

WEB-site

**2013 Changes to Unemployment Compensation in Pennsylvania**

On Tuesday, January 1, 2013 Congress passed legislation that includes a provision allowing for the continuation of federal emergency unemployment compensation benefits through 2013. This is good news for the long-term unemployed in Pennsylvania. However, also taking effect on January 1, 2013 are some changes legislated pursuant to Pennsylvania's Act 60. These changes primarily impact a claimant's financial eligibility to collect benefits, and they only impact those claimants with an application for benefits date on or after January 6, 2013. Below is a brief overview of the major changes, showing a comparison between the old law and the new law, and brief explanation of the significance of the change.

	<b>TOPIC</b>	<b>OLD LAW</b>	<b>NEW LAW</b>	<b>SIGNIFICANCE</b>
1.	"Credit week" definition	"Credit week" was defined as a week in which a claimant earned \$50 or more.	"Credit week" is now defined as a week in which a claimant earns \$100 or more. <sup>1</sup>	A claimant must have 18 credit weeks in a base year <sup>2</sup> to be eligible for benefits. The change in the definition will make it more difficult for individuals earning less per week or working part-time to collect UC.
2.	Minimum weekly benefit rate ("WBR")	\$35 per week.	\$70 per week.	If a claimant's earnings during the base year do not qualify her for a WBR of at least \$70, she will not qualify. As a practical matter, this means that a claimant must have earned at least \$3,391 during the base year (compared to \$1,320) to potentially qualify.
3.	Wages outside the high quarter	A claimant previously had to have 20% of his total wages outside of the highest quarter in the base year.	A claimant must now have at least 49.5% of his base year wages outside of the highest quarter in the base year.	By requiring a claimant's wages to be more evenly distributed over the entire base year, the legislature has made it more difficult for temporary, short-time, or seasonal employees to collect UC.
4.	Step-Down Provision	If a claimant's base year wages were not sufficient to qualify for the WBR as determined by the claimant's highest quarter, the law permitted the benefit rate to be determined at the highest of the next two lower rates (called the "third step-down" provision).	The "third step-down" provision is eliminated and replaced with a "second step-down" provision.	This change impacts claimants with concentrated wages in one calendar quarter by narrowing the law's flexibility regarding the step-down.

<sup>1</sup> This change is pursuant to Act 6, which was signed into law on June 17, 2011. The change to the definition of "credit week" applies to credits weeks beginning with the fourth quarter of 2011.

<sup>2</sup> The "base year" is the first four of the last five completed calendar quarters before the claimant's application for benefits date.

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5.	Maximum WBR	The maximum WBR shall equal 66 2/3 <sup>ths</sup> of the average weekly wage for the 36-month period ending June 30 preceding each calendar year.	The maximum WBR is frozen at \$573 through 2019.	Claimants in the highest bracket will earn \$573 per week, and will not receive any increase.
6.	Partial Benefit Credit	A claimant's partial benefit credit, which is the portion of the WBR that a claimant can earn before being penalized by having her UC reduced, equaled 40% of the claimant's WBR.	A claimant's partial benefit credit now equals 30% of the claimant's WBR.	Claimants who find part-time work will have their WBR reduced sooner as a result of part-time earnings. Under the amendment, a claimant collecting UC may only earn up to 30% of his WBR in part-time work before such earnings are offset against his unemployment benefits.
7.	Credit Weeks	A claimant was required to have 16 credit weeks in the base year in order to qualify for benefits.	A claimant must have a minimum of 18 credit weeks (see definition above) in order to qualify for benefits.	This change heightens the requirement of weeks worked during the base year in order to qualify for benefits, making it more difficult for claimants with temporary or short-term employment to collect.
8.	Variable Claim Duration	A claimant with 16 credit weeks during the base year qualified for 26 weeks of PA UC benefits.	A claimant with 18 to 25 credit weeks will be eligible for 1 benefit week for every credit week in the base year. A claimant with 26 or more credit weeks will get 26 weeks.	Claimants who worked fewer weeks in their base year will not collect for as long as those who worked 26 or more. Claimants with 16 or 17 credits weeks during the base year will no longer be eligible.
9.	Purging a disqualification	A claimant must earn at least 6 times her WBR, but those wages need not be earned in "covered employment."	A claimant must earn at least 6 times her WBR in "covered employment" in order to purge a disqualifying separation.	"Covered employment" excludes certain types of agricultural labor, domestic service, and family work arrangements, among other things.