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## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## **HOUSE BILL**

No. 178

Session of 2021

INTRODUCED BY JAMES, CAUSER, CIRESI, HILL-EVANS, JOZWIAK, KAUFFMAN, MIZGORSKI, NEILSON, OWLETT, PISCIOTTANO, ROTHMAN, RYAN, SANCHEZ, THOMAS, WEBSTER, WHEELAND, D. WILLIAMS, ZIMMERMAN AND GILLEN, JANUARY 15, 2021

SENATOR BARTOLOTTA, LABOR AND INDUSTRY, IN SENATE, AS AMENDED, APRIL 27, 2021

## AN ACT

Amending the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), entitled "An act establishing a system of 2 unemployment compensation to be administered by the Department of Labor and Industry and its existing and newly created agencies with personnel (with certain exceptions) selected on a civil service basis; requiring employers to keep records and make reports, and certain employers to pay 7 contributions based on payrolls to provide moneys for the 8 payment of compensation to certain unemployed persons; 9 10 providing procedure and administrative details for the determination, payment and collection of such contributions 11 and the payment of such compensation; providing for 12 cooperation with the Federal Government and its agencies; 13 creating certain special funds in the custody of the State 14 Treasurer; and prescribing penalties," in determination of 15 compensation, appeals, reviews and procedure, further providing for determination of compensation appeals and for 17 decision of referee and further appeals and reviews. IN 18 <--19 ADMINISTRATION OF ACT, FURTHER PROVIDING FOR RECORDS OF AND REPORTS BY EMPLOYERS; IN COMPENSATION, FURTHER PROVIDING FOR 20 21 QUALIFICATIONS REQUIRED TO SECURE COMPENSATION AND FOR RATE AND AMOUNT OF COMPENSATION; IN DETERMINATION OF COMPENSATION, 22 APPEALS, REVIEWS AND PROCEDURE, FURTHER PROVIDING FOR 23 DETERMINATION OF COMPENSATION APPEALS AND FOR DECISION OF 24 REFEREE AND FURTHER APPEALS AND REVIEWS; AND, IN SHARED-WORK 25 PROGRAM, FURTHER PROVIDING FOR PARTICIPATING EMPLOYER RESPONSIBILITIES. 27

The General Assembly of the Commonwealth of Pennsylvania

- 1 hereby enacts as follows:
- 2 Section 1. Sections 501(e) and 502 of the act of December 5, <--
- 3 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the
- 4 Unemployment Compensation Law, are amended to read:
- 5 Section 501. Determination of Compensation Appeals. -- \* \* \*
- 6 (e) Unless the claimant or last employer or base year
- 7 employer of the claimant files an appeal with the board, from
- 8 the determination contained in any notice required to be-
- 9 furnished by the department under section five hundred and one-
- 10 (a), (c) and (d), within [fifteen] twenty-one calendar days-
- 11 after such notice was delivered to him personally, or was mailed
- 12 to his last known post office address, and applies for a
- 13 hearing, such determination of the department, with respect to
- 14 the particular facts set forth in such notice, shall be final
- 15 and compensation shall be paid or denied in accordance
- 16 therewith.
- 17 Section 502. Decision of Referee; Further Appeals and
- 18 Reviews. Where an appeal from the determination or revised
- 19 determination, as the case may be, of the department is taken, a
- 20 referee shall, after affording the parties and the department
- 21 reasonable opportunity for a fair hearing, affirm, modify, or
- 22 reverse such findings of fact and the determination or revised
- 23 determination, as the case may be, of the department as to him-
- 24 shall appear just and proper. The parties and their attorneys or
- 25 other representatives of record and the department shall be duly-
- 26 notified of the time and place of a referee's hearing and of the
- 27 referee's decision, and the reasons therefor, which shall be-
- 28 deemed the final decision of the board, unless an appeal is
- 29 filed therefrom, within [fifteen] twenty-one days after the date-
- 30 of such decision the board acts on its own motion, to review the

- 1 decision of the referee. The testimony at any hearing before a
- 2 referee shall be taken by a recording device and be preserved
- 3 for a period of ninety days following expiration of the period-
- 4 for filing an appeal from the final decision rendered in the
- 5 case. An unabridged transcript and audio recording of the
- 6 testimony shall be made available, at cost if not used for
- 7 unemployment compensation purposes or a subsequent appeal, to
- 8 the parties and their attorneys or other representatives upon-
- 9 written request to the referee.
- 10 Section 2. The amendment of sections 501(e) and 502 of the
- 11 act shall apply to determinations issued under section 501(e)
- 12 and decisions issued under section 502 on or after the
- 13 publication of the notice under section 3 of this act.
- 14 SECTION 1. SECTIONS 206(A) AND 401(A)(2) OF THE ACT OF
- 15 DECEMBER 5, 1936 (2ND SP.SESS., 1937 P.L.2897, NO.1), KNOWN AS

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- 16 THE UNEMPLOYMENT COMPENSATION LAW, ARE AMENDED TO READ:
- 17 SECTION 206. RECORDS OF AND REPORTS BY EMPLOYERS. -- (A) EACH
- 18 EMPLOYER (WHETHER OR NOT LIABLE FOR THE PAYMENT OF CONTRIBUTIONS
- 19 UNDER THIS ACT) SHALL KEEP ACCURATE EMPLOYMENT RECORDS
- 20 CONTAINING SUCH INFORMATION, AS MAY BE PRESCRIBED BY THE RULES
- 21 AND REGULATIONS ADOPTED BY THE DEPARTMENT. SUCH RECORDS SHALL BE
- 22 OPEN TO INSPECTION BY THE DEPARTMENT AND ITS AGENTS AT ANY
- 23 REASONABLE TIME, AND AS OFTEN AS MAY BE DEEMED NECESSARY, BUT
- 24 EMPLOYERS NEED NOT RETAIN SUCH RECORDS MORE THAN [FOUR (4)] SIX\_
- 25 (6) YEARS AFTER CONTRIBUTIONS RELATING TO SUCH RECORDS HAVE BEEN
- 26 PAID. THE DEPARTMENT MAY REQUIRE FROM SUCH EMPLOYERS SUCH
- 27 REPORTS AS IT DEEMS NECESSARY, WHICH SHALL BE SWORN TO, IF
- 28 REQUIRED BY THE DEPARTMENT.
- 29 \* \* \*
- 30 SECTION 401. QUALIFICATIONS REQUIRED TO SECURE

- 1 COMPENSATION. -- COMPENSATION SHALL BE PAYABLE TO ANY EMPLOYE WHO
- 2 IS OR BECOMES UNEMPLOYED, AND WHO--
- 3 (A) SATISFIES BOTH OF THE FOLLOWING REQUIREMENTS:
- 4 \* \* \*
- 5 (2) EXCEPT AS PROVIDED IN SECTION 404(A)(3) AND [(E)(1) AND
- 6 (2) (E) (2) (V), NOT LESS THAN THIRTY-SEVEN PER CENTUM (37%) OF
- 7 THE EMPLOYE'S TOTAL BASE YEAR WAGES HAVE BEEN PAID IN ONE OR
- 8 MORE QUARTERS, OTHER THAN THE HIGHEST QUARTER IN SUCH EMPLOYE'S
- 9 BASE YEAR.
- 10 \* \* \*
- 11 SECTION 2. SECTION 404(E)(2)(I)(B)(I) AND (IV)(A) AND (C) OF
- 12 THE ACT ARE AMENDED AND SUBSECTION (E) (2) (I) (B) (IV) IS AMENDED
- 13 BY ADDING A UNIT TO READ:
- 14 SECTION 404. RATE AND AMOUNT OF COMPENSATION. -- COMPENSATION
- 15 SHALL BE PAID TO EACH ELIGIBLE EMPLOYE IN ACCORDANCE WITH THE
- 16 FOLLOWING PROVISIONS OF THIS SECTION EXCEPT THAT COMPENSATION
- 17 PAYABLE WITH RESPECT TO WEEKS ENDING IN BENEFIT YEARS WHICH
- 18 BEGIN PRIOR TO THE FIRST DAY OF JANUARY 1989 SHALL BE PAID ON
- 19 THE BASIS OF THE PROVISIONS OF THIS SECTION IN EFFECT AT THE
- 20 BEGINNING OF SUCH BENEFIT YEARS.
- 21 \* \* \*
- 22 (E) \* \* \*
- 23 (2) (I) THE TABLE SPECIFIED FOR THE DETERMINATION OF RATE
- 24 AND AMOUNT OF BENEFITS SHALL BE EXTENDED OR CONTRACTED ANNUALLY,
- 25 AUTOMATICALLY BY REGULATIONS PROMULGATED BY THE SECRETARY. THE
- 26 TABLE SHALL BE EXTENDED OR CONTRACTED IN ACCORDANCE WITH THE
- 27 FOLLOWING:
- 28 \* \* \*
- 29 (B) WHEN IT IS NECESSARY TO EXTEND THE TABLE, IT SHALL BE
- 30 DONE IN ACCORDANCE WITH THE FOLLOWING PROCEDURE:

- 1 (I) THE WORDS "OR MORE" SHALL BE DELETED FROM THE LAST LINE
- 2 UNDER PART A, AND AN AMOUNT TWENTY-FOUR DOLLARS (\$24) GREATER
- 3 THAN THE FIRST ENTRY IN THAT LINE SHALL BE SUBSTITUTED THEREFOR.
- 4 THE WORDS "AMOUNT REQUIRED UNDER SECTION 401(A)(2)" SHALL BE
- 5 <u>DELETED FROM THE LAST LINE UNDER PART C.</u>
- 6 \* \* \*
- 7 (IV) PART C SHALL BE EXTENDED TO THE POINT WHERE, UNDER PART
- 8 B, THE AMOUNT IS EQUAL TO SIXTY-SIX AND TWO-THIRDS PER CENTUM
- 9 (66 2/3%) OF THE AVERAGE WEEKLY WAGE.
- 10 (A) THE AMOUNT ON EACH LINE IN PART C, OTHER THAN THE LAST
- 11 LINE, SHALL BE DERIVED FROM THE FIRST ENTRY ON THE SAME LINE IN
- 12 PART A, IN ACCORDANCE WITH THE FOLLOWING FORMULA:
- 13 (FIRST ENTRY IN PART A PLUS TWENTY-FOUR DOLLARS (\$24)) X 100
- 14 DIVIDED BY SIXTY-THREE (63)
- 15 IF THE AMOUNT DETERMINED BY THIS FORMULA IS NOT AN EVEN
- 16 MULTIPLE OF ONE DOLLAR (\$1), IT SHALL BE ROUNDED TO THE NEXT
- 17 HIGHER MULTIPLE OF ONE DOLLAR (\$1).
- 18 (B.1) THE LAST LINE IN PART C SHALL CONTAIN THE WORDS
- 19 "AMOUNT REQUIRED UNDER SECTION 401(A)(2)."
- 20 (C) WHEN IT IS NECESSARY TO CONTRACT THE TABLE, IT SHALL BE
- 21 DONE BY DELETING ALL LINES FOLLOWING THAT IN WHICH THE AMOUNT IN
- 22 PART B IS SIXTY-SIX AND TWO-THIRDS PER CENTUM (66 2/3%) OF THE
- 23 AVERAGE WEEKLY WAGE AND SUBSTITUTING THE WORDS "OR MORE" FOR THE
- 24 HIGHER AMOUNT UNDER PART A ON THAT LINE AND SUBSTITUTING THE
- 25 WORDS "AMOUNT REQUIRED UNDER SECTION 401(A)(2)" FOR THE AMOUNT
- 26 UNDER PART C ON THAT LINE.
- 27 \* \* \*
- 28 SECTION 3. SECTION 501(C)(4) AND (5) AND (E) OF THE ACT ARE
- 29 AMENDED AND THE SECTION IS AMENDED BY ADDING A SUBSECTION TO
- 30 READ:

- 1 SECTION 501. DETERMINATION OF COMPENSATION APPEALS.--\* \* \*
- 2 (C) \* \* \*
- 3 (4) IF AN EMPLOYER FILES WITH THE DEPARTMENT SUCH
- 4 INFORMATION [WITHIN FIFTEEN] NO LATER THAN TWENTY-ONE DAYS AFTER
- 5 THE "DETERMINATION DATE" PROVIDED ON THE NOTICE REQUIRED UNDER
- 6 SECTION FIVE HUNDRED ONE (A) OR THE "NOTICE DATE" PROVIDED ON
- 7 THE NOTICE REQUIRED UNDER SECTION FIVE HUNDRED ONE (B) [WAS
- 8 DELIVERED TO HIM PERSONALLY, OR WAS MAILED TO HIS LAST KNOWN
- 9 POST OFFICE ADDRESS], THE DEPARTMENT SHALL ISSUE TO SUCH
- 10 EMPLOYER (I) A NOTICE IN WRITING OF ITS DETERMINATION WITH
- 11 RESPECT TO EACH CLAIM WHICH IS FILED BY THE CLAIMANT FOR A WEEK,
- 12 THE FIRST DAY OF WHICH IS ON OR BEFORE THE DATE ON WHICH SUCH
- 13 INFORMATION IS FILED, AND (II) A NOTICE IN WRITING OF ITS
- 14 DETERMINATION WITH RESPECT TO THE FIRST VALID CLAIM WHICH IS
- 15 FILED BY THE CLAIMANT DURING THE CLAIMANT'S BENEFIT YEAR FOR A
- 16 WEEK, THE LAST DAY OF WHICH IS SUBSEQUENT TO THE DATE ON WHICH
- 17 SUCH INFORMATION IS FILED.
- 18 (5) IF AN EMPLOYER FILES WITH THE DEPARTMENT SUCH
- 19 INFORMATION MORE THAN [FIFTEEN] TWENTY-ONE DAYS AFTER THE
- 20 "DETERMINATION DATE" PROVIDED ON THE NOTICE REQUIRED UNDER
- 21 SECTION FIVE HUNDRED ONE (A) OR THE "NOTICE DATE" PROVIDED ON
- 22 THE NOTICE REQUIRED UNDER SECTION FIVE HUNDRED ONE (B) [WAS
- 23 DELIVERED TO HIM PERSONALLY, OR WAS MAILED TO HIS LAST KNOWN
- 24 POST OFFICE ADDRESS], THE DEPARTMENT SHALL ONLY ISSUE TO SUCH
- 25 EMPLOYER (I) A NOTICE IN WRITING OF ITS DETERMINATION WITH
- 26 RESPECT TO EACH CLAIM WHICH IS FILED BY THE CLAIMANT FOR A WEEK,
- 27 THE FIRST DAY OF WHICH IS WITHIN THE THIRTY-DAY PERIOD WHICH
- 28 IMMEDIATELY PRECEDES THE DATE ON WHICH SUCH INFORMATION IS
- 29 FILED, AND (II) A NOTICE IN WRITING OF ITS DETERMINATION WITH
- 30 RESPECT TO THE FIRST VALID CLAIM WHICH IS FILED BY THE CLAIMANT

- 1 DURING THE CLAIMANT'S BENEFIT YEAR FOR A WEEK, THE LAST DAY OF
- 2 WHICH IS SUBSEQUENT TO THE DATE ON WHICH SUCH INFORMATION IS
- 3 FILED.
- 4 \* \* \*
- 5 (E) UNLESS THE CLAIMANT OR LAST EMPLOYER OR BASE-YEAR
- 6 EMPLOYER OF THE CLAIMANT FILES AN APPEAL WITH THE BOARD, FROM
- 7 THE DETERMINATION CONTAINED IN ANY NOTICE REQUIRED TO BE
- 8 FURNISHED BY THE DEPARTMENT UNDER SECTION FIVE HUNDRED AND ONE
- 9 (A), (C) AND (D), [WITHIN FIFTEEN] NO LATER THAN TWENTY-ONE
- 10 CALENDAR DAYS AFTER THE "DETERMINATION DATE" PROVIDED ON SUCH
- 11 NOTICE [WAS DELIVERED TO HIM PERSONALLY, OR WAS MAILED TO HIS
- 12 LAST KNOWN POST OFFICE ADDRESS], AND APPLIES FOR A HEARING, SUCH
- 13 DETERMINATION OF THE DEPARTMENT, WITH RESPECT TO THE PARTICULAR
- 14 FACTS SET FORTH IN SUCH NOTICE, SHALL BE FINAL AND COMPENSATION
- 15 SHALL BE PAID OR DENIED IN ACCORDANCE THEREWITH.
- 16 <u>(F) A NOTICE OR A DETERMINATION TO A CLAIMANT OR EMPLOYER</u>
- 17 UNDER THIS SECTION SHALL BE MAILED TO THE CLAIMANT'S OR
- 18 EMPLOYER'S LAST KNOWN POST OFFICE ADDRESS OR TRANSMITTED
- 19 ELECTRONICALLY, AS DESIGNATED BY THE RECIPIENT.
- 20 SECTION 4. SECTIONS 502 AND 1307(A) OF THE ACT ARE AMENDED
- 21 TO READ:
- 22 SECTION 502. DECISION OF REFEREE; FURTHER APPEALS AND
- 23 REVIEWS.--(A) WHERE AN APPEAL FROM THE DETERMINATION OR REVISED
- 24 DETERMINATION, AS THE CASE MAY BE, OF THE DEPARTMENT IS TAKEN, A
- 25 REFEREE SHALL, AFTER AFFORDING THE PARTIES AND THE DEPARTMENT
- 26 REASONABLE OPPORTUNITY FOR A FAIR HEARING, AFFIRM, MODIFY, OR
- 27 REVERSE SUCH FINDINGS OF FACT AND THE DETERMINATION OR REVISED
- 28 DETERMINATION, AS THE CASE MAY BE, OF THE DEPARTMENT AS TO HIM
- 29 SHALL APPEAR JUST AND PROPER. THE PARTIES AND THEIR ATTORNEYS OR
- 30 OTHER REPRESENTATIVES OF RECORD AND THE DEPARTMENT SHALL BE DULY

- 1 NOTIFIED OF THE TIME AND PLACE OF A REFEREE'S HEARING AND OF THE
- 2 REFEREE'S DECISION, AND THE REASONS THEREFOR, WHICH SHALL BE
- 3 DEEMED THE FINAL DECISION OF THE BOARD, UNLESS AN APPEAL IS
- 4 FILED THEREFROM, [WITHIN FIFTEEN] NO LATER THAN TWENTY-ONE DAYS
- 5 AFTER THE [DATE OF] "DECISION DATE" PROVIDED ON SUCH DECISION OR
- 6 THE BOARD ACTS ON ITS OWN MOTION, TO REVIEW THE DECISION OF THE
- 7 REFEREE. THE TESTIMONY AT ANY HEARING BEFORE A REFEREE SHALL BE
- 8 TAKEN BY A RECORDING DEVICE AND BE PRESERVED FOR A PERIOD OF
- 9 NINETY DAYS FOLLOWING EXPIRATION OF THE PERIOD FOR FILING AN
- 10 APPEAL FROM THE FINAL DECISION RENDERED IN THE CASE. AN
- 11 UNABRIDGED TRANSCRIPT AND AUDIO RECORDING OF THE TESTIMONY SHALL
- 12 BE MADE AVAILABLE, AT COST IF NOT USED FOR UNEMPLOYMENT
- 13 COMPENSATION PURPOSES OR A SUBSEQUENT APPEAL, TO THE PARTIES AND
- 14 THEIR ATTORNEYS OR OTHER REPRESENTATIVES UPON WRITTEN REQUEST TO
- 15 THE REFEREE.
- 16 (B) A DECISION UNDER SUBSECTION (A) SHALL BE MAILED TO EACH
- 17 RELEVANT PARTY'S LAST KNOWN POST OFFICE ADDRESS OR TRANSMITTED
- 18 ELECTRONICALLY, AS DESIGNATED BY THE PARTY.
- 19 SECTION 1307. PARTICIPATING EMPLOYER RESPONSIBILITIES.
- 20 (A) FILING CLAIMS.--THE DEPARTMENT SHALL ESTABLISH A
- 21 SCHEDULE [OF CONSECUTIVE TWO-WEEK PERIODS] CONSISTENT WITH THE
- 22 <u>RULES AND REGULATIONS OF THE DEPARTMENT</u> WITHIN THE EFFECTIVE
- 23 PERIOD OF THE SHARED-WORK PLAN. [THE DEPARTMENT MAY, AS
- 24 NECESSARY, INCLUDE ONE-WEEK PERIODS IN THE SCHEDULE AND REVISE
- 25 THE SCHEDULE.] AT THE END OF EACH SCHEDULED PERIOD, THE
- 26 PARTICIPATING EMPLOYER SHALL FILE CLAIMS FOR COMPENSATION FOR
- 27 THE WEEK OR WEEKS WITHIN THE PERIOD ON BEHALF OF THE
- 28 PARTICIPATING EMPLOYEES. THE CLAIMS SHALL BE FILED NO LATER THAN
- 29 THE LAST DAY OF THE WEEK IMMEDIATELY FOLLOWING THE PERIOD,
- 30 UNLESS AN EXTENSION OF TIME IS GRANTED BY THE DEPARTMENT FOR

- 1 GOOD CAUSE. THE CLAIMS SHALL BE FILED IN THE MANNER PRESCRIBED
- 2 BY THE DEPARTMENT AND SHALL CONTAIN ALL INFORMATION REQUIRED BY
- 3 THE DEPARTMENT TO DETERMINE THE ELIGIBILITY OF THE PARTICIPATING
- 4 EMPLOYEES FOR COMPENSATION.
- 5 \* \* \*
- 6 SECTION 5. THIS ACT SHALL APPLY AS FOLLOWS:
- 7 (1) THE AMENDMENT OF SECTION 206 OF THE ACT SHALL APPLY
- 8 TO EMPLOYER RECORDS GENERATED ON OR AFTER THE PUBLICATION OF
- 9 NOTICE UNDER SECTION 6 OF THIS ACT.
- 10 (2) THE AMENDMENTS OF SECTIONS 401, 404, 501 AND 1307 OF
- 11 THE ACT SHALL APPLY TO DETERMINATIONS ISSUED UNDER SECTIONS
- 401, 404, 501 AND 1307 ISSUED ON OR AFTER THE PUBLICATION OF
- 13 NOTICE UNDER SECTION 6 OF THIS ACT.
- 14 (3) THE AMENDMENT OF SECTION 502 OF THE ACT SHALL APPLY
- TO DECISIONS ISSUED UNDER SECTION 502 ON OR AFTER THE
- 16 PUBLICATION OF NOTICE UNDER SECTION 6 OF THIS ACT.
- 17 Section 3 6. The Secretary of Labor and Industry shall <--
- 18 transmit notice to the Legislative Reference Bureau for
- 19 publication in the Pennsylvania Bulletin upon completion of
- 20 modifications to the delivery system for unemployment
- 21 compensation benefits implementing the amendment of sections
- 22  $\frac{501}{(e)}$  and  $\frac{502}{206}$  206(A), 401(A)(2), 404(E)(2)(I)(B)(I) AND(IV)(A) <--
- 23 AND (C), 501(C)(4) AND (5) AND (E), 502 AND 1307(A) of the act.
- 24 Section 4 7. This act shall take effect as follows:
- 25 (1) The following shall take effect immediately: <--

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- 26 <del>(i) This section.</del>
- 27 (ii) Sections 2 and 3 of this act. THIS SECTION <--
- 28 SHALL TAKE EFFECT IMMEDIATELY.
- 29 (2) The remainder of this act shall take effect upon
- 30 publication of the notice under section  $\frac{3}{6}$  6 of this act.