
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1310 Session of
2011

INTRODUCED BY GORDNER, PILEGGI, GREENLEAF, ERICKSON, VANCE AND
RAFFERTY, OCTOBER 24, 2011

REFERRED TO LABOR AND INDUSTRY, OCTOBER 24, 2011

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 definition of "wages," for determination of contribution
17 rate, for additional contribution for interest, for
18 collection of contribution and interest and injunctions, for
19 Interest Fund, for recovery and recoupment of compensation;
20 and providing for unemployment compensation solvency bonds
21 and for unemployment compensation amnesty program.

22 The General Assembly of the Commonwealth of Pennsylvania
23 hereby enacts as follows:

24 Section 1. Sections 4(x)(1) and 301.1(e) of the act of
25 December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as
26 the Unemployment Compensation Law, amended July 21, 1983
27 (P.L.68, No.30), are amended to read:

1 Section 4. Definitions.--The following words and phrases, as
2 used in this act, shall have the following meanings, unless the
3 context clearly requires otherwise.

4 * * *

5 (x) "Wages" means all remuneration, (including the cash
6 value of mediums of payment other than cash, except that only
7 cash wages shall be used to determine the coverage of
8 agricultural labor as defined in section 4(1)(3)(G) and domestic
9 service as defined in section 4(1)(3)(H)), paid by an employer
10 to an individual with respect to his employment except that the
11 term "wages" [for the purpose of paying contributions] shall not
12 include:

13 (1) [That] For purposes of paying employer contributions,
14 that part of the remuneration [which is in excess of the first
15 seven thousand dollars (\$7,000) during calendar year 1983 and
16 eight thousand dollars (\$8,000) during calendar year 1984 and
17 thereafter] paid to an individual by each of his employers
18 during a calendar year that exceeds eight thousand two hundred
19 fifty dollars (\$8,250) for calendar year 2012, eight thousand
20 five hundred dollars (\$8,500) for the calendar year 2013, eight
21 thousand seven hundred fifty dollars (\$8,750) for calendar year
22 2014, nine thousand dollars (\$9,000) for calendar year 2015,
23 nine thousand two hundred fifty dollars (\$9,250) for calendar
24 year 2016, nine thousand five hundred dollars (\$9,500) for
25 calendar year 2017 and ten thousand dollars (\$10,000) for
26 calendar year 2018 and thereafter: Provided, That an employer
27 may take credit under this subsection for remuneration which his
28 predecessor-in-interest has paid to an individual during the
29 same calendar year with respect to employment; and provided
30 also, that an employer may take credit under this subsection for

1 remuneration which he or his predecessor-in-interest has paid to
2 an individual in the same calendar year on which contributions
3 have been required and paid by such employer under an
4 unemployment compensation law of another state, but no such
5 credit may be taken for remuneration which has been paid by
6 another employer to such individual, whether or not
7 contributions have been paid thereon by such other employer
8 under this act or under any state unemployment compensation law.

9 * * *

10 Section 301.1. Determination of Contribution Rate;
11 Experience Rating.--

12 * * *

13 (e) [The] (1) Except as provided in paragraph (2), the
14 State Adjustment Factor for [the] a calendar year [beginning
15 January 1, 1984, shall be one and five-tenths per centum (1.5%)
16 and thereafter] shall be computed as of the computation date for
17 such year to a tenth of a per centum, rounding all fractional
18 parts of a tenth of a per centum to the nearest tenth of a per
19 centum, but in no event less than zero [nor in excess of one and
20 five-tenths per centum (1.5%)], according to the following
21 formula:

22
$$\frac{\text{Bdr} - \text{Dcr}}{\text{Wt}} \times 100 = \text{State Adjustment Factor}$$

23 in which factor "Bdr" equals the aggregate of (1) all benefits
24 paid but not charged to employers' accounts, plus, (2) all
25 benefits paid and charged to inactive and terminated employers'
26 accounts, plus, (3) all benefits paid and charged to accounts of
27 active employers for the preceding year to the extent such
28 benefits exceed the combined amount of contributions payable by
29

1 such employers on the basis of the Benefit Ratio Factor and the
2 Reserve Ratio Factor. Factor "Dcr" equals the aggregate of (1)
3 interest credited to the Unemployment Compensation Fund, plus,
4 (2) amounts transferred from the Special Administration Fund and
5 the Interest Fund to the Unemployment Compensation Fund, plus,
6 (3) refunds of benefits unlawfully paid, plus, (4) amounts
7 credited to the Unemployment Compensation Fund by the Federal
8 Government other than by loan, except that any amount credited
9 to this Commonwealth's account under section 903 of the Federal
10 Social Security Act which has been appropriated for expenses of
11 administration shall be excluded from the amount in the
12 Unemployment Compensation Fund in the computation of the "Dcr"
13 factor. Factor "Wt" equals all wages subject to the law up to
14 the limitation described in section 4(x)(1) paid by all
15 employers. Each item in each factor shall be computed with
16 respect to the twelve-month period ending on the computation
17 date: Provided, That should the computed State Adjustment Factor
18 for [calendar year 1984, and] any year [thereafter] exceed [one
19 and five-tenths per centum (1.5%)] the maximum rate allowed
20 under this section, such excess over [one and five-tenths per
21 centum (1.5%)] the maximum rate shall be added to the computed
22 State Adjustment Factor for the following year or years.

23 (2) The maximum State Adjustment Factor shall be one and
24 one-tenth per centum (1.1%) for calendar years 2012 through
25 2016, nine-tenths of one per centum (0.9%) for calendar year
26 2017 and seventy-five hundredths of one per centum (0.75%) for
27 calendar year 2018 and thereafter.

28 * * *

29 Section 2. Section 301.6 of the act, amended July 1, 1985,
30 (P.L.96, No.30), is amended to read:

1 Section 301.6. Additional Contribution for Interest.--(a)
2 Notwithstanding any other provision of this act, all employers
3 required to pay contributions under section 301 or 301.1 other
4 than those employers covered by paragraphs (3) and (4) of
5 subsection (a) of section 301 shall have their rate of
6 contribution increased by the rate of the Interest Factor in
7 effect for the applicable calendar year.

8 (b) All taxes collected under this section shall be
9 considered to be separate and apart from any contributions
10 required to be deposited in the Unemployment Compensation Fund.
11 All taxes collected under this section shall be deposited in the
12 Interest Fund established by section 601.2 of this act. Such
13 taxes will not be credited to the employer's reserve account.

14 (c) [The Interest Factor calculated on wages with regard to
15 the limitations specified in section 4(x)(1) shall be equal to
16 twenty-five hundredths of one per centum (0.25%) for calendar
17 year 1984, five-tenths of one per centum (0.5%) for calendar
18 year 1985, and three-tenths of one per centum (0.3%) for
19 calendar year 1986. Thereafter the] The Interest Factor shall be
20 a variable rate not to exceed one per centum (1.0%) to be
21 determined annually by the department [at a rate necessary to].
22 The rate of the Interest Factor for a calendar year shall be the
23 rate necessary to:

24 (1) pay the bond obligations and bond administration
25 expenses under Article XIV of this act that are due in that
26 year; and

27 (2) pay the interest on [outstanding] interest-bearing
28 advances under Title XII of the Social Security Act [for the
29 following calendar] that is due in that year.

30 No Interest Factor shall be required for [the year following any

1 year in which the amount of such interest-bearing advances has
2 been reduced to zero, provided that an interest tax shall be
3 required and shall be reimposed by the department for the
4 calendar year following any year in which an interest-bearing
5 advance remains outstanding on October 1 and there are not
6 sufficient funds in the Interest Fund to pay the interest due in
7 that year] any year in which bond obligations and bond
8 administration expenses under Article XIV of this act and
9 interest on advances under Title XII of the Social Security Act
10 are not due.

11 Section 3. Section 309 of the act is amended by adding a
12 subsection to read:

13 Section 309. Collection of Contributions and Interest;
14 Injunctions.--* * *

15 (c) In addition to the methods of collection authorized in
16 this section and other sections of this act, the department may
17 collect contributions, interest, penalties and other liabilities
18 due under this act under the Internal Revenue Code of 1986 (26
19 U.S.C. § 6402 (Public Law 97-35)) and by any other means
20 available under Federal or State law.

21 Section 4. Section 601.2 of the act, amended July 1, 1989
22 (P.L.107, No.22), is amended to read:

23 Section 601.2. Interest Fund.--(a) There is hereby
24 established a separate account in the State Treasury, to be
25 known as the Interest Fund. All taxes collected under section
26 301.6 of this act shall be paid into the Interest Fund. The
27 moneys in this fund shall be used in the following priority
28 order and such funds received are hereby appropriated for all of
29 the following purposes:

30 (1) For payment of bond obligations and bond administrative

1 expenses under Article XIV of this act.

2 [(1)] (2) For transfer to the General Fund for repayment of
3 loans pursuant to subsection (c) or for transfer to the General
4 Fund pursuant to [subsections (f) and (g)] this section.

5 [(2)] (3) For the payment of annual interest obligations
6 assessed under Title XII of the Social Security Act.

7 [(3)] (4) Repayment of outstanding interest-bearing advances
8 received under Title XII of the Social Security Act.

9 [(4)] (5) Unemployment compensation payments under this act.

10 (b) Whenever the Governor shall ascertain that the cash
11 balance and current estimated receipts of the Interest Fund
12 shall be insufficient at any time during any State fiscal year
13 to meet promptly the expenses of the Commonwealth from such
14 fund, and the fund will have adequate funds available to meet
15 such expenses and other anticipated expenses prior to the
16 completion of the fiscal year, the State Treasurer is hereby
17 authorized and directed, from time to time during such State
18 fiscal year, to transfer from the General Fund to the Interest
19 Fund such sums as the Governor directs. Any sums so transferred
20 shall be available only for the purposes for which the fund to
21 which they are transferred is appropriated by law. Such
22 transfers shall be made hereunder upon warrant of the State
23 Treasurer upon requisition of the Governor.

24 (c) In order to reimburse the General Fund for moneys
25 transferred from such fund under subsection (b), there shall be
26 transferred moneys to such fund from the Interest Fund in such
27 amounts and times as the Governor shall direct, but in no event
28 later than thirty (30) days after the end of such State fiscal
29 year. Such retransfers shall be made upon warrant of the State
30 Treasurer upon requisition of the Governor.

1 (d) Any amount of moneys remaining in this fund at the end
2 of the calendar year after the interest obligations, for the
3 calendar year, under Title XII of the Social Security Act have
4 been met may be used as a voluntary repayment as prescribed by
5 section 1202(b)(6)(A) of the Social Security Act, to reduce the
6 balance of any outstanding interest-bearing advances received
7 under Title XII of the Social Security Act.

8 (e) [Except as may be provided in subsections (f) and (g),
9 any] Any amount of moneys remaining in this fund at the end of
10 [the] a calendar year [in which the outstanding balance of
11 interest-bearing advance under Title XII of the Social Security
12 Act is zero] shall be transferred to the Unemployment
13 Compensation Fund and credited to the Employers' Contribution
14 Account as specified in section [601.

15 (f) Subsequent to the repayment of all indebtedness as
16 described in this section, the sum of forty-one million dollars
17 (\$41,000,000) is hereby transferred from the Interest Fund to
18 the General Fund. Moneys remaining in the Interest Fund after
19 this transfer shall be transferred to the Unemployment
20 Compensation Fund as provided in subsection (e).

21 (g) The sum of eleven million seven hundred thousand dollars
22 (\$11,700,000) is hereby transferred from the Interest Fund to
23 the General Fund. Moneys remaining in the Interest Fund after
24 this transfer shall be transferred to the Unemployment
25 Compensation Fund as provided in subsection (e).] 601 if the
26 following requirements are met:

27 (1) the balance of interest-bearing advances under Title XII
28 of the Social Security Act is zero at the end of that year;

29 (2) no interest on advances shall be due in the following
30 year; and

1 (3) there are no outstanding bond obligations and bond
2 administration expenses under Article XIV of this act and no
3 such obligations and expenses will be due in the following year.

4 Section 5. Section 804(a) and (b)(1) of the act, amended
5 July 10, 1980 (P.L.521, No.108) and October 1988 (P.L.818,
6 No.109), are amended to read:

7 Section 804. Recovery and Recoupment of Compensation.--(a)
8 Any person who by reason of his fault has received any sum as
9 compensation under this act to which he was not entitled, shall
10 be liable to repay to the Unemployment Compensation Fund to the
11 credit of the Compensation Account a sum equal to the amount so
12 received by him and interest at the rate determined by the
13 Secretary of Revenue as provided by section 806 of the act of
14 April 9, 1929 (P.L.343, No.176), known as "The Fiscal Code," per
15 month or fraction of a month from fifteen (15) days after the
16 Notice of Overpayment was issued until paid. Such sum shall be
17 collectible (1) in the manner provided in section 308.1 or
18 section 309 of this act, for the collection of past due
19 contributions, or (2) by deduction from any future compensation
20 payable to the claimant under this act: Provided, That interest
21 assessed under this section cannot be recouped by deduction from
22 any future compensation payable to the claimant under this act:
23 Provided further, That no administrative or legal proceedings
24 for the collection of such sum shall be instituted after the
25 expiration of [six] ten years following the end of the benefit
26 year with respect to which such sum was paid.

27 (b) (1) Any person who other than by reason of his fault
28 has received with respect to a benefit year any sum as
29 compensation under this act to which he was not entitled shall
30 not be liable to repay such sum but shall be liable to have such

1 sum deducted from any future compensation payable to him with
2 respect to such benefit year, or the [three-year] six-year
3 period immediately following such benefit year: Provided, That
4 with respect to overpayments of one hundred dollars or more,
5 recoupment from such future compensation shall not exceed one-
6 third of the maximum benefit amount to which such person is
7 entitled during any such subsequent benefit year nor one-third
8 of the weekly benefit amount to which such person may be
9 entitled for any particular week. In the absence of
10 misrepresentation or non-disclosure of a material fact, no
11 recoupment shall be had if such overpayment is created by reason
12 of (i) a subsequent reversal of two decisions of eligibility
13 under the provisions of section five hundred one (e) of this
14 act, or (ii) the subsequent receipt of holiday pay, vacation pay
15 or the like of which the person had no knowledge, or (iii) a
16 subsequent determination that the person's base year wages were
17 not earned in employment as defined in this act. No provision of
18 this subsection shall be construed to prevent or prohibit the
19 voluntary repayment of compensation by such person or the
20 maintenance of records of overpayments by the department.

21 * * *

22 Section 6. The act is amended by adding articles to read:

23 ARTICLE XIV

24 UNEMPLOYMENT COMPENSATION SOLVENCY BONDS

25 Section 1401. Definitions.

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

29 "Account." The Unemployment Compensation Security Account
30 established pursuant to this article.

1 "Authority." The Pennsylvania Economic Development Financing
2 Authority created pursuant to the law.

3 "Bond." Any type of revenue obligation, including a bond,
4 note, certificate or other instrument issued by the authority
5 for the benefit of the department under this article.

6 "Bond obligations." The principal of a bond and any premium
7 and interest payable on a bond.

8 "Federal advances." Loans by the Federal Government to the
9 Commonwealth for the payment of compensation, pursuant to
10 Article XII of the Social Security Act (42 U.S.C. § 1321 et
11 seq.) or any similar Federal law.

12 "Interest Fund." The fund established under section 601.2.

13 "Law." The act of August 23, 1967 (P.L.251, No.102), known
14 as the Economic Development Financing Law.

15 Section 1402. Bond issuance.

16 (a) Authority.--In addition to the projects and other uses
17 under section 6.3 of the law, the authority shall have the
18 authority to issue limited obligation revenue bonds as may be
19 necessary under this article.

20 (b) Debt or liability.--Bonds issued under this section
21 shall not be a debt or liability of the Commonwealth and shall
22 not create or constitute any indebtedness, liability or
23 obligation of the Commonwealth. All bonds shall be payable
24 solely from revenues or funds pledged or available for their
25 repayment as authorized in this article including the proceeds
26 of any issue of bonds. Each bond shall contain on its face a
27 statement to the effect that the financing authority is
28 obligated to pay the principal thereof or the interest thereof
29 only from funds made available under this article, and that the
30 full faith and credit of the Commonwealth is not pledged to the

1 payment of the principal of or the interest on the bonds.

2 Section 1403. Criteria for bond issuance.

3 (a) Determination.--The department shall determine that the
4 issuance of bonds for the purposes established by this article
5 will result in a savings to the employers in this Commonwealth
6 as compared to the cost of borrowing or repayment by other
7 means.

8 (b) Alternative.--If the department determines that the
9 issuance of bonds to obtain funds to repay previous Federal
10 advances, including interest, is a cost effective alternative to
11 repayment of the Federal advances and interest by other means,
12 the department may request the authority to issue bonds for its
13 benefit.

14 (c) Terms.--The department shall specify in its request to
15 the authority the maximum principal amount of the bonds for any
16 separate bond issue, and the maximum term of the bonds, not to
17 exceed ten years. The total principal amount of bonds that the
18 department may request under this article for all bond issues
19 may not exceed \$3,500,000,000.

20 (d) Increase.--The maximum principal amount determined by
21 the department for a bond issue under subsection (c) may be
22 increased to include an amount sufficient to:

23 (1) pay the authority's costs to issue the bonds; and

24 (2) provide a bond reserve.

25 Section 1404. Issuance of bonds by authority.

26 The authority shall issue bonds when requested to do so by
27 the department. The provisions of the law, unless otherwise
28 specified by this article, shall apply to bonds issued for the
29 purposes set forth under this article.

30 Section 1405. Use of bond proceeds.

1 (a) Deposit.--The proceeds of bonds and notes, except
2 refunding bonds and replacement notes, issued by the authority
3 shall be deposited in the account which shall be established in
4 the State Treasury as a restricted receipt account. The proceeds
5 shall be paid by the State Treasurer periodically to those
6 Commonwealth officers or Commonwealth agencies at the time
7 necessary to carry out the purpose of this article. The proceeds
8 of the sale of refunding bonds and replacement notes shall be
9 paid to the State Treasurer and applied to the payment of
10 principal, any accrued interest and premium and the cost of
11 redemption of the bonds and notes for which the obligations
12 shall have been issued.

13 (b) Direction.--The department shall direct the use of
14 moneys in the fund to:

15 (1) repay the principal and interest of previous Federal
16 advances; and

17 (2) pay unemployment compensation benefits.

18 (c) Investment.--Pending application for the purposes
19 authorized, money held or deposited by the State Treasurer may
20 be invested or reinvested as are other funds in the custody of
21 the State Treasurer in the manner provided by law. All earnings
22 received from the investment or deposit of the funds shall be
23 paid into the State Treasury to the credit of the fund.

24 (d) Appropriation.--There is appropriated to the State
25 Treasurer from the fund as much money as may be necessary for
26 all costs and expenses in connection with the issue of and sale
27 and registration of the bonds and notes.

28 Section 1406. Payment of bond-related obligations.

29 (a) Notification.--For each calendar year in which bond
30 obligations will be due, the authority shall notify the

1 department of the amount of bond obligations in sufficient time,
2 as determined by the department, to permit the department to
3 determine the amount of additional contributions under section
4 301.6 required for that year, for deposit into the Interest
5 Fund. The authority's calculation of the amount of bond
6 obligations that will be due is subject to verification by the
7 department.

8 (b) Transfer.--Money in the Interest Fund that is needed to
9 pay bond obligations shall be transferred to the authority to
10 ensure timely payment of bond obligations, as specified in the
11 resolution adopted in connection with the bond issue or as
12 otherwise provided by the bond documents.

13 Section 1407. Excess additional contributions.

14 The department may use additional contributions collected
15 pursuant to section 301.6 for any calendar year that exceeds the
16 amount of the bond obligations due in that year as follows:

17 (1) to pay bond obligations due in the following year,
18 thereby reducing the amount of additional contributions under
19 section 301.6 that would be required in that year;

20 (2) to redeem or purchase outstanding bonds; or

21 (3) as provided in section 601.2(a)(2) through (e).

22 Section 1408. No personal liability.

23 The members of the department and the authority and the
24 officers and employees of the department and the authority are
25 not personally liable as a result of good faith exercise of the
26 rights and responsibilities granted under this article.

27 Section 1409. Expiration.

28 The authority to issue bonds under section 1404 shall expire
29 on December 31, 2016.

30 ARTICLE XV

1 UNEMPLOYMENT COMPENSATION

2 AMNESTY PROGRAM

3 Section 1501. Definitions.

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

7 "Amnesty period." The 90-day period commencing 180 days
8 after the effective date of this section.

9 "Employee information." The name and Social Security number
10 of each employee, the amount of wages paid to each employee and
11 the number of credit weeks for each employee, in each calendar
12 quarter.

13 "Interest." Monetary obligations imposed under sections 308
14 and 804(a).

15 "Penalties." Monetary obligations imposed under sections
16 206(d) and 313.

17 "Penalty weeks." Weeks for which an individual is
18 disqualified from receiving compensation under section 801(b).

19 "Program." The Unemployment Compensation Amnesty Program
20 established pursuant to this article.

21 Section 1502. Program established.

22 There is established an Unemployment Compensation Amnesty
23 Program in accordance with the provisions of this article.

24 Section 1503. Applicability.

25 (a) Employer liabilities.--Except as provided in subsections
26 (c) and (d), the program shall apply to the following
27 unemployment compensation employer liabilities:

28 (1) Unpaid contributions due for calendar quarters
29 through the third quarter of 2011, for which the employer
30 reported the employee information or the department acquired

1 the employee information through an audit.

2 (2) Unpaid contributions due for calendar quarters
3 through the third quarter of 2011, for which the employer did
4 not report the employee information and the department did
5 not acquire the employee information through an audit.

6 (3) Unpaid reimbursement due on or before October 31,
7 2011.

8 (4) Unpaid interest due on contributions paid late for
9 calendar quarters through the third quarter of 2011 or on
10 reimbursement that was due on or before October 31, 2011, and
11 was paid late.

12 (5) Unpaid penalties due for reports filed late for
13 calendar quarters through the third quarter of 2011.

14 (b) Claimant liabilities.--Except as provided in subsections
15 (c) and (d), the program shall apply to the following
16 unemployment compensation claimant liabilities:

17 (1) A fault overpayment of compensation under section
18 804(a) established pursuant to a notice of determination of
19 overpayment issued by the department on or before March 31,
20 2012, to the extent repayment has not occurred.

21 (2) A nonfault overpayment of compensation under section
22 804(b)(1) established pursuant to a notice of determination
23 of overpayment issued by the department on or before March
24 31, 2012, to the extent repayment has not occurred.

25 (3) Compensation paid to a claimant for calendar weeks
26 through the week ending March 31, 2012, for which the
27 department has not issued a notice of determination of
28 overpayment, but the claimant acknowledges that the
29 compensation was overpaid under circumstances to which
30 section 804(a) applies.

1 (4) Unpaid interest due on an overpayment of
2 compensation under section 804(a) that was repaid on or
3 before March 31, 2012.

4 (c) Mandatory exclusion.--The following unemployment
5 compensation liabilities are excluded from the program:

6 (1) An overpayment of compensation established pursuant
7 to a notice of determination of overpayment that has not
8 become final.

9 (2) An employer liability for which a petition for
10 reassessment under section 304(b) or an application for
11 review and redetermination of contribution rate under section
12 301(e) (2) is pending.

13 (d) Optional exclusion.--The department may exclude the
14 following unemployment compensation liabilities from the
15 program:

16 (1) A liability for which a praecipe for a writ of
17 execution was filed prior to receipt of the amnesty form.

18 (2) A liability that was referred for judicial
19 proceedings or for which a judicial proceeding was commenced
20 prior to receipt of the amnesty form.

21 (3) A liability that is required to be paid under an
22 order of a Federal or state court.

23 Section 1504. Procedure for participation.

24 To participate in the program, an employer or a claimant
25 shall do the following:

26 (1) During the amnesty period, the employer or claimant
27 shall file an amnesty form with the department containing all
28 information required by the department, including a statement
29 by the employer or claimant acknowledging the provisions of
30 section 1506(f). The form shall be filed in a manner

1 specified in, and the filing date of the form shall be
2 determined by guidelines established by the department.

3 (2) If an employer is seeking amnesty with regard to a
4 liability described in section 1503(a)(2), the employer shall
5 report the employee information by filing quarterly reports
6 as required by regulations promulgated by the department for
7 all calendar quarters for which the employer did not
8 previously file reports and by filing amended quarterly
9 reports for all calendar quarters for which the employer did
10 not file complete reports. The quarterly reports shall
11 accompany the amnesty form.

12 (3) The employer or claimant shall pay the amount or
13 amounts required by section 1505. Payment shall accompany the
14 amnesty form.

15 Section 1505. Required payment and terms of amnesty.

16 (a) Payment.--An employer or claimant shall pay the amount
17 or amounts specified in this section that correspond to the
18 liability or liabilities for which amnesty is sought. The
19 department shall grant amnesty as provided in this section and
20 section 1506.

21 (a.1) Unpaid contributions.--If an employer is seeking
22 amnesty with regard to unpaid contributions described in section
23 1503(a)(1) or (2):

24 (1) The employer shall pay all of the unpaid
25 contributions and lien filing costs, if applicable, and one-
26 half of the interest and penalties due.

27 (2) The department shall waive the remaining interest
28 and penalties due corresponding to the contributions.

29 (b) Unpaid reimbursement.--If an employer is seeking amnesty
30 with regard to unpaid reimbursement described in section 1503(a)

1 (3):

2 (1) The employer shall pay all of the unpaid
3 reimbursement and lien filing costs, if applicable, and one-
4 half of the interest due.

5 (2) The department shall waive the remaining interest
6 due corresponding to the reimbursement.

7 (c) Unpaid interest.--If an employer is seeking amnesty with
8 regard to unpaid interest described in section 1503(a) (4):

9 (1) The employer shall pay all of the lien filing costs,
10 if applicable, and one-half of the unpaid interest due.

11 (2) The department shall waive the remaining unpaid
12 interest due.

13 (d) Unpaid penalties.--If an employer is seeking amnesty
14 with regard to unpaid penalties described in section 1503(a) (5):

15 (1) The employer shall pay all of the lien filing costs,
16 if applicable, and one-half of the unpaid penalties due.

17 (2) The department shall waive the remaining unpaid
18 penalties due.

19 (e) Fault overpayment.--If a claimant is seeking amnesty
20 with regard to an overpayment described in section 1503(b) (1) or

21 (3):

22 (1) The claimant shall pay the outstanding balance of
23 the overpayment and lien filing costs, if applicable, and
24 one-half of the interest due.

25 (2) The department shall waive the remaining interest
26 due and one-half of any previously imposed penalty weeks
27 corresponding to the overpayment that have not been served by
28 the claimant, and shall not issue a notice of determination
29 imposing penalty weeks corresponding to the overpayment. If
30 one-half of the unserved penalty weeks is not an even

1 multiple of one, the number of penalty weeks waived shall be
2 rounded to the next lower multiple of one.

3 (f) Nonfault overpayment.--If a claimant is seeking amnesty
4 with regard to an overpayment described in section 1503(b)(2):

5 (1) The claimant shall pay 67% of the outstanding
6 balance of the overpayment.

7 (2) The department shall waive the remaining balance of
8 the overpayment.

9 (g) Unpaid interest.--If a claimant is seeking amnesty with
10 regard to unpaid interest described in section 1503(b)(4):

11 (1) The claimant shall pay all of the lien filing costs,
12 if applicable, and one-half of the interest due.

13 (2) The department shall waive the remaining unpaid
14 interest due.

15 Section 1506. Additional terms and conditions of amnesty.

16 (a) Agreement.--If a payment plan agreement exists between
17 an employer or claimant and the department for a liability for
18 which the employer or claimant is seeking amnesty, the employer
19 or claimant shall pay the amount or amounts required by section
20 1505 during the amnesty period in order to receive amnesty,
21 notwithstanding any terms of the agreement to the contrary.

22 (b) Proceedings prohibited.--The department shall not
23 commence any administrative or judicial proceeding against an
24 employer with regard to any contributions, reimbursement,
25 interest or penalty paid under the program, or any interest or
26 penalties waived under the program. The department shall not
27 commence any administrative or judicial proceeding against a
28 claimant with regard to any overpayment or interest paid under
29 the program, or any overpayment or interest waived under the
30 program.

1 (c) Proceedings permitted.--If a liability for contributions
2 described in section 1503(a)(2) or liability for an overpayment
3 described in section 1503(b)(3) is disclosed and paid under the
4 program, and the department determines that the liability as
5 disclosed was understated, the department may commence
6 administrative or judicial proceedings and impose interest,
7 penalties and other monetary obligations only with regard to the
8 difference between the liability as disclosed and the correct
9 amount of the liability.

10 (d) Allowance.--Except as provided in subsection (c),
11 nothing in this article shall be construed to prohibit the
12 department from commencing administrative or judicial
13 proceedings and imposing interest, penalties and other monetary
14 obligations with respect to any liability that is not disclosed
15 under the program or any amount that is not paid under the
16 program.

17 (e) Refund or credit.--An employer or claimant shall not be
18 owed a refund or credit under this article for any amount paid
19 prior to the amnesty period.

20 (f) Form and report.--An employer or claimant may not
21 commence an administrative or judicial proceeding with regard to
22 the amnesty form, any report filed in connection with the
23 program, any liability disclosed under the program or any amount
24 paid under the program, and shall not be owed a refund or credit
25 for any amount paid under the program.

26 Section 1507. Duties of department.

27 (a) Guidelines.--The department shall establish guidelines
28 to implement the provisions of this article and publish the
29 guidelines as a notice in the Pennsylvania Bulletin no less than
30 90 days before the amnesty period begins.

1 (b) Publicity.--The department shall publicize the program
2 to maximize awareness of and participation in the program.

3 (c) Notification.--The department shall notify all employers
4 and claimants who are known to have liabilities to which the
5 program applies. The notice shall be sent by first class mail to
6 the employer's or claimant's last known post office address or
7 by electronic transmission, if the employer or claimant has
8 elected to receive communications from the department by that
9 method.

10 Section 1508. Construction.

11 Except as expressly provided in this article, this article
12 shall not:

13 (1) be construed to relieve any employer, claimant,
14 individual or any entity from filing reports or other
15 documents required by or paying any amounts due under this
16 act;

17 (2) affect or terminate any petitions, investigations,
18 prosecutions or any other administrative or judicial
19 proceedings pending under this act; or

20 (3) prevent the commencement or further prosecution of
21 any proceedings by the proper authorities of this
22 Commonwealth for violation of any laws or for the assessment,
23 collection or recovery of any amounts due to the Commonwealth
24 under any laws.

25 Section 1509. Suspension of inconsistent acts.

26 All acts or parts of acts inconsistent with the provisions of
27 this article are suspended to the extent necessary to carry out
28 the provisions of this article.

29 Section 7. This act shall apply as follows:

30 (1) The amendment of section 301.6 of the act shall

1 apply to the calculation of the interest factor for calendar
2 year 2012 and every year thereafter.

3 (2) The amendment of section 804 of the act shall apply
4 to benefit years that begin on or after the effective date of
5 that section.

6 Section 8. This act shall take effect immediately.