
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1475 Session of
1997

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OLASZ, MASLAND, CHADWICK, McNAUGHTON, BAKER, STABACK, CLARK,
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BELFANTI, ADOLPH, STEELMAN, COLAFELLA AND C. WILLIAMS,
MAY 6, 1997

AS AMENDED ON THIRD CONSIDERATION, HOUSE OF REPRESENTATIVES,
JUNE 3, 1997

AN ACT

1 Providing for self-employment assistance, for eligibility, for
2 costs and for limitation.

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

5 Section 1. Short title.

6 This act shall be known and may be cited as the Self-
7 Employment Assistance Program Act.

8 Section 2. Definitions.

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

12 "Department." The Department of Labor and Industry of the
13 Commonwealth.

14 "Full-time basis." The devoting of such amount of time as is

1 ~~determined~~ PRESCRIBED by the Department of Labor and Industry <—
2 ~~or~~, ON ITS OWN OR IN CONSULTATION WITH its designated service <—
3 provider, to be necessary for a program participant to establish <—
4 a business and become self-employed.

5 "Program." The Self-Employment Assistance Program
6 established in section 3.

7 "Program participant." An individual:

8 (1) who is selected for participation in the program, at
9 the discretion of the Department of Labor and Industry, from
10 among individuals who are eligible for regular benefits and
11 are identified through a worker profiling system as likely to
12 exhaust regular benefits;

13 (2) who is eligible for funding for participation in the
14 program;

15 (3) for whom funding for participation in the program is
16 available; and

17 (4) who has not been terminated from or voluntarily left
18 the program.

19 "Regular benefits." Benefits payable to an individual under
20 the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1),
21 known as the Unemployment Compensation Law, or unemployment
22 compensation benefits payable to Federal civilian employees and
23 to ex-servicemembers pursuant to Federal law, other than
24 additional and extended benefits.

25 "Self-employment assistance activities." Activities,
26 including, but not limited to, entrepreneurial training,
27 business counseling and technical assistance, approved by the
28 Department of Labor and Industry ~~or~~, ON ITS OWN OR IN <—
29 CONSULTATION WITH its designated service provider, for the <—
30 program participant. These activities may be provided by either

1 the Department of Labor and Industry or its designated service
2 provider.

3 "Self-employment assistance allowance." An allowance in lieu
4 of regular benefits and funded in the same manner as regular
5 benefits, payable to a program participant who meets the
6 requirements of this act.

7 "Unemployment Compensation Law." The act of December 5, 1936
8 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment
9 Compensation Law.

10 Section 3. Program.

11 The department shall establish a self-employment assistance
12 program in accordance with the provisions of this act, subject
13 to the availability of all funds necessary for the program. The
14 department may implement the program on a pilot basis.

15 Information about the program shall be made available to
16 potential program participants.

17 Section 4. Self-employment assistance allowance.

18 Subject to the provisions of section 5, the weekly self-
19 employment assistance allowance payable under this act to a
20 program participant shall be equal to the weekly benefit amount
21 for regular benefits otherwise payable. The sum of the
22 allowances paid under this act and regular benefits paid with
23 respect to any benefit year shall not exceed the maximum amount
24 payable for the benefit year under section 404 of the
25 Unemployment Compensation Law.

26 Section 5. Eligibility.

27 (a) General rule.--The self-employment assistance allowance
28 described in section 4 shall be payable to a program participant
29 who participates in self-employment assistance activities and is
30 actively engaged on a full-time basis in efforts to establish a

1 business and become self-employed. The self-employment
2 assistance allowance shall be payable at the same interval, on
3 the same terms and subject to the same conditions as regular
4 benefits, with the following exceptions:

5 (1) The requirements of sections 401(d)(1) and 402(a) of
6 the Unemployment Compensation Law are not applicable to such
7 program participant.

8 (2) The requirements of sections 402(h) and 404(d)(1) of
9 the Unemployment Compensation Law are not applicable to
10 income earned from self-employment by such program
11 participant.

12 (3) Such program participant shall be considered to be
13 unemployed under sections 401 and 402 of the Unemployment
14 Compensation Law.

15 (b) Ineligibility.--A program participant who fails to
16 participate in self-employment assistance activities or who
17 fails to actively engage on a full-time basis in efforts to
18 establish a business and become self-employed shall be
19 ineligible for a self-employment assistance allowance for a week
20 in which such failure occurs.

21 Section 6. Termination.

22 A program participant may be terminated from the program by
23 the department if the individual fails to participate in self-
24 employment assistance activities or fails to actively engage on
25 a full-time basis in efforts to establish a business and become
26 self-employed. Individuals who are terminated from or
27 voluntarily leave the program may receive, if otherwise
28 eligible, regular benefits with respect to the benefit year,
29 provided that the sum of regular benefits paid and self-
30 employment assistance allowances paid with respect to the

1 benefit year shall not exceed the maximum amount payable for the
2 benefit year under section 404 of the Unemployment Compensation
3 Law.

4 Section 7. Limitation.

5 For a specific time period, the number of program
6 participants receiving a self-employment assistance allowance
7 under this act shall not exceed 5% of the number of individuals
8 receiving regular benefits during that time period.

9 Section 8. Costs.

10 Self-employment assistance allowances paid under this act
11 shall be charged to employers as regular benefits are charged
12 under the Unemployment Compensation Law.

13 Section 9. Applicability of Unemployment Compensation Law.

14 (A) GENERAL.--Except where inconsistent with this act, all ←
15 terms and conditions of Federal law and the Unemployment
16 Compensation Law applicable to regular benefits shall be
17 applicable to self-employment assistance allowances under this
18 act.

19 (B) SPECIFIC.--ARTICLE V OF THE ACT OF DECEMBER 5, 1936 (2ND ←
20 SP.SESS., 1937 P.L.2897, NO.1), KNOWN AS THE UNEMPLOYMENT
21 COMPENSATION LAW, SHALL APPLY TO DETERMINATIONS UNDER THIS ACT.

22 Section 10. Rules and regulations.

23 The department may promulgate regulations to carry out the
24 purposes of this act.

25 Section 11. Report to General Assembly.

26 (a) General rule.--Annually by the first day of March, the
27 department shall make a report of the program provided for in
28 this act to the Labor and Industry Committee of the Senate and
29 the Labor Relations Committee of the House of Representatives.

30 (b) Content.--This report shall include annual data on the

1 number of program participants and the number of businesses
2 developed under the program, business survival data, the cost of
3 operating the program, compliance with program requirements and
4 data related to business income, the number of employees and
5 wages paid in the new businesses and the incidence and duration
6 of unemployment after business start-up. The report may also
7 include any recommended changes in the program.

8 Section 12. Applicability.

9 (a) Commencement.--The provisions of this act shall apply to
10 those weeks commencing after the following, whichever is later:

11 (1) ninety days after the enactment of this act; or

12 (2) the date of notice published in the Pennsylvania
13 Bulletin that this act and the department's implementation
14 plan have been approved by the United States Department of
15 Labor.

16 (b) Termination.--The application of this act shall
17 terminate as of the end of the week preceding the date that
18 Federal law no longer authorizes the provisions of this act.

19 Section 13. Effective date.

20 This act shall take effect in 90 days.