

Texas Business Today

Chairman Joe Esparza
Commissioner Representing Employers

July 2026

Texas Employers,

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

The temperatures aren't the only thing rising in Texas this summer – the state's labor market continues to reach new heights.

The addition of more than 17,000 positions in May highlights the industriousness of Texas employers and expanding opportunities for Texas' highly skilled workforce. Driven by our entrepreneurial spirit, Texas continues to outpace the nation in job growth, and TWC offers a wide variety of programs to maintain this momentum.

The foundation for this success is largely due to our state's strategic workforce development and partnerships.

Throughout the past few months, I have had the privilege of representing the Texas Workforce Commission on the Texas Jobs Council, an advisory board created by Governor Abbott to identify actions we can take immediately to help Texans land in-demand, good-paying jobs. The board meetings bring together business leaders, union representatives, and state agencies, and I couldn't be more impressed with insight and innovative ideas they've shared.

As a next step for the Council, Governor Abbott has directed TWC to:

- Expand apprenticeship opportunities by identifying new apprenticeable occupations across Texas industries.
- Create a one-stop online hub so Texans can easily access all state career planning resources in one place.
- Develop unified career pathways for Texans facing barriers to employment, including veterans, foster youth, and people with disabilities.
- Launch digital Learning and Employment Records through the Tri-Agency Workforce Initiative to streamline connections between employers and jobseekers.

My office works every day ensure that the programs we invest in, and the policies we create, are responsive to the opportunities our employers are facing—whether they're in manufacturing, energy, construction, IT, healthcare, or emerging industries we haven't even named yet. I look forward to infusing the work of the Texas Jobs Council into the strategic mission of TWC, and I'll be sure to share updates with you as progress continues.

As always, let's keep Texas the best place in the nation to live, work, and do business.

- Joe Esparza

A handwritten signature in black ink, appearing to read 'Joe Esparza', followed by a long horizontal line.

Chairman Joe Esparza
Commissioner Representing Employers
Texas Workforce Commission

Texas Business Minute



[Click here to watch the video](#)



Offboarding: Final Pay, Severance, and Security Deposits

By: Samantha Acuña

Legal Counsel to Chairman Esparza

When employees leave the workplace, many employers face concerns related to the legal obligations and offboarding responsibilities they have. As offboarding touches various cornerstones of laws and regulation, this article is intended to give employers a look into key considerations surrounding final pay, severance pay, and security deposits under relevant Texas and federal law.

Final Pay and Timeline

Final pay is regulated by the Texas Payday Law, and the timing of this final pay will be dependent on the type of separation involved. An employee's final pay includes regular wages, fringe benefits if applicable under a written policy, and any other components of the pay. Certain pay components, such as commission or a bonus, may follow a separate payout schedule if it is clearly defined in the written policy or agreement.

Employees who are discharged must be paid within six calendar days following their termination. However, if the employee quits, retires, resigns, or leaves employment voluntarily, the final pay is due on the next regularly scheduled payday following the effective date of resignation. A mutual agreement to the separation in employment is generally considered involuntary but would require a closer look into the details surrounding the events. More information regarding final pay can be found at https://efte.twc.texas.gov/final_pay.html.

Considerations About Severance Pay

When employees are laid off or have departed, certain employers grant severance pay dependent on the employee's tenure at their company or other variables. Severance pay is an enforceable part of the wage agreement under the Texas Payday Law, and employers are expected to adhere to the written agreement entered into. In addition, wages in lieu of notice are optional and usually granted in exigent circumstances where notice cannot be given. As such, the Wage and Hour Department at TWC will enforce the payment and conditions that are set forth in the written policy or agreement. More information can be found at https://efte.twc.texas.gov/severance_pay.html.

Beyond enforceability between the parties, the severance pay may have an impact on the payout and timeline of the unemployment benefits granted to past employees, so it is a best practice to keep personnel informed of this and up to date as to the timeline of the severance pay. To learn more about this, visit <https://www.twc.texas.gov/programs/unemployment-benefits/how-money-other-sources-can-affect-your-benefits>.



Security Deposits

Generally, security deposits are useful when employees have possession of property that belongs to the business. If this applies to your business in particular, businesses and employees who agree to such a policy are held to the terms described in the security deposit.

This can have various implications, as it could have impact on the employee's final paycheck or require more follow-up as to company property. Generally, if this loss occurs, employers can enforce the agreement through a repayment of loss in installments from future paychecks. If this occurs, the deduction must meet the following two requirements: (1) the deduction does not take the employee below minimum wage and (2) the deduction is authorized in writing by the employee. These types of agreements may be employer-specific, so it is a best practice to consult a private sector employment attorney if you are interested in implementation of an agreement such as this one. To learn more about this, visit https://efte.twc.texas.gov/property_return.html.

Summary

It is imperative to keep up-to-date policies and procedures on matters that relate to offboarding. As discussed, the topics above heavily rely on the written authorization of employees, so it is a best practice to review and ensure you have the proper documentation. As offboarding comprises of several moving elements, it is a best practice to keep the parties involved aware of where documents, action items, and company property are in the process.

Employers are welcome to review relevant details related to this in the Texas Guidebook for Employers (<https://efte.twc.texas.gov/indexmain.html>) or reach out to the Employer Hotline at +1 (800) 832-9394.

Texas Conference for Employers



- July 10: Texarkana - [Sign Up](#)
- August 6-7: Waco - [Sign Up](#)
- August 28: Seguin – **SOLD OUT**
- September 18: San Angelo - [Sign Up](#)

[More Info](#)

Another Week of Available Work: A Podcast with Chairman Joe Esparza

How Understanding Child Labor Laws Protects Your Business with Jikku John



Another Week of Available Work

Today • 25 min 18 sec



Episode Description

In this episode, Jikku John breaks down the child labor laws employers need to know to stay compliant and protect young workers. From age restrictions to work-hour limits and hazardous job rules, you'll learn the essentials that can help your business avoid fines and legal risk. If you hire teens or plan to this summer, this is a must-listen.

[Click here to listen](#)



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

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

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