

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2519 Session of  
2000

INTRODUCED BY WILT, MAY 4, 2000

REFERRED TO COMMITTEE ON LABOR RELATIONS, MAY 4, 2000

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 self-employment eligibility for corporate  
17 officers.

18 The General Assembly of the Commonwealth of Pennsylvania  
19 hereby enacts as follows:

20 Section 1. Section 4(1)(1) of the act of December 5, 1936  
21 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment  
22 Compensation Law, amended July 6, 1977 (P.L.41, No.22), is  
23 amended to read:

24 Section 4. Definitions.--The following words and phrases, as  
25 used in this act, shall have the following meanings, unless the

1 context clearly requires otherwise.

2 \* \* \*

3 (1) (1) "Employment" means all personal service performed  
4 for remuneration by an individual under any contract of hire,  
5 express or implied, written or oral, including service in  
6 interstate commerce[,] and service as an officer of a  
7 corporation if the individual performing the service does not  
8 exercise a substantial degree of control over the corporation.

9 \* \* \*

10 Section 2. Section 402.4 of the act, added July 21, 1983  
11 (P.L.68, No.30), is amended to read:

12 [Section 402.4. Eligibility of Officers of a Corporation  
13 Deemed to be Self-Employed Persons.--(a) Notwithstanding any  
14 other provision of this act, an officer of a corporation deemed  
15 to be a self-employed person because he exercised a substantial  
16 degree of control over the corporation and who becomes  
17 unemployed due to the fact that the corporation enters into  
18 involuntary bankruptcy proceedings under the provisions of  
19 Chapter 7, Title 11 of the United States Code shall be entitled  
20 to receive unemployment compensation under this act: Provided,  
21 That the wages paid to the officer of a corporation deemed to be  
22 a self-employed person were mandatorily subject to this act.

23 (b) Unemployment compensation shall be paid to an officer of  
24 a corporation deemed to be a self-employed person, who is  
25 eligible under the provisions of this section, in the same  
26 manner and to the same extent as unemployment compensation paid  
27 to any other eligible claimant under the provisions of this  
28 act.]

29 Section 3. This act shall take effect as follows:

30 (1) The amendment of section 402.4 of the act shall take

1 effect in two years.

2 (2) This section shall take effect immediately.

3 (3) The remainder of this act shall take effect in 60  
4 days.