

No. 1997-54

## AN ACT

HB 1475

Providing for self-employment assistance, for eligibility, for costs and for limitation.

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

Section 1. Short title.

This act shall be known and may be cited as the Self-Employment Assistance Program Act.

Section 2. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

“Department.” The Department of Labor and Industry of the Commonwealth.

“Full-time basis.” The devoting of such amount of time as is prescribed by the Department of Labor and Industry, on its own or in consultation with its designated service provider, to be necessary for a program participant to establish a business and become self-employed.

“Program.” The self-employment assistance program established in section 3.

“Program participant.” An individual:

(1) who is selected for participation in the program, at the discretion of the Department of Labor and Industry, from among individuals who are eligible for regular benefits and are identified through a worker profiling system as likely to exhaust regular benefits;

(2) who is eligible for funding for participation in the program;

(3) for whom funding for participation in the program is available; and

(4) who has not been terminated from or voluntarily left the program.

“Regular benefits.” Benefits payable to an individual under the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment Compensation Law, or unemployment compensation benefits payable to Federal civilian employees and to ex-service members pursuant to Federal law, other than additional and extended benefits.

“Self-employment assistance activities.” Activities, including, but not limited to, entrepreneurial training, business counseling and technical assistance, approved by the Department of Labor and Industry, on its own or in consultation with its designated service provider, for the program participant. These activities may be provided by either the Department of Labor and Industry or its designated service provider.

**“Self-employment assistance allowance.”** An allowance in lieu of regular benefits and funded in the same manner as regular benefits, payable to a program participant who meets the requirements of this act.

**“Unemployment Compensation Law.”** The act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment Compensation Law.

### Section 3. Program.

The department shall establish a self-employment assistance program in accordance with the provisions of this act, subject to the availability of all funds necessary for the program. The department may implement the program on a pilot basis. Information about the program shall be made available to potential program participants.

### Section 4. Self-employment assistance allowance.

Subject to the provisions of section 5, the weekly self-employment assistance allowance payable under this act to a program participant shall be equal to the weekly benefit amount for regular benefits otherwise payable. The sum of the allowances paid under this act and regular benefits paid with respect to any benefit year shall not exceed the maximum amount payable for the benefit year under section 404 of the Unemployment Compensation Law.

### Section 5. Eligibility.

(a) General rule.—The self-employment assistance allowance described in section 4 shall be payable to a program participant who participates in self-employment assistance activities and is actively engaged on a full-time basis in efforts to establish a business and become self-employed. The self-employment assistance allowance shall be payable at the same interval, on the same terms and subject to the same conditions as regular benefits, with the following exceptions:

(1) The requirements of sections 401(d)(1) and 402(a) of the Unemployment Compensation Law are not applicable to such program participant.

(2) The requirements of sections 402(h) and 404(d)(1) of the Unemployment Compensation Law are not applicable to income earned from self-employment by such program participant.

(3) Such program participant shall be considered to be unemployed under sections 401 and 402 of the Unemployment Compensation Law.

(b) Ineligibility.—A program participant who fails to participate in self-employment assistance activities or who fails to actively engage on a full-time basis in efforts to establish a business and become self-employed shall be ineligible for a self-employment assistance allowance for a week in which such failure occurs.

### Section 6. Termination.

A program participant may be terminated from the program by the department if the individual fails to participate in self-employment assistance activities or fails to actively engage on a full-time basis in efforts to establish a business and become self-employed. Individuals who are terminated from

or voluntarily leave the program may receive, if otherwise eligible, regular benefits with respect to the benefit year, provided that the sum of regular benefits paid and self-employment assistance allowances paid with respect to the benefit year shall not exceed the maximum amount payable for the benefit year under section 404 of the Unemployment Compensation Law.

**Section 7. Limitation.**

For a specific time period, the number of program participants receiving a self-employment assistance allowance under this act shall not exceed 5% of the number of individuals receiving regular benefits during that time period.

**Section 8. Costs.**

Self-employment assistance allowances paid under this act shall be charged to employers as regular benefits are charged under the Unemployment Compensation Law.

**Section 9. Applicability of Unemployment Compensation Law.**

(a) General.—Except where inconsistent with this act, all terms and conditions of Federal law and the Unemployment Compensation Law applicable to regular benefits shall be applicable to self-employment assistance allowances under this act.

(b) Specific.—Article V of the Unemployment Compensation Law shall apply to determinations under this act.

**Section 10. Rules and regulations.**

The department may promulgate regulations to carry out the purposes of this act.

**Section 11. Report to General Assembly.**

(a) General rule.—The department shall make a report of the program provided for in this act to the Labor and Industry Committee of the Senate and the Labor Relations Committee of the House of Representatives by March 1, 1999, and annually by the first day of March thereafter.

(b) Content.—This report shall include annual data on the number of program participants and the number of businesses developed under the program, business survival data, the cost of operating the program, compliance with program requirements and data related to business income, the number of employees and wages paid in the new businesses and the incidence and duration of unemployment after business start-up. The report may also include any recommended changes in the program.

**Section 12. Applicability.**

(a) Commencement.—The provisions of this act shall apply to those weeks commencing after the following, whichever is later:

(1) 90 days after the enactment of this act; or

(2) the date of notice published in the Pennsylvania Bulletin that this act and the department's implementation plan have been approved by the United States Department of Labor.

(b) Termination.—The application of this act shall terminate as of the end of the week preceding the date that Federal law no longer authorizes the provisions of this act or on December 31, 2002, whichever is sooner.

Section 13. Effective date.

This act shall take effect immediately.

APPROVED—The 26th day of November, A.D. 1997.

THOMAS J. RIDGE