local work in the individual's customary occupation; and
 - (5) the distance of the work from the individual's residence.
- (b) Notwithstanding any other provision of this subtitle, work is not suitable and benefits may not be denied under this subtitle to an otherwise eligible individual for refusal to accept new work if:
 - (1) the position offered is vacant directly because of a strike, lockout, or other labor dispute;

- (2) the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality; or
- (3) as a condition of being employed, the individual is required to join a company union or to resign from or refrain from joining a bona fide labor organization.

Sec. 207.009. Payment of Benefits by Indian Tribe

Benefits based on service in the employ of an Indian tribe, as described by Section 201.048, are payable in the same amount, on the same terms, and subject to the same conditions as benefits paid on the basis of other service under this subtitle.

Subchapter B. Benefit Eligibility

Sec. 207.021. Benefit Eligibility Conditions

- (a) Except as provided by Chapter 215, an unemployed individual is eligible to receive benefits for a benefit period if the individual:
 - (1) has registered for work at an employment office and has continued to report to the employment office as required by rules adopted by the commission;
 - (2) has made a claim for benefits under Section 208.001;
 - (3) is able to work;
 - (4) is available for work;
 - (5) is actively seeking work in accordance with rules adopted by the commission;
 - (6) for the individual's base period, has benefit wage credits:
 - (A) in at least two calendar quarters; and
 - (B) in an amount not less than 37 times the individual's benefit amount;
 - (7) after the beginning date of the individual's most recent prior benefit year, if applicable, earned wages in an amount equal to not less than six times the individual's benefit amount;
 - (8) has been totally or partially unemployed for a waiting period of at least seven consecutive days; and
 - (9) participates in reemployment services, such as a job search assistance service, if the individual has been determined, according to a profiling system established by the

commission, to be likely to exhaust eligibility for regular benefits and to need those services to obtain new employment, unless:

- (A) the individual has completed participation in such a service; or
- (B) there is reasonable cause, as determined by the commission, for the individual's failure to participate in those services.

(b) A week may not be counted as a waiting period week for the purposes of this section:

- (1) unless the individual has registered for work at an employment office in accordance with Subsection (a)(1);
- (2) unless it is after the filing of an initial claim;
- (3) unless the individual reports at an office of the commission and certifies that the individual has met the waiting period requirements;
- (4) if benefits have been paid or are payable with respect to the week;
- (5) if the individual does not meet the eligibility requirements of Subsections (a)(3) and (a)(4); and
- (6) if the individual has been disqualified for benefits for the seven-day period under Section 207.044, 207.045, 207.047, or 207.048.

(b-1) An individual for whom suitable work is available only in an occupation designated by United States Department of Labor regulation as an occupation that regularly conducts preemployment drug testing is available for work for purposes of Subsection (a)(4) only if the individual complies with the applicable requirements of the drug screening and testing program administered by the commission under Section 207.026. The commission shall adopt rules for determining the type of work that is suitable for an individual for purposes of this subsection.

(c) Notwithstanding any other provision of this section, an individual is eligible to receive benefits on the individual's waiting period claim in accordance with this subtitle if the individual has been paid benefits in the individual's current benefit year equal to or exceeding two times the individual's benefit amount and:

- (1) has returned to full-time employment after being totally or partially unemployed for at least seven consecutive days; or
- (2) has exhausted the individual's regular benefits for the current benefit year, other than benefits applicable to the waiting period.

Sec. 207.0211. Eligibility of Certain Disabled Persons

A permanently disabled individual is considered to be able to work under Section 207.021(a)(3) and available for work for purposes of Section 207.021(a)(4) if, as a result of the individual's disability, the individual:

- (1) is unable to work full-time;
- (2) has worked part-time during a substantial part of the individual's base period;
- (3) is seeking part-time work consistent with the limitations imposed by the individual's disability; and
- (4) is receiving disability insurance benefits under 42 U.S.C. Section 423.

Sec. 207.0212. Eligibility of Certain Persons Unemployed Because of Disaster

- (a) In this section, "disaster unemployment assistance benefits" means benefits authorized under Section 410, Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. Section 5177), and rules adopted under that section.
- (b) Notwithstanding Section 207.021, the governor, by executive order, may suspend the waiting period requirement imposed under Section 207.021(a)(8) to authorize an individual to receive benefits for that waiting period if the individual:
 - (1) is unemployed as a direct result of a natural disaster that results in a disaster declaration by the president of the United States under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. Section 5121 et seq.);
 - (2) is otherwise eligible for unemployment compensation benefits under this subtitle; and
 - (3) is not receiving disaster unemployment assistance benefits for the period included in that waiting period.

Sec. 207.022. Commission-Approved Training

- (a) An individual may not be denied benefits because the individual is in training with the approval of the commission.
- (b) An individual may not be denied benefits for a benefit period in which the individual is in training with the approval of the commission because of the provisions of Section 207.021 relating to the individual's:
 - (1) availability for work;
 - (2) active search for work; or

- (3) refusal to apply for or refusal to accept suitable work.
- (c) Approval of training must be obtained as required by rules adopted by the commission.

Sec. 207.023. Training Under the Trade Act of 1974

- (a) This section applies only to training approved under Section 236(a)(1) of the Trade Act of 1974 (19 U.S.C. Section 2296(a)(1)).
- (b) An otherwise eligible individual may not be denied benefits for a week:
 - (1) that the individual was in training;
 - (2) that the individual left work to enter training if the work the individual left was not suitable employment; or
 - (3) because of the application to the week in training of a provision of this subtitle or a federal unemployment compensation law relating to the individual's:
 - (A) availability for work;
 - (B) active search for work; or
 - (C) refusal to accept work.
- (c) For the purposes of Subsection (b), "suitable employment" means work for an individual that:
 - (1) is of a skill level substantially equal to or higher than that of the individual's past adversely affected employment, as that term is used by the Trade Act of 1974 (19 U.S.C. Section 2101 et seq.); and
 - (2) pays wages that are not less than 80 percent of the individual's average weekly wage as determined for the purposes of the Trade Act of 1974 (19 U.S.C. Section 2101 et seq.).

Sec. 207.024. Claim Filed or Residence in Another State or Country

An individual's benefits may not be denied or reduced solely because at the time the individual filed the claim for unemployment compensation the individual:

- (1) files a claim in another state or a contiguous country with which the United States has an agreement with respect to unemployment compensation; or
- (2) resides in another state or contiguous country with which the United States has an agreement with respect to unemployment compensation.

Sec. 207.025. Pregnancy or Termination of Pregnancy

Benefits may not be denied to an individual solely because of pregnancy or termination of pregnancy.

Sec. 207.026. Drug Screening or Testing as Condition of Benefit Eligibility for Certain Applicants and Recipients

- (a) The commission by rule shall adopt a drug screening and testing program as part of the requirements for the receipt of benefits under this subtitle by an individual to whom Section 207.021(b-1) applies. The program must:
 - (1) comply with the drug testing requirements of 49 C.F.R. Part 382 or other similar national requirements for drug testing programs recognized by the commission; and
 - (2) be designed to protect the rights of benefit applicants and recipients.
- (b) Under the program, each individual to whom Section 207.021(b-1) applies who files an initial claim must submit to and pass a drug screening assessment developed and administered by or on behalf of the commission for purposes of this subsection as a prerequisite to receiving benefits under this subtitle. The assessment tool used under this subsection must consist of a written questionnaire to be completed by the individual applying for benefits and must be designed to accurately determine the reasonable likelihood that an individual is using a substance that is subject to regulation under Chapter 481, Health and Safety Code. An individual whose drug screening assessment indicates a reasonable likelihood of use by the individual of a substance subject to regulation under that chapter must submit to and pass a drug test administered by or on behalf of the commission to establish the individual's eligibility for benefits under this subtitle. An individual who fails a drug test required under this subsection under a final determination or decision under this section is not eligible to receive benefits under this subtitle until the individual has passed a subsequent drug test administered by or on behalf of the commission not earlier than four weeks after the date the individual submitted to the failed drug test.
- (c) Notwithstanding Subsection (b), an individual is not ineligible to receive benefits based on the individual's failure to pass a drug test if, on the basis of evidence presented by the individual, the commission determines that, subject to Section 207.021(a)(4):
 - (1) the individual is participating in a treatment program for drug abuse;
 - (2) the individual enrolls in and attends a treatment program for drug abuse not later than the seventh day after the date initial notice of the failed drug test is sent to the individual; or
 - (3) the failure to pass the test is caused by the use of a substance that was prescribed by a health care practitioner as medically necessary for the individual.

- (d) The commission shall prescribe procedures for providing initial notice to an individual who fails a drug test under Subsection (b), for an appeal under Chapter 212, and for the retaking of a failed drug test by an individual under this section. The procedures must provide:
- (1) for prompt initial notice by mail to an individual who fails a drug test under Subsection (b) regarding:
 - (A) the fact of the individual's failure of the drug test;
 - (B) the manner in which the individual may notify the commission that the individual has enrolled in and is attending a treatment program for drug abuse;
 - (C) the manner in which the individual may appeal and retake the failed drug test; and
 - (D) common potential causes of a false positive test result;
 - (2) for privacy with regard to the individual's drug test result until not later than the 14th day after the date the initial notice of the failed drug test was mailed to the individual during which time the individual may appeal and retake the failed drug test; and
 - (3) that a determination or decision that an individual has failed a drug test under this section becomes final on:
 - (A) the 15th day after the date the initial notice of the failed drug test was mailed to the individual if the individual does not appeal and retake the individual's failed drug test as provided by this section; or
 - (B) the date that a retest conducted pursuant to an appeal by the individual as provided by this section confirms the positive drug test result.
- (e) The commission shall administer the program under this section using existing administrative funds and any funds appropriated to the commission for the purposes of this section.

Note: The provisions in Subsection 207.021 (b-1) and Section 207.026 apply only to a claim for unemployment benefits that is filed with the Texas Workforce Commission on or after February 1, 2014.

Note: If before implementing provisions in Subsection 207.021 (b-1) and Section 207.026, the Texas Workforce Commission determines that a waiver or authorization from a federal agency is necessary for implementation of the provisions, the agency shall request the waiver or authorization, and may delay implementing that provision until the waiver or authorization is granted.

Subchapter C. Exceptions to and Disqualification for Benefits

Sec. 207.041. Services in Educational Institutions

- (a) Benefits are not payable to an individual based on services performed in an instructional, research, or principal administrative capacity for an educational institution for a week beginning during the period between two successive academic years or terms or under an agreement providing for a similar period between two regular but not successive terms if:
 - (1) the individual performed the services in the first of the academic years or terms; and
 - (2) there is a contract or reasonable assurance that the individual will perform services in that capacity for any educational institution in the second of the academic years or terms.
- (b) Benefits are not payable to an individual based on services performed for an educational institution in a capacity other than a capacity described by Subsection (a) for a week that begins during a period between two successive academic years or terms if:
 - (1) the individual performed the services in the first of the academic years or terms; and
 - (2) there is a reasonable assurance that the individual will perform the services in the second of the academic years or terms.
- (c) Notwithstanding Subsection (b), if benefits are denied to an individual for any week under Subsection (b) and the individual is not offered an opportunity to perform services for the educational institution for the second of the academic years or terms, the individual is entitled to a retroactive payment of the benefits for each week that:
 - (1) the individual filed a timely claim for benefits; and
 - (2) the benefits were denied solely because of Subsection (b).
- (d) Benefits are not payable to an individual based on services performed for an educational institution for a week that begins during an established and customary vacation period or holiday recess if:
 - (1) the individual performed the services in the period immediately before the vacation period or holiday recess; and
 - (2) there is a reasonable assurance that the individual will perform the services in the period immediately following the vacation period or holiday recess.
- (e) Benefits are not payable as provided under this section to an individual based on services performed in an educational institution if the individual performed the services while employed by an educational service agency. For the purposes of this subsection, **"educational service**

agency" means a governmental agency or other governmental entity that is established and operated exclusively to provide services to one or more educational institutions.

Sec. 207.042. Athletes

Benefits are not payable to an individual based on services substantially all of which consist of participating in a sport or athletic event or training or preparing to participate in a sport or athletic event for a week that begins during the period between two successive sport seasons or similar periods if:

- (1) the individual performed the services in the first of the seasons or periods; and
- (2) there is a reasonable assurance that the individual will perform the services in the later of the seasons or periods.

Sec. 207.043. Aliens

- (a) Benefits are not payable based on services performed by an alien unless the alien:
 - (1) is an individual who was lawfully admitted for permanent residence at the time the services were performed;
 - (2) was lawfully present for purposes of performing the services; or
 - (3) was permanently residing in the United States under color of law at the time the services were performed, including being lawfully present in the United States as a result of the application of Section 212(d)(5) of the Immigration and Nationality Act (8 U.S.C. Section 1182(d)(5)).
- (b) Information required of an individual applying for benefits to determine whether benefits are payable to the individual because of the individual's alien status shall be uniformly required from all applicants for benefits.
- (c) A determination that benefits are not payable to an individual whose application for the benefits would otherwise be approved except for the individual's alien status must be made from a preponderance of the evidence.
- (d) A modification of Section 3304(a)(14) of the Federal Unemployment Tax Act (26 U.S.C. Section 3304(a)(14)) that specifies other conditions or another effective date for the denial of benefits based on services performed by aliens that must be implemented under state law as a condition for a full tax credit against the tax imposed by the Federal Unemployment Tax Act (26 U.S.C. Section 3301 et seq.) is applicable under this section.

Sec. 207.044. Discharge for Misconduct

- (a) An individual is disqualified for benefits if the individual was discharged for misconduct connected with the individual's last work.

- (b) Disqualification under this section continues until the individual has returned to employment and:
 - (1) worked for six weeks; or
 - (2) earned wages equal to six times the individual's benefit amount.

Sec. 207.045. Voluntarily Leaving Work

- (a) An individual is disqualified for benefits if the individual left the individual's last work voluntarily without good cause connected with the individual's work.
- (b) Except as provided by Subsection (c), a disqualification for benefits under this section continues until the individual has returned to employment and:
 - (1) worked for six weeks; or
 - (2) earned wages equal to six times the individual's benefit amount.
- (c) Disqualification for benefits under this section for an individual who left work to move with the individual's spouse from the area where the individual worked continues for not less than six benefit periods and not more than 25 benefit periods following the filing of a valid claim as determined by the commission according to the circumstances of the case.
- (d) Notwithstanding any other provision of this section, an individual who is available to work may not be disqualified for benefits because the individual left work because of:
 - (1) a medically verified illness of the individual or the individual's minor child;
 - (2) injury;
 - (3) disability;
 - (4) pregnancy;
 - (5) an involuntary separation as described by Section 207.046; or
 - (6) a move from the area of the individual's employment that:
 - (A) was made with the individual's spouse who is a member of the armed forces of the United States; and
 - (B) resulted from the spouse's permanent change of station of longer than 120 days or a tour of duty of longer than one year.

- (e) For the purposes of Subsection (d), a medically verified illness of a minor child prevents disqualification only if reasonable alternative care was not available to the child and the employer refused to allow the individual a reasonable amount of time off during the illness.
- (f) Military personnel who do not reenlist have not left work voluntarily without good cause connected with work.
- (g) An individual who is partially unemployed and who resigns that employment to accept other employment that the individual reasonably believes will increase the individual's weekly wage is not disqualified for benefits under this section.
- (g-1) An individual who voluntarily leaves the individual's last work is not disqualified for benefits under this section if:
 - (1) at the time the last work began, the individual was receiving benefits under this subtitle;
 - (2) the work did not constitute suitable work for the individual, as determined under Section 207.008; and
 - (3) the individual was employed at the last work for less than four weeks.
- (h) A temporary employee of a temporary help firm is considered to have left the employee's last work voluntarily without good cause connected with the work if the temporary employee does not contact the temporary help firm for reassignment on completion of an assignment. A temporary employee is not considered to have left work voluntarily without good cause connected with the work under this subsection unless the temporary employee has been advised:
 - (1) that the temporary employee is obligated to contact the temporary help firm on completion of assignments; and
 - (2) that unemployment benefits may be denied if the temporary employee fails to do so.
- (i) A covered employee of a professional employer organization is considered to have left the covered employee's last work without good cause if the professional employer organization demonstrates that:
 - (1) at the time the employee's assignment to a client concluded, the professional employer organization, or the client acting on the professional employer organization's behalf, gave written notice and written instructions to the covered employee to contact the professional employer organization for a new assignment; and
 - (2) the covered employee did not contact the professional employer organization regarding reassignment or continued employment; provided that the covered

employee may show that good cause existed for the covered employee's failure to contact the professional employer organization.

- (j) An individual is not disqualified for benefits under this section if:
 - (1) the individual left the individual's last work to attend commission-approved training under Section 207.022; and
 - (2) the individual's last work did not constitute suitable work for the individual, as determined under section 207.008.

Sec. 207.046. Involuntary Separation

- (a) An individual is not disqualified for benefits under this subchapter if:
 - (1) the work-related reason for the individual's separation from employment was urgent, compelling, and necessary so as to make the separation involuntary;
 - (2) the individual leaves the workplace to protect the individual from family violence or stalking or the individual or a member of the individual's immediate family from violence related to a sexual assault as evidenced by:
 - (A) an active or recently issued protective order documenting sexual assault of the individual or a member of the individual's immediate family or family violence against, or the stalking of, the individual or the potential for family violence against, or the stalking of, the individual;
 - (B) a police record documenting sexual assault of the individual or a member of the individual's immediate family or family violence against, or the stalking of, the individual;
 - (C) a physician's statement or other medical documentation that describes the sexual assault of the individual or a member of the individual's immediate family or family violence against the individual that:
 - (i) is recorded in any form or medium that identifies the individual or member of the individual's immediate family, as applicable, as the patient; and
 - (ii) relates to the history, diagnosis, treatment, or prognosis of the patient; or
 - (D) written documentation from a family violence center or rape crisis center that describes the sexual assault of the individual or a member of the individual's immediate family or family violence against the individual;

- (3) the individual leaves the workplace to care for the individual's terminally ill spouse as evidenced by a physician's statement or other medical documentation, but only if no reasonable, alternative care was available; or
- (4) the individual's separation from employment was caused by the individual being called to provide:
 - (A) service in the uniformed services, as defined by 38 U.S.C. Section 4303; or
 - (B) service in the Texas military forces, as defined by Section 437.001, Government Code.
- (b) Except as provided by law, evidence regarding an employee described by Subsection (a)(2) may not be disclosed to any person without the consent of the employee.
- (c) In this section:
 - (1) **"Family violence"** has the meaning assigned by Section 71.004, Family Code.
 - (2) **"Stalking"** means conduct described by Section 42.072, Penal Code.
 - (3) **"Immediate family"** means an individual's parent, spouse, or child under the age of 18.
 - (4) **"Sexual assault"** means conduct described by Section 22.011 or 22.021, Penal Code.
 - (5) **"Family violence center"** has the meaning assigned by Section 51.002, Human Resources Code.

Sec. 207.047. Failure to Apply for, Accept, or Return to Work

- (a) An individual is disqualified for benefits if during the individual's current benefit year, the individual failed, without good cause, to:
 - (1) apply for available, suitable work when directed to do so by the commission;
 - (2) accept suitable work offered to the individual; or
 - (3) return to the individual's customary self-employment, if any, when directed to do so by the commission.
- (b) Disqualification for benefits under this section continues until the individual has returned to employment and:
 - (1) worked for six weeks; or

- (2) earned wages equal to six times the individual's benefit amount.

Sec. 207.048. Labor Disputes

- (a) An individual is disqualified for benefits for a benefit period in which the individual's total or partial unemployment is caused by:
 - (1) the individual's stoppage of work because of a labor dispute at the factory, establishment, or other premises where the individual is or was last employed; or
 - (2) a labor dispute at another place that:
 - (A) is owned or operated by the same employing unit that owns or operates the premises where the individual is or was last employed; and
 - (B) supplies materials or services necessary to the continued and usual operation of the premises where the individual is or was last employed.
- (b) Disqualification for benefits under this section does not apply to an individual who shows to the satisfaction of the commission that the individual:
 - (1) is not participating in, financing, or directly interested in the labor dispute; and
 - (2) does not belong to a grade or class of workers any members of which were employed at the premises of the labor dispute immediately before the beginning of the labor dispute and any of whom are participating in, financing, or directly interested in the dispute.
- (c) For the purposes of Subsection (b)(1), failure or refusal to cross a picket line or refusal for any reason during the continuance of the labor dispute to accept and perform an individual's available and customary work at the factory, establishment, or other premises where the individual is or was last employed constitutes participation and interest in the labor dispute.
- (d) An individual may not be disqualified for benefits under Subsection (b)(2) if the individual shows that the individual:
 - (1) is not, and at the time of the labor dispute, was not:
 - (A) a member of a labor organization that is the same as, represented by, or directly affiliated, acting in concert, or in sympathy with the labor organization involved in the labor dispute at the premises of the labor dispute; or
 - (B) acting in concert or in sympathy with the labor organization involved in the labor dispute at the premises of the labor dispute; and

- (2) has made an unconditional offer to return to work at the premises where the individual is or was last employed.
- (e) If separate branches of work that are commonly conducted as separate businesses in separate premises are conducted in separate departments of the same premises, each department is a separate factory, establishment, or other premises.
- (f) For the purposes of this section, "**premises**" includes a vessel.

Sec. 207.049. Receipt of Remuneration

- (a) An individual is disqualified for benefits for a benefit period for which the individual is receiving or has received remuneration in the form of:
 - (1) wages in lieu of notice; or
 - (2) severance pay; or
 - (3) compensation under a state worker's compensation law or a similar law of the United States for:
 - (A) temporary partial disability;
 - (B) temporary total disability; or
 - (C) total and permanent disability.
- (b) In this section, "severance pay" means dismissal or separation income paid on termination of employment in addition to the employee's usual earnings from the employer at the time of termination. The term does not include any remuneration received by an employee under:
 - (1) a release of claims or settlement agreement entered into between the employee and the employer:
 - (A) based on an alleged violation of the Civil Rights Act of 1991 (Pub. L. No. 102-166); or
 - (B) pursuant to a claim or cause of action filed in connection with the employment relationship; or
 - (2) a written contract, including a collective bargaining agreement, negotiated with the employer before the date of separation from employment of the employee.
- (c) The commission may adopt rules as necessary to administer this section.

Sec. 207.050. Receipt of Pension or Annuity

- (a) Except as provided by Subsection (b), an individual is disqualified for benefits for a benefit period for which the individual is receiving or has received a governmental or other pension, retirement or retired pay, an annuity, or any other similar periodic payment based on the previous work of the individual and reasonably attributable to the benefit period.
- (b) If a periodic payment described by Subsection (a) is received by an individual under the federal Social Security Act, the commission shall consider the individual's contribution and may not reduce the weekly benefit amount.
- (c) Notwithstanding Subsection (a), if the remuneration received by an individual is less than the benefits that the individual would otherwise be eligible to receive, the individual is entitled to receive benefits for the benefit period that are reduced by the amount of the remuneration, adjusted as provided by Section 207.006.
- (d) This section is enacted because Section 3304(a)(15) of the Federal Unemployment Tax Act (26 U.S.C. Section 3304(a)(15)) requires that this provision be enacted in state law as of January 1, 1978, as a condition for full tax credit against the tax imposed by that Act. If Section 3304(a)(15) of the Federal Unemployment Tax Act (26 U.S.C. Section 3304(a)(15)) is amended to modify these federal requirements, the modified requirements are applicable under this section to the extent required for full tax credit rather than this section.

Sec. 207.051. Sale of Business

- (a) An individual is disqualified for benefits if the individual left the individual's last work because of the sale of:
 - (1) a corporation and the individual was:
 - (A) an officer of the corporation;
 - (B) a majority or controlling shareholder in the corporation; and
 - (C) involved in the sale of the corporation;
 - (2) a limited or general partnership and the individual was a limited or general partner who was involved in the sale of the partnership; or
 - (3) a sole proprietorship and the individual was the proprietor who sold the business.
- (b) The disqualification under this section continues until the individual has returned to employment and:
 - (1) worked for six weeks; or

- (2) earned wages equal to six times the individual's benefit amount.

[NOTE: H.B. 2034, 83rd Legislature, repealed Section 207.052]

Sec. 207.053. Refusal to Treat Communicable Disease

- (a) An individual is disqualified for benefits if the individual:
 - (1) left the individual's last work voluntarily rather than provide services included within the course and scope of the individual's employment to an individual infected with a communicable disease; or
 - (2) was discharged from the individual's last work because the individual refused to provide services included within the course and scope of the individual's employment to an individual infected with a communicable disease.
- (b) An individual is not disqualified under this section unless the person for whom the individual last worked made available to the individual the facilities, equipment, training, and supplies necessary to permit the individual to take reasonable precautions to preclude the infection of the individual with the communicable disease.
- (c) Disqualification for benefits under this section continues until the individual has returned to employment and:
 - (1) worked for six weeks; or
 - (2) earned wages equal to six times the individual's weekly benefit amount.

Subchapter D. Protection of Benefit Rights

Sec. 207.071. Waiver, Release, or Commutation Agreement Invalid

- (a) Except for an employer's waiver under Chapter 204 and Section 205.011, an agreement by an individual to waive, release, or commute the individual's right to benefits or to any other rights under this subtitle is not valid.
- (b) An agreement by an individual employed by an employer to pay all or a portion of a contribution or reimbursement required to be paid by the employer under this subtitle is not valid.

Sec. 207.072. Acceptance or Requirement of Waiver Prohibited

An employer may not require or accept a waiver of a right of an individual employed by the employer under this subtitle.

Sec. 207.073. Prohibited Deduction from Wages

An employer may not, directly or indirectly, make, require, or accept a deduction from wages to finance a contribution or reimbursement required to be paid by the employer under this subtitle.

Sec. 207.074. Criminal Offense; Penalty

An employer, or officer or agent of an employer, commits an offense if the person violates Section 207.072 or 207.073. An offense under this section is punishable by:

- (1) a fine of not less than \$100 and not more than \$1,000;
- (2) imprisonment for not more than six months; or
- (3) both a fine and imprisonment.

Sec. 207.075. Assignment of Benefits Prohibited; Benefit Exemptions

- (a) An assignment, pledge, or encumbrance of a right to benefits is not valid.
- (b) A right to benefits is exempt from levy, execution, attachment, or any other remedy for debt collection.
- (c) Benefits received by an individual are exempt from debt collection if the benefits are not mingled with other funds of the individual except for debts incurred for necessities furnished to the individual or the individual's spouse or dependents during the time that the individual was unemployed.
- (d) A waiver of an exemption provided by this section is not valid.
- (e) Subchapter E prevails over this section to the extent of any conflict.

Sec. 207.076. Equal Treatment

Benefits based on services for all employers in employment are payable in the same amount, on the same terms, and subject to the same conditions, except to the extent that Section 207.041 is applicable.

Subchapter E. Child Support Obligations

Sec. 207.091. Definitions

In this subchapter:

- (1) **"Benefit"** includes amounts payable by the commission under an agreement entered under federal law that provides for compensation, assistance, or allowances with respect to unemployment.
- (2) **"Child support obligation"** includes only an obligation that is enforced under a plan described by Section 454 of the Social Security Act (42 U.S.C. Section 654) that has been approved by the secretary of health and human services under Subtitle IV, Part D, Social Security Act (42 U.S.C. Section 651 et seq.).
- (3) **"State or local child support enforcement agency"** means an agency of the state or a political subdivision of the state operating under a plan described by Subdivision (2).

Sec. 207.092. Disclosure of Child Support Obligations

- (a) An individual at the time of filing a new claim for benefits shall disclose whether the individual owes a child support obligation.
- (b) If the individual discloses a child support obligation and the individual is determined to be eligible for benefits, the commission shall notify the state or local child support enforcement agency enforcing the child support obligation that the individual has been determined to be eligible for benefits.

Sec. 207.093. Withholding of Child Support by Commission

- (a) The commission shall withhold from the benefits payable to an individual that owes a child support obligation an amount equal to:
 - (1) any amount required to be withheld under legal process properly served on the commission;
 - (2) if Subdivision (1) does not apply, the amount determined under an agreement submitted to the commission under Section 454(19)(B)(i) of the Social Security Act (42 U.S.C. Section 654) by the state or local child support enforcement agency; or
 - (3) if neither Subdivision (1) or (2) applies, the amount the individual specifies to the commission to be withheld.
- (b) The commission shall pay the amount withheld under Subsection (a) to the appropriate state or local child support enforcement agency. The amount withheld shall be treated for all purposes as if it were benefits paid to the individual and paid by the individual to the state or local child support enforcement agency in satisfaction of the individual's child support obligation.

- (c) This section applies only if appropriate arrangements have been made for reimbursement to the commission by a state or local child support enforcement agency for the administrative costs incurred by the commission under this subchapter that are attributable to the enforcement of child support obligations by the state or local child support enforcement agency.
- (d) In this section, "**legal process**" has the meaning assigned by Section 459(i)(5) of the Social Security Act (42 U.S.C. Section 659).

Sec. 207.094. Federal Law Requirement

- (a) This subchapter and Section 207.075(e) are enacted because Section 303(e) of the Social Security Act (42 U.S.C. Section 503(e)) requires the enactment of these provisions into state law as a condition for federal funding of administration of the state unemployment compensation laws.
- (b) If Section 303(e) of the Social Security Act (42 U.S.C. Section 503(e)) is repealed, this subchapter and Section 207.075(e) are repealed.

Subchapter F. Tax Withholding

Sec. 207.101. Withholding from Benefits for Federal Income Tax

- (a) An eligible individual may elect to have federal income tax withheld from benefits. The commission shall withhold federal income taxes from the benefits of an individual who elects the withholding as provided by the Federal Unemployment Tax Act (26 U.S.C. Section 3301 et seq.) and Section 303, Social Security Act (42 U.S.C. Section 503).
- (b) The commission may not withhold federal income tax from benefits as provided by this section until January 1, 1997.

Subchapter G. Withholding from Unemployment Benefits for Uncollected Overissuances of Food Stamps

Sec. 207.111. Definitions

In this subchapter:

- (1) "**State agency**" has the meaning assigned by Section 3(n), Food Stamp Act of 1977 (7 U.S.C. Section 2012(n)).
- (2) "**Uncollected overissuance**" has the meaning assigned by Section 13(c)(1), Food Stamp Act of 1977 (7 U.S.C. Section 2022(c)(1)).
- (3) "**Unemployment benefits**" means benefits payable under this subtitle and any other amounts payable by the commission under an agreement entered into under any

federal law providing for compensation, assistance, or allowances with respect to unemployment.

Sec. 207.112. Application

This subchapter applies only if arrangements have been made for reimbursement by the state agency for the administrative costs incurred by the commission under this subchapter that are attributable to the repayment of uncollected overissuances to the state agency.

Sec. 207.113. Required Disclosure; Notice to Food Stamp Agency

- (a) An individual who files a new claim for unemployment benefits shall disclose, at the time of filing of that claim, whether the individual owes an uncollected overissuance.
- (b) If an individual who discloses under Subsection (a) that the individual does owe an uncollected overissuance is found eligible for unemployment benefits, the commission shall notify the state agency of the identity of that individual.

Sec. 207.114. Withholding

- (a) The commission shall deduct and withhold from unemployment benefits payable to an individual who owes an uncollected overissuance:
 - (1) the amount the individual specifies to the commission to be deducted and withheld under this section;
 - (2) the amount determined under an agreement submitted to the state agency under Section 13(c)(3)(A), Food Stamp Act of 1977 (7 U.S.C. Section 2022(c)(3)(A)); or
 - (3) any amount otherwise required to be deducted and withheld from unemployment benefits under Section 13(c)(3)(B), Food Stamp Act of 1977 (7 U.S.C. Section 2022(c)(3)(B)).
- (b) The commission shall pay any amount deducted and withheld under this section to the state agency in this state.
- (c) An amount deducted and withheld under this section shall be treated for all purposes as if it were paid to the individual as unemployment benefits and submitted by that individual to the state agency as repayment of the individual's uncollected overissuance.