

# Texas Business Today

Joe Esparza  
Commissioner Representing Employers

August 2025

Texas Employers,

Welcome to the August issue of *Texas Business Today*!

We recently hosted the Texas Intern Network: Ready, Set, Hired! Conference on National Intern Day, and I had a great time meeting an impressive group of motivated students. If these young individuals are representative of our emerging workforce, your future talent pipeline will be well equipped.

I want to thank every employer who not only attended and offered their expertise to students, but also those who shared the invitation and promoted the many benefits of offering internships. In doing so, you helped build a launchpad for their career exploration and economic success.

The Office of the Commissioner Representing Employers welcomed two interns this summer, and I can't say enough about their work ethic, curiosity, and willingness to learn. Anytime I meet a student, I encourage them to ask questions and not to be afraid to admit they don't know the answer. That's a skill, and it reflects one of the many employability and workforce readiness skills we address through Texas Workforce Commission programs.

As the summer comes to an end, and with bittersweet sentiment, we announce the end of an era with our Senior Legal Counsel Tommy Simmons. Tommy will retire at the end of August and will be dearly missed by thousands of employers across the state. If you didn't know, Tommy wrote the [Texas Guidebook for Employers](#), which has served as a wealth of knowledge and first line of defense for employers to

strengthen and protect their business. After serving the public for nearly 40 years, Tommy truly exemplifies the term *public servant*. We wish Tommy the best in his next chapter and hope you will do the same.

- Joe Esparza, Commissioner Representing Employers

A handwritten signature in black ink, consisting of a stylized 'J' and 'E' followed by a horizontal line.

**Joe Esparza**  
**Commissioner Representing Employers**  
**Texas Workforce Commission**

## Texas Business Minute



[Click here to watch the video](#)

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## 2025 Texas Conference for Employers



- **August 22:** Round Rock - [Sign Up](#)
- **September 5:** Dallas - [Sign Up](#)

[More Info](#)

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## **What is Post-Separation Pay?**

**By: Mario Hernandez**

*Legal Counsel to Commissioner Joe Esparza*

There are various types of payments that employers can make to former employees after they have separated from the company. This article will explore three types of post-separation pay: severance pay, wages in lieu of notice, and accrued leave payouts.

### Severance Pay

Severance pay is payment that the employer has obligated itself to provide pursuant to its own severance pay policy or agreement. Generally, severance pay is payment that an employer provides to a former employee and is tied to certain types of characteristics such as length of service with the company. Severance pay can be paid in a lump sum or over time in installments – pursuant to the employer's severance pay policy or agreement. For more information, please visit the following link: [https://efte.twc.texas.gov/severance\\_pay.html](https://efte.twc.texas.gov/severance_pay.html).

In addition, severance pay can affect an unemployment claim. For more information on this, please visit the following link (in particular, Item f): [https://efte.twc.texas.gov/final\\_pay\\_severance\\_benefits.html](https://efte.twc.texas.gov/final_pay_severance_benefits.html).

### Wages in lieu of notice

Wages in lieu of notice is a type of post-separation payment that the employer is not obligated to provide to a discharged employee but does so to compensate for not giving advanced notice of the job separation. This type of payment is generally not accompanied by any terms or conditions for receipt. Wages in lieu of notice have sometimes been described as money that an employer provides to a former employee in order to help them while they are looking for a new job.

Like severance pay, wages in lieu of notice can have an effect on an unemployment

claim. For more information on this, please visit the following link (in particular, Item f): [https://efte.twc.texas.gov/final\\_pay\\_severance\\_benefits.html](https://efte.twc.texas.gov/final_pay_severance_benefits.html).

### Accrued Leave Payouts

A common question employers have deals with whether they are required to pay out any accrued leave balances a former employee might have when they are separated from employment. The answer depends on the employer's written policy or agreement on accrued leave.



If the policy or agreement states that it will not pay out accrued leave upon the employee's separation, or if the policy or agreement is silent on the matter, the employer would not be obligated under the Texas Payday Law to provide the payment.

On the other hand, if the employer's written accrued leave policy or agreement does state that the accrued leave will be paid, then the employer must follow its policy or agreement and pay the accrued leave. This is important because the terms of the written policy or agreement would be enforceable under the Texas Payday Law. Please visit the following links for more information on accrued leave payouts: [https://efte.twc.texas.gov/accrued\\_leave\\_payouts.html](https://efte.twc.texas.gov/accrued_leave_payouts.html)

[https://efte.twc.texas.gov/vacation\\_and\\_sick\\_leave.html#accruedleave](https://efte.twc.texas.gov/vacation_and_sick_leave.html#accruedleave).

### Conclusion

Employers sometimes provide post-separation pay as part of their policies and procedures or to assist a former employee until they can find another job. By being familiar with different kinds of post-separation pay, an employer will have a better understanding of any potential obligations it might have with these types of payments.





# Help Fight Fraud

*A Quick Response to UI Claims Protects Your Business*

When an individual files an unemployment insurance (UI) claim, the Texas Workforce Commission (TWC) notifies the employer. We need you to respond to these notices quickly to help us prevent fraud. This protects your business.

## Response Time Matters



You have 14 days to respond to a UI claim notice, but responding within 48 hours helps us catch fraud fast.

Follow the instructions on the UI claim notice with four ways to respond:

- Online
- Phone
- Mail
- Fax

### Step 1: Respond to the UI Claim



Online



Phone



Mail



Fax

## Protect Your Business



- Save money; avoid unwarranted charges.
- Ensure accurate UI benefit information for decisions.
- Don't miss the 14-day deadline or you may lose the right to appeal the claim decision.

### Step 2: Report Fraud

If the applicant is still working for you and did not file, or never worked for you, notify at [UI Fraud Submission](#). Then respond to the claim at [Employer Response](#).



### Resources

- For more information, visit [Employer Notices](#).
- Sign up to receive notices at [Employer Benefit Services](#).

Equal Opportunity Employer/Program. Auxiliary aids and services are available upon request to individuals with disabilities. Relay Texas: 800-735-2989 (TTY) and 711 (Voice). [twc.texas.gov](http://twc.texas.gov)

# TEXAS EMPLOYER HOTLINE

## 1-800-832-9394

Hiring Issues • Medical Leave-Related Laws • Personnel Policies and Handbooks • Independent Contractors and Unemployment Tax Issues • The Unemployment Claims and Appeals Process • Texas and Federal Wage and Hour Laws



**Employer Hotline Hours: M-F, 8am-5pm**

*Information provided by employment law attorneys in the Office of the  
Commissioner Representing Employers at the  
Texas Workforce Commission*

### **Texas Business Today is provided to employers free of charge**

Texas Business Today is a monthly update devoted to a variety of topics of interest to Texas employers. The views and analyses presented herein do not necessarily represent the policies or the endorsement of the Texas Workforce Commission. Articles containing legal analyses or opinions are intended only as a discussion and overview of the topics presented. Such articles are not intended to be comprehensive legal analyses of every aspect of the topics discussed. Due to the general nature of the discussions provided, this information may not apply in each and every fact situation and should not be acted upon without specific legal advice based on the facts in a particular case.

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### **Connect with the Office of the Commissioner Representing Employers**

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