
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1765 Session of
2023

INTRODUCED BY HANBIDGE, HILL-EVANS, MADDEN, KINSEY, KINKEAD,
GUENST, SANCHEZ, McNEILL, WARREN, D. WILLIAMS, OTTEN,
FREEMAN, CERRATO, CONKLIN AND GREEN, OCTOBER 17, 2023

REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, OCTOBER 17, 2023

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," in preliminary
16 provisions, further providing for definitions; in
17 contributions by employers and employees, further providing
18 for trigger determinations and for trigger rate
19 redeterminations; in compensation, further providing for
20 qualifications required to secure compensation, for
21 ineligibility for compensation and for rate and amount of
22 compensation; in determination of compensation, appeals,
23 reviews and procedure, further providing for determination of
24 compensation appeals; in Unemployment Compensation Amnesty
25 Program, further providing for definitions; and, in amnesty
26 program, further providing for definitions.

27 The General Assembly of the Commonwealth of Pennsylvania
28 hereby enacts as follows:

29 Section 1. Sections 4(g.1), 301.7(a), 301.8(b)(1), 401(e)

1 (1), 402(a), 404(c), (d) (1) and (1.1) and (e) (2) (iv), (v) and
2 (vi) and 501(c) (1) of the act of December 5, 1936 (2nd Sp.Sess.,
3 1937 P.L.2897, No.1), known as the Unemployment Compensation
4 Law, are amended to read:

5 Section 4. Definitions.--The following words and phrases, as
6 used in this act, shall have the following meanings, unless the
7 context clearly requires otherwise.

8 * * *

9 [(g.1) "Credit week" means any calendar week in an
10 individual's base year with respect to which he was paid in
11 employment as defined in this act, remuneration of not less
12 than:

13 (1) One hundred dollars (\$100). This paragraph shall expire
14 December 31, 2014.

15 (2) Sixteen (16) times the minimum hourly wage required by
16 the act of January 17, 1968 (P.L.11, No.5), known as "The
17 Minimum Wage Act of 1968." This paragraph shall take effect
18 January 1, 2015.

19 Only one credit week can be established with respect to any one
20 calendar week.]

21 * * *

22 Section 301.7. Trigger Determination.--(a) On July 1 of
23 every year, the secretary shall calculate the trigger percentage
24 to be used in setting surcharge and contribution rates for the
25 contributions required under sections 301.2, 301.4 and 301.5 and
26 in setting the benefit reduction required under section 404(e)
27 (4) for the following calendar year. The secretary shall[:

28 (1) add the principal amount of outstanding bonds under
29 Article XIV and the amount of outstanding advances under Title
30 XII of the Social Security Act (58 Stat. 790, 42 U.S.C. § 1321

1 et seq.) and subtract that sum from the balance in the
2 Unemployment Compensation Fund;

3 (2) determine the average of the benefit costs for the three
4 immediately preceding fiscal years; and

5 (3) calculate the percentage that the amount determined
6 under paragraph (1) represents of the average of the benefit
7 costs.] determine the average high cost multiple for the
8 preceding calendar year in accordance with 20 CFR 606.3
9 (relating to definitions). The trigger percentage shall be the
10 percentage determined by the ratio of the average high cost
11 multiple over one.

12 * * *

13 Section 301.8. Trigger Rate Redeterminations.--* * *

14 (b) (1) For calendar years 2013 through the year determined
15 under paragraph (4), if the trigger percentage as of July 1 of
16 the preceding calendar year is less than [two hundred fifty per
17 centum (250%)] one hundred per centum (100%), the rates
18 determined under paragraph (2) shall apply. For calendar years
19 following the year determined under paragraph (4), if the
20 trigger percentage as of July 1 of the preceding calendar year
21 is less than [two hundred fifty per centum (250%)] one hundred
22 per centum (100%), the rates determined under paragraph (3)
23 shall apply.

24 * * *

25 Section 401. Qualifications Required to Secure
26 Compensation.--Compensation shall be payable to any employe who
27 is or becomes unemployed, and who--

28 * * *

29 (e) (1) [Has been unemployed for a waiting period of one
30 week.] (Reserved).

1 * * *

2 Section 402. Ineligibility for Compensation.--An employe
3 shall be ineligible for compensation for any week--

4 (a) In which his unemployment is due to failure, without
5 good cause, either to apply for suitable work at such time and
6 in such manner as the department may prescribe, or to accept
7 suitable work when offered to him by the employment office or by
8 any employer, irrespective of whether or not such work is in
9 "employment" as defined in this act: Provided, That such
10 employer notifies the employment office of such offer within
11 seven (7) days after the making thereof; however this subsection
12 shall not cause a disqualification of [a waiting week or]
13 benefits under the following circumstances: when work is offered
14 by his employer and he is not required to accept the offer
15 pursuant to the terms of the labor-management contract or
16 agreement, or pursuant to an established employer plan, program
17 or policy: Provided further, That a claimant shall not be
18 disqualified for refusing suitable work when he is in training
19 approved under section 236(a)(1) of the Trade Act of 1974.

20 * * *

21 Section 404. Rate and Amount of Compensation.--Compensation
22 shall be paid to each eligible employe in accordance with the
23 following provisions of this section except that compensation
24 payable with respect to weeks ending in benefit years which
25 begin prior to the first day of January 1989 shall be paid on
26 the basis of the provisions of this section in effect at the
27 beginning of such benefit years.

28 * * *

29 (c) If an otherwise eligible employe has base year wages in
30 an amount equal to or in excess of the amount of qualifying

1 wages appearing in Part C of the Table Specified for the
2 Determination of Rate and Amount of Benefits on the line on
3 which in Part B there appears his weekly benefit rate, as
4 determined under subsection (a) of this section, [and had
5 eighteen (18) or more credit weeks during his base year,] he
6 shall be entitled during his benefit year to the amount
7 appearing in Part B on said line multiplied by the number of
8 [credit weeks during his base year] weeks for which a claim for
9 unemployment benefits is filed, up to a maximum of twenty-six
10 (26). Notwithstanding any other provision of this act, any
11 employe [with less than eighteen (18) credit weeks] without
12 wages in at least two (2) quarters during the employe's base
13 year shall be ineligible to receive any amount of compensation.

14 (d) (1) Notwithstanding any other provisions of this
15 section each eligible employe who is unemployed with respect to
16 any week ending subsequent to July 1, 1980 shall be paid, with
17 respect to such week, compensation in an amount equal to his
18 weekly benefit rate less the total of (i) the remuneration, if
19 any, paid or payable to him with respect to such week for
20 services performed which is in excess of his partial benefit
21 credit[,] and (ii) vacation pay, if any, which is in excess of
22 his partial benefit credit, except when paid to an employe who
23 is permanently or indefinitely separated from his employment.
24 [and (iii) the amount of severance pay that is attributed to the
25 week.]

26 (1.1) For purposes of clause (1)(iii), all of the following
27 apply:

28 (i) "Severance pay" means one or more payments made by an
29 employer to an employe on account of separation from the service
30 of the employer, regardless of whether the employer is legally

1 bound by contract, statute or otherwise to make such payments.
2 The term does not include payments for pension, retirement or
3 accrued leave or payments of supplemental unemployment benefits.

4 (ii) The amount of severance pay attributed pursuant to
5 subclause (iii) shall be an amount not less than zero (0)
6 determined by subtracting forty per centum (40%) of the average
7 annual wage as calculated under subsection (e) as of June 30
8 immediately preceding the calendar year in which the claimant's
9 benefit year begins from the total amount of severance pay paid
10 or payable to the claimant by the employer.

11 (iii) Severance pay is attributed as follows:

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

14 (B) The number of days or weeks to which severance pay is
15 attributed is determined by dividing the total amount of
16 severance pay by the regular full-time daily or weekly wage of
17 the claimant.

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

21 (D) When the attribution of severance pay is made on the
22 basis of the number of days, the pay shall be attributed to the
23 customary working days in the calendar week.]

24 * * *

25 (e) * * *

26 (2) * * *

27 (iv) In addition to the limitations set forth in subclause
28 (iii), the following shall apply:

29 (A) Notwithstanding the provisions of subclause (iii)(B),
30 for calendar years 2020 through 2023, the maximum weekly benefit

1 rate shall not increase if the trigger percentage determined
2 under section 301.7(a) is less than one hundred ten per centum
3 (110%) as of July 1, 2019.

4 (B) Notwithstanding the provisions of subclause (iii)(B.1),
5 for calendar year 2024, the maximum weekly benefit rate may not
6 increase from the preceding year if the trigger percentage
7 determined under section 301.7(a) is less than [two hundred
8 fifteen per centum (215%)] eighty-six per centum (86%) as of
9 July 1, 2023.

10 (C) If the maximum weekly benefit rate does not increase
11 under subparagraph (B), it may not increase until the year
12 following a July 1 determination under section 301.7(a) that the
13 trigger percentage is at least [two hundred fifty per centum
14 (250%)] one hundred per centum (100%).

15 (D) If the conditions of subparagraph (C) are met, for the
16 purpose of determining the maximum weekly benefit, subclause
17 (iii) shall apply.

18 (v) If, on July 1, 2025, the trigger percentage determined
19 under section 301.7(a) is less than [two hundred fifty per
20 centum (250%)] one hundred per centum (100%), the following
21 shall apply:

22 (A) Notwithstanding the definition of "highest quarterly
23 wages" in subsection (b), but subject to subclause (vi),
24 "highest quarterly wages" for purposes of this section for
25 calendar years 2026 and thereafter shall be the average of the
26 total wages (computed to the nearest dollar), which were paid to
27 the employe computed as follows:

28 (I) The wages paid to the employe in that calendar quarter
29 in which such total wages were highest during the base year
30 shall be calculated.

1 (II) The amount calculated under division (I) shall be added
2 to an amount equal to one hundred thirty per centum (130%) of
3 the wages paid to the employe in the calendar quarter in which
4 such total wages were the second highest of any calendar quarter
5 during the base year, provided that the amount added under this
6 division (II) may not be greater than the wages paid to the
7 employe during the highest calendar quarter under division (I).

8 (III) The sum calculated under division (II) shall be
9 divided by two.

10 (B) Notwithstanding section 401(a)(2), and except as
11 provided in subsections (a)(3) and (e)(1) and (2), section
12 401(a) shall require that the second entry in Part A of the
13 table for the determination of rate and amount of benefits, on
14 the line on which there appears the employe's weekly benefit
15 rate, does not exceed sixty-three per centum (63%) of the
16 employe's total base year wages.

17 (vi) Notwithstanding the provisions of subsection (b) and
18 subclause (v) if, on July 1, 2026, or July 1 of any subsequent
19 year, the trigger percentage determined under section 301.7(a)
20 is at least [two hundred fifty per centum (250%)] one hundred
21 per centum (100%), the following shall apply:

22 (A) "Highest quarterly wages" for the subsequent calendar
23 year and thereafter shall be determined as provided in
24 subsection (b) and not as provided in subclause (v).

25 (B) Section 401(a)(2) shall apply and not subclause (v)(B).

26 * * *

27 Section 501. Determination of Compensation Appeals.--* * *

28 (c) (1) The department shall promptly examine each claim
29 for [waiting week credit and each claim for] compensation and on
30 the basis of the facts found by it shall determine whether or

1 not the claim is valid.

2 * * *

3 Section 2. The definition of "employee information" in
4 sections 1501 and 1501-A of the act are amended to read:

5 Section 1501. Definitions.

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

9 * * *

10 "Employee information." The name and Social Security number
11 of each employee[,] and the amount of wages paid to each
12 employee [and the number of credit weeks for each employee] in
13 each calendar quarter.

14 * * *

15 Section 1501-A. Definitions.

16 The following words and phrases when used in this article
17 shall have the meanings given to them in this section unless the
18 context clearly indicates otherwise:

19 * * *

20 "Employee information." The name and Social Security number
21 of each employee[,] and the amount of wages paid to each
22 employee [and the number of credit weeks for each employee] in
23 each calendar quarter.

24 * * *

25 Section 3. The Secretary of Labor and Industry shall
26 transmit notice to the Legislative Reference Bureau for
27 publication in the Pennsylvania Bulletin upon completion of
28 implementation of the technological upgrades to the delivery
29 system for unemployment compensation benefits.

30 Section 4. This act shall take effect as follows:

- 1 (1) The following shall take effect immediately:
- 2 (i) Section 3 of this act.
- 3 (ii) This section.
- 4 (2) The amendment of sections 301.7(a), 301.8(b)(1) and
- 5 404(e)(2)(iv), (v) and (vi) of the act shall take effect July
- 6 1, 2023.
- 7 (3) The remainder of this act shall take effect upon
- 8 publication of the notice under section 3 of this act.