

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1310 Session of 2011

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

SENATOR CORMAN, APPROPRIATIONS, RE-REPORTED AS AMENDED, NOVEMBER 14, 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," DEFINITIONS, for determination of
17 contribution rate, for additional contribution for interest,
18 FOR TRIGGER DETERMINATION, for collection of contribution and
19 interest and injunctions, FOR COMPENSATION RATE, FOR
20 UNEMPLOYMENT COMPENSATION FUND, for Interest Fund, FOR STATE
21 TREASURER AS CUSTODIAN, for recovery and recoupment of
22 compensation; and providing for unemployment compensation
23 solvency bonds and for unemployment compensation amnesty
24 program.

25 The General Assembly of the Commonwealth of Pennsylvania
26 hereby enacts as follows:

27 Section 1. Sections 4(x)(1) and 301.1(e) of the act of
28 December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as



1 ~~the Unemployment Compensation Law, amended July 21, 1983~~
2 ~~(P.L.68, No.30), are amended to read:~~

3 SECTION 1. SECTIONS 4(F) AND (X) (1) AND 301.1(E) OF THE ACT ←
4 OF DECEMBER 5, 1936 (2ND SP.SESS., 1937 P.L.2897, NO.1), KNOWN
5 AS THE UNEMPLOYMENT COMPENSATION LAW, AMENDED MAY 23, 1949
6 (P.L.1738, NO.530) AND JULY 21, 1983 (P.L.68, NO.30), ARE
7 AMENDED TO READ:

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

11 * * * ←

12 (F) "COMPENSATION" MEANS:

13 (1) MONEY PAYMENTS PAYABLE TO INDIVIDUALS WITH RESPECT TO
14 THEIR UNEMPLOYMENT AS PROVIDED IN THIS ACT; AND

15 (2) TO THE EXTENT PERMITTED BY LAW, THAT PART OF THE
16 PRINCIPAL OWED ON BONDS ISSUED UNDER ARTICLE XIV OF THIS ACT
17 WHICH IS ATTRIBUTABLE TO REPAYMENT OF THE PRINCIPAL OF ADVANCES
18 UNDER TITLE XII OF THE SOCIAL SECURITY ACT (42 U.S.C. § 1321 ET
19 SEQ.), EXCLUSIVE OF ANY INTEREST OR ADMINISTRATIVE COSTS
20 ASSOCIATED WITH THE BONDS.

21 * * *

22 (x) "Wages" means all remuneration, (including the cash
23 value of mediums of payment other than cash, except that only
24 cash wages shall be used to determine the coverage of
25 agricultural labor as defined in section 4(1)(3)(G) and domestic
26 service as defined in section 4(1)(3)(H)), paid by an employer
27 to an individual with respect to his employment except that the
28 term "wages" [for the purpose of paying contributions] shall not
29 include:

30 (1) [That] For purposes of paying employer contributions,

1 that part of the remuneration [which is in excess of the first
2 seven thousand dollars (\$7,000) during calendar year 1983 and
3 eight thousand dollars (\$8,000) during calendar year 1984 and
4 thereafter] paid to an individual by each of his employers
5 during a calendar year that exceeds eight thousand two hundred
6 fifty dollars (\$8,250) for calendar year 2012, eight thousand
7 five hundred dollars (\$8,500) for the calendar year 2013, eight
8 thousand seven hundred fifty dollars (\$8,750) for calendar year
9 2014, nine thousand dollars (\$9,000) for calendar year 2015,
10 nine thousand two hundred fifty dollars (\$9,250) for calendar
11 year 2016, nine thousand five hundred dollars (\$9,500) for
12 calendar year 2017 and ten thousand dollars (\$10,000) for
13 calendar year 2018 and thereafter: Provided, That an employer
14 may take credit under this subsection for remuneration which his
15 predecessor-in-interest has paid to an individual during the
16 same calendar year with respect to employment; and provided
17 also, that an employer may take credit under this subsection for
18 remuneration which he or his predecessor-in-interest has paid to
19 an individual in the same calendar year on which contributions
20 have been required and paid by such employer under an
21 unemployment compensation law of another state, but no such
22 credit may be taken for remuneration which has been paid by
23 another employer to such individual, whether or not
24 contributions have been paid thereon by such other employer
25 under this act or under any state unemployment compensation law.

26 * * *

27 Section 301.1. Determination of Contribution Rate;
28 Experience Rating.--

29 * * *

30 (e) [The] (1) Except as provided in paragraph (2), the

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

9
$$\frac{\text{Bdr} - \text{Dcr}}{\text{Wt}} \times 100 = \text{State Adjustment Factor}$$

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



1 wages subject to the law up to the limitation described in
2 section 4(x)(1) paid by all employers. Each item in each factor
3 shall be computed with respect to the twelve-month period ending
4 on the computation date: Provided, That should the computed
5 State Adjustment Factor for [calendar year 1984, and] any year
6 [thereafter] exceed [one and five-tenths per centum (1.5%)] the
7 maximum rate allowed under this section, such excess over [one
8 and five-tenths per centum (1.5%)] the maximum rate shall be
9 added to the computed State Adjustment Factor for the following
10 year or years.

11 (2) The maximum State Adjustment Factor shall be one and
12 one-tenth per centum (1.1%) for calendar years 2012 through
13 2016, nine-tenths of one per centum (0.9%) for calendar year
14 2017 and seventy-five hundredths of one per centum (0.75%) for
15 calendar year 2018 and thereafter.

16 * * *

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

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

26 (b) All taxes collected under this section shall be
27 considered to be separate and apart from any contributions
28 required to be deposited in the Unemployment Compensation Fund.
29 All taxes collected under this section shall be deposited in the
30 [Interest] DEBT SERVICE Fund established by section 601.2 of



1 this act. Such taxes will not be credited to the employer's
2 reserve account.

3 (c) [The Interest Factor calculated on wages with regard to
4 the limitations specified in section 4(x)(1) shall be equal to
5 twenty-five hundredths of one per centum (0.25%) for calendar
6 year 1984, five-tenths of one per centum (0.5%) for calendar
7 year 1985, and three-tenths of one per centum (0.3%) for
8 calendar year 1986. Thereafter the] The Interest Factor shall be
9 a variable rate not to exceed one per centum (1.0%) to be
10 determined annually by the department [at a rate necessary to]. ←

11 The rate of the Interest Factor for a calendar year shall be the
12 rate necessary to:

13 (1) pay the bond obligations and bond administration
14 expenses under Article XIV of this act that are due in that
15 year; and

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

19 ~~No Interest Factor shall be required for [the year following any~~
20 ~~PAY THE INTEREST ON OUTSTANDING INTEREST-BEARING ADVANCES UNDER~~ ←
21 ~~TITLE XII OF THE SOCIAL SECURITY ACT FOR THE FOLLOWING CALENDAR~~
22 ~~YEAR]. THE RATE OF THE INTEREST FACTOR FOR A CALENDAR YEAR SHALL~~
23 ~~BE THE RATE NECESSARY TO DO THE FOLLOWING IN THAT YEAR:~~

24 (1) PAY THE BOND OBLIGATIONS AND BOND ADMINISTRATIVE
25 EXPENSES UNDER ARTICLE XIV OF THIS ACT WHICH ARE DUE IN THAT
26 YEAR.

27 (2) REPLENISH AMOUNTS WHICH HAVE BEEN DRAWN FROM BOND
28 RESERVES UNDER ARTICLE XIV OF THIS ACT.

29 (3) FUND REDEMPTIONS AND PURCHASES OF OUTSTANDING BONDS
30 UNDER ARTICLE XIV OF THIS ACT WHICH WILL OCCUR IN THAT YEAR.

1 (4) PAY THE INTEREST ON INTEREST-BEARING ADVANCES UNDER
2 TITLE XII OF THE SOCIAL SECURITY ACT (42 U.S.C. § 1321 ET SEQ.)
3 WHICH IS DUE IN THAT YEAR.

4 (5) REPAY OUTSTANDING ADVANCES UNDER TITLE XII OF THE SOCIAL
5 SECURITY ACT.

6 (D) CONTRIBUTIONS PAID BY OR ON BEHALF OF AN EMPLOYER UNDER
7 THIS ACT, OTHER THAN EMPLOYEE CONTRIBUTIONS UNDER SECTION 301.4,
8 SHALL BE ALLOCATED FIRST TO THE EMPLOYER'S LIABILITY UNDER THIS
9 SECTION. THIS SUBSECTION SHALL APPLY TO CONTRIBUTIONS FOR ANY
10 CALENDAR QUARTER THAT ENDS AT A TIME WHEN BONDS ISSUED UNDER
11 ARTICLE XIV OF THIS ACT ARE OUTSTANDING.

12 (E) IF ADDITIONAL CONTRIBUTIONS COLLECTED UNDER THIS SECTION
13 FOR A CALENDAR YEAR EXCEED THE AMOUNT NECESSARY FOR THE PURPOSES
14 ENUMERATED IN SUBSECTION (C) FOR THAT YEAR, THE DEPARTMENT MAY
15 USE SUCH EXCESS CONTRIBUTIONS FOR THE PURPOSES ENUMERATED IN
16 SUBSECTION (C) FOR THE FOLLOWING YEAR, THEREBY REDUCING THE
17 AMOUNT OF ADDITIONAL CONTRIBUTIONS WHICH WOULD BE REQUIRED FOR
18 THE FOLLOWING YEAR.

19 (F) NO INTEREST FACTOR SHALL BE REQUIRED FOR [THE YEAR
20 FOLLOWING ANY year in which the amount of such interest-bearing
21 advances has been reduced to zero, provided that an interest tax
22 shall be required and shall be reimposed by the department for
23 the calendar year following any year in which an interest-
24 bearing advance remains outstanding on October 1 and there are
25 not sufficient funds in the Interest Fund to pay the interest
26 due in that year] ~~any year in which bond obligations and bond~~
27 ~~administration expenses under Article XIV of this act and~~
28 ~~interest on advances under Title XII of the Social Security Act~~
29 ~~are not due.~~ THAT] ANY YEAR FOR WHICH FUNDING IS NOT REQUIRED
30 FOR ANY OF THE PURPOSES ENUMERATED UNDER SUBSECTION (C).



1 SECTION 2.1. SECTION 301.7 OF THE ACT, ADDED OCTOBER 19,
2 1988 (P.L.818, NO.109), IS AMENDED TO READ:

3 SECTION 301.7. TRIGGER DETERMINATION.--(A) ON JULY 1 OF
4 EVERY YEAR, THE SECRETARY SHALL CALCULATE THE TRIGGER PERCENTAGE
5 TO BE USED IN SETTING SURCHARGE AND CONTRIBUTION RATES FOR THE
6 CONTRIBUTIONS REQUIRED UNDER SECTIONS 301.2, 301.4 AND 301.5 AND
7 IN SETTING THE BENEFIT REDUCTION REQUIRED UNDER SECTION 404(E)
8 (4) FOR THE FOLLOWING CALENDAR YEAR. THE SECRETARY SHALL:

9 (1) DETERMINE THE BALANCE IN THE UNEMPLOYMENT COMPENSATION
10 TRUST FUND;

11 (2) DETERMINE THE AVERAGE OF THE BENEFIT COSTS FOR THE THREE
12 IMMEDIATELY PRECEDING FISCAL YEARS; AND

13 (3) CALCULATE THE PERCENTAGE THAT THE UNEMPLOYMENT
14 COMPENSATION TRUST FUND REPRESENTS OF THE AVERAGE OF THE BENEFIT
15 COSTS.

16 FOR PURPOSES OF THIS SUBSECTION, THE BALANCE IN THE UNEMPLOYMENT
17 COMPENSATION TRUST FUND SHALL BE DETERMINED BY ADDING THE
18 PRINCIPAL AMOUNT OF OUTSTANDING BONDS UNDER ARTICLE XIV OF THIS
19 ACT AND THE AMOUNT OF OUTSTANDING ADVANCES UNDER TITLE XII OF
20 THE SOCIAL SECURITY ACT (42 U.S.C. § 1321 ET SEQ.) AND BY
21 SUBTRACTING THAT SUM FROM THE AMOUNT THAT OTHERWISE WOULD BE THE
22 BALANCE IN THE UNEMPLOYMENT COMPENSATION TRUST FUND.

23 (B) SURCHARGE AND CONTRIBUTION RATES SHALL BE ANNOUNCED BY
24 THE SECRETARY ON JULY 1 OF EVERY YEAR IN ACCORDANCE WITH THE
25 FOLLOWING SCHEDULE:

26 (1) WHEN THE TRIGGER PERCENTAGE IS ONE HUNDRED FIFTY PER
27 CENTUM (150%) OR HIGHER, THE RATE OF THE SURCHARGE ASSESSED
28 UNDER SECTION 301.5 SHALL BE A NEGATIVE ONE AND ONE-HALF PER
29 CENTUM (-1.5%).

30 (2) WHEN THE TRIGGER PERCENTAGE IS AT LEAST ONE HUNDRED

1 TWENTY-FIVE PER CENTUM (125%), BUT LESS THAN ONE HUNDRED FIFTY
2 PER CENTUM (150%), THERE SHALL BE NO SURCHARGE OR CONTRIBUTION
3 UNDER SECTION 301.2, 301.4 OR 301.5.

4 (3) WHEN THE TRIGGER PERCENTAGE IS AT LEAST ONE HUNDRED TEN
5 PER CENTUM (110%), BUT LESS THAN ONE HUNDRED TWENTY-FIVE PER
6 CENTUM (125%):

7 (I) THE RATE OF THE SURCHARGE ASSESSED UNDER SECTION 301.5
8 SHALL BE FOUR PER CENTUM (4%); AND

9 (II) THE RATE OF CONTRIBUTIONS ASSESSED UNDER SECTION 301.4
10 SHALL BE FIVE-HUNDREDTHS OF ONE PER CENTUM (0.05%).

11 (4) WHEN THE TRIGGER PERCENTAGE IS AT LEAST NINETY-FIVE PER
12 CENTUM (95%), BUT LESS THAN ONE HUNDRED TEN PER CENTUM (110%):

13 (I) THE RATE OF THE SURCHARGE ASSESSED UNDER SECTION 301.5
14 SHALL BE EIGHT PER CENTUM (8%); AND

15 (II) THE RATE OF CONTRIBUTIONS ASSESSED UNDER SECTION 301.4
16 SHALL BE ONE-TENTH OF ONE PER CENTUM (0.1%).

17 (5) WHEN THE TRIGGER PERCENTAGE IS AT LEAST SEVENTY-FIVE PER
18 CENTUM (75%), BUT LESS THAN NINETY-FIVE PER CENTUM (95%):

19 (I) THE RATE OF THE SURCHARGE ASSESSED UNDER SECTION 301.5
20 SHALL BE EIGHT PER CENTUM (8%);

21 (II) THE RATE OF CONTRIBUTIONS ASSESSED UNDER SECTION 301.4
22 SHALL BE FIFTEEN-HUNDREDTHS OF ONE PER CENTUM (0.15%); AND

23 (III) THE RATE OF ADDITIONAL CONTRIBUTIONS ASSESSED UNDER
24 SECTION 301.2 SHALL BE TWENTY-FIVE HUNDREDTHS OF ONE PER CENTUM
25 (0.25%).

26 (6) WHEN THE TRIGGER PERCENTAGE IS AT LEAST FIFTY PER CENTUM
27 (50%), BUT LESS THAN SEVENTY-FIVE PER CENTUM (75%):

28 (I) THE RATE OF THE SURCHARGE ASSESSED UNDER SECTION 301.5
29 SHALL BE EIGHT PER CENTUM (8%);

30 (II) THE RATE OF CONTRIBUTIONS ASSESSED UNDER SECTION 301.4

1 SHALL BE TWO-TENTHS OF ONE PER CENTUM (0.2%); AND

2 (III) THE RATE OF ADDITIONAL CONTRIBUTION ASSESSED UNDER
3 SECTION 301.2 SHALL BE FIVE-TENTHS OF ONE PER CENTUM (0.5%).

4 (7) WHEN THE TRIGGER PERCENTAGE IS LESS THAN FIFTY PER
5 CENTUM (50%):

6 (I) THE RATE OF THE SURCHARGE ASSESSED UNDER SECTION 301.5
7 SHALL BE EIGHT PER CENTUM (8%);

8 (II) THE RATE OF ADDITIONAL CONTRIBUTION ASSESSED UNDER
9 SECTION 301.2 SHALL BE SEVENTY-FIVE HUNDREDTHS OF ONE PER CENTUM
10 (0.75%); AND

11 (III) THE RATE OF CONTRIBUTIONS ASSESSED UNDER SECTION 301.4
12 SHALL BE TWO-TENTHS OF ONE PER CENTUM (0.2%).

13 (C) WHENEVER THE TRIGGER PERCENTAGE DETERMINED UNDER
14 SUBSECTION (A) IS LESS THAN FIFTY PER CENTUM (50%), THE
15 SECRETARY SHALL ANNOUNCE A REDUCTION IN THE WEEKLY BENEFIT RATE
16 UNDER SECTION 404(E) (4).

17 (D) WHENEVER THE TRIGGER PERCENTAGE IS LESS THAN TWENTY-FIVE
18 PER CENTUM (25%), ANY BALANCE REMAINING IN THE UNEMPLOYMENT
19 COMPENSATION TRIGGER RESERVE ACCOUNT SHALL BE TRANSFERRED TO THE
20 UNEMPLOYMENT COMPENSATION TRUST FUND.

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

23 Section 309. Collection of Contributions and Interest;
24 Injunctions.--* * *

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



1 SECTION 3.1. SECTION 404(E) (2) OF THE ACT, AMENDED JUNE 17,
 2 2011, (P.L.16, NO.6), IS AMENDED TO READ:

3 SECTION 404. RATE AND AMOUNT OF COMPENSATION.--COMPENSATION
 4 SHALL BE PAID TO EACH ELIGIBLE EMPLOYEE IN ACCORDANCE WITH THE
 5 FOLLOWING PROVISIONS OF THIS SECTION EXCEPT THAT COMPENSATION
 6 PAYABLE WITH RESPECT TO WEEKS ENDING IN BENEFIT YEARS WHICH
 7 BEGIN PRIOR TO THE FIRST DAY OF JANUARY 1989 SHALL BE PAID ON
 8 THE BASIS OF THE PROVISIONS OF THIS SECTION IN EFFECT AT THE
 9 BEGINNING OF SUCH BENEFIT YEARS.

10 * * *

11 (E) * * *

12 (2) (I) THE TABLE SPECIFIED FOR THE DETERMINATION OF RATE
 13 AND AMOUNT OF BENEFITS SHALL BE EXTENDED OR CONTRACTED ANNUALLY,
 14 AUTOMATICALLY BY REGULATIONS PROMULGATED BY THE SECRETARY IN
 15 ACCORDANCE WITH THE FOLLOWING PROCEDURE: FOR CALENDAR YEAR ONE
 16 THOUSAND NINE HUNDRED SEVENTY-TWO AND FOR ALL SUBSEQUENT
 17 CALENDAR YEARS, TO A POINT WHERE THE MAXIMUM WEEKLY BENEFIT RATE
 18 SHALL EQUAL SIXTY-SIX AND TWO-THIRDS PER CENTUM OF THE AVERAGE
 19 WEEKLY WAGE FOR THE THIRTY-SIX-MONTH PERIOD ENDING JUNE 30
 20 PRECEDING EACH CALENDAR YEAR. IF THE MAXIMUM WEEKLY BENEFIT RATE
 21 IS NOT A MULTIPLE OF ONE DOLLAR (\$1), IT SHALL BE ROUNDED TO THE
 22 NEXT LOWER MULTIPLE OF ONE DOLLAR (\$1): PROVIDED, HOWEVER, THAT
 23 EFFECTIVE WITH BENEFIT YEARS BEGINNING THE FIRST SUNDAY AT LEAST
 24 THIRTY DAYS AFTER THE EFFECTIVE DATE OF THIS AMENDATORY ACT, THE
 25 PER CENTUM STATED IN THIS PARAGRAPH FOR ESTABLISHING THE MAXIMUM
 26 WEEKLY BENEFIT RATE SHALL BE SIXTY-TWO AND TWO-THIRDS PER CENTUM
 27 FOR THE REMAINDER OF CALENDAR YEAR ONE THOUSAND NINE HUNDRED
 28 SEVENTY-FOUR, SIXTY-FOUR AND TWO-THIRDS PER CENTUM FOR THE
 29 CALENDAR YEAR ONE THOUSAND NINE HUNDRED SEVENTY-FIVE, AND SIXTY-
 30 SIX AND TWO-THIRDS PER CENTUM FOR THE CALENDAR YEAR ONE THOUSAND

1 NINE HUNDRED SEVENTY-SIX AND FOR ALL SUBSEQUENT CALENDAR YEARS.

2 THE TABLE SPECIFIED FOR THE DETERMINATION OF RATE AND AMOUNT
3 OF BENEFITS AS SO EXTENDED OR CONTRACTED SHALL BE EFFECTIVE ONLY
4 FOR THOSE CLAIMANTS WHOSE BENEFIT YEARS BEGIN ON OR AFTER THE
5 FIRST DAY OF JANUARY OF SUCH CALENDAR YEAR.

6 (II) FOR THE PURPOSE OF DETERMINING THE MAXIMUM WEEKLY
7 BENEFIT RATE, THE PENNSYLVANIA AVERAGE WEEKLY WAGE IN COVERED
8 EMPLOYMENT SHALL BE COMPUTED ON THE BASIS OF THE AVERAGE ANNUAL
9 TOTAL WAGES REPORTED (IRRESPECTIVE OF THE LIMIT ON THE AMOUNT OF
10 WAGES SUBJECT TO CONTRIBUTIONS) FOR THE THIRTY-SIX-MONTH PERIOD
11 ENDING JUNE 30 (DETERMINED BY DIVIDING THE TOTAL WAGES REPORTED
12 FOR THE THIRTY-SIX-MONTH PERIOD BY THREE) AND THIS AMOUNT SHALL
13 BE DIVIDED BY THE AVERAGE MONTHLY NUMBER OF COVERED WORKERS
14 (DETERMINED BY DIVIDING THE TOTAL COVERED EMPLOYMENT REPORTED
15 FOR THE SAME THIRTY-SIX-MONTH PERIOD BY THIRTY-SIX) TO DETERMINE
16 THE AVERAGE ANNUAL WAGE. THE AVERAGE ANNUAL WAGE THUS OBTAINED
17 SHALL BE DIVIDED BY FIFTY-TWO AND THE AVERAGE WEEKLY WAGE THUS
18 DETERMINED ROUNDED TO THE NEAREST CENT.

19 (III) NOTWITHSTANDING THE PROVISIONS OF SUBCLAUSE (I), FOR
20 THE CALENDAR YEAR 2012, THE MAXIMUM WEEKLY BENEFIT RATE SHALL BE
21 FROZEN AT THE RATE CALCULATED FOR CALENDAR YEAR 2011.

22 THEREAFTER, THE MAXIMUM WEEKLY BENEFIT RATE ESTABLISHED:

23 (A) FOR CALENDAR YEAR 2013, SHALL BE NO GREATER THAN A ONE
24 PER CENTUM (1%) INCREASE ABOVE THE CALENDAR YEAR 2012 RATE.

25 (B) FOR CALENDAR YEAR 2014, SHALL BE NO GREATER THAN A ONE
26 AND ONE-TENTH PER CENTUM (1.1%) INCREASE ABOVE THE CALENDAR YEAR
27 2013 RATE.

28 (C) FOR CALENDAR YEAR 2015, SHALL BE NO GREATER THAN A ONE
29 AND TWO-TENTHS PER CENTUM (1.2%) INCREASE ABOVE THE CALENDAR
30 YEAR 2014 RATE.

1 (D) FOR CALENDAR YEAR 2016, SHALL BE NO GREATER THAN A ONE
2 AND THREE-TENTHS PER CENTUM (1.3%) INCREASE ABOVE THE CALENDAR
3 YEAR 2015 RATE.

4 (E) FOR CALENDAR YEAR 2017, SHALL BE NO GREATER THAN ONE AND
5 FOUR-TENTHS PER CENTUM (1.4%) INCREASE ABOVE THE CALENDAR YEAR
6 2016 RATE.

7 (F) FOR CALENDAR YEAR 2018, SHALL BE NO GREATER INCREASE
8 THAN ONE AND FIVE-TENTHS PER CENTUM (1.5%) INCREASE ABOVE THE
9 CALENDAR YEAR 2017 RATE.

10 THE LIMITATIONS INSTITUTED FOR CALENDAR YEARS 2013 THROUGH 2018
11 SHALL EXPIRE ON THE EARLIER TO OCCUR OF DECEMBER 31, 2018, OR
12 THE [LAST DAY OF THE CALENDAR YEAR IN WHICH THE UNEMPLOYMENT
13 COMPENSATION TRUST FUND DOES NOT HAVE AN OUTSTANDING SOLVENCY-
14 BASED DEBT TO THE UNITED STATES GOVERNMENT] DECEMBER 31 AS OF
15 WHICH THE UNEMPLOYMENT COMPENSATION FUND DOES NOT OWE
16 OUTSTANDING ADVANCES TO THE FEDERAL GOVERNMENT UNDER TITLE XII
17 OF THE SOCIAL SECURITY ACT (42 U.S.C. § 1321 ET SEQ.) AND THERE
18 ARE NO OUTSTANDING BONDS UNDER ARTICLE XIV.

19 (IV) IF THE CHANGE IMPLEMENTED BY THE FREEZE IN CALENDAR
20 YEAR 2012 IS DETERMINED BY THE DEPARTMENT, IN AN OFFICIAL NOTICE
21 TO THE GENERAL ASSEMBLY, TO RESULT IN THE LOSS OF FUNDS UNDER
22 THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (PUBLIC LAW
23 111-5, 123 STAT. 115), THE SCHEDULE UNDER SUBCLAUSE (III) SHALL
24 OCCUR ONE YEAR LATER AND THE EXPIRATION OF THE LIMITATIONS SET
25 FORTH IN SUBCLAUSE (III) SHALL OCCUR ONE YEAR LATER.

26 * * *

27 SECTION 3.2. SECTION 601 OF THE ACT, AMENDED DECEMBER 6,
28 1972 (P.L.1622, NO.336), AND JULY 21, 1983 (P.L.68, NO.30), IS
29 AMENDED TO READ:

30 SECTION 601. UNEMPLOYMENT COMPENSATION FUND.--(A) THERE IS

1 HEREBY CREATED A SPECIAL FUND SEPARATE AND APART FROM ALL PUBLIC
2 MONEYS OR FUNDS OF THIS COMMONWEALTH TO BE KNOWN AS THE
3 UNEMPLOYMENT COMPENSATION FUND. ALL CONTRIBUTIONS PAID BY
4 EMPLOYERS AND EMPLOYEES, TOGETHER WITH PENALTIES AND INTEREST
5 THEREON, RECEIVED OR COLLECTED BY THE DEPARTMENT FROM EMPLOYERS
6 UNDER THE PROVISIONS OF THIS ACT, EXCEPT SUCH PENALTIES AND
7 INTEREST WHICH ARE TO BE PAID INTO THE SPECIAL ADMINISTRATION
8 FUND AS PROVIDED IN SECTION 601.1 AND TAXES COLLECTED UNDER
9 SECTION 301.6 OF THIS ACT WHICH ARE TO BE PAID INTO THE
10 [INTEREST] DEBT SERVICE FUND AS PROVIDED IN SECTION 601.2, SHALL
11 BE PAID INTO THE UNEMPLOYMENT COMPENSATION FUND, AND SHALL BE
12 CREDITED BY THE DEPARTMENT TO A LEDGER ACCOUNT TO BE KNOWN AS
13 THE EMPLOYERS' CONTRIBUTION ACCOUNT. INTEREST AND PENALTIES
14 WHICH ARE TO BE CREDITED TO THE SPECIAL ADMINISTRATION FUND AND
15 TAXES COLLECTED UNDER SECTION 301.6 MAY BE TEMPORARILY HELD IN
16 THE EMPLOYERS' CONTRIBUTION ACCOUNT SOLELY FOR CLEARANCE
17 PURPOSES PRIOR TO TRANSFER TO THE SPECIAL ADMINISTRATION FUND OR
18 [INTEREST] DEBT SERVICE FUND AND WHILE SO HELD IN THE EMPLOYERS'
19 CONTRIBUTION ACCOUNT SHALL NOT BE DEEMED A PART OF THE
20 UNEMPLOYMENT COMPENSATION FUND. ALL MONEYS FROM TIME TO TIME
21 RECEIVED AND CREDITED TO THE EMPLOYERS' CONTRIBUTION ACCOUNT
22 (EXCLUSIVE OF REFUNDS MADE UNDER SECTION 311 AND INTEREST AND
23 PENALTIES TRANSFERRED AS HEREIN PROVIDED TO THE SPECIAL
24 ADMINISTRATION FUND AND TAXES TRANSFERRED TO THE [INTEREST] DEBT
25 SERVICE FUND) SHALL BE PAID PROMPTLY BY THE DEPARTMENT INTO THE
26 UNEMPLOYMENT COMPENSATION FUND, EXCEPT AS OTHERWISE PROVIDED IN
27 SECTION 605 OF THIS ACT. ALL MONEYS CREDITED TO THIS
28 COMMONWEALTH'S ACCOUNT IN THE UNEMPLOYMENT COMPENSATION FUND
29 PURSUANT TO SECTION 903 OF THE FEDERAL SOCIAL SECURITY ACT (42
30 U.S.C. § 1103) SHALL BE INCLUDED IN THE UNEMPLOYMENT

1 COMPENSATION FUND.

2 (B) AS OFTEN AS MAY BE NECESSARY, THE DEPARTMENT SHALL
3 REQUISITION FROM THE UNEMPLOYMENT TRUST FUND SUCH AMOUNTS AS
4 SHALL BE NECESSARY TO PROVIDE ADEQUATE FUNDS FOR THE PAYMENT OF
5 COMPENSATION AS PROVIDED IN THIS ACT, EXCEPT THAT MONEYS
6 CREDITED TO THIS COMMONWEALTH'S ACCOUNT PURSUANT TO SECTION 903
7 OF THE FEDERAL SOCIAL SECURITY ACT AS AMENDED SHALL BE USED
8 EXCLUSIVELY AS PROVIDED IN SECTION SIX HUNDRED TWO POINT THREE.
9 UPON RECEIPT OF SUCH REQUISITIONED FUNDS, THE DEPARTMENT SHALL
10 DEPOSIT THEM INTO THE UNEMPLOYMENT COMPENSATION FUND TO THE
11 CREDIT OF A LEDGER ACCOUNT, TO BE KNOWN AS THE COMPENSATION
12 ACCOUNT, AND SHALL EXPEND SUCH MONEYS SOLELY FOR THE PAYMENT OF
13 COMPENSATION, AS PROVIDED BY THIS ACT. ALL MONEYS TO THE CREDIT
14 OF THE COMPENSATION ACCOUNT SHALL BE MINGLED AND UNDIVIDED. THE
15 DEPARTMENT SHALL PAY ALL COMPENSATION AUTHORIZED BY THIS ACT OUT
16 OF MONEYS STANDING TO THE CREDIT OF THE COMPENSATION ACCOUNT.

17 (C) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS SECTION,
18 THE DEPARTMENT SHALL AT SUCH TIME OR TIMES, WHEN THE AMOUNT OF
19 MONEYS CREDITED TO THE COMMONWEALTH OF PENNSYLVANIA IN THE
20 UNEMPLOYMENT COMPENSATION FUND EXCEED THE AVERAGE ANNUAL TOTAL
21 BENEFIT PAYOUT FOR THE IMMEDIATE PRIOR FIVE (5) YEARS, TRANSFER
22 SUCH EXCESS TO THE UNITED STATES TREASURY TO REPAY; AND REDUCE
23 ANY OUTSTANDING FEDERAL UNEMPLOYMENT LOAN DEBT, AND AT SUCH
24 OTHER TIME OR TIMES AS THE SECRETARY WITH THE APPROVAL OF THE
25 GOVERNOR MAY DETERMINE, IS HEREBY AUTHORIZED TO REQUISITION FROM
26 THE UNEMPLOYMENT COMPENSATION FUND AND PAY INTO THE UNITED
27 STATES TREASURY AN AMOUNT WHICH, IN THE AGGREGATE, IS EQUAL TO
28 THE BALANCE OF ANY LOAN MADE TO THIS COMMONWEALTH UNDER THE
29 PROVISIONS OF TITLE XII OF THE SOCIAL SECURITY ACT, AS AMENDED.
30 SUCH REQUISITION AND TRANSFER NEED NOT BE IN A LUMP SUM BUT MAY

1 BE MADE ACCORDING TO A PLAN ENTERED INTO BETWEEN THE DEPARTMENT
2 AND THE UNITED STATES TREASURY AND FOR THAT PURPOSE THE
3 AUTHORITY HEREINABOVE CONTAINED SHALL BE DEEMED CONTINUOUS
4 DURING THE TERM OF SUCH AGREEMENT.

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

7 Section 601.2. ~~【Interest】~~ DEBT SERVICE Fund.--(a) There is ←
8 hereby established a separate account in the State Treasury, to
9 be known as the ~~【Interest】~~ DEBT SERVICE Fund. All taxes ←
10 collected under section 301.6 of this act shall be paid into the
11 ~~【Interest】~~ DEBT SERVICE Fund. The moneys in this fund shall be ←
12 used in the following priority order and such funds received are
13 hereby appropriated for all of the following purposes:

14 ~~(1) For payment of bond obligations and bond administrative ←~~
15 ~~expenses under Article XIV of this act.~~

16 ~~{(1)} (2) For transfer to the General Fund for repayment of ←~~
17 ~~loans pursuant to subsection (c) or for transfer to the General~~
18 ~~Fund pursuant to [subsections (f) and (g)] this section.~~

19 ~~{(2)} (3) For the payment of annual interest obligations ←~~
20 ~~assessed under Title XII of the Social Security Act.~~

21 ~~{(3)} (4) Repayment of outstanding interest bearing advances ←~~
22 ~~received under Title XII of the Social Security Act.~~

23 ~~{(4)} (5) Unemployment compensation payments under this act.~~

24 (1) FOR [TRANSFER TO THE GENERAL FUND FOR REPAYMENT OF LOANS ←
25 PURSUANT TO SUBSECTION (C) OR FOR TRANSFER TO THE GENERAL FUND
26 PURSUANT TO SUBSECTIONS (F) AND (G)] PAYMENT OF BOND OBLIGATIONS
27 AND BOND ADMINISTRATIVE EXPENSES, FOR REPLENISHMENT OF BOND
28 RESERVES AND FOR REDEMPTION OR PURCHASE OF OUTSTANDING BONDS
29 UNDER ARTICLE XIV OF THIS ACT.

30 (2) FOR THE PAYMENT OF ANNUAL INTEREST OBLIGATIONS ASSESSED

1 UNDER TITLE XII OF THE SOCIAL SECURITY ACT.

2 (3) [REPAYMENT] FOR REPAYMENT OF OUTSTANDING INTEREST-
3 BEARING ADVANCES RECEIVED UNDER TITLE XII OF THE SOCIAL SECURITY
4 ACT.

5 (4) [UNEMPLOYMENT COMPENSATION PAYMENTS UNDER THIS ACT] FOR
6 TRANSFER TO THE UNEMPLOYMENT COMPENSATION FUND UNDER SUBSECTION
7 (B), FOR PAYMENT OF COMPENSATION TO INDIVIDUALS.

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

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

29 (d) Any amount of moneys remaining in this fund at the end
30 of the calendar year after the interest obligations, for the

1 calendar year, under Title XII of the Social Security Act have
2 been met may be used as a voluntary repayment as prescribed by
3 section 1202(b)(6)(A) of the Social Security Act, to reduce the
4 balance of any outstanding interest-bearing advances received
5 under Title XII of the Social Security Act.]



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

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

19 (g) The sum of eleven million seven hundred thousand dollars
20 (\$11,700,000) is hereby transferred from the Interest Fund to
21 the General Fund. Moneys remaining in the Interest Fund after
22 this transfer shall be transferred to the Unemployment
23 Compensation Fund as provided in subsection (e).] 601 if the
24 following requirements are met:

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

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

29 (3) there are no outstanding bond obligations and bond
30 administration expenses under Article XIV of this act and no

1 such obligations and expenses will be due in the following year.

2 SECTION 4.1. SECTION 603 OF THE ACT, AMENDED JUNE 15, 2005 ←
3 (P.L.8, NO.5), IS AMENDED TO READ:

4 SECTION 603. STATE TREASURER AS CUSTODIAN.--THE STATE
5 TREASURER SHALL BE THE CUSTODIAN OF THE UNEMPLOYMENT
6 COMPENSATION FUND, THE ADMINISTRATION FUND, THE SPECIAL
7 ADMINISTRATION FUND, THE [INTEREST] DEBT SERVICE FUND AND THE
8 JOB TRAINING FUND. HE SHALL GIVE A BOND, OR BONDS, WITH
9 CORPORATE SURETIES, CONDITIONED UPON THE FAITHFUL PERFORMANCE OF
10 HIS DUTIES AS CUSTODIAN OF SUCH FUNDS IN SUCH AMOUNT OR AMOUNTS
11 AS SHALL BE DETERMINED AND FIXED BY THE EXECUTIVE BOARD OF THIS
12 COMMONWEALTH. PREMIUMS FOR SUCH BOND OR BONDS SHALL BE PAID BY
13 THE DEPARTMENT OUT OF THE MONEYS IN THE ADMINISTRATION FUND. ALL
14 MONEYS BELONGING TO SUCH FUNDS (EXCLUSIVE OF MONEYS ON DEPOSIT
15 IN THE UNEMPLOYMENT TRUST FUND AS PROVIDED IN SECTION 601) SHALL
16 BE DEPOSITED BY THE STATE TREASURER IN ANY BANKS OR PUBLIC
17 DEPOSITORIES IN WHICH GENERAL FUNDS OF THE COMMONWEALTH MAY BE
18 DEPOSITED, BUT NO PUBLIC DEPOSIT INSURANCE CHARGE OR PREMIUM
19 SHALL BE PAID OUT OF MONEYS IN THE UNEMPLOYMENT COMPENSATION
20 FUND. ANY LAW TO THE CONTRARY NOTWITHSTANDING, ALL PAYMENTS FROM
21 SUCH FUNDS SHALL BE MADE UNDER SUCH SYSTEMS OF REQUISITIONING
22 AND ACCOUNTING AS THE GOVERNOR, THE STATE TREASURER, AND
23 SECRETARY SHALL DETERMINE.

24 Section 5. Section 804(a) and (b)(1) of the act, amended
25 July 10, 1980 (P.L.521, No.108) and October 19, 1988 (P.L.818, ←
26 No.109), are amended to read:

27 Section 804. Recovery and Recoupment of Compensation.--(a)
28 Any person who by reason of his fault has received any sum as
29 compensation under this act to which he was not entitled, shall
30 be liable to repay to the Unemployment Compensation Fund to the

1 credit of the Compensation Account a sum equal to the amount so
2 received by him and interest at the rate determined by the
3 Secretary of Revenue as provided by section 806 of the act of
4 April 9, 1929 (P.L.343, No.176), known as "The Fiscal Code," per
5 month or fraction of a month from fifteen (15) days after the
6 Notice of Overpayment was issued until paid. Such sum shall be
7 collectible (1) in the manner provided in section 308.1 or
8 section 309 of this act, for the collection of past due
9 contributions, or (2) by deduction from any future compensation
10 payable to the claimant under this act: Provided, That interest
11 assessed under this section cannot be recouped by deduction from
12 any future compensation payable to the claimant under this act:
13 Provided further, That no administrative or legal proceedings
14 for the collection of such sum shall be instituted after the
15 expiration of [six] ten years following the end of the benefit
16 year with respect to which such sum was paid.

17 (b) (1) Any person who other than by reason of his fault
18 has received with respect to a benefit year any sum as
19 compensation under this act to which he was not entitled shall
20 not be liable to repay such sum but shall be liable to have such
21 sum deducted from any future compensation payable to him with
22 respect to such benefit year, or the [three-year] six-year
23 period immediately following such benefit year: Provided, That
24 with respect to overpayments of one hundred dollars or more,
25 recoupment from such future compensation shall not exceed one-
26 third of the maximum benefit amount to which such person is
27 entitled during any such subsequent benefit year nor one-third
28 of the weekly benefit amount to which such person may be
29 entitled for any particular week. In the absence of
30 misrepresentation or non-disclosure of a material fact, no

1 recoupment shall be had if such overpayment is created by reason
2 of (i) a subsequent reversal of two decisions of eligibility
3 under the provisions of section five hundred one (e) of this
4 act, or (ii) the subsequent receipt of holiday pay, vacation pay
5 or the like of which the person had no knowledge, or (iii) a
6 subsequent determination that the person's base year wages were
7 not earned in employment as defined in this act. No provision of
8 this subsection shall be construed to prevent or prohibit the
9 voluntary repayment of compensation by such person or the
10 maintenance of records of overpayments by the department.

11 * * *

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

13 ARTICLE XIV

14 UNEMPLOYMENT COMPENSATION SOLVENCY BONDS

15 Section 1401. Definitions.

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

19 "Account." The Unemployment Compensation Security Account
20 established pursuant to this article.

21 "Authority." The Pennsylvania Economic Development Financing
22 Authority created pursuant to the law.

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

26 "Bond obligations." The principal of a bond and any premium
27 and interest payable on a bond.

28 "Federal advances." Loans by the Federal Government to the
29 Commonwealth for the payment of compensation, pursuant to
30 Article XII of the Social Security Act (42 U.S.C. § 1321 et

1 ~~seq.) or any similar Federal law.~~

2 ~~"Interest Fund." The fund established under section 601.2.~~

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

5 ~~Section 1402. Bond issuance.~~

6 ~~(a) Authority. In addition to the projects and other uses~~
7 ~~under section 6.3 of the law, the authority shall have the~~
8 ~~authority to issue limited obligation revenue bonds as may be~~
9 ~~necessary under this article.~~

10 ~~(b) Debt or liability. Bonds issued under this section~~
11 ~~shall not be a debt or liability of the Commonwealth and shall~~
12 ~~not create or constitute any indebtedness, liability or~~
13 ~~obligation of the Commonwealth. All bonds shall be payable~~
14 ~~solely from revenues or funds pledged or available for their~~
15 ~~repayment as authorized in this article including the proceeds~~
16 ~~of any issue of bonds. Each bond shall contain on its face a~~
17 ~~statement to the effect that the financing authority is~~
18 ~~obligated to pay the principal thereof or the interest thereof~~
19 ~~only from funds made available under this article, and that the~~
20 ~~full faith and credit of the Commonwealth is not pledged to the~~
21 ~~payment of the principal of or the interest on the bonds.~~

22 ~~Section 1403. Criteria for bond issuance.~~

23 ~~(a) Determination. The department shall determine that the~~
24 ~~issuance of bonds for the purposes established by this article~~
25 ~~will result in a savings to the employers in this Commonwealth~~
26 ~~as compared to the cost of borrowing or repayment by other~~
27 ~~means.~~

28 ~~(b) Alternative. If the department determines that the~~
29 ~~issuance of bonds to obtain funds to repay previous Federal~~
30 ~~advances, including interest, is a cost effective alternative to~~

1 ~~repayment of the Federal advances and interest by other means,~~
2 ~~the department may request the authority to issue bonds for its~~
3 ~~benefit.~~

4 ~~(c) Terms. The department shall specify in its request to~~
5 ~~the authority the maximum principal amount of the bonds for any~~
6 ~~separate bond issue, and the maximum term of the bonds, not to~~
7 ~~exceed ten years. The total principal amount of bonds that the~~
8 ~~department may request under this article for all bond issues~~
9 ~~may not exceed \$3,500,000,000.~~

10 ~~(d) Increase. The maximum principal amount determined by~~
11 ~~the department for a bond issue under subsection (c) may be~~
12 ~~increased to include an amount sufficient to:~~

- 13 ~~(1) pay the authority's costs to issue the bonds; and~~
14 ~~(2) provide a bond reserve.~~

15 ~~Section 1404. Issuance of bonds by authority.~~

16 ~~The authority shall issue bonds when requested to do so by~~
17 ~~the department. The provisions of the law, unless otherwise~~
18 ~~specified by this article, shall apply to bonds issued for the~~
19 ~~purposes set forth under this article.~~

20 ~~Section 1405. Use of bond proceeds.~~

21 ~~(a) Deposit. The proceeds of bonds and notes, except~~
22 ~~refunding bonds and replacement notes, issued by the authority~~
23 ~~shall be deposited in the account which shall be established in~~
24 ~~the State Treasury as a restricted receipt account. The proceeds~~
25 ~~shall be paid by the State Treasurer periodically to those~~
26 ~~Commonwealth officers or Commonwealth agencies at the time~~
27 ~~necessary to carry out the purpose of this article. The proceeds~~
28 ~~of the sale of refunding bonds and replacement notes shall be~~
29 ~~paid to the State Treasurer and applied to the payment of~~
30 ~~principal, any accrued interest and premium and the cost of~~

1 ~~redemption of the bonds and notes for which the obligations~~
2 ~~shall have been issued.~~

3 ~~(b) Direction. The department shall direct the use of~~
4 ~~moneys in the fund to:~~

5 ~~(1) repay the principal and interest of previous Federal~~
6 ~~advances; and~~

7 ~~(2) pay unemployment compensation benefits.~~

8 ~~(c) Investment. Pending application for the purposes~~
9 ~~authorized, money held or deposited by the State Treasurer may~~
10 ~~be invested or reinvested as are other funds in the custody of~~
11 ~~the State Treasurer in the manner provided by law. All earnings~~
12 ~~received from the investment or deposit of the funds shall be~~
13 ~~paid into the State Treasury to the credit of the fund.~~

14 ~~(d) Appropriation. There is appropriated to the State~~
15 ~~Treasurer from the fund as much money as may be necessary for~~
16 ~~all costs and expenses in connection with the issue of and sale~~
17 ~~and registration of the bonds and notes.~~

18 ~~Section 1406. Payment of bond related obligations.~~

19 ~~(a) Notification. For each calendar year in which bond~~
20 ~~obligations will be due, the authority shall notify the~~
21 ~~department of the amount of bond obligations in sufficient time,~~
22 ~~as determined by the department, to permit the department to~~
23 ~~determine the amount of additional contributions under section~~
24 ~~301.6 required for that year, for deposit into the Interest~~
25 ~~Fund. The authority's calculation of the amount of bond~~
26 ~~obligations that will be due is subject to verification by the~~
27 ~~department.~~

28 ~~(b) Transfer. Money in the Interest Fund that is needed to~~
29 ~~pay bond obligations shall be transferred to the authority to~~
30 ~~ensure timely payment of bond obligations, as specified in the~~

1 ~~resolution adopted in connection with the bond issue or as~~
2 ~~otherwise provided by the bond documents.~~

3 ~~Section 1407. Excess additional contributions.~~

4 ~~The department may use additional contributions collected~~
5 ~~pursuant to section 301.6 for any calendar year that exceeds the~~
6 ~~amount of the bond obligations due in that year as follows:~~

7 ~~(1) to pay bond obligations due in the following year,~~
8 ~~thereby reducing the amount of additional contributions under~~
9 ~~section 301.6 that would be required in that year;~~

10 ~~(2) to redeem or purchase outstanding bonds; or~~

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

12 ~~Section 1408. No personal liability.~~

13 ~~The members of the department and the authority and the~~
14 ~~officers and employees of the department and the authority are~~
15 ~~not personally liable as a result of good faith exercise of the~~
16 ~~rights and responsibilities granted under this article.~~

17 ~~Section 1409. Expiration.~~

18 ~~The authority to issue bonds under section 1404 shall expire~~
19 ~~on December 31, 2016.~~

20 ARTICLE XIV

21 UNEMPLOYMENT COMPENSATION BONDS

22 SECTION 1401. DEFINITIONS.

23 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
24 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
25 CONTEXT CLEARLY INDICATES OTHERWISE:

26 "AUTHORITY." THE PENNSYLVANIA ECONOMIC DEVELOPMENT FINANCING
27 AUTHORITY.

28 "BOND." ANY TYPE OF REVENUE OBLIGATION, INCLUDING A BOND OR
29 SERIES OF BONDS, NOTE, CERTIFICATE OR OTHER INSTRUMENT ISSUED BY
30 THE AUTHORITY FOR THE BENEFIT OF THE DEPARTMENT UNDER THIS



1 ARTICLE.

2 "BOND ADMINISTRATIVE EXPENSES." EXPENSES INCURRED TO
3 ADMINISTER BONDS, INCLUDING FEES OF THE AUTHORITY, PAYMENTS TO
4 AGENTS AND ATTORNEYS AND COSTS OF OTHER PROFESSIONAL SERVICES
5 NECESSARY TO ENSURE COMPLIANCE WITH APPLICABLE FEDERAL OR STATE
6 LAW.

7 "BOND OBLIGATIONS." THE PRINCIPAL OF A BOND AND THE PREMIUM
8 AND INTEREST PAYABLE ON A BOND, TOGETHER WITH THE AMOUNT OWED
9 UNDER A RELATED CREDIT AGREEMENT.

10 "CREDIT AGREEMENT." A LOAN AGREEMENT, A REVOLVING CREDIT
11 AGREEMENT, AN AGREEMENT ESTABLISHING A LINE OF CREDIT, A LETTER
12 OF CREDIT OR ANOTHER AGREEMENT THAT ENHANCES THE MARKETABILITY,
13 SECURITY OR CREDITWORTHINESS OF A BOND.

14 "FEDERAL ADVANCES." LOANS BY THE FEDERAL GOVERNMENT TO THE
15 COMMONWEALTH FOR THE PAYMENT OF COMPENSATION UNDER TITLE XII OF
16 THE SOCIAL SECURITY ACT (42 U.S.C. § 1321 ET SEQ.) OR A SIMILAR
17 FEDERAL STATUTE.

18 "FINANCING LAW." THE ACT OF AUGUST 23, 1967 (P.L.251,
19 NO.102), KNOWN AS THE ECONOMIC DEVELOPMENT FINANCING LAW.
20 SECTION 1402. BOND ISSUANCE.

21 (A) AUTHORITY.--NOTWITHSTANDING ANY OTHER LAW, ALL OF THE
22 FOLLOWING APPLY:

23 (1) THE DEPARTMENT MAY APPLY TO THE AUTHORITY FOR THE
24 FUNDING OF REPAYMENT OF FEDERAL ADVANCES.

25 (2) THE FUNDING OF REPAYMENT OF FEDERAL ADVANCES SHALL
26 CONSTITUTE A PROJECT FOR PURPOSES OF THE FINANCING LAW.

27 (3) THE AUTHORITY MAY ISSUE BONDS UNDER THE FINANCING
28 LAW, CONSISTENT WITH THIS ARTICLE, TO FINANCE A PROJECT
29 CONSISTING OF REPAYMENT OF FEDERAL ADVANCES OR REFUNDING AND
30 REDEEMING OF PRIOR BONDS.

1 (4) PARTICIPATION OF AN INDUSTRIAL AND COMMERCIAL
2 DEVELOPMENT AUTHORITY IS NOT REQUIRED TO FINANCE REPAYMENT OF
3 FEDERAL ADVANCES.

4 (B) DEBT OR LIABILITY.--

5 (1) BONDS ISSUED UNDER THIS ARTICLE SHALL NOT BE A DEBT
6 OR LIABILITY OF THE COMMONWEALTH AND SHALL NOT CREATE OR
7 CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE
8 COMMONWEALTH.

9 (2) BOND OBLIGATIONS AND BOND ADMINISTRATIVE EXPENSES
10 SHALL BE PAYABLE SOLELY FROM REVENUES OR FUNDS PLEDGED OR
11 AVAILABLE FOR THEIR REPAYMENT AS AUTHORIZED IN THIS ARTICLE.
12 THIS PARAGRAPH INCLUDES THE PROCEEDS OF AN ISSUE OF BONDS.

13 (3) EACH BOND MUST CONTAIN ON ITS FACE A STATEMENT THAT:

14 (I) THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL
15 OF THE BOND OR THE INTEREST ON THE BOND ONLY FROM FUNDS
16 MADE AVAILABLE UNDER THIS ARTICLE;

17 (II) NEITHER THE COMMONWEALTH NOR A POLITICAL
18 SUBDIVISION IS OBLIGATED TO PAY THE PRINCIPAL OR
19 INTEREST; AND

20 (III) THE FULL FAITH AND CREDIT OF THE COMMONWEALTH
21 IS NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE
22 INTEREST ON THE BONDS.

23 SECTION 1403. CRITERIA FOR BOND ISSUANCE.

24 (A) DETERMINATION.--IF THE DEPARTMENT REASONABLY EXPECTS
25 THAT THE ISSUANCE OF BONDS TO OBTAIN FUNDS TO REPAY FEDERAL
26 ADVANCES, INCLUDING INTEREST, WOULD RESULT IN A SAVINGS TO
27 EMPLOYERS IN THIS COMMONWEALTH, AS AN ALTERNATIVE TO REPAYMENT
28 OF THE FEDERAL ADVANCES AND INTEREST BY OTHER MEANS, THE
29 DEPARTMENT, IN CONSULTATION WITH THE OFFICE OF THE BUDGET, MAY
30 APPLY THE AUTHORITY TO ISSUE BONDS FOR ITS BENEFIT UNDER SECTION

1 1402 (A) .

2 (B) TERMS.--

3 (1) THE DEPARTMENT, IN CONSULTATION WITH THE OFFICE OF
4 THE BUDGET, SHALL SPECIFY IN ITS APPLICATION TO THE
5 AUTHORITY:

6 (I) THE MAXIMUM PRINCIPAL AMOUNT OF THE BONDS FOR
7 EACH SEPARATE BOND ISSUE; AND

8 (II) THE MAXIMUM TERM OF THE BOND, NOT TO EXCEED 20
9 YEARS.

10 (2) THE TOTAL PRINCIPAL AMOUNT OF BONDS THAT THE
11 DEPARTMENT MAY REQUEST UNDER THIS ARTICLE FOR ALL BOND ISSUES
12 MAY NOT EXCEED \$3,500,000,000.

13 SECTION 1404. ISSUANCE OF BONDS AND SECURITY.

14 (A) ISSUANCE.--THE AUTHORITY SHALL CONSIDER ISSUANCE OF
15 BONDS UPON APPLICATION BY THE DEPARTMENT. BONDS ISSUED UNDER
16 THIS ARTICLE SHALL BE SUBJECT TO THE PROVISIONS OF THE FINANCING
17 LAW, UNLESS OTHERWISE SPECIFIED BY THIS ARTICLE.

18 (B) AGREEMENTS.--THE AUTHORITY AND THE DEPARTMENT MAY ENTER
19 INTO LOAN AGREEMENTS, CREDIT AGREEMENTS, BOND PURCHASE
20 AGREEMENTS AND OTHER CONTRACTS IN CONNECTION WITH THE BONDS IN
21 ORDER TO EFFECTUATE THE PURPOSES OF THE FINANCING LAW AND THIS
22 ARTICLE.

23 (C) SECURITY.--THE BOND OBLIGATIONS AND BOND ADMINISTRATIVE
24 EXPENSES ARE SECURED, FOR THE BENEFIT OF THE HOLDERS OF THE
25 BONDS AND THE OBLIGEEES UNDER THE CREDIT AGREEMENTS, BY PLEDGE
26 OF, SECURITY IN AND FIRST LIEN ON ALL OF THE FOLLOWING:

27 (1) ADDITIONAL CONTRIBUTIONS COLLECTED UNDER SECTION
28 301.6.

29 (2) MONEY ON DEPOSIT IN THE DEBT SERVICE FUND. THIS
30 PARAGRAPH INCLUDES INVESTMENT INCOME ON THAT MONEY.

1 (3) MONEY IN THE DEBT SERVICE FUND AS FOLLOWS:

2 (I) EXCEPT AS SET FORTH IN SUBPARAGRAPH (II), MONEY
3 ON DEPOSIT IN ANY FUND AND ACCOUNT. THIS SUBPARAGRAPH
4 INCLUDES BOND RESERVES AND INTEREST INCOME ON THE MONEY.

5 (II) SUBPARAGRAPH (I) DOES NOT APPLY TO MONEY IN ANY
6 FUND OR ACCOUNT RELATED TO ARBITRAGE REBATE OBLIGATIONS.
7 SECTION 1405. USE OF BOND PROCEEDS.

8 (A) ORDER.--UPON ISSUANCE OF THE BONDS, THE PROCEEDS SHALL
9 BE APPLIED IN THE FOLLOWING ORDER:

10 (1) PAY THE COSTS OF ISSUANCE OF THE BONDS.

11 (2) FUND BOND RESERVES.

12 (3) DEPOSIT IN AN APPROPRIATE FUND MONEY TO PAY
13 CAPITALIZED INTEREST ON BONDS FOR THE PERIOD DETERMINED BY
14 THE DEPARTMENT, NOT TO EXCEED TWO YEARS.

15 (4) REFUND OUTSTANDING BONDS, IF APPLICABLE.

16 (5) REPAY PRINCIPAL AND INTEREST OF FEDERAL ADVANCES.

17 (6) DEPOSIT INTO THE UNEMPLOYMENT COMPENSATION FUND.

18 (B) UNEMPLOYMENT COMPENSATION FUND.--THE BOND PROCEEDS IN THE
19 UNEMPLOYMENT COMPENSATION FUND SHALL BE APPLIED AS DIRECTED BY
20 THE DEPARTMENT TO DO ALL OF THE FOLLOWING:

21 (1) REPAY THE PRINCIPAL AND INTEREST OF PREVIOUS FEDERAL
22 ADVANCES.

23 (2) PAY UNEMPLOYMENT COMPENSATION BENEFITS.

24 (3) PAY BOND ADMINISTRATIVE EXPENSES.

25 (4) REDEEM OR PURCHASE OUTSTANDING BONDS OR PAY BOND
26 OBLIGATIONS.

27 (C) INVESTMENT.--PENDING APPLICATION FOR THE PURPOSES
28 AUTHORIZED, MONEY HELD OR DEPOSITED BY THE STATE TREASURER IN
29 THE DEBT SERVICE FUND MAY BE INVESTED OR REINVESTED AS ARE OTHER
30 FUNDS IN THE CUSTODY OF THE STATE TREASURER IN THE MANNER

1 PROVIDED BY LAW. ALL EARNING RECEIVED FROM THE INVESTMENT OR
2 DEPOSIT OF THE MONEY SHALL BE PAID INTO THE STATE TREASURY TO
3 THE CREDIT OF THE DEBT SERVICE FUND OR THE ACCOUNT.

4 SECTION 1406. PAYMENT OF BOND-RELATED OBLIGATIONS.

5 (A) NOTIFICATION.--FOR EACH CALENDAR YEAR IN WHICH BOND
6 OBLIGATIONS AND BOND ADMINISTRATIVE EXPENSES WILL BE DUE, THE
7 AUTHORITY SHALL NOTIFY THE DEPARTMENT OF THE AMOUNT OF BOND
8 OBLIGATIONS AND THE ESTIMATED AMOUNT OF BOND ADMINISTRATIVE
9 EXPENSES IN SUFFICIENT TIME, AS DETERMINED BY THE DEPARTMENT, TO
10 PERMIT THE DEPARTMENT TO DETERMINE THE AMOUNT OF ADDITIONAL
11 CONTRIBUTIONS UNDER SECTION 301.6 REQUIRED FOR THAT YEAR, FOR
12 DEPOSIT INTO THE DEBT SERVICE FUND. THE AUTHORITY'S CALCULATION
13 OF THE AMOUNT OF BOND OBLIGATIONS AND BOND ADMINISTRATIVE
14 EXPENSES THAT WILL BE DUE IS SUBJECT TO VERIFICATION BY THE
15 DEPARTMENT.

16 (B) TRANSFER.--MONEY IN THE DEBT SERVICE FUND NEEDED TO PAY
17 BOND OBLIGATIONS AND BOND ADMINISTRATIVE EXPENSES OR TO
18 REPLENISH BOND RESERVES SHALL BE TRANSFERRED TO THE AUTHORITY TO
19 ENSURE TIMELY PAYMENT OF BOND OBLIGATIONS AND BOND
20 ADMINISTRATIVE EXPENSES AND TIMELY REPLENISHMENT OF BOND
21 RESERVES, AS SPECIFIED IN THE RESOLUTION ADOPTED IN CONNECTION
22 WITH THE BOND.

23 (C) DEFICIENCY IN DEBT SERVICE FUND.--IF THERE IS A
24 DEFICIENCY IN THE DEBT SERVICE FUND AND TO THE EXTENT PERMITTED
25 BY LAW, THAT PART OF THE PRINCIPLE OWED ON BONDS WHICH IS
26 ATTRIBUTABLE TO REPAYMENT OF THE PRINCIPLE OF ADVANCES UNDER
27 TITLE XII OF THE SOCIAL SECURITY ACT (42 U.S.C. § 1321 ET SEQ.),
28 EXCLUSIVE OF INTEREST OR ADMINISTRATIVE COSTS ASSOCIATED WITH
29 THE BONDS, MAY BE PAID FROM THE UNEMPLOYMENT COMPENSATION FUND.
30 SECTION 1407. COMMONWEALTH NOT TO IMPAIR BOND-RELATED

1 OBLIGATIONS.

2 THE COMMONWEALTH PLEDGES THAT IT WILL NOT DO ANY OF THE
3 FOLLOWING:

4 (1) LIMIT OR ALTER THE RIGHTS AND RESPONSIBILITIES OF
5 THE AUTHORITY OR THE DEPARTMENT UNDER THIS ARTICLE, INCLUDING
6 THE RESPONSIBILITY TO:

7 (I) PAY BOND OBLIGATIONS AND BOND ADMINISTRATIVE
8 EXPENSES; AND

9 (II) COMPLY WITH ANY OTHER INSTRUMENT OR AGREEMENT
10 PERTAINING TO BONDS.

11 (2) ALTER OR LIMIT THE PLEDGE IN SECTION 1404 OF THE
12 ADDITIONAL CONTRIBUTIONS AND MONEY ON DEPOSIT IN THE DEBT
13 SERVICE FUND.

14 (3) IMPAIR THE RIGHTS AND REMEDIES OF THE HOLDERS OF
15 BONDS, UNTIL ALL BONDS AND INTEREST ON THE BONDS ARE
16 DISCHARGED.

17 SECTION 1408. NO PERSONAL LIABILITY.

18 THE MEMBERS AND DIRECTORS OF THE DEPARTMENT AND THE AUTHORITY
19 AND THE OFFICERS AND EMPLOYEES OF THE DEPARTMENT AND THE
20 AUTHORITY ARE NOT PERSONALLY LIABLE AS A RESULT OF GOOD FAITH
21 EXERCISE OF THE RIGHTS AND RESPONSIBILITIES GRANTED UNDER THIS
22 ARTICLE.

23 SECTION 1409. EXPIRATION.

24 THE AUTHORITY TO ISSUE BONDS OTHER THAN REFINANCING AND
25 REFUNDING BONDS UNDER SECTION 1402 AND SECTION 1404 SHALL EXPIRE
26 ON DECEMBER 31, 2016.

27 ARTICLE XV

28 UNEMPLOYMENT COMPENSATION

29 AMNESTY PROGRAM

30 Section 1501. Definitions.

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

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

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

10 "Interest." Monetary obligations imposed under sections 308
11 and 804(a).

12 "Penalties." Monetary obligations imposed under sections
13 206(d) and 313.

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

16 "Program." The Unemployment Compensation Amnesty Program
17 established pursuant to this article.
18 Section 1502. Program established.

19 There is established an Unemployment Compensation Amnesty
20 Program in accordance with the provisions of this article.
21 Section 1503. Applicability.

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

25 (1) Unpaid contributions due for calendar quarters
26 through the third quarter of 2011, for which the employer
27 reported the employee information or the department acquired
28 the employee information through an audit.

29 (2) Unpaid contributions due for calendar quarters
30 through the third quarter of 2011, for which the employer did

1 not report the employee information and the department did
2 not acquire the employee information through an audit.

3 (3) Unpaid reimbursement due on or before October 31,
4 2011.

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

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

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

14 (1) A fault overpayment of compensation under section
15 804(a) established pursuant to a notice of determination of
16 overpayment issued by the department on or before March 31,
17 2012, to the extent repayment has not occurred.

18 (2) A nonfault overpayment of compensation under section
19 804(b)(1) established pursuant to a notice of determination
20 of overpayment issued by the department on or before March
21 31, 2012, to the extent repayment has not occurred.

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

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

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

3 (1) An overpayment of compensation established pursuant
4 to a notice of determination of overpayment that has not
5 become final.

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

10 (d) Optional exclusion.--The department may exclude the
11 following unemployment compensation liabilities from the
12 program:

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

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

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

20 Section 1504. Procedure for participation.

21 To participate in the program, an employer or a claimant
22 shall do the following:

23 (1) During the amnesty period, the employer or claimant
24 shall file an amnesty form with the department containing all
25 information required by the department, including a statement
26 by the employer or claimant acknowledging the provisions of
27 section 1506(f). The form shall be filed in a manner
28 specified in, and the filing date of the form shall be
29 determined by guidelines established by the department.

30 (2) If an employer is seeking amnesty with regard to a

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

9 (3) The employer or claimant shall pay the amount or
10 amounts required by section 1505. Payment shall accompany the
11 amnesty form.

12 Section 1505. Required payment and terms of amnesty.

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

18 (a.1) Unpaid contributions.--If an employer is seeking
19 amnesty with regard to unpaid contributions described in section
20 1503(a)(1) or (2):

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

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

26 (b) Unpaid reimbursement.--If an employer is seeking amnesty
27 with regard to unpaid reimbursement described in section 1503(a)
28 (3):

29 (1) The employer shall pay all of the unpaid
30 reimbursement and lien filing costs, if applicable, and one-

1 half of the interest due.

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

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

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

8 (2) The department shall waive the remaining unpaid
9 interest due.

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

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

14 (2) The department shall waive the remaining unpaid
15 penalties due.

16 (e) Fault overpayment.--If a claimant is seeking amnesty
17 with regard to an overpayment described in section 1503(b)(1) or
18 (3):

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

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

30 (f) Nonfault overpayment.--If a claimant is seeking amnesty

1 with regard to an overpayment described in section 1503(b)(2):

2 (1) The claimant shall pay 67% of the outstanding
3 balance of the overpayment.

4 (2) The department shall waive the remaining balance of
5 the overpayment.

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

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

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

12 Section 1506. Additional terms and conditions of amnesty.

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

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

28 (c) Proceedings permitted.--If a liability for contributions
29 described in section 1503(a)(2) or liability for an overpayment
30 described in section 1503(b)(3) is disclosed and paid under the

1 program, and the department determines that the liability as
2 disclosed was understated, the department may commence
3 administrative or judicial proceedings and impose interest,
4 penalties and other monetary obligations only with regard to the
5 difference between the liability as disclosed and the correct
6 amount of the liability.

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

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

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

23 Section 1507. Duties of department.

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

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

30 (c) Notification.--The department shall notify all employers

1 and claimants who are known to have liabilities to which the
2 program applies. The notice shall be sent by first class mail to
3 the employer's or claimant's last known post office address or
4 by electronic transmission, if the employer or claimant has
5 elected to receive communications from the department by that
6 method.

7 Section 1508. Construction.

8 Except as expressly provided in this article, this article
9 shall not:

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

14 (2) affect or terminate any petitions, investigations,
15 prosecutions or any other administrative or judicial
16 proceedings pending under this act; or

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

22 Section 1509. Suspension of inconsistent acts.

23 All acts or parts of acts inconsistent with the provisions of
24 this article are suspended to the extent necessary to carry out
25 the provisions of this article.

26 Section 7. This act shall apply as follows:

27 (1) The amendment of section 301.6 of the act shall
28 apply to the calculation of the interest factor for calendar
29 year 2012 and every year thereafter.

30 (2) The amendment of section 804 of the act shall apply

1 to benefit years that begin on or after the effective date of
2 that section.

3 Section 8. This act shall take effect immediately.