

Proposed Legislation No Hard Copy to Follow

COSPONSORSHIP MEMORANDUM

TO: All House Members

FROM: Rep. Dan Truitt
156th Legislative District

SUBJECT: Cosponsorship -Unemployment Compensation Ramp Down

DATE: November 17, 2011

In the near future, I will introduce legislation to address the growing debt of our state's Unemployment Compensation (UC) trust fund. My legislation will replace the current flat-rate benefits schedule with a schedule that gradually reduces benefits over time. This will simultaneously encourage beneficiaries to search for new employment as quickly as possible while gradually weaning them off of the UC system.

Under my plan, in their first week of receiving unemployment benefits, UC beneficiaries would receive 120% of the benefits that they would receive under the current plan. Their benefits would then be reduced by 4% per week until the 26th and final week when they would receive 20% of the benefits that they would receive under the current plan.

Beneficiaries who find new employment in less than 10 weeks actually come out ahead under my plan and a fast return to employment should be encouraged by our system. The Commonwealth will come out ahead under my plan when beneficiaries remain in the system for longer than 10 weeks, a situation that we want to discourage.

A copy of the legislation is enclosed.

I hope that you will join me in sponsoring this bill. If you are so inclined, please contact my Harrisburg secretary, Gigi Baker, at 260-6164 or send an e-mail to gbaker@pahousegop.com.

Thank you for your support.