

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1030 Session of  
2011

INTRODUCED BY GORDNER, APRIL 28, 2011

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,  
JUNE 16, 2011

AN ACT

1 Amending the act of December 5, 1936 (2nd Sp.Sess., 1937  
2 P.L.2897, No.1), entitled "An act establishing a system of  
3 unemployment compensation to be administered by the  
4 Department of Labor and Industry and its existing and newly  
5 created agencies with personnel (with certain exceptions)  
6 selected on a civil service basis; requiring employers to  
7 keep records and make reports, and certain employers to pay  
8 contributions based on payrolls to provide moneys for the  
9 payment of compensation to certain unemployed persons;  
10 providing procedure and administrative details for the  
11 determination, payment and collection of such contributions  
12 and the payment of such compensation; providing for  
13 cooperation with the Federal Government and its agencies;  
14 creating certain special funds in the custody of the State  
15 Treasurer; and prescribing penalties," further providing for  
16 DEFINITIONS AND FOR relief from charges and for establishment ←  
17 and maintenance of employer's reserve accounts; providing for  
18 automatic relief from charges; further providing for  
19 qualifications required to secure compensation, FOR ←  
20 INELIGIBILITY FOR COMPENSATION, for rate and amount of  
21 compensation, for definitions and for rules of procedure; and  
22 providing for shared-work program and for applicability.

23 The General Assembly of the Commonwealth of Pennsylvania  
24 hereby enacts as follows:

25 ~~Section 1. Section 213 of the act of December 5, 1936 (2nd ←~~  
26 ~~Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment~~  
27 ~~Compensation Law, added December 9, 2002 (P.L.1330, No.156), is~~

1 ~~amended to read:~~

2 SECTION 1. SECTION 4(G.1) OF THE ACT OF DECEMBER 5, 1936 ←  
3 (2ND SP.SESS., 1937 P.L.2897, NO.1), KNOWN AS THE UNEMPLOYMENT  
4 COMPENSATION LAW, ADDED JULY 10, 1980 (P.L.521, NO.108), IS  
5 AMENDED TO READ:

6 SECTION 4. DEFINITIONS.--THE FOLLOWING WORDS AND PHRASES, AS  
7 USED IN THIS ACT, SHALL HAVE THE FOLLOWING MEANINGS, UNLESS THE  
8 CONTEXT CLEARLY REQUIRES OTHERWISE.

9 \* \* \*

10 (G.1) ["CREDIT WEEK" MEANS ANY CALENDAR WEEK IN AN ←  
11 INDIVIDUAL'S BASE YEAR WITH RESPECT TO WHICH HE WAS PAID IN  
12 EMPLOYMENT AS DEFINED IN THIS ACT, REMUNERATION OF NOT LESS THAN  
13 ~~{FIFTY DOLLARS (\$50)} SIXTEEN (16) TIMES THE MINIMUM HOURLY WAGE ←~~  
14 ~~REQUIRED BY THE ACT OF JANUARY 17, 1968 (P.L.11, NO.5), KNOWN AS~~  
15 ~~THE MINIMUM WAGE ACT OF 1968~~. ONLY ONE CREDIT WEEK CAN BE  
16 ESTABLISHED WITH RESPECT TO ANY ONE CALENDAR WEEK.] "CREDIT ←  
17 WEEK" MEANS ANY CALENDAR WEEK IN AN INDIVIDUAL'S BASE YEAR WITH  
18 RESPECT TO WHICH HE WAS PAID IN EMPLOYMENT AS DEFINED IN THIS  
19 ACT, REMUNERATION OF NOT LESS THAN:

20 (1) ONE HUNDRED DOLLARS (\$100). THIS PARAGRAPH SHALL EXPIRE  
21 DECEMBER 31, 2014.

22 (2) SIXTEEN (16) TIMES THE MINIMUM HOURLY WAGE REQUIRED BY  
23 THE ACT OF JANUARY 17, 1968 (P.L.11, NO.5), KNOWN AS "THE  
24 MINIMUM WAGE ACT OF 1968." THIS PARAGRAPH SHALL TAKE EFFECT  
25 JANUARY 1, 2015.

26 ONLY ONE CREDIT WEEK CAN BE ESTABLISHED WITH RESPECT TO ANY ONE  
27 CALENDAR WEEK.

28 \* \* \*

29 SECTION 1.1. SECTION 213 OF THE ACT, ADDED DECEMBER 9, 2002  
30 (P.L.1330, NO.156), IS AMENDED TO READ:

1 Section 213. Relief from Charges for Certain Employers.--(a)  
2 An employer that makes payments in lieu of contributions  
3 pursuant to Article X, XI or XII shall be relieved of charges in  
4 accordance with section [302(a)] 302.1 and regulations of the  
5 department, for compensation paid on applications for benefits  
6 effective during a calendar year, if the employer satisfies the  
7 following requirements:

8 (1) The employer pays a nonrefundable solvency fee under  
9 subsection (b) for the calendar year within thirty (30) days  
10 after notice of the fee is sent to the employer's last known  
11 address. The department may for good cause extend the period  
12 within which the fee must be paid.

13 (2) All reports required by this act and regulations of the  
14 department for calendar quarters through the second calendar  
15 quarter of the preceding calendar year are filed.

16 (b) An employer's solvency fee for a calendar year shall be  
17 the monetary amount determined by multiplying the solvency fee  
18 rate for the year by the amount of wages paid, without regard to  
19 the exclusion in section 4(x)(1), by the employer in the four  
20 consecutive calendar quarters ending on June 30 of the preceding  
21 calendar year, provided that an employer's solvency fee for a  
22 year shall not be less than twenty-five dollars (\$25).

23 (1) For calendar years 2003, 2004 and 2005, the solvency fee  
24 rate shall be three ten thousandths (.0003).

25 (2) In 2005 the secretary shall redetermine the solvency fee  
26 rate. The secretary shall redetermine the rate so that the  
27 unrounded rate yields solvency fees approximately equal to the  
28 amount of compensation for which charges are relieved under this  
29 section. For purposes of redetermining the rate, the secretary  
30 shall use the amount of compensation for which charges are

1 relieved under this section paid during 2003 and 2004 and the  
2 amount of wages paid, without regard to the exclusion in section  
3 4(x)(1), during the same time period by employers who paid a  
4 solvency fee under this section. The rate as redetermined shall  
5 take effect for the next calendar year and shall remain in  
6 effect for three years.

7 (3) Beginning in 2008 and each fifth year thereafter, the  
8 secretary shall redetermine the solvency fee rate. The secretary  
9 shall redetermine the rate so that the unrounded rate yields  
10 solvency fees approximately equal to the amount of compensation  
11 for which charges are relieved under this section. For purposes  
12 of redetermining the rate, the secretary shall use the amount of  
13 compensation for which charges are relieved under this section  
14 paid during the five calendar years immediately preceding the  
15 year in which the redetermination occurs and the amount of wages  
16 paid, without regard to the exclusion in section 4(x)(1), during  
17 the same time period by employers who paid a solvency fee under  
18 this section. The rate as redetermined shall take effect for the  
19 next calendar year and shall remain in effect for five years.

20 (4) If the solvency fee rate redetermined under paragraphs  
21 (2) and (3) is not a multiple of one-hundredth of one per cent,  
22 it shall be rounded to the next higher multiple of one-hundredth  
23 of one per cent.

24 (c) Solvency fees paid by employers under this section shall  
25 be deposited in the Unemployment Compensation Fund. Compensation  
26 for which charges are relieved under this section shall not be  
27 used in the calculation of the State adjustment factor under  
28 section 301.1(e).

29 (d) The provisions of this section shall constitute the  
30 exclusive means by which an employer who makes payments in lieu

1 of contributions pursuant to Article X, XI or XII may be excused  
2 from reimbursing the Unemployment Compensation Fund for  
3 compensation paid to an individual that is based on wages paid  
4 by the employer or that portion of the individual's compensation  
5 determined in accordance with section 1108.

6 (e) A group account under section 1109 shall constitute an  
7 employer for purposes of this section.

8 Section 2. Section 302 of the act, amended March 24, 1964  
9 (Sp.Sess., P.L.53, No.1), July 6, 1977 (P.L.41, No.22), July 21,  
10 1983 (P.L.68, No.30), December 19, 1996 (P.L.1476, No.189) and  
11 December 9, 2002 (P.L.1330, No.156), is amended to read:

12 Section 302. Establishment and Maintenance of Employer's  
13 Reserve Accounts.--The department shall establish and maintain  
14 for each employer a separate employer's reserve account in the  
15 following manner:

16 (a) [(1) Such account shall be credited with all  
17 contributions paid by such employer for periods subsequent to  
18 June thirtieth, one thousand nine hundred forty-eight. Such  
19 account shall be charged with an amount determined by  
20 multiplying the wages of compensated employes of such employer  
21 for the twelve month period ended June thirtieth, one thousand  
22 nine hundred forty-nine, by the state experience heretofore used  
23 in determining rates of contributions for the year one thousand  
24 nine hundred forty-nine. Subsequent to January 1, 1984, such] An  
25 employer's account shall be charged with all compensation,  
26 including dependents' allowances, paid to each individual who  
27 received from such employer wage credits constituting the base  
28 of such compensation, in the proportion that such wage credits  
29 with such employer bears to the total wage credits received by  
30 such individual from all employers[: Provided, That if the

1 department finds that such individual was separated from his  
2 most recent work for such employer due to being discharged for  
3 willful misconduct connected with such work, or due to his  
4 leaving such work without good cause attributable to his  
5 employment, or due to his being separated from such work under  
6 conditions which would result in disqualification for benefits  
7 under the provisions of section 3 or section 402(e.1),  
8 thereafter no compensation paid to such individual with respect  
9 to any week of unemployment occurring subsequent to such  
10 separation, which is based upon wages paid by such employer with  
11 respect to employment prior to such separation, shall be charged  
12 to such employer's account under the provisions of this  
13 subsection (a); provided, such employer has filed a notice with  
14 the department in accordance with its rules and regulations and  
15 within the time limits prescribed therein; and provided if the  
16 department finds that such individual's unemployment is directly  
17 caused by a major natural disaster declared by the President  
18 pursuant to section 102(1) of the Disaster Relief Act of 1970  
19 (P.L.91-606) and such individual would have been eligible for  
20 disaster unemployment assistance as provided in section 240 of  
21 that act with respect to such unemployment but for the receipt  
22 of unemployment compensation, no compensation paid to such  
23 individual with respect to any week of unemployment occurring  
24 due to such natural disaster, to a maximum of the eight weeks  
25 immediately following the President's declaration of emergency,  
26 shall be charged to the employer's account under the provisions  
27 of this subsection.

28 (2) Notwithstanding the provisions of paragraph (1) of this  
29 subsection, if the department finds that an individual  
30 subsequent to separation from his work is engaged in part-time

1 work for a base year employer, other than a base year employer  
2 from whom he has separated, compensation paid to such individual  
3 with respect to any week of unemployment occurring subsequent to  
4 such separation and while such part-time work continues without  
5 material change, shall not be charged to the account of such  
6 part-time employer; provided, such part-time employer has filed  
7 a notice with the department in accordance with its rules and  
8 regulations and within the time limits prescribed therein.

9 (2.1) Notwithstanding the provisions of paragraph (1) of  
10 this subsection, if the department finds that an individual was  
11 separated from his most recent work for such employer due to a  
12 cessation of business of eighteen months or less caused by a  
13 disaster, compensation paid to such individual with respect to  
14 any week of unemployment occurring subsequent to such separation  
15 shall not be charged to the account of such employer; provided,  
16 such employer has filed a notice with the department in  
17 accordance with its rules and regulations and within the time  
18 limits prescribed therein.

19 (3) The findings and determinations of the department under  
20 this subsection (a) shall be subject to appeal in the manner  
21 provided in this act for appeals from determinations of  
22 compensation: Provided, That where the individual's eligibility  
23 for compensation has been finally determined under the  
24 provisions of Article V of this act, such determination shall  
25 not be subject to attack in proceedings under this section.

26 (4) The reserve account of any employer who pays  
27 contributions under this section shall not be charged with  
28 respect to benefits paid to any individual whose base period  
29 wages include wages for previously uncovered services as defined  
30 in section 401(g) to the extent that the unemployment insurance

1 fund is reimbursed for such benefits pursuant to section 121 of  
2 Public Law 94-566].

3 (b) Any employer, at any time, may voluntarily pay into the  
4 Unemployment Compensation Fund an amount in excess of the  
5 contributions required to be paid under the provisions of this  
6 act, and such amount shall be forthwith credited to his reserve  
7 account. His rate of contribution shall be computed or  
8 recomputed, as the case may be, with such amount included in the  
9 calculation. To affect such employer's rate of contribution for  
10 any year, such amount shall be paid not later than thirty days  
11 following the mailing of notice of his rate of contribution for  
12 such year: Provided, That for good cause, such time may be  
13 extended by the department: And provided further, That such  
14 amount, when paid as aforesaid, shall not be refunded or used as  
15 a credit in the payment of contributions in whole or in part. In  
16 no event shall any such amount be included in the computation or  
17 recomputation for any year unless it is paid within one hundred  
18 twenty days after the beginning of such year.

19 (c) (1) For the purpose of determining any employer's rate  
20 of contribution for any year, the phrase "balance in an  
21 employer's reserve account" as used in sections 301, 301.1 and  
22 301.2 of this act shall mean the amount ascertained as of the  
23 computation date by subtracting the amounts charged to his  
24 reserve account from the amounts credited thereto including  
25 voluntary contributions. If, as of the computation date, the  
26 amounts charged to his reserve account exceed the amounts  
27 credited by an amount equivalent to more than twenty per centum  
28 (20%) of his average annual payroll, the employer may elect,  
29 subject to the provisions of section 301.1(f) of this act to  
30 have his reserve account balance adjusted to a negative balance



1 equal to twenty per centum (20%) of his average annual payroll.  
2 This subsection as amended shall apply to elections made after  
3 December 31, 1986.

4 (2) Notwithstanding the provisions of section 301.1(f) and  
5 paragraph (1) of this subsection, for elections made on or after  
6 January 1, 1984 and before May 1, 1986, if the amounts charged  
7 to the employer's reserve account exceed the amounts credited by  
8 an amount equivalent to more than ten per centum (10%) of his  
9 average annual payroll, the department, after determining his  
10 Reserve Ratio Factor shall, upon the election of the employer,  
11 adjust his reserve account balance to a negative balance equal  
12 to ten per centum (10%) of his average annual payroll. With  
13 respect to future adjustments of negative balance accounts, the  
14 secretary shall, upon the election of the employer, make  
15 adjustments as follows:

16 (i) In relation to adjustments made for the second time  
17 after January 1, 1984 and before May 1, 1986, if the amounts  
18 charged to his reserve account exceed the amounts credited by an  
19 amount equivalent to more than fifteen per centum (15%) of his  
20 average annual payroll, the department shall, upon the election  
21 of the employer, adjust the reserve account balance to a  
22 negative balance equal to fifteen per centum (15%) of his  
23 average annual payroll.

24 (ii) In relation to adjustments made for the third time  
25 after January 1, 1984 and before May 1, 1986, if the amounts  
26 charged to his reserve account exceed the amounts credited by an  
27 amount equivalent to more than twenty per centum (20%) of his  
28 average annual payroll, the department shall, upon the election  
29 of the employer, adjust his reserve account balance to a  
30 negative balance equal to twenty per centum (20%) of his average

1 annual payroll.

2 (d) The department shall terminate the reserve account of  
3 any employer who has not paid contributions for a period of four  
4 consecutive twelve month periods, ending June thirtieth in any  
5 year.

6 (e) Nothing contained in this act shall be construed to  
7 grant to any employer any claim or right of withdrawal with  
8 respect to any amount allocated to him from, or paid by him  
9 into, the Unemployment Compensation Fund, except as provided in  
10 section three hundred eleven hereof.

11 Section 3. The act is amended by adding a section to read:

12 Section 302.1. Relief from Charges.--Notwithstanding any  
13 other provisions of this act assigning charges for compensation  
14 paid to employes, the department shall relieve an employer of  
15 charges for compensation in accordance with this section and  
16 section 213 of this act.

17 (a) Circumstances allowing relief:

18 (1) If an individual was separated from his most recent work  
19 for an employer due to being discharged for willful misconduct  
20 connected with that work, or due to his leaving that work  
21 without good cause attributable to his employment, or due to his  
22 being separated from such work under conditions which would  
23 result in disqualification for benefits under the provisions of  
24 section 3 or section 402(e.1), the employer shall be relieved of  
25 charges for compensation paid to the individual with respect to  
26 any week of unemployment occurring subsequent to such  
27 separation. Relief from charges under this paragraph terminates  
28 if the employe returns to work for the employer.

29 (2) If an individual's unemployment is directly caused by a  
30 major natural disaster declared by the President of the United

1 States pursuant to section 102(1) of the Disaster Relief Act of  
2 1970 (Public Law 91-606, 42 U.S.C. § 4401 et seq.) and the  
3 individual would have been eligible for disaster unemployment  
4 assistance as provided in section 240 of the Disaster Relief Act  
5 of 1970 with respect to that unemployment but for the receipt of  
6 unemployment compensation, an employer shall be relieved of  
7 charges for compensation paid to such individual with respect to  
8 any week of unemployment occurring due to the natural disaster,  
9 to a maximum of the eight weeks immediately following the  
10 declaration of emergency by the President of the United States.

11 (3) If an individual subsequent to separation from his work  
12 is engaged in part-time work for a base year employer, other  
13 than a base year employer from whom he has separated, the part-  
14 time employer shall be relieved of charges for compensation paid  
15 to the individual with respect to any week of unemployment  
16 occurring subsequent to the separation and while such part-time  
17 work continues without material change.

18 (4) If the department finds that an individual was separated  
19 from his most recent work for an employer due to a cessation of  
20 business of eighteen months or less caused by a disaster, the  
21 employer may be relieved of charges for compensation paid to  
22 such individual with respect to any week of unemployment  
23 occurring subsequent to that separation. Relief from charges  
24 under this paragraph terminates if the employe returns to work  
25 for the employer.

26 (b) Requests for relief from charges:

27 (1) Except as provided in subsection (c), in order to be  
28 granted relief from charges for compensation an employer must  
29 file a request with the department in the manner provided, and  
30 containing all information required, by the department's

1 regulations.

2 (2) If an employer is requesting relief from charges on the  
3 basis of a separation that occurs on or before the date the  
4 claimant files an application for benefits or on the basis of  
5 continuing part-time work, the following shall apply:

6 (i) If the request is filed within fifteen (15) days after  
7 the date of the earliest notice issued by the department under  
8 section 501(a) indicating that the claimant is eligible under  
9 section 401(a) and relief is granted, relief shall begin with  
10 the earliest week for which the claimant is eligible for  
11 benefits pursuant to the claimant's application for benefits.

12 (ii) If the request is not filed within the time period  
13 provided in subparagraph (i), relief, if granted by the  
14 department, shall begin with the earliest week ending fifteen  
15 (15) or more days subsequent to the date the request is filed.

16 (3) If an employer is requesting relief from charges on the  
17 basis of a separation that occurs after the claimant files an  
18 application for benefits, the following shall apply:

19 (i) If the request is filed within fifteen (15) days after  
20 the date of the earliest notice issued by the department  
21 indicating that the claimant is claiming benefits subsequent to  
22 the separation and relief is granted, relief shall begin with  
23 the earliest week for which the claimant is eligible for  
24 benefits following the last day worked.

25 (ii) If the request is not filed within the time period  
26 provided in subparagraph (i), relief, if granted by the  
27 department, shall begin with the earliest week ending fifteen  
28 (15) or more days subsequent to the date the request is filed.

29 (c) Relief from charges without a request:

30 (1) If a claimant is determined ineligible for benefits

1 under section 3 or section 402(b), (e) or (e.1) pursuant to a  
2 notice of determination that has become final, the department  
3 shall grant relief from charges in accordance with subsection  
4 (a)(1) to the employer from whom the claimant was separated,  
5 beginning with the earliest week for which the claimant is  
6 eligible for benefits following the week or weeks governed by  
7 the notice of determination.

8 (2) If a claimant is determined eligible for benefits under  
9 section 402(b) pursuant to a notice of determination that has  
10 become final, the department shall grant or deny relief from  
11 charges in accordance with subsection (a)(1) to the employer  
12 from whom the claimant was separated, beginning with the  
13 earliest week governed by the notice of determination, in  
14 accordance with the following:

15 (i) The department shall grant relief from charges if the  
16 claimant left work for the employer without good cause  
17 attributable to the claimant's employment.

18 (ii) The department shall deny relief from charges if the  
19 claimant left work for the employer with good cause attributable  
20 to the claimant's employment.

21 (3) Relief from charges granted to an employer remains in  
22 effect for the purpose of benefits paid to the claimant pursuant  
23 to a subsequent application for benefits if the relief has not  
24 terminated in accordance with the provisions of this section.

25 (d) Employer information:

26 (1) An employer that is granted relief from charges on the  
27 basis of a claimant's separation from employment shall notify  
28 the department within fifteen (15) days if the claimant returns  
29 to work for the employer. The employer shall include with the  
30 notification the claimant's name and Social Security number, the

1 employer's name and account number and the date when  
2 reemployment commenced.

3 (2) An employer that is granted relief from charges on the  
4 basis of continuing part-time work shall notify the department  
5 within fifteen (15) days if the employment situation of the  
6 claimant changes. The employer shall include with the  
7 notification the claimant's name and Social Security number and  
8 the employer's name and account number.

9 (e) General provisions:

10 (1) Where the individual's eligibility for compensation has  
11 been finally determined under the provisions of Article V, such  
12 determination shall not be subject to attack in proceedings  
13 under this section.

14 (2) The findings and determinations of the department under  
15 this section shall be subject to appeal in the manner provided  
16 in this act for appeals from determinations of compensation.

17 Section 4. Section 401(b) of the act, amended July 9, 1976  
18 (P.L.842, No.147), is amended to read:

19 Section 401. Qualifications Required to Secure  
20 Compensation.--Compensation shall be payable to any employe who  
21 is or becomes unemployed, and who--

22 \* \* \*

23 (b) [Has registered for work at, and thereafter continued to  
24 report to an employment office in accordance with such  
25 regulations as the secretary may prescribe, except that the  
26 secretary may by regulation waive or alter either or both of the  
27 requirements of this clause as to individuals attached to  
28 regular jobs and as to such other types of cases or situations  
29 with respect to which he finds that compliance with such  
30 requirements would be oppressive or would be inconsistent with

1 the purposes of the act: Provided, however, That no such  
2 regulation shall conflict with section four hundred and one (c)  
3 of this act;]

4 (1) Is making an active search for suitable employment. The  
5 requirements for "active search" shall be established by the  
6 department and shall include, at a minimum, all of the  
7 following:

8 (i) Registration by a claimant for employment search  
9 services offered by the Pennsylvania CareerLink system or its  
10 successor agency within thirty (30) days after initial  
11 application for benefits.

12 (ii) Posting a resume on the system's database, unless the  
13 claimant is seeking work in an employment sector in which  
14 resumes are not commonly used.

15 (iii) Applying for positions that offer employment and wages  
16 similar to those the claimant had prior to his unemployment and  
17 which are within a forty-five (45) minute commuting distance.

18 (2) The Pennsylvania CareerLink system or its successor  
19 agency shall provide documentation, on a quarterly basis or more  
20 frequently, as the secretary deems appropriate, to the  
21 Pennsylvania Unemployment Compensation Service Center system so  
22 the system can conduct the necessary cross reference checks.

23 (3) For the purposes of paragraph (1), the department may  
24 determine that a claimant has made an active search for suitable  
25 work if the claimant's efforts include actions comparable to  
26 those traditional actions in their trade or occupation by which  
27 jobs have been found by others in the community and labor market  
28 in which the claimant is seeking employment.

29 (4) The requirements of this subsection do not apply to any  
30 week in which the claimant is in training approved under section

1 236(a)(1) of the Trade Act of 1974 (Public Law 93-618, 19 U.S.C.  
2 § 2101 et seq.) or any week in which the claimant is required to  
3 participate in reemployment services under section 402(j).

4 (5) The requirements of this subsection shall not apply to a  
5 claimant who is laid off for lack of work and advised by the  
6 employer of the date on which the claimant will return to work.

7 (6) The department may waive or alter the requirements of  
8 this subsection in cases or situations with respect to which the  
9 secretary finds that compliance with such requirements would be  
10 oppressive or which would be inconsistent with the purposes of  
11 this act.

12 \* \* \*

13 ~~SECTION 4.1. SECTION 402(B) AND (E) OF THE ACT, AMENDED~~ ←  
14 ~~AUGUST 24, 1953 (P.L.1397, NO.396) AND OCTOBER 22, 1981~~  
15 ~~(P.L.301, NO.106), ARE AMENDED TO READ:~~

16 ~~SECTION 402. INELIGIBILITY FOR COMPENSATION. AN EMPLOYEE~~  
17 ~~SHALL BE INELIGIBLE FOR COMPENSATION FOR ANY WEEK~~

18 ~~\* \* \*~~

19 ~~(B) IN WHICH HIS UNEMPLOYMENT IS DUE TO VOLUNTARILY LEAVING~~  
20 ~~WORK WITHOUT CAUSE OF A NECESSITOUS AND COMPELLING NATURE~~  
21 ~~ATTRIBUTABLE TO HIS EMPLOYMENT, IRRESPECTIVE OF WHETHER OR NOT~~  
22 ~~SUCH WORK IS IN "EMPLOYMENT" AS DEFINED IN THIS ACT: PROVIDED,~~  
23 ~~THAT A VOLUNTARY LEAVING WORK BECAUSE OF A WORK RELATED~~  
24 ~~DISABILITY IF THE EMPLOYER IS ABLE TO PROVIDE OTHER SUITABLE~~  
25 ~~WORK, SHALL BE DEEMED NOT A CAUSE OF A NECESSITOUS AND~~  
26 ~~COMPELLING NATURE ATTRIBUTABLE TO HIS EMPLOYMENT: AND PROVIDED~~  
27 ~~FURTHER, THAT NO EMPLOYEE SHALL BE DEEMED TO BE INELIGIBLE UNDER~~  
28 ~~THIS SUBSECTION WHERE THE FEDERAL UNEMPLOYMENT TAX ACT REQUIRES~~  
29 ~~ELIGIBILITY, AND PROVIDED THAT NO EMPLOYEE SHALL BE DEEMED~~  
30 ~~INELIGIBLE UNDER THIS SUBSECTION IF THE EMPLOYEE IS A SPOUSE OF A~~



~~1 FULL TIME MEMBER OF THE UNITED STATES ARMED FORCES OR A FULL  
2 TIME MEMBER OF ANY OF ITS RESERVE COMPONENTS, INCLUDING THE  
3 PENNSYLVANIA NATIONAL GUARD, AND THE EMPLOYE IS LEAVING  
4 EMPLOYMENT DUE TO THE REASSIGNMENT OF THE MILITARY MEMBER TO A  
5 DIFFERENT GEOGRAPHICAL LOCATION: AND PROVIDED FURTHER, THAT NO  
6 EMPLOYE SHALL BE DEEMED TO BE INELIGIBLE UNDER THIS SUBSECTION  
7 WHERE AS A CONDITION OF CONTINUING IN EMPLOYMENT SUCH EMPLOYE  
8 WOULD BE REQUIRED TO JOIN OR REMAIN A MEMBER OF A COMPANY UNION  
9 OR TO RESIGN FROM OR REFRAIN FROM JOINING ANY BONA FIDE LABOR  
10 ORGANIZATION, OR TO ACCEPT WAGES, HOURS OR CONDITIONS OF  
11 EMPLOYMENT NOT DESIRED BY A MAJORITY OF THE EMPLOYEES IN THE  
12 ESTABLISHMENT OR THE OCCUPATION, OR WOULD BE DENIED THE RIGHT OF  
13 COLLECTIVE BARGAINING UNDER GENERALLY PREVAILING CONDITIONS, AND  
14 THAT IN DETERMINING WHETHER OR NOT AN EMPLOYE HAS LEFT HIS WORK  
15 VOLUNTARILY WITHOUT CAUSE OF A NECESSITOUS AND COMPELLING NATURE  
16 ATTRIBUTABLE TO HIS EMPLOYMENT, THE DEPARTMENT SHALL GIVE  
17 CONSIDERATION TO THE SAME FACTORS, INSOFAR AS THEY ARE  
18 APPLICABLE, PROVIDED, WITH RESPECT TO THE DETERMINATION OF  
19 SUITABLE WORK UNDER SECTION FOUR (T): AND PROVIDED FURTHER, THAT  
20 THE PROVISIONS OF THIS SUBSECTION SHALL NOT APPLY IN THE EVENT  
21 OF A STOPPAGE OF WORK WHICH EXISTS BECAUSE OF A LABOR DISPUTE  
22 WITHIN THE MEANING OF SUBSECTION (D). PROVIDED FURTHER, THAT NO  
23 OTHERWISE ELIGIBLE CLAIMANT SHALL BE DENIED BENEFITS FOR ANY  
24 WEEK IN WHICH HIS UNEMPLOYMENT IS DUE TO EXERCISING THE OPTION  
25 OF ACCEPTING A LAYOFF, FROM AN AVAILABLE POSITION PURSUANT TO A  
26 LABOR MANAGEMENT CONTRACT AGREEMENT, OR PURSUANT TO AN  
27 ESTABLISHED EMPLOYER PLAN, PROGRAM OR POLICY: PROVIDED FURTHER,  
28 THAT A CLAIMANT SHALL NOT BE DISQUALIFIED FOR VOLUNTARILY  
29 LEAVING WORK, WHICH IS NOT SUITABLE EMPLOYMENT TO ENTER TRAINING  
30 APPROVED UNDER SECTION 236(A) (1) OF THE TRADE ACT OF 1974. FOR~~

1 ~~PURPOSES OF THIS SUBSECTION THE TERM "SUITABLE EMPLOYMENT" MEANS~~  
2 ~~WITH RESPECT TO A CLAIMANT, WORK OF A SUBSTANTIALLY EQUAL OR~~  
3 ~~HIGHER SKILL LEVEL THAN THE CLAIMANT'S PAST "ADVERSELY AFFECTED~~  
4 ~~EMPLOYMENT" (AS DEFINED IN SECTION 247 OF THE TRADE ACT OF~~  
5 ~~1974), AND WAGES FOR SUCH WORK AT NOT LESS THAN EIGHTY PER~~  
6 ~~CENTUM OF THE WORKER'S "AVERAGE WEEKLY WAGE" (AS DEFINED IN~~  
7 ~~SECTION 247 OF THE TRADE ACT OF 1974).~~

8 \* \* \*

9 ~~(E) IN WHICH HIS UNEMPLOYMENT IS DUE TO HIS DISCHARGE OR~~  
10 ~~TEMPORARY SUSPENSION FROM WORK FOR WILLFUL MISCONDUCT CONNECTED~~  
11 ~~WITH HIS WORK, IRRESPECTIVE OF WHETHER OR NOT SUCH WORK IS~~  
12 ~~"EMPLOYMENT" AS DEFINED IN THIS ACT[; AND]. FOR PURPOSES OF THIS~~  
13 ~~SUBSECTION, THE TERM "WILLFUL MISCONDUCT" SHALL INCLUDE, BUT IS~~  
14 ~~NOT LIMITED TO, THE VIOLATION OF ANY REASONABLE WORKPLACE RULE~~  
15 ~~OR WORK RELATED GOVERNMENT REGULATION OR LAW OF WHICH THE~~  
16 ~~EMPLOYE WAS AWARE; FAILURE TO MAINTAIN A VALID LICENSE OR~~  
17 ~~CERTIFICATE THAT HAS BEEN ISSUED BY A FEDERAL OR COMMONWEALTH~~  
18 ~~AGENCY OR POLITICAL SUBDIVISION AND WHICH IS A REQUIREMENT OF~~  
19 ~~EMPLOYMENT; THE DELIBERATE DAMAGE TO PROPERTY OF THE EMPLOYER OR~~  
20 ~~ANOTHER EMPLOYE OR THE THEFT OF AN EMPLOYER'S OR ANOTHER~~  
21 ~~EMPLOYE'S PROPERTY; REPORTING TO WORK UNDER THE INFLUENCE OF~~  
22 ~~ILLEGAL DRUGS OR ALCOHOL; THREATENING A COWORKER OR SUPERVISOR~~  
23 ~~WITH PHYSICAL HARM OR THREATENING TO HARM THE INTERESTS OF THE~~  
24 ~~EMPLOYER; DISREGARD OF SUPERVISOR'S REASONABLE DIRECTIVES OR~~  
25 ~~ORDERS AND ACTS OF NEGLIGENCE OR AN ACT OF NEGLIGENCE WHICH~~  
26 ~~INDICATES SUBSTANTIAL DISREGARD FOR EMPLOYER'S INTERESTS.~~

27 \* \* \*

28 Section 5. Section 404 introductory paragraph, (A) 404(A),  
29 (C), (d) and (e) (2) of the act, amended MARCH 24, 1964 (1ST SP.  
30 SESS. P.L.53, NO.1), JANUARY 17, 1968 (P.L.21, NO.6), JULY 10,



1 1980 (P.L.521, NO.108), JULY 21, 1983 (P.L.68, NO.30), October  
2 19, 1988 (P.L.818, No.109) and December 16, 2005 (P.L.437,  
3 No.80), are amended to read:

4 Section 404. Rate and Amount of Compensation.--Compensation  
5 shall be paid to each eligible employe in accordance with the  
6 following provisions of this section except that compensation  
7 payable with respect to weeks ending in benefit years which  
8 begin prior to the first day of January ~~1989~~2013 shall be ←  
9 paid on the basis of the provisions of this section in effect at  
10 the beginning of such benefit years.

11 \* \* \*

12 (A) (1) THE EMPLOYE'S WEEKLY BENEFIT RATE SHALL BE COMPUTED ←  
13 AS (1) THE AMOUNT APPEARING IN PART B OF THE TABLE SPECIFIED FOR ←  
14 THE DETERMINATION OF RATE AND AMOUNT OF BENEFITS ON THE LINE ON  
15 WHICH IN PART A THERE APPEARS HIS "HIGHEST QUARTERLY WAGE," OR  
16 (2) FIFTY PER CENTUM (50%) OF HIS FULL-TIME WEEKLY WAGE,  
17 WHICHEVER IS GREATER. NOTWITHSTANDING ANY OTHER PROVISION OF  
18 THIS ACT, IF AN EMPLOYE'S WEEKLY BENEFIT RATE, AS CALCULATED  
19 UNDER THIS PARAGRAPH, IS LESS THAN \$70, HE SHALL BE INELIGIBLE  
20 TO RECEIVE ANY AMOUNT OF COMPENSATION. IF THE EMPLOYE'S WEEKLY  
21 BENEFIT RATE IS NOT A MULTIPLE OF ONE DOLLAR (\$1), IT SHALL BE  
22 ROUNDED TO THE NEXT LOWER MULTIPLE OF ONE DOLLAR (\$1).

23 (2) IF THE BASE YEAR WAGES OF AN EMPLOYE WHOSE WEEKLY  
24 BENEFIT RATE HAS BEEN DETERMINED UNDER CLAUSE (2) OF PARAGRAPH  
25 (1) OF THIS SUBSECTION ARE INSUFFICIENT TO QUALIFY HIM UNDER  
26 SUBSECTION (C) OF THIS SECTION, HIS WEEKLY BENEFIT RATE SHALL BE  
27 REDETERMINED UNDER CLAUSE (1) OF PARAGRAPH (1) OF THIS  
28 SUBSECTION.

29 (3) IF THE BASE YEAR WAGES OF AN EMPLOYE WHOSE WEEKLY  
30 BENEFIT RATE HAS BEEN DETERMINED UNDER CLAUSE (1) OF PARAGRAPH

1 (1) OF THIS SUBSECTION, OR REDETERMINED UNDER PARAGRAPH (2) OF  
2 THIS SUBSECTION, AS THE CASE MAY BE, ARE INSUFFICIENT TO QUALIFY  
3 HIM UNDER SUBSECTION (C) OF THIS SECTION BUT ARE SUFFICIENT TO  
4 QUALIFY HIM FOR ANY ONE OF THE NEXT THREE LOWER WEEKLY BENEFIT  
5 RATES, HIS WEEKLY BENEFIT RATE SHALL BE REDETERMINED AT THE  
6 HIGHEST OF SUCH NEXT LOWER RATES.

7 \* \* \*

8 (C) [ANY] THE TOTAL AMOUNT OF BENEFITS TO WHICH AN OTHERWISE  
9 ELIGIBLE EMPLOYE WHO HAS BASE YEAR WAGES IN AN AMOUNT EQUAL TO,  
10 OR IN EXCESS, OF THE AMOUNT OF QUALIFYING WAGES APPEARING IN  
11 PART C OF THE TABLE SPECIFIED FOR THE DETERMINATION OF RATE AND  
12 AMOUNT OF BENEFITS ON THE LINE ON WHICH IN PART B THERE APPEARS  
13 HIS WEEKLY BENEFIT RATE, AS DETERMINED UNDER SUBSECTION (A) OF  
14 THIS SECTION, SHALL BE ENTITLED DURING HIS BENEFIT YEAR TO THE  
15 AMOUNT APPEARING IN PART [D] B ON SAID LINE MULTIPLIED BY THE  
16 NUMBER OF QUALIFYING CREDIT WEEKS DURING HIS BASE YEAR, UP TO A  
17 MAXIMUM OF TWENTY-SIX (26): PROVIDED HE HAD EIGHTEEN (18) OR  
18 MORE "CREDIT WEEKS" DURING HIS BASE YEAR [OR PART E PROVIDED HE  
19 HAD SIXTEEN (16) OR SEVENTEEN (17) "CREDIT WEEKS" DURING HIS  
20 BASE YEAR]. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, ANY  
21 EMPLOYE WITH LESS THAN [SIXTEEN (16)] EIGHTEEN (18) "CREDIT  
22 WEEKS" DURING THE EMPLOYE'S BASE YEAR SHALL BE INELIGIBLE TO  
23 RECEIVE ANY AMOUNT OF COMPENSATION.

24 (d) (1) Notwithstanding any other provisions of this  
25 section each eligible employe who is unemployed with respect to  
26 any week ending subsequent to July 1, 1980 shall be paid, with  
27 respect to such week, compensation in an amount equal to his  
28 weekly benefit rate less the total of (i) the remuneration, if  
29 any, paid or payable to him with respect to such week for  
30 services performed which is in excess of his partial benefit

1 credit [and], (ii) vacation pay, if any, which is in excess of  
2 his partial benefit credit, except when paid to an employe who  
3 is permanently or indefinitely separated from his employment[.]  
4 and (iii) the amount of severance pay that is attributed to the  
5 week.

6 (1.1) For purposes of clause (1)(iii), all of the following  
7 apply:

8 (i) "Severance pay" means one or more payments made by an  
9 employer to an employe on account of separation from the service  
10 of the employer, regardless of whether the employer is legally  
11 bound by contract, statute or otherwise to make such payments.  
12 The term does not include payments for pension, retirement or  
13 accrued leave or payments of supplemental unemployment benefits.

14 (ii) The amount of severance pay attributed pursuant to  
15 subclause (iii) shall be an amount not less than zero determined  
16 by subtracting ~~one-half~~ ONE-FOURTH FORTY PER CENTUM (40%) of the ←  
17 average annual wage as calculated under subsection (e) as of  
18 June 30 immediately preceding the calendar year in which the  
19 claimant's benefit year begins from the total amount of  
20 severance pay paid or payable to the claimant by the employer.

21 (iii) Severance pay is attributed as follows:

22 (A) Severance pay is attributed to the day, days, week or  
23 weeks immediately following the employe's separation.

24 (B) The number of days or weeks to which severance pay is  
25 attributed is determined by dividing the total amount of  
26 severance pay by the regular full-time daily or weekly wage of  
27 the claimant.

28 (C) The amount of severance pay attributed to each day or  
29 week equals the regular full-time daily or weekly wage of the  
30 claimant.

1       (D) When the attribution of severance pay is made on the  
2 basis of the number of days, the pay shall be attributed to the  
3 customary working days in the calendar week.

4       (2) (i) In addition to the deductions provided for in  
5 clause (1), for any week with respect to which an individual is  
6 receiving a pension, including a governmental or other pension,  
7 retirement or retired pay, annuity or any other similar periodic  
8 payment, under a plan maintained or contributed to by a base  
9 period or chargeable employer, the weekly benefit amount payable  
10 to such individual for such week shall be reduced, but not below  
11 zero, by the pro-rated weekly amount of the pension as  
12 determined under subclause (ii).

13       (ii) If the pension is entirely contributed to by the  
14 employer, then one hundred per centum (100%) of the pro-rated  
15 weekly amount of the pension shall be deducted. Except as set  
16 forth in clause (4), if the pension is contributed to by the  
17 individual, in any amount, then fifty per centum (50%) of the  
18 pro-rated weekly amount of the pension shall be deducted.

19       (iii) No deduction shall be made under this clause by reason  
20 of the receipt of a pension if the services performed by the  
21 individual during the base period or remuneration received for  
22 such services for such employer did not affect the individual's  
23 eligibility for, or increase the amount of, such pension,  
24 retirement or retired pay, annuity or similar payment.

25       (3) The provisions of this subsection shall be applicable  
26 whether or not such vacation pay, retirement pension or  
27 annuities or wages are legally required to be paid. If such  
28 retirement pension or annuity payments deductible under the  
29 provisions of this subsection are received on other than a  
30 weekly basis, the amount thereof shall be allocated and pro-

1 rated in accordance with the rules and regulations of the  
2 department. Vacation pay or other remuneration deductible under  
3 the provisions of this subsection shall be pro-rated on the  
4 basis of the employe's normal full-time weekly wage and as so  
5 pro-rated shall be allocated to such period or periods of  
6 unemployment as shall be determined by rules and regulations of  
7 the department. Such compensation, if not a multiple of one  
8 dollar (\$1), shall be computed to the next lower multiple of one  
9 dollar (\$1).

10 (4) No deductions shall be made under this subsection for  
11 pensions paid under the Social Security Act (Public Law 74-271,  
12 42 U.S.C. § 301 et seq.), or the Railroad Retirement Act of 1974  
13 (Public Law 93-445, 88 Stat. 1305), if the pension is  
14 contributed to by the individual in any amount.

15 (e) \* \* \*

16 (2) (i) The Table Specified for the Determination of Rate  
17 and Amount of Benefits shall be extended or contracted annually,  
18 automatically by regulations promulgated by the secretary in  
19 accordance with the following procedure: for calendar year one  
20 thousand nine hundred seventy-two and for all subsequent  
21 calendar years, to a point where the maximum weekly benefit rate  
22 [equals] shall equal sixty-six and two-thirds per centum of the  
23 average weekly wage for the [twelve-month] thirty-six-month  
24 period ending June 30 preceding each calendar year. If the  
25 maximum weekly benefit rate is not a multiple of one dollar  
26 (\$1), it shall be [increased by one dollar (\$1) and then]  
27 rounded to the next lower multiple of one dollar (\$1): Provided,  
28 however, That effective with benefit years beginning the first  
29 Sunday at least thirty days after the effective date of this  
30 amendatory act, the per centum stated in this paragraph for

1 establishing the maximum weekly benefit rate shall be sixty-two  
2 and two-thirds per centum for the remainder of calendar year one  
3 thousand nine hundred seventy-four, sixty-four and two-thirds  
4 per centum for the calendar year one thousand nine hundred  
5 seventy-five, and sixty-six and two-thirds per centum for the  
6 calendar year one thousand nine hundred seventy-six and for all  
7 subsequent calendar years.

8 The Table Specified for the Determination of Rate and Amount  
9 of Benefits as so extended or contracted shall be effective only  
10 for those claimants whose benefit years begin on or after the  
11 first day of January of such calendar year.

12 (ii) For the purpose of determining the maximum weekly  
13 benefit rate, the Pennsylvania average weekly wage in covered  
14 employment shall be computed on the basis of the average annual  
15 total wages reported (irrespective of the limit on the amount of  
16 wages subject to contributions) for the [twelve-month] thirty-  
17 six-month period ending June 30 (determined by dividing the  
18 total wages reported for the thirty-six-month period by three)  
19 and this amount shall be divided by the average monthly number  
20 of covered workers (determined by dividing the total covered  
21 employment reported for the same [fiscal year by twelve] thirty-  
22 six-month period by thirty-six) to determine the average annual  
23 wage. The average annual wage thus obtained shall be divided by  
24 fifty-two and the average weekly wage thus determined rounded to  
25 the nearest cent. ~~If the maximum weekly benefit rate as~~ ←  
26 ~~determined under subclause (i) is less than the maximum weekly~~  
27 ~~benefit rate established for calendar year 2012, the maximum~~  
28 ~~weekly benefit rate will be frozen until the calendar year in~~  
29 ~~which the new maximum weekly benefit rate as determined under~~  
30 ~~subclause (i) exceeds the maximum weekly benefit rate for~~



~~1 calendar year 2012. FOR THE CALENDAR YEAR 2012, THE MAXIMUM  
2 WEEKLY BENEFIT RATE SHALL BE FROZEN AT THE RATE CALCULATED FOR  
3 CALENDAR YEAR 2011.~~

~~4 (III) NOTWITHSTANDING THE PROVISIONS OF SUBCLAUSE (I), THE  
5 FOR THE CALENDAR YEAR 2012, THE MAXIMUM WEEKLY BENEFIT RATE  
6 SHALL BE FROZEN AT THE RATE CALCULATED FOR CALENDAR YEAR 2011.  
7 THEREAFTER, THE MAXIMUM WEEKLY BENEFIT RATE ESTABLISHED:~~

~~8 (A) FOR CALENDAR YEAR 2013, SHALL BE NO GREATER THAN A ONE  
9 PER CENTUM (1%) INCREASE ABOVE THE CALENDAR YEAR 2012 RATE.~~

~~10 (B) FOR CALENDAR YEAR 2014, SHALL BE NO GREATER THAN A ONE  
11 AND ONE-TENTH PER CENTUM (1.1%) INCREASE ABOVE THE CALENDAR YEAR  
12 2013 RATE.~~

~~13 (C) FOR CALENDAR YEAR 2015, SHALL BE NO GREATER THAN A ONE  
14 AND TWO-TENTHS PER CENTUM (1.2%) INCREASE ABOVE THE CALENDAR  
15 YEAR 2014 RATE.~~

~~16 (D) FOR CALENDAR YEAR 2016, SHALL BE NO GREATER THAN A ONE  
17 AND THREE-TENTHS PER CENTUM (1.3%) INCREASE ABOVE THE CALENDAR  
18 YEAR 2015 RATE.~~

~~19 (E) FOR CALENDAR YEAR 2017, SHALL BE NO GREATER THAN ONE AND  
20 FOUR-TENTHS PER CENTUM (1.4%) INCREASE ABOVE THE CALENDAR YEAR  
21 2016 RATE.~~

~~22 (F) FOR CALENDAR YEAR 2018, SHALL BE NO GREATER INCREASE  
23 THAN ONE AND FIVE-TENTHS PER CENTUM (1.5%) INCREASE ABOVE THE  
24 CALENDAR YEAR 2017 RATE.~~

~~25 THE LIMITATIONS INSTITUTED FOR CALENDAR YEARS 2013 THROUGH 2018  
26 SHALL EXPIRE ON THE EARLIER TO OCCUR OF DECEMBER 31, 2018 OR THE  
27 LAST DAY OF THE CALENDAR YEAR IN WHICH THE UNEMPLOYMENT  
28 COMPENSATION TRUST FUND DOES NOT HAVE AN OUTSTANDING SOLVENCY-  
29 BASED DEBT TO THE UNITED STATES GOVERNMENT.~~

~~30 (IV) IF THE CHANGE IMPLEMENTED BY THE FREEZE IN CALENDAR~~

1 YEAR 2012 IS DETERMINED BY THE DEPARTMENT, IN AN OFFICIAL NOTICE  
2 TO THE GENERAL ASSEMBLY, TO RESULT IN THE LOSS OF FUNDS UNDER  
3 THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (PUBLIC LAW  
4 111-5, 123 STAT. 115), THE SCHEDULE UNDER SUBCLAUSE (III) SHALL  
5 OCCUR ONE YEAR LATER AND THE EXPIRATION OF THE LIMITATIONS SET  
6 FORTH IN SUBCLAUSE (III) SHALL OCCUR ONE YEAR LATER.

7 \* \* \*

8 Section 6. Section 401-A(b) and (c) of the act, amended  
9 August 4, 2009 (P.L.114, No.30), are amended to read:

10 Section 401-A. Definitions.--As used in this article:

11 \* \* \*

12 (b) (1) There is a "State 'on' indicator" for this State  
13 for a week if the Secretary of Labor and Industry determines in  
14 accordance with the regulations of the United States Secretary  
15 of Labor, that for the period consisting of such week and the  
16 immediately preceding twelve weeks, the rate of insured  
17 unemployment (not seasonally adjusted) under this act:

18 (i) (A) equaled or exceeded one hundred twenty per centum  
19 of the average of such rates for the corresponding thirteen-week  
20 period ending in each of the preceding two calendar years, or

21 (B) with respect to compensation for weeks of unemployment  
22 beginning after December 17, 2010, and ending on or before  
23 December 31, 2011, equaled or exceeded one hundred twenty per  
24 centum of the average of such rates for the corresponding  
25 thirteen-week period ending in each of the preceding three  
26 calendar years, and

27 (ii) equaled or exceeded five per centum: Provided, That  
28 with respect to benefits for weeks of unemployment beginning  
29 with the passage of this amendment but no earlier than April 3,  
30 1977, the determination of whether there has been a State "on"

1 or "off" indicator beginning or ending any extended benefit  
2 period shall be made under this paragraph as if (A) this  
3 paragraph did not contain subparagraph (i) thereof, and (B) the  
4 per centum rate indicated in this paragraph were six, except  
5 that, notwithstanding any such provision of this paragraph, any  
6 week for which there would otherwise be a State "on" indicator  
7 shall continue to be such a week and shall not be determined to  
8 be a week for which there is a State "off" indicator.

9 (2) There is a "State 'off' indicator" for this State for a  
10 week if the Secretary of Labor and Industry determines in  
11 accordance with the regulations of the United States Secretary  
12 of Labor, that for the period consisting of such week and the  
13 immediately preceding twelve weeks, the rate of insured  
14 unemployment (not seasonally adjusted) under this act:

15 (i) was less than one hundred twenty per centum of the  
16 average of such rates for the corresponding thirteen-week period  
17 ending in each of the preceding two calendar years, if paragraph  
18 (1) (i) (A) applies or, the preceding three calendar years, if  
19 paragraph (1) (i) (B) applies, or

20 (ii) was less than five per centum.

21 (3) Notwithstanding the provisions of this subsection, any  
22 week for which there would otherwise be a State "on" indicator  
23 shall continue to be such a week and shall not be determined to  
24 be a week for which there is a State "off" indicator.

25 (c) (1) There is a "State 'on' indicator" for this State  
26 for a week if:

27 (i) the average rate of total unemployment in this State,  
28 seasonally adjusted, for the period consisting of the most  
29 recent three months for which data for all states are published  
30 before the close of such week equals or exceeds six and one-half

1 per centum; and

2 (ii) (A) the average rate of total unemployment in this  
3 State, seasonally adjusted, for the three-month period referred  
4 to in subparagraph (i) equals or exceeds one hundred ten per  
5 centum of such average rate for either, or both, of the  
6 corresponding three-month periods ending in the two preceding  
7 calendar years, or

8 (B) with respect to compensation for weeks of unemployment  
9 beginning after December 17, 2010, and ending on or before  
10 December 31, 2011, the average rate of total unemployment in  
11 this State, seasonally adjusted, for the three-month period  
12 referred to in subparagraph (i) equals or exceeds one hundred  
13 ten per centum of such average rate for any, or all, of the  
14 corresponding three-month periods ending in the three preceding  
15 calendar years.

16 (2) There is a State "off" indicator for this State for a  
17 week if the requirements of paragraph (1)(i) or (ii) are not  
18 satisfied.

19 (3) This subsection shall be applicable only with respect to  
20 weeks of unemployment for which one hundred per centum Federal  
21 sharing of extended benefits is available under section 2005(a)  
22 of the American Recovery and Reinvestment Act of 2009 (Public  
23 Law 111-5, 123 Stat. 115), without regard to the extension of  
24 Federal sharing for certain claims as provided under section  
25 2005(c) of the American Recovery and Reinvestment Act of 2009,  
26 or under a subsequently enacted provision of Federal law.

27 (4) Notwithstanding the provisions of this subsection, any  
28 week for which there would otherwise be a State "on" indicator  
29 shall continue to be such a week and shall not be determined to  
30 be a week for which there is a State "off" indicator.

1 (5) For purposes of this subsection, determinations of the  
2 rate of total unemployment for any period, and of any seasonal  
3 adjustment, shall be made by the United States Secretary of  
4 Labor.

5 \* \* \*

6 Section 7. Section 505 of the act, amended April 23, 1942  
7 (Sp.Sess., P.L.60, No.23), is amended to read:

8 Section 505. Rules of Procedure.--The manner in which  
9 appeals shall be taken, the reports thereon required from the  
10 department, the claimant and employers, and the conduct of  
11 hearings and appeals, shall be in accordance with rules of  
12 procedure prescribed by the board whether or not such rules  
13 conform to common law or statutory rules of evidence and other  
14 technical rules of procedure. Rules established by the board  
15 shall permit either party to a hearing to testify via telephone,  
16 without regard to distance of hearing location from either  
17 party.

18 When the same or substantially similar evidence is relevant  
19 and material to the matter in issue in applications and claims  
20 filed by more than one individual or in multiple applications  
21 and claims filed by a single individual the same time and place  
22 for considering each such application and claim may be fixed,  
23 hearings thereon jointly conducted, a single record of the  
24 proceedings made and evidence introduced with respect to any  
25 application or claim considered as introduced with respect to  
26 all of such applications or claims: Provided, That in the  
27 judgment of the board or referee having jurisdiction of the  
28 proceeding such consideration will not be prejudicial to any  
29 party.

30 Section 8. The act is amended by adding an article to read:

1 ARTICLE XIII

2 SHARED-WORK PROGRAM

3 Section 1301. Definitions.

4 The following words and phrases when used in this act shall  
5 have the meanings given to them in this section unless the  
6 context clearly indicates otherwise:

7 "Affected unit." A department, shift or other organizational  
8 unit of two or more employees that is designated by an employer  
9 to participate in a shared-work plan.

10 "Approved shared-work plan." An employer's shared-work plan  
11 which meets the requirements of section 1303 and which the  
12 department approves in writing.

13 "Fringe benefit." Health insurance, a retirement benefit  
14 received under a pension plan, a paid vacation day, a paid  
15 holiday, sick leave and any other similar employee benefit  
16 provided by an employer.

17 "Participating employee." An employee in the affected unit  
18 whose hours of work are reduced by the reduction percentage  
19 under the shared-work plan.

20 "Participating employer." An employer who has a shared-work  
21 plan in effect.

22 "Reduction percentage." The percentage by which each  
23 participating employee's normal weekly hours of work are reduced  
24 under a shared-work plan in accordance with section 1303(b).

25 "Shared-work plan." A plan for reducing unemployment under  
26 which participating employees of an affected unit share the work  
27 remaining after reduction in their normal weekly hours of work.

28 Section 1302. Application to approve a shared-work plan.

29 (a) Requirements.--An employer that meets all of the  
30 following requirements may apply to the department for approval

1 of a shared-work plan:

2 (1) The employer has filed all quarterly reports and  
3 other reports required under this act and has paid all  
4 contribution, reimbursement, interest and penalty due through  
5 the date of the employer's application.

6 (2) If the employer is contributory, the employer's  
7 reserve account balance as of the most recent computation  
8 date preceding the date of the employer's application is a  
9 positive number.

10 (3) The employer has paid wages for the 12 consecutive  
11 calendar quarters preceding the date of the employer's  
12 application.

13 (b) Application.--An application under this section shall be  
14 made in the manner prescribed by the department and contain all  
15 information required by the department, including the following:

16 (1) The employer's assurance that it will provide  
17 reports to the department relating to the operation of its  
18 shared-work plan at the times and in the manner prescribed by  
19 the department and containing all information required by the  
20 department, including the number of hours worked each week by  
21 participating employees.

22 (2) The employer's assurance that it will not hire new  
23 employees in, or transfer employees to, the affected unit  
24 during the effective period of the shared-work plan.

25 (3) The employer's assurance that it will not lay off  
26 participating employees during the effective period of the  
27 shared-work plan, or reduce participating employees' hours of  
28 work by more than the reduction percentage during the  
29 effective period of the shared-work plan, except in cases of  
30 holidays, designated vacation periods, equipment maintenance

1 or similar circumstances.

2 (4) A list of the week or weeks within the requested  
3 effective period of the shared-work plan during which  
4 participating employees are anticipated to work fewer hours  
5 than the number of hours determined under section 1303(a)(5)  
6 due to circumstances included in paragraph (3).

7 (5) The employer's certification that the implementation  
8 of a shared-work plan is in lieu of temporary layoffs that  
9 would affect at least 10% of the employees in the affected  
10 unit and would result in an equivalent reduction in work  
11 hours.

12 (6) The employer's assurance that it will abide by all  
13 terms and conditions of this article.

14 (c) Multiple shared-work plans.--An employer may apply to  
15 the department for approval of more than one shared-work plan.  
16 Section 1303. Shared-work plan requirements.

17 (a) General rule.--The department may approve a shared-work  
18 plan only if the plan meets all of the following requirements:

19 (1) The shared-work plan applies to one affected unit.

20 (2) All employees in the affected unit are participating  
21 employees, except that the following employees may not be  
22 participating employees:

23 (i) An employee who has been employed in the  
24 affected unit for less than three months prior to the  
25 date the employer applies for approval of the shared-work  
26 plan.

27 (ii) An employee whose hours of work per week  
28 determined under paragraph (5) is 40 or more hours.

29 (3) There are no fewer than two participating employees,  
30 determined without regard to corporate officers.



1           (4) The participating employees are identified by name  
2 and Social Security number.

3           (5) The number of hours a participating employee will  
4 work each week during the effective period of the shared-work  
5 plan is determined by the following formula:

6                   employee's normal weekly hours of  
7                   work x (100% - reduction percentage)

8           (6) As a result of a decrease in the number of hours  
9 worked by each participating employee, there is a  
10 corresponding reduction in wages.

11           (7) If any participating employee is covered by a  
12 collective bargaining agreement, the shared-work plan is  
13 approved in writing by the collective bargaining  
14 representative.

15           (8) The shared-work plan does not affect the fringe  
16 benefits of any participating employee not covered by a  
17 collective bargaining agreement.

18           (9) The effective period of the shared-work plan is not  
19 more than 52 consecutive weeks.

20           (10) The effective period of the shared-work plan  
21 combined with effective periods of the participating  
22 employer's prior shared-work plans does not equal more than  
23 104 weeks out of a 156-week period.

24           (11) The reduction percentage satisfies the requirements  
25 of subsection (b).

26           (b) Reduction percentage.--The reduction percentage under an  
27 approved shared-work plan shall meet all of the following  
28 requirements:

29                   (1) The reduction percentage shall be no less than 20%  
30 and no more than 40%.

1           (2) The reduction percentage shall be the same for all  
2           participating employees.

3           (3) The reduction percentage shall not change during the  
4           period of the shared-work plan unless the plan is modified in  
5           accordance with section 1308.

6 Section 1304. Approval or disapproval of shared-work plan.

7           The department shall approve or disapprove a shared-work plan  
8           no later than 15 days after the date the employer's shared-work  
9           plan application that meets the requirements of section 1302(b)  
10           is received by the department. The department's decision shall  
11           be made in writing and, if the shared-work plan is disapproved,  
12           shall include the reasons for the disapproval.

13 Section 1305. Effective period of shared-work plan.

14           (a) Number of weeks.--A shared-work plan is effective for  
15           the number of consecutive weeks indicated in the employer's  
16           application, or a lesser number of weeks as approved by the  
17           department, unless sooner terminated in accordance with section  
18           1309.

19           (b) Start date.--The effective period of the shared-work  
20           plan shall begin with the first calendar week following the date  
21           on which the department approves the plan.

22 Section 1306. Criteria for compensation.

23           (a) General rule.--Compensation shall be payable to a  
24           participating employee for a week within the effective period of  
25           an approved shared-work plan during which the employee works the  
26           number of hours determined under section 1303(a)(5) for the  
27           participating employer on the same terms, in the same amount and  
28           subject to the same conditions that would apply to the  
29           participating employee without regard to this article, except as  
30           follows:

1       (1) A participating employee shall not be required to be  
2 unemployed within the meaning of section 4(u) or file claims  
3 for compensation under section 401(c).

4       (2) Notwithstanding section 404(d)(1), a participating  
5 employee shall be paid compensation in an amount equal to the  
6 product of his weekly benefit rate and the reduction  
7 percentage, rounded to the next lower whole dollar amount.

8       (3) The department shall not deny compensation to a  
9 participating employee for any week during the effective  
10 period of the shared-work plan by reason of the application  
11 of any provision of this act relating to active search for  
12 work or refusal to apply for or accept work other than work  
13 offered by the participating employer.

14       (4) A participating employee satisfies the requirements  
15 of section 401(d)(1) if the employee is able to work and is  
16 available for the employee's normal weekly hours of work with  
17 the participating employer.

18       (b) Equivalent remuneration.--For purposes of subsection  
19 (a), if a participating employee works fewer hours than the  
20 number of hours determined under section 1303(a)(5) for the  
21 participating employer during a week within the effective period  
22 of the approved shared-work plan, but receives remuneration  
23 equal to remuneration the employee would have received if the  
24 employee had worked the number of hours determined under section  
25 1303(a)(5), the employee will be deemed to have worked the  
26 number of hours determined under section 1303(a)(5) during that  
27 week.

28       (c) Inapplicability of article.--A participating employee's  
29 eligibility for compensation for a week within the effective  
30 period of an approved shared-work plan shall be determined

1 without regard to this article under any of the following  
2 circumstances:

3 (1) The employee works fewer hours than the number of  
4 hours determined under section 1303(a) (5) for the  
5 participating employer during the week and subsection (b)  
6 does not apply.

7 (2) The employee works more hours than the number of  
8 hours determined under section 1303(a) (5) for the  
9 participating employer during the week.

10 (3) The employee receives remuneration for the week from  
11 the participating employer for hours in excess of the number  
12 of hours determined under section 1303(a) (5).

13 Section 1307. Participating employer responsibilities.

14 (a) Filing claims.--The department shall establish a  
15 schedule of consecutive two-week periods within the effective  
16 period of the shared-work plan. The department may, as  
17 necessary, include one-week periods in the schedule and revise  
18 the schedule. At the end of each scheduled period, the  
19 participating employer shall file claims for compensation for  
20 the week or weeks within the period on behalf of the  
21 participating employees. The claims shall be filed no later than  
22 the last day of the week immediately following the period,  
23 unless an extension of time is granted by the department for  
24 good cause. The claims shall be filed in the manner prescribed  
25 by the department and shall contain all information required by  
26 the department to determine the eligibility of the participating  
27 employees for compensation.

28 (b) Benefit charges.--Notwithstanding any other provision of  
29 this act, compensation paid to participating employees for weeks  
30 within the effective period of an approved shared-work plan will

1 be charged to the participating employer.

2 Section 1308. Modification of an approved shared-work plan.

3 An employer may apply to the department for approval to  
4 modify an approved shared-work plan to meet changed conditions.  
5 The department shall reevaluate the plan and may approve the  
6 modified plan if it meets the requirements for approval under  
7 section 1303. If the modifications cause the shared-work plan to  
8 fail to meet the requirements for approval, the department shall  
9 disapprove the proposed modifications.

10 Section 1309. Termination of an approved shared-work plan.

11 (a) General rule.--The secretary may terminate an approved  
12 shared-work plan for good cause.

13 (b) Good cause.--For purposes of subsection (a), good cause  
14 includes any of the following:

15 (1) The approved shared-work plan is not being executed  
16 according to its approved terms and conditions.

17 (2) The participating employer fails to comply with the  
18 assurances given in the approved shared-work plan.

19 (3) The participating employer or a participating  
20 employee violates any criteria on which approval of the  
21 shared-work plan was based.

22 (c) Termination by employer.--The employer may terminate an  
23 approved shared-work plan by written notice to the department.

24 Section 1310. Department discretion.

25 The decision to approve or disapprove a shared-work plan, to  
26 approve or disapprove a modification of an approved shared-work  
27 plan or to terminate an approved shared-work plan will be made  
28 within the department's discretion. Such decisions are not  
29 subject to the appeal provisions of Article V.

30 Section 1311. Publication of notice.

1 The department shall transmit to the Legislative Reference  
2 Bureau for publication in the Pennsylvania Bulletin notice that  
3 the provisions of this article have been approved by the United  
4 States Department of Labor as required under section 3304(a)(4)  
5 (E) of the Federal Unemployment Tax Act (Public Law 86-778, 26  
6 U.S.C. § 3304(a)(4)(E)) and section 303(a)(5) of the Social  
7 Security Act (49 Stat. 620, 42 U.S.C. § 503(a)(5)).

8 Section 1312. Severability.

9 Notwithstanding any other section of this act, if any  
10 provision or provisions of this article cause the United States  
11 Department of Labor to withhold approval of this article as  
12 required under section 3304(a)(4)(E) of the Federal Unemployment  
13 Tax Act (Public Law 86-778, 26 U.S.C. § 3304(a)(4)(E)) and  
14 section 303(a)(5) of the Social Security Act (49 Stat. 620, 42  
15 U.S.C. § 503(a)(5)), the department is authorized to permanently  
16 suspend the provision or provisions.

17 Section 1313. Expiration.

18 This article shall expire five years from its effective date.

19 Section 9. This act shall apply as follows:

20 (1) The amendment or addition of sections 213, 302 and  
21 302.1, other than section 302.1(c) OF THE ACT, shall apply to ←  
22 charges for compensation corresponding to benefit years that  
23 begin on and after the effective date of sections 213, 302  
24 and 302.1 of the act.

25 (2) The addition of section 302.1(c)(1) and (2) of the  
26 act shall apply to notices of determination regarding  
27 eligibility for benefits that are issued on or after the date  
28 of implementation of the Department of Labor and Industry's  
29 system to provide relief from charges without an employer  
30 request, as announced by the Secretary of Labor and Industry

1 in a notice published in the Pennsylvania Bulletin. The  
2 addition of section 302.1(c)(3) shall apply to relief from  
3 charges that is granted on or after such implementation date.

4 (3) The amendment of section 401(b) OF THE ACT shall ←  
5 apply to benefit years that begin on OR after January 1, ←  
6 2012.

7 ~~(4) The amendment of section 404, other than the ←~~  
8 ~~amendment of section 404(d)(1) 404(C) AND (D)(1) and the ←~~  
9 ~~addition of section 404(d)(1.1) OF THE ACT, shall apply to ←~~  
10 ~~the determination of the maximum weekly benefit rate for~~  
11 ~~benefit years that begin on or after January 1, 2013.~~

12 ~~(5)~~ (4) The amendment or addition of section 404(d)(1) ←  
13 and (1.1) OF THE ACT shall apply to benefit years that begin  
14 on or after the effective date of section 404(d)(1) and ←  
15 (1.1).

16 ~~(6)~~ (5) THE AMENDMENT OR ADDITION OF SECTION 404(D)(1) ←  
17 AND (1.1) OF THE ACT SHALL NOT APPLY TO SEVERANCE PAY  
18 AGREEMENTS THAT WERE AGREED TO BY AN EMPLOYER AND EMPLOYEE  
19 PRIOR TO THE EFFECTIVE DATE OF ~~THIS SECTION~~ SECTION 404(D)(1) ←  
20 AND (1.1).

21 ~~(7) THE AMENDMENT OF SECTION 4(G.1) AND 404(A) OF THE ←~~  
22 ~~ACT SHALL APPLY TO BENEFIT YEARS THAT BEGIN ON OR AFTER JULY~~  
23 ~~1, 2012.~~

24 ~~(8) THE AMENDMENT OF SECTION 404 (C) OF THE ACT SHALL ←~~  
25 ~~APPLY TO BENEFIT YEARS THAT BEGIN ON OR AFTER JANUARY 1,~~  
26 ~~2013.~~

27 ~~(9) THE AMENDMENT OF SECTION 402(B) AND (E) OF THE ACT ←~~  
28 ~~ARE APPLICABLE TO INITIAL CLAIMS FILED ON OR AFTER JANUARY 1,~~  
29 ~~2012.~~

30 (6) THE AMENDMENT OF SECTIONS 4(G.1) AND 404(A) OF THE ←

1 ACT SHALL APPLY TO BENEFIT YEARS THAT BEGIN ON OR AFTER  
2 JANUARY 1, 2013.

3 (7) THE AMENDMENT OF SECTION 404(C) OF THE ACT SHALL  
4 APPLY TO BENEFIT YEARS THAT BEGIN ON OR AFTER JANUARY 1,  
5 2015.

6 Section 10. The amendment of section 401-A(b) and (c) OF THE ←  
7 ACT shall apply retroactively to December 18, 2010.

8 Section 11. This act shall take effect as follows:

9 (1) THE AMENDMENT OF SECTION 404(E) (2) OF THE ACT SHALL ←  
10 TAKE EFFECT IMMEDIATELY.

11 (1.1) The amendment of ~~section 401(b)~~ SECTIONS 401(B) ←  
12 AND 404(D) OF THE ACT shall take effect January 1, 2012. ←

13 ~~(1.1) THE AMENDMENT OF SECTIONS 4(G.1) AND 404(A) OF THE ←~~  
14 ~~ACT SHALL TAKE EFFECT JULY 1, 2012.~~

15 (2) The amendment of ~~section~~ SECTIONS 4(G.1) AND 404 ←  
16 ~~introductory paragraph and subsection~~ SUBSECTIONS (C) AND (e) ←  
17 ~~(2) SUBSECTION (A)~~ 404(A) OF THE ACT shall take effect ←  
18 January 1, 2013.

19 (2.1) THE AMENDMENT OF SECTION 404(C) OF THE ACT SHALL ←  
20 TAKE EFFECT JANUARY 1, 2015.

21 (3) ~~This~~ SECTIONS 9 AND 10 AND THIS section shall take ←  
22 effect immediately.

23 (4) The addition of ~~Article XIII of the act~~ SECTION 1311 ←  
24 OF THE ACT SHALL TAKE EFFECT IMMEDIATELY. THE REMAINDER OF  
25 ARTICLE XIII OF THE ACT BEING ADDED shall take effect upon  
26 publication in the Pennsylvania Bulletin of the notice  
27 required under section 1311 of the act or July 1, 2011,  
28 whichever occurs later.

29 (5) The remainder of this act shall take effect in 60  
30 days.