

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2431 Session of 2012

INTRODUCED BY MURT, CREIGHTON, GRELL, GROVE, HARRIS, HORNAMAN,  
LAWRENCE, MILNE, MOUL, SWANGER, TOEPEL, TRUITT AND  
VULAKOVICH, JUNE 4, 2012

REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, JUNE 4, 2012

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 rate and amount of compensation.

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

19 Section 1. Section 404(d) (1) and (1.1) of the act of  
20 December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as  
21 the Unemployment Compensation Law, amended June 20, 2011  
22 (P.L.16, No.6), is amended to read:

23 Section 404. Rate and Amount of Compensation.--Compensation  
24 shall be paid to each eligible employe in accordance with the

1 following provisions of this section except that compensation  
2 payable with respect to weeks ending in benefit years which  
3 begin prior to the first day of January 1989 shall be paid on  
4 the basis of the provisions of this section in effect at the  
5 beginning of such benefit years.

6 \* \* \*

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

19 (1.1) For purposes of clause (1)(iii), all of the following  
20 apply:

21 (i) "Severance pay" means one or more payments made by an  
22 employer to an employee on account of separation from the service  
23 of the employer, regardless of whether the employer is legally  
24 bound by contract, statute or otherwise to make such payments.  
25 The term includes an amount received as consideration for or in  
26 settlement or release of claims arising from the early  
27 termination of an employment contract. The term does not include  
28 payments for pension, retirement or accrued leave or payments of  
29 supplemental unemployment benefits.

30 (ii) The amount of severance pay attributed pursuant to

1 subclause (iii) shall be:

2 (A) For an amount received as consideration for or in  
3 settlement or release of claims arising from the early  
4 termination of an employment contract, one hundred per centum  
5 (100%) of the amount.

6 (B) For other types of severance pay, an amount not less  
7 than zero (0) determined by subtracting forty per centum (40%)  
8 of the average annual wage as calculated under subsection (e) as  
9 of June 30 immediately preceding the calendar year in which the  
10 claimant's benefit year begins from the total amount of  
11 severance pay paid or payable to the claimant by the employer.

12 (iii) Severance pay is attributed as follows:

13 (A) Severance pay is attributed to the day, days, week or  
14 weeks immediately following the employee's separation.

15 (B) The number of days or weeks to which severance pay is  
16 attributed is determined by dividing the total amount of  
17 severance pay by the regular full-time daily or weekly wage of  
18 the claimant.

19 (C) The amount of severance pay attributed to each day or  
20 week equals the regular full-time daily or weekly wage of the  
21 claimant.

22 (D) When the attribution of severance pay is made on the  
23 basis of the number of days, the pay shall be attributed to the  
24 customary working days in the calendar week.

25 \* \* \*

26 Section 2. This act applies to initial claims filed on or  
27 after July 1, 2012.

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