

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2031 Session of
2009

INTRODUCED BY ADOLPH, KILLION, STEVENSON, HENNESSEY, BOYD,
BRIGGS, CLYMER, D. COSTA, EVERETT, FAIRCHILD, FARRY, GEIST,
HARPER, HUTCHINSON, LEVDANSKY, PICKETT, QUINN, SAYLOR AND
SIPTROTH, OCTOBER 9, 2009

REFERRED TO COMMITTEE ON LABOR RELATIONS, OCTOBER 9, 2009

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 eligibility of corporate officers deemed self-employed.

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

19 Section 1. Section 402.4 of the act of December 5, 1936 (2nd
20 Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment
21 Compensation Law, added July 21, 1983 (P.L.68, No.30), is
22 amended to read:

23 Section 402.4. Eligibility of Officers of a Corporation
24 Deemed to be Self-Employed Persons.--(a) Notwithstanding any

1 other provision of this act, an officer of a corporation who is
2 deemed to be a self-employed person because he exercised a
3 substantial degree of control over the corporation and who
4 becomes unemployed [due to the fact that the corporation enters
5 into involuntary bankruptcy proceedings under the provisions of
6 Chapter 7, Title 11 of the United States Code] shall be entitled
7 to receive unemployment compensation under this act[: Provided,
8 That the wages paid to the officer of a corporation deemed to be
9 a self-employed person were mandatorily subject to this act]
10 unless the unemployment is the result of the sale or divestment
11 of ownership or voluntary termination of the business.

12 (b) Unemployment compensation shall be paid to an officer of
13 a corporation deemed to be a self-employed person, who is
14 eligible under the provisions of this section, in the same
15 manner and to the same extent as unemployment compensation paid
16 to any other eligible claimant under the provisions of this act.

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