

DOUGLAS G. REICHLEY, MEMBER
134TH LEGISLATIVE DISTRICT

HARRISBURG OFFICE
ROOM 5, EAST WING
PO BOX 202134
HARRISBURG, PA 17120-2134
PHONE: (717) 787-1000
FAX: (717) 705-7012

DISTRICT OFFICE
1245 CHESTNUT STREET, UNIT #5
EMMAUS, PA 18049
PHONE: (610) 965-9933
FAX: (610) 965-9174

SATELLITE OFFICE
BALLY BROOK INDUSTRIAL PARK
20 N. FRONT STREET, SUITE 7
BALLY, PA 19503-9605
PHONE: (610) 845-1425
FAX: (610) 845-1427
E-mail: dreichle@pahousegop.com



House of Representatives
Commonwealth of Pennsylvania
Harrisburg

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MEMORANDUM

TO: All House Members

FROM: Rep. Doug Reichley

DATE: February 23, 2011

SUBJECT: Cosponsorship of Legislation to amend Unemployment Compensation Law to Create "Shared Work" program (Prior HB 1542)

In the near future I plan to introduce legislation to amend the Unemployment Compensation Law to create a "Shared Work" program administered by the Department of Labor and Industry. The concept of "shared work" is to enable employers to avoid layoffs by reducing hours and wages for a specific unit of employees while allowing those employees to collect a pro rata portion of unemployment compensation benefits. This is a reintroduction of HB 1542 from last session.

To qualify for the Shared Work Program, an employer would submit an application and shared work plan to the department for approval. The legislation allows employers, with approval from the department, to modify their shared work plan following implementation. Additionally, the department may terminate a shared work plan based on "good cause," defined as failure to comply with assurance given in the plan, unreasonable revision of productivity standards for the affected group, conduct or occurrences tending to defeat the intent and effective operation of the plan, and violation of any criteria on which approval of the plan was based.

I believe that this legislation could eventually be part of any comprehensive actions the Legislature might take to reform of unemployment compensation system. In these times of economic duress and many layoffs, this program could be a useful tool in allowing employers to maintain their workforce without having to terminate employees.

The business community is generally supportive of this legislation, as well as organized labor. If you are interested in co-sponsoring this legislation, please contact my Harrisburg assistant Kendra Wiederhold at 787-1000 or kwiederh@pahousegop.com.