

SESSION OF 2017

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2329

As Recommended by House Committee on
Commerce, Labor and Economic Development

Brief*

HB 2329 would revise a provision of Kansas Employment Security Law, commonly referred to as Unemployment Insurance (UI), pertaining to the distribution of benefits when an individual receives a post-employment separation payment. Under current law, weekly UI benefits stop until separation pay has been exhausted, usually at the rate of the individual's normal weekly wage. The cessation of benefits begins a week after separation from employment. Under the bill, the start date of cessation would begin a week after separation pay has been paid. Individuals whose benefits stopped for 52 weeks or more due to separation pay would be entitled to a new benefit year, which would be calculated using the employment base period of the prior claim.

Background

Before 2013, severance payments were deducted from UI benefits only for the week in which the severance payment was made. In 2013, legislation was enacted (HB 2105) to spread the application of the severance payments across a number of weeks, resulting in individuals to exhaust their severance pay prior to claiming UI benefits.

The bill was introduced at the request of the Kansas Department of Labor (KDOL). During the hearing before the House Committee on Commerce, Labor and Economic

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Development, a representative of KDOL stated claimants frequently do not receive severance payments until several weeks after separation from employment, resulting in a financial hardship for individuals. The KDOL representative stated the bill would allow unemployed individuals to receive economic security for the period of time between separation and the receipt of severance pay. After the severance pay would be exhausted, individuals could claim the remainder of their UI benefits.

There was no opponent or neutral testimony.

According to the fiscal note prepared by the Division of the Budget, in consultation with the KDOL, the bill would have no effect on the total amount of UI benefits distributed.