

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 644 Session of 2013

INTRODUCED BY MURT, MILLARD, CALTAGIRONE, GRELL, CUTLER, MILNE, SAYLOR, F. KELLER, TOEPEL, KORTZ, TRUITT, SWANGER, CLYMER, LAWRENCE AND MCGEEHAN, FEBRUARY 11, 2013

REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, FEBRUARY 11, 2013

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 rate and amount of compensation.

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

19 Section 1. Section 404(d) (1) and (1.1) of the act of
 20 December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as
 21 the Unemployment Compensation Law, amended June 20, 2011
 22 (P.L.16, No.6), are amended to read:

23 Section 404. Rate and Amount of Compensation.--Compensation
 24 shall be paid to each eligible employe in accordance with the

1 following provisions of this section except that compensation
2 payable with respect to weeks ending in benefit years which
3 begin prior to the first day of January 1989 shall be paid on
4 the basis of the provisions of this section in effect at the
5 beginning of such benefit years.

6 * * *

7 (d) (1) Notwithstanding any other provisions of this
8 section each eligible employe who is unemployed with respect to
9 any week ending subsequent to July 1, 1980 shall be paid, with
10 respect to such week, compensation in an amount equal to his
11 weekly benefit rate less the total of (i) the remuneration, if
12 any, paid or payable to him with respect to such week for
13 services performed which is in excess of his partial benefit
14 credit, (ii) vacation pay, if any, which is in excess of his
15 partial benefit credit, except when paid to an employe who is
16 permanently or indefinitely separated from his employment and
17 (iii) the amount of severance pay that is attributed to the
18 week.

19 (1.1) For purposes of clause (1)(iii), all of the following
20 apply:

21 (i) "Severance pay" means one or more payments made by an
22 employer to an employe on account of separation from the service
23 of the employer, regardless of whether the employer is legally
24 bound by contract, statute or otherwise to make such payments.
25 The term includes an amount received as consideration for or in
26 settlement or release of claims arising from the early
27 termination of an employment contract. The term does not include
28 payments for pension, retirement or accrued leave or payments of
29 supplemental unemployment benefits.

30 (ii) The amount of severance pay attributed pursuant to

1 subclause (iii) shall be:

2 (A) For an amount received as consideration for or in
3 settlement or release of claims arising from the early
4 termination of an employment contract, one hundred per centum
5 (100%) of the amount.

6 (B) For other types of severance pay, an amount not less
7 than zero (0) determined by subtracting forty per centum (40%)
8 of the average annual wage as calculated under subsection (e) as
9 of June 30 immediately preceding the calendar year in which the
10 claimant's benefit year begins from the total amount of
11 severance pay paid or payable to the claimant by the employer.

12 (iii) Severance pay is attributed as follows:

13 (A) Severance pay is attributed to the day, days, week or
14 weeks immediately following the employe's separation.

15 (B) The number of days or weeks to which severance pay is
16 attributed is determined by dividing the total amount of
17 severance pay by the regular full-time daily or weekly wage of
18 the claimant.

19 (C) The amount of severance pay attributed to each day or
20 week equals the regular full-time daily or weekly wage of the
21 claimant.

22 (D) When the attribution of severance pay is made on the
23 basis of the number of days, the pay shall be attributed to the
24 customary working days in the calendar week.

25 * * *

26 Section 2. This act applies to initial claims filed on or
27 after July 1, 2013.

28 Section 3. This act shall take effect in 60 days.