

No. 1977-22

AN ACT

SB 560

Amending the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), entitled "An act establishing a system of unemployment compensation to be administered by the Department of Labor and Industry and its existing and newly created agencies with personnel (with certain exceptions) selected on a civil service basis; requiring employers to keep records and make reports, and certain employers to pay contributions based on payrolls to provide moneys for the payment of compensation to certain unemployed persons; providing procedure and administrative details for the determination, payment and collection of such contributions and the payment of such compensation; providing for cooperation with the Federal Government and its agencies; creating certain special funds in the custody of the State Treasurer; and prescribing penalties," further providing for benefits; payments into the fund; requiring repayment to the United States Treasury when credits in the Unemployment Compensation Fund exceed certain levels; and altering provisions relating to relief from charges.

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

Section 1. Subsections (g), (j) and (l) and clause (1) of subsection (x) of section 4, act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the "Unemployment Compensation Law," subsection (g) amended May 23, 1949 (P.L.1738, No.530); subsection (j) amended June 22, 1964 (Sp.Sess., P.L.112, No.7); subsection (l) amended May 23, 1949 (P.L.1738, No.530), June 22, 1964 (Sp.Sess., P.L.112, No.7), September 27, 1971 (P.L.460, No.108), October 12, 1973 (P.L.294, No.88) and December 5, 1974 (P.L.771, No.262), and clause (1) of subsection (x) amended September 27, 1971 (P.L.460, No.108), are amended to read:

Section 4. Definitions.—The following words and phrases, as used in this act, shall have the following meanings, unless the context clearly requires otherwise.

* * *

(g) "Contributions" means the money payments required to be paid into the Unemployment Compensation Fund by employers, with respect to employment, which payments shall be used for the creation of financial reserves for the payment of compensation as provided in this act. *This meaning includes, where appropriate in the enforcement provisions of this act, payments in lieu of contributions required to be paid by employers operating on a reimbursement basis as provided in Articles X, XI and XII of this act.*

* * *

(j) (1) "Employer" means *the Commonwealth of Pennsylvania, its political subdivisions, and their instrumentalities* and every individual, copartnership, association, corporation (domestic or foreign), the legal representative, trustee in bankruptcy, receiver or trustee of any individual,

copartnership, association or corporation, or the legal representative of a deceased person, who or which employed or employs any employe in employment subject to this act for some portion of a day during a calendar year, or who or which has elected to become fully subject to this act, and whose election remains in force.

(2) Each individual employed to perform or to assist in performing work of any agent or employe of an employer shall be deemed to be employed by such employer for all the purposes of this act, whether such individual was hired or paid directly by such employer or by such agent or employe, provided the employer had actual or constructive knowledge of the work *(except as provided in subsection (1)(3)(G) of this section)*.

(3) Where an employer maintains more than one place of employment within this Commonwealth, all of the employes at the several places of employment shall be treated, for the purposes of this act, as if employed by a single employer.

(4) Any individual, copartnership, association, corporation or other entity who or which is not subject to this act may elect to become subject thereto by filing with the department his or its written application.

(5) An employer subject to this act may elect to include within the term "employment," subject to this act, services performed by his or its employes with respect to which no contributions are required and paid under an unemployment compensation law of any other state, (a) if the employe or employes, included in such election, maintain a domicile within this Commonwealth and the services of such employe or employes, are performed entirely without this Commonwealth, or (b) if the employe or employes included in the election maintains no domicile within this Commonwealth but the services of such employe or employes are (A) performed without this Commonwealth and (B) are directed from this Commonwealth.

(6) An employer, subject to this act, may elect to include within the term "employment," subject to this act, services performed by his or its employes which are exempt under the provisions of subsection (l) of section four of this act.

(7) Any election shall be subject to the approval of the department and shall become binding for not less than two calendar years.

(8) Any services performed for an employer covered by an election, pursuant to this subsection, shall, during the effective period of such election, be deemed to be employment for all the purposes of this act. Any election approved by the department, pursuant to this subsection, shall cease to be effective only as of the first day of January of any calendar year subsequent to the initial two calendar years thereof, and only if, at least thirty (30) days prior to such first day of January, the employer has filed with the department a notice of termination of his election. Notwithstanding any provisions of this subsection to the contrary, the department may at any time, on its own motion, cancel an election approved under the provisions of this subsection.

* * *

(1) (1) "Employment" means all personal service performed for remuneration by an individual under any contract of hire, express or implied, written or oral, including service in interstate commerce, and service as an officer of a corporation.

(2) The term "Employment" shall include an individual's entire service performed within or both within and without this Commonwealth, if—

(A) The service is localized within this Commonwealth, or

(B) The service is not localized in any state but some of the service is performed within this Commonwealth and (a) the base for operations or place from which such service is directed or controlled is in this Commonwealth, or (b) the base for operations or place from which such service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this Commonwealth. Service shall be deemed to be localized within this Commonwealth if—(a) the service is performed entirely within this Commonwealth, or (b) the service is performed both within and without this Commonwealth, but the service performed without this Commonwealth is incidental to the individual's service within this Commonwealth as for example where it is temporary or transitory in nature or consists of isolated transactions. Services performed without this Commonwealth shall not be included within the term "Employment" if contributions are required and paid with respect to such services under an unemployment compensation law of any other state.

Services performed by an individual for wages shall be deemed to be employment subject to this act, unless and until it is shown to the satisfaction of the department that—(a) such individual has been and will continue to be free from control or direction over the performance of such services both under his contract of service and in fact; and (b) as to such services such individual is customarily engaged in an independently established trade, occupation, profession or business.

(C) The term "Employment" shall include an individual's services wherever performed within the United States, the Virgin Islands or Canada if—(i) such service is not covered under the unemployment compensation law of any other state, the Virgin Islands or Canada, and (ii) the place from which the service is directed or controlled is in this Commonwealth.

(3) "Employment" shall also include—

(A) Services covered by an election pursuant to section 4 (j) of this act, and

(B) Services covered by an arrangement pursuant to section 312 of this act between the department and the agency of any other state or Federal Unemployment Compensation Law, pursuant to which all services performed by an individual for an employing unit are deemed to be performed entirely within this State, shall be deemed to be employment if the department has approved an election of an employing entity for whom such services are performed, pursuant to which the entire service of such

individual during the period covered by such election is deemed to be employment.

(C) Notwithstanding any other provisions of section 4 (l), an individual's entire service as an officer or member of a crew of an American vessel on or in connection with such vessel, wherever performed, and whether in intrastate or interstate or foreign commerce, if the employer maintains within this State the operating office from which the operations of the American vessel, in respect to which such services are performed, are ordinarily and regularly managed, supervised, directed and controlled.

(D) Service of an individual who is a citizen of the United States *after December 31, 1971*, performed outside the United States (except in Canada [or the Virgin Islands], *after December 31, 1971*) *and in the case of the Virgin Islands after December 31, 1971, and before January 1 of the year following the year in which the Secretary of Labor approves for the first time an unemployment insurance law submitted to him by the Virgin Islands for approval*) in the employ of an American employer (other than service which is deemed "employment" under the provisions of paragraph (2) of this subsection or the parallel provisions of another state's law), if:

(a) the employer's principal place of business in the United States is located in this State; or

(b) the employer has no place of business in the United States, but (i) the employer is an individual who is a resident of this State; or (ii) the employer is a corporation which is organized under the laws of this State; or (iii) the employer is a partnership or a trust and the number of the partners or trustees who are residents of this State is greater than the number who are residents of any one other state; or

(c) none of the criteria of divisions (a) and (b) of this subparagraph is met but the employer has elected coverage in this State, or the employer having failed to elect coverage in any state, the individual has filed a claim for benefits, based on such service, under this act.

(d) an "American employer" for purposes of this subparagraph, means a person who is (i) an individual who is a resident of the United States; or (ii) a partnership if two-thirds or more of the partners are residents of the United States; or (iii) a trust, if all of the trustees are residents of the United States; or (iv) a corporation organized under the laws of the United States or of any state.

(E) Service by an individual other than one who is an employe under paragraphs (1) and (2) of this subsection who performs services for remuneration for any person—

(a) as an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or dry-cleaning services, for his principal;

(b) as a traveling or city salesman, other than as an agent-driver or commission-driver, engaged upon a full-time basis in the solicitation on behalf of, and the transmission to, his principal (except for side-line sales

activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations:

Provided, That for the purposes of this subparagraph, the term "employment" shall include services described in (a) and (b) above performed after December 31, 1971 only if: (i) the contract of service contemplates that substantially all of the services are to be performed personally by such individual; (ii) the individual does not have a substantial investment in facilities used in connection with the performance of the services (other than in facilities for transportation); and (iii) the services are not in the nature of a single transaction that is not part of a continuing relationship with the person for whom the services are performed.

(F) Services performed after December 31, 1971 by an individual as defined under the provisions of Articles X, XI and XII of this act except for services excluded from employment pursuant to such articles.

(G) Notwithstanding any other provisions of this act, service performed after December 31, 1977, by an individual in agricultural labor as defined in section 4(l)(4)(1) when:

(a) Such service is performed for a person who—

(1) during any calendar quarter in either the current or the preceding calendar year paid remuneration in cash of twenty thousand dollars or more to individuals employed in agricultural labor (not taking into account service in agricultural labor performed before January 1, 1980, by an alien referred to in section 4(l)(2)(G)(a.1)); or

(2) for some portion of a day in each of twenty different calendar weeks, whether or not such weeks were consecutive, in either the current or the preceding calendar year, employed in agricultural labor (not taking into account service in agricultural labor performed before January 1, 1980, by an alien referred to in section 4(l)(2)(G)(a.1)) ten or more individuals, regardless of whether they were employed at the same moment of time.

(a.1) Such service is not performed in agricultural labor if performed before January 1, 1980, by an individual who is an alien admitted to the United States to perform service in agricultural labor pursuant to sections 214(c) and 101(a)(15)(H) of the Immigration and Nationality Act.

(b) For the purposes of this subsection any individual who is a member of a crew furnished by a crew leader to perform service in agricultural labor for any other person shall be treated as an employe of such crew leader—

(1) if such crew leader holds a valid certificate of registration under the Farm Labor Contractor Registration Act of 1963; or substantially all the members of such crew operate or maintain tractors, mechanized harvesting or cropdusting equipment, or any other mechanized equipment, which is provided by such crew leader; and

(2) if such individual is not an employe of such other person within the meaning of division (a)(1) and (2) above.

(c) For the purposes of this subparagraph (G), in the case of any individual who is furnished by a crew leader to perform service in agricultural labor for any other person and who is not treated as an employe of such crew leader—

(1) such other person and not the crew leader shall be treated as the employer of such individual; and

(2) such other person shall be treated as having paid cash remuneration to such individual in an amount equal to the amount of cash remuneration paid to such individual by the crew leader (either on his own behalf or on behalf of such other person) for the service in agricultural labor performed for such other person.

(d) The term "crew leader" means an individual who—

(1) furnishes individuals to perform service in agricultural labor for any other person;

(2) pays (either on his own behalf or on behalf of such other person) the individuals so furnished by him for the service in agricultural labor performed by them; and

(3) has not entered into a written agreement with the farm operator under which the crew leader is designated as an employe of the farm operator.

(H) Notwithstanding any other provisions of this act, domestic service after December 31, 1977, in a private home, local college club or local chapter of a college fraternity or sorority performed for a person who paid cash remuneration of one thousand dollars or more after December 31, 1977, in any calendar quarter in the current calendar year or the preceding calendar year to individuals employed in such domestic service.

(4) The word "employment" shall not include—

(1) Agricultural labor which shall include all services performed except those services defined in 4(1)(3)(G)—

(a) On a farm in the employ of any person in connection with cultivating the soil or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training and management of livestock, bees, poultry and fur-bearing animals and wildlife.

(b) In the employ of the owner or tenant or other operator of a farm in connection with the operation, management, conservation, improvement or maintenance of such farm and its tools and equipment or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

(c) In connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended (46 Stat. 1550, sec. 3:12 U.S.C.A. 1141j), or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs or waterways not owned or operated for profit, used exclusively for supplying and storing water for farming purposes.

(d) (1) In the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market in its unmanufactured state, any agricultural or horticultural commodity, but only if such operator produced more than one-half of the commodity with respect to which such service is performed.

(2) In the employ of a group of operators of farms (or a cooperative organization of which such operators are members) in the performance of service described in (d)(1) above, but only if such operators produced more than one-half of the commodity with respect to which such service is performed.

(3) The provisions of (d)(1) and (d)(2) above shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

(e) On a farm operated for profit if such service is not in the course of the employer's trade or business [**or is domestic service in a private home of the employer**].

(f) As used in this subparagraph the term "farm" includes stock dairy, poultry, fruit, fur-bearing animals, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities and orchards.

(2) Domestic service in a private home, local college club or local chapter of a college fraternity or sorority.

(3) Service not in the course of the employer's trade or business performed in any calendar quarter by an employe unless the cash remuneration paid for such service is fifty dollars or more and such service is performed by an individual who is regularly employed by such employer to perform such service. For purposes of this subparagraph, an individual shall be deemed to be regularly employed by an employer during a calendar quarter only if

(i) on each of some twenty-four days during such quarter, such individual performs for such employer for some portion of the day service not in the course of the employer's trade or business, or

(ii) such individual was regularly employed (as determined under clause (i)) by such employer in the performance of such service during the preceding calendar quarter.

(4) Service performed on or in connection with a vessel or aircraft not an American vessel or American aircraft if the employe is employed on or in connection with such vessel or aircraft when outside the United States.

(5) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of eighteen (18) in the employ of his father or mother.

(6) Service performed in the employ of the United States Government or of an instrumentality of the United States exempt under the

Constitution of the United States from the contributions imposed by this act, except that, to the extent that the Congress of the United States shall permit states to require any instrumentalities of the United States to make payments into an unemployment fund under a state unemployment compensation law, all of the provisions of this act shall be applicable to such instrumentalities in the same manner to the same extent and on the same terms as to all other employers. In the event that this State shall not be certified for any year by the Social Security Board under section three thousand three hundred four (c) of the Federal Internal Revenue Code of 1954, as amended, the payments required of such instrumentalities with respect to such year shall be refunded by the department from the fund in the same manner and within the same period as is provided in section three hundred eleven of this act with respect to contributions erroneously collected.

[(7) Service performed in the employ of a state, a political subdivision thereof, or an instrumentality of any one or more of the foregoing which is wholly owned by one or more states or political subdivisions.]

(8) *For the purposes of Articles X, XI, XII—*(a) Service performed in the employ of (i) a church or convention or association of churches or (ii) an organization which is operated primarily for religious purposes and which is operated, supervised, controlled or principally supported by a church or convention or association of churches; or

(b) by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order; or

[(c) in the employ of a school (public or nonprofit) which is not an institution of higher education; or]

(d) in a facility conducted for the purpose of carrying out a program of (i) rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or (ii) providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market, by an individual receiving such rehabilitation or remunerative work; or

(e) as part of an unemployment work-relief or work-training program assisted or financed in whole or in part by any Federal agency or an agency of a State or political subdivision thereof, by an individual receiving such work relief or work training; or

(f) [for a hospital in a State prison or other State correctional institution by an inmate of the prison or correctional institution.] prior to January 1, 1978 for a hospital in a State prison or other State correctional institution by an inmate of the prison or correctional institution and after December 31, 1977, by an inmate of a custodial or penal institution.

(9) Service performed after June thirtieth, one thousand nine hundred and thirty-nine, either as an employe, representative, or service performed in the employ of an employer when such employe, representative, or employer is determined to be subject to the Act of Congress known as the

Railroad Unemployment Insurance Act (52 U.S. Stat. 1094) or to an Act of Congress establishing an unemployment compensation system for maritime employes by the agency or agencies empowered to make such determinations.

(10) (A) Service performed in any calendar quarter in the employ of an organization exempt from income tax under section 501 (a) of the Federal Internal Revenue Code of 1954, as amended, (other than an organization described in section 401 (a) of said code) or under section 521 of said code if the remuneration for such service is less than fifty dollars; or

(B) Service performed in the employ of a school, college or university if such service is performed (i) by a student who is enrolled and is regularly attending classes at such school, college or university or (ii) by the spouse of such a student if such spouse is advised at the time such spouse commences to perform such service that (i) the employment of such spouse to perform such service is provided under a program to provide financial assistance to such student by such school, college or university and (ii) such employment will not be covered by any program of unemployment insurance; or

(C) Service performed by an individual under the age of twenty-two who is enrolled at a nonprofit or public educational institution which normally maintains a regular faculty and curriculum and normally has a regularly organized body of students in attendance at the place where its educational activities are carried on, as a student in a full-time program, taken for credit at such institution which combines academic instruction with work experience, if such service is an integral part of such program and such institution has so certified to the employer, except that this subparagraph shall not apply to service performed in a program established for or on behalf of an employer or group of employers; or

(D) Service performed in the employ of a hospital, if such service is performed by a patient of the hospital as defined in section 4 (m.1) of this act.

(11) Service performed in the employ of an international organization.

(12) Service performed by a nonresident, alien individual for the period he is temporarily present in the United States as a nonimmigrant under subparagraph (F) or (J) of section 101 (a) (15) of the Federal Immigration and Nationality Act, as amended, and which is performed to carry out the purpose specified in subparagraph (F) or (J), as the case may be.

(14) Service performed in the employ of a foreign government (including service as a consular or other office or employe or a nondiplomatic representative).

(15) Service performed in the employ of an instrumentality wholly owned by a foreign government, (i) if the service is of a character similar to that performed in foreign countries by employes of the United States Government or of an instrumentality thereof, and (ii) if the Secretary of State of the United States shall certify to the Secretary of the Treasury of the United States that the foreign government, with respect to whose

instrumentality exemption is claimed, grants an equivalent exemption with respect to similar service performed in the foreign country by employes of the United States Government and of instrumentalities thereof.

(16) Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to the laws of this Commonwealth and services performed as an interne in the employ of a hospital by an individual who has completed a four years' course in a medical school chartered or approved pursuant to the laws of this Commonwealth.

(17) Service performed by an individual for an employer as an insurance agent or real estate salesman or as an insurance solicitor or as a real estate broker or as a solicitor of applications for, or salesman of, shares of or certificates issued by an investment company, or as an agent of an investment company, if all such service performed by such individual for such employer is performed for remuneration solely by way of commission, or services performed by an individual as an unsalaried correspondent for a newspaper, who receives no compensation, or compensation only for copy accepted for publication.

(18) Service performed by an individual under the age of eighteen in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution.

(19) Service covered by an arrangement between the department and the agency charged with the administration of any other state or Federal Unemployment Compensation Law, pursuant to which all services performed by an individual for an employing entity during the period covered by such employing unit's duly approved election, are deemed to be performed entirely within such agency's state or under such Federal law.

(5) If the services performed during one-half or more of any pay period by an employe for the person employing him constitute employment, all the services of such employe for such period shall be deemed to be employment, but, if the services performed during more than one-half of any such pay period by an employe for the person employing him do not constitute employment, then none of the services of such employe for such period shall be deemed to be employment. As used in this paragraph the term "pay period" means a period (of not more than thirty-one consecutive days) for which a payment of remuneration is ordinarily made to the employe by the person employing him. This subsection shall not be applicable with respect to services performed in a pay period by an employe for the person employing him where any of such service is excepted by paragraph (9) of subsection (1) (4) of this section.

(6) Notwithstanding any of the other provisions of section 4 (1), services shall be deemed to be in employment, if with respect to such services a tax is required to be paid under any Federal law imposing a tax, against which credit may be taken for contributions required to be paid

into a State Unemployment Compensation Fund or which as a condition for full tax credit against the tax imposed by the Federal Unemployment Tax Act are required to be covered under this act.

* * *

(x) "Wages" means all remuneration, (including the cash value of mediums of payment other than cash, *except that only cash wages shall be used to determine the coverage of agricultural labor as defined in section 4(l)(3)(G) and domestic service as defined in section 4(l)(3)(H)*), paid by an employer to an individual with respect to his employment except that the term "wages" for the purpose of paying contributions shall not include:

(1) That part of the remuneration which is in excess of the first [**four thousand two hundred dollars (\$4,200)**] *six thousand dollars (\$6,000)* paid to an individual by each of his employers during a calendar year: Provided, That an employer may take credit under this subsection for remuneration which his predecessor-in-interest has paid to an individual during the same calendar year with respect to employment; and provided also, that an employer may take credit under this subsection for remuneration which he or his predecessor-in-interest has paid to an individual in the same calendar year on which contributions have been required and paid by such employer under an unemployment compensation law of another state, but no such credit may be taken for remuneration which has been paid by another employer to such individual, whether or not contributions have been paid thereon by such other employer under this act or under any state unemployment compensation law.

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Section 2. Subsection (a) of section 302, paragraph (1) amended March 22, 1974 (P.L.198, No.39) and paragraphs (2) and (3) added or amended March 24, 1964 (Sp.Sess., P.L.53, No.1), is amended to read:

Section 302. Establishment and Maintenance of Employer's Reserve Accounts.—The department shall establish and maintain for each employer a separate employer's reserve account in the following manner:

(a) (1) Such account shall be credited with all contributions paid by such employer for periods subsequent to June thirtieth, one thousand nine hundred forty-eight. Such account shall be charged with an amount determined by multiplying the wages of compensated employes of such employer for the twelve month period ended June thirtieth, one thousand nine hundred forty-nine, by the state experience heretofore used in determining rates of contributions for the year one thousand nine hundred forty-nine. Subsequent to June thirtieth, one thousand nine hundred forty-nine, such account shall be charged with all compensation, paid to each individual who received from such employer wage credits constituting the base of such compensation, in the proportion that such wage credits with such employer bears to the total wage credits received by such individual from all employers: Provided, That if the department finds that such individual was separated from his most recent work for such employer due to being discharged for willful misconduct connected with such work, or

due to his leaving such work without good cause attributable to his employment, thereafter no compensation paid to such individual with respect to any week of unemployment occurring subsequent to such separation, which is based upon wages paid by such employer with respect to employment prior to such separation, shall be charged to such employer's account under the provisions of this subsection (a); provided, such employer has filed a notice with the department in accordance with its rules and regulations and within the time limits prescribed therein; and provided if the department finds that such individual's unemployment is directly caused by a major natural disaster declared by the President pursuant to section 102 (1) of the Disaster Relief Act of 1970 (P.L.91-606) and such individual would have been eligible for disaster unemployment assistance as provided in section 240 of that act with respect to such unemployment but for the receipt of unemployment compensation, no compensation paid to such individual with respect to any week of unemployment occurring due to such natural disaster, to a maximum of the eight weeks immediately following the President's declaration of emergency, shall be charged to the employer's account under the provisions of this subsection. Such relieved compensation payments resulting from the 1972 floods, however, shall be included in the debits of the State Adjustment Factor in connection with the computation of contribution rates for calendar year 1975.

(2) Notwithstanding the provisions of paragraph (1) of this subsection, if the department finds that an individual subsequent to separation from his [normal full-time] work is continuing part-time work for an employer, other than the employer from whom he has separated, compensation paid to such individual with respect to any week of unemployment occurring subsequent to such separation and while such part-time work continues without material change, shall not be charged to the account of such part-time employer; provided, such part-time employer has filed a notice with the department in accordance with its rules and regulations and within the time limits prescribed therein. The provisions of this paragraph shall be applicable with respect to claims for benefits for weeks ending on or after the first day of July, one thousand nine hundred sixty-four.

(3) The findings and determinations of the department under this subsection (a) shall be subject to appeal in the manner provided in this act for appeals from determinations of compensation: Provided, That where the individual's eligibility for compensation has been finally determined under the provisions of Article V of this act, such determination shall not be subject to attack in proceedings under this section.

(4) The reserve account of any employer who pays contributions under this section shall not be charged with respect to benefits paid to any individual whose base period wages include wages for previously uncovered services as defined in section 401(g) to the extent that the unemployment insurance fund is reimbursed for such benefits pursuant to section 121 of Public Law 94-566.

* * *

Section 3. Sections 308.1 and 401 of the act are amended by adding subsections to read:

Section 308.1. Contributions to be Liens; Entry and Enforcement Thereof.—* * *

(e) (i) Any payments due and payable under the provisions of this act by an employer which is the Commonwealth, a borough, city, county, school district, township or other political subdivision of the Commonwealth or instrumentality thereof, whether such employer's liability is determined on a reimbursement basis or under the employer experience provisions of this act, shall be deemed Commonwealth taxes for purposes of enforcement and priority in the same manner provided in this act with respect to private employers.

(ii) With respect to such governmental employers, execution by judicial sale of a delinquent employer's property as provided in this act with regard to private employers shall not be applicable: Provided, however, That nothing herein contained shall be construed to limit any other remedies and procedures for the collection of delinquent employer accounts.

(iii) With respect to such governmental employers, any court which would have jurisdiction to issue a writ for the judicial sale of such employer's property were such employer a private employer shall, upon application by the department, issue a writ directing that the amount due, including interest and costs, be paid to the Commonwealth out of any moneys of such governmental employer on hand, and if such moneys are unavailable or insufficient, then out of the first moneys coming into the hands of its treasurer or other fiscal officer: And provided further, That any sum due by such employer under the provisions of this act may be recouped out of any funds otherwise payable by the Commonwealth to such delinquent employer.

Section 401. Qualifications Required to Secure Compensation.—Compensation shall be payable to any employe who is or becomes unemployed, and who—

* * *

(g) With respect to weeks of unemployment beginning on or after January 1, 1978, wages for insured work shall include wages paid for previously uncovered services. For the purposes of this subsection, the term "Previously Uncovered Services" means services—

(A) which were not in employment as defined in section 4(l) and were not services covered pursuant to this act at anytime during the one-year period ending December 31, 1975; and

(B) which—

(I) are agricultural labor (as defined in section (4)(l)(3)(G) or domestic service (as defined in section 4(l)(3)(H)) or

(II) are services performed by an employe of the Commonwealth or of a political subdivision thereof, as provided in Article X and Article XII or

by an employe of a nonprofit educational institution which is not an institution of higher education, as provided in Article XI, except to the extent that assistance under Title II of the Emergency Jobs and Unemployment Assistance Act of 1974 was paid on the basis of such services.

Section 4. Subsection (i) of section 402 of the act, added September 27, 1971 (P.L.460, No.108), is amended to read:

Section 402. Ineligibility for Compensation.—An employe shall be ineligible for compensation for any week—

* * *

(i) Which, *prior to January 1, 1978*, is based on service covered pursuant to Articles X and XI or pursuant to an election under Article XII of this act in an instructional, research or principal administrative capacity in an institution of higher education, and begins during the period between two successive academic years or during a similar period between two regular terms whether or not successive or during a period of paid sabbatical leave provided for in the individual's contract if the individual has a contract or contracts to perform services in any such capacity for any institution or institutions of higher education for both such academic years or both such terms.

Section 5. The act is amended by adding sections to read:

Section 402.1. Benefits Based on Service for Educational Institutions.—Benefits based on service for educational institutions pursuant to Article X, XI or XII shall as hereinafter provided be payable in the same amount, on the same terms and subject to the same conditions as outlined in section 404(g); except that:

(1) With respect to service performed after December 31, 1977, in an instructional, research, or principal administrative capacity for an educational institution, benefits shall not be paid based on such services for any week of unemployment commencing during the period between two successive academic years, or during a similar period between two regular terms whether or not successive or during a period of paid sabbatical leave provided for in the individual's contract, to any individual if such individual performs such services in the first of such academic years or terms and if there is a contract or a reasonable assurance that such individual will perform services in any such capacity for any educational institution in the second of such academic years or terms.

(2) With respect to services performed after December 31, 1977, in any other capacity for an educational institution (other than an institution of higher education as defined in section 4(m.2)), benefits shall not be paid on the basis of such services to any individual for any week which commences during a period between two successive academic years or terms if such individual performs such services in the first of such academic years or terms and there is a reasonable assurance that such individual will perform such services in the second of such academic years or terms. However, if upon presenting himself for work at the end of such period between

academic years or terms, the individual is not permitted to resume work of the same capacity, or resumes it for less than twenty working days, his claims for unemployment compensation during such period shall be accepted retroactively to the time the individual's benefits would have commenced if the individual had not received reasonable assurance of employment and considered under the eligibility provisions of this act and benefits shall be paid with respect to any weeks for which his eligibility is established. This provision shall apply also to holiday and vacation periods.

(3) With respect to any services described in clause (1) or (2), benefits payable on the basis of such services shall be denied to any individual for any week which commences during an established and customary vacation period or holiday recess if such individual performed such services in the period immediately before such vacation period or holiday recess, and there is a reasonable assurance that such individual will perform such services in the period immediately following such vacation period or holiday recess.

Section 402.2. Benefits Based on Service by Professional Athletes.—Benefits shall not be paid to any individual on the basis of any services, substantially all of which consist of participating in sports or athletic events or training or preparing to so participate, for any week which commences during the period between two successive sport seasons or similar periods if such individual performed such services in the first of such seasons or similar periods and there is a reasonable assurance that such individual will perform such service in the latter of such seasons or similar periods.

Section 402.3. Eligibility of Aliens.—(a) Benefits shall not be paid on the basis of services performed by an alien unless such alien is an individual who has been lawfully admitted for permanent residence or otherwise is permanently residing in the United States under color of law (including an alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a)(7) or section 212(d)(5) of the Immigration and Nationality Act: "Provided, That any modification to the provisions of section 3304(a)(14) of the Federal Unemployment Tax Act as provided by Public Law 94-566 which specify other conditions or other effective date than stated herein for the denial of benefits based on services performed by aliens and which modifications are required to be implemented under State law as a condition for full tax credit against the tax imposed by the Federal Unemployment Tax Act, shall be deemed applicable under the provisions of this section."

(b) Any data or information required of individuals applying for benefits to determine whether benefits are not payable to them because of their alien status shall be uniformly required from all applicants for benefits.

(c) In the case of an individual whose application for benefits would otherwise be approved, no determination that benefits to such individual

are not payable because of his alien status be made to except upon a preponderance of the evidence.

Section 6. Subsections (b), (c), (d) and (e) of section 401-A of the act, added February 9, 1971 (P.L.1, No.1), (d) amended March 26, 1974 (P.L.219, No.47), are amended to read:

Section 401-A. Definitions.—As used in this article:

* * *

[(b) There is a “national ‘on’ indicator” for a week if the United States Secretary of Labor determines that for each of the three most recent completed calendar months ending before such week, the rate of insured unemployment (seasonally adjusted) for all states equaled or exceeded four and five tenths per centum.

(c) There is a “national ‘off’ indicator” for a week if the United States Secretary of Labor determines that for each of the three most recent completed calendar months ending before such week, the rate of insured unemployment (seasonally adjusted) for all states was less than four and five tenths per centum.

(d) There is a “State ‘on’ indicator” for this State for a week if the Secretary of Labor and Industry determines, in accordance with the regulations of the United States Secretary of Labor, that for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (not seasonally adjusted) under this act:

(1) equaled or exceeded one hundred twenty per centum of the average of such rates for the corresponding thirteen-week period ending in each of the preceding two calendar years, and

(2) equaled or exceeded four per centum.

Effective with respect to compensation for weeks of unemployment beginning before April 1, 1974, and beginning after December 31, 1973, the determination of whether there has been a State ‘on’ or ‘off’ indicator beginning or ending any extended benefit period shall be made as if subsection (d) did not contain clause (1) thereof and as if subsection (e) did not contain clause (1) thereof.

(e) There is a “State ‘off’ indicator” for this State for a week if the Secretary of Labor and Industry determines, in accordance with the regulations of the United States Secretary of Labor, that for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (not seasonally adjusted) under this act:

(1) was less than one hundred twenty per centum of the average of such rates for the corresponding thirteen-week period ending in each of the preceding two calendar years, or

(2) was less than four per centum.]

(b) There is a National “on” indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks the rate of insured unemployment (seasonally adjusted) for all states equaled or exceeded four and five-tenths per centum. The rate of insured unemployment for the purposes of this subsection, shall be determined by

the Secretary of Labor by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the close of such period.

(c) There is a National "off" indicator for a week if, that for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (seasonally adjusted) for all states was less than four and five-tenths per centum. The rate of insured unemployment, for the purposes of this subsection, shall be determined by the Secretary of Labor by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the close of such period.

(d) There is a "State 'on' indicator" for this State for a week if the Secretary of Labor and Industry determines in accordance with the regulations of the United States Secretary of Labor, that for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (not seasonally adjusted) under this act:

(1) equaled or exceeded one hundred twenty per centum of the average of such rates for the corresponding thirteen-week period ending in each of the preceding two calendar years, and

(2) equaled or exceeded four per centum: Provided, That with respect to benefits for weeks of unemployment beginning with the passage of this amendment but no earlier than April 3, 1977, the determination of whether there has been a State "on" or "off" indicator beginning or ending any extended benefit period shall be made under this subsection as if (i) this subsection did not contain subparagraph (1) thereof, and (ii) the per centum rate indicated in this subparagraph were five, except that, notwithstanding any such provision of this subsection, any week for which there would otherwise be a State "on" indicator shall continue to be such a week and shall not be determined to be a week for which there is a State "off" indicator.

(e) There is a "State 'off' indicator" for this State for a week if the Secretary of Labor and Industry determines in accordance with the regulations of the United States Secretary of Labor, that for the period consisting of such week and the immediately preceding twelve weeks, the rate of insured unemployment (not seasonally adjusted) under this act:

(1) was less than one hundred twenty per centum of the average of such rates for the corresponding thirteen-week period ending in each of the preceding two calendar years, or

(2) was less than four per centum.

** * **

Section 7. Subsection (c) of section 601 of the act, added March 24, 1964 (1st Sp. Sess., P.L.53, No.1), is amended to read:

Section 601. Unemployment Compensation Fund.—* * *

(c) Notwithstanding any other provisions of this section, the department *shall* at such time or times, *when the amount of moneys credited to the Commonwealth of Pennsylvania in the Unemployment*

Trust Fund exceed the average annual total benefit payout for the immediate prior five years, transfer such excess to the United States Treasury to repay; and reduce any outstanding Federal unemployment loan debt, and at such other time or times as the secretary with the approval of the Governor may determine, is hereby authorized to requisition from the Unemployment Trust Fund and pay into the United States Treasury an amount which, in the aggregate, is equal to (A) the total payment of temporary unemployment compensation made pursuant to section 101 of the Federal Temporary Unemployment Compensation Act of 1958, as amended, to individuals who exhausted their rights to benefits under this act and (B) the balance of any loan made to this Commonwealth under the provisions of Title XII of the Social Security Act, as amended. Such requisition and transfer need not be in a lump sum but may be made according to a plan entered into between the department and the United States Treasury and for that purpose the authority hereinabove contained shall be deemed continuous during the term of such agreement.

Section 8. The act is amended by adding sections to read:

Section 704. Deductions from Back Wage Awards.—Any employer who makes a deduction from a back wage award to a claimant because of the claimant's receipt of unemployment compensation benefits, for which he has become ineligible by reason of such award, shall be liable to pay into the Unemployment Compensation Fund an amount equal to the amount of such deduction. When the employer has made such payment into the Unemployment Compensation Fund, his reserve account shall be appropriately credited.

Section 705. Recoupment and/or Setoff of Unemployment Compensation Benefits.—Recoupment and/or setoff of benefits paid to a discharged employe, if any, shall be determined from employe's gross, not net, back wages if employe is reinstated by arbitrator with back pay during period back pay is awarded.

Section 9. Section 1002 of the act, added September 27, 1971 (P.L.460, No.108), is amended to read:

Section 1002. Services Excluded from "Employment."—Except for services performed in the employ of a hospital or institution of higher education not otherwise excluded in this act, for the purposes of this article the term "employment" shall not include services performed by:

- (1) Elected officials.
- [(2) Consultants and officials paid on a fee basis.
- (3) Physicians, dentists or student nurses in institutions or attached to governmental agencies who are employed part-time or any other professional specialists employed on a part-time basis.]
- (4) Inmates of *custodial or penal* institutions who receive compensation for services rendered therein.
- (5) All department heads and members of boards and commissions, appointed by the Governor with or without the consent of one or both branches of the General Assembly.

(6) [All justices of courts and judges.] *Members of a legislative body, or members of the judiciary, of the Commonwealth or a political subdivision.*

(7) [Individuals employed on any work-relief or job-training project undertaken by the Commonwealth or its instrumentalities.] *Individuals employed as part of any unemployment work-relief or work-training program assisted or financed in whole or in part by any Federal agency or an agency of a State or political subdivision thereof, by an individual receiving such work relief or work training.*

(8) [Individuals in the military service or under military control of the government.] *Members of the State National Guard or Air National Guard.*

(9) [Students employed while on vacation or in connection with any cooperative plan of employment while enrolled in any institution of higher education.] *Students employed as defined in section 4(1)(4)(10)(B) and (C).*

(10) *Employs serving on a temporary basis in case of fire, storm, snow, earthquake, flood or similar emergency.*

(11) *Individuals serving in positions which, under or pursuant to the laws of this Commonwealth, are designated as (i) a major nontenured policymaking or advisory position; or (ii) a policymaking position the performance of the duties of which ordinarily does not require more than eight hours per week.*

Section 10. Sections 1102 and 1104 of the act, added September 27, 1971 (P.L.460, No.108), are amended to read:

Section 1102. Employment by Nonprofit Organizations.—Service performed by an individual in the employ of a nonprofit organization shall constitute “employment” for all purposes of this act unless excluded by the provisions of section 4 (1)[,] (4) (8) of this act. Remuneration received therefor shall constitute “wages” subject to the contribution provisions of this act.

Section 1104. Election of Reimbursement.—(a) Any nonprofit organization which, on or after January 1, 1972, is or becomes liable to the contribution provisions of this act may, in lieu of payment of such contributions, elect to pay to the department for the Unemployment Compensation Fund an amount equal to the amount of regular benefits and of one-half of the extended benefits paid, that is attributable to service in the employ of such nonprofit organization. [, to individuals for weeks of unemployment which begin during the effective period of such election.] *Such employer shall continue to be liable for reimbursement of benefit payments based on wages paid prior to the termination date of such election.*

(b) Such election shall be for a period of not less than two taxable years unless sooner terminated by the department as hereinafter provided.

Section 11. Section 1105 of the act is amended by adding a subsection to read:

Section 1105. Method of Election.—* * *

(f) *Any nonprofit organization which elects to make payments in lieu*

of contributions into the Unemployment Compensation Fund as provided in this subsection shall not be liable to make such payments with respect to the benefits paid to any individual whose base period wages include wages for previously uncovered services as defined in section 401(g) to the extent that the Unemployment Compensation Fund is reimbursed for such benefits pursuant to section 121 of Public Law 94-566.

Section 12. Sections 1201 and 1202 of the act, added September 27, 1971 (P.L.460, No.108), subsection (c) of section 1202 amended July 9, 1976 (P.L.842, No.147), are amended to read:

[Section 1201. Election of Coverage.—(a) Notwithstanding any other provisions of this act, any political subdivision of the Commonwealth may, for itself and any instrumentality thereof, elect to cover under this act, service performed by employes in all of the hospitals and institutions of higher education, as defined in section 4 (m.1) and section 4 (m.2) of this act, operated by such political subdivisions or instrumentalities. The election may exclude services described in section 4 (l), (4) (8) of this act.

(b) Such election shall be made by submitting notice thereof to the department in writing, signed by the authority or authorities legally entitled to give notice of such election. Upon receipt of such election by the department, such services shall be deemed to constitute employment subject to this act for all the purposes thereof from and after the date specified in such election and for not less than two calendar years following the year in which such election was made. Thereafter, such services shall cease to be deemed employment as of the first day of January of any calendar year subsequent to such two calendar years only if, at least thirty days prior to such first day of January, notice in writing to that effect is received by the department of withdrawal of such election signed by the authority or authorities legally entitled to give such notice.

Section 1202. Contributions.—(a) In lieu of contributions required to be paid by employers under the provisions of section 301 (a) and section 301.1 of this act, any political subdivision or instrumentality thereof which has elected to become subject to this act under the provisions of section 1201 as hereinabove set forth, shall pay to the department for the Unemployment Compensation Fund an amount equivalent to the amount of regular benefits and one-half of any extended benefits paid that is attributable to service in the employ of such political subdivision or instrumentality to individuals for weeks of unemployment which begin during the effective period of such election.

(b) The department shall compute the amount which any such political subdivision or instrumentality thereof shall pay into the Unemployment Compensation Fund and shall report such amount quarterly to the financial authorities thereof who shall pay the required amount into the fund in accordance with the regulations of the department.

(c) Any political subdivision or instrumentality thereof that elects to become liable for payments in lieu of contributions shall be required within

thirty (30) days after the effective date of its election, to execute and file with the department a surety bond approved by the department or it may elect instead to deposit with the department money or securities of equal present monetary value.

The amount of the bond or deposit required by the department shall be set at one per centum of the organization's taxable wages for the most recent four calendar quarters prior to such election. If an organization did not pay wages throughout the specific four calendar quarters, the amount of the bond or deposit shall be set by the department. Refunds of deposits shall be made by the department according to appropriate rules and regulations developed by the department relative to termination of election for payments in lieu of contributions or as to delinquencies in payments due.]

Section 1201. Political Subdivision Employees.—(a) Service performed after December 31, 1977, in the employ of any of the instrumentalities or any political subdivision of this Commonwealth or any of its instrumentalities or any instrumentality of more than one of the foregoing or any instrumentality which is jointly owned by this Commonwealth or a political subdivision thereof and one or more other states or political subdivisions of this or other states provided that such service is excluded from "employment" as defined in the Federal Unemployment Tax Act by section 3306(c)(7) of that act and is not excluded from "employment" under section 4(l)(4) of this act, shall be deemed to constitute employment subject to this act with the exceptions hereinafter set forth in section 1201(b).

(b) (1) Elected officials.

(2) Inmates of custodial or penal institutions who receive compensation for services rendered therein.

(3) All department heads and members of boards and commissions, appointed by the Governor with or without the consent of one or both branches of the General Assembly.

(4) Members of a legislative body, or members of the judiciary, of the Commonwealth or a political subdivision.

(5) Individuals employed as part of any unemployment work-relief or work-training program assisted or financed in whole or in part by any Federal agency or an agency of a State or political subdivision thereof, by an individual receiving such work relief or work training.

(6) Students employed as defined in section 4(l)(4)(10)(B) and (C).

(7) Members of the State National Guard or Air National Guard.

(8) Employes serving on a temporary basis in case of fire, storm, snow, earthquake, flood or similar emergency.

(9) Individuals serving in positions which, under or pursuant to the laws of this Commonwealth, are designated as (i) a major nontenured policymaking or advisory position, or (ii) a policymaking position the performance of the duties of which ordinarily does not require more than eight hours per week.

Section 13. The act is amended by adding sections to read:

Section 1202.1. Liability for Contributions.—*Any political subdivision of the Commonwealth or any instrumentality of any one or more thereof, which is or becomes subject to this act shall pay contributions on remuneration paid by it for employment under the provisions of section 301 or 301.1, as the case may be, unless an election is made to pay on a reimbursement basis as hereinafter provided.*

Section 1202.2. Election of Reimbursement.—*(a) Any political subdivision of the Commonwealth or any instrumentality of one or more thereof, which on or after January 1, 1978 and prior to January 1, 1979 is or becomes liable to the contribution provisions of the act may, in lieu of payment of such contributions, elect to pay to the department for the Unemployment Compensation Fund, an amount equal to the amount of regular benefits and of one-half of the extended benefits paid, (after December 31, 1978 the full amount of extended benefits paid) that is attributable to service in the employ of such political subdivision of the Commonwealth or any instrumentality of one or more thereof. Such employer shall continue to be liable for reimbursement of benefit payments based on wages paid prior to the termination date of such election.*

(b) Such election shall be for a period of not less than two taxable years unless sooner terminated by the department as hereinafter provided.

Section 1202.3. Method of Election.—*(a) Any political subdivision of the Commonwealth or any instrumentality of any one or more thereof, which is or becomes subject to this act prior to January 1, 1978, may exercise its election under the provisions of section 1202.2 by filing with the department a written notice of such election within the thirty-day period following such date.*

(b) Any political subdivision of the Commonwealth or any instrumentality of any one or more thereof, which becomes subject to this act on or subsequent to January 1, 1978, may exercise its election under section 1202.2 by filing a written notice thereof with the department within the thirty-day period immediately following the date of the determination of such subjectivity by the department.

(c) Any political subdivision of the Commonwealth or any instrumentality of any one or more thereof, paying contributions under this act for a period subsequent to January 1, 1978, may exercise its election under section 1202.2 by filing a written notice thereof, with the department not later than thirty days prior to the beginning of any taxable year.

(d) The department may for good cause extend the period within which a notice of election or a notice of termination must be filed and may permit an election to be retroactive but not any earlier than with respect to benefits paid after December 31, 1977.

(e) The department, in accordance with such regulations as it may prescribe, shall notify each political subdivision of the Commonwealth or any instrumentality of any one or more thereof, of any determination

which it may make of its status as an employer and of the effective date of any election which it makes and of any termination of such election. Such determinations shall be subject to reconsideration, appeal and review as provided in section 301.

Section 1202.4. Reimbursement Payments.—*Payments in lieu of contributions shall be made in accordance with the following provisions of this section.*

(a) At the end of each calendar quarter or at the end of any other period as determined by the department, the department shall bill each political subdivision of the Commonwealth or any instrumentality of any one or more thereof (or group of political entities) which has elected to make payments in lieu of contributions for the amount of benefits charged to its account during such quarter or other prescribed period that is attributable to service in the employ of such organization.

(b) Payment of any bill rendered under subsection (a) shall be made not later than thirty days after such bill was mailed to the last known address of the political subdivision or any instrumentality of any one or more thereof, or was otherwise delivered to it, unless there has been an application for review and redetermination under section 301.

(c) Past due payments of amounts in lieu of contributions, or reports with respect thereto, shall be subject to the same interest and penalties that, pursuant to section 308 apply to past due contributions and section 206 apply to past due reports.

Section 1202.5. Termination of Elections.—*(a) Any political subdivision of the Commonwealth or any instrumentality of any one or more thereof, which has made an election pursuant to the provisions of sections 1202.1 and 1202.2 may terminate such election by filing with the department a written notice thereof not later than thirty days prior to the beginning of the taxable year for which such termination notice is to be effective. Such action shall be approved by the department only if all payments and reports have been made by such terminating organization as required by the provisions of this act.*

(b) If any political subdivision of the Commonwealth or any instrumentality of any one or more thereof, is delinquent in making payments in lieu of contributions as required under section 1202.4, the department may terminate such election to make payments in lieu of contributions as of the beginning of the next taxable year and such termination shall be effective for that and the next taxable year.

Section 14. Should the Federal statute relating to the inclusion of employees of political subdivisions within the State's unemployment compensation laws as a requirement for receiving Federal unemployment funds or loans be declared unconstitutional the provisions added to the Unemployment Compensation Law by this amendatory act are repealed insofar as they relate to political subdivisions and their employees.

Section 15. This act shall take effect January 1, 1978, except that the

amendments to sections 308.1, 401-A and 1104 shall take effect immediately and the provisions of section 401-A shall be retroactive to June 1, 1977.

APPROVED—The 6th day of July, A. D. 1977.

MILTON J. SHAPP