

PENNSYLVANIA

May 9, 2017

Hon. Rob W. Kauffman  
312 Main Capitol Building  
PO Box 202089  
Harrisburg, PA 17120-2089

Dear Chairman Kauffman:

On behalf of the 14,000 small-business members of the Pennsylvania chapter of the National Federation of Independent Business (NFIB), we are writing in support of House Bill 1014, introduced by state Rep. Fred Keller. This legislation would amend the Pennsylvania Unemployment Compensation Law to: 1) state that in situations where an employee voluntarily leaves their employment, they can only collect unemployment benefits if they left their job because of a cause of necessitous and compelling nature related to their employment; and 2) provide a statutory definition for the term "willful misconduct" as it relates eligibility for compensation, for individuals whose employment is terminated by the employer.

Current law allows an employee to collect benefits when unemployment is due to voluntarily leaving work without a cause of a necessitous and compelling nature, such as following a spouse to another state - draining needed resources from the fund. Claimants should be ineligible for benefits when their unemployment is due to voluntarily leaving work without a cause of a necessitous and compelling nature attributable to their employment.

This legislation also would amend the Pennsylvania Unemployment Compensation Law to further define "willful misconduct" to make individuals who knowingly and blatantly violate existing law or company policy, and are fired as a result, ineligible for unemployment benefits. While such language already exists as case law, this legislation puts the measure into statute.

Unemployment compensation is expensive. Employers already are paying the 5<sup>th</sup> highest UC taxes in the country. It also is important to remember that a \$1.7 billion surplus in the trust fund at the start of the last recession quickly became a \$4 billion deficit. The importance of maintaining a healthy UC trust fund cannot be overstated.

HB 1014 by Rep. Keller, makes important changes to the law that would help ensure greater predictability by reducing costs to the unemployment trust fund; protect Pennsylvanians who currently are receiving benefits; increase fairness for future recipients who lose their job through no fault of their own; and encourage attachment to the workforce.

For these reasons, we urge you to support this important legislation. If you have any questions about this issue or other issues affecting the men and women who work for or own a small business in Pennsylvania, I can be reached by calling 717.232.8582 or by email at [kevin.shivers@nfib.org](mailto:kevin.shivers@nfib.org).

Sincerely,



Kevin Shivers  
Executive State Director