

CHAPTER 9

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**LABOR AND INDUSTRY**

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**HOUSE BILL 96-1043**

BY REPRESENTATIVES Dean, Schauer, Chavez, Leyba, Martin, Paschall, Reeser, Schwarz, and Taylor;  
also SENATORS Alexander, Dennis, and Hernandez.

**AN ACT**

**CONCERNING THE USE OF SEPARATION PAY IN THE CALCULATION OF UNEMPLOYMENT INSURANCE  
BENEFITS.**

*Be it enacted by the General Assembly of the State of Colorado:*

**SECTION 1.** 8-73-110 (1) and (1.6), Colorado Revised Statutes, 1986 Repl. Vol., as amended, are amended to read:

**8-73-110. Other remuneration.** (1) (a) Individuals who receive the following types of remuneration shall be determined to have received, for weeks after separation from employment, the individual's full-time weekly wage for a number of consecutive weeks equal to the total amount of the remuneration awarded, divided by the full-time weekly wage:

~~(a)~~ (I) Wages in lieu of notice;

~~(b)~~ (II) Vacation pay;

~~(c)~~ (III) Severance allowances;

(IV) SEPARATION BONUSES.

(b) FOR PURPOSES OF THIS SECTION, "SEVERANCE ALLOWANCES" MEANS ANY REMUNERATION OTHER THAN WAGES IN LIEU OF NOTICE, VACATION PAY, AND SEPARATION BONUSES THAT AN INDIVIDUAL RECEIVES AS COMPENSATION FOR WEEKS NOT WORKED AFTER SEPARATION. ANY SUCH REMUNERATION THAT IS SPECIFIED AS

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

A DOLLAR AMOUNT OR AS A NUMBER OF WEEKS SHALL BE DEEMED TO BE A SEVERANCE ALLOWANCE. THE STATUS OF SUCH REMUNERATION AS A SEVERANCE ALLOWANCE SHALL NOT BE AFFECTED BY WHETHER THE EMPLOYER HAS OR FOLLOWS A SEVERANCE PAY POLICY OR WHETHER THE REMUNERATION IS INCLUDED IN A SEPARATION AGREEMENT THAT INCLUDES OTHER SETTLEMENT CONSIDERATIONS THAT ARE NOT SEVERANCE ALLOWANCES.

(c) NOTWITHSTANDING PARAGRAPH (b) OF THIS SUBSECTION (1), "SEVERANCE ALLOWANCE" DOES NOT INCLUDE ANY REMUNERATION DESIGNATED BY AN EMPLOYER IN ITS DISCRETION, AS A SEPARATION BONUS, TO BE TREATED THE SAME AS VACATION PAY AND WAGES IN LIEU OF NOTICE.

(d) NOTWITHSTANDING PARAGRAPHS (b) AND (c) OF THIS SUBSECTION (1), THE STATUS OF A SEVERANCE ALLOWANCE PAID TO A MEMBER OF A BARGAINING UNIT SHALL BE DETERMINED BY THE TERMS OF THE BARGAINING UNIT CONTRACT, IF SPECIFICALLY PROVIDED IN SUCH CONTRACT, OR THE OFFICIAL RECORDS OF THE PARTIES LEADING TO THE COLLECTIVE BARGAINING AGREEMENT.

(1.6) Individuals who are awarded wages in lieu of notice, ~~or~~ vacation pay, OR A SEPARATION BONUS subsequent to separation from employment shall HAVE BENEFITS POSTPONED AND SHALL be determined to have received, from the date the remuneration was received by the individual, the individual's full-time weekly wage for a number of consecutive weeks equal to the total amount of the remuneration awarded, divided by the full-time weekly wage; except that under no circumstances shall the receipt of multiple types of other remuneration identified in subsection (1) of this section result in concurrent periods of postponement.

**SECTION 2. Applicability.** This act shall apply to all unemployment insurance claims filed on or after the effective date of this act.

**SECTION 3. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: March 13, 1996