- 1 HB405
- 2 155513-1
- 3 By Representative Wallace
- 4 RFD: State Government
- 5 First Read: 04-FEB-14

155513-1:n:11/04/2013:ANS/th LRS2013-3931

8 SYNOPSIS:

Under existing law, an individual is disqualified for total or partial unemployment compensation if he or she received or has been determined eligible to receive governmental or other pension, retirement or retired pay, annuity, or similar periodic payment that is based upon the individual's previous work; provided, however, that for weeks of unemployment beginning on or after April 26, 1982, the amount of benefits payable to an individual for any week which begins in a period during which the disqualification provision applies, the amount payable to the individual is reduced by an amount equal to the periodic payment only if the payment is made under a plan maintained or contributed to by a base period employer.

Under existing law, if, in accordance with the pension payment provision, any individual is awarded pension payments retroactively covering a period during which he or she received unemployment benefits, the retroactive payments shall constitute

disqualification and any benefits paid during the period shall be recovered.

This bill would clarify that the amount of benefits payable to an individual under these circumstances shall be reduced only if the payment is made under a plan that is maintained or contributed to by a base period employer, 100 percent employer-financed, and not contributed to by the worker.

This bill would clarify that any pension payments retroactively awarded to an individual would constitute disqualification and require recovery of any benefits paid during the disqualification period only if the pension payments were made under a plan that is maintained or contributed to by a base period employer, 100 percent employer-financed, and not contributed to by the worker.

A BILL

21 TO BE ENTITLED

22 AN ACT

To amend Section 25-4-78, as last amended by Act 2013-312, Code of Alabama 1975, relating to unemployment compensation; to clarify that the amount of benefits payable to an individual who received or has been determined eligible

1 to receive governmental or other pension, retirement or 2 retired pay, annuity, or similar periodic payment that is based upon the individual's previous work shall be reduced 3 4 only if the payment is made under a plan that is maintained or contributed to by a base period employer, 100 percent 5 6 employer-financed, and not contributed to by the worker; and 7 to clarify that any pension payments retroactively awarded to an individual would constitute disqualification and require 8 recovery of any benefits paid during the disqualification 9 10 period only if the pension payments were made under a plan that is maintained or contributed to by a base period 11 12 employer, 100 percent employer-financed, and not contributed to by the worker. 13

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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Section 1. Section 25-4-78, as last amended by Act 2013-312, Code of Alabama 1975, is amended to read as follows: "\$25-4-78.

"An individual shall be disqualified for total or partial unemployment:

"(1) LABOR DISPUTE IN PLACE OF EMPLOYMENT. For any week in which his total or partial unemployment is directly due to a labor dispute still in active progress in the establishment in which he is or was last employed. For the purposes of this section only, the term labor dispute includes any controversy concerning terms, tenure, or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or

seeking to arrange terms or conditions of employment,
regardless of whether the disputants stand in the proximate
relation of employer and employee. This definition shall not
relate to a dispute between an individual worker and his
employer.

- "(2) VOLUNTARILY QUITTING WORK. If he has left his most recent bona fide work voluntarily without good cause connected with such work.
- "a.1. However, he shall not be disqualified if he was forced to leave work because he was sick or disabled, notified his employer of the fact as soon as it was reasonably practicable so to do, and returned to that employer and offered himself for work as soon as he was again able to work; provided, however, this exception shall not apply if the employer had an established leave-of-absence policy covering sickness or disability and:
- "(i) The individual fails to comply with same as soon as it is reasonably practicable so to do; or
- "(ii) Upon the expiration of a leave of absence shall fail to return to the employer and offer himself for work, if he shall then be able to work, or if he is not then able to work, he fails to so notify his employer of that fact and request an extension of his leave of absence as soon as it is reasonably practicable so to do.
- "2. In case of doubt that an individual was sick or disabled, or as to the duration of any such sickness or disability, the director may, or if the employer requests it,

the director shall require a doctor's certificate to establish the fact or facts in doubt.

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"3. An established leave-of-absence policy shall be any leave-of-absence policy covering sickness and disability communicated to the employee by the customary means used by the employer for communicating with his employees.

"4. Nothing herein shall be construed or interpreted as authorizing the payment of benefits to any person during, or for, unemployment due to sickness or disability or during any period in which he is on a leave of absence granted in accordance with an established leave-of-absence policy, the duration of which leave was set in accordance with his request or in accordance with a collective bargaining agreement; except, that if such leave of absence is on account of pregnancy and extends beyond the tenth week following termination of such pregnancy, the individual shall not be denied benefits under the provisions of this subdivision (2) beyond such tenth week if she has given the employer three weeks notice of her desire to return to work, is then able to work and has not refused reinstatement to a job which under the provisions of subdivision (5) of this section would be deemed suitable for her.

"b. When an individual is disqualified under this subdivision (2):

"1. He shall not be entitled to benefits for the week in which the disqualifying event occurs or for any week thereafter until:

"(i) He has reentered insured employment or

employment of the nature described in subdivisions (5), (6),

(7), (8), (9), (10), or (18) of subsection (b) of Section

25-4-10; and

- "(ii) For which employment he has earned wages equal to at least 10 times his weekly benefit amount for the benefit year in which such disqualification is assessed; and
- "(iii) He has been separated from such employmentunder nondisqualifying conditions.
 - "2. The total amount of benefits to which he may otherwise be entitled as determined in accordance with Sections 25-4-74 and 25-4-75 shall be reduced by an amount equal to not less than six nor more than 12 times his weekly benefit amount.
 - "3. For the purpose of the experience rating provisions of Section 25-4-54, no portion of the benefits payable to him, based upon wages paid to him for the period of employment ending with the separation to which the disqualification applies, shall be charged to the employer's experience rating account. If the individual has been separated from employment other than his most recent bona fide work under conditions which would have been disqualifying under this subdivision (2) had the separation been from his most recent bona fide work and the employer answers a notice of payment within 15 days after it is mailed to him detailing the facts in connection with the separation, then no portion of any benefits paid to him based upon wages for the period of

employment ending in such separation shall be charged to the employer's experience rating account.

"4. Any other provision of this chapter to the contrary notwithstanding, effective October 21, 2013, the unemployment compensation account of an employer shall be charged when the unemployment compensation agency determines that an overpayment has been made to a claimant as a result of both of the following:

"(i) The overpayment occurred because the employer, or an agent of the employer, failed to respond timely or adequately to a request from the unemployment compensation agency for information relating to an unemployment compensation claim.

"(ii) The employer, or an agent of the employer, has established a pattern of failing to respond timely or adequately to a request from the unemployment compensation agency for information relating to an unemployment compensation claim on two or more occasions.

"c. An individual shall not be disqualified if he left his employment and immediately returned to work with his regular employer or to employment in which he had prior existing statutory or contractual seniority or recall rights. When this exception is applied, any benefits paid to such individual based upon wages paid for that period of employment immediately preceding the separation to which the exception is applied, which have not been heretofore charged to the

employer's experience rating account, shall not be charged to the account of such employer.

"d. For separation occurring on or after August 1, 2012, an individual shall not be disqualified if he or she left his or her employment to permanently relocate as a result of his or her active duty military-connected spouse's permanent change of station orders, activation orders, or unit deployment orders. When this exception is applied, any benefits paid to the individual based upon wages paid for that period of employment immediately preceding the separation to which the exception is applied, which have not been heretofore charged to the employer's experience rating account, shall not be charged to the account of the employer.

"e. For the purposes of this subdivision (2) and subdivision (3) of this section, the commissioner in determining the most recent bona fide work shall only consider employment of the nature described in subsection (a) of Section 25-4-10. The commissioner shall also consider the duration of the most recent job or jobs, the intent of the individual and his employer as to the permanence of such work and whether separation from the immediately preceding employment was under conditions which would be disqualifying in the event such immediately preceding employment should be determined to be the most recent bona fide work.

"(3) DISCHARGE FOR MISCONDUCT.

"a. If he was discharged or removed from his work for a dishonest or criminal act committed in connection with

his work or for sabotage or an act endangering the safety of others or for the use of illegal drugs after previous warning or for the refusal to submit to or cooperate with a blood or urine test after previous warning. Disqualification under this paragraph may be applied to separations prior to separation from the most recent bona fide work only if the employer has filed a notice with the commissioner alleging that the separation was under conditions described in this paragraph in such manner and within such time as the director may prescribe.

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"(i) A confirmed positive drug test that is conducted and evaluated according to standards set forth for the conduct and evaluation of such tests by the U.S. Department of Transportation in 49 C.F.R. Part 40 or standards shown by the employer to be otherwise reliable shall be a conclusive presumption of impairment by illegal drugs. No unemployment compensation benefits shall be allowed to an employee having a confirmed positive drug test if the employee had been warned that such a positive test could result in dismissal pursuant to a reasonable drug policy. A drug policy shall be deemed reasonable if the employer shows that all employees of the employer regardless of position or classification, are subject to testing under the policy, and in those instances in which the employer offers as the basis for disqualification from unemployment compensation benefits the results obtained pursuant to additional testing imposed on some but not all classifications, if the employer can also

offer some rational basis for conducting such additional
testing. Further, no unemployment compensation benefits shall
be allowed if the employee refuses to submit to or cooperate
with a blood or urine test as set forth above, or if the
employee knowingly alters or adulterates the blood or urine
specimen.

"(ii) For purposes of paragraph a. and item (i) of paragraph a. of this subdivision, warning shall mean that the employee has been advised in writing of the provisions of the employer's drug policy and that either testing positive pursuant to the standards referenced above or the refusal to submit to or cooperate with a blood or urine test as set out in the above referenced standards could result in termination of employment. This written notification as herein described shall constitute a warning as used in paragraph a. and item (i) of paragraph a. of this subdivision.

"(iii) To the extent that the issue is a positive drug test or the refusal to submit to or cooperate with a blood or urine test, or if the employee knowingly alters or adulterates the blood or urine sample, as distinguished from some other aspect of the employer's drug policy, this disqualification under paragraph a. and item (i) of paragraph a. shall be the only disqualification to apply, in connection with an individual's separation from employment. Other non-separation disqualifications may apply.

"When an individual is disqualified under this paragraph:

"1. He shall not be entitled to benefits for the week in which the disqualifying event occurs or for any week thereafter until he has reentered insured employment or employment of the nature described in subdivisions (5), (6), (7), (8), (9), (10), or (18) of subsection (b) of Section 25-4-10, has earned wages equal at least to 10 times his weekly benefit amount and has been separated from such employment for a nondisqualifying reason.

- "2. He shall not thereafter be entitled to any benefits under this chapter on account of wages paid to him for the period of employment by the employer by whom he was employed when the disqualifying event occurred.
- "3. For the purposes of the experience rating provisions of Section 25-4-54:
- "(i) No portion of any benefits based upon wages paid to the individual for the period of employment by the employer by whom he was employed when the disqualifying event occurred shall be charged to the employer's experience rating account.
- "(ii) In the case of a separation prior to the separation from the most recent bona fide work, if the only reason disqualification under this paragraph a. was not assessed was the failure of the employer to properly file a timely separation report with the commissioner and the employer files such a report within 15 days after the mailing of a notice of payment, then no portion of any benefits paid based upon the wages paid for the period of employment ending

in such prior separation shall be charged to the employer's experience rating account.

"b. If he was discharged from his most recent bona fide work for actual or threatened misconduct committed in connection with his work (other than acts mentioned in paragraph a. of this subdivision (3)) repeated after previous warning to the individual. When an individual is disqualified under this paragraph, or exempt from disqualification for a separation under such conditions prior to his most recent bona fide work, the effect shall be the same as provided in paragraph b. of subdivision (2) of this section for disqualification or exemption from disqualification respectively.

"c. If he was discharged from his most recent bona fide work for misconduct connected with his work [other than acts mentioned in paragraphs a. and b. of this subdivision (3)]:

"1. He shall be disqualified from receipt of benefits for the week in which he was discharged and for not less than the three nor more than the seven next following weeks, as determined by the commissioner in each case according to the seriousness of the conduct.

"2. The total amount of benefits to which he may otherwise be entitled as determined in accordance with Sections 25-4-74 and 25-4-75 shall be reduced by an amount equal to the product of the number of weeks for which he shall be disqualified multiplied by his weekly benefit amount.

"3. Only one-half of the benefits paid to him based upon wages for that period of employment immediately preceding the separation to which the disqualification applies shall be charged to the employer for the purposes of the experience rating provisions of Section 25-4-54. If the individual has been separated from employment, other than his most recent bona fide work, under conditions which would have been disqualifying under paragraph c. of this subdivision (3), had the separation been from his most recent bona fide work and the employer answers a notice of payment within 15 days after it is mailed to him detailing the facts in connection with the separation, then only one-half of the benefits paid to him for that period of employment immediately preceding the separation shall be charged to the employer for the purposes of the experience rating provisions of Section 25-4-54, unless the employer, or an agent of the employer, failed to respond timely or adequately to written requests pursuant to subparagraph 4. of paragraph b. of subdivision (2).

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"d. If he has been suspended as a disciplinary measure connected with his work, or for misconduct connected with his work, he shall be disqualified from benefits for the week or weeks (not to exceed four weeks) in which, or for which, he is so suspended and the total amount of benefits to which he may otherwise be entitled shall be reduced in the same manner and to the same extent as provided in subparagraph 2 of paragraph c. of this subdivision (3).

- "(4) REVOCATION OR SUSPENSION OF REQUIRED LICENSE, ETC. For the week in which he has become unemployed because a license, certificate, permit, bond, surety, or insurability which is necessary for the performance of such employment and which he is responsible to maintain or supply has been revoked, suspended or otherwise become lost to him for a cause other than one which would fall within the meaning of subdivision (3) of this section, but one which was within his power to control, guard against, or prevent, and for each week thereafter until:
 - "a. The license, certificate, permit, bond, or surety, or insurability, has been restored to him and he has reapplied to his employer for employment; or

- "b. He has reentered insured employment or employment of the nature described in subdivisions (5), (6), (7), (8), (9), (10), or (18) of subsection (b) of Section 25-4-10, whichever is the earlier.
 - "c. Nothing in this subdivision shall be construed as basis for disqualification of an individual who is without fault and who has made a reasonable effort to obtain his or her initial license, certificate, permit, bond, surety, or insurability required for the performance of assigned duties.
 - "(5) FAILURE TO ACCEPT AVAILABLE SUITABLE WORK, ETC.

 If he fails, without good cause, either to apply for or to accept available suitable work or to return to his customary self-employment when so directed by the commissioner or when he is notified of suitable work or it is offered him through a

state employment office or the United States Employment Service, or directly or by written notice or offer to any such employment office or employment service by an employer by whom the individual was formerly employed. Such disqualification shall be for a period of not less than one nor more than 10 weeks from the date of failure. This disqualification shall not apply unless the individual has an established benefit year, or is seeking to establish one or is seeking extended benefits at the time he fails without good cause, to do any of the acts set out in this subdivision (5).

- "a. In determining whether or not any work is suitable for an individual, the commissioner shall consider:
- "1. The degree of risk involved to his health, safety, and morals, his physical fitness and prior training,
 - "2. His experience and prior earnings,
 - "3. His length of unemployment,

"4. His prospects for securing local work in his customary occupation,

"5. The distance of the available work from his residence; provided, that no work or employment shall be deemed unsuitable because of its distance from the individual's residence, if such work or employment is in the same or substantially the same locality as was his last previous regular place of employment and if the employee left such voluntarily without good cause connected with such employment.

"b. Notwithstanding any other provisions of this

chapter, no work shall be deemed suitable and benefits shall

not be denied under this chapter to any otherwise eligible

individual for refusing to accept new work under any of the

following conditions:

- "1. If the position offered is vacant due directly to a strike, lockout, or other labor dispute;
- 8 "2. If the wages, hours, or other conditions of the
 9 work offered are substantially less favorable to the
 10 individual than those prevailing for similar work in the
 11 locality; or
 - "3. If as a condition of being employed the individual would be required to join a company union, or to resign from or refrain from joining any bona fide labor organization.
 - "c. Notwithstanding any other provisions of this section, benefits shall not be denied an individual, by reason of the application of the provisions of this subdivision (5), with respect to any week in which he is in training with the approval of the commissioner as described in subdivision (a) (3) of Section 25-4-77.
 - "(6) RECEIPT OF BACK PAY AWARD, ETC. For any week with respect to which he is receiving or has received remuneration in the form of a back pay award. Notwithstanding the provisions of Section 25-4-91 any benefits previously paid for weeks of unemployment with respect to which back pay awards are made shall constitute an overpayment and such

amounts shall be deducted from the award by the employer prior to payment to the employee and shall be transmitted promptly to the director by the employer for application against the overpayment and credit to the claimant's maximum benefit amount and prompt deposit into the fund; provided, however, the removal of any charges made against the employer as a result of such previously paid benefits shall be applied to the calendar year and the calendar quarter in which the overpayment is received by the commissioner and no attempt shall be made to relate such a credit to the period to which the award applies. Any amount of overpayment deducted by the employer shall be subject to the same procedures for collection as is provided for contributions by Section 25-4-134 of this chapter.

"(7) RECEIPT OF OR APPLICATION FOR UNEMPLOYMENT COMPENSATION FROM ANOTHER STATE, ETC. For any week with respect to which, or a part of which, he has received or is seeking unemployment benefits under an unemployment compensation law of any other state or of the United States; provided, that if the appropriate agency of such other state or of the United States finally determines that he is not entitled to such unemployment benefits this disqualification shall not apply.

"(8) RECEIPT OF PENSION PAYMENT. For any week with respect to which, or a part of which, an individual has received or has, except for the determination of an exact or specific amount, been determined eligible to receive (during a

period for which benefits are being claimed) governmental or other pension, retirement or retired pay, annuity, or similar periodic payment which is based on the previous work of the individual; except, that

"a. For weeks of unemployment which begin prior to April 26, 1982, as was prescribed by this subsection prior to such date, and

"b. For weeks of unemployment which begin on or after April 26, 1982, the amount of any benefits payable to an individual for any such week which begins in a period with respect to which the disqualifying provisions of this subdivision apply, shall be reduced (but not below zero) by an amount equal to the amount of such pension, retirement or retired pay, annuity, or other payment, which is reasonably attributable to such week, provided, however, such reduction required hereby shall apply to any pension, retirement or retired pay, annuity, or other similar payment only if:

"1. Such payment is made under a plan that is maintained (or contributed to) by a base period employer and 100 percent employer-financed and not contributed to by the worker, and

"2. In the case of such a payment not made under the Social Security Act or the Railroad Retirement Act of 1974 (or the corresponding provisions of prior law), services performed for such employer by the individual after the beginning of his base period (or remuneration for such services) affect eligibility for or increase the amount of, such payment.

"c. The other provisions of this subdivision to the contrary notwithstanding, beginning with the weeks ending

October 7, 1995, the amount of any pension, retirement or retired pay, annuity, or other similar periodic payment under the Social Security Act or the Railroad Retirement Act shall not result in a reduction of benefits under this subdivision.

"d. If in accordance with this subdivision (8) any individual is awarded pension payments retroactively covering the same period for which the individual received benefits, the retroactive payments shall constitute cause for disqualification and any benefits paid during such period shall be recovered only if the retroactive pension payments were made under a plan that is maintained (or contributed to) by a base period employer, 100 percent employer-financed, and not contributed to by the worker.

"(9) RECEIPT OF OR APPLICATION FOR WORKERS'

COMPENSATION. For any week with respect to which, or a part of which, he has received or is seeking compensation for temporary disability under any workers' compensation law; provided, that if it is finally determined he is not entitled to such compensation, this disqualification shall not apply; and provided further, that if such compensation is less than the benefits which would otherwise be due under this chapter, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such payment.

"(10) EMPLOYMENT BY PUBLIC WORKS AGENCY, ETC. For any week that such individual is engaged or employed by the

- Works Progress Administration, the National Youth
 Administration or any federal or state unit, agency or
 instrumentality in charge of public works, assistance through
 public employment or work relief.
 - "(11) SELF-EMPLOYMENT. For any week in which he is self-employed and each week thereafter until he shall establish that he is no longer self-employed.

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"(12) RECEIPT OF, OR APPLICATION FOR, TRAINING ALLOWANCE, ETC. For any week with respect to which, or a part of which, an individual who is enrolled in a course of training with the approval of the commissioner, within the meaning of subdivision (a) (3) of Section 25-4-77, has applied for, or is entitled to receive, any wage or subsistence or training allowance or other form of remuneration, other than reimbursement for travel expenses, for a course of training under any public or private training program; provided, that if it is finally determined that he is not entitled to such remuneration, this disqualification shall not apply. If the remuneration, the receipt of which is disqualifying under this subdivision (12), is less than the weekly benefits which he would otherwise be due under this chapter he shall be entitled to receive, if otherwise eligible, weekly benefits reduced by the amount of such remuneration. It is further provided that receipt of training allowances under the Trade Readjustment Act shall not be cause for disqualification under this subdivision.

"(13) PARTICIPATION IN PROFESSIONAL SPORTS. For any week which commences during the period between two successive sport seasons (or similar periods) to any individual for which benefits claimed are on the basis of any services, substantially all of which consist of participating in sports or athletic events or training or preparing to so participate, if such individual performed such services in the first of such seasons (or similar periods) and there is a reasonable assurance that such individual will perform such services in the later of such seasons (or similar periods).

"(14) ALIENS.

- "a. For any week for which benefits claimed are on the basis of services performed by an alien unless:
- "1. Such alien is an individual who was lawfully admitted for permanent residence at the time such services were performed, and was lawfully present for purposes of performing such services; or,
- "2. Such alien was permanently residing in the United States under color of law at the time such services were performed (including an alien who is lawfully present in the United States as a result of the application of the provisions of Section 203(a)(7) or Section 212(d)(5) of the Immigration and Nationality Act); or,
- "3. Such alien was lawfully admitted for temporary residence as provided for under the provisions of Section 245A(a) of the Immigration Reform and Control Act of 1986 (PL 99-603).

"b. Any data or information required of individuals 1 2 applying for benefits to determine whether benefits are not payable to them because of their alien status shall be 3 4 uniformly required from all applicants for benefits. "c. In the case of an individual whose application 5 for benefits would otherwise be approved, no determination 6 7 that benefits to such individual are not payable because of his alien status shall be made except upon a preponderance of 8 the evidence." 9 10 Section 2. This act shall become effective on the 11 first day of the third month following its passage and

approval by the Governor, or its otherwise becoming law.