

One Hundred Seventh Legislature - Second Session - 2022

Introducer's Statement of Intent

LB931

Chairperson: Senator Ben Hansen

Committee: Business and Labor

Date of Hearing: January 24, 2022

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Employees who make a living on a contracted or seasonal basis may choose to save up their earned vacation pay, not taking any vacation time during the course of employment, in order to get the benefits paid out in a lump sum at the end of their contract or employment as a "safety net" to make ends meet until they are working again. Some choose to do this as a form of insurance to supplement unemployment benefits while they are out of work and looking for their next contract or job.

Under current law, persons receiving such a lump sum vacation benefit payment at the end of a job are disqualified from unemployment benefits for a time period over which their lump sum vacation pay would be attributed to if divided by the hourly wage and weekly hours worked at their job.

That is, if a person at the end of a contract receives \$1000 in a lump sum vacation payout that equals two weeks of vacation pay, even though they are no longer employed or earning money in that job, their unemployment eligibility is docked by \$500 for two weeks.

This bill would provide that such lump sum vacation payouts are not disqualifying for the purposes of unemployment benefit eligibility.

Principal Introducer: _____

Senator Megan Hunt