
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 769 Session of
2017

INTRODUCED BY MURT, FARRY, A. HARRIS, IRVIN, JAMES, LAWRENCE AND
MILLARD, MARCH 9, 2017

REFERRED TO COMMITTEE ON LABOR AND INDUSTRY, MARCH 9, 2017

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, is amended to read:

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

23 (d) * * *

24 (1.1) For purposes of clause (1)(iii), all of the following
25 apply:

1 (i) "Severance pay" means one or more payments made by an
2 employer to an employe on account of separation from the service
3 of the employer, regardless of whether the employer is legally
4 bound by contract, statute or otherwise to make such payments.
5 The term includes an amount received as consideration for or in
6 settlement or release of claims arising from the early
7 termination of an employment contract. The term does not include
8 payments for pension, retirement or accrued leave or payments of
9 supplemental unemployment benefits.

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

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

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

22 (iii) Severance pay is attributed as follows:

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

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

29 (C) The amount of severance pay attributed to each day or
30 week equals the regular full-time daily or weekly wage of the

1 claimant.

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

5 * * *

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

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