

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 778 Session of
2001

INTRODUCED BY YUDICHAK, COSTA, MANN, SOLOBAY, McCALL, GEORGE,
DeWEESE, M. COHEN, BELARDI, ORIE, RUFFING, COY, B. SMITH,
LAUGHLIN, COLAFELLA, FRANKEL, WOJNAROSKI, ROBERTS, TIGUE,
CALTAGIRONE, CORRIGAN, PRESTON, FREEMAN, HENNESSEY, TRELLO,
BUTKOVITZ, HORSEY, STABACK, HASAY, SAINATO, MICHLOVIC,
PETRARCA, SHANER, GRUCELA, MELIO, PISTELLA, LUCYK,
WASHINGTON, HARHAI, ROONEY, BROWNE, CURRY, THOMAS, J.
WILLIAMS AND BELFANTI, FEBRUARY 14, 2001

AS RE-REPORTED FROM COMMITTEE ON APPROPRIATIONS, HOUSE OF
REPRESENTATIVES, AS AMENDED, JUNE 24, 2002

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," further providing for
16 compensation rates.

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

19 Section 1. Section 404(d) of the act of December 5, 1936
20 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment
21 Compensation Law, amended October 19, 1988 (P.L.818, No.109), is

1 amended to read:

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

9 * * *

10 (d) (1) Notwithstanding any other provisions of this
11 section each eligible employe who is unemployed with respect to
12 any week ending subsequent to July 1, 1980 shall be paid, with
13 respect to such week, compensation in an amount equal to his
14 weekly benefit rate less the total of (i) the remuneration, if
15 any, paid or payable to him with respect to such week for
16 services performed which is in excess of his partial benefit
17 credit and (ii) vacation pay, if any, which is in excess of his
18 partial benefit credit, except when paid to an employe who is
19 permanently or indefinitely separated from his employment.

20 (2) (i) In addition to the deductions provided for in
21 clause (1), for any week with respect to which an individual is
22 receiving a pension, including a governmental or other pension,
23 retirement or retired pay, annuity or any other similar periodic
24 payment, under a plan maintained or contributed to by a base
25 period or chargeable employer, the weekly benefit amount payable
26 to such individual for such week shall be reduced, but not below
27 zero, by the pro-rated weekly amount of the pension as
28 determined under subclause (ii).

29 (ii) If the pension is entirely contributed to by the
30 employer, then one hundred per centum (100%) of the pro-rated

1 weekly amount of the pension shall be deducted. [If] Except as
2 set forth in clause (4), if the pension is contributed to by the
3 individual, in any amount, then fifty per centum (50%) of the
4 pro-rated weekly amount of the pension shall be deducted.

5 (iii) No deduction shall be made under this clause by reason
6 of the receipt of a pension if the services performed by the
7 individual during the base period or remuneration received for
8 such services for such employer did not affect the individual's
9 eligibility for, or increase the amount of, such pension,
10 retirement or retired pay, annuity or similar payment. This
11 subclause shall not apply to pensions paid under the Social
12 Security Act (Public Law 74-271, 42 U.S.C. § 301 et seq.) [or
13 the Railroad Retirement Act of 1974 (Public Law 93-445, 88 Stat.
14 1305)] or the corresponding provisions of prior law. Payments <—
15 made under such acts shall be treated solely in the manner
16 specified by subclause (i) of this clause†. <—

17 (3) The provisions of this subsection shall be applicable
18 whether or not such vacation pay, retirement pension or
19 annuities or wages are legally required to be paid. If such
20 retirement pension or annuity payments deductible under the
21 provisions of this subsection are received on other than a
22 weekly basis, the amount thereof shall be allocated and pro-
23 rated in accordance with the rules and regulations of the
24 department. Vacation pay or other remuneration deductible under
25 the provisions of this subsection shall be pro-rated on the
26 basis of the employee's normal full-time weekly wage and as so
27 pro-rated shall be allocated to such period or periods of
28 unemployment as shall be determined by rules and regulations of
29 the department. Such compensation, if not a multiple of one
30 dollar (\$1), shall be computed to the next lower multiple of one

1 dollar (\$1).

2 (4) No deductions shall be made under this subsection for
3 pensions paid under the Railroad Retirement Act of 1974 (Public
4 Law 93-445, 88 Stat. 1305) or other Federal pensions, which are
5 based upon an individual's previous work or self-employment, or
6 both, IF THE PENSION IS CONTRIBUTED TO BY THE INDIVIDUAL, IN ANY <—
7 AMOUNT.

8 * * *

9 Section 2. This act shall apply to individuals who receive
10 unemployment compensation on or after the effective date of this
11 act.

12 Section 3. This act shall take effect in 60 days.