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House of Representatives
Commonwealth of Pennsylvania
Harrisburg

MEMORANDUM

TO: All House Members

FROM: Representative Adam Harris *CAH*

DATE: April 3, 2012

SUBJECT: Co-sponsorship of Legislation to Prevent "Triple-Dipping" of Unemployment Compensation System

In the near future I plan to introduce legislation to address a problem with our unemployment compensation system which has received much attention in our state-wide press. As many of you have perhaps read, there have been situations where retired state employees have been called back to work temporarily, and after working 95 days, have to terminate their employment because if they work any longer than 95 days it affects their state pension. State law provides that if a state annuitant works more than 95 days in a calendar year, their annuity/health care benefits are terminated. Due to this pension issue, there is a formal state hiring policy (Management Directive 515.20) which states that if a state annuitant is re-employed, their service cannot exceed 95 days. Because the Commonwealth, as the employer, sets the terms of the annuitant's temporary employment, the unemployment system has ruled that the separation on the 95th day is an involuntary one and the annuitant is entitled to unemployment benefits. I was amazed to find out that this was occurring, and I believe that the general public agrees with my sentiment.

I fully support the policy of allowing some annuitants to come back to temporary state employment to allow departments, such as DPW, to temporarily deal with case overloads. I believe many of our retired state employees are dedicated professionals who are more than happy to assist our state in times of great need. However, when they accept such employment they are fully aware of the employment contract, and its termination dates. They voluntarily accept such conditional employment. I do not believe it is sound public policy to be allowing these individuals to collect unemployment benefits after they leave this unique, temporary employment. In fact, some of the newspaper articles highlighted the fact that some of these annuitants were amazed that they were eligible to collect at all.

My legislation is written in a manner that does not single out state annuitants (as this would violate federal law). My legislation proposes a general prohibition on eligibility for benefits for individuals who voluntarily leave employment to prevent a reduction in their pension benefits.

Please contact Valerie Kane in my office at 717-783-7830 or vkane@pahousegop.com if you wish to cosponsor.