

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1475 Session of
1997

INTRODUCED BY ROSS, GLADECK, SATHER, GORDNER, WAUGH, PIPPY,
OLASZ, MASLAND, CHADWICK, McNAUGHTON, BAKER, STABACK, CLARK,
JOSEPHS, RUBLEY, MANDERINO, ARMSTRONG, BARRAR, WOGAN,
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BROWNE, YOUNGBLOOD, RAYMOND, SEYFERT, RAMOS, CAPPABIANCA AND
BELFANTI, MAY 6, 1997

AS REPORTED FROM COMMITTEE ON LABOR RELATIONS, HOUSE OF
REPRESENTATIVES, AS AMENDED, MAY 14, 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

1 determined by the Department of Labor and Industry or its
2 designated service provider to be necessary for ~~an individual A~~ <—
3 PROGRAM PARTICIPANT to establish a business and become self-
4 employed.

5 "Program." The Self-Employment Assistance Program
6 ESTABLISHED IN SECTION 3. <—

7 "PROGRAM PARTICIPANT." AN INDIVIDUAL:

8 (1) WHO IS SELECTED FOR PARTICIPATION IN THE PROGRAM, AT
9 THE DISCRETION OF THE DEPARTMENT OF LABOR AND INDUSTRY, FROM
10 AMONG INDIVIDUALS WHO ARE ELIGIBLE FOR REGULAR BENEFITS AND
11 ARE IDENTIFIED THROUGH A WORKER PROFILING SYSTEM AS LIKELY TO
12 EXHAUST REGULAR BENEFITS;

13 (2) WHO IS ELIGIBLE FOR FUNDING FOR PARTICIPATION IN THE
14 PROGRAM;

15 (3) FOR WHOM FUNDING FOR PARTICIPATION IN THE PROGRAM IS
16 AVAILABLE; AND

17 (4) WHO HAS NOT BEEN TERMINATED FROM OR VOLUNTARILY LEFT
18 THE PROGRAM.

19 "Regular benefits." Benefits payable to an individual under
20 the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1),
21 known as the Unemployment Compensation Law, ~~or any other State~~ <—
22 ~~law~~, or unemployment compensation benefits payable to Federal
23 civilian employees and to ex-servicemembers pursuant to Federal
24 law, other than additional and extended benefits. <—

25 "Self-employment assistance activities." Activities,
26 including, but not limited to, entrepreneurial training,
27 business counseling and technical assistance, approved by the
28 Department of Labor and Industry or its designated service
29 provider for ~~an individual identified through a worker profiling~~ <—
30 ~~system as likely to exhaust regular benefits and in which the~~

1 ~~individual participates for the purpose of establishing a~~
2 ~~business and becoming self-employed.~~ THE PROGRAM PARTICIPANT. <—
3 These activities may be provided by either the ~~department~~ <—
4 DEPARTMENT OF LABOR AND INDUSTRY or its designated service <—
5 provider.

6 "Self-employment assistance allowance." An allowance in lieu
7 of regular benefits and funded in the same manner as regular
8 benefits, payable to a ~~participant in the program~~ PROGRAM <—
9 PARTICIPANT who meets the requirements of this act.

10 "Unemployment Compensation Law." The act of December 5, 1936
11 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment
12 Compensation Law.

13 Section 3. Program.

14 The department shall establish a self-employment assistance
15 program in accordance with the provisions of this act, SUBJECT <—
16 TO THE AVAILABILITY OF ALL FUNDS NECESSARY FOR THE PROGRAM. THE
17 DEPARTMENT MAY IMPLEMENT THE PROGRAM ON A PILOT BASIS.

18 Information about the program shall be made available to
19 ~~individuals for whom program funds are available in pilot areas.~~ <—
20 ~~Potential eligible participants shall be identified as likely to~~
21 ~~exhaust regular benefits through a worker profiling system.~~ The
22 ~~department may implement the program on a pilot basis.~~ POTENTIAL <—
23 PROGRAM PARTICIPANTS.

24 Section 4. Self-employment assistance allowance.

25 ~~The~~ SUBJECT TO THE PROVISIONS OF SECTION 5, THE weekly self- <—
26 employment assistance allowance payable under this act to a
27 ~~participating individual~~ PROGRAM PARTICIPANT shall be equal to <—
28 the weekly benefit amount for regular benefits otherwise payable
29 ~~under the Unemployment Compensation Law.~~ The sum of the <—
30 allowances paid under this act and regular benefits paid ~~under~~ <—

1 ~~the Unemployment Compensation Law~~ with respect to any benefit
2 year shall not exceed the maximum amount payable for the benefit
3 year under section 404 of the Unemployment Compensation Law with <—
4 ~~respect to such benefit year.~~

5 Section 5. Eligibility.

6 (A) GENERAL RULE.--The self-employment assistance ALLOWANCE <—
7 described in section 4 shall be payable to a ~~participating~~ <—
8 ~~individual~~ PROGRAM PARTICIPANT WHO PARTICIPATES IN SELF- <—
9 EMPLOYMENT ASSISTANCE ACTIVITIES AND IS ACTIVELY ENGAGED ON A
10 FULL-TIME BASIS IN EFFORTS TO ESTABLISH A BUSINESS AND BECOME
11 SELF-EMPLOYED. THE SELF-EMPLOYMENT ASSISTANCE ALLOWANCE SHALL BE
12 PAYABLE at the same interval, on the same terms and subject to
13 the same conditions as regular benefits ~~under the Unemployment~~ <—
14 ~~Compensation Law~~, with the following exceptions:

15 (1) The requirements of sections 401(d)(1) and 402(a) of
16 the Unemployment Compensation Law are not applicable to such
17 ~~individual~~ PROGRAM PARTICIPANT. <—

18 (2) The requirements of sections 402(h) and 404(d)(1) of
19 the Unemployment Compensation Law are not applicable to
20 income earned from self-employment by such ~~individuals under~~ <—
21 ~~this program.~~ PROGRAM PARTICIPANT. <—

22 ~~(3) An individual who is participating in the program~~ <—
23 ~~with the authorization of the department~~

24 (3) SUCH PROGRAM PARTICIPANT shall be considered to be <—
25 unemployed under sections 401 and 402 of the Unemployment
26 Compensation Law.

27 ~~(4) An individual who fails to participate in self-~~ <—
28 ~~employment~~

29 (B) INELIGIBILITY.--A PROGRAM PARTICIPANT WHO FAILS TO <—
30 PARTICIPATE IN SELF-EMPLOYMENT assistance activities or who

1 fails to actively engage on a full-time basis in efforts to
2 establish a business and become self-employed shall be
3 ~~disqualified~~ INELIGIBLE FOR A SELF-EMPLOYMENT ASSISTANCE <—
4 ALLOWANCE for ~~the week during~~ A WEEK IN which such failure <—
5 occurs.
6 ~~Section 6. Appeals.~~ <—
7 ~~Appeals from determinations under this act shall be filed and~~
8 ~~heard in the manner provided for in Article V of the~~
9 ~~Unemployment Compensation Law.~~
10 Section 7 6. Termination. <—
11 ~~An individual~~ A PROGRAM PARTICIPANT may be terminated from <—
12 the program by the department if the individual fails to
13 participate in self-employment assistance activities or fails to
14 actively engage on a full-time basis in efforts to establish a
15 business and become self-employed. Individuals who are
16 terminated from or voluntarily leave the ~~self-employment~~ <—
17 ~~assistance~~ program may receive, if otherwise eligible, regular
18 benefits with respect to the benefit year, provided that the
19 ~~total amount~~ SUM of regular benefits PAID and self-employment <—
20 assistance allowances paid ~~to the individual~~ WITH RESPECT TO THE <—
21 BENEFIT YEAR shall not exceed the maximum amount payable ~~to the~~ <—
22 ~~individual~~ FOR THE BENEFIT YEAR under section 404 of the <—
23 Unemployment Compensation Law ~~with respect to such benefit year.~~ <—
24 Section 8 7. 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~~ FOR A <—
29 SPECIFIC TIME PERIOD, THE NUMBER OF PROGRAM PARTICIPANTS
30 receiving ~~the~~ A SELF-EMPLOYMENT ASSISTANCE allowance under this <—

1 act ~~at any time~~ shall not exceed 5% of the number of individuals <—
2 receiving regular benefits DURING THAT TIME PERIOD. <—

3 Section ~~9~~ 8. Costs. <—

4 ~~Allowances~~ SELF-EMPLOYMENT ASSISTANCE ALLOWANCES paid under <—
5 this act shall be charged to employers as ~~provided~~ REGULAR <—
6 BENEFITS ARE CHARGED under the Unemployment Compensation Law.

7 Section ~~10~~ 9. Applicability of Unemployment Compensation Law. <—

8 Except where inconsistent with this act, all terms and
9 conditions of FEDERAL LAW AND the Unemployment Compensation Law <—
10 applicable to regular benefits shall be applicable to self-
11 employment assistance allowances under this act.

12 Section ~~11~~ 10. Rules and regulations. <—

13 The department may promulgate regulations to carry out the
14 purposes of this act.

15 Section ~~12~~ 11. Report to General Assembly. <—

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

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

29 Section ~~13~~ 12. Applicability. <—

30 (a) Commencement.--The provisions of this act shall apply to

1 those weeks commencing after the following, whichever is later:

2 (1) ninety days after the enactment of this act; or

3 (2) the date of notice published in the Pennsylvania
4 Bulletin that this act and the department's implementation
5 plan have been approved by the ~~Department of Labor and~~ <—

6 ~~Industry~~ UNITED STATES DEPARTMENT OF LABOR. <—

7 (b) Termination.--The application of this act shall
8 terminate as of the end of the week preceding the date that
9 Federal law no longer authorizes the provisions of this act.

10 Section ~~14~~ 13. Effective date. <—

11 This act shall take effect in 90 days.