GOVERNOR OF MISSOURI

JEFFERSON CITY
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JEREMIAH W. (JAY) NIXON
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TO THE SECRETARY OF STATE OF THE STATE OF MISSOURI

Herewith I return to you Senate Committee Substitute for House Committee Substitute for House Bill No. 611 entitled:

AN ACT

To repeal sections 285.300, 288.030, 288.040, 288.050, 288.100, and 288.380, RSMo, and to enact in lieu thereof six new sections relating to employment, with penalty provisions.

I disapprove of Senate Committee Substitute for House Committee Substitute for House Bill No. 611. My reasons for disapproval are as follows:

This bill greatly expands the types of "misconduct" that can serve to disqualify terminated employees from receiving unemployment benefits. It is important to note that this is not a bill that changes whether or not employees may be terminated. Missouri employers can terminate employees for any reason (as long as it is not a legally impermissible reason such as race or gender). This bill does not in any way affect employers' ability to do so.

Under current law, individuals may be denied unemployment benefits if they engaged in "misconduct" as defined in section 288.030.1(23) RSMo. The bill would expand the definition of misconduct to include activities occurring outside the workplace and outside of work hours. This bill would also broaden the definition of misconduct to include, among other things, "violation of an employer's no-call, no-show policy" and "violation of an employer's rule."

The bill goes too far when it denies unemployment benefits in these circumstances. What employees do on their own time should not be used as a basis for denying unemployment benefits, except in the narrow circumstances already set forth in law. And employers should not be encouraged to adopt unreasonable rules to use as a basis for denying unemployment benefits.

Under the bill, the following situations would result in denial of unemployment benefits:

- An employer has a rule that all employees dress appropriately, both during work hours and during non-work hours. The office manager, while conducting the routine patrol of employees' social media presence that would be encouraged and rewarded by this bill, finds a picture of a female employee participating in a charity dance contest. He deems the costume she is wearing inappropriate and fires her. Under the bill, she would also be denied unemployment benefits.

- An employer requires employees to play on, or show up and cheer for, the company softball team every Wednesday evening after work. An employee who is a single mother of three needs to be home to take care of her children, so she does not to participate and is fired. Under the bill, she would also be denied unemployment benefits.

- An employer has a rule that salespeople should conduct themselves professionally at all times. A salesperson is overheard at his child's soccer game saying negative things about his boss. He does not identify his boss by name, but the person overhearing the comment knows where he works and who he reports to. When word gets back to the boss, he fires the employee for "unprofessional behavior." Under the bill, he would also be denied unemployment benefits.

- A mother has to rush her daughter to the emergency room but in the rush forgets to call her employer. She therefore violates the employer's "no-call, no-show" policy and is fired. Under the bill, she would also be denied unemployment benefits.

In all of these instances, Missouri law already allows the employer to terminate the employee. However, this legislation goes a step further, also disqualifying the employees from receiving unemployment benefits while they look for other jobs.

The bill also creates nonconformity with federal law that could cost Missouri employers hundreds of millions of dollars. The unemployment benefits program is a federal program administered by states, subject to federal laws. By denying unemployment benefits for conduct occurring outside the workplace, Senate Committee Substitute for House Committee Substitute for House Bill No. 611 would place Missouri's unemployment laws at odds with federal law,[1] potentially jeopardizing the Federal Unemployment Tax Act (FUTA) credits Missouri employers receive, costing them an estimated $859 million per year.

Unemployment benefits provide modest, temporary, but important assistance to individuals who become unemployed through no fault of their own. Not every Missourian is entitled to receive these benefits upon separation from work; in 2012, only 38 percent of Missourians who applied for unemployment actually received benefits. While not affecting an employer's ability to fire an employee, this bill would improperly deny Missourians unemployment benefits.

In accordance with the above stated reasons for disapproval, I am returning Senate Committee Substitute for House Committee Substitute for House Bill No. 611 without my approval.

Respectfully submitted,

Jeremiah W. (Jay) Nixon
Governor

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[1] Under the Federal Unemployment Tax Act, "[c]ompensation shall not be denied to any individual … for any cause other than discharge for misconduct connected with his work." 26 U.S.C. 3304(a)(10).