



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 68

PRINTERS NO. 3499

PRIME SPONSOR: Ryan

COST / (SAVINGS)

FUND	FY 2019/20	FY 2020/21
Unemployment Compensation Trust Fund - Pennsylvania	See "Fiscal Impact"	See "Fiscal Impact"
Unemployment Compensation Administration Fund	See "Fiscal Impact"	See "Fiscal Impact"

SUMMARY: Amends the Unemployment Compensation (UC) Law to extend the time period for an employer to request relief from charges from 15 to 21 days and makes changes to the law in response to the COVID-19 emergency. The legislation would take effect immediately for the COVID-19 provisions and notification provisions, as well as Sections 4 and 5. The changes to section 302.1(b)(2)(i) and (3)(i) of the act shall apply to notices issued under sections 302.1(b)(2)(i) and (3)(i) on or after the publication of the notice under section 5 of this act.

ANALYSIS: Amends the Unemployment Compensation (UC) Law to extend the time period for an employer to request relief from charges from 15 to 21 days and makes changes to the law in response to the COVID-19 emergency in order to comply with Federal law which will allow Pennsylvania to be eligible for Federal UC administration funding as well as Federal emergency UC benefits.

Notification by Employers: This legislation requires employers to provide a notice about the availability of the UC program to employees at the time of separation. The notification must include the following information:

- UC benefits are available to workers who are unemployed and meet UC law requirements.
- An employee may file a claim in the first week that employment stops, or hours are reduced.
- Information and assistance on a claim is available on the department's website and tollfree number, which an employer shall provide
- Information the employee needs in order to file:
 - Full legal name;
 - Social security number; and
 - If not a citizen or resident, authorization to work in the United States.

Requesting Relief from Charges: This legislation amends Section 302.1 (relating to relief from charges) of the Unemployment Compensation Law to extend the window for employers to request full relief from benefit charges from 15 days (after the earliest notice issued to the employer by the Department of Labor and Industry) to 21 days.

COVID-19 Emergency Provisions: This legislation enacts COVID-19 emergency provisions, which shall expire on 1/1/21. These provisions include:

- Waiving the waiting week requirement and job search/registration requirements for all claimants for the duration of the disaster emergency.
- Providing relief from charges for contributory employers and reimbursable employers who elected to pay a solvency fee to the UC Trust Fund.
 - Relief for benefit charges for weeks of unemployment during the duration of the disaster emergency will be COVID-19-related and will be provided automatically.
- Provides more lenient repayment terms for reimbursable employers who did not pay the solvency fee:
 - 120 days to repay benefits.
 - L&I can grant an additional 60 days upon a financial hardship request from the employer.
 - L&I must provide interest-free payment plans upon a financial hardship request from the employer.
 - No interest on late payments will accrue or be charged until 1/1/21.
- Authorizes the Secretary to enact emergency regulations necessary to comply with requirements for any federal assistance for administrative costs, extended benefits, disaster unemployment, or any other unemployment assistance. Emergency regulations will expire 120 days after the federal emergency provisions expire.
- Clarifies that federal assistance must be used prior to any state money made available for the UC system.
- Requires monthly reports to the General Assembly on UC activity and statutory changes needed to comply with federal law.

FISCAL IMPACT: In order to qualify for federally-funded UC administration funding and federally-funded emergency UC, the Commonwealth must adopt certain changes to its UC law such as waiving the waiting week and suspending job search requirements. Estimates suggest that UC administration funding from the Federal Government will be approximately \$37.8 million which will be provided in two separate 50% installments. According to the Department of Labor and Industry, it is unknown what impact that COVID-19 is having on the UC Trust Fund thus far. It is important to note that under this legislation, those statistics will be required by the Department starting on April 1st.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: March 25, 2020

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.