

# **SUPPORT SB 542 (BAGBY) and HB 938 (LEVERE BOLLING) – PROTECT WORKERS FROM BEING DENIED UNEMPLOYMENT BENEFITS DURING A LOCKOUT**

---

Senate Bill 542 and House Bill 939 will help level the playing field, discourage economic hardship as a bargaining strategy, and promote good-faith contract negotiations.

## **What is a Lockout?**

A lockout is an aggressive employer-initiated tactic that applies economic pressure against employees by refusing to allow them to work (earn pay and benefits) to force them into accepting the employer's bargaining demands during contract negotiations. While lockouts used to be extremely rare, they've been used more frequently by employers in recent years, including in Virginia.

## **Purpose of the Bill**

The amendment eliminates an "Employer Lockout" as a Labor Dispute criterion that would cause employees to be denied unemployment compensation benefits. This legislation amends the code of Virginia so that it no longer prohibits employees locked out by an employer during a labor dispute from receiving Unemployment Insurance Benefits.

## **Why This Matters**

On October 7, 2021, employees of IBEW Local Union No. 1434 were "Locked Out" by their employer DuPont, at the Spruance Manufacturing Facility in Richmond, Virginia. DuPont did so to force the workers to surrender to its bargaining demands in contract negotiations.

The Lockout ended 74 days later on December 20, 2021.

During the Lockout many employees were unable to secure alternative employment during the holidays and were not entitled to Unemployment Insurance Benefits.

## **Root of the Problem**

Virginia's law is antiquated and imposes an additional layer of employer-driven economic warfare against employees intentionally designed to weaken their collective bargaining strength.

Lockouts are unilateral decisions made by an employer and imposed involuntarily on employees. In this regard, Lockouts are no different than a furlough or layoff except that employees are prohibited from receiving unemployment insurance benefits under the Code of Virginia because they are considered engaged in a Labor Dispute.

Virginia's Unemployment Compensation Act was originally passed in 1950. Just three years after the Taft-Hartley Act allowed states to adopt so-called "Right-to-Work" laws and other anti-worker legislation championed by corporations.

These antiquated laws need to be repealed and replaced with sensible legislation.

## **What the Bills Do: SB 542 Patron: Bagby and HB 938 Patron: LeVere Bolling**

- Puts Virginia in line with 30 other states by eliminating an "Employer Lockout" as a Labor Dispute criterion that would cause employees to be denied unemployment compensation benefits

