

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 3109 Session of  
1994

INTRODUCED BY CAPPABIANCA, SCRIMENTI, KUKOVICH, TRELLO,  
CORRIGAN, KREBS, MCGEEHAN, PETRONE, TIGUE, HENNESSEY,  
WOZNIAK, CURRY, OLASZ, RAYMOND, HANNA, DALEY, VEON, DeLUCA,  
FARGO, TRICH, MANDERINO, KAISER, ROEBUCK, PRESTON, PISTELLA,  
WILLIAMS, DERMODY, DURHAM, JOSEPHS, GIGLIOTTI, MELIO,  
BATTISTO, MERRY, LAUGHLIN, RICHARDSON AND PETRARCA,  
OCTOBER 3, 1994

REFERRED TO COMMITTEE ON LABOR RELATIONS, OCTOBER 3, 1994

AN ACT

1 Amending the act of December 5, 1936 (2nd Sp.Sess., 1937  
2 P.L.2897, No.1), entitled "An act establishing a system of  
3 unemployment compensation to be administered by the  
4 Department of Labor and Industry and its existing and newly  
5 created agencies with personnel (with certain exceptions)  
6 selected on a civil service basis; requiring employers to  
7 keep records and make reports, and certain employers to pay  
8 contributions based on payrolls to provide moneys for the  
9 payment of compensation to certain unemployed persons;  
10 providing procedure and administrative details for the  
11 determination, payment and collection of such contributions  
12 and the payment of such compensation; providing for  
13 cooperation with the Federal Government and its agencies;  
14 creating certain special funds in the custody of the State  
15 Treasurer; and prescribing penalties," providing for a self-  
16 employment assistance program.

17 The General Assembly of the Commonwealth of Pennsylvania  
18 hereby enacts as follows:

19 Section 1. The act of December 5, 1936 (2nd Sp.Sess., 1937  
20 P.L.2897, No.1), known as the Unemployment Compensation Law, is  
21 amended by adding an article to read:

22 ARTICLE XIII

1                   SELF-EMPLOYMENT ASSISTANCE PROGRAM

2   Section 1301. Definitions.

3       The following words and phrases when used in this article  
4   shall have the meanings given to them in this section unless the  
5   context clearly indicates otherwise:

6       "Full-time basis" shall have the meaning ascribed in the  
7   regulations of the Department of Labor and Industry.

8       "Regular benefits" means benefits payable to an individual  
9   under this act, including benefits payable to Federal civilian  
10   employees and to ex-servicemembers pursuant to Federal law other  
11   than additional and extended benefits.

12       "Self-employment assistance activities" means activities  
13   (including entrepreneurial training, business counseling and  
14   technical assistance) approved by the Department of Labor and  
15   Industry in which an individual identified through a worker  
16   profiling system as likely to exhaust regular benefits  
17   participates for the purpose of establishing a business and  
18   becoming self-employed.

19       "Self-employment assistance allowance" means an allowance,  
20   payable in lieu of regular benefits and from the unemployment  
21   fund established under section 401 of this act, to an individual  
22   participating in self-employment assistance activities who meets  
23   the requirements of this article.

24       Section 1302. Self-Employment Assistance Allowance.--The  
25   weekly allowance payable under this article to an individual  
26   shall be equal to the weekly benefit amount for regular benefits  
27   otherwise payable under Article IV of this act. The sum of the  
28   allowance paid under this article and regular benefits paid  
29   under this act with respect to any benefit year shall not exceed  
30   the maximum benefit amount as established by section 404 of this

1 act with respect to such benefit year.

2 Section 1303. Eligibility.--(a) The allowance described in  
3 section 1302 of this act shall be payable to an individual at  
4 the same interval, on the same terms and subject to the same  
5 conditions as regular benefits under this act, with the  
6 following exceptions:

7 (1) The requirements of section 802 of this act relating to  
8 availability for work, active searching for work and refusal to  
9 accept work are not applicable to such individual.

10 (2) The requirements of section 802 of this act relating to  
11 self-employment income are not applicable to income earned from  
12 self-employment by such individuals.

13 (3) An individual who meets the requirements of this section  
14 shall be considered to be unemployed under section 802 of this  
15 act.

16 (4) An individual who fails to participate in self-  
17 employment assistance activities or who fails to actively engage  
18 on a full-time basis in activities (which may include training)  
19 relating to the establishment of a business and becoming self-  
20 employed shall be disqualified for the week such failure occurs.

21 (b) A determination that an individual has not been accepted  
22 into the program described in this article may be appealed to a  
23 referee and the board in the manner provided for in this act.

24 Section 1304. Limitation.--The aggregate number of  
25 individuals receiving the allowance under this article at any  
26 time shall not exceed five per centum of the number of  
27 individuals receiving regular benefits. The department shall,  
28 through regulations, prescribe the actions necessary to assure  
29 that the requirements of this section are met and that  
30 opportunities for self-employment assistance are regionally

1 equivalent.

2 Section 1305. Costs.--Allowances paid under this article  
3 shall be charged to employers as provided under the provisions  
4 of this act relating to the charging of regular benefits.

5 Section 1306. Application of Article.--(a) This article  
6 shall apply to those weeks commencing after the following,  
7 whichever is later:

8 (1) The effective date of this article.

9 (2) The date of notice published in the Pennsylvania  
10 Bulletin that any plan relating to this article which is  
11 required to be approved by the Department of Labor has been so  
12 approved.

13 (b) The application of this article shall terminate as of  
14 the end of the week preceding the date of notice in the  
15 Pennsylvania Bulletin that Federal law no longer authorizes the  
16 provisions of this article.

17 Section 1307. Rules and Regulations.--The Department of  
18 Labor and Industry, with the cooperation of the Department of  
19 Commerce, shall promulgate regulations to carry out this act.  
20 The regulations shall include, but are not limited to, the  
21 following:

22 (1) Criteria for approval of programs that provide self-  
23 employment assistance activities.

24 (2) Eligibility criteria for acceptance into and  
25 participation in these programs.

26 (3) Methods to promote the assistance of other State-funded  
27 economic development programs in offering technical and other  
28 assistance to self-employment assistance program participants.

29 Section 1308. Report to General Assembly.--(a) Annually by  
30 the first day of March, the department shall make a report of

1 the program provided for in this article to the Labor and  
2 Industry Committee of the Senate and the Labor Relations  
3 Committee of the House of Representatives.

4 (b) This report shall include data on the number of  
5 individuals participating in the program and the number of  
6 businesses developed under the program, business survival data,  
7 the cost of operating the program, compliance with program  
8 requirements and data related to business income, the number of  
9 employees and wages paid in the new businesses and the incidence  
10 and duration of unemployment after business start-up. The report  
11 may also include any recommended changes in the program.

12 Section 2. This act shall take effect immediately.