
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL
No. 1662 Session of
 1975

INTRODUCED BY COHEN, DiDONATO, RUGGIERO, McINTYRE, RIEGER, VANN, PIEVSKY, OLIVER, GIAMMARCO, ROSS, FLAHERTY, MRKONIC, TOLL, A. P. KELLY, BARBER, GEISLER, CAPUTO, TRELLO, SCHMITT, VALICENTI, ABRAHAM, MYERS, PERRY, M. E. MILLER, GARZIA, SALOOM, GILLESPIE, LEDERER, LAUGHLIN, COWELL, PETRARCA, O'DONNELL, GREENFIELD, McCALL, NOVAK, JOHNSON, GILLETTE, BELLOMINI, TAYLOR, MORRIS, MILLIRON AND MILANOVICH, JULY 22, 1975

REFERRED TO COMMITTEE ON LABOR RELATIONS, JULY 23, 1975

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
 16 additional contributions for employes who relocate.

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,"
 21 is amended by adding a section to read:

22 Section 301.2. Additional Contributions by Employers who

1 Relocate.-- (a) Each employer who undertakes a relocation shall
2 pay a contribution in addition to the contributions determined
3 under section 301 or section 301.1 in an amount equal to (1)
4 multiplied by (2) where:

5 (1) is an amount determined by multiplying the percentage
6 specified in section 404(a)(2) by the aggregate full-time weekly
7 wage of each employe who is unemployed as a result of such
8 relocation; and

9 (2) is the average number of weeks duration that
10 compensation has been paid to employes in the industry in which
11 the relocation occurs, who have returned to the work force, or
12 otherwise ceased to be eligible for compensation, as of the
13 calendar quarter immediately preceding the relocation.

14 (b) With respect to each employer who as a result of such
15 relocation is no longer an employer as defined in this act, the
16 amount determined in subsection (a) shall be reduced by an
17 amount equal to such employer's reserve account balance,
18 multiplied by a fraction, not greater than one, the numerator of
19 which shall be the number of employes unemployed by the
20 relocation, and the denominator of which shall be the number of
21 such employer's employes subject to this act on the preceding
22 computation date.

23 (c) With respect to each other employer subject to this
24 section, there shall be established a separate book account,
25 hereafter referred to as the relocation account, to which
26 contributions made hereunder shall be credited, and against
27 which all benefit payments shall be charged for the duration of
28 the period determined under section 301.2(a)(2). At the
29 expiration of such period, the amount by which credits exceed
30 charges shall be credited to such employer's reserve account, or

1 the amount by which charges exceed credits shall be charged
2 against the reserve account. No compensation paid during such
3 period shall be included for the purpose of determining such
4 employer's average annual benefits, except:

5 (i) in the amount by which charges exceed credits in the
6 employer's relocation account as of a computation date occurring
7 during such period; and

8 (ii) in the amount by which charges exceed credits in the
9 employer's relocation account as of the computation date next
10 succeeding the expiration of such period, but reduced by any
11 amounts included for the purpose of determining the employer's
12 average annual benefits under subclause (i).

13 (d) For the purposes of this section, a relocation shall
14 mean the disestablishment by an employer of any unit of
15 production or facility for services in whole or in part, whether
16 by sale, dissolution, or otherwise, such that the unemployment
17 of ten or more persons occurs, and the replacement thereof by a
18 unit which produces essentially the same product, or a facility
19 which provides essentially the same service, whether by
20 purchase, subcontracting, or the expended use of an existing
21 unit or facility, such that the employment of individuals with
22 respect thereto is not employment subject to this act.

23 (e) Unemployment shall be deemed a result of relocation when
24 the secretary determines that there is a substantial relation
25 between a relocation and the unemployment of ten or more
26 employees. In making such a determination, the secretary shall
27 establish an effective date for the relocation, such that all
28 employees whose unemployment is substantially related to the
29 relocation shall be included for the purposes of section
30 301.2(a)(1).

1 (f) (1) Each employer who disestablishes a unit of
2 production or facility for service, in whole or in part, whether
3 by the dissolution or otherwise such that the unemployment of
4 ten or more persons will occur, shall file written notice of
5 such disestablishment with the secretary, together with the name
6 and address of each employe who in the employer's best judgment
7 will be unemployed as a result thereof, not less than ninety
8 days prior to such disestablishment. Upon receipt of such
9 notice, the secretary shall within ten days:

10 (i) Notify the employes identified therein of the
11 disestablishment.

12 (ii) Undertake an investigation:

13 (A) to determine if such disestablishment is a relocation,
14 as defined in subsection (d); and

15 (B) to independently verify the number of employes who are
16 or will be unemployed as a result of such relocation, if any.

17 (2) An employer who fails to file the written notice, or who
18 files such notice less than ninety days prior to the effective
19 date of the disestablishment, shall be required to demonstrate
20 to the secretary that such failure was in good faith. A claim by
21 an employer to be unaware of this section or its applicability
22 to him shall not constitute a showing of good faith. In the
23 absence of a showing of good faith, such employer shall pay a
24 contribution in an amount equal to one hundred per centum of the
25 contribution otherwise payable under this section.

26 Section 2. This act shall take effect in 60 days.