

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1035 Session of
2015

INTRODUCED BY MURT, R. BROWN, FEE, GRELL, A. HARRIS, JAMES,
LAWRENCE, MILLARD, SAYLOR AND TRUITT, APRIL 20, 2015

REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, APRIL 20, 2015

AN ACT

1 Amending the act of December 5, 1936 (2nd Sp.Sess., 1937
2 P.L.2897, No.1), entitled "An act establishing a system of
3 unemployment compensation to be administered by the
4 Department of Labor and Industry and its existing and newly
5 created agencies with personnel (with certain exceptions)
6 selected on a civil service basis; requiring employers to
7 keep records and make reports, and certain employers to pay
8 contributions based on payrolls to provide moneys for the
9 payment of compensation to certain unemployed persons;
10 providing procedure and administrative details for the
11 determination, payment and collection of such contributions
12 and the payment of such compensation; providing for
13 cooperation with the Federal Government and its agencies;
14 creating certain special funds in the custody of the State
15 Treasurer; and prescribing penalties," further providing for
16 rate and amount of compensation.

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

19 Section 1. Section 404(d)(1.1) of the act of December 5,
20 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the
21 Unemployment Compensation Law, amended June 17, 2011 (P.L.16,
22 No.6), is amended to read:

23 Section 404. Rate and Amount of Compensation.--* * *

24 (d) * * *

25 (1.1) For purposes of clause (1)(iii), all of the following

1 apply:

2 (i) "Severance pay" means one or more payments made by an
3 employer to an employe on account of separation from the service
4 of the employer, regardless of whether the employer is legally
5 bound by contract, statute or otherwise to make such payments.

6 The term includes an amount received as consideration for or in
7 settlement or release of claims arising from the early
8 termination of an employment contract. The term does not include
9 payments for pension, retirement or accrued leave or payments of
10 supplemental unemployment benefits.

11 (ii) The amount of severance pay attributed pursuant to
12 subclause (iii) shall be:

13 (A) For an amount received as consideration for or in
14 settlement or release of claims arising from the early
15 termination of an employment contract, one hundred per centum
16 (100%) of the amount.

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

23 (iii) Severance pay is attributed as follows:

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

26 (B) The number of days or weeks to which severance pay is
27 attributed is determined by dividing the total amount of
28 severance pay by the regular full-time daily or weekly wage of
29 the claimant.

30 (C) The amount of severance pay attributed to each day or

1 week equals the regular full-time daily or weekly wage of the
2 claimant.

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

6 * * *

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

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