

HOUSE BILL 403
PRINTER'S NO. 1389

SPONSOR: Rep. Grove

The legislation amends the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L. 2897, No. 1), known as the Unemployment Compensation Law, to increase penalties for fraud and other offenses.

Section 206 of the act requires employers to keep accurate employment records for up to four years and make the records available to the Department of Labor and Industry upon request for inspection or for appeal purposes.

Section 206(c) is amended to increase the fine for employees or officers of the Department who commit a violation of the section from not less than \$20 and not more than \$100 to not less than \$100 and not more than \$300. Section 206(d) is amended to increase the penalty for an employer violation of the section from 10% to 15% of the total amount of contributions paid, provided that the penalty shall not be less than \$125 and not more than \$450. Current levels are not less than \$25 and not more than \$250.

Section 402.6(b) is added to the act to provide that the Department shall utilize any reasonable means to identify individuals who are illegally receiving benefits while being incarcerated following a conviction, and prevent the payment of such benefits.

Section 701 of the act prohibits employers from directly seeking remuneration from employees to finance contributions to the UC fund and further prohibits employers from entering into agreements with employees to waive benefit rights. The section is amended to increase the penalty for a violation from not less than \$100 to not more than \$1,000 to not less than \$500 and not more than \$1,500.

Section 801(a) of the act is amended to provide that the penalty for employees committing a violation of making false statements to obtain or increase compensation is increased from not less than \$100 and not more than \$1,000 to not less than \$500 and not more than \$1,500.

Section 801(b) of the act is amended to provide that claimants who make false statement to be disqualified for a period of ten weeks of future benefits. Current law is two weeks.

Section 801(c) of the act is amended to provide that claimants who knowingly make false statements to obtain benefits shall be liable to pay a penalty equal to 15% of the fraudulently obtained benefits.

Section 801(d) is added to the act to impose a disqualification period of 52 weeks of future benefits for incarcerated individuals who fraudulently obtain benefits.

Section 802 of the act is amended to provide that an employer making false statements to prevent or reduce compensation to a claimant pay a penalty of not less than \$500 and not more than \$1,500. Current law provides for a minimum penalty of \$100.

Section 803 of the act is amended to provide that the penalty for a willful violation of the law that is not specified shall be increased from not less than \$100 to not more than \$1,000 to not less than \$500 and not more than \$1,500.

Effective immediately and applicable to offenses committed on or after the bill's effective date.

Todd B. Roup
November 22, 2013

