

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1689 Session of 2013

INTRODUCED BY ADOLPH, HELM, CLYMER, MILLARD, PICKETT, TRUITT, EVANKOVICH, LONGIETTI, EVERETT, HENNESSEY, ROSS, TALLMAN, GINGRICH, COHEN, QUINN, GROVE, FLECK, R. BROWN, MOUL, FARRY AND GABLER, SEPTEMBER 19, 2013

REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, SEPTEMBER 19, 2013

AN ACT

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

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

20 Section 1. Section 402.4(a) of the act of December 5, 1936  
 21 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment  
 22 Compensation Law, added July 21, 1983 (P.L.68, No.30), is  
 23 amended to read:

24 Section 402.4. Eligibility of Officers of a Corporation

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

13 \* \* \*

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