

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1

Session of
1983

INTRODUCED BY D. R. WRIGHT, F. E. TAYLOR, MANDERINO, IRVIS,
MURPHY, STEWART, COHEN, PISTELLA, WARGO, AFFLERBACH,
ALDERETTE, BARBER, BATTISTO, BELFANTI, BROUJOS, CALTAGIRONE,
CLARK, COLE, COSLETT, COWELL, COY, DALEY, DEAL, DeWEESE,
DOMBROWSKI, DUFFY, FATTAH, FEE, GALLAGHER, GAMBLE, GEORGE,
GRUITZA, HALUSKA, HOFFEL, ITKIN, JOHNSON, KOWALYSHYN,
KUKOVICH, LASHINGER, LEHR, LIVENGOD, LLOYD, MICHLOVIC,
MICOZZIE, MORRIS, O'DONNELL, OLASZ, OLIVER, PERZEL, PIEVSKY,
PRATT, PRESTON, RAPPAPORT, RUDY, RYBAK, SEVENTY, FREEMAN,
McHALE, PETRONE, STEIGHNER, STUBAN, SWEET, TIGUE, TRELLO,
TRUMAN, VAN HORNE, WACHOB, WAMBACH, WILLIAMS, WOZNIAK, ZWIKL,
CIVERA, R. C. WRIGHT AND BLAUM, JANUARY 24, 1983

REFERRED TO COMMITTEE ON LABOR RELATIONS, JANUARY 24, 1983

AN ACT

1 Amending the act of December 5, 1936 (2nd Sp.Sess., 1937
2 P.L.2897, No.1), entitled "An act establishing a system of
3 unemployment compensation to be administered by the
4 Department of Labor and Industry and its existing and newly
5 created agencies with personnel (with certain exceptions)
6 selected on a civil service basis; requiring employers to
7 keep records and make reports, and certain employers to pay
8 contributions based on payrolls to provide moneys for the
9 payment of compensation to certain unemployed persons;
10 providing procedure and administrative details for the
11 determination, payment and collection of such contributions
12 and the payment of such compensation; providing for
13 cooperation with the Federal Government and its agencies;
14 creating certain special funds in the custody of the State
15 Treasurer; and prescribing penalties," providing for benefits
16 for a shared work program.

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

19 Section 1. The act of December 5, 1936 (2nd Sp.Sess., 1937
20 P.L.2897, No.1), known as the Unemployment Compensation Law, is

1 amended by adding an article to read:

2 ARTICLE XIII

3 BENEFITS AND PROCEDURES FOR SHARED WORK PROGRAMS

4 Section 1301. Application of Article.--This article shall
5 apply to a claimant employed by an employer whose application to
6 participate in a shared work program has been approved by the
7 department. The other provisions of this act shall apply to such
8 claimants and their employers to the extent that they are not
9 inconsistent with this article. The claimant shall not however
10 be required to be available for work with any other employer.

11 Section 1302. Definitions.--The following words and phrases
12 when used in this article shall have the meanings given to them
13 in this section unless the context clearly indicates otherwise:

14 "Full-time hours." At least thirty-five (35) but not more
15 forty (40) hours per week, but not including overtime as defined
16 in the Federal Fair Labor Standards Act.

17 "Work force." The total work force, or clearly identifiable
18 unit or units, shift or shifts, thereof.

19 Section 1303. Eligibility Conditions.--(a) A claimant shall
20 be eligible for benefits under this article if he:

21 (1) Would otherwise be eligible under this act.

22 (2) Works less than his normal full-time hours in a week for
23 his customary employer under an approved shared work program.
24 No individual shall however be paid any benefits under this
25 article in excess of twenty (20) weeks of benefits during a
26 period of fifty-two (52) consecutive weeks, beginning with the
27 first week of benefits paid under this article.

28 (b) No individual who receives any benefits under this
29 article during any benefit year shall receive any benefits
30 pursuant to section 404 as a partially unemployed individual

1 with respect to any week during such benefit year while in
2 employment status with the regular employer who initiated the
3 program of sharing work.

4 (c) No benefits under this article shall be payable during
5 any individual's extended benefit period.

6 Section 1304. Qualified Employers.--(a) An employer who has
7 at least three (3) full-time employees may apply to participate
8 in a shared work program. The application shall be made
9 according to such forms and procedures as the department may
10 specify and shall include such information as the department may
11 require. In determining whether to approve such application, the
12 department shall take into account the nature and size of the
13 enterprise, its frequency of personnel turnover, the local
14 unemployment rate, or any other factors which may affect the
15 efficacy and utility of the shared work program.

16 (b) The department shall not approve such application unless
17 the employer:

18 (1) Agrees that for the duration of the program he will not
19 eliminate or diminish health insurance, medical insurance, or
20 any other fringe benefits provided to employees immediately prior
21 to the application.

22 (2) Supplies a certification from the collective bargaining
23 agent or agents for the employees, if any, attesting agreement to
24 participate in the program.

25 (3) Will reduce or restrict the claimant's weekly full-time
26 hours of work, or has rehired a claimant previously laid off and
27 reduced his weekly hours of work from those previously worked,
28 as the result of a plan by the employer to stabilize the work
29 force by a program of sharing the work remaining after a
30 reduction in total hours of work and a corresponding reduction

in wages, provided the program requires not less than a ten per centum reduction in hours and wages among the work force.

(4) Certifies that if not for the shared work program to be initiated, the employer would reduce or would have reduced its work force to a degree equivalent to the total number of working hours proposed to be reduced or restricted for all included employees.

(5) Certifies that the employer will not hire additional part-time or full-time employees for the affected work force while the program is in operation without prior approval of the department and the employees bargaining agent or agents. In addition, the department shall not approve a program if it is apparent that the reduction in work force is permanent in nature; unless the employer demonstrates that such permanent reduction in the work force can be accomplished through attrition during the time in which the employer is participating in a shared work program.

(c) The department shall take steps necessary to facilitate the use of the shared work unemployment compensation program including, but not limited to:

(1) Establishment of such reasonable guidelines and procedures deemed necessary to expedite approval of shared work plans.

(2) Approval or disapproval of employer proposals within fifteen (15) days of receipt of the proposal by the department; and shall notify the employer of the reasons for denial of a shared work plan within ten (10) days after such determination.

(3) Establishment of special processing points at or near the site of employers with large numbers of employees who will be placed on reduced work weeks under an approved plan.

1 Section 1305. Revocation of Approval.--For good cause shown,
2 the department may, in its discretion, revoke approval of an
3 employer's application previously granted. Good cause may
4 include, but shall not be limited to, failure to comply with the
5 assurances and certifications required under section 1304,
6 failure to supply information requested relative to the
7 operation of a shared work program, unreasonable revision of
8 productivity standards for the work force, or other conduct or
9 occurrences tending to defeat the purposes, intent and effective
10 operation of a shared work program.

11 Section 1306. Benefit Amounts.--(a) An eligible claimant
12 shall be deemed eligible for benefits, for any week, equal to
13 his weekly benefit rate multiplied by the per centum of
14 reduction of his wages resulting from a reduction in the
15 employee's full-time hours of work, but only if such per centum
16 is no less than ten per centum (10%) and no more than forty per
17 centum (40%). A claimant shall not be paid such benefits in
18 excess of twenty (20) weeks during a benefit year.

19 (b) Except wages payable by the regular employer not in
20 excess of wages payable for reduced hours of work assigned an
21 individual by the regular employer under a shared work plan, any
22 amount payable under this article shall be reduced by the amount
23 of any and all compensation payable for personal services
24 whether performed as an employee or an independent contractor or
25 as a juror or as a witness. However, an allowance shall be made
26 for the partial benefit credit such employee would otherwise be
27 entitled on regular full unemployment benefits.

28 Section 1307. Maximum Payments.--In no event shall total
29 benefits paid in any benefit year under this article exceed the
30 maximum amount for which a claimant would be eligible under

1 Article IV.

2 Section 1308. Commencement.--A shared work program and
3 payment of benefits to claimants thereunder shall begin with the
4 first week following approval of an application by the
5 department or the first week specified by the employer,
6 whichever is later and with regard to any waiting week
7 requirements imposed by law.

8 Section 1309. Additional Contributions for Employers
9 Enrolled in Shared Work Program.--Notwithstanding any other
10 provision of this act all negative reserve employers under an
11 approved shared work plan covered by this article shall have
12 their rate of contribution increased in accordance with the
13 following table:

<u>Reserve Account Balance</u>	<u>Increase Contri-</u> <u>bution Rate by:</u>
<u>% of Annual Payroll</u>	
<u>Greater than or equal to 0.0</u>	<u>0.0</u>
<u>Less than 0.0 but greater than -1.0</u>	<u>0.4</u>
<u>Less than or equal to -1.0 but greater than -2.0</u>	<u>0.5</u>
<u>Less than or equal to -2.0 but greater than -3.0</u>	<u>0.6</u>
<u>Less than or equal to -3.0 but greater than -4.0</u>	<u>0.7</u>
<u>Less than or equal to -4.0 but greater than -5.0</u>	<u>0.8</u>
<u>Less than or equal to -5.0 but greater than -6.0</u>	<u>0.9</u>
<u>Less than or equal to -6.0</u>	<u>1.0</u>

25 Any and all contributions received and any benefits paid shall
26 be credited and debited, respectively, to the employer reserve
27 account.

28 Section 1310. Report to General Assembly.--During the third
29 year that the program is in operation, the department shall
30 submit a report to the General Assembly on the use and operation

1 of the program. The department shall include in its report the
2 numbers and types of employers utilizing this program, the
3 effect of the program on the fund, and the number of employes
4 affected, plus any other information the department deems
5 relevant.

6 Section 2. This act shall expire four years from the
7 effective date.

8 Section 3. This act shall take effect in 90 days.