
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1475 Session of
1997

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NICKOL, LYNCH, E. Z. TAYLOR, FLICK, MAJOR, STERN AND
WOJNAROSKI, MAY 6, 1997

REFERRED TO COMMITTEE ON LABOR RELATIONS, MAY 6, 1997

AN ACT

1 Providing for self-employment assistance, for eligibility, for
2 costs and for limitation.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Self-
7 Employment Assistance Program Act.

8 Section 2. Definitions.

9 The following words and phrases when used in this act shall
10 have the meanings given to them in this section unless the
11 context clearly indicates otherwise:

12 "Department." The Department of Labor and Industry of the
13 Commonwealth.

14 "Full-time basis." The devoting of such amount of time as is
15 determined by the Department of Labor and Industry or its

1 designated service provider to be necessary for an individual to
2 establish a business and become self-employed.

3 "Program." The Self-Employment Assistance Program.

4 "Regular benefits." Benefits payable to an individual under
5 the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1),
6 known as the Unemployment Compensation Law, or any other State
7 law, or unemployment compensation benefits payable to Federal
8 civilian employees and to ex-servicemembers pursuant to Federal
9 law other than additional and extended benefits.

10 "Self-employment assistance activities." Activities,
11 including, but not limited to, entrepreneurial training,
12 business counseling and technical assistance, approved by the
13 Department of Labor and Industry or its designated service
14 provider for an individual identified through a worker profiling
15 system as likely to exhaust regular benefits and in which the
16 individual participates for the purpose of establishing a
17 business and becoming self-employed. These activities may be
18 provided by either the department or its designated service
19 provider.

20 "Self-employment assistance allowance." An allowance in lieu
21 of regular benefits and funded in the same manner as regular
22 benefits, payable to a participant in the program who meets the
23 requirements of this act.

24 "Unemployment Compensation Law." The act of December 5, 1936
25 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment
26 Compensation Law.

27 Section 3. Program.

28 The department shall establish a self-employment assistance
29 program in accordance with the provisions of this act.

30 Information about the program shall be made available to

1 individuals for whom program funds are available in pilot areas.
2 Potential eligible participants shall be identified as likely to
3 exhaust regular benefits through a worker profiling system. The
4 department may implement the program on a pilot basis.

5 Section 4. Self-employment assistance allowance.

6 The weekly self-employment assistance allowance payable under
7 this act to a participating individual shall be equal to the
8 weekly benefit amount for regular benefits otherwise payable
9 under the Unemployment Compensation Law. The sum of the
10 allowances paid under this act and regular benefits paid under
11 the Unemployment Compensation Law with respect to any benefit
12 year shall not exceed the maximum amount payable for the benefit
13 year under section 404 of the Unemployment Compensation Law with
14 respect to such benefit year.

15 Section 5. Eligibility.

16 The self-employment assistance described in section 4 shall
17 be payable to a participating individual at the same interval,
18 on the same terms and subject to the same conditions as regular
19 benefits under the Unemployment Compensation Law, with the
20 following exceptions:

21 (1) The requirements of sections 401(d)(1) and 402(a) of
22 the Unemployment Compensation Law are not applicable to such
23 individual.

24 (2) The requirements of sections 402(h) and 404(d)(1) of
25 the Unemployment Compensation Law are not applicable to
26 income earned from self-employment by such individuals under
27 this program.

28 (3) An individual who is participating in the program
29 with the authorization of the department shall be considered
30 to be unemployed under sections 401 and 402 of the

1 Unemployment Compensation Law.

2 (4) An individual who fails to participate in self-
3 employment assistance activities or who fails to actively
4 engage on a full-time basis in efforts to establish a
5 business and become self-employed shall be disqualified for
6 the week during which such failure occurs.

7 Section 6. Appeals.

8 Appeals from determinations under this act shall be filed and
9 heard in the manner provided for in Article V of the
10 Unemployment Compensation Law.

11 Section 7. Termination.

12 An individual may be terminated from the program by the
13 department if the individual fails to participate in self-
14 employment assistance activities or fails to actively engage on
15 a full-time basis in efforts to establish a business and become
16 self-employed. Individuals who are terminated from or
17 voluntarily leave the self-employment assistance program may
18 receive, if otherwise eligible, regular benefits with respect to
19 the benefit year, provided that the total amount of regular
20 benefits and self-employment assistance allowances paid to the
21 individual shall not exceed the maximum amount payable to the
22 individual under section 404 of the Unemployment Compensation
23 Law with respect to such benefit year.

24 Section 8. Limitation.

25 (a) Selection of participants.--Individuals shall be
26 selected for participation in the program at the department's
27 discretion and subject to availability of funds.

28 (b) Limit.--The aggregate number of individuals receiving
29 the allowance under this act at any time shall not exceed 5% of
30 the number of individuals receiving regular benefits.

1 Section 9. Costs.

2 Allowances paid under this act shall be charged to employers
3 as provided under the Unemployment Compensation Law.

4 Section 10. Applicability of Unemployment Compensation Law.

5 Except where inconsistent with this act, all terms and
6 conditions of the Unemployment Compensation Law applicable to
7 regular benefits shall be applicable to self-employment
8 assistance allowances under this act.

9 Section 11. Rules and regulations.

10 The department may promulgate regulations to carry out the
11 purposes of this act.

12 Section 12. Report to General Assembly.

13 (a) General rule.--Annually by the first day of March, the
14 department shall make a report of the program provided for in
15 this act to the Labor and Industry Committee of the Senate and
16 the Labor Relations Committee of the House of Representatives.

17 (b) Content.--This report shall include annual data on the
18 number of individuals participating in the program and the
19 number of businesses developed under the program, business
20 survival data, the cost of operating the program, compliance
21 with program requirements and data related to business income,
22 the number of employees and wages paid in the new businesses and
23 the incidence and duration of unemployment after business start-
24 up. The report may also include any recommended changes in the
25 program.

26 Section 13. Applicability.

27 (a) Commencement.--The provisions of this act shall apply to
28 those weeks commencing after the following, whichever is later:

- 29 (1) ninety days after the enactment of this act; or
30 (2) the date of notice published in the Pennsylvania

1 Bulletin that this act and the department's implementation
2 plan have been approved by the Department of Labor and
3 Industry.

4 (b) Termination.--The application of this act shall
5 terminate as of the end of the week preceding the date that
6 Federal law no longer authorizes the provisions of this act.
7 Section 14. Effective date.

8 This act shall take effect in 90 days.