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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 597 Session of  
2021

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INTRODUCED BY WARNER, ECKER, GROVE, MILLARD, ROTHMAN, MOUL,  
MADDEN AND KEEFER, FEBRUARY 24, 2021

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REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, FEBRUARY 24, 2021

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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," in compensation,  
16 further providing for eligibility of officers of a  
17 corporation deemed to be self-employed persons.

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

20 Section 1. Section 402.4(a) of the act of December 5, 1936  
21 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment  
22 Compensation Law, is amended to read:

23 Section 402.4. Eligibility of Officers of a Corporation  
24 Deemed to be Self-Employed Persons.--(a) Notwithstanding any  
25 other provision of this act, an officer of a corporation who is

1 deemed to be a self-employed person because he exercised a  
2 substantial degree of control over the corporation and who  
3 becomes unemployed [due to the fact that the corporation enters  
4 into involuntary bankruptcy proceedings under the provisions of  
5 Chapter 7, Title 11 of the United States Code] shall be entitled  
6 to receive unemployment compensation under this act[: Provided,  
7 That the wages paid to the officer of a corporation deemed to be  
8 a self-employed person were mandatorily subject to this act]  
9 unless the unemployment is the result of the sale or divestment  
10 of ownership or voluntary termination of the business.

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