

JAN 10 2012

DATE:

January 10, 2012

TO:

All Senators

FROM:

Senator John R. Gordner

**SUBJECT:** 

Proposed legislation to provide for an extension of federally funded

unemployment compensation extended benefits

On <u>Friday, January 13, 2012</u>, I intend to introduce legislation to provide a mechanism that is necessary for the continuation of federally funded unemployment compensation extended benefits (EB) as authorized by the United States Congress. When Congress passed the Temporary Payroll Tax Cut Continuation Act of 2011, which was signed into law on December 23, 2011, it provided a 60 day extension of the federally funded EB program.

In order to qualify for the 60-day extension, Pennsylvania's Unemployment Compensation Law must be amended to provide an alternative "state 'on' indicator." Under current law, there are two "on" indicators that must be present in order for extended weeks of benefits to take effect. The first indicator is present when the unemployment rate for the current week and the preceding twelve weeks equals or exceeds 120% of the average unemployment rate for the same 13 week period in the two preceding calendar years. The other "on indicator" that must be present is that the total unemployment rate for the state must exceed 5%.

This legislation would provide an alternative <u>three year</u> look-back "on" indicator for any period when Congress has authorized federally funded EB through April 30, 2012. This is necessary because on February 4<sup>th</sup>, claimants will not be eligible for the 13 additional weeks of EB.

Please contact my office, 787-8928, before <u>noon on Friday</u>, January 13<sup>th</sup> if you are interested in cosponsoring this legislation.