

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1176 Session of
2003

INTRODUCED BY TURZAI, ARMSTRONG, CAPPELLI, CLYMER, COLEMAN,
CREIGHTON, FAIRCHILD, HENNESSEY, HUTCHINSON, LEWIS,
R. MILLER, NICKOL, O'NEILL, REICHLEY, SAYLOR, R. STEVENSON,
T. STEVENSON, E. Z. TAYLOR AND WASHINGTON, APRIL 15, 2003

REFERRED TO COMMITTEE ON LABOR RELATIONS, APRIL 15, 2003

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," further providing for
16 the determination of the contribution rate.

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

19 Section 1. Section 301.1(e) of the act of December 5, 1936
20 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment
21 Compensation Law, amended July 21, 1983 (P.L.68, No.30), is
22 amended to read:

23 Section 301.1. Determination of Contribution Rate;
24 Experience Rating.--

1 * * *

2 (e) The State Adjustment Factor for the calendar year
3 beginning January 1, 1984, shall be one and five-tenths per
4 centum (1.5%) and thereafter shall be computed as of the
5 computation date for such year to a tenth of a per centum,
6 rounding all fractional parts of a tenth of a per centum to the
7 nearest tenth of a per centum, but in no event less than zero
8 nor in excess of one and five-tenths per centum (1.5%),
9 according to the following formula:

10 Bdr - Dcr

11 ----- X 100 = State Adjustment Factor

12 Wt

13 in which factor "Bdr" equals the aggregate of (1) all benefits
14 paid but not charged to employers' accounts, plus, (2) all
15 benefits paid and charged to inactive and terminated employers'
16 accounts, plus, (3) all benefits paid and charged to accounts of
17 active employers for the preceding year to the extent such
18 benefits exceed the combined amount of contributions payable by
19 such employers on the basis of the Benefit Ratio Factor and the
20 Reserve Ratio Factor. Factor "Dcr" equals the aggregate of (1)
21 interest credited to the Unemployment Compensation Fund, plus,
22 (2) amounts transferred from the Special Administration Fund and
23 the Interest Fund to the Unemployment Compensation Fund, plus,
24 (3) refunds of benefits unlawfully paid, plus, (4) amounts
25 credited to the Unemployment Compensation Fund by the Federal
26 Government other than by loan, except that any amount credited
27 to this Commonwealth's account under section 903 of the Federal
28 Social Security Act which has been appropriated for expenses of
29 administration shall be excluded from the amount in the
30 Unemployment Compensation Fund in the computation of the "Dcr"

1 factor. Factor "Wt" equals all wages subject to the law up to
2 the limitation described in section 4(x)(1) paid by all
3 employers. Each item in each factor shall be computed with
4 respect to the twelve-month period ending on the computation
5 date: Provided, That should the computed State Adjustment Factor
6 for calendar year 1984, and any year thereafter exceed one and
7 five-tenths per centum (1.5%), such excess over one and five-
8 tenths per centum (1.5%) shall be added to the computed State
9 Adjustment Factor for the following year or years. Any account
10 carryover prior to 2002 shall not be included in the
11 calculations for 2002 or thereafter.

12 * * *

13 Section 2. This act shall take effect in 60 days.