

No. 1983-30

AN ACT

SB 706

Amending the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), entitled "An act establishing a system of 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 contributions based on payrolls to provide moneys for the payment of compensation to certain unemployed persons; providing procedure and administrative details for the determination, payment and collection of such contributions and the payment of such compensation; providing for cooperation with the Federal Government and its agencies; creating certain special funds in the custody of the State Treasurer; and prescribing penalties," further defining "contribution" and "wages"; further providing for administrative matters, for the rate of contribution by employers; providing for employee contributions; providing for an interest tax; further providing for the rate and amount of benefits; establishing the Interest Fund; making appropriations; and making repeals.

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

Section 1. Section 4(g) of the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment Compensation Law, amended July 6, 1977 (P.L.41, No.22), is amended to read:

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

* * *

(g) "Contributions" means the money payments required to be paid into the Unemployment Compensation Fund by employers, with respect to employment, which payments shall be used for the creation of financial reserves for the payment of compensation as provided in this act. This meaning includes, where appropriate in the enforcement provisions of this act, payments in lieu of contributions required to be paid by employers operating on a reimbursement basis as provided in Articles X, XI and XII of this act. *"Contributions" also means, where appropriate in this act, money payments required to be paid into the Unemployment Compensation Fund by employes as provided in this act.*

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Section 2. Section 4(x)(1) of the act, amended July 10, 1980 (P.L.521, No.108), is amended to read:

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

* * *

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

(1) That part of the remuneration which is in excess of the first [six thousand three hundred dollars (\$6,300) during calendar years 1980 and 1981, six thousand six hundred dollars (\$6,600) during calendar year 1982 and for every year thereafter] *seven thousand dollars (\$7,000) during calendar year 1983 and eight thousand dollars (\$8,000) during calendar year 1984 and thereafter* paid to an individual by each of his employers during a calendar year: Provided, That an employer may take credit under this subsection for remuneration which his predecessor-in-interest has paid to an individual during the same calendar year with respect to employment; and provided also, that an employer may take credit under this subsection for remuneration which he or his predecessor-in-interest has paid to an individual in the same calendar year on which contributions have been required and paid by such employer under an unemployment compensation law of another state, but no such credit may be taken for remuneration which has been paid by another employer to such individual, whether or not contributions have been paid thereon by such other employer under this act or under any state unemployment compensation law.

* * *

Section 3. Section 201(a) of the act, amended March 30, 1955 (P.L.6, No.5) and repealed in part July 31, 1968 (P.L.769, No.240), is amended to read:

Section 201. General Powers and Duties of Department.—(a) It shall be the duty of the department to administer and enforce this act through such employment service and public employment offices as have been or may be constituted in accordance with the provisions of this act and existing laws. It shall have power and authority to adopt, amend, and rescind such rules and regulations, require such reports from employers, employes, the board and from any other person deemed by the department to be affected by this act, make such investigations, and take such other action as it deems necessary or suitable. Such rules and regulations shall not be inconsistent with the provisions of this act. The department shall submit to the Governor *and the General Assembly* a biennial report covering the administration and operation of this act and shall make such recommendations for amendments to this act as it deems proper. The department shall also prepare and present to the Governor *and the General Assembly*, on or before the thirty-first day of December of each year, an actuarial evaluation of the financial operations of the unemployment compensation program, together with its findings and recommendations for developing and improving solvency of the fund and adjusting and regulating income and disbursements in the fields of contributions and benefits. Such report shall include the presentation of the current

economic trends, statistics and analyses on which the evaluation is based. *This evaluation shall include all of the following:*

- (1) *Statistics relating to population, labor force and covered labor force.*
- (2) *Claims data.*
- (3) *Payment data.*
- (4) *Minimum, maximum, average weekly benefit amount and minimum earnings requirement.*
- (5) *Federal-State extended benefits program.*
- (6) *Number of nonmonetary determinations for unemployment benefits.*
- (7) *Experience of reimbursable and contributory employers.*
- (8) *Tax rates by industry, taxable payroll, total payroll and number of employers.*
- (9) *Disbursements from the unemployment fund.*
- (10) *Income of the unemployment fund.*
- (11) *Difference between income and disbursements of the unemployment fund.*
- (12) *Status of the unemployment fund.*
- (13) *Experience rating factors of insured employers.*
- (14) *Net reserve or deficit of active employer accounts.*
- (15) *Reserve ratio contributions received.*
- (16) *Benefit ratio contributions received.*

In the discharge of the duties imposed by this act, the Secretary and any agent duly authorized in writing by him shall have the power to administer oaths and affirmations, take depositions, and certify to official acts. The department shall have the power to issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda and other records deemed necessary in the administration of this act.

* * *

Section 4. Section 204 of the act, amended May 23, 1949 (P.L.1738, No.530), is amended to read:

Section 204. Advisory [Councils.—] *Council.*—(a) There is hereby created a State Advisory Council to be composed of [men and women with an equal number of employer, employe and public representatives who may fairly be representative because of their vocation, employment or affiliations. The members of such council shall be appointed by the Governor within thirty days of the passage of these amendments and shall serve until their successors have been appointed and qualified. The members of the council shall select one of their number to be chairman. The secretary shall be an ex-officio member of the council. Such] *thirteen members which shall consist of the Secretary of Labor and Industry or his designee; the chairman and minority chairman of the Senate Committee on Labor and Industry and the chairman and minority chairman of the House Committee on Labor Relations or their designees; and eight individuals appointed by the Governor which shall include four employe representatives who shall be appointed from a list supplied by the Pennsylvania AFL-CIO, and four employer representatives who shall be appointed from a list supplied by the Pennsylvania Chamber of Commerce. The council shall meet at least four times each year.*

(b) Members shall be appointed for two-year terms commencing on February 1 of each odd-numbered year. Initial appointments shall be made within sixty (60) days of final enactment of this act and shall expire on January 30, 1985.

(c) Members of the council shall receive no compensation but shall be entitled to receive an allowance for expenses incurred in the performance of their duties.

(d) A chairman shall be selected by the council from outside their ranks, who shall have no vote but shall preside at all meetings.

(e) The council shall, upon a majority vote, appoint an executive director and one clerical assistant, and establish their compensation, to aid the council in the performance of its functions. The compensation of such employes and the amounts allowed them for traveling and other incidental expenses shall be deemed part of the expenses incurred in connection with the administration of this section and shall be disbursed from the Unemployment Administration Fund.

(f) The council shall consider and advise the department upon all matters related to the administration of this act, including the formulation of policies assuring impartiality and freedom from political influence in its administration [taking steps to reduce and prevent unemployment] and making studies relating to unemployment and unemployment compensation payments. Such council may recommend to the Governor and to the General Assembly upon its own initiative such changes in the provisions of this act and in the administration thereof as it deems necessary and shall make periodic reports to the Governor and the General Assembly regarding the findings of its studies and the performance of its duties and functions. Such council shall have full access to information relating to the purpose of this act, provided the department shall not be required to provide any information which would specifically identify any employer, employe or claimant.

(g) The Governor shall have the power to create such local advisory councils as the State Advisory Council may deem necessary for the efficient performance of its functions. Such councils shall be composed of an equal number of members representing employers, employes and the public and shall be appointed by the Governor.

(h) The members of such advisory councils shall serve without compensation but shall be entitled to be reimbursed out of the Administration Fund for all necessary expenses incurred in the discharge of their duties.

[The secretary shall appoint an executive secretary and such other personnel as he shall deem necessary to aid the council in the performance of its functions. The compensation of such employes and the amounts allowed them for traveling and other incidental expenses shall be deemed part of the expenses incurred in connection with the administration of this section and shall be disbursed from the Unemployment Administration Fund.]

(i) The council upon request shall be given copies of any report made by the department to the United States Department of Labor and shall have access to any other information requested by the council, including, but not limited to:

- (1) *Statistics relating to population, labor force and covered labor force.*
- (2) *Claims data.*
- (3) *Payment data.*
- (4) *Minimum, maximum, average weekly benefit amount and minimum earnings requirement.*
- (5) *Federal-State extended benefits program.*
- (6) *Number of nonmonetary determinations for unemployment benefits.*
- (7) *Experience of reimbursable and contributory employers.*
- (8) *Tax rates by industry, taxable payroll, total payroll and number of employers.*
- (9) *Disbursements from the unemployment fund.*
- (10) *Income of the unemployment fund.*
- (11) *Difference between income and disbursements of the unemployment fund.*
- (12) *Status of the unemployment fund.*
- (13) *Experience rating factors of insured employers.*
- (14) *Net reserve or deficit of active employer accounts.*
- (15) *Reserve ratio contributions received.*
- (16) *Benefit ratio contributions received.*

At the discretion of the council, this information shall be provided on computer tape if the information is on computer tape. The department shall not be required to provide any information which would specifically identify any employer, employe or claimant.

Section 5. Section 206 of the act, amended May 23, 1949 (P.L.1738, No.530), is amended to read:

Section 206. Records of and Reports by Employers.—(a) Each employer (whether or not liable for the payment of contributions under this act) shall keep accurate employment records containing such information, as may be prescribed by the rules and regulations adopted by the department. Such records shall be open to inspection by the department and its agents at any reasonable time, and as often as may be deemed necessary, but employers need not retain such records more than four (4) years after contributions relating to such records have been paid. The department may require from such employers such reports as it deems necessary, which shall be sworn to, if required by the department.

(b) Information thus obtained shall not be made public or be open to public inspection, other than to the members of the board, the officers and employes of the department and other public employes in the performance of their public duties, but any employe or employer at a hearing on an appeal shall, upon request, be supplied with information from such records to the extent necessary for the proper presentation and consideration of the appeal.

(c) Any officer or employe of the department or the board, or any other public employe, who shall violate any of the provisions of this section shall, upon conviction thereof in a summary proceeding, be sentenced to pay a fine of not less than twenty *dollars (\$20)* nor more than two hundred dollars (*\$200*) and in default of the payment of such fine and cost of prosecution shall be sentenced to imprisonment for not longer than thirty (*30*) days.

(d) Any employer who has been determined by the department to be subject to the reporting provisions of this act and has been so notified; and who neglects or refuses to file or to complete in such manner as the department may prescribe either the periodic report required by the department to establish the amount of such contributions or the periodic report required by the department showing the amount of wages paid to each employe, or both, on or before the date such reports are required to be filed, shall pay a penalty of one hundred [(100)] per centum (100%) of the total amount of contributions paid or payable by the employer *or employe as the case may be* for the period: Provided, That such penalty shall be not less than one dollar [(\$1.00)] (\$1) or more than [five dollars (\$5.00)] *one hundred dollars (\$100)*. Such penalty shall apply to the reports for each period with respect to which such reports are required to be filed: Provided, That such penalty shall not apply to reports for any period with respect to which the last day for filing such reports is prior to a date on which the department has notified the employer that he has been determined an employer subject to the reporting provisions of this act, unless the reports for such prior periods are not filed within thirty (30) days after the employer has been so notified. The penalties provided by this section shall be in addition to all other penalties provided for in this act.

Section 6. The act is amended by adding a section to read:

Section 211. Fund Analysis.—(a) *The Advisory Council shall contract with an independent actuarial firm of certified actuaries and ~~such other consultants as may be necessary~~ to perform a thorough annual financial analysis of the Unemployment Compensation Fund. The department shall supply the actuaries with all information required to perform this analysis as the actuaries may require, provided the department shall not be required to provide any information which would specifically identify any employer, employe or claimant. This analysis shall be completed by September 1 of each year for the previous calendar year. The analysis report shall be given to the Governor, the secretary, the advisory council, the General Assembly and shall be made available to the public.*

(b) *The analysis shall include, but not be limited to, the following:*

(1) *The solvency of the fund.*
 (2) *The effect upon the fund of (i) changes in State and Federal law, (ii) State and Federal court decisions, or (iii) the State and national economic situation.*

(3) *A three-year projection of the condition of the fund.*

Section 7. The heading of Article III is amended to read:

ARTICLE III CONTRIBUTIONS BY EMPLOYERS AND EMPLOYES

Section 8. The section heading and section 301(a), (c), (d)(3) and (e)(2) of the act, amended July 10, 1980 (P.L.521, No.108), are amended and a paragraph is added to (d) to read:

Section 301. Contributions by Employers *and Employes*; Successors-In-Interest; Appeals.—

(a) (1) Each employer shall pay contributions with respect to the calendar year **[one thousand nine hundred eighty]** 1984, and each calendar year thereafter, at a rate equal to **[two and seven-tenths per centum]** *five and four-tenths per centum (5.4%) for employers with a zero or credit reserve account balance and eight and five-tenths per centum (8.5%) for 1984, eight and eight-tenths per centum (8.8%) for 1985 and nine and two-tenths per centum (9.2%) for 1986 and thereafter for employers with a debit reserve account balance* of wages paid by him for employment: Provided, however, That with respect to employers subject to the provisions of section 301.1 (b) of this act, such rate shall be adjusted in accordance with the provisions of **[section three hundred one point one, three hundred one point two, and three hundred one point three]** *sections 301.1, 301.2 and 301.6* of this act.

(2) No employer's rate of contribution for any calendar year shall be less than **[four and seventy-five hundredths per centum for 1980 and 1981 and four and nine-tenths per centum for 1982 and thereafter]** *nine and two-tenths per centum (9.2%) for 1984, nine and four-tenths per centum (9.4%) for 1985 and nine and seven-tenths per centum (9.7%) for 1986 and thereafter* unless all his contributions due on wages paid to the end of the second calendar quarter of the preceding calendar year, together with interest and penalties due thereon, have been paid by **[the fifteenth day of]** September 15 of such preceding calendar year, except that an employer who has timely filed an appeal as provided in subsection (e) of this section and who has been determined ineligible to receive a reduced rate solely on the basis that he has not paid all contributions, interest and penalties within the time limits as required in this subsection, shall have his rate redetermined and shall not be considered ineligible under this subsection if payment of such delinquent contributions, interest and penalties is made within thirty (30) days after the department has notified the employer of the reason for his ineligibility for rate reduction in response to the appeal filed by the employer under subsection (e).

(3) Notwithstanding any other provisions of the act **[after January 1, 1980,]** any employer who becomes newly liable for contributions under this act in a calendar year in which it employs individuals in the performance of a contract or subcontract for construction in this Commonwealth of roads, bridges, highways, buildings, factories, housing developments or other construction projects shall be liable for contributions at the rate of **[six and five-tenths per centum of wages for 1980 and 1981 and six and six-tenths per centum for 1982 and thereafter]** *nine and two-tenths per centum (9.2%) for 1984, nine and four-tenths per centum (9.4%) for 1985 and nine and seven-tenths per centum (9.7%) for 1986 and thereafter* paid by him for employment, until such time as he becomes subject to the provisions of sections 301.1, 301.2 and **[301.3]** *301.6* of this act *subject to the provisions of section 301.1(g)*.

(4) Notwithstanding the provisions of paragraph (1) of this subsection, any employer who becomes newly liable for contributions under this act **[on or after the first day of January, one thousand nine hundred eighty]**, other than an employer subject to the provisions of paragraph (3) of this subsection

tion, shall be liable for contributions at the rate of three and five-tenths per centum (3.5%) of wages paid by him for employment until such time as he shall become classifiable under the provisions of section 301.1 (b) of this act. Thereafter his rate of contributions shall be **[two and seven-tenths per centum] five and four-tenths per centum (5.4%) for employers with a zero or credit reserve account balance and eight and five-tenths per centum (8.5%) for 1984, eight and eight-tenths per centum (8.8%) for 1985 and nine and two-tenths per centum (9.2%) for 1986 and thereafter for employers with a debit reserve account balance** subject to adjustment under the provisions of sections 301.1, 301.2 and **[301.3] 301.6** of this act.

* * *

(c) Each employer with respect to any period prior to **[the first day of January, one thousand nine hundred eighty] January 1, 1984**, shall be liable for contributions in accordance with the provisions of this act applicable to each period in effect prior to such date, and for these purposes such provisions shall remain in full force and effect.

(d) * * *

(3) A successor-in-interest who **[, subsequent to the first day of January, one thousand nine hundred eighty,]** acquires from a preceding employer the whole or a part of a reserve balance which has been adjusted to a negative balance equal to ten per centum (10%), **or twenty per centum (20%) in 1987 and thereafter**, of his average annual payroll under the provisions of section 302(c) of this act shall be liable for contributions at the maximum rate under the provisions of section 301.1(f) of this act and contributions under the provisions of sections 301.2 and **[301.3] 301.6** of this act in the same manner as the preceding employer with respect to the part of the organization, trade or business transferred. This provision shall not apply if the successor-in-interest as of any computation date has been subject to this act for fourteen or more consecutive calendar quarters, or has been subject to this act for a period as long as or longer than the preceding employer.

(4) Notwithstanding the provisions of paragraph (3) of this subsection and section 301.1(f), a successor-in-interest who acquires from a preceding employer the whole or a part of a reserve balance which has been adjusted to a negative balance under the provisions of section 302(c)(2), shall be liable for contributions at the rate determined under the provisions of sections 301.1, 301.2 and 301.6 in the same manner as the preceding employer with respect to the part of the organization, trade or business transferred. This provision shall not apply if the successor-in-interest, as of any computation date, has been subject to this act for fourteen or more consecutive calendar quarters or has been subject to this act for a period as long as or longer than the preceding employer.

(e) * * *

(2) The department shall promptly notify each employer of his rate of contribution for the calendar year, determined as provided in this section and sections **[three hundred one point one (301.1), three hundred one point two (301.2) and three hundred one point three (301.3)] 301.1, 301.2 and 301.6** of this act. The determination of the department of the employer's rate

of contribution shall become conclusive and binding upon the employer, unless within ninety (90) days after the mailing of notice thereof to the employer's last known post office address the employer files an application for review, setting forth his reasons therefor: Provided, That if the department finds that because of an error of the department it has notified an employer that his rate of contribution is more than the rate to which he is entitled, the department shall, within one year from the date of such notice, adjust the rate of contribution. The department may, if it deems the reasons set forth by the employer insufficient to change the rate of contribution, deny the application, otherwise it shall grant the employer a fair hearing. The employer shall be promptly notified of the denial of his application or of the department's redetermination. In any application for review filed hereunder and in any further appeal taken thereafter, no questions shall be raised with respect to the employer's contribution rate **[for the calendar year one thousand nine hundred sixty and any calendar year thereafter]**, except such as pertains to the determination of the employer's **[Funding Factor, his Experience Factor, or his additional contribution or credit under section 301.2] Benefit Ratio Factor and Reserve Ratio Factor.**

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Section 9. Section 301.1 of the act, added or amended March 24, 1964 (Sp.Sess., P.L.53, No.1), December 5, 1974 (P.L.771, No.262), July 9, 1976 (P.L.842, No.147) and July 10, 1980 (P.L.521, No.108), is amended to read:

Section 301.1. Determination of Contribution Rate; Experience Rating.—

(a) The rate of contribution payable by an employer eligible for an adjusted rate with respect to the calendar year beginning **[one thousand nine hundred eighty] 1984**, and each calendar year thereafter, shall be adjusted between a minimum rate of three-tenths of one per centum (0.3%) and a maximum rate of **[four and seventy-five hundredths per centum for 1980 and 1981 and four and nine-tenths per centum for 1982 and thereafter] eight and five-tenths per centum (8.5%) for 1984, eight and eight-tenths per centum (8.8%) for 1985 and nine and two-tenths per centum (9.2%) for 1986 and thereafter** which shall be the aggregate of three factors:

- (A) A **[Funding] Reserve Ratio** Factor.
- (B) **[An Experience] A Benefit Ratio** Factor.
- (C) A State Adjustment Factor.

(b) (1) For the purpose of determining an employer's eligibility for an adjusted rate **[for the calendar year beginning January one, one thousand nine hundred sixty, and each calendar year thereafter,]** employers shall be grouped as follows:

Group 1 shall consist of those employers who have paid contributions under this act for one or more quarters in the twelve-month period ending on the computation date for the year for which the rate is applicable and have also paid contributions under this act for one or more of the four completed calendar quarters immediately preceding such twelve-month period.

Group 2 shall consist of employers who have paid contributions under this act for one or more quarters in each of the two twelve-month periods ending

on the computation date for the year for which the rate is applicable and have also paid contributions under this act for one or more of the four completed calendar quarters immediately preceding such two twelve-month periods.

Group 3 shall consist of employers who have paid contributions under this act for one or more quarters in each of the three twelve-month periods ending on the computation date for the year for which the rate is applicable and have also paid contributions under this act for one or more of the four completed calendar quarters immediately preceding such three twelve-month periods.

(2) In no event shall those employers who have sufficient employer experience to be classified in Group 3 be classified in either Group 1 or Group 2, nor shall those employers who have sufficient employer experience to be classified in Group 2 be classified in Group 1.

(c) (1) When, as of the computation date, there is a credit, *zero or debit* balance in such employer's reserve account, which balance shall include [(1)] (i) contributions with respect to the period ending on the computation date and paid on or before September fifteenth immediately following such computation date, [(2)] (ii) benefits paid on or before computation date, and shall also include any voluntary payments made in accordance with subsection (b) of section 302 of this act, his [Funding] *Reserve Ratio* Factor for the *respective* calendar year thereafter shall be as set forth in the table below. [and as applicable to his employer group and the employer percentage group containing his employer percentage.

**Table
Employer Percentage Groups**

Funding Factor	Group 1	Group 2	Group 3
0.0	16.0 or more	23.5 or more	31.0 or more
0.1	14.5-15.9	21.3-23.4	28.0-30.9
0.2	13.0-14.4	19.0-21.2	25.0-27.9
0.3	11.5-12.9	16.8-18.9	22.0-24.9
0.4	10.0-11.4	14.5-16.7	19.0-21.9
0.5	8.5-9.9	12.3-14.4	16.0-18.9
0.6	7.0-8.4	10.0-12.2	13.0-15.9
0.7	5.0-6.9	7.0-9.9	9.0-12.9
0.8	3.0-4.9	4.0-6.9	5.0-8.9
0.9	1.0-2.9	1.0-3.9	1.0-4.9
1.0	less than 1.0	less than 1.0	less than 1.0]

**Table
Reserve Ratio Factor - 1984 Rates**

Employers Reserve Account as a Percentage of Taxable Wages	Reserve Ratio Factor
Greater than 25%	0.0
Greater than or equal to 22% but less than 25%	0.1
Greater than or equal to 19% but less than 22%	0.2
Greater than or equal to 16% but less than 19%	0.3
Greater than or equal to 13% but less than 16%	0.4

<i>Greater than or equal to 10% but less than 13%</i>	<i>0.5</i>
<i>Greater than or equal to 7% but less than 10%</i>	<i>0.6</i>
<i>Greater than or equal to 4% but less than 7%</i>	<i>0.7</i>
<i>Greater than or equal to 3% but less than 4%</i>	<i>0.8</i>
<i>Greater than or equal to 2% but less than 3%</i>	<i>0.9</i>
<i>Greater than or equal to 0% but less than 2%</i>	<i>1.0</i>
<i>Less than 0% but greater than -2%</i>	<i>1.1</i>
<i>Less than or equal to -2% but greater than -4%</i>	<i>1.2</i>
<i>Less than or equal to -4% but greater than -6%</i>	<i>1.3</i>
<i>Less than or equal to -6% but greater than -8%</i>	<i>1.4</i>
<i>Less than or equal to -8% but greater than -10%</i>	<i>1.5</i>
<i>Less than or equal to -10% but greater than -12%</i>	<i>1.6</i>
<i>Less than or equal to -12% but greater than -14%</i>	<i>1.7</i>
<i>Less than or equal to -14% but greater than -16%</i>	<i>1.8</i>
<i>Less than or equal to -16% but greater than -18%</i>	<i>1.9</i>
<i>Less than or equal to -18% or lower</i>	<i>2.0</i>

Table

Reserve Ratio Factor - 1985 Rates

<i>Employers Reserve Account as a Percentage of Taxable Wages</i>	<i>Reserve Ratio Factor</i>
<i>Greater than 25%</i>	<i>0.0</i>
<i>Greater than or equal to 21% but less than 25%</i>	<i>0.1</i>
<i>Greater than or equal to 18% but less than 21%</i>	<i>0.2</i>
<i>Greater than or equal to 15% but less than 18%</i>	<i>0.3</i>
<i>Greater than or equal to 12% but less than 15%</i>	<i>0.4</i>
<i>Greater than or equal to 9% but less than 12%</i>	<i>0.5</i>
<i>Greater than or equal to 7% but less than 9%</i>	<i>0.6</i>
<i>Greater than or equal to 5% but less than 7%</i>	<i>0.7</i>
<i>Greater than or equal to 3% but less than 5%</i>	<i>0.8</i>
<i>Greater than or equal to 1% but less than 3%</i>	<i>0.9</i>
<i>Greater than or equal to 0% but less than 1%</i>	<i>1.0</i>
<i>Less than 0% but greater than -1%</i>	<i>1.1</i>
<i>Less than or equal to -1% but greater than -2%</i>	<i>1.2</i>
<i>Less than or equal to -2% but greater than -3%</i>	<i>1.3</i>
<i>Less than or equal to -3% but greater than -4%</i>	<i>1.4</i>
<i>Less than or equal to -4% but greater than -5%</i>	<i>1.5</i>
<i>Less than or equal to -5% but greater than -6%</i>	<i>1.6</i>
<i>Less than or equal to -6% but greater than -7%</i>	<i>1.7</i>
<i>Less than or equal to -7% but greater than -8%</i>	<i>1.8</i>
<i>Less than or equal to -8% but greater than -9%</i>	<i>1.9</i>
<i>Less than or equal to -9% but greater than -10%</i>	<i>2.0</i>
<i>Less than or equal to -10% but greater than -15%</i>	<i>2.1</i>
<i>Less than or equal to -15% but greater than -20%</i>	<i>2.2</i>
<i>Less than or equal to -20% or lower</i>	<i>2.3</i>

Table

Reserve Ratio Factor - 1986 and thereafter Rates

Employers Reserve Account as a Percentage of Taxable Wages	Reserve Ratio Factor
Greater than 25%	0.0
Greater than or equal to 21% but less than 25%	0.3
Greater than or equal to 18% but less than 21%	0.4
Greater than or equal to 15% but less than 18%	0.5
Greater than or equal to 12% but less than 15%	0.6
Greater than or equal to 9% but less than 12%	0.7
Greater than or equal to 7% but less than 9%	0.8
Greater than or equal to 5% but less than 7%	0.9
Greater than or equal to 3% but less than 5%	1.0
Greater than or equal to 1% but less than 3%	1.1
Greater than or equal to 0% but less than 1%	1.2
Less than 0% but greater than -1%	1.3
Less than or equal to -1% but greater than -2%	1.4
Less than or equal to -2% but greater than -3%	1.5
Less than or equal to -3% but greater than -4%	1.6
Less than or equal to -4% but greater than -5%	1.7
Less than or equal to -5% but greater than -6%	1.8
Less than or equal to -6% but greater than -7%	1.9
Less than or equal to -7% but greater than -8%	2.0
Less than or equal to -8% but greater than -9%	2.1
Less than or equal to -9% but greater than -10%	2.2
Less than or equal to -10% but greater than -11%	2.3
Less than or equal to -11% but greater than -12%	2.4
Less than or equal to -12% but greater than -16%	2.5
Less than or equal to -16% but greater than -20%	2.6
Less than or equal to -20% or lower	2.7

(2) Notwithstanding the provisions of this subsection, any employer subject to section 301.1 who is a Group 1 employer as determined by subsection (b) of this section shall have a Reserve Ratio Factor equal to one-third of the Reserve Ratio Factor as determined by paragraph (1) of this subsection.

(3) Notwithstanding the provisions of this subsection, any employer subject to section 301.1 who is a Group 2 employer as determined by subsection (b) of this section shall have a Reserve Ratio Factor equal to two-thirds of the Reserve Ratio Factor as determined by paragraph (1) of this subsection.

(4) If upon application of paragraph (2) or (3) of this subsection the reduced Reserve Ratio Factor is not a multiple of one-tenth of one per centum (0.1%) it shall be rounded to the next higher multiple of one-tenth of one per centum (0.1%).

As used in the foregoing table, the [term "employer percentage" means] percentages indicate the ratio of the balance in an employer's reserve account to his average annual payroll. Each [employer] percentage group shown includes the fractional percentage between such percentage group and the

immediately higher percentage group *for employers with a zero or credit balance. For employers with a debit balance, each percentage group includes the fractional percentage between such percentage group and the immediately lower percentage group.* [The Funding Factor of an employer who has no credit balance in his reserve account shall be one per centum.]

(d) An employer's [Experience] *Benefit Ratio* Factor shall be computed on the basis of the following formula:

$$\frac{\text{Average Annual Benefits}}{\text{Average Annual Payroll}} \times 100 = \text{[Experience Factor] Benefit Ratio Factor}$$

to a tenth of a per centum, rounding all fractional parts of a tenth of a per centum to the nearest tenth of a per centum. No [Experience] *Benefit Ratio* Factor shall be more than [three] *five* per centum (5%) nor less than zero per centum (0%).

(d.1) (1) Notwithstanding any other provision of this act, and for purposes of this section only, an employer whose employer account was charged with compensation in each of the five calendar years 1979 through 1983 and whose average annual benefits for the period beginning July 1, 1980 and ending June 30, 1983 would, as provided hereinbefore, equal or exceed five per centum (5%) of the employer's average annual payroll, shall be allowed to elect as an option the alternative benefit ratio provided for in this subsection to be used in determining the employer's Benefit Ratio Factor for the calendar years 1985 and 1986.

(2) Annual benefits for each of the periods July 1, 1981 through June 30, 1982 and July 1, 1982 through June 30, 1983 shall be arbitrarily adjusted to equal five per centum (5%) of the employer's annual payroll for the same period.

(3) Such adjusted annual benefits for each of the twelve-month periods shall be added to the actual annual benefits for the period from July 1, 1983 to June 30, 1984 and such sum shall be divided by three (3) to determine the average annual benefits used to calculate the employer's benefit ratio factor for calendar year 1985.

(4) Such adjusted annual benefits for the twelve-month period ending June 30, 1983 shall be added to the actual annual benefits for the period from July 1, 1983 to June 30, 1985 and such sum shall be divided by three (3) to determine the average annual benefits used to calculate the employer's benefit ratio factor for calendar year 1986.

(5) In addition to the other provisions of this subsection, an employer shall not be entitled to elect the alternative benefit ratio of this subsection unless such employer has no pending appeals of benefit charges and agrees to waive all right to appeal any benefit charges, applicable to the period July 1, 1980 through June 30, 1983.

(e) The State Adjustment Factor for the calendar year beginning January [one, one thousand nine hundred eighty] 1, 1984, shall be one and [seventy-five hundredths] *five-tenths* per centum [for 1980 and 1981 and one and nine-tenths per centum for 1982 and for each calendar year thereafter,] (1.5%) and thereafter shall be computed as of the computation date for such year to

a tenth of a per centum, rounding all fractional parts of a tenth of a per centum to the nearest tenth of a per centum, but in no event less than zero nor in excess of one and [seventy-five hundredths] *five-tenths* per centum [, for 1980 and 1981 and one and nine-tenths per centum for 1982 and thereafter] (1.5%), according to the following formula:

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

in which factor "Bdr" equals the aggregate of [(A)] (1) all benefits paid but not charged to employers' accounts, plus, [(B)] (2) all benefits paid and charged to inactive and terminated employers' accounts, plus, [(C)] (3) all benefits paid and charged to accounts of active employers [who were assigned the maximum Experience Factor for the preceding calendar year to the extent such benefits exceed the amount of contributions payable by such employers on the basis of such factor] for the preceding year to the extent such benefits exceed the combined amount of contributions payable by such employers on the basis of the Benefit Ratio Factor and the Reserve Ratio Factor. Factor "Dcr" equals the aggregate of [(A)] (1) interest credited to the Unemployment Compensation Fund, plus, [(B)] (2) amounts transferred from the Special Administration Fund and the Interest Fund to the Unemployment Compensation Fund, plus, [(C)] (3) refunds of benefits unlawfully paid, plus, [(D)] (4) amounts credited to the Unemployment Compensation Fund by the Federal Government other than by loan, except that any amount credited to this Commonwealth's account under section 903 of the Federal Social Security Act which has been appropriated for expenses of administration shall be excluded from the amount in the Unemployment Compensation Fund in the computation of the "Dcr" factor. Factor "Wt" equals [the wages] all wages subject to the law up to the limitation described in section 4(x)(1) paid by all employers. Each item in each factor shall be computed with respect to the twelve-month period ending on the computation date: Provided, That should the computed State Adjustment Factor for calendar year [one thousand nine hundred eighty] 1984, and any year thereafter exceed one and [seven-tenths] *five-tenths* per centum (1.5%), such excess over one and [seventy-five hundredths per centum for 1980 and 1981 and one and nine-tenths per centum for 1982 and thereafter] *five-tenths per centum* (1.5%) shall be added to the computed State Adjustment Factor for the following year or years.

(f) An employer whose reserve account balance is adjusted after January 1, 1980 in accordance with the provisions of section 302 (c) of this act shall not be eligible for a reduced rate of contributions under the provisions of this act for the three consecutive calendar years following the computation date with respect to which the application for adjustment was made and shall pay contributions at the maximum rate specified under subsection (a) of this section and sections 301.2 and [301.3] 301.6 for three years. In the event an employer shall file one or more subsequent applications for adjustment, the provisions of this subsection shall apply to each such application.

(f.1) Notwithstanding any other provisions of this act, employers who elected to have their negative reserve account balance adjusted for taxable

years 1978, 1979 or 1980 will be liable for contributions at the maximum rate specified in section 301.1 and as determined under sections 301.2 and 301.3.

(g) Wages paid to employes of construction contractors pursuant to a contract or subcontract entered into before July 1, 1983 for the construction, reconstruction or remodeling of structures where the contract or subcontract is either at a fixed price not subject to change or modification or entered into pursuant to the obligation of a formal written bid which cannot be altered or withdrawn shall continue to be subject to the employer's assigned tax rate and the taxable wage base for 1983. This subsection shall not apply to any year following calendar year 1984. No rate assigned any employer who receives a rate on the basis of employment and wages to which this subsection applies shall be less than two and seven-tenths per centum (2.7%) for calendar year 1983 or 1984 and no rate shall be less than five and four-tenths per centum (5.4%) for calendar year 1985 and thereafter.

Section 10. Section 301.2 of the act, added July 10, 1980 (P.L.521, No.108), is amended to read:

Section 301.2. **[Additional Contributions and Credits for Certain Employers].**—Notwithstanding any other provision of this act, all employers required to pay contributions under section 301 or 301.1 other than those employers covered by section 301(a)(3) and (4) shall have their rate of contribution increased or decreased, with respect to their positive or negative percentage ascertained by dividing their reserve account balance by their average annual payroll, in accordance with the following table:

Reserve Account Balance	
% of Average Annual Payroll	Decrease Contribution Rate by:
Greater than or equal to 6.0	0.4
Greater than or equal to 4.5 but less than 6.0	0.3
Greater than or equal to 3.0 but less than 4.5	0.2
Greater than or equal to 1.5 but less than 3.0	0.1
Greater than or equal to 0.0 but less than 1.5	0.0
	Increase Contribution Rate by:
Less than 0.0 but greater than -1.0	0.1
Less than or equal to -1.0 but greater than -2.0	0.2
Less than or equal to -2.0 but greater than -3.0	0.3
Less than or equal to -3.0 but greater than -4.0	0.4
Less than or equal to -4.0 but greater than -5.0	0.5
Less than or equal to -5.0 but greater than -6.0	0.6
Less than or equal to -6.0	0.7]

Additional Contributions.—Notwithstanding any other provision of this act, all employers required to pay contributions under section 301 or 301.1, except those subject to the provisions of section 301(a)(3) and (4) or 301.1(g), shall pay additional contributions equal to seven-tenths of one per centum (0.7%) for calendar year 1984, six-tenths of one per centum (0.6%) for cal-

endar year 1985 and five-tenths of one per centum (0.5%) for calendar year 1986 and thereafter on wages paid with regard to the limitation specified under section 4(x)(1) of this act.

Section 11. Section 301.3 of the act is repealed.

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

Section 301.4. Contributions by Employees.—(a) Notwithstanding any other provision of this act, for calendar year 1984 and every calendar year thereafter each employe shall contribute to the Unemployment Compensation Fund one-tenth of one per centum (0.1%) of all wages paid for “employment” as defined by the act without regard to the limitation specified in section 4(x)(1) of this act.

(b) Each employer subject to this act shall be responsible for withholding and shall withhold, in trust, such contributions from the wages of his employes at the time such wages are paid, and shall report and transmit such deductions to the department for deposit into the Unemployment Compensation Fund, in accordance with rules and procedures established by the department.

(c) Any employer who is an individual, or any officer or agent of any employer, who violates the trust provision of this section, fails to withhold, hold in trust or fails to transmit to the department all contributions withheld from the wages of his employes in accordance with the rules and procedure established by the department shall be subject to the provisions of clause (2) of subsection (a) of section 301 and sections 308, 308.1, 308.2, 308.3 and 309 of this act.

(d) This section shall not be deemed to affect or impair the operation of any State statute or ordinance or resolution of a political subdivision which levies or collects any wage tax or similar tax. Contributions made pursuant to this section are not intended to reduce or otherwise affect any tax on wages or similar tax.

Section 301.5. Surcharge.—(a) Notwithstanding any other provisions of this act, all employers subject to this act (other than employers who have elected, pursuant to section 1102 or 1202.2, to make payments in lieu of contributions) shall be assessed a surcharge of fifteen per centum (15%) of the contributions due for 1983 without regard to the tax credit granted under subsection (c) of section 301.3. Additional contributions due under this section for the period of January through September 1983 shall be payable on or before October 31, 1983. Additional contributions due under this section for the period of October through December 1983 shall be payable on or before January 31, 1984. Such additional contributions due under this section shall be collectible in the manner provided in sections 308.1, 308.2, 308.3 and 309 of this act.

(b) This section shall not apply to contributions on wages paid during the period January 1, 1983, through June 30, 1983, by jobbers, manufacturers, contractors or subcontractors with a Standard Industrial Code classification of 23 for work on the goods or premises of the jobber or manufacturer or performing parts of an integrated process of production in the apparel industry.

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

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

(c) The Interest Factor calculated on wages with regard to the limitations specified in section 4(x)(1) shall be equal to twenty-five hundredths of one per centum (0.25%) for calendar year 1984, five-tenths of one per centum (0.5%) for calendar year 1985, and one per centum (1.0%) for calendar year 1986. Thereafter the Interest Factor shall be a variable rate not to exceed one per centum (1.0%) to be determined annually by the department at a rate necessary to pay the interest on outstanding interest-bearing advances under Title XII of the Social Security Act for the following calendar year. No interest factor shall be required for any year following the year in which the amount of such interest-bearing advances is reduced to zero.

Section 13. Section 302(a)(1) and (2) and (c) of the act, (a)(1) and (2) amended July 6, 1977 (P.L.41, No.22) and (c) amended July 10, 1980 (P.L.521, No.108), are amended to read:

Section 302. Establishment and Maintenance of Employer's Reserve Accounts.—The department shall establish and maintain for each employer a separate employer's reserve account in the following manner:

(a) (1) Such account shall be credited with all contributions paid by such employer for periods subsequent to June thirtieth, one thousand nine hundred forty-eight. Such account shall be charged with an amount determined by multiplying the wages of compensated employes of such employer for the twelve month period ended June thirtieth, one thousand nine hundred forty-nine, by the state experience heretofore used in determining rates of contributions for the year one thousand nine hundred forty-nine. **[Subsequent to June thirtieth, one thousand nine hundred forty-nine]** *Subsequent to January 1, 1984*, such account shall be charged with all compensation, *including dependents' allowances*, paid to each individual who received from such employer wage credits constituting the base of such compensation, in the proportion that such wage credits with such employer bears to the total wage credits received by such individual from all employers: Provided, That if the department finds that such individual was separated from his most recent work for such employer due to being discharged for willful misconduct connected with such work, or due to his leaving such work without good cause attributable to his employment, thereafter no compensation paid to such individual with respect to any week of unemployment occurring subsequent to such separation, which is based upon wages paid by such employer with respect to employment prior to such separation, shall be

charged to such employer's account under the provisions of this subsection (a); provided, such employer has filed a notice with the department in accordance with its rules and regulations and within the time limits prescribed therein; and provided if the department finds that such individual's unemployment is directly caused by a major natural disaster declared by the President pursuant to section 102 (1) of the Disaster Relief Act of 1970 (P.L.91-606) and such individual would have been eligible for disaster unemployment assistance as provided in section 240 of that act with respect to such unemployment but for the receipt of unemployment compensation, no compensation paid to such individual with respect to any week of unemployment occurring due to such natural disaster, to a maximum of the eight weeks immediately following the President's declaration of emergency, shall be charged to the employer's account under the provisions of this subsection. **[Such relieved compensation payments resulting from the 1972 floods, however, shall be included in the debits of the State Adjustment Factor in connection with the computation of contribution rates for calendar year 1975.]**

(2) Notwithstanding the provisions of paragraph (1) of this subsection, if the department finds that an individual subsequent to separation from his work is **[continuing] engaged in** part-time work for **[an] a base year** employer, other than **[the] a base year** employer from whom he has separated, compensation paid to such individual with respect to any week of unemployment occurring subsequent to such separation and while such part-time work continues without material change, shall not be charged to the account of such part-time employer; provided, such part-time employer has filed a notice with the department in accordance with its rules and regulations and within the time limits prescribed therein. **[The provisions of this paragraph shall be applicable with respect to claims for benefits for weeks ending on or after the first day of July, one thousand nine hundred sixty-four.]**

* * *

(c) (1) For the purpose of determining any employer's rate of contribution for any year, the phrase "balance in an employer's reserve account" as used in sections 301, 301.1 and 301.2 of this act shall mean the amount ascertained as of the computation date by subtracting the amounts charged to his reserve account from the amounts credited thereto including voluntary contributions. If, as of the computation date, the amounts charged to his reserve account exceed the amounts credited by an amount equivalent to more than **[ten per centum] twenty per centum (20%)** of his average annual payroll, the employer may elect, subject to the provisions of section 301.1 (f) of this act to have his reserve account balance adjusted to a negative balance equal to **[ten per centum] twenty per centum (20%)** of his average annual payroll. *This subsection as amended shall apply to elections made after December 31, 1986.*

(2) *Notwithstanding the provisions of section 301.1(f) and paragraph (1) of this subsection, for elections made on or after January 1, 1984 and before May 1, 1986, if the amounts charged to the employer's reserve account*

exceed the amounts credited by an amount equivalent to more than ten per centum (10%) of his average annual payroll, the department, after determining his Reserve Ratio Factor shall, upon the election of the employer, adjust his reserve account balance to a negative balance equal to ten per centum (10%) of his average annual payroll. With respect to future adjustments of negative balance accounts, the secretary shall, upon the election of the employer, make adjustments as follows:

(i) In relation to adjustments made for the second time after January 1, 1984 and before May 1, 1986, if the amounts charged to his reserve account exceed the amounts credited by an amount equivalent to more than fifteen per centum (15%) of his average annual payroll, the department shall, upon the election of the employer, adjust the reserve account balance to a negative balance equal to fifteen per centum (15%) of his average annual payroll.

(ii) In relation to adjustments made for the third time after January 1, 1984 and before May 1, 1986, if the amounts charged to his reserve account exceed the amounts credited by an amount equivalent to more than twenty per centum (20%) of his average annual payroll, the department shall, upon the election of the employer, adjust his reserve account balance to a negative balance equal to twenty per centum (20%) of his average annual payroll.

* * *

Section 14. Section 308 of the act, amended April 23, 1942 (Sp.Sess., P.L.60, No.23), is amended to read:

Section 308. Interest on Past Due Contributions.—Contributions unpaid on the date on which they are due and payable, as prescribed by the department, shall bear interest at the rate [of one per centum] determined by the Secretary of Revenue under section 806 of the act of April 9, 1929 (P.L.343, No.176), known as "The Fiscal Code," per month or fraction of a month from the date they become due until paid.

Section 15. The act is amended by adding sections to read:

Section 313. Dishonored Checks.—The department is hereby authorized to charge a penalty of one hundred per centum (100%) of the face value of the check, up to a maximum of one hundred dollars (\$100) with a minimum of ten dollars (\$10) per occurrence for all dishonored checks or at such other amounts as shall be determined by the secretary and published in the Pennsylvania Bulletin as a notice under 45 Pa. C.S. § 725(a)(3) (relating to additional contents of Pennsylvania Bulletin). Such sums shall be collectible in the manner provided in sections 308.1, 308.2, 308.3 and 309 of this act.

Section 314. Shortfall Reduction.—(a) On or before October 31, 1985, the secretary shall prepare an estimate of the difference between contributions deposited or to be deposited and net benefits paid or to be paid from the Unemployment Compensation Fund during the period of January 1, 1984 to December 31, 1985. If estimated net benefits paid or to be paid exceed contributions deposited or to be deposited by more than four hundred fifty million dollars (\$450,000,000), the amount in excess of three hundred fifty million dollars (\$350,000,000) shall be rounded upward to the nearest fifty million dollar (\$50,000,000) increment, and the resulting figure shall be known as the "adjusted shortfall" and the provisions of subsection (c) shall apply, effective January 1, 1986.

(b) If the provisions of subsection (c) have not been applied by January 1, 1986, pursuant to subsection (a), the secretary shall, on or before October 31, 1986, prepare an estimate of the difference between contributions deposited or to be deposited and net benefits paid or to be paid from the Unemployment Compensation Fund during the period of January 1, 1984 to December 31, 1986. If estimated net benefits paid or to be paid exceed contributions deposited or to be deposited by more than three hundred fifty million dollars (\$350,000,000), the amount in excess of that figure shall be rounded up to the nearest fifty million dollars (\$50,000,000) which shall be the amount of the adjusted shortfall and the provisions of subsection (c) shall apply, effective January 1, 1987.

(c) (1) If the provisions of either subsection (a) or (b) result in an adjusted shortfall, it shall be used to determine an increase in contribution rates and a reduction in benefits as follows:

(i) The secretary shall collect a surcharge on employer contributions at a rate which shall yield an amount equal to sixty per centum (60%) of the adjusted shortfall annually thereafter.

(ii) The secretary shall increase the employe contribution by a rate which will yield twenty per centum (20%) of the adjusted shortfall annually thereafter.

(iii) The secretary shall uniformly increase the weekly compensation reduction contained in section 404(e)(4) by an amount which yields an amount of savings to the fund equal to twenty per centum (20%) of the adjusted shortfall annually thereafter.

(2) The secretary shall carry out the procedures of this subsection until all loans plus interest under Title XII of the Federal Social Security Act have been repaid to the Federal Government.

(3) The Governor may make voluntary repayments on these loans if in his judgment there is sufficient moneys in the Unemployment Compensation Fund.

Section 16. Section 401(e) of the act, amended July 10, 1980 (P.L.521, No.108), is amended to read:

Section 401. Qualifications Required to Secure Compensation.—Compensation shall be payable to any employe who is or becomes unemployed, and who—

* * *

(e) (1) Has been unemployed for a waiting period of one week[~~unless the Governor upon the occurrence of a major disaster declares that a state of emergency exists, in which event the department may suspend the waiting week requirement with respect to unemployment resulting directly from such disaster~~].

(2) No week shall be counted as a week of unemployment for the purposes of this section, (i) unless it occurs within the benefit year which includes the week with respect to which such employe claims compensation, or (ii) if compensation has been paid or is payable with respect thereto, or (iii) unless the employe was eligible for compensation with respect thereto under all other provisions of this section and was not disqualified with respect thereto under section 402 (a), (b), (d), (e), (g), (h) and (i).

[(3) Notwithstanding any provision of this subsection, when an individual has been paid benefits in his current benefit year equal to four times his weekly benefit amount, he shall be eligible to receive benefits for his waiting period claim in accordance with this act.]

* * *

Section 17. Section 402(i) of the act is repealed.

Section 18. Section 402.1(2) of the act, amended December 12, 1979 (P.L.503, No.108), is amended and a clause is added to read:

Section 402.1. Benefits Based on Service for Educational Institutions.—Benefits based on service for educational institutions pursuant to Article X, XI or XII shall as hereinafter provided be payable in the same amount, on the same terms and subject to the same conditions as outlined in section 404(g); except that:

* * *

(2) With respect to services performed after **[December 31, 1977] October 31, 1983**, in any other capacity for an educational institution **[(other than an institution of higher education as defined in section 4(m.2))]**, benefits shall not be paid on the basis of such services to any individual for any week which commences during a period between two successive academic years or terms if such individual performs such services in the first of such academic years or terms and there is a reasonable assurance that such individual will perform such services in the second of such academic years or terms.

* * *

(5) With respect to an individual who performs services described in clause (2) of this section and who pursuant to clause (2) or (4) of this section is denied benefits for the period between academic years or terms, such individual if he is not offered an opportunity to perform such service in the second of such academic years or terms shall be paid benefits for the period which commences with the first week he was denied benefits solely by the reason of clause (2) or (4) of this section, provided he had filed timely claims for benefits throughout the denial period and was otherwise eligible for benefits.

Section 19. The act is amended by adding a section to read:

Section 402.4. Eligibility of Officers of a Corporation Deemed to be Self-Employed Persons.—(a) Notwithstanding any other provision of this act, an officer of a corporation deemed to be a self-employed person because he exercised a substantial degree of control over the corporation and who becomes unemployed due to the fact that the corporation enters into involuntary bankruptcy proceedings under the provisions of Chapter 7, Title 11 of the United States Code shall be entitled to receive unemployment compensation under this act: Provided, That the wages paid to the officer of a corporation deemed to be a self-employed person were mandatorily subject to this act.

(b) Unemployment compensation shall be paid to an officer of a corporation deemed to be a self-employed person, who is eligible under the provisions of this section, in the same manner and to the same extent as unemploy-

ment compensation paid to any other eligible claimant under the provisions of this act.

Section 20. The introductory paragraph and subsections (c), (d) and (e)(1) of section 404 of the act, the introductory paragraph amended September 27, 1971 (P.L.460, No.108) and (c), (d) and (e)(1) amended July 10, 1980 (P.L.521, No.108), are amended to read:

Section 404. Rate and Amount of Compensation.—Compensation shall be paid to each eligible employe in accordance with the following provisions of this section except that compensation payable with respect to weeks ending in benefit years which begin prior to the first day of **[October, one thousand nine hundred seventy-one] January 1984** shall be paid on the basis of the provisions of this section in effect at the beginning of such benefit years.

* * *

(c) Any otherwise eligible employe who has base year wages in an amount equal to, or in excess, of the amount of qualifying wages appearing in Part C of the Table Specified for the Determination of Rate and Amount of Benefits on the line on which in Part B there appears his weekly benefit rate, as determined under subsection (a) of this section, shall be entitled during his benefit year to the amount appearing in Part D on said line: Provided he had eighteen (18) **[to twenty-three (23)] or more** "credit weeks" during his base year or Part E provided he had **[twenty-four (24) or more] sixteen (16) or seventeen (17)** "credit weeks" during his base year. *Notwithstanding any other provision of this act, any employe with less than sixteen (16) "credit weeks" during the employe's base year shall be ineligible to receive any amount of compensation.*

(d) Notwithstanding any other provisions of this section each eligible employe who is unemployed with respect to any week ending subsequent to **[the first day of July, one thousand nine hundred eighty,] July 1, 1980** shall be paid, with respect to such week, compensation in an amount equal to his weekly benefit rate less the total of (i) the remuneration, if any, paid or payable to him with respect to such week for services performed which is in excess of his partial benefit credit; (ii) vacation pay, if any, which is in excess of his partial benefit credit, except when paid to an employe who is permanently or indefinitely separated from his employment and (iii) an amount equal to the amount of a governmental or other pension, retirement or retired pay, annuity, or any other similar periodic payment which is based on the previous work of such individual, which is reasonably attributable to such week, in accordance with this subsection. **[The balance in the employe's compensation account as indicated in Part D of the table contained in subsection (e) shall be reduced by his weekly benefit amount without regard to the pension deduction provided herein: Provided, however, That notwithstanding section 804, any overpayment that occurs as a result of the retroactive implementation of the changes made in this subsection of this amendatory act shall be established as nonfault nonrecoupable.]** The provisions of this subsection shall be applicable whether or not such vacation pay, retirement pension or annuities, or wages are legally required to be paid. If such

retirement pension or annuity payments deductible under the provisions of this subsection are received on other than a weekly basis, the amount thereof shall be allocated and pro-rated in accordance with the rules and regulations of the department. Vacation pay, or other remuneration deductible under the provisions of this subsection shall be pro-rated on the basis of the employe's normal full-time weekly wage and as so pro-rated shall be allocated to such period or periods of unemployment as shall be determined by rules and regulations of the department. Such compensation, if not a multiple of one dollar [(\$1.00)] (\$1), shall be computed to the next [higher] lower multiple of one dollar [(\$1.00)] (\$1).

(e) (1) Table Specified for the Determination of
Rate and Amount of Benefits

Part A Highest Quarterly Wage	Part B Rate of Compensation	Part C Qualifying Wages	Part D Amount of	Part E Compensation
[\$ 800-812	\$35	\$1320	\$ 910	\$1050
813-837	36	1360	936	1080
838-862	37	1400	962	1110
863-887	38	1440	988	1140
888-912	39	1480	1014	1170
913-937	40	1520	1040	1200
938-962	41	1560	1066	1230
963-987	42	1600	1092	1260
988-1012	43	1640	1118	1290
1013-1037	44	1680	1144	1320
1038-1062	45	1720	1170	1350
1063-1087	46	1760	1196	1380
1088-1112	47	1800	1222	1410
1113-1162	48	1840	1248	1440
1163-1187	49	1880	1274	1470
1188-1212	50	1920	1300	1500
1213-1237	51	1960	1326	1530
1238-1262	52	2000	1352	1560
1263-1287	53	2040	1378	1590
1288-1312	54	2080	1404	1620
1313-1337	55	2120	1430	1650
1338-1362	56	2160	1456	1680
1363-1387	57	2200	1482	1710
1388-1412	58	2240	1508	1740
1413-1437	59	2280	1534	1770
1438-1462	60	2320	1560	1800
1463-1487	61	2360	1586	1830
1488-1512	62	2400	1612	1860
1513-1537	63	2440	1638	1890
1538-1562	64	2480	1664	1920
1563-1587	65	2520	1690	1950
1588-1612	66	2560	1716	1980

1613-1637	67	2600	1742	2010
1638-1662	68	2640	1768	2040
1663-1687	69	2680	1794	2070
1688-1712	70	2720	1820	2100
1713-1737	71	2760	1846	2130
1738-1762	72	2800	1872	2160
1763-1787	73	2840	1898	2190
1788-1812	74	2880	1924	2220
1813-1837	75	2920	1950	2250
1838-1862	76	2960	1976	2280
1863-1887	77	3000	2002	2310
1888-1912	78	3040	2028	2340
1913-1937	79	3080	2054	2370
1938-1962	80	3120	2080	2400
1963-1987	81	3160	2106	2430
1988-2012	82	3200	2132	2460
2013-2037	83	3240	2158	2490
2038-2062	84	3280	2184	2520
2063-2087	85	3320	2210	2550
2088-2112	86	3360	2236	2580
2113-2137	87	3400	2262	2610
2138-2162	88	3440	2288	2640
2163-2187	89	3480	2314	2670
2188-2212	90	3520	2340	2700
2213-2237	91	3560	2366	2730
2238-2262	92	3600	2392	2760
2263-2287	93	3640	2418	2790
2288-2312	94	3680	2444	2820
2313-2337	95	3720	2470	2850
2338-2362	96	3760	2496	2880
2363-2387	97	3800	2522	2910
2388-2412	98	3840	2558	2940
2413-2437	99	3880	2574	2970
2438-2462	100	3920	2600	3000
2463-2487	101	3960	2626	3030
2488-2512	102	4000	2652	3060
2513-2537	103	4040	2678	3090
2538-2562	104	4080	2704	3120
2563-2587	105	4120	2730	3150
2588-2612	106	4160	2756	3180
2613-2637	107	4200	2782	3210
2638-2662	108	4240	2808	3240
2663-2687	109	4280	2834	3270
2688-2712	110	4320	2860	3300
2713-2737	111	4360	2886	3330
2738-2762	112	4400	2912	3360
2763-2787	113	4440	2938	3390
2788-2812	114	4480	2964	3420

2813-2837	115	4520	2990	3450
2838-2862	116	4560	3016	3480
2863-2887	117	4600	3042	3510
2888-2912	118	4640	3068	3540
2913-2937	119	4680	3094	3570
2938-2962	120	4720	3120	3600
2963-2987	121	4760	3146	3630
2988-3012	122	4800	3172	3660
3013-3037	123	4840	3198	3690
3038-3062	124	4880	3224	3720
3063-3087	125	4920	3250	3750
3088-3112	126	4960	3276	3780
3113-3137	127	5000	3302	3810
3138-3162	128	5040	3328	3840
3163-3187	129	5080	3354	3870
3188-3212	130	5120	3380	3900
3213-3237	131	5160	3406	3930
3238-3262	132	5200	3432	3960
3263-3287	133	5240	3458	3990
3288-3312	134	5280	3484	4020
3313-3337	135	5320	3510	4050
3338-3362	136	5360	3536	4080
3363-3387	137	5400	3562	4110
3388-3412	138	5440	3588	4140
3413-3437	139	5480	3614	4170
3438-3462	140	5520	3640	4200
3463-3487	141	5560	3666	4230
3488-3512	142	5600	3692	4260
3513-3537	143	5640	3718	4290
3538-3562	144	5680	3744	4320
3563-3587	145	5720	3770	4350
3588-3612	146	5760	3796	4380
3613-3637	147	5800	3822	4410
3638-3662	148	5840	3848	4440
3663-3687	149	5880	3874	4470
3688-3712	150	5920	3910	4500
3713-3737	151	5960	3926	4530
3738-3762	152	6000	3952	4560
3763-3787	153	6040	3978	4590
3788-3812	154	6080	4004	4620
3813-3837	155	6120	4030	4650
3838-3862	156	6160	4056	4680
3863-3887	157	6200	4082	4710
3888-3912	158	6240	4108	4740
3913-3937	159	6280	4134	4770
3938-3962	160	6320	4170	4800
3963-3987	161	6360	4196	4830
3988 or more	162	*6400	4212	4860]

\$ 800-812	\$35	\$1320	\$910	\$560
813-837	36	1360	936	576
838-862	37	1400	962	592
863-887	38	1440	988	608
888-912	39	1480	1014	624
913-937	40	1520	1040	640
938-962	41	1560	1066	656
963-987	42	1600	1092	672
988-1012	43	1640	1118	688
1013-1037	44	1680	1144	704
1038-1062	45	1720	1170	720
1063-1087	46	1760	1196	736
1088-1112	47	1800	1222	752
1113-1162	48	1840	1248	768
1163-1187	49	1880	1274	784
1188-1212	50	1920	1300	800
1213-1237	51	1960	1326	816
1238-1262	52	2000	1352	832
1263-1287	53	2040	1378	848
1288-1312	54	2080	1404	864
1313-1337	55	2120	1430	880
1338-1362	56	2160	1456	896
1363-1387	57	2200	1482	912
1388-1412	58	2240	1508	928
1413-1437	59	2280	1534	944
1438-1462	60	2320	1560	960
1463-1487	61	2360	1586	976
1488-1512	62	2400	1612	992
1513-1537	63	2440	1638	1008
1538-1562	64	2480	1664	1024
1563-1587	65	2520	1690	1040
1588-1612	66	2560	1716	1056
1613-1637	67	2600	1742	1072
1638-1662	68	2640	1768	1088
1663-1687	69	2680	1794	1104
1688-1712	70	2720	1820	1120
1713-1737	71	2760	1846	1136
1738-1762	72	2800	1872	1152
1763-1787	73	2840	1898	1168
1788-1812	74	2880	1924	1184
1813-1837	75	2920	1950	1200
1838-1862	76	2960	1976	1216
1863-1887	77	3000	2002	1232
1888-1912	78	3040	2028	1248
1913-1937	79	3080	2054	1264
1938-1962	80	3120	2080	1280
1963-1987	81	3160	2106	1296
1988-2012	82	3200	2132	1312

2013-2037	83	3240	2158	1328
2038-2062	84	3280	2184	1344
2063-2087	85	3320	2210	1360
2088-2112	86	3360	2236	1376
2113-2137	87	3400	2262	1392
2138-2162	88	3440	2288	1408
2163-2187	89	3480	2314	1424
2188-2212	90	3520	2340	1440
2213-2237	91	3560	2366	1456
2238-2262	92	3600	2392	1472
2263-2287	93	3640	2418	1488
2288-2312	94	3680	2444	1504
2313-2337	95	3720	2470	1520
2338-2362	96	3760	2496	1536
2363-2387	97	3800	2522	1552
2388-2412	98	3840	2558	1568
2413-2437	99	3880	2574	1584
2438-2462	100	3920	2600	1600
2463-2487	101	3960	2626	1616
2488-2512	102	4000	2652	1632
2513-2537	103	4040	2678	1648
2538-2562	104	4080	2704	1664
2563-2587	105	4120	2730	1680
2588-2612	106	4160	2756	1696
2613-2637	107	4200	2782	1712
2638-2662	108	4240	2808	1728
2663-2687	109	4280	2834	1744
2688-2712	110	4320	2860	1760
2713-2737	111	4360	2886	1776
2738-2762	112	4400	2912	1792
2763-2787	113	4440	2938	1808
2788-2812	114	4480	2964	1824
2813-2837	115	4520	2990	1840
2838-2862	116	4560	3016	1856
2863-2887	117	4600	3042	1872
2888-2912	118	4640	3068	1888
2913-2937	119	4680	3094	1904
2938-2962	120	4720	3120	1920
2963-2987	121	4760	3146	1936
2988-3012	122	4800	3172	1952
3013-3037	123	4840	3198	1968
3038-3062	124	4880	3224	1984
3063-3087	125	4920	3250	2000
3088-3112	126	4960	3276	2016
3113-3137	127	5000	3302	2032
3138-3162	128	5040	3328	2048
3163-3187	129	5080	3354	2064
3188-3212	130	5120	3380	2080

3213-3237	131	5160	3406	2096
3238-3262	132	5200	3432	2112
3263-3287	133	5240	3458	2128
3288-3312	134	5280	3484	2144
3313-3337	135	5320	3510	2160
3338-3362	136	5360	3536	2176
3363-3387	137	5400	3562	2192
3388-3412	138	5440	3588	2208
3413-3437	139	5480	3614	2224
3438-3462	140	5520	3640	2240
3463-3487	141	5560	3666	2256
3488-3512	142	5600	3692	2272
3513-3537	143	5640	3718	2288
3538-3562	144	5680	3744	2304
3563-3587	145	5720	3770	2320
3588-3612	146	5760	3796	2336
3613-3637	147	5800	3822	2352
3638-3662	148	5840	3848	2368
3663-3687	149	5880	3874	2384
3688-3712	150	5920	3900	2400
3713-3737	151	5960	3926	2416
3738-3762	152	6000	3952	2432
3763-3787	153	6040	3978	2448
3788-3812	154	6080	4004	2464
3813-3837	155	6120	4030	2480
3838-3862	156	6160	4056	2496
3863-3887	157	6200	4082	2512
3888-3912	158	6240	4108	2528
3913-3937	159	6280	4134	2544
3938-3962	160	6320	4170	2560
3963-3987	161	6360	4196	2576
3988-4012	162	6400	4212	2592
4013-4037	163	6440	4238	2608
4038-4062	164	6480	4264	2624
4063-4087	165	6520	4290	2640
4088-4112	166	6560	4316	2656
4113-4137	167	6600	4342	2672
4138-4162	168	6640	4368	2688
4163-4187	169	6680	4394	2704
4188-4212	170	6720	4420	2720
4213-4237	171	6760	4446	2736
4238-4262	172	6800	4472	2752
4263-4287	173	6840	4498	2768
4288-4312	174	6880	4524	2784
4313-4337	175	6920	4550	2800
4338-4362	176	6960	4576	2816
4363-4387	177	7000	4602	2832
4388-4412	178	7040	4628	2848

4413-4437	179	7080	4654	2864
4438-4462	180	7120	4680	2880
4463-4487	181	7160	4706	2896
4488-4512	182	7200	4732	2912
4513-4537	183	7240	4758	2928
4538-4562	184	7280	4784	2944
4563-4587	185	7320	4810	2960
4588-4612	186	7360	4836	2976
4613-4637	187	7400	4862	2992
4638-4662	188	7440	4888	3008
4663-4687	189	7480	4914	3024
4688-4712	190	7520	4940	3040
4713-4737	191	7560	4966	3056
4738-4762	192	7600	4992	3072
4763-4787	193	7640	5018	3088
4788-4812	194	7680	5044	3104
4813-4837	195	7720	5070	3120
4838-4862	196	7760	5096	3136
4863-4887	197	7800	5122	3152
4888-4912	198	7840	5148	3168
4913-4937	199	7880	5174	3184
4938-4962	200	7920	5200	3200
4963-4987	201	7960	5226	3216
4988-5012	202	8000	5252	3232
5013-5037	203	8040	5278	3248
5038-5062	204	8080	5304	3264
5063 or more	205	*8120	5330	3280

*(this figure subject to section 401(a)).

* * *

Section 21. Section 404(e) of the act is amended by adding a paragraph to read:

Section 404. Rate and Amount of Compensation.—Compensation shall be paid to each eligible employe in accordance with the following provisions of this section except that compensation payable with respect to weeks ending in benefit years which begin prior to the first day of October, one thousand nine hundred seventy-one shall be paid on the basis of the provisions of this section in effect at the beginning of such benefit years.

* * *

(e) * * *

(4) *Notwithstanding any other provision of this act, each claimant eligible for a weekly benefit rate of seventy-five dollars (\$75) or more shall have his weekly compensation as determined by application of subsections (a) through (e) reduced by five per centum (5%), or more if and when the provisions of section 314(c)(1)(iii) apply. If such reduced weekly compensation is not an even multiple of one dollar (\$1), it shall be rounded to the next lower multiple of one dollar (\$1): Provided, That no claimant whose weekly benefit rate, determined in accordance with subsection (a), is in excess of seventy-*

four dollars (\$74) shall have his weekly compensation reduced below seventy-five dollars (\$75) except through the combined application of this paragraph and subsection (d). The balance in the claimant's compensation account as indicated in Part D or E of the table contained in subsection (e)(1) of this section shall be reduced by his weekly benefit amount without regard to the reduction provided herein.

* * *

Section 22. Section 601(a) and (c) of the act, (a) amended December 6, 1972 (P.L.1622, No.336) and (c) amended July 6, 1977 (P.L.41, No.22), are amended to read:

Section 601. Unemployment Compensation Fund.—(a) There is hereby created a special fund separate and apart from all public moneys or funds of this Commonwealth to be known as the Unemployment Compensation Fund. All contributions *paid by employers and employes*, together with penalties and interest thereon, received or collected by the department from employers under the provisions of this act, except such penalties and interest which are to be paid into the Special Administration Fund as provided in section [six hundred one point one] *601.1 and taxes collected under section 301.6 of this act which are to be paid into the Interest Fund as provided in section 601.2*, shall be paid into the Unemployment Compensation Fund, and shall be credited by the department to a ledger account to be known as the Employers' Contribution Account. Interest and penalties which are to be credited to the Special Administration Fund *and taxes collected under section 301.6* may be temporarily held in the Employers' Contribution Account solely for clearance purposes prior to transfer to the Special Administration Fund *or Interest Fund* and while so held in the Employers' Contribution Account shall not be deemed a part of the Unemployment Compensation Fund. All moneys from time to time received and credited to the Employers' Contribution Account (exclusive of refunds made under section [three hundred eleven] *311* and interest and penalties transferred as herein provided to the Special Administration Fund *and taxes transferred to the Interest Fund*) shall be paid promptly by the department into the Unemployment [Trust] *Compensation* Fund, except as otherwise provided in section [six hundred five] *605* of this act. All moneys credited to this Commonwealth's account in the Unemployment [Trust] *Compensation* Fund pursuant to section 903 of the Federal Social Security Act (*42 U.S.C. § 1103*) shall be included in the Unemployment Compensation Fund.

* * *

(c) Notwithstanding any other provisions of this section, the department shall at such time or times, when the amount of moneys credited to the Commonwealth of Pennsylvania in the Unemployment [Trust] *Compensation* Fund exceed the average annual total benefit payout for the immediate prior five (5) years, transfer such excess to the United States Treasury to repay; and reduce any outstanding Federal unemployment loan debt, and at such other time or times as the secretary with the approval of the Governor may determine, is hereby authorized to requisition from the Unemployment [Trust] *Compensation* Fund and pay into the United States Treasury an

amount which, in the aggregate, is equal to [(A) the total payment of temporary unemployment compensation made pursuant to section 101 of the Federal Temporary Unemployment Compensation Act of 1958, as amended, to individuals who exhausted their rights to benefits under this act and (B)] the balance of any loan made to this Commonwealth under the provisions of Title XII of the Social Security Act, as amended. Such requisition and transfer need not be in a lump sum but may be made according to a plan entered into between the department and the United States Treasury and for that purpose the authority hereinabove contained shall be deemed continuous during the term of such agreement.

Section 23. Section 601.1(b), (c) and (d) of the act, amended or added March 24, 1964 (Sp.Sess. P.L.53, No.1) and December 21, 1973 (P.L.421, No.146), are amended to read:

Section 601.1. Special Administration Fund.—* * *

(b) [Any other provisions of this act notwithstanding, no more than two hundred thousand dollars (\$200,000) shall be expended from the moneys in the Special Administration Fund in any fiscal year; and at] *At* the close of each fiscal year all moneys in the fund in excess of two hundred thousand dollars (\$200,000) shall be transferred to the Unemployment Compensation Fund and credited to the Employers' Contribution Account as specified in section [six hundred one] 601.

[(c) All moneys in excess of two hundred thousand dollars (\$200,000) in the Special Administration Fund on the effective date of these amendments shall be paid into the Unemployment Compensation Fund and credited to the Employers' Contribution Account as specified in section six hundred one.

(d) Notwithstanding any other provision of this section, any moneys paid into this fund subsequent to the first day of July, one thousand nine hundred sixty-three, may upon requisition by the secretary and approval thereof by the Governor, be paid into the United States Treasury for the purpose of restoring to it the amount of costs incurred in the administration of the Temporary Unemployment Compensation Act of 1958, as amended, with respect to this State. Such requisition and transfer need not be in a lump sum but may be made according to a plan entered into between the department and the United States Treasury and for that purpose the authority hereinabove contained shall be deemed continuous during the term of such agreement.

For the purpose of this subsection, the term "any moneys" shall include in addition to interest and penalties as specified in subsection (a) hereof, any moneys which under any other provisions of this act are directed to be paid into this fund.]

Section 24. The act is amended by adding a section to read:

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

(1) For transfer to the General Fund for repayment of loans pursuant to subsection (c).

(2) For the payment of annual interest obligations assessed under Title XII of the Social Security Act.

(3) Repayment of outstanding interest-bearing advances received under Title XII of the Social Security Act.

(4) Unemployment compensation payments under this act.

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

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

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

(e) Any amount of moneys remaining in this fund at the end of the calendar year in which the outstanding balance of interest-bearing advance under Title XII of the Social Security Act is zero shall be transferred to the Unemployment Compensation Fund and credited to the Employers' Contribution Account as specified in section 601.

Section 25. The heading and subsections (a) and (b) of section 602.3 of the act, added December 6, 1972 (P.L.1622, No.336), are amended to read:

Section 602.3. Money Credited under Section 903 of the Federal Social Security Act (42 U.S.C. § 1103).—(a) Money credited to the account of this Commonwealth in the Unemployment Trust Fund by the Secretary of the Treasury of the United States of America pursuant to section 903 of the Federal Social Security Act (42 U.S.C. § 1103) may not be requisitioned from this Commonwealth's account or used except for the payment of benefits and for the payment of expenses incurred for the administration of this act and this State's system of public employment offices. Such money may be requisitioned pursuant to subsection (b) of section 601 for the payment of

benefits. Such money may also be requisitioned and used for the payment of expenses incurred for the administration of this act and this State's system of public employment offices but only pursuant to a specific appropriation by the Legislature and only if the expenses are incurred and the money is requisitioned after the enactment of an appropriation law which:

(1) Specifies the purposes for which such money is appropriated and the amounts appropriated therefor;

(2) Limits the period within which such money may be obligated to a period ending not more than two years after the date of the enactment of the appropriation law; and

(3) Limits the amount which may be obligated during any twelve-month period beginning on July 1 and ending on the next June 30 to an amount which does not exceed the amount by which (i) the aggregate of the amounts credited to the account of this Commonwealth pursuant to section 903 of the Federal Social Security Act (*42 U.S.C. § 1103*) during the same twelve-month period and the ~~[twenty-four]~~ *thirty-four (34)* preceding twelve-month periods, exceeds (ii) the aggregate of the amounts obligated for administration and paid out for benefits and charged against the amounts credited to the account of this Commonwealth during such ~~[twenty-five]~~ *thirty-five (35)* twelve-month periods.

(b) Amounts credited to this Commonwealth's account in the Unemployment Trust Fund under section 903 of the Federal Social Security Act (*42 U.S.C. § 1103*) which are obligated for administration or paid out for benefits shall be charged against equivalent amounts which were first credited and which are not already so charged; except that no amount obligated for administration during a twelve-month period specified herein may be charged against any amount credited during such a twelve-month period earlier than the ~~[twenty-fourth]~~ *thirty-fourth* preceding such period.

* * *

Section 26. Section 603 of the act, amended May 17, 1957 (P.L.153, No.72), is amended to read:

Section 603. State Treasurer as Custodian.—The State Treasurer shall be the custodian of the Unemployment Compensation Fund, the Administration Fund ~~[and]~~, the Special Administration Fund *and the Interest Fund*. He shall give a bond, or bonds, with corporate sureties, conditioned upon the faithful performance of his duties as custodian of such funds in such amount or amounts as shall be determined and fixed by the Executive Board of this Commonwealth. Premiums for such bond or bonds shall be paid by the department out of the moneys in the Administration Fund. All moneys belonging to such funds (exclusive of moneys on deposit in the Unemployment Trust Fund as provided in section ~~[six hundred one]~~ *601*) shall be deposited by the State Treasurer in any banks or public depositories in which general funds of the Commonwealth may be deposited, but no public deposit insurance charge or premium shall be paid out of moneys in the Unemployment Compensation Fund. Any law to the contrary notwithstanding, all payments from such funds shall be made under such systems of requisitioning and accounting as the Governor, the State Treasurer, and Secretary shall determine.

Section 27. Section 607 of the act is repealed.

Section 28. Section 804(a) of the act, amended June 22, 1964 (Sp.Sess., P.L.112, No.7) is amended and a subsection is added to read:

Section 804. Recovery and Recoupment of Compensation.—(a) Any person who by reason of his fault has received any sum as compensation under this act to which he was not entitled, shall be liable to repay to the Unemployment Compensation Fund to the credit of the Compensation Account a sum equal to the amount so received by him *and interest at the rate determined by the Secretary of Revenue as provided by section 806 of the act of April 9, 1929 (P.L.343, No.176), known as "The Fiscal Code," per month or fraction of a month from fifteen (15) days after the Notice of Overpayment was issued until paid.* Such sum shall be collectible (1) in the manner provided in section **[three hundred eight point one (308.1)] 308.1** or section **[three hundred nine (309)] 309** of this act, for the collection of past due contributions, or (2) by deduction from any future compensation payable to the claimant under this act: Provided, That no administrative or legal proceedings for the collection of such sum shall be instituted after the expiration of six years following the end of the benefit year with respect to which such sum was paid.

* * *

(c) Any person who provides to the department a check which is dishonored shall be charged a penalty of one hundred per centum (100%) of the face value of the check, up to a maximum of one hundred dollars (\$100) with a minimum of ten dollars (\$10) per occurrence for all dishonored checks or such other amounts as shall be determined by the secretary and published in the Pennsylvania Bulletin as a notice under 45 Pa.C.S. § 725(a)(3) (relating to additional contents of Pennsylvania Bulletin).

Section 29. Section 1003 of the act, amended July 1, 1978 (P.L.583, No.108), is amended to read:

Section 1003. Contributions.—(a) In lieu of contributions required to be paid by employers under this act, the Commonwealth of Pennsylvania shall pay into the Unemployment Compensation Fund an amount equal to the amount of regular benefits and of one-half of the extended benefits paid, (after December 31, 1978 the full amount of extended benefits paid) that is attributable to service in the employ of the Commonwealth and all its departments, bureaus, boards, agencies, commissions and authorities.

(b) The amount which the Commonwealth shall pay into the Unemployment Compensation Fund, as hereinabove set forth, shall be computed by the department and reported quarterly to the State Treasurer who shall thereupon pay such amount from the General Fund of the Commonwealth, upon approval thereof in accordance with the law then in effect, except that to the extent that compensation is paid on the basis of wages paid by an authority of the Commonwealth from its funds such authority shall pay such amount into the Unemployment Compensation Fund from its own funds.

(c) Past due payments of amounts in lieu of contributions, or reports with respect thereto, shall be subject to the same interest and penalties that, pursuant to section 308 apply to past due contributions and section 206 apply to past due reports.

Section 30. Section 1103(a) of the act, amended July 10, 1980 (P.L.521, No.108), is amended to read:

Section 1103. Liability for Contributions.—(a) Any nonprofit organization which is or becomes subject to this act shall pay contributions on remuneration paid by it for employment under the provisions of sections 301, 301.1, 301.2 or [301.3] 301.6 of this act, as the case may be, unless an election is made to pay on a reimbursement basis as provided in section 1104.

* * *

Section 31. Section 1202.1 of the act, added July 6, 1977 (P.L.41, No.22), is amended to read:

Section 1202.1. Liability for Contributions.—Any political subdivision of the Commonwealth or any instrumentality of any one or more thereof, which is or becomes subject to this act shall pay contributions on remuneration paid by it for employment under the provisions of section 301 [or], 301.1, 301.2 or 301.6, as the case may be, unless an election is made to pay on a reimbursement basis as hereinafter provided.

Section 32. (a) The sum of \$18,000,000, or as much thereof as may be necessary, is hereby specifically appropriated from the General Fund to the Department of Labor and Industry for the fiscal year July 1, 1983 to June 30, 1984 for payment to the Federal Government as a payment on the interest due for loans made under Title XII of the Social Security Act. This appropriation shall not be considered to be a loan from the General Fund for purposes of section 601.2 of the Unemployment Compensation Law.

(b) The sum of \$17,000,000, is hereby specifically appropriated from the General Fund to the Department of Labor and Industry for the fiscal year July 1, 1984 to June 30, 1985 for payment into the Interest Fund, without regard to the provisions of section 601.2(a), (b) and (c) of the Unemployment Compensation Law, as payment on the interest due for loans made under Title XII of the Social Security Act.

Section 33. (a) Except as provided in the following subsections, this act shall take effect January 1, 1984.

(b) The amendment to section 4(g) shall take effect immediately.

(c) The amendment to section 4(x)(1) as relates to the \$7,000 wage base shall take effect immediately and shall be retroactive to January 1, 1983.

(d) The amendments to sections 201, 204 and 206 shall take effect immediately. Section 211 shall take effect immediately.

(e) The amendment to section 301.1(g) shall take effect immediately.

(f) The repeal of section 301.3(c) shall be effective as of December 31, 1983 so as to assure that contributions payable on and after January 1, 1984 shall not be reduced by additional taxes paid or payable as a result of a loss of credit under FUTA for 1983 or any other year.

(g) The amendment to section 301.5 shall take effect immediately and shall be retroactive to January 1, 1983.

(h) The amendment to section 308 shall take effect immediately.

(i) Section 313 shall take effect immediately.

(j) The amendment to section 401(e) shall apply to applications for benefits dated effective July 3, 1983 and thereafter.

(k) The amendments to section 402.1 shall take effect October 31, 1983, and shall be retroactive to claim weeks beginning September 3, 1982 with respect to employees of institutions of higher education and effective with claim weeks beginning January 1, 1984 with respect to employees of educational institutions (other than higher education). Notwithstanding section 804, any overpayment which occurs as a result of the retroactive implementation of the amendments to section 402.1 shall be established as nonfault, nonrecoupable.

(l) The amendments to section 404(c) and (e)(1) shall apply to applications for benefits dated effective January 1, 1984 and thereafter.

(m) Section 404(e)(4) shall apply to all claims for compensable weeks beginning August 1, 1983 and thereafter.

(n) Section 601.2 and the amendments to sections 601, 601.1, 602.3 and 603 shall take effect immediately.

(o) The amendments to sections 804 and 1003 shall take effect immediately.

(p) The appropriation made under section 32(a) of this amendatory act shall take effect immediately.

APPROVED—The 21st day of July, A. D. 1983.

DICK THORNBURGH