- 1 HB506
- 2 163987-2
- 3 By Representative Bracy
- 4 RFD: Commerce and Small Business
- 5 First Read: 16-APR-15

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2 ENROLLED, An Act,

To amend Section 25-4-78, Code of Alabama 1975, 3 relating to unemployment compensation; to clarify that the 4 5 amount of benefits payable to an individual who received or has been determined eligible to receive governmental or other 6 7 pension, retirement or retired pay, annuity, or similar 8 periodic payment that is based upon the individual's previous work shall be reduced only if the payment is made under a plan 9 10 that is maintained or contributed to by a base period 11 employer, 100 percent employer-financed, and not contributed 12 to by the worker; and to clarify that any pension payments 13 retroactively awarded to an individual would constitute 14 disqualification and require recovery of any benefits paid during the disqualification period only if the pension 15 16 payments were made under a plan that is maintained or 17 contributed to by a base period employer, 100 percent 18 employer-financed, and not contributed to by the worker. BE IT ENACTED BY THE LEGISLATURE OF ALABAMA: 19

20 Section 1. Section 25-4-78 of the Code of Alabama 21 1975, is amended to read as follows:

22 "§25-4-78.

23 "An individual shall be disqualified for total or24 partial unemployment:

"(1) LABOR DISPUTE IN PLACE OF EMPLOYMENT. For any 1 2 week in which his total or partial unemployment is directly 3 due to a labor dispute still in active progress in the establishment in which he is or was last employed. For the 4 5 purposes of this section only, the term labor dispute includes any controversy concerning terms, tenure, or conditions of 6 7 employment, or concerning the association or representation of 8 persons in negotiating, fixing, maintaining, changing, or 9 seeking to arrange terms or conditions of employment, 10 regardless of whether the disputants stand in the proximate 11 relation of employer and employee. This definition shall not 12 relate to a dispute between an individual worker and his 13 employer.

14 "(2) VOLUNTARILY QUITTING WORK. If he has left his 15 most recent bona fide work voluntarily without good cause 16 connected with such work.

17 "a.1. However, he shall not be disqualified if he 18 was forced to leave work because he was sick or disabled, 19 notified his employer of the fact as soon as it was reasonably practicable so to do, and returned to that employer and 20 offered himself for work as soon as he was again able to work; 21 22 provided, however, this exception shall not apply if the 23 employer had an established leave-of-absence policy covering 24 sickness or disability and:

1 "(i) The individual fails to comply with same as 2 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.

9 "2. In case of doubt that an individual was sick or 10 disabled, or as to the duration of any such sickness or 11 disability, the director may, or if the employer requests it, 12 the director shall require a doctor's certificate to establish 13 the fact or facts in doubt.

14 "3. An established leave-of-absence policy shall be 15 any leave-of-absence policy covering sickness and disability 16 communicated to the employee by the customary means used by 17 the employer for communicating with his employees.

18 "4. Nothing herein shall be construed or interpreted 19 as authorizing the payment of benefits to any person during, or for, unemployment due to sickness or disability or during 20 any period in which he is on a leave of absence granted in 21 22 accordance with an established leave-of-absence policy, the 23 duration of which leave was set in accordance with his request 24 or in accordance with a collective bargaining agreement; 25 except, that if such leave of absence is on account of

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pregnancy and extends beyond the tenth week following 1 termination of such pregnancy, the individual shall not be 2 3 denied benefits under the provisions of this subdivision (2) beyond such tenth week if she has given the employer three 4 5 weeks notice of her desire to return to work, is then able to work and has not refused reinstatement to a job which under 6 the provisions of subdivision (5) of this section would be 7 8 deemed suitable for her.

9 "b. When an individual is disqualified under this 10 subdivision (2):

11 "1. He shall not be entitled to benefits for the 12 week in which the disqualifying event occurs or for any week 13 thereafter until:

14 "(i) He has reentered insured employment or 15 employment of the nature described in subdivisions (5), (6), 16 (7), (8), (9), (10), or (18) of subsection (b) of Section 17 25-4-10; and

18 "(ii) For which employment he has earned wages equal 19 to at least 10 times his weekly benefit amount for the benefit 20 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 "3. For the purpose of the experience rating provisions of Section 25-4-54, no portion of the benefits 4 5 payable to him, based upon wages paid to him for the period of employment ending with the separation to which the 6 disgualification applies, shall be charged to the employer's 7 8 experience rating account. If the individual has been separated from employment other than his most recent bona fide 9 10 work under conditions which would have been disqualifying 11 under this subdivision (2) had the separation been from his 12 most recent bona fide work and the employer answers a notice 13 of payment within 15 days after it is mailed to him detailing 14 the facts in connection with the separation, then no portion of any benefits paid to him based upon wages for the period of 15 16 employment ending in such separation shall be charged to the 17 employer's experience rating account.

18 "4. Any other provision of this chapter to the 19 contrary notwithstanding, effective October 21, 2013, the 20 unemployment compensation account of an employer shall be 21 charged when the unemployment compensation agency determines 22 that an overpayment has been made to a claimant as a result of 23 both of the following:

24 "(i) The overpayment occurred because the employer,
25 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.

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

"c. An individual shall not be disqualified if he 9 10 left his employment and immediately returned to work with his 11 regular employer or to employment in which he had prior 12 existing statutory or contractual seniority or recall rights. 13 When this exception is applied, any benefits paid to such 14 individual based upon wages paid for that period of employment 15 immediately preceding the separation to which the exception is 16 applied, which have not been heretofore charged to the 17 employer's experience rating account, shall not be charged to 18 the account of such employer.

"d. For separation occurring on or after August 1,
20 2012, an individual shall not be disqualified if he or she
21 left his or her employment to permanently relocate as a result
22 of his or her active duty military-connected spouse's
23 permanent change of station orders, activation orders, or unit
24 deployment orders. When this exception is applied, any
25 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.

5 "e. For the purposes of this subdivision (2) and subdivision (3) of this section, the commissioner in 6 determining the most recent bona fide work shall only consider 7 8 employment of the nature described in subsection (a) of Section 25-4-10. The commissioner shall also consider the 9 10 duration of the most recent job or jobs, the intent of the individual and his employer as to the permanence of such work 11 and whether separation from the immediately preceding 12 13 employment was under conditions which would be disqualifying 14 in the event such immediately preceding employment should be 15 determined to be the most recent bona fide work.

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"(3) DISCHARGE FOR MISCONDUCT.

17 "a. If he was discharged or removed from his work 18 for a dishonest or criminal act committed in connection with 19 his work or for sabotage or an act endangering the safety of others or for the use of illegal drugs after previous warning 20 21 or for the refusal to submit to or cooperate with a blood or 22 urine test after previous warning. Disqualification under this 23 paragraph may be applied to separations prior to separation 24 from the most recent bona fide work only if the employer has 25 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.

"(i) A confirmed positive drug test that is 4 5 conducted and evaluated according to standards set forth for the conduct and evaluation of such tests by the U.S. 6 7 Department of Transportation in 49 C.F.R. Part 40 or standards 8 shown by the employer to be otherwise reliable shall be a 9 conclusive presumption of impairment by illegal drugs. No 10 unemployment compensation benefits shall be allowed to an 11 employee having a confirmed positive drug test if the employee 12 had been warned that such a positive test could result in 13 dismissal pursuant to a reasonable drug policy. A drug policy 14 shall be deemed reasonable if the employer shows that all 15 employees of the employer regardless of position or 16 classification, are subject to testing under the policy, and 17 in those instances in which the employer offers as the basis 18 for disgualification from unemployment compensation benefits 19 the results obtained pursuant to additional testing imposed on some but not all classifications, if the employer can also 20 offer some rational basis for conducting such additional 21 22 testing. Further, no unemployment compensation benefits shall 23 be allowed if the employee refuses to submit to or cooperate 24 with a blood or urine test as set forth above, or if the

employee knowingly alters or adulterates the blood or urine specimen.

3 "(ii) For purposes of paragraph a. and item (i) of paragraph a. of this subdivision, warning shall mean that the 4 employee has been advised in writing of the provisions of the 5 employer's drug policy and that either testing positive 6 pursuant to the standards referenced above or the refusal to 7 8 submit to or cooperate with a blood or urine test as set out in the above referenced standards could result in termination 9 10 of employment. This written notification as herein described 11 shall constitute a warning as used in paragraph a. and item 12 (i) of paragraph a. of this subdivision.

"(iii) To the extent that the issue is a positive 13 14 drug test or the refusal to submit to or cooperate with a 15 blood or urine test, or if the employee knowingly alters or 16 adulterates the blood or urine sample, as distinguished from 17 some other aspect of the employer's drug policy, this 18 disgualification under paragraph a. and item (i) of paragraph 19 a. shall be the only disqualification to apply, in connection with an individual's separation from employment. Other 20 21 non-separation disqualifications may apply.

When an individual is disqualified under this paragraph:

24 "1. He shall not be entitled to benefits for the25 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.

7 "2. He shall not thereafter be entitled to any
8 benefits under this chapter on account of wages paid to him
9 for the period of employment by the employer by whom he was
10 employed when the disqualifying event occurred.

11 "3. For the purposes of the experience rating 12 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.

18 "(ii) In the case of a separation prior to the 19 separation from the most recent bona fide work, if the only reason disgualification under this paragraph a. was not 20 21 assessed was the failure of the employer to properly file a 22 timely separation report with the commissioner and the 23 employer files such a report within 15 days after the mailing of a notice of payment, then no portion of any benefits paid 24 25 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.

3 "b. If he was discharged from his most recent bona fide work for actual or threatened misconduct committed in 4 5 connection with his work (other than acts mentioned in paragraph a. of this subdivision (3)) repeated after previous 6 warning to the individual. When an individual is disgualified 7 8 under this paragraph, or exempt from disqualification for a 9 separation under such conditions prior to his most recent bona 10 fide work, the effect shall be the same as provided in 11 paragraph b. of subdivision (2) of this section for 12 disgualification or exemption from disgualification 13 respectively.

14 "c. If he was discharged from his most recent bona 15 fide work for misconduct connected with his work [other than 16 acts mentioned in paragraphs a. and b. of this subdivision 17 (3)]:

18 "1. He shall be disqualified from receipt of 19 benefits for the week in which he was discharged and for not 20 less than the three nor more than the seven next following 21 weeks, as determined by the commissioner in each case 22 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

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equal to the product of the number of weeks for which he shall be disqualified multiplied by his weekly benefit amount.

3 "3. Only one-half of the benefits paid to him based upon wages for that period of employment immediately preceding 4 5 the separation to which the disqualification applies shall be charged to the employer for the purposes of the experience 6 rating provisions of Section 25-4-54. If the individual has 7 8 been separated from employment, other than his most recent bona fide work, under conditions which would have been 9 10 disqualifying under paragraph c. of this subdivision (3), had 11 the separation been from his most recent bona fide work and 12 the employer answers a notice of payment within 15 days after 13 it is mailed to him detailing the facts in connection with the 14 separation, then only one-half of the benefits paid to him for 15 that period of employment immediately preceding the separation 16 shall be charged to the employer for the purposes of the 17 experience rating provisions of Section 25-4-54, unless the 18 employer, or an agent of the employer, failed to respond 19 timely or adequately to written requests pursuant to subparagraph 4. of paragraph b. of subdivision (2). 20

"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, 4 5 ETC. For the week in which he has become unemployed because a license, certificate, permit, bond, surety, or insurability 6 which is necessary for the performance of such employment and 7 8 which he is responsible to maintain or supply has been revoked, suspended or otherwise become lost to him for a cause 9 10 other than one which would fall within the meaning of subdivision (3) of this section, but one which was within his 11 power to control, guard against, or prevent, and for each week 12 13 thereafter until:

14 "a. The license, certificate, permit, bond, or
15 surety, or insurability, has been restored to him and he has
16 reapplied to his employer for employment; or

17 "b. He has reentered insured employment or
18 employment of the nature described in subdivisions (5), (6),
19 (7), (8), (9), (10), or (18) of subsection (b) of Section
20 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.

1	"(5) FAILURE TO ACCEPT AVAILABLE SUITABLE WORK, ETC.			
2	If he fails, without good cause, either to apply for or to			
3	accept available suitable work or to return to his customary			
4	self-employment when so directed by the commissioner or when			
5	he is notified of suitable work or it is offered him through a			
6	state employment office or the United States Employment			
7	Service, or directly or by written notice or offer to any such			
8	employment office or employment service by an employer by whom			
9	the individual was formerly employed. Such disqualification			
10	shall be for a period of not less than one nor more than 10			
11	weeks from the date of failure. This disqualification shall			
12	not apply unless the individual has an established benefit			
13	year, or is seeking to establish one or is seeking extended			
14	benefits at the time he fails without good cause, to do any of			
15	the acts set out in this subdivision (5).			
16	"a. In determining whether or not any work is			
17	suitable for an individual, the commissioner shall consider:			
18	"1. The degree of risk involved to his health,			
19	safety, and morals, his physical fitness and prior training,			
20	"2. His experience and prior earnings,			
21	"3. His length of unemployment,			
22	"4. His prospects for securing local work in his			
23	customary occupation,			
24	"5. The distance of the available work from his			
25	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.

7 "b. Notwithstanding any other provisions of this 8 chapter, no work shall be deemed suitable and benefits shall 9 not be denied under this chapter to any otherwise eligible 10 individual for refusing to accept new work under any of the 11 following conditions:

12 "1. If the position offered is vacant due directly13 to a strike, lockout, or other labor dispute;

14 "2. If the wages, hours, or other conditions of the 15 work offered are substantially less favorable to the 16 individual than those prevailing for similar work in the 17 locality; or

18 "3. If as a condition of being employed the 19 individual would be required to join a company union, or to 20 resign from or refrain from joining any bona fide labor 21 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 3 4 with respect to which he is receiving or has received 5 remuneration in the form of a back pay award. Notwithstanding the provisions of Section 25-4-91 any benefits previously paid 6 7 for weeks of unemployment with respect to which back pay 8 awards are made shall constitute an overpayment and such 9 amounts shall be deducted from the award by the employer prior 10 to payment to the employee and shall be transmitted promptly 11 to the director by the employer for application against the 12 overpayment and credit to the claimant's maximum benefit 13 amount and prompt deposit into the fund; provided, however, 14 the removal of any charges made against the employer as a 15 result of such previously paid benefits shall be applied to 16 the calendar year and the calendar guarter in which the 17 overpayment is received by the commissioner and no attempt 18 shall be made to relate such a credit to the period to which 19 the award applies. Any amount of overpayment deducted by the 20 employer shall be subject to the same procedures for 21 collection as is provided for contributions by Section 22 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 7 8 respect to which, or a part of which, an individual has 9 received or has, except for the determination of an exact or 10 specific amount, been determined eligible to receive (during a period for which benefits are being claimed) governmental or 11 other pension, retirement or retired pay, annuity, or similar 12 13 periodic payment which is based on the previous work of the 14 individual; except, that

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

18 "b. For weeks of unemployment which begin on or after April 26, 1982, the amount of any benefits payable to an 19 20 individual for any such week which begins in a period with 21 respect to which the disqualifying provisions of this 22 subdivision apply, shall be reduced (but not below zero) by an 23 amount equal to the amount of such pension, retirement or 24 retired pay, annuity, or other payment, which is reasonably 25 attributable to such week, provided, however, such reduction

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required hereby shall apply to any pension, retirement or retired pay, annuity, or other similar payment only if:

3 "1. Such payment is made under a plan <u>that is</u>
4 maintained (or contributed to) by a base period employer <u>and</u>
5 <u>100 percent employer-financed and not contributed to by the</u>
6 worker, and

7 "2. In the case of such a payment not made under the 8 Social Security Act or the Railroad Retirement Act of 1974 (or 9 the corresponding provisions of prior law), services performed 10 for such employer by the individual after the beginning of his 11 base period (or remuneration for such services) affect 12 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 <u>only if the retroactive pension payments</u> 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' 3 COMPENSATION. For any week with respect to which, or a part of 4 5 which, he has received or is seeking compensation for temporary disability under any workers' compensation law; 6 provided, that if it is finally determined he is not entitled 7 8 to such compensation, this disqualification shall not apply; and provided further, that if such compensation is less than 9 the benefits which would otherwise be due under this chapter, 10 11 he shall be entitled to receive for such week, if otherwise 12 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.

19 "(11) SELF-EMPLOYMENT. For any week in which he is 20 self-employed and each week thereafter until he shall 21 establish that he is no longer self-employed.

"(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 1 2 for, or is entitled to receive, any wage or subsistence or 3 training allowance or other form of remuneration, other than reimbursement for travel expenses, for a course of training 4 5 under any public or private training program; provided, that 6 if it is finally determined that he is not entitled to such remuneration, this disgualification shall not apply. If the 7 8 remuneration, the receipt of which is disqualifying under this 9 subdivision (12), is less than the weekly benefits which he 10 would otherwise be due under this chapter he shall be entitled to receive, if otherwise eligible, weekly benefits reduced by 11 the amount of such remuneration. It is further provided that 12 13 receipt of training allowances under the Trade Readjustment 14 Act shall not be cause for disgualification under this 15 subdivision.

16 "(13) PARTICIPATION IN PROFESSIONAL SPORTS. For any 17 week which commences during the period between two successive sport seasons (or similar periods) to any individual for which 18 19 benefits claimed are on the basis of any services, 20 substantially all of which consist of participating in sports 21 or athletic events or training or preparing to so participate, 22 if such individual performed such services in the first of 23 such seasons (or similar periods) and there is a reasonable 24 assurance that such individual will perform such services in 25 the later of such seasons (or similar periods).

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"(14) ALIENS.

2 "a. For any week for which benefits claimed are on
3 the basis of services performed by an alien unless:

4 "1. Such alien is an individual who was lawfully
5 admitted for permanent residence at the time such services
6 were performed, and was lawfully present for purposes of
7 performing such services; or,

8 "2. Such alien was permanently residing in the 9 United States under color of law at the time such services 10 were performed (including an alien who is lawfully present in 11 the United States as a result of the application of the 12 provisions of Section 203(a)(7) or Section 212(d)(5) of the 13 Immigration and Nationality Act); or,

14 "3. Such alien was lawfully admitted for temporary
15 residence as provided for under the provisions of Section
16 245A(a) of the Immigration Reform and Control Act of 1986 (PL
17 99-603).

18 "b. Any data or information required of individuals 19 applying for benefits to determine whether benefits are not 20 payable to them because of their alien status shall be 21 uniformly required from all applicants for benefits.

"c. In the case of an individual whose application for benefits would otherwise be approved, no determination that benefits to such individual are not payable because of his alien status shall be made except upon a preponderance of the evidence."

3 Section 2. This act shall become effective on the 4 first day of the third month following its passage and 5 approval by the Governor, or its otherwise becoming law.

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4		Speaker of the House of Representati	Ves	
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6	1	President and Presiding Officer of the	e Senate	
7		House of Representatives		
8 9	I hereby certify that the within Act originated in and was passed by the House 14-MAY-15.			
10 11 12 13		Jeff Woodard Clerk		
14				
15				
16	Senate	04-JUN-15	Passed	
17				