

UNEMPLOYMENT COMPENSATION LAW - OMNIBUS AMENDMENTS

Act of Jun. 12, 2012, P.L. 577, No. 60

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Session of 2012

No. 2012-60

SB 1310

AN ACT

Amending the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), entitled "An act establishing a system of unemployment compensation to be administered by the Department of Labor and Industry and its existing and newly created agencies with personnel (with certain exceptions) selected on a civil service basis; requiring employers to keep records and make reports, and certain employers to pay contributions based on payrolls to provide moneys for the payment of compensation to certain unemployed persons; providing procedure and administrative details for the determination, payment and collection of such contributions and the payment of such compensation; providing for cooperation with the Federal Government and its agencies; creating certain special funds in the custody of the State Treasurer; and prescribing penalties," further providing for definitions, for determination of contribution rate and experience rating and for contributions by employees; providing for additional contribution for debt service; further providing for trigger determination, for trigger rate redeterminations, for reports by employers and assessments, for contributions to be liens and entry and enforcement thereof, for collection of contributions and interest and injunctions, for dishonored checks, for qualifications required to secure compensation, for rate and amount of compensation and for Unemployment Compensation Fund; providing for Debt Service Fund and for Reemployment Fund; further providing for State Treasurer as custodian and for recovery and recoupment of compensation; providing for unemployment compensation bonds and for unemployment compensation amnesty program; and making a related repeal.

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

Section 1. Section 4(f), (m.3), (w) and (x) introductory paragraph and (1) of the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment Compensation Law, amended May 23, 1949 (P.L.1738, No.530), September 27, 1971 (P.L.460, No.108), December 5, 1974 (P.L.771, No.262), July 6, 1977 (P.L.41, No.22) and July 21, 1983 (P.L.68, No.30), are amended to read:

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

* * *

(f) "Compensation" means:

(1) money payments payable to individuals with respect to their unemployment as provided in this act[.]; and

(2) to the extent permitted by law, that part of the principal owed on bonds issued under Article XIV of this act that is attributable to repayment of the principal of advances under Title XII of the Social Security Act (58 Stat. 790, 42

U.S.C. § 1321 et seq.) , exclusive of any interest or administrative costs associated with the bonds.

* * *

(m.3) "Partial Benefit Credit" means that part of the remuneration, if any paid or payable to an individual with respect to a week for which benefits are claimed under the provisions of this act, which is not in excess of [forty] **thirty** per centum [(40%)] **(30%)** of the individual's weekly benefit rate or six dollars whichever is the greater. Such partial benefit credit if not a multiple of one dollar (\$1) shall be computed to the next higher multiple of one dollar (\$1).

* * *

(w) (1) A "Valid Application for Benefits" means an application for benefits on a form prescribed by the department, which is filed by an individual, as of a day not included in the benefit year previously established by such individual, who (1) has been separated from his work or who during the week commencing on the Sunday previous to such day has worked less than his full time due to lack of work and (2) is qualified under the provisions of section four hundred and one (a), (b) and (d).

(2) An application for benefits filed after the termination of a preceding benefit year by an individual shall not be considered a Valid Application for Benefits within the meaning of this subsection, unless such individual has, subsequent to the beginning of such preceding benefit year and prior to the filing of such application, worked and earned wages[, whether or not such work is] in "employment" as defined in this act in an amount equal to or in excess of six (6) times his weekly benefit rate in effect during such preceding benefit year.

(x) "Wages" means all remuneration, (including the cash value of mediums of payment other than cash, except that only cash wages shall be used to determine the coverage of agricultural labor as defined in section 4(1)(3)(G) and domestic service as defined in section 4(1)(3)(H)), paid by an employer to an individual with respect to his employment except that the term "wages" [for the purpose of paying contributions] shall not include:

(1) [That] **For purposes of paying employer contributions, that** part of the remuneration [which is in excess of the first seven thousand dollars (\$7,000) during calendar year 1983 and eight thousand dollars (\$8,000) during calendar year 1984 and thereafter] paid to an individual by each of his employers during a calendar year **that exceeds eight thousand five hundred dollars (\$8,500) for calendar year 2013, eight thousand seven hundred fifty dollars (\$8,750) for calendar year 2014, nine thousand dollars (\$9,000) for calendar year 2015, nine thousand five hundred dollars (\$9,500) for calendar year 2016, nine thousand seven hundred fifty dollars (\$9,750) for calendar year 2017 and ten thousand dollars (\$10,000) for calendar year 2018 and thereafter:** Provided, That an employer may take credit under this subsection for remuneration which his predecessor-in-interest has paid to an individual during the same calendar year with respect to employment; and provided also, that an employer may take credit under this subsection for remuneration which he or his predecessor-in-interest has paid to an individual in the same calendar year on which contributions have been required and paid by such employer under an unemployment compensation law of another state, but no such credit may be taken for remuneration which has been paid by another employer to such individual, whether or not contributions have been paid thereon by such other employer

under this act or under any state unemployment compensation law.

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Section 2. Section 301.1(e) of the act, amended July 21, 1983 (P.L.68, No.30), is amended to read:

Section 301.1. Determination of Contribution Rate; Experience Rating.--

* * *

(e) [The] **(1) Except as provided in paragraph (2), the** State Adjustment Factor for [the] **a** calendar year [beginning January 1, 1984, shall be one and five-tenths per centum (1.5%) and thereafter] shall be computed as of the computation date for such year to a tenth of a per centum, rounding all fractional parts of a tenth of a per centum to the nearest tenth of a per centum, but in no event less than zero [nor in excess of one and five-tenths per centum (1.5%)], according to the following formula:

Bdr - Dcr

----- X 100 = State Adjustment Factor

Wt

in which factor "Bdr" equals the aggregate of (1) all benefits paid but not charged to employers' accounts, plus, (2) all benefits paid and charged to inactive and terminated employers' accounts, plus, (3) all benefits paid and charged to accounts of active employers for the preceding year to the extent such benefits exceed the combined amount of contributions payable by such employers on the basis of the Benefit Ratio Factor and the Reserve Ratio Factor. Factor "Dcr" equals the aggregate of (1) interest credited to the Unemployment Compensation Fund, plus, (2) amounts transferred from the Special Administration Fund and the [Interest] **Debt Service** Fund to the Unemployment Compensation Fund, plus, (3) refunds of benefits unlawfully paid, plus, (4) amounts credited to the Unemployment Compensation Fund by the Federal Government other than by loan, except that any amount credited to this Commonwealth's account under section 903 of the Federal Social Security Act which has been appropriated for expenses of administration shall be excluded from the amount in the Unemployment Compensation Fund in the computation of the "Dcr" factor. Factor "Wt" equals all wages subject to the law up to the limitation described in section 4(x)(1) paid by all employers. Each item in each factor shall be computed with respect to the twelve-month period ending on the computation date: Provided, That should the computed State Adjustment Factor for [calendar year 1984, and] any year [thereafter] exceed [one and five-tenths per centum (1.5%)] **the maximum rate allowed under this section**, such excess over [one and five-tenths per centum (1.5%)] **the maximum rate** shall be added to the computed State Adjustment Factor for the following year or years.

(2) The maximum State Adjustment Factor shall be one per centum (1.0%) for calendar years 2013 through 2016, eighty-five one-hundredths of one per centum (.85%) for calendar year 2017 and seventy-five one-hundredths of one per centum (.75%) for calendar year 2018 and thereafter.

* * *

Section 3. Section 301.4 of the act, amended October 19, 1988 (P.L.818, No.109), is amended to read:

Section 301.4. Contributions by Employees.--(a)

Notwithstanding any other provision of this act, each employee shall [contribute to the Unemployment Compensation Fund] **pay contributions** at a rate of zero per centum (0.0%) for calendar year 1989 and at a rate as set forth in section 301.7 for each

calendar year thereafter of all wages paid for "employment" as defined by the act without regard to the limitation specified in section 4(x)(1) of this act.

(b) Each employer subject to this act shall be responsible for withholding and shall withhold, in trust, such contributions from the wages of his employees at the time such wages are paid, and shall report and transmit such deductions to the department for deposit into the Unemployment Compensation Fund **and the Reemployment Fund pursuant to the allocation prescribed in subsection (e)**, in accordance with rules and procedures established by the department.

(c) Any employer who is an individual, or any officer or agent of any employer, who violates the trust provision of this section, fails to withhold, hold in trust or fails to transmit to the department all contributions withheld from the wages of his employees in accordance with the rules and procedure established by the department shall be subject to the provisions of clause (2) of subsection (a) of section 301 and sections 308, 308.1, 308.2, 308.3 and 309 of this act.

(d) This section shall not be deemed to affect or impair the operation of any State statute or ordinance or resolution of a political subdivision which levies or collects any wage tax or similar tax. Contributions made pursuant to this section are not intended to reduce or otherwise affect any tax on wages or similar tax.

(e) Contributions paid under this section shall be allocated by the department between the Unemployment Compensation Fund and the Reemployment Fund as follows:

(1) **Ninety-five per centum (95%) of the contributions on wages paid from January 1, 2013, through September 30, 2017, shall be deposited into the Unemployment Compensation Fund and five per centum (5%) of such contributions shall be deposited into the Reemployment Fund to the extent the contributions are paid on or before December 31, 2017.**

(2) **One hundred per centum (100%) of the contributions on wages paid from January 1, 2013, through September 30, 2017, shall be deposited into the Unemployment Compensation Fund to the extent the contributions are paid on or after January 1, 2018.**

(3) **One hundred per centum (100%) of the contributions on wages paid on or after October 1, 2017, shall be deposited into the Unemployment Compensation Fund.**

Section 4. Section 301.6 of the act, amended July 1, 1985 (P.L.96, No.30), is amended to read:

Section 301.6. Additional Contribution for Interest **and Debt Service.**--(a) Notwithstanding any other provision of this act, all employers required to pay contributions under section 301 or 301.1 other than those employers covered by paragraphs (3) and (4) of subsection (a) of section 301 shall have their rate of contribution increased by the rate of the Interest Factor in effect for the applicable calendar year.

(b) All taxes collected under this section shall be considered to be separate and apart from any contributions required to be deposited in the Unemployment Compensation Fund. All taxes collected under this section shall be deposited in the [Interest] **Debt Service** Fund established by section 601.2 of this act. Such taxes will not be credited to the employer's reserve account.

(c) **(1)** [The Interest Factor calculated on wages with regard to the limitations specified in section 4(x)(1) shall be equal to twenty-five hundredths of one per centum (0.25%) for calendar year 1984, five-tenths of one per centum (0.5%)

for calendar year 1985, and three-tenths of one per centum (0.3%) for calendar year 1986. Thereafter the] **The Interest Factor shall be a variable rate not to exceed [one per centum (1.0%)] the maximum rate allowed under paragraph (2) to be determined annually by the department [at a rate necessary to pay the interest on outstanding interest-bearing advances under Title XII of the Social Security Act for the following calendar year.] in consultation with the Office of the Budget. The rate of the Interest Factor for a calendar year shall be the rate necessary to do the following in that year:**

(i) **pay the bond obligations and bond administrative expenses under Article XIV of this act that are due in that year;**

(ii) **replenish amounts which have been drawn from bond reserves under Article XIV of this act;**

(iii) **maintain an adequate debt service coverage ratio;**

(iv) **fund early, optional, mandatory or other refundings, redemptions or purchases of outstanding bonds under Article XIV of this act that will occur in that year;**

(v) **pay the interest on interest-bearing advances under Title XII of the Social Security Act (58 Stat. 790, 42 U.S.C. § 1321 et seq.) that is due in that year; and**

(vi) **repay outstanding advances under Title XII of the Social Security Act.**

(2) **For calendar year 2013 through the year determined under section 301.8(b)(4), the maximum Interest Factor rate shall be one and one-tenth per centum (1.1%). For calendar years following the year determined under section 301.8(b)(4), the maximum Interest Factor rate shall be one per centum (1.0%).**

(d) **Contributions paid by or on behalf of an employer under this act, other than employee contributions under section 301.4, shall be allocated first to the employer's liability under this section. This subsection shall apply to contributions for any calendar quarter that ends at a time when bonds issued under Article XIV are outstanding.**

(e) **In the event the amount of additional contributions collected under this section for a calendar year exceeds the amount necessary for the purposes enumerated in subsection (c) for that year, the department may use such excess contributions for the purposes enumerated in subsection (c) for the following year and, to the extent available, to reduce the amount of additional contributions that would be required for the following year.**

(f) **No Interest Factor shall be required for [the year following any year in which the amount of such interest-bearing advances has been reduced to zero, provided that an interest tax shall be required and shall be reimposed by the department for the calendar year following any year in which an interest-bearing advance remains outstanding on October 1 and there are not sufficient funds in the Interest Fund to pay the interest due in that year] any year for which funding is not required for any of the purposes enumerated in subsection (c).**

Section 5. Sections 301.7(a) and 301.8(b) of the act, added October 19, 1988 (P.L.818, No.109), are amended to read:

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

(1) **[determine] add the principal amount of outstanding bonds under Article XIV and the amount of outstanding advances**

under Title XII of the Social Security Act (58 Stat. 790, 42 U.S.C. § 1321 et seq.) and subtract that sum from the balance in the Unemployment Compensation [Trust] Fund;

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

(3) calculate the percentage that the [Unemployment Compensation Trust Fund] **amount determined under paragraph (1)** represents of the average of the benefit costs.

* * *

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

(b) [The rates shall be adjusted to yield the amounts indicated at the following trigger percentages:

(1) At least one hundred fifty per centum (150%), the negative surcharge assessed under section 301.5 shall result in an employer contribution reduction of eighteen million dollars (\$18,000,000).

(2) At least one hundred ten per centum (110%) but less than one hundred twenty-five per centum (125%), the surcharge assessed under section 301.5 shall yield fifty million dollars (\$50,000,000), and the employe tax under section 301.4 shall yield thirty-three million three hundred thirty-three thousand three hundred thirty-three dollars (\$33,333,333).

(3) At least ninety-five per centum (95%) but less than one hundred ten per centum (110%), the surcharge assessed under section 301.5 shall yield one hundred million dollars (\$100,000,000), and the employe tax under section 301.4 shall yield sixty-six million six hundred sixty-six thousand six hundred sixty-six dollars (\$66,666,666).

(4) At least seventy-five per centum (75%) but less than ninety-five per centum (95%), the surcharge assessed under section 301.5 shall yield one hundred million dollars (\$100,000,000), the additional contributions under section 301.2 shall yield seventy-five million dollars (\$75,000,000), and the employe tax under section 301.4 shall yield one hundred sixteen million six hundred sixty-six thousand six hundred sixty-six dollars (\$116,666,666).

(5) At least fifty per centum (50%) but less than seventy-five per centum (75%), the surcharge assessed under section 301.5 shall yield one hundred million dollars (\$100,000,000), the additional contribution under section 301.2 shall yield one hundred fifty million dollars (\$150,000,000), and the employe tax under section 301.4 shall yield one hundred sixty-six million six hundred sixty-six thousand six hundred sixty-six dollars (\$166,666,666).

(6) Less than fifty per centum (50%), the surcharge assessed under section 301.5 shall yield one hundred million dollars (\$100,000,000), the additional contribution under section 301.2 shall yield two hundred twenty-five million dollars (\$225,000,000), the employe tax under section 301.4 shall yield one hundred sixty-six million six hundred sixty-six thousand six hundred sixty-six dollars (\$166,666,666), and the benefit reduction under section 404(e) (4) shall yield fifty-two million dollars (\$52,000,000).]

(1) For calendar years 2013 through the year determined under paragraph (4), if the trigger percentage as of July 1 of the preceding calendar year is less than two hundred fifty per centum (250%), the rates determined under paragraph (2) shall apply. For calendar years following the year determined under paragraph (4), if the trigger percentage as of July 1 of the preceding calendar year is less than two hundred fifty per centum (250%), the rates determined under paragraph (3) shall apply.

(2) The secretary shall redetermine the rates such that the surcharge assessed under section 301.5 shall yield one hundred million dollars (\$100,000,000), the additional contribution under section 301.2 shall yield two hundred twenty-five million dollars (\$225,000,000), the employe tax under section 301.4 shall yield one hundred sixty-six million six hundred sixty-six thousand six hundred sixty-six dollars (\$166,666,666), and the benefit reduction under section 404(e) (4) shall yield fifty-two million dollars (\$52,000,000).

(3) The secretary shall redetermine the rates such that the surcharge assessed under section 301.5 shall yield one hundred thirty-eight million dollars (\$138,000,000), the additional contribution under section 301.2 shall yield the sum of three hundred ten million dollars (\$310,000,000) plus the amount determined under paragraph (5), the employe tax under section 301.4 shall yield two hundred thirty million dollars (\$230,000,000), and the benefit reduction under section 404(e) (4) shall yield seventy-two million dollars (\$72,000,000).

(4) The calendar year determined under this paragraph shall be the earliest calendar year subsequent to 2012 on December 31 of which all of the following apply:

(i) There is no unpaid balance of Federal advances under Title XII of the Social Security Act (58 Stat. 790, 42 U.S.C. § 1321 et seq.) or interest thereon.

(ii) There are no outstanding bond obligations under Article XIV of this act and no bond administrative expenses under Article XIV of this act and no such obligations and no such expenses will be due in the following year.

(5) The amount determined under this paragraph shall be the sum of:

(i) twenty per centum (20%) of the amount paid from the Unemployment Compensation Fund pursuant to section 1407(c) during the sixty (60) consecutive calendar months ending on June 30 of the year in which the redetermination occurs, plus

(ii) twenty per centum (20%) of that portion of the amount paid from the Unemployment Compensation Fund pursuant to section 1407(c) during the immediately preceding sixty (60) consecutive calendar months that is not recovered by additional contributions paid for calendar years through the calendar year in which the redetermination occurs.

* * *

Section 6. Section 304 of the act, amended April 23, 1942 (Sp.Sess., P.L.60, No.23) and December 17, 1959 (P.L.1893, No.693) and repealed in part April 28, 1978 (P.L.202, No.53), is amended to read:

Section 304. Reports by Employers; Assessments.--Each employer shall file with the department such reports, at such times, and containing such information, as the department shall require, for the purpose of ascertaining and paying the contributions required by this act.

(a) (1) If any employer fails within the time prescribed by the department to file any report necessary to enable the department to determine the amount of any contribution owing by such employer, the department may make an assessment of contributions against such employer of such amount of contributions for which the department believes such employer to be liable, together with interest thereon as provided in this act.

(2) Within fifteen days after making such assessment the department shall give notice thereof [by registered mail] to such employer **as provided in paragraph (3)**. If such employer is dissatisfied with the assessment so made he may petition the

department for a re-assessment in the manner hereinafter prescribed.

(3) The department will mail notice of an assessment to the employer's last known address or electronically transmit notice of an assessment to the employer's electronic mail address, if the employer has designated such an address. Notice of an assessment by mail is complete upon mailing. Notice of an assessment by electronic transmission is complete when notice is sent to the employer's electronic mail address.

(4) In any petition for re-assessment filed hereunder and in any further appeal taken thereafter as herein provided, no questions shall be raised with respect to the department's determination of the Adjustment Factor applicable to any year covered by the assessment.

(b) Any employer against whom an assessment is made may, within fifteen days after [receipt of] notice thereof, petition the department for a re-assessment which petition shall be under oath and shall set forth therein specifically and in detail the grounds and reasons upon which it is claimed that the assessment is erroneous. Hearing or hearings on said petition shall be held by the department at such places and at such times as may be determined by rules and regulations of the department and due notice of the time and place of such hearing given [by registered mail] to such petitioner.

(d) As to any employer who fails to petition for re-assessments, or, having petitioned after due notice of hearing, fails to appear and be heard, or, in the case of a re-assessment, to appeal, such assessment or re-assessment of the department shall then become final, and the contributions and interest assessed or re-assessed by the department become forthwith due and payable, and no defense which might have been determined by the department or in the event of an appeal from re-assessment by the court shall be available to any employer in any suit or proceeding brought by the Commonwealth in the name of the fund for the recovery of such contribution based on such assessment or re-assessment.

(e) In any hearings held by the department in pursuance of the provisions of this section the department is hereby authorized and empowered to examine any person or persons under oath concerning any matters pertaining to the determination of the liability of the employer for contributions under the provisions of this act and to this end may compel the production of books, papers and records and compel the attendance of all persons, whether as parties or witnesses, whom and which the department believes to have or contain knowledge or information material to such determination. The conduct of hearings and appeals before the department shall be in accordance with rules of procedure prescribed by the department, whether or not such rules conform to common law or rules of evidence or other technical rules of procedure, but shall be under supervision of the [Attorney General of the Commonwealth.] **Office of General Counsel in accordance with the act of October 15, 1980 (P.L.950, No.164), known as the "Commonwealth Attorneys Act ."**

(f) Witness fees and expenses of proceedings involving such assessments or re-assessments and the determination thereof shall be deemed part of the expenses of administering this act and shall be paid from the administration fund. Testimony at any hearing before the department held in pursuance of the provisions of this section shall be taken by a reporter but need not be transcribed unless an appeal be taken from a re-assessment made thereon.

Section 7. Section 308.1(c) of the act, amended June 22, 1964 (Sp.Sess., P.L.112, No.7), is amended to read:

Section 308.1. Contributions to be Liens; Entry and Enforcement Thereof.--* * *

(c) The liens shall continue [for five years from the date of entry and may be revived and continued in the manner now or hereafter provided for the renewal of judgments or as may be provided in The Fiscal Code, as amended] **and shall retain their priority without the necessity of refiling or revival.**

* * *

Section 8. Section 309 of the act is amended by adding a subsection to read:

Section 309. Collection of Contributions and Interest; Injunctions.--* * *

(c) **In addition to the methods of collection authorized in this act, the department may collect contributions, interest, penalties and other liabilities due under this act as provided under 26 U.S.C. § 6402 (relating to authority to make credits or refunds) and by any other means available under Federal or State law.**

Section 9. Section 313 of the act, added July 21, 1983 (P.L.68, No.30), is amended to read:

Section 313. Dishonored [Checks] **Payments.**--The department is hereby authorized to charge a penalty of one hundred per centum (100%) of the face value of the check **or payment by electronic transfer**, up to a maximum of one [hundred dollars (\$100)] **thousand dollars (\$1,000)** with a minimum of [ten dollars (\$10)] **twenty-five dollars (\$25)** per occurrence for all dishonored checks **and payments by electronic transfer that are not credited upon transmission** or at such other amounts as shall be determined by the secretary and published in the Pennsylvania Bulletin as a notice under 45 Pa.C.S. § 725(a)(3) (relating to additional contents of Pennsylvania Bulletin). Such sums shall be collectible in the manner provided in sections 308.1, 308.2, 308.3 and 309 of this act.

Section 10. Section 401(a) and (f) of the act, amended July 10, 1980 (P.L.521, No.108), and December 9, 2002 (P.L.1330, No.156), are amended to read:

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

(a) **Satisfies both of the following requirements:**

(1) Has, within his base year, been paid wages for employment as required by section 404(c) of this act[: Provided, however, That not].

(2) **Except as provided in section 404(a)(3), not less than [twenty per centum (20%)] forty-nine and one-half per centum (49.5%)** of the employe's total base year wages have been paid in one or more quarters, other than the highest quarter in such employe's base year.

* * *

(f) Has earned, subsequent to his separation from work under circumstances which are disqualifying under the provisions of subsections 402(b), 402(e), 402(e.1) and 402(h) of this act, remuneration for services in an amount equal to or in excess of six (6) times his weekly benefit rate [irrespective of whether or not such services were] in "employment" as defined in this act. The provisions of this subsection shall not apply to a suspension of work by an individual pursuant to a leave of absence granted by his last employer, provided such individual has made a reasonable effort to return to work with such employer upon the expiration of his leave of absence.

* * *

Section 11. Section 404(a), (c) and (e)(1) and (2) of the act, amended July 21, 1983 (P.L.68, No.30) and June 17, 2011 (P.L.116, No.6), are amended to read:

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

(a) (1) The employee's weekly benefit rate shall be computed as (1) the amount appearing in Part B of the Table Specified for the Determination of Rate and Amount of Benefits on the line on which in Part A there appears his "highest quarterly wage," or (2) fifty per centum (50%) of his full-time weekly wage, whichever is greater. Notwithstanding any other provision of this act, if an employee's weekly benefit rate, as calculated under this paragraph, is less than seventy dollars (\$70), he shall be ineligible to receive any amount of compensation. If the employee's weekly benefit rate is not a multiple of one dollar (\$1), it shall be rounded to the next lower multiple of one dollar (\$1).

(2) If the base year wages of an employee whose weekly benefit rate has been determined under clause (2) of paragraph (1) of this subsection are insufficient to qualify him under subsection (c) of this section, his weekly benefit rate shall be redetermined under clause (1) of paragraph (1) of this subsection.

(3) If [the base year wages of an employee whose] **an employee's** weekly benefit rate [has been] **as** determined under clause (1) of paragraph (1) of this subsection, or redetermined under paragraph (2) of this subsection, as the case may be, **is less than the maximum weekly benefit rate and the employee's base year wages** are insufficient to qualify him under subsection (c) of this section but are sufficient to qualify him for any one of the next [three] **two** lower weekly benefit rates, his weekly benefit rate shall be redetermined at the highest of such next lower rates.

* * *

[(c) The total amount of benefits to which an otherwise eligible employee who has base year wages in an amount equal to, or in excess of, the amount of qualifying wages appearing in Part C of the Table Specified for the Determination of Rate and Amount of Benefits on the line on which in Part B there appears his weekly benefit rate, as determined under subsection (a) of this section, shall be entitled during his benefit year to the amount appearing in Part B on said line multiplied by the number of qualifying credit weeks during his base year, up to a maximum of twenty-six (26): Provided he had eighteen (18) or more "credit weeks" during his base year. Notwithstanding any other provision of this act, any employee with less than eighteen (18) "credit weeks" during the employee's base year shall be ineligible to receive any amount of compensation.]

(c) If an otherwise eligible employee has base year wages in an amount equal to or in excess of the amount of qualifying wages appearing in Part C of the Table Specified for the Determination of Rate and Amount of Benefits on the line on which in Part B there appears his weekly benefit rate, as determined under subsection (a) of this section, and had eighteen (18) or more credit weeks during his base year, he shall be entitled during his benefit year to the amount

appearing in Part B on said line multiplied by the number of credit weeks during his base year, up to a maximum of twenty-six (26). Notwithstanding any other provision of this act, any employee with less than eighteen (18) credit weeks during the employee's base year shall be ineligible to receive any amount of compensation.

* * *

(e) (1) Table Specified for the Determination of
Rate and Amount of Benefits

[Part A Highest Quarterly Wage	Part B Rate of Compensation	Part C Qualifying Wages	Part D Amount of	Part E Compensation
\$ 800-812	\$35	\$1320	\$910	\$560
813-837	36	1360	936	576
838-862	37	1400	962	592
863-887	38	1440	988	608
888-912	39	1480	1014	624
913-937	40	1520	1040	640
938-962	41	1560	1066	656
963-987	42	1600	1092	672
988-1012	43	1640	1118	688
1013-1037	44	1680	1144	704
1038-1062	45	1720	1170	720
1063-1087	46	1760	1196	736
1088-1112	47	1800	1222	752
1113-1162	48	1840	1248	768
1163-1187	49	1880	1274	784
1188-1212	50	1920	1300	800
1213-1237	51	1960	1326	816
1238-1262	52	2000	1352	832
1263-1287	53	2040	1378	848
1288-1312	54	2080	1404	864
1313-1337	55	2120	1430	880
1338-1362	56	2160	1456	896
1363-1387	57	2200	1482	912
1388-1412	58	2240	1508	928
1413-1437	59	2280	1534	944
1438-1462	60	2320	1560	960
1463-1487	61	2360	1586	976
1488-1512	62	2400	1612	992
1513-1537	63	2440	1638	1008
1538-1562	64	2480	1664	1024
1563-1587	65	2520	1690	1040
1588-1612	66	2560	1716	1056
1613-1637	67	2600	1742	1072
1638-1662	68	2640	1768	1088
1663-1687	69	2680	1794	1104
1688-1712	70	2720	1820	1120
1713-1737	71	2760	1846	1136
1738-1762	72	2800	1872	1152
1763-1787	73	2840	1898	1168
1788-1812	74	2880	1924	1184
1813-1837	75	2920	1950	1200
1838-1862	76	2960	1976	1216
1863-1887	77	3000	2002	1232
1888-1912	78	3040	2028	1248
1913-1937	79	3080	2054	1264
1938-1962	80	3120	2080	1280
1963-1987	81	3160	2106	1296
1988-2012	82	3200	2132	1312
2013-2037	83	3240	2158	1328

2038-2062	84	3280	2184	1344
2063-2087	85	3320	2210	1360
2088-2112	86	3360	2236	1376
2113-2137	87	3400	2262	1392
2138-2162	88	3440	2288	1408
2163-2187	89	3480	2314	1424
2188-2212	90	3520	2340	1440
2213-2237	91	3560	2366	1456
2238-2262	92	3600	2392	1472
2263-2287	93	3640	2418	1488
2288-2312	94	3680	2444	1504
2313-2337	95	3720	2470	1520
2338-2362	96	3760	2496	1536
2363-2387	97	3800	2522	1552
2388-2412	98	3840	2558	1568
2413-2437	99	3880	2574	1584
2438-2462	100	3920	2600	1600
2463-2487	101	3960	2626	1616
2488-2512	102	4000	2652	1632
2513-2537	103	4040	2678	1648
2538-2562	104	4080	2704	1664
2563-2587	105	4120	2730	1680
2588-2612	106	4160	2756	1696
2613-2637	107	4200	2782	1712
2638-2662	108	4240	2808	1728
2663-2687	109	4280	2834	1744
2688-2712	110	4320	2860	1760
2713-2737	111	4360	2886	1776
2738-2762	112	4400	2912	1792
2763-2787	113	4440	2938	1808
2788-2812	114	4480	2964	1824
2813-2837	115	4520	2990	1840
2838-2862	116	4560	3016	1856
2863-2887	117	4600	3042	1872
2888-2912	118	4640	3068	1888
2913-2937	119	4680	3094	1904
2938-2962	120	4720	3120	1920
2963-2987	121	4760	3146	1936
2988-3012	122	4800	3172	1952
3013-3037	123	4840	3198	1968
3038-3062	124	4880	3224	1984
3063-3087	125	4920	3250	2000
3088-3112	126	4960	3276	2016
3113-3137	127	5000	3302	2032
3138-3162	128	5040	3328	2048
3163-3187	129	5080	3354	2064
3188-3212	130	5120	3380	2080
3213-3237	131	5160	3406	2096
3238-3262	132	5200	3432	2112
3263-3287	133	5240	3458	2128
3288-3312	134	5280	3484	2144
3313-3337	135	5320	3510	2160
3338-3362	136	5360	3536	2176
3363-3387	137	5400	3562	2192
3388-3412	138	5440	3588	2208
3413-3437	139	5480	3614	2224
3438-3462	140	5520	3640	2240
3463-3487	141	5560	3666	2256
3488-3512	142	5600	3692	2272
3513-3537	143	5640	3718	2288
3538-3562	144	5680	3744	2304
3563-3587	145	5720	3770	2320

3588-3612	146	5760	3796	2336
3613-3637	147	5800	3822	2352
3638-3662	148	5840	3848	2368
3663-3687	149	5880	3874	2384
3688-3712	150	5920	3900	2400
3713-3737	151	5960	3926	2416
3738-3762	152	6000	3952	2432
3763-3787	153	6040	3978	2448
3788-3812	154	6080	4004	2464
3813-3837	155	6120	4030	2480
3838-3862	156	6160	4056	2496
3863-3887	157	6200	4082	2512
3888-3912	158	6240	4108	2528
3913-3937	159	6280	4134	2544
3938-3962	160	6320	4170	2560
3963-3987	161	6360	4196	2576
3988-4012	162	6400	4212	2592
4013-4037	163	6440	4238	2608
4038-4062	164	6480	4264	2624
4063-4087	165	6520	4290	2640
4088-4112	166	6560	4316	2656
4113-4137	167	6600	4342	2672
4138-4162	168	6640	4368	2688
4163-4187	169	6680	4394	2704
4188-4212	170	6720	4420	2720
4213-4237	171	6760	4446	2736
4238-4262	172	6800	4472	2752
4263-4287	173	6840	4498	2768
4288-4312	174	6880	4524	2784
4313-4337	175	6920	4550	2800
4338-4362	176	6960	4576	2816
4363-4387	177	7000	4602	2832
4388-4412	178	7040	4628	2848
4413-4437	179	7080	4654	2864
4438-4462	180	7120	4680	2880
4463-4487	181	7160	4706	2896
4488-4512	182	7200	4732	2912
4513-4537	183	7240	4758	2928
4538-4562	184	7280	4784	2944
4563-4587	185	7320	4810	2960
4588-4612	186	7360	4836	2976
4613-4637	187	7400	4862	2992
4638-4662	188	7440	4888	3008
4663-4687	189	7480	4914	3024
4688-4712	190	7520	4940	3040
4713-4737	191	7560	4966	3056
4738-4762	192	7600	4992	3072
4763-4787	193	7640	5018	3088
4788-4812	194	7680	5044	3104
4813-4837	195	7720	5070	3120
4838-4862	196	7760	5096	3136
4863-4887	197	7800	5122	3152
4888-4912	198	7840	5148	3168
4913-4937	199	7880	5174	3184
4938-4962	200	7920	5200	3200
4963-4987	201	7960	5226	3216
4988-5012	202	8000	5252	3232
5013-5037	203	8040	5278	3248
5038-5062	204	8080	5304	3264
5063 or more	205	*8120	5330	3280

*(this figure subject to section 401(a)).]

Part A

Highest Quarterly Wage	Part B Rate of Compensation	Part C Qualifying Wages
\$1688-1712	\$70	\$3391
1713-1737	71	3440
1738-1762	72	3490
1763-1787	73	3539
1788-1812	74	3589
1813-1837	75	3638
1838-1862	76	3688
1863-1887	77	3737
1888-1912	78	3787
1913-1937	79	3836
1938-1962	80	3886
1963-1987	81	3935
1988-2012	82	3985
2013-2037	83	4034
2038-2062	84	4084
2063-2087	85	4133
2088-2112	86	4183
2113-2137	87	4232
2138-2162	88	4282
2163-2187	89	4331
2188-2212	90	4381
2213-2237	91	4430
2238-2262	92	4480
2263-2287	93	4529
2288-2312	94	4579
2313-2337	95	4628
2338-2362	96	4678
2363-2387	97	4727
2388-2412	98	4777
2413-2437	99	4826
2438-2462	100	4876
2463-2487	101	4925
2488-2512	102	4975
2513-2537	103	5024
2538-2562	104	5074
2563-2587	105	5123
2588-2612	106	5173
2613-2637	107	5222
2638-2662	108	5272
2663-2687	109	5321
2688-2712	110	5371
2713-2737	111	5420
2738-2762	112	5470
2763-2787	113	5519
2788-2812	114	5569
2813-2837	115	5618
2838-2862	116	5668
2863-2887	117	5717
2888-2912	118	5767
2913-2937	119	5816
2938-2962	120	5866
2963-2987	121	5915
2988-3012	122	5965
3013-3037	123	6014
3038-3062	124	6064
3063-3087	125	6113
3088-3112	126	6163
3113-3137	127	6212
3138-3162	128	6262

3163-3187	129	6311
3188-3212	130	6361
3213-3237	131	6410
3238-3262	132	6460
3263-3287	133	6509
3288-3312	134	6559
3313-3337	135	6608
3338-3362	136	6658
3363-3387	137	6707
3388-3412	138	6757
3413-3437	139	6806
3438-3462	140	6856
3463-3487	141	6905
3488-3512	142	6955
3513-3537	143	7004
3538-3562	144	7054
3563-3587	145	7103
3588-3612	146	7153
3613-3637	147	7202
3638-3662	148	7252
3663-3687	149	7301
3688-3712	150	7351
3713-3737	151	7400
3738-3762	152	7450
3763-3787	153	7500
3788-3812	154	7549
3813-3837	155	7599
3838-3862	156	7648
3863-3887	157	7698
3888-3912	158	7747
3913-3937	159	7797
3938-3962	160	7846
3963-3987	161	7896
3988-4012	162	7945
4013-4037	163	7995
4038-4062	164	8044
4063-4087	165	8094
4088-4112	166	8143
4113-4137	167	8193
4138-4162	168	8242
4163-4187	169	8292
4188-4212	170	8341
4213-4237	171	8391
4238-4262	172	8440
4263-4287	173	8490
4288-4312	174	8539
4313-4337	175	8589
4338-4362	176	8638
4363-4387	177	8688
4388-4412	178	8737
4413-4437	179	8787
4438-4462	180	8836
4463-4487	181	8886
4488-4512	182	8935
4513-4537	183	8985
4538-4562	184	9034
4563-4587	185	9084
4588-4612	186	9133
4613-4637	187	9183
4638-4662	188	9232
4663-4687	189	9282
4688-4712	190	9331

4713-4737	191	9381
4738-4762	192	9430
4763-4787	193	9480
4788-4812	194	9529
4813-4837	195	9579
4838-4862	196	9628
4863-4887	197	9678
4888-4912	198	9727
4913-4937	199	9777
4938-4962	200	9826
4963-4987	201	9876
4988-5012	202	9925
5013-5037	203	9975
5038-5062	204	10024
5063-5087	205	10074
5088-5112	206	10123
5113-5137	207	10173
5138-5162	208	10222
5163-5187	209	10272
5188-5212	210	10321
5213-5237	211	10371
5238-5262	212	10420
5263-5287	213	10470
5288-5312	214	10519
5313-5337	215	10569
5338-5362	216	10618
5363-5387	217	10668
5388-5412	218	10717
5413-5437	219	10767
5438-5462	220	10816
5463-5487	221	10866
5488-5512	222	10915
5513-5537	223	10965
5538-5562	224	11014
5563-5587	225	11064
5588-5612	226	11113
5613-5637	227	11163
5638-5662	228	11212
5663-5687	229	11262
5688-5712	230	11311
5713-5737	231	11361
5738-5762	232	11410
5763-5787	233	11460
5788-5812	234	11509
5813-5837	235	11559
5838-5862	236	11608
5863-5887	237	11658
5888-5912	238	11707
5913-5937	239	11757
5938-5962	240	11806
5963-5987	241	11856
5988-6012	242	11905
6013-6037	243	11955
6038-6062	244	12004
6063-6087	245	12054
6088-6112	246	12103
6113-6137	247	12153
6138-6162	248	12202
6163-6187	249	12252
6188-6212	250	12301
6213-6237	251	12351
6238-6262	252	12400

6263-6287	253	12450
6288-6312	254	12500
6313-6337	255	12549
6338-6362	256	12599
6363-6387	257	12648
6388-6412	258	12698
6413-6437	259	12747
6438-6462	260	12797
6463-6487	261	12846
6488-6512	262	12896
6513-6537	263	12945
6538-6562	264	12995
6563-6587	265	13044
6588-6612	266	13094
6613-6637	267	13143
6638-6662	268	13193
6663-6687	269	13242
6688-6712	270	13292
6713-6737	271	13341
6738-6762	272	13391
6763-6787	273	13440
6788-6812	274	13490
6813-6837	275	13539
6838-6862	276	13589
6863-6887	277	13638
6888-6912	278	13688
6913-6937	279	13737
6938-6962	280	13787
6963-6987	281	13836
6988-7012	282	13886
7013-7037	283	13935
7038-7062	284	13985
7063-7087	285	14034
7088-7112	286	14084
7113-7137	287	14133
7138-7162	288	14183
7163-7187	289	14232
7188-7212	290	14282
7213-7237	291	14331
7238-7262	292	14381
7263-7287	293	14430
7288-7312	294	14480
7313-7337	295	14529
7338-7362	296	14579
7363-7387	297	14628
7388-7412	298	14678
7413-7437	299	14727
7438-7462	300	14777
7463-7487	301	14826
7488-7512	302	14876
7513-7537	303	14925
7538-7562	304	14975
7563-7587	305	15024
7588-7612	306	15074
7613-7637	307	15123
7638-7662	308	15173
7663-7687	309	15222
7688-7712	310	15272
7713-7737	311	15321
7738-7762	312	15371
7763-7787	313	15420
7788-7812	314	15470

7813-7837	315	15519
7838-7862	316	15569
7863-7887	317	15618
7888-7912	318	15668
7913-7937	319	15717
7938-7962	320	15767
7963-7987	321	15816
7988-8012	322	15866
8013-8037	323	15915
8038-8062	324	15965
8063-8087	325	16014
8088-8112	326	16064
8113-8137	327	16113
8138-8162	328	16163
8163-8187	329	16212
8188-8212	330	16262
8213-8237	331	16311
8238-8262	332	16361
8263-8287	333	16410
8288-8312	334	16460
8313-8337	335	16509
8338-8362	336	16559
8363-8387	337	16608
8388-8412	338	16658
8413-8437	339	16707
8438-8462	340	16757
8463-8487	341	16806
8488-8512	342	16856
8513-8537	343	16905
8538-8562	344	16955
8563-8587	345	17004
8588-8612	346	17054
8613-8637	347	17103
8638-8662	348	17153
8663-8687	349	17202
8688-8712	350	17252
8713-8737	351	17301
8738-8762	352	17351
8763-8787	353	17400
8788-8812	354	17450
8813-8837	355	17500
8838-8862	356	17549
8863-8887	357	17599
8888-8912	358	17648
8913-8937	359	17698
8938-8962	360	17747
8963-8987	361	17797
8988-9012	362	17846
9013-9037	363	17896
9038-9062	364	17945
9063-9087	365	17995
9088-9112	366	18044
9113-9137	367	18094
9138-9162	368	18143
9163-9187	369	18193
9188-9212	370	18242
9213-9237	371	18292
9238-9262	372	18341
9263-9287	373	18391
9288-9312	374	18440
9313-9337	375	18490
9338-9362	376	18539

9363-9387	377	18589
9388-9412	378	18638
9413-9437	379	18688
9438-9462	380	18737
9463-9487	381	18787
9488-9512	382	18836
9513-9537	383	18886
9538-9562	384	18935
9563-9587	385	18985
9588-9612	386	19034
9613-9637	387	19084
9638-9662	388	19133
9663-9687	389	19183
9688-9712	390	19232
9713-9737	391	19282
9738-9762	392	19331
9763-9787	393	19381
9788-9812	394	19430
9813-9837	395	19480
9838-9862	396	19529
9863-9887	397	19579
9888-9912	398	19628
9913-9937	399	19678
9938-9962	400	19727
9963-9987	401	19777
9988-10012	402	19826
10013-10037	403	19876
10038-10062	404	19925
10063-10087	405	19975
10088-10112	406	20024
10113-10137	407	20074
10138-10162	408	20123
10163-10187	409	20173
10188-10212	410	20222
10213-10237	411	20272
10238-10262	412	20321
10263-10287	413	20371
10288-10312	414	20420
10313-10337	415	20470
10338-10362	416	20519
10363-10387	417	20569
10388-10412	418	20618
10413-10437	419	20668
10438-10462	420	20717
10463-10487	421	20767
10488-10512	422	20816
10513-10537	423	20866
10538-10562	424	20915
10563-10587	425	20965
10588-10612	426	21014
10613-10637	427	21064
10638-10662	428	21113
10663-10687	429	21163
10688-10712	430	21212
10713-10737	431	21262
10738-10762	432	21311
10763-10787	433	21361
10788-10812	434	21410
10813-10837	435	21460
10838-10862	436	21509
10863-10887	437	21559
10888-10912	438	21608

10913-10937	439	21658
10938-10962	440	21707
10963-10987	441	21757
10988-11012	442	21806
11013-11037	443	21856
11038-11062	444	21905
11063-11087	445	21955
11088-11112	446	22004
11113-11137	447	22054
11138-11162	448	22103
11163-11187	449	22153
11188-11212	450	22202
11213-11237	451	22252
11238-11262	452	22301
11263-11287	453	22351
11288-11312	454	22400
11313-11337	455	22450
11338-11362	456	22500
11363-11387	457	22549
11388-11412	458	22599
11413-11437	459	22648
11438-11462	460	22698
11463-11487	461	22747
11488-11512	462	22797
11513-11537	463	22846
11538-11562	464	22896
11563-11587	465	22945
11588-11612	466	22995
11613-11637	467	23044
11638-11662	468	23094
11663-11687	469	23143
11688-11712	470	23193
11713-11737	471	23242
11738-11762	472	23292
11763-11787	473	23341
11788-11812	474	23391
11813-11837	475	23440
11838-11862	476	23490
11863-11887	477	23539
11888-11912	478	23589
11913-11937	479	23638
11938-11962	480	23688
11963-11987	481	23737
11988-12012	482	23787
12013-12037	483	23836
12038-12062	484	23886
12063-12087	485	23935
12088-12112	486	23985
12113-12137	487	24034
12138-12162	488	24084
12163-12187	489	24133
12188-12212	490	24183
12213-12237	491	24232
12238-12262	492	24282
12263-12287	493	24331
12288-12312	494	24381
12313-12337	495	24430
12338-12362	496	24480
12363-12387	497	24529
12388-12412	498	24579
12413-12437	499	24628
12438-12462	500	24678

12463-12487	501	24727
12488-12512	502	24777
12513-12537	503	24826
12538-12562	504	24876
12563-12587	505	24925
12588-12612	506	24975
12613-12637	507	25024
12638-12662	508	25074
12663-12687	509	25123
12688-12712	510	25173
12713-12737	511	25222
12738-12762	512	25272
12763-12787	513	25321
12788-12812	514	25371
12813-12837	515	25420
12838-12862	516	25470
12863-12887	517	25519
12888-12912	518	25569
12913-12937	519	25618
12938-12962	520	25668
12963-12987	521	25717
12988-13012	522	25767
13013-13037	523	25816
13038-13062	524	25866
13063-13087	525	25915
13088-13112	526	25965
13113-13137	527	26014
13138-13162	528	26064
13163-13187	529	26113
13188-13212	530	26163
13213-13237	531	26212
13238-13262	532	26262
13263-13287	533	26311
13288-13312	534	26361
13313-13337	535	26410
13338-13362	536	26460
13363-13387	537	26509
13388-13412	538	26559
13413-13437	539	26608
13438-13462	540	26658
13463-13487	541	26707
13488-13512	542	26757
13513-13537	543	26806
13538-13562	544	26856
13563-13587	545	26905
13588-13612	546	26955
13613-13637	547	27004
13638-13662	548	27054
13663-13687	549	27103
13688-13712	550	27153
13713-13737	551	27202
13738-13762	552	27252
13763-13787	553	27301
13788-13812	554	27351
13813-13837	555	27400
13838-13862	556	27450
13863-13887	557	27500
13888-13912	558	27549
13913-13937	559	27599
13938-13962	560	27648
13963-13987	561	27698
13988-14012	562	27747

14013-14037	563	27797
14038-14062	564	27846
14063-14087	565	27896
14088-14112	566	27945
14113-14137	567	27995
14138-14162	568	28044
14163-14187	569	28094
14188-14212	570	28143
14213-14237	571	28193
14238-14262	572	28242
14263 or more	573	Amount required under section 401(a)(2)

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

(A) The table shall be extended or contracted to a point where the maximum weekly benefit rate shall equal sixty-six and two-thirds per centum (66 2/3%) of the average weekly wage for the thirty-six-month period ending June 30 preceding each calendar year. If the maximum weekly benefit rate is not a multiple of one dollar (\$1), it shall be rounded to the next lower multiple of one dollar (\$1).

(B) When it is necessary to extend the table, it shall be done in accordance with the following procedure:

(I) The words "or more" shall be deleted from the last line under Part A, and an amount twenty-four dollars (\$24) greater than the first entry in that line shall be substituted therefor.

The words "amount required under section 401(a)(2)" shall be deleted from the last line under Part C.

(II) Part A shall be extended as much as necessary by adding twenty-five dollars (\$25) to each amount of the preceding line. At the point where the entry in Part B equals sixty-six and two-thirds per centum (66 2/3%) of the average weekly wage, the first entry in Part A shall consist of an amount twenty-five dollars (\$25) greater than the smaller amount in the preceding line, and the words "or more" shall be added.

(III) Part B shall be extended in increments of one dollar (\$1) until that point is reached where the amount is equal to sixty-six and two-thirds per centum (66 2/3%) of the average weekly wage.

(IV) Part C shall be extended to the point where, under Part B, the amount is equal to sixty-six and two-thirds per centum (66 2/3%) of the average weekly wage.

(a) The amount on each line in Part C other than the last line shall be derived from the first entry on the same line in Part A, in accordance with the following formula:

(First entry in Part A plus twenty-four dollars (\$24)) x 100
divided by fifty and one-half (50.5)

If the amount determined by this formula is not an even multiple of one dollar (\$1), it shall be rounded to the next higher multiple of one dollar (\$1).

(b) The last line in Part C shall contain the words "amount required under section 401(a)(2)."

(C) When it is necessary to contract the table, it shall be done by deleting all lines following that in which the amount in Part B is sixty-six and two-thirds per centum (66 2/3%) of the average weekly wage, substituting the words "or more" for the higher amount under Part A on that line and substituting the words "amount required under section 401(a)(2)" for the amount under Part C on that line.

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

(ii) For the purpose of determining the maximum weekly benefit rate, the Pennsylvania average weekly wage in covered employment shall be computed on the basis of the average annual total wages reported (irrespective of the limit on the amount of wages subject to contributions) for the thirty-six-month period ending June 30 (determined by dividing the total wages reported for the thirty-six-month period by three) and this amount shall be divided by the average monthly number of covered workers (determined by dividing the total covered employment reported for the same thirty-six-month period by thirty-six) to determine the average annual wage. The average annual wage thus obtained shall be divided by fifty-two and the average weekly wage thus determined rounded to the nearest cent.

[(iii) Notwithstanding the provisions of subclause (i), for the calendar year 2012, the maximum weekly benefit rate shall be frozen at the rate calculated for calendar year 2011.

Thereafter, the maximum weekly benefit rate established:

(A) For calendar year 2013, shall be no greater than a one per centum (1%) increase above the calendar year 2012 rate.

(B) For calendar year 2014, shall be no greater than a one and one-tenth per centum (1.1%) increase above the calendar year 2013 rate.

(C) For calendar year 2015, shall be no greater than a one and two-tenths per centum (1.2%) increase above the calendar year 2014 rate.

(D) For calendar year 2016, shall be no greater than a one and three-tenths per centum (1.3%) increase above the calendar year 2015 rate.

(E) For calendar year 2017, shall be no greater than one and four-tenths per centum (1.4%) increase above the calendar year 2016 rate.

(F) For calendar year 2018, shall be no greater increase than one and five-tenths per centum (1.5%) increase above the calendar year 2017 rate.

The limitations instituted for calendar years 2013 through 2018 shall expire on the earlier to occur of December 31, 2018, or the last day of the calendar year in which the unemployment Compensation trust fund does not have an outstanding solvency-based debt to the United States government.

(iv) If the change implemented by the freeze in calendar year 2012 is determined by the department, in an official notice

to the General Assembly, to result in the loss of funds under the American Recovery and Reinvestment Act of 2009 (Public Law 111-5, 123 Stat. 115), the schedule under subclause (iii) shall occur one year later and the expiration of the limitations set forth in subclause (iii) shall occur one year later.]

(iii) **Notwithstanding subclause (i), if the maximum weekly benefit rate determined under subclause (i) is greater than five hundred seventy-three dollars (\$573), the maximum weekly benefit rate shall be subject to the following limitations:**

(A) **For calendar years 2013 through 2019, the maximum weekly benefit rate shall be five hundred seventy-three dollars (\$573).**

(B) **For each calendar year 2020 through 2023, the maximum weekly benefit rate may increase from year to year by an amount that is no more than eight per centum (8%) of the maximum weekly benefit rate for the preceding year.**

(C) **If the maximum weekly benefit rate determined under this subclause is not an even multiple of one dollar (\$1), it shall be rounded to the next lower multiple of one dollar (\$1).**

* * *

Section 12. Section 601(a) of the act, amended July 21, 1983 (P.L.68, No.30), is amended to read:

Section 601. Unemployment Compensation Fund.--(a) There is hereby created a special fund separate and apart from all public moneys or funds of this Commonwealth to be known as the Unemployment Compensation Fund. All contributions paid by employers and employees, together with penalties and interest thereon, received or collected by the department from employers under the provisions of this act, except **contributions which are to be paid into the Reemployment Fund as provided in section 301.4(e)**, such penalties and interest which are to be paid into the Special Administration Fund as provided in section 601.1 and taxes collected under section 301.6 of this act which are to be paid into the [Interest] **Debt Service** Fund as provided in section 601.2, shall be paid into the Unemployment Compensation Fund, and shall be credited by the department to a ledger account to be known as the Employers' Contribution Account. [Interest] **Contributions which are to be paid into the Reemployment Fund as provided in section 301.4(e), interest and penalties which are to be credited to the Special Administration Fund and taxes collected under section 301.6 may be temporarily held in the Employers' Contribution Account solely for clearance purposes prior to transfer to the Reemployment Fund, the Special Administration Fund or [Interest] the Debt Service Fund and while so held in the Employers' Contribution Account shall not be deemed a part of the Unemployment Compensation Fund. All moneys from time to time received and credited to the Employers' Contribution Account (exclusive of refunds made under section 311, contributions transferred to the Reemployment Fund pursuant to section 301.4(e) and interest and penalties transferred as herein provided to the Special Administration Fund and taxes transferred to the [Interest] Debt Service Fund) shall be paid promptly by the department into the Unemployment Compensation Fund, except as otherwise provided in section 605 of this act. All moneys credited to this Commonwealth's account in the Unemployment Compensation Fund pursuant to section 903 of the Federal Social Security Act (42 U.S.C. § 1103) shall be included in the Unemployment Compensation Fund.**

* * *

Section 13. Section 601.2 of the act, amended July 1, 1989 (P.L.107, No.22), is amended to read:

Section 601.2. [Interest] **Debt Service** Fund.--(a) There is hereby established a separate account in the State Treasury,

to be known as the [Interest] **Debt Service** Fund. All taxes collected under section 301.6 of this act shall be paid into the [Interest] **Debt Service** Fund. The moneys in this fund shall be used in the following priority order and such funds received are hereby appropriated for all of the following purposes:

(1) [For transfer to the General Fund for repayment of loans pursuant to subsection (c) or for transfer to the General Fund pursuant to subsections (f) and (g).] **For payment of bond obligations and bond administrative expenses; for replenishment of bond reserves; for maintenance of debt service reserves in an amount the department, with approval by the Office of the Budget, determines necessary to maintain an adequate debt service coverage ratio; and for early, optional, mandatory or other refundings, redemptions or purchases of outstanding bonds under Article XIV of this act.**

(2) For the payment of annual interest obligations assessed under Title XII of the Social Security Act.

(3) [Repayment] **For repayment** of outstanding interest-bearing advances received under Title XII of the Social Security Act.

[(4) Unemployment compensation payments under this act.

(b) Whenever the Governor shall ascertain that the cash balance and current estimated receipts of the Interest Fund shall be insufficient at any time during any State fiscal year to meet promptly the expenses of the Commonwealth from such fund, and the fund will have adequate funds available to meet such expenses and other anticipated expenses prior to the completion of the fiscal year, the State Treasurer is hereby authorized and directed, from time to time during such State fiscal year, to transfer from the General Fund to the Interest Fund such sums as the Governor directs. Any sums so transferred shall be available only for the purposes for which the fund to which they are transferred is appropriated by law. Such transfers shall be made hereunder upon warrant of the State Treasurer upon requisition of the Governor.

(c) In order to reimburse the General Fund for moneys transferred from such fund under subsection (b), there shall be transferred moneys to such fund from the Interest Fund in such amounts and times as the Governor shall direct, but in no event later than thirty (30) days after the end of such State fiscal year. Such retransfers shall be made upon warrant of the State Treasurer upon requisition of the Governor.

(d) Any amount of moneys remaining in this fund at the end of the calendar year after the interest obligations, for the calendar year, under Title XII of the Social Security Act have been met may be used as a voluntary repayment as prescribed by section 1202(b)(6)(A) of the Social Security Act, to reduce the balance of any outstanding interest-bearing advances received under Title XII of the Social Security Act.]

(4) For transfer to the Unemployment Compensation Fund pursuant to subsection (b), for payment of compensation to individuals.

[(e) Except as may be provided in subsections (f) and (g), any] **(b) Any** amount of moneys remaining in this fund at the end of [the] a calendar year [in which the outstanding balance of interest-bearing advance under Title XII of the Social Security Act is zero] shall be transferred to the Unemployment Compensation Fund and credited to the Employers' Contribution Account as specified in section 601[.

(f) Subsequent to the repayment of all indebtedness as described in this section, the sum of forty-one million dollars (\$41,000,000) is hereby transferred from the Interest Fund to

the General Fund. Moneys remaining in the Interest Fund after this transfer shall be transferred to the Unemployment Compensation Fund as provided in subsection (e).

(g) The sum of eleven million seven hundred thousand dollars (\$11,700,000) is hereby transferred from the Interest Fund to the General Fund. Moneys remaining in the Interest Fund after this transfer shall be transferred to the Unemployment Compensation Fund as provided in subsection (e).] if the following requirements are met:

(1) the balance of interest-bearing advances under Title XII of the Social Security Act (58 Stat. 790, 42 U.S.C. § 1321 et seq.) is zero at the end of that year;

(2) no interest on advances shall be due in the following year; and

(3) there are no outstanding bond obligations and bond administration expenses under Article XIV of this act and no such obligations and expenses will be due in the following year.

(c) Pending application for the purposes authorized, moneys held or deposited by the State Treasurer in the Debt Service Fund may be invested or reinvested as are other funds in the custody of the State Treasurer in the manner provided by law. All earnings received from the investment or deposit of moneys shall be paid into the State Treasury to the credit of the Debt Service Fund.

Section 14. The act is amended by adding a section to read:

Section 601.5. Reemployment Fund.--(a) There is hereby established a restricted account in the State Treasury to be known as the Reemployment Fund.

(b) Moneys in the Reemployment Fund shall consist of contributions deposited into the fund pursuant to section 301.4(e).

(c) Moneys in the Reemployment Fund are hereby appropriated, upon approval of the Governor, to the department for the following purposes:

(1) Programs and services to assist individuals to become employed or improve their employment, including, without limitation, job search and placement services, educational enhancement, job training and job readiness and workplace skills training.

(2) Research and studies to improve the department's ability to provide employment services, including, without limitation, research and studies to determine the composition of the work force, demand occupations and skills, future work force needs, labor market and business trends, the levels, duration and stability of employment and the effectiveness of employment services.

(3) Improvements to the department's information technology infrastructure that will enhance the department's ability to provide employment services, including, without limitation, improvements that will better the department's ability to determine worker characteristics and work force characteristics and needs, acquire and distribute information about job opportunities and match job seekers with job openings.

(4) Costs of administering activities under this section and the cost of collecting the contributions deposited into the Reemployment Fund pursuant to section 301.4(e).

(d) The department may make funds available to governmental and private sector organizations to perform activities authorized under this section. Such organizations shall be selected based on a competitive application process as determined by the department.

(e) At the end of each calendar year the department shall determine the amount of contributions deposited into the Reemployment Fund during that year pursuant to section 301.4(e).

If any amount of the contributions deposited in the Reemployment Fund during a calendar year are not expended or obligated for expenditure by June 30 of the following year, that amount shall be transferred to the Unemployment Compensation Fund under section 601 of this act.

(f) Moneys in the fund shall be continuously available for expenditure in accordance with the provisions of this section and shall not lapse at any time nor be transferred to any other fund except as provided in subsection (e).

(g) No later than June 30 of each calendar year the department shall provide a report to the Governor and the General Assembly regarding the activities under this section during the prior calendar year and an accounting for the contributions deposited into the Reemployment Fund, and the expenditures from the Reemployment Fund, during the prior calendar year.

Section 15. Section 603 of the act, amended June 15, 2005 (P.L.8, No.5), is amended to read:

Section 603. State Treasurer as Custodian.--The State Treasurer shall be the custodian of the Unemployment Compensation Fund, the Administration Fund, the Special Administration Fund, the [Interest] **Debt Service** Fund [and], the Job Training Fund **and the Reemployment Fund**. He shall give a bond, or bonds, with corporate sureties, conditioned upon the faithful performance of his duties as custodian of such funds in such amount or amounts as shall be determined and fixed by the Executive Board of this Commonwealth. Premiums for such bond or bonds shall be paid by the department out of the moneys in the Administration Fund. All moneys belonging to such funds (exclusive of moneys on deposit in the Unemployment Trust Fund as provided in section 601) shall be deposited by the State Treasurer in any banks or public depositories in which general funds of the Commonwealth may be deposited, but no public deposit insurance charge or premium shall be paid out of moneys in the Unemployment Compensation Fund. Any law to the contrary notwithstanding, all payments from such funds shall be made under such systems of requisitioning and accounting as the Governor, the State Treasurer, and Secretary shall determine.

Section 16. Section 804(a) of the act, amended October 19, 1988 (P.L.818, No.109), is amended to read:

Section 804. Recovery and Recoupment of Compensation.--(a) Any person who by reason of his fault has received any sum as compensation under this act to which he was not entitled, shall be liable to repay to the Unemployment Compensation Fund to the credit of the Compensation Account a sum equal to the amount so received by him and interest at the rate determined by the Secretary of Revenue as provided by section 806 of the act of April 9, 1929 (P.L.343, No.176), known as "The Fiscal Code," per month or fraction of a month from fifteen (15) days after the Notice of Overpayment was issued until paid. Such sum shall be collectible (1) in the manner provided in section 308.1 or section 309 of this act, for the collection of past due contributions, or (2) by deduction from any future compensation payable to the claimant under this act: Provided, That interest assessed under this section cannot be recouped by deduction from any future compensation payable to the claimant under this act: Provided further, That no administrative or legal proceedings for the collection of such sum shall be instituted

after the expiration of [six] **ten** years following the end of the benefit year with respect to which such sum was paid.

* * *

Section 17. The act is amended by adding articles to read:

ARTICLE XIV

UNEMPLOYMENT COMPENSATION BONDS

Section 1401. Definitions.

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

"Authority." The Pennsylvania Economic Development Financing Authority.

"Bond." Any type of revenue obligation, including a bond or series of bonds, note, certificate or other instrument, issued by the authority for the benefit of the department under this article.

"Bond administrative expenses." Expenses incurred to administer bonds as provided under the act of August 23, 1967 (P.L.251, No.102), known as the Economic Development Financing Law, or as otherwise necessary to ensure compliance with applicable Federal or State law.

"Bond obligations." The principal of a bond and any premium and interest payable on a bond, together with any amount owed under a related credit agreement or a related resolution of the financing authority authorizing a bond.

"Credit agreement." A loan agreement, a revolving credit agreement, an agreement establishing a line of credit, a letter of credit or another agreement that enhances the marketability, security or creditworthiness of a bond.

"Debt Service Fund." The fund established under section 601.2.

"Federal advances." Loans by the Federal Government to the Commonwealth for the payment of compensation under Title XII of the Social Security Act (58 Stat. 790, 42 U.S.C. § 1321 et seq.) or any similar Federal law.

"Financing Law." The act of August 23, 1967 (P.L.251, No.102), known as the Economic Development Financing Law.

Section 1402. Bond issuance.

(a) Declaration of policy.--The General Assembly finds and declares that funding the payment of compensation or the repayment of previous Federal advances, including interest, through the authority, is in the best interest of the Commonwealth.

(b) Authority.--Notwithstanding any other law, the following shall apply:

(1) The department may be a project applicant under the Financing Law and may apply to the authority for the funding of compensation or repayment of Federal advances and interest due on them.

(2) The funding of compensation or repayment of Federal advances and interest due on them shall constitute a project for purposes of the Financing Law.

(3) The authority may issue bonds under the Financing Law, consistent with this article, to finance a project consisting of the funding of compensation or repayment of Federal advances and interest due on them or refunding or redeeming of prior bonds.

(4) Participation of an industrial and commercial development authority is not required to finance the payment of compensation or repayment of Federal advances and interest due on them.

(c) Debt or liability.--

(1) Bonds issued under this article shall not be a debt or liability of the Commonwealth and shall not create or constitute any indebtedness, liability or obligation of the Commonwealth.

(2) Bond obligations and bond administrative expenses shall be payable solely from revenues or funds pledged or available for their repayment as authorized in this article. This paragraph includes the proceeds of any issuance of bonds.

(3) Each bond must contain on its face a statement that:

(i) the authority is obligated to pay the principal of the bond or the interest on the bond only from funds made available under this article;

(ii) neither the Commonwealth nor a political subdivision is obligated to pay the principal or interest; and

(iii) the full faith and credit of the Commonwealth is not pledged to the payment of the principal of or the interest on the bonds.

Section 1403. Criteria for bond issuance.

(a) Determination.--If the department reasonably expects that the issuance of bonds to obtain funds to pay compensation or to repay Federal advances, including interest, would result in a savings to employers in this Commonwealth, as an alternative to borrowing by means of Federal advances or repayment of the Federal advances and interest by other means, the department, with approval by the Office of the Budget, may apply to the authority to issue bonds for its benefit under section 1402(b).

(b) Terms.--

(1) The department, with the approval of the Office of the Budget, shall specify in its application to the authority:

(i) the maximum principal amount of the bonds for each separate bond issue; and

(ii) the maximum term of the bonds, not to exceed 20 years.

(2) The total principal amount of bonds outstanding under this article for all bond issues may not exceed \$4,500,000,000.

Section 1404. Issuance of bonds and security.

(a) Issuance.--The authority shall consider issuance of bonds upon application by the department. Bonds issued under this article shall be subject to the provisions of the Financing Law, unless otherwise specified by this article.

(b) Agreements.--The authority and the department may enter into loan agreements, credit agreements, bond purchase agreements and other contracts, instruments and agreements in connection with the bonds in order to effectuate the purposes of the Financing Law and this article.

(c) Security.--The bond obligations and bond administrative expenses are secured, for the benefit of the holders of the bonds and the obligees under any agreements in subsection (b), by pledge of, security interest in and first lien on all of the following:

(1) Additional contributions collected under section 301.6.

(2) Moneys on deposit in the Debt Service Fund. This paragraph includes all investment income on those moneys.

(3) All moneys relating to the bonds held on deposit in any other fund or account under an instrument or agreement

pertaining to the bonds. This paragraph includes bond reserves and interest income on the moneys. The security provided in this subsection does not apply to moneys in any fund or account related to arbitrage rebate obligations.

Section 1405. Sale of bonds.

The sale of bonds issued under this article shall be subject to the following:

(1) The authority shall give first consideration to issuing the bonds by means of a public, competitive sale at not less than 98% of the principal amount and accrued interest to the highest bidders. The authority shall publicly advertise the sale. The manner and times of advertising shall be prescribed by the authority.

(2) If, in the judgment of the authority, a public, competitive sale will not produce the most benefit to employers and the Commonwealth, the authority shall adopt a resolution setting forth in detail the reasons for this determination. A copy of the resolution shall be transmitted to the Governor, the chairman and minority chairman of the Labor and Industry Committee of the Senate and the chairman and minority chairman of the Labor and Industry Committee of the House of Representatives. After adoption of the resolution, the authority shall have the option to pursue a negotiated sale.

Section 1406. Use of bond proceeds.

(a) Order.--Upon issuance of bonds, the proceeds shall be applied in the following order:

- (1) pay the costs of issuance of the bonds;
- (2) fund bond reserves;
- (3) deposit in an appropriate fund moneys to pay capitalized interest on the bonds for the period determined by the department, not to exceed two years;
- (4) refund outstanding bonds, if applicable;
- (5) make any other deposit required under any instrument or agreement pertaining to the bonds;
- (6) repay the principal and interest of Federal advances; and
- (7) deposit any balance into an unemployment compensation program fund under any instrument or agreement relating to the bonds.

(b) Application of balance.--The bond proceeds deposited under subsection (a)(7) shall be applied as directed by the department to do one or more of the following:

- (1) Repay the principal and interest of previous Federal advances.
- (2) Pay unemployment compensation benefits.
- (3) Pay bond administrative expenses.
- (4) Redeem or purchase outstanding bonds.
- (5) Pay bond obligations.

Section 1407. Payment of bond-related obligations.

(a) Notification.--For each calendar year in which bond obligations and bond administrative expenses will be due, the authority shall notify the department of the amount of bond obligations and the estimated amount of bond administrative expenses in sufficient time, as determined by the department, to permit the department to determine the amount of additional contributions under section 301.6 required for that year, for deposit into the Debt Service Fund. The authority's calculation of the amount of bond obligations and bond administrative expenses that will be due is subject to verification by the department.

(b) Transfer.--Moneys in the Debt Service Fund that are needed to pay bond obligations and bond administrative expenses or to replenish bond reserves shall be transferred to the authority to ensure timely payment of bond obligations and bond administrative expenses and timely replenishment of bond reserves under any instrument or agreement related to the bonds.

(c) Deficiency in Debt Service Fund.--If there is a deficiency in the Debt Service Fund and to the extent permitted by law, that part of the principal owed on bonds which is attributable to repayment of the principal of advances under Title XII of the Social Security Act (58 Stat. 790, 42 U.S.C. § 1321 et seq.), exclusive of interest or administrative costs associated with the bonds, may be paid from the Unemployment Compensation Fund.

Section 1408. Commonwealth not to impair bond-related obligations.

The Commonwealth pledges that it shall not do any of the following:

(1) Limit or alter the rights and responsibilities of the authority or the department under this article, including the responsibility to:

(i) pay bond obligations and bond administrative expenses; and

(ii) comply with any other instrument or agreement pertaining to bonds.

(2) Alter or limit the security interest granted in section 1404(c).

(3) Impair the rights and remedies of the holders of bonds, until all bonds at any time issued, together with the interest thereon, are fully met and discharged.

Section 1409. No personal liability.

The members, directors, officers and employees of the department and the authority are not personally liable as a result of good faith exercise of the rights and responsibilities granted under this article.

Section 1410. Expiration.

The authority to issue bonds other than refinancing and refunding bonds under sections 1402 and 1404 shall expire December 31, 2016.

Section 1411. Annual report required.

No later than March 1 of the year following the first full year in which bonds have been issued under this article and for each year thereafter in which bond obligations existed in the prior year, the department shall submit an annual report to the chairman and minority chairman of the Labor and Industry Committee of the Senate and to the chairman and minority chairman of the Labor and Industry Committee of the House of Representatives providing all data available on bonds issued or existing in the prior year. The report shall include, but not be limited to, existing and anticipated bond principal, interest and administrative costs, revenue, repayments, refinancing, overall benefits, including any savings to employers and any other relevant data, facts and statistics that the department believes necessary in the content of the report.

ARTICLE XV

UNEMPLOYMENT COMPENSATION AMNESTY PROGRAM

Section 1501. Definitions.

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

"Amnesty period." The period of three consecutive calendar months designated by the Department of Labor and Industry that commences no later than 360 days after the effective date of this section.

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

"Interest." Monetary obligations imposed under sections 308 and 804(a).

"Penalties." Monetary obligations imposed under sections 206(d) and 313.

"Penalty weeks." Weeks for which an individual is disqualified from receiving compensation under section 801(b).

"Program." The Unemployment Compensation Amnesty Program established under this article.

Section 1502. Program established.

There is established an Unemployment Compensation Amnesty Program in accordance with the provisions of this article.

Section 1503. Applicability.

(a) Employer liabilities.--Except as provided in subsections (c) and (d), the program shall apply to the following unemployment compensation employer liabilities:

(1) Unpaid contributions due for calendar quarters through the first quarter of 2012, for which the employer reported the employee information or the department acquired the employee information through an audit.

(2) Unpaid contributions due for calendar quarters through the first quarter of 2012, for which the employer did not report the employee information and the department did not acquire the employee information through an audit.

(3) Unpaid reimbursement due on or before April 30, 2012.

(4) Unpaid interest due on contributions paid late for calendar quarters through the first quarter of 2012 or on reimbursement that was due on or before April 30, 2012, and was paid late.

(5) Unpaid penalties due for reports filed late for calendar quarters through the first quarter of 2012.

(b) Claimant liabilities.--Except as provided in subsections (c) and (d), the program shall apply to the following unemployment compensation claimant liabilities:

(1) A fault overpayment of compensation under section 804(a) established pursuant to a notice of determination of overpayment issued by the department on or before June 30, 2012, to the extent repayment has not occurred.

(2) A nonfault overpayment of compensation under section 804(b)(1) established pursuant to a notice of determination of overpayment issued by the department on or before June 30, 2012, to the extent repayment has not occurred.

(3) Compensation paid to a claimant for calendar weeks through the week ending June 30, 2012, for which the department has not issued a notice of determination of overpayment, but the claimant acknowledges that the compensation was overpaid under circumstances to which section 804(a) applies.

(4) Unpaid interest due on an overpayment of compensation under section 804(a) that was repaid on or before June 30, 2012.

(c) Excluded liabilities.--The following unemployment compensation liabilities are excluded from the program:

(1) An overpayment of compensation established pursuant to a notice of determination of overpayment that has not become final.

(2) An employer liability for which a petition for reassessment under section 304(b) or an application for review and redetermination of contribution rate under section 301(e)(2) is pending.

(d) Further exclusions.--The department may exclude the following unemployment compensation liabilities from the program:

(1) A liability for which a praecipe for a writ of execution was filed prior to receipt of the amnesty form.

(2) A liability that was referred for judicial proceedings or for which a judicial proceeding was commenced prior to receipt of the amnesty form.

(3) A liability that is required to be paid under an order of a Federal or State court.

Section 1504. Procedure for participation.

To participate in the program, an employer or a claimant shall do the following:

(1) During the amnesty period, the employer or claimant shall file an amnesty form with the department containing all information required by the department, including a statement by the employer or claimant acknowledging the provisions of section 1506(f). The form shall be filed in a manner specified in and the filing date of the form shall be determined by guidelines established by the department.

(2) If an employer is seeking amnesty with regard to a liability described in section 1503(a)(2), the employer shall report the employee information by filing quarterly reports as required by regulations promulgated by the department for all calendar quarters for which the employer did not previously file reports and by filing amended quarterly reports for all calendar quarters for which the employer did not file complete reports. The quarterly reports shall accompany the amnesty form.

(3) The employer or claimant shall pay the amount or amounts required by section 1505. Payment shall accompany the amnesty form.

Section 1505. Required payment and terms of amnesty.

An employer or claimant shall pay the amount or amounts specified in this section that correspond to the liability or liabilities for which amnesty is sought. The department shall grant amnesty as provided in this section and section 1506.

(1) If an employer is seeking amnesty with regard to unpaid contributions described in section 1503(a)(1) or (2):

(i) The employer shall pay all of the unpaid contributions and lien filing costs, if applicable, and one-half of the interest and penalties due.

(ii) The department shall waive the remaining interest and penalties due corresponding to the contributions.

(2) If an employer is seeking amnesty with regard to unpaid reimbursement described in section 1503(a)(3):

(i) The employer shall pay all of the unpaid reimbursement and lien filing costs, if applicable, and one-half of the interest due.

(ii) The department shall waive the remaining interest due corresponding to the reimbursement.

(3) If an employer is seeking amnesty with regard to unpaid interest described in section 1503(a)(4):

(i) The employer shall pay all of the lien filing costs, if applicable, and one-half of the unpaid interest due.

(ii) The department shall waive the remaining unpaid interest due.

(4) If an employer is seeking amnesty with regard to unpaid penalties described in section 1503(a)(5):

(i) The employer shall pay all of the lien filing costs, if applicable, and one-half of the unpaid penalties due.

(ii) The department shall waive the remaining unpaid penalties due.

(5) If a claimant is seeking amnesty with regard to an overpayment described in section 1503(b)(1) or (3):

(i) The claimant shall pay the outstanding balance of the overpayment and lien filing costs, if applicable, and one-half of the interest due.

(ii) The department shall waive the remaining interest due and one-half of any previously imposed penalty weeks corresponding to the overpayment that have not been served by the claimant and shall not issue a notice of determination imposing penalty weeks corresponding to the overpayment. If one-half of the unserved penalty weeks is not an even multiple of one, the number of penalty weeks waived shall be rounded to the next lower multiple of one.

(6) If a claimant is seeking amnesty with regard to an overpayment described in section 1503(b)(2):

(i) The claimant shall pay 50% of the outstanding balance of the overpayment.

(ii) The department shall waive the remaining balance of the overpayment.

(7) If a claimant is seeking amnesty with regard to unpaid interest described in section 1503(b)(4):

(i) The claimant shall pay all of the lien filing costs, if applicable, and one-half of the interest due.

(ii) The department shall waive the remaining unpaid interest due.

Section 1506. Additional terms and conditions of amnesty.

(a) General rule.--If a payment plan agreement exists between an employer or claimant and the department for a liability for which the employer or claimant is seeking amnesty, the employer or claimant shall pay the amount or amounts required by section 1505 during the amnesty period in order to receive amnesty, notwithstanding any terms of the agreement to the contrary.

(b) Proceedings.--The department shall not commence any administrative or judicial proceeding against an employer with regard to any contributions, reimbursement, interest or penalty paid under the program, or any interest or penalties waived under the program. The department shall not commence any administrative or judicial proceeding against a claimant with regard to any overpayment or interest paid under the program or any overpayment or interest waived under the program.

(c) Liabilities.--If a liability for contributions described in section 1503(a)(2) or liability for an overpayment described in section 1503(b)(3) is disclosed and paid under the program, and the department determines that the liability as disclosed was understated, the department may commence administrative or judicial proceedings and impose interest, penalties and other monetary obligations only with regard to the difference between

the liability as disclosed and the correct amount of the liability.

(d) Construction.--Except as provided in subsection (c), nothing in this article shall be construed to prohibit the department from commencing administrative or judicial proceedings and imposing interest, penalties and other monetary obligations with respect to any liability that is not disclosed under the program or any amount that is not paid under the program.

(e) Refunds and credits.--An employer or claimant shall not be owed a refund or credit under this article for any amount paid prior to the amnesty period.

(f) Restrictions.--An employer or claimant may not commence an administrative or judicial proceeding with regard to the amnesty form, any report filed in connection with the program, any liability disclosed under the program or any amount paid under the program, and shall not be owed a refund or credit for any amount paid under the program.

Section 1507. Duties of department.

(a) General rule.--The department shall establish guidelines to implement the provisions of this article and publish the guidelines as a notice in the Pennsylvania Bulletin no less than 90 days before the amnesty period begins.

(b) Publicity.--The department shall publicize the program to maximize awareness of and participation in the program.

(c) Notification.--The department shall notify all employers and claimants who are known to have liabilities to which the program applies. The notice shall be sent by mail to the employer's or claimant's last known post office address or by electronic transmission, if the employer or claimant has elected to receive communications from the department by that method.

Section 1508. Construction.

Except as expressly provided in this article, this article shall not:

(1) be construed to relieve any employer, claimant, individual or any entity from filing reports or other documents required by or paying any amounts due under this act;

(2) affect or terminate any petitions, investigations, prosecutions or any other administrative or judicial proceedings pending under this act; or

(3) prevent the commencement or further prosecution of any proceedings by the proper authorities of the Commonwealth for violation of any laws or for the assessment, collection or recovery of any amounts due to the Commonwealth under any laws.

Section 1509. Suspension of inconsistent acts.

All acts or parts of acts inconsistent with the provisions of this article are suspended to the extent necessary to carry out the provisions of this article.

Section 1510. Report required.

Within 240 days of the close of the amnesty period, the department shall submit a report to the chairman and minority chairman of the Labor and Industry Committee of the Senate and the chairman and minority chairman of the Labor and Industry Committee of the House of Representatives detailing all data available on the administration of the program, the cost of the program, amounts recovered from employers and claimants and any relevant facts and statistics that the department believes necessary in the content of the report.

Section 18. This act shall apply as follows:

(1) The amendment of section 301.4 of the act shall apply to contributions on wages paid on or after January 1, 2013.

(2) The amendment of section 301.6 of the act shall apply to the calculation of the interest factor for calendar year 2013 and thereafter.

(3) The amendment of section 301.7(a) of the act shall apply to the calculation of the trigger percentage in 2012 and subsequent calendar years for purposes of contribution rates and benefit reductions for calendar year 2013 and thereafter, respectively.

(4) The amendment of section 301.8(b) of the act shall apply to the redetermination of contribution rates and the benefit reduction to occur under section 301.8 in 2012 and each fifth year thereafter for purposes of contribution rates and the benefit reduction for calendar year 2013 and thereafter, respectively.

(5) The amendment of section 304 of the act shall apply to notices of assessment issued on or after the effective date of that section.

(6) The amendment of section 308.1(c) of the act shall apply to all liens filed or revived within the five-year period immediately preceding the effective date of that section and all liens filed or revived on or after the effective date of that section.

(6.1) The amendment of section 401(f) shall apply to separations that occur on or after the effective date of that amendment.

(7) The following provisions shall apply to benefit years which begin after December 31, 2012:

(i) The amendment of section 4(m.3) and (w) of the act.

(ii) The amendment of section 401(a) of the act.

(iii) The amendment of section 404(a) of the act.

(iv) The amendment of section 404(c) of the act.

(v) The amendment of section 404(e)(1) and (2) of the act.

(8) The amendment of section 804 of the act shall apply to benefit years that begin on or after the effective date of that section.

Section 19. Repeals are as follows:

(1) The General Assembly declares that the repeal under paragraph (2) is necessary to effectuate section 18(7)(iii) of this act.

(2) Section 9(7) of the act of June 17, 2011 (P.L.16, No.6), entitled "An act amending the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), entitled 'An act establishing a system of unemployment compensation to be administered by the Department of Labor and Industry and its existing and newly created agencies with personnel (with certain exceptions) selected on a civil service basis; requiring employers to keep records and make reports, and certain employers to pay contributions based on payrolls to provide moneys for the payment of compensation to certain unemployed persons; providing procedure and administrative details for the determination, payment and collection of such contributions and the payment of such compensation; providing for cooperation with the Federal Government and its agencies; creating certain special funds in the custody of the State Treasurer; and prescribing penalties,' further providing for definitions and for relief from charges and for establishment and maintenance of employer's reserve

accounts; providing for automatic relief from charges; further providing for qualifications required to secure compensation, for rate and amount of compensation, for definitions and for rules of procedure; and providing for shared-work program and for applicability," is repealed. Section 20. This act shall take effect as follows:

(1) The amendment of sections 4(m.3), (w) and (x), 301.1(e), 301.4, 401(a) and (f) and 404(a), (c) and (e) (1) and (2) of the act shall take effect January 1, 2013.

(2) The remainder of this act shall take effect immediately.

APPROVED--The 12th day of June, A.D. 2012.

TOM CORBETT