

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 508 Session of 2021

INTRODUCED BY COX, CAUSER, DAVANZO, DIAMOND, ECKER, GREGORY, HAMM, HELM, HERSHEY, IRVIN, KAUFFMAN, KLUNK, R. MACKENZIE, MALONEY, MENTZER, MILLARD, MOUL, E. NELSON, OWLETT, RYAN, SAYLOR, ZIMMERMAN, GLEIM, BOROWICZ, GILLEN, WHEELAND, ROWE AND ROAE, MAY 19, 2021

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, JUNE 9, 2021

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," establishing the Back-
16 to-Work Bonus Program; and making an appropriation.

17 WHEREAS, The COVID-19 pandemic and Federal and State efforts
18 to mitigate the pandemic resulted in extraordinary levels of
19 unemployment in this Commonwealth and across the United States
20 during 2020; and

21 WHEREAS, The Congress of the United States enacted several
22 programs to support unemployed Americans during the pandemic,
23 which provide for enhancements of weekly benefits, extensions of

1 weekly benefits and weekly unemployment benefits for claimants
2 who would not otherwise be eligible for State unemployment
3 benefits; and

4 WHEREAS, The Congress of the United States has extended the
5 duration of these programs on multiple occasions; and

6 WHEREAS, These programs, which currently extend through the
7 week ending September 4, 2021, provide claimants with an
8 incentive to remain unemployed by effectively paying them to not
9 work; and

10 WHEREAS, The Department of Health reported that, as of May 9,
11 2021, 3,871,294 vaccinations for COVID-19 have been fully
12 administered, 5,320,563 vaccinations have been partially
13 administered and more than 1 million Pennsylvanians have
14 recovered from COVID-19 with natural immunity; and

15 WHEREAS, The danger to the public from COVID-19 is rapidly
16 diminishing, and mitigation efforts and restrictions on economic
17 activity have been steadily lifted, allowing businesses to re-
18 engage in commerce; and

19 WHEREAS, Businesses of all types in this Commonwealth have
20 encountered a shortage of workers, which puts Pennsylvania's
21 economic recovery at risk; and

22 WHEREAS, Generous, long-lasting benefits from Federal
23 unemployment programs are, among other factors, a significant
24 part of the reason many workers are reluctant to seek
25 employment; and

26 WHEREAS, Legislation should be enacted to:

27 (1) Phase out Pennsylvania's participation in Federal
28 unemployment programs that incentivize workers to remain
29 unemployed.

30 (2) Utilize money from the Federal COVID-19 relief funds

1 provided to Pennsylvania to provide up to two \$300 bonus
2 payments to provide an additional incentive for unemployed
3 workers to promptly discontinue their unemployment claims and
4 seek and maintain employment-; AND <--

5 WHEREAS, THE HOUSE OF REPRESENTATIVES URGES THE PRESIDENT OF
6 THE UNITED STATES, CONGRESS OF THE UNITED STATES AND UNITED
7 STATES DEPARTMENT OF LABOR TO AUTHORIZE THE FUNDS USED TO
8 REIMBURSE THE COMMONWEALTH FOR THE PAYMENT OF BENEFITS UNDER
9 SECTION 2104 OF THE CARES ACT TO BE USED BY THE COMMONWEALTH TO
10 INCENTIVIZE WORKERS TO RETURN TO WORK THROUGH THE BACK-TO-WORK
11 BONUS PROGRAM.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. The act of December 5, 1936 (2nd Sp.Sess., 1937
15 P.L.2897, No.1), known as the Unemployment Compensation Law, is
16 amended by adding an article to read:

17 ARTICLE XVII

18 BACK-TO-WORK BONUS PROGRAM

19 Section 1701. Legislative intent.

20 It is the intent of the General Assembly in enacting this
21 article to:

22 (1) Phase out Pennsylvania's participation in Federal
23 unemployment programs that incentivize workers to remain
24 unemployed.

25 (2) Utilize money from the Federal COVID-19 relief funds
26 provided to Pennsylvania to provide up to two \$300 bonus
27 payments to provide an additional incentive for unemployed
28 workers to promptly discontinue their unemployment claims and
29 to seek and maintain employment.

30 Section 1702. Definitions.

1 The following words and phrases when used in this article
2 shall have the meanings given to them in this section unless the
3 context clearly indicates otherwise:

4 "Bonus." A payment authorized under section 1704.

5 "CARES Act." The Coronavirus Aid, Relief, and Economic
6 Security Act (Public Law 116-136, 134 Stat. 281).

7 "Program." The Back-to-Work Bonus Program established under
8 section 1704.

9 "Unemployment program." An unemployment compensation
10 benefits program administered by the department, which is
11 authorized under this act or Federal law, including:

12 (1) Unemployment compensation, including unemployment
13 compensation for Federal employees and unemployment
14 compensation for ex-service members.

15 (2) Pandemic emergency unemployment compensation.

16 (3) Pandemic unemployment assistance.

17 (4) Extended benefits.

18 (5) Short-time compensation under the shared -work
19 program under Article XIII.

20 (6) Trade readjustment allowances.

21 (7) Disaster unemployment assistance.

22 Section 1703. Removal of disincentives to work.

23 (a) Termination of Federal pandemic unemployment
24 compensation.--No later than one week after the effective date
25 of this subsection, the department shall provide notice to the
26 United States Secretary of Labor of the Commonwealth's election
27 to terminate participation in the program established under
28 section 2104 of the CARES Act. The program shall not make
29 payment for any weeks of unemployment that occur more than 30
30 days after the date of notice under this subsection.

1 (b) Termination of pandemic unemployment assistance.--No
2 later than three weeks after the effective date of this
3 subsection, the department shall provide notice to the United
4 States Secretary of Labor of the Commonwealth's election to
5 terminate participation in the program established under section
6 2102 of the CARES Act. The program shall not make payment for
7 any weeks of unemployment that occur more than 30 days after the
8 date of notice under this subsection.

9 (c) Termination of pandemic emergency unemployment
10 compensation.--No later than five weeks after the effective date
11 of this subsection, the department shall provide notice to the
12 United States Secretary of Labor of the Commonwealth's election
13 to terminate participation in the program established under
14 section 2107 of the CARES Act. The program shall not make
15 payment for any weeks of unemployment that occur more than 30
16 days after the date of notice under this subsection.

17 (d) Other notice.--Notice of termination under subsection
18 (a), (b) or (c) shall also be provided to any other Federal
19 official or agency required to receive notice.

20 Section 1704. Back-to-Work Bonus Program.

21 (a) Establishment and purpose.--The Back-to-Work Bonus
22 Program is established within the department to provide bonuses
23 to eligible applicants in accordance with this section.

24 (b) Bonuses.--

25 (1) A bonus shall be in the amount of \$300.

26 (2) An applicant shall be eligible to receive a second
27 bonus upon the completion of four additional consecutive full
28 weeks of employment for the same employer.

29 (3) An applicant shall not receive more than two
30 bonuses.

1 (c) Eligibility for bonus.--The department shall establish
2 eligibility criteria for an applicant regarding participation in
3 the program, which at a minimum shall provide that an applicant
4 for a bonus must:

5 (1) have resided in Pennsylvania continuously since
6 March 6, 2020;

7 (2) have had an active claim with an unemployment
8 program administered by the department as of the effective
9 date of this subsection;

10 (3) discontinue the claim with an unemployment program
11 in order to accept employment prior to September 4, 2021;

12 (4) demonstrate the following:

13 (i) for a first bonus, the completion of at least
14 four consecutive full weeks of employment immediately
15 following the last week of benefits claimed from an
16 unemployment program; and

17 (ii) for a second bonus, the completion of at least
18 eight consecutive full weeks of employment immediately
19 following the last week of benefits claimed from an
20 unemployment program;

21 (5) be employed at the time of application; and

22 (6) submit a completed and timely application to the
23 department.

24 (d) Application.--

25 (1) The department shall begin accepting applications
26 for bonuses no later than 30 days after the effective date of
27 this subsection.

28 (2) An application for a bonus shall be on a form
29 prescribed by the department.

30 (3) At a minimum, an applicant for a bonus shall be

1 required to provide the following:

2 (i) The name, address, telephone number and Social
3 Security number of the applicant.

4 (ii) Verification of the applicant's identity.

5 (iii) Documentation of continuous residency in this
6 Commonwealth since March 6, 2020.

7 (iv) Documentation of current employment.

8 (v) Documentation of the following:

9 (A) For a first bonus, the completion of at
10 least four consecutive full weeks of employment
11 immediately following the last week of benefits
12 claimed from an unemployment program.

13 (B) For a second bonus, the completion of at
14 least eight consecutive full weeks of employment
15 immediately following the last week of benefits
16 claimed from an unemployment program.

17 (e) Prioritization.--

18 (1) The department shall prioritize the processing of
19 applications and the authorization of bonuses. In the case of
20 limited program money, priority shall be given to an
21 applicant who:

22 (i) discontinued the claim with an unemployment
23 program earlier than another applicant;

24 (ii) accepted full-time work of at least 35 hours
25 per work week; or

26 (iii) has applied for a second bonus, upon the
27 completion of eight consecutive weeks of employment.

28 (2) Additional priority shall be given to an applicant
29 who satisfies more than one of the conditions specified in
30 paragraph (1).

1 (f) Notice.--The department shall make reasonable efforts to
2 advertise the program through:

3 (1) The publicly accessible Internet website of the
4 department, social media, the news media and emails to
5 claimants.

6 (2) Organizations representing employers and labor
7 organizations.

8 (g) Procedures generally.--

9 (1) Upon receipt of an application for a bonus, the
10 department shall verify that the applicant discontinued an
11 active claim with an unemployment program as required by this
12 section and review the application and supporting
13 documentation to determine whether the applicant is eligible
14 for the bonus.

15 (2) Within 30 days of the receipt of a completed
16 application, the department shall:

17 (i) pay a bonus to an eligible applicant in
18 accordance with this section; or

19 (ii) notify the applicant of the reasons for denial
20 of the payment.

21 (3) Bonuses shall be paid to eligible applicants who
22 submit a completed application prior to December 31, 2021,
23 except that the department may terminate the program at an
24 earlier date if all the money appropriated under section 1705
25 is expended prior to that date.

26 Section 1705. Funding.

27 (a) Appropriation.--In addition to any other money
28 appropriated to the department for bonuses under this article,
29 the sum of \$154,000,000 is appropriated to the department from
30 money received by the Commonwealth under Title IX, Subtitle M,

1 section 9901 of the American Rescue Plan Act of 2021 (Public Law
2 117-2, 135 Stat. 4) and deposited into the COVID-19 Response
3 Restricted Account for the purpose of supporting the program.

4 (b) Administrative expenses.--The department may not use
5 more than \$1,000,000 from the money appropriated under
6 subsection (a) for administrative expenses related to the
7 program.

8 (c) Lapse.--The appropriation under subsection (a) shall
9 lapse on March 30, 2022.

10 Section 2. This act shall take effect immediately.