

LAWS  
OF THE  
COMMONWEALTH OF PENNSYLVANIA

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No. 1  
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.

ARTICLE I

PRELIMINARY PROVISIONS

Section 1. Enacting Clause.—Be it enacted, &c., That,

“Unemployment Compensation Law.”

Section 2. Short Title.—This act shall be known, and may be cited, as the “Unemployment Compensation Law.”

Short Title.

Section 3. Declaration of Public Policy.—Economic insecurity due to unemployment is a serious menace to the health, morals, and welfare of the people of the Commonwealth. Involuntary unemployment and its resulting burden of indigency falls with crushing force upon the unemployed worker, and ultimately upon the Commonwealth and its political subdivisions in the form of poor relief assistance. Security against unemployment and the spread of indigency can best be provided by the systematic setting aside of financial reserves to be used as compensation for loss of wages by employes during periods when they become unemployed through no fault of their own. The principle of the accumulation of financial reserves, the sharing of risks, and the payment of compensation with respect to unemployment meets the need of protection against the hazards of unemployment and indigency. The Legislature, therefore, declares that in its considered judgment the public good and the general welfare of the citizens of this Commonwealth require the exercise of the police powers of the Commonwealth in the enactment of this act for the

Public policy causing the passage of the act outlined.

compulsory setting aside of unemployment reserves to be used for the benefit of persons unemployed through no fault of their own.

## Definitions.

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

(a) "Base year" means the first four of the last five completed calendar quarters immediately preceding the first day of an individual's benefit year, excluding, however, any completed calendar quarter which occurs prior to January first, one thousand nine hundred thirty-seven.

(b) "Benefit year," with respect to any individual, means the fifty-two consecutive weeks beginning with the first week occurring after January first, one thousand nine hundred thirty-eight, with respect to which compensation is payable to him, and thereafter, the fifty-two consecutive weeks beginning with the first week with respect to which compensation is next payable to him after the termination of his last preceding benefit year.

(c) "Board" means the Unemployment Compensation Board of Review established by this act.

(d) "Calendar quarter" means the period of three consecutive calendar months ending on March thirty-first, June thirtieth, September thirtieth or December thirty-first, or the equivalent thereof, as determined in accordance with general rules of the department.

(e) "Compensation" means money payments payable to individuals with respect to their unemployment as provided in this act.

(f) "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.

(g) "Department" means the Department of Labor and Industry of the Commonwealth of Pennsylvania.

(h) "Employee" means every individual, whether male, female, citizen, alien or minor who is performing or subsequent to January first, one thousand nine hundred thirty-six, has performed services for an employer in an employment subject to this act.

(i) "Employer" means every—(1) individual, (2) copartnership, (3) association, (4) corporation (domestic or foreign), (5) the legal representative, trustee in bankruptcy, receiver or trustee of any individual, copartnership, association, or corporation, or (6) the legal representative of a deceased person, (I) who or which employed or employs any employe (whether or not the same employe) in employment subject to this act for some portion of each of some twenty (20) days during the calendar year one thousand nine hundred thirty-six,

or any calendar year thereafter, each day being in a different week, or (II) who or which has elected to become fully subject to this act, and whose election remains in force.

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

Any individual, copartnership, association, or corporation 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, and if such application is approved by the department, the election shall become binding for not less than two calendar years.

(j) "Employment" means all service performed for remuneration or under any contract of hire, express or implied, written or oral, (1) which is localized within this Commonwealth, or (2) which 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.

The word "employment" shall not include—

- (1) Agricultural labor;
- (2) Domestic service in a private home;
- (3) Service performed as an officer or member of the crew of a vessel on the navigable waters of the United States;
- (4) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of twenty-one (21) in the employ of his father or mother;
- (5) Service performed in the employ of the United

States Government or of an instrumentality of the United States;

(6) Service performed in the employ of a state, a political subdivision thereof, or an instrumentality of one or more states or political subdivisions;

(7) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

(k) "Employment Office" means a public employment office or branch thereof, operated by the department.

(l) "Full-time Weekly Wage" means the weekly wages that any individual would receive if he were employed at his most recent wage rate from employers during his base year and for the customary schedule full-time week prevailing for his occupation in the enterprise in which he last earned wages from employers during his base year.

If the department finds that the full-time weekly wage, as above defined, would be unreasonable or arbitrary or not readily determinable with respect to any individual, the full-time weekly wage of such individual shall be deemed to be one-thirteenth of his total wages from employers in that quarter in which such total wages from employers were highest during the first eight out of the last nine completed calendar quarters (excluding, however, any completed calendar quarter which occurs prior to January first, one thousand nine hundred thirty-seven) immediately preceding the first day of his benefit year.

(m) "Referee" means a referee appointed by the Governor to hear appeals under this act.

(n) "Secretary" means the Secretary of Labor and Industry of this Commonwealth, or his duly authorized representative.

(o) "Social Security Act" means the act enacted by the Congress of the United States, approved the fourteenth day of August, one thousand nine hundred thirty-five, entitled "An act to provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, blind persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes," as amended.

(p) "Social Security Board" means the Social Security Board established by the Social Security Act.

(q) "State" includes Alaska, Hawaii, and the District of Columbia.

(r) "Suitable Work" means all work which the employe is capable of performing, except work in which—  
 (1) the position offered is vacant, due directly to a strike, lockout, or other labor dispute, or (2) the remuneration, hours or other conditions of the work offered are substantially less favorable to the employe than those prevailing for similar work in the locality, or (3) as a condition of being employed, the employe would be required to join a company union, or to resign from, or refrain from joining, any bona fide labor organization.

(s) "Total Unemployment" means that an employe during a particular week has had no work for which wages are payable to him.

(t) "Unemployment Trust Fund" means the Unemployment Trust Fund established by the Social Security Act.

(u) "Wages" means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash.

(v) "Week" means any calendar week ending at midnight Saturday, or the equivalent thereof, as determined in accordance with general rules adopted by the department.

Section 5. Constitutional Construction.—The provisions of this act are severable, and if any provisions hereof are held unconstitutional, such decision shall not be construed to impair any other provision of this act. It is hereby declared as the legislative intent that this act would have been adopted had such unconstitutional provision not been included herein.

Constitutional provision.

## ARTICLE II

### ADMINISTRATION OF ACT

Section 201. General Powers and Duties of Department.—It shall be the duty of the department to administer and enforce this act through such employment service and public employment offices as have been or may be constituted in accordance with the provisions of this act and existing laws. It shall have power and authority to adopt, amend, and rescind such rules and regulations, require such reports from employers, employes, the board and from any other person deemed by the department to be affected by this act, make such investigations, and take such other action as it deems necessary or suitable. Such rules and regulations shall not be inconsistent with the provisions of this act, and shall be effective in the manner the department shall

Powers and duties of the Department of Labor and Industry.

Power to make rules and regulations.

Department shall submit report to Governor.

prescribe. The department shall submit to the Governor a biennial report covering the administration and operation of this act and shall make such recommendations for amendments to this act as it deems proper.

The secretary to have power to establish offices and fix compensation of employes.

Section 202. Personnel and Employment Offices.—The secretary shall have power to establish such offices and to appoint and fix the compensation of such employes in such offices and in the department as he may deem necessary to administer this act, subject to the provisions of section two hundred eight of this act.

Unemployment Compensation Board of Review.

Section 203. Unemployment Compensation Board of Review.—(a) There is hereby created in the department an Unemployment Compensation Board of Review. The board shall consist of three members nominated and appointed by the Governor, by and with the advice and consent of two-thirds of all the members of the Senate, for terms of six years each, and until their successors shall have been appointed and qualified, except that the terms of the members first taking office shall expire on July first, one thousand nine hundred thirty-nine; July first, one thousand nine hundred forty-one; and July first, one thousand nine hundred forty-three, respectively, as designated by the Governor at the time of appointment and until their successors shall have been appointed and qualified. The Governor shall designate one of the members as chairman. Vacancies in said board shall be filled for the unexpired terms. The chairman of the board shall receive a salary at the rate of nine thousand dollars per annum. The other members of the board shall receive salaries at the rate of eight thousand five hundred dollars per annum. Such salaries shall be paid from the Administration Fund. Two members of the board shall be a quorum, and no action of the board shall be valid unless it shall have the concurrence of at least two members. A vacancy on the board shall not impair the right of a quorum to exercise all the rights and perform all the duties of the board.

Board to consist of three members, appointed by Governor with the consent of the Senate.

Terms of the members.

Vacancies.

Salaries of members.

Two members of board shall constitute a quorum.

Board may appoint a secretary and prescribe his duties.

(b) The board may appoint a secretary to hold office at its pleasure. Such secretary, if appointed, shall have such powers and shall perform such duties, not contrary to law, as the board shall prescribe, and shall receive such compensation as the board, with the approval of the Governor, shall determine.

Board to be governed by Administrative Code.

(c) The board shall be a departmental administrative board, and shall have all the powers and perform all the duties generally vested in, and imposed upon, departmental administrative boards and commissions by The Administrative Code of one thousand nine hundred twenty-nine and its amendments.

Duty of board to hear appeals.

(d) It shall be the duty of the board to hear appeals arising from claims for compensation, adopt, amend or rescind such rules of procedure, undertake such investi-

gations, and take such action required for the hearing and disposition of appeals as it deems necessary and consistent with this act. Such rules of procedure shall be effective in such manner as the board shall prescribe and shall not be inconsistent with this act. Any investigation, hearing or appeal which the board has power to undertake, hold, hear or determine, may be undertaken, held or heard by or before any one or more of the members of the board, but any determination, ruling or order of a member or members upon any such investigation, hearing or appeal undertaken, held or heard by him or them, shall not become and be effective until approved and confirmed by at least a quorum of the board. The chairman of the board, or his representative, shall have the power as often as he may deem the work of the board requires to designate the time and place for the conducting of investigations, hearings and appeals, and to assign cases to a member or members for such purposes.

Any member may hold hearings, but rulings are not effective until approved by quorum.

Chairman of board to designate time and place of hearings.

(e) The Governor shall appoint and fix the compensation of such referees as may be deemed necessary with power to take testimony in any appeals coming before the board.

Referees.

(f) The board shall submit to the department a biennial report concerning the performance of its powers and duties and shall make such recommendations for the improvement of its service and the amendment of this act as it deems proper.

Board to submit biennial report to department.

Section 204. Advisory Councils.—The department shall have power to create and appoint members of State-wide and local advisory councils composed, in each case, of an equal number of employer and employe representatives, who may fairly be regarded as representative because of their vocation, employment, or affiliations. On each such council there shall also be members representing the general public.

Department has the power to create advisory councils.

Such councils shall aid the department in formulating policies, in discussing problems related to the administration of this act, in assuring impartiality and freedom from political influence in the administration of this act, in taking steps to reduce and prevent unemployment, and in making studies relating to partial and seasonal unemployment.

Duty of councils.

The members of such advisory councils shall serve without compensation but shall be entitled to be reimbursed out of the Administration Fund for all necessary expenses incurred in the discharge of their duties.

Members of council to serve without compensation.

Section 205. Stabilization of Employment; Partial and Seasonal Unemployments.—The department shall take appropriate steps to—(a) reduce and prevent unemployment, (b) encourage and assist in the adoption of practical methods of vocational training and guidance,

Department to make study of employment so as to stabilize employment.

(c) investigate, recommend, advise and assist in the establishment, by political subdivisions, of reserves for public works to be used in times of business depression and unemployment, (d) promote the reëmployment of unemployed workers, (e) make studies of partial unemployment and recommendations in respect to provisions for the payment of compensation for partial unemployment, and (f) make studies of seasonal unemployment and recommendations in respect to provisions for seasonal industries under this system of unemployment compensation.

Copies of all such studies and recommendations shall be transmitted to the Governor.

Employers to keep employment records for the inspection of department.

Section 206. Records of and Reports by Employers.—Each employer (whether or not liable for the payment of contributions under this act) shall keep accurate employment records, containing such information, as may be prescribed by the rules and regulations adopted by the department. Such records shall be open to inspection by the department and its agents at any reasonable time, and as often as may be deemed necessary. The department may require from such employers such reports as it deems necessary, which shall be sworn to, if required by the department.

Information not to be made public.

Information thus obtained shall not be made public or be open to public inspection, other than to the members of the board, and the officers and employes of the department and the Social Security Board in the performance of their public duties, but any claimant at a hearing of his claim shall, upon request, be supplied with information from such records to the extent necessary for the proper presentation of his claim.

Criminal provision.

Any officer or employe of the department or the board, or any other public employe, who shall violate any of the provisions of this section shall, upon conviction thereof in a summary proceeding, be sentenced to pay a fine of not less than twenty nor more than two hundred dollars, and in default of the payment of such fine and costs of prosecution shall be sentenced to imprisonment for not longer than thirty days.

Department to cooperate with the Social Security Board.

Section 207. Cooperation with Social Security Board and Other Agencies.—(a) In the administration of this act, the department shall cooperate to the fullest extent, consistent with the provisions of this act, with the Social Security Board. It shall make such reports in such form and containing such information as the Social Security Board may, from time to time, require, and shall comply with such provisions as the Social Security Board may, from time to time, find necessary to assure the correctness and verification of such reports.

Department to furnish information concerning recipients of compensation to Federal agencies.

(b) Upon request therefor, the department shall furnish to any agency of the United States charged with



the administration of public works or assistance through public employment the name, address, ordinary occupation and employment status of each recipient of compensation, and such recipient's rights as to further compensation under this act.

(c) The department is hereby authorized to enter into reciprocal arrangements and compacts with the proper authorities of other states and the Federal Government for the purpose of carrying out the objectives of the unemployment compensation acts of this and other states, or adopted by the Congress of the United States.

Department may enter into agreements with other authorities in order to carry objectives of this act.

Section 208. Civil Service; Selection of Personnel; Additional Duties of Secretary and Board.—(a) No individual shall be appointed or employed by the department for the purpose of administering this act except as provided in this section.

Civil Service.

(b) The members and secretary of the board, referees and such attorneys and experts, as the Attorney General or the secretary, as the case may be, shall appoint and the Governor shall approve, shall be exempt from the provisions of this section.

Employes not subject to civil service.

(c) Until such time as the board certifies lists of eligibles for any grade of employment, but in no event later than January first, one thousand nine hundred thirty-eight, the secretary is hereby authorized to make provisional appointments, without examinations, in such grades of employment for which no lists of eligibles have been certified, provided that a person so appointed shall cease to be so employed within thirty days after a list of eligibles has been certified by the board to the secretary for the grade of employment in which he or she is employed, unless reappointed from such list of eligibles as provided in this section.

Provisional appointments until lists of eligibles certified.

(d) The secretary shall by rules and regulations establish classes of employment, composed of all of the various positions to be created, for the purpose of administering this act, and shall divide such classes into a reasonable number of grades, and shall specify a salary range for each grade. All appointments shall be made at the lowest salary for the grade in which the appointment is made. The secretary may increase the salary of any employe, who has served the probationary period hereinafter required by this act, to not more than the maximum provided for his grade of employment.

The secretary to establish classes of employment.

Appointments shall be made at minimum salary.

(e) The secretary shall prescribe, by rules and regulations, the qualifications to be possessed by persons desiring employment in the various grades of employment in the administration of this act. The qualifications shall be such as will best promote the most efficient administration of this act, and shall provide that persons applying for positions in the offices designated by the secretary as central administrative offices shall be citizens of the

The secretary shall prescribe qualifications for employes.

United States and legal residents of Pennsylvania, and persons applying for positions in district offices shall be citizens of the United States and legal residents in the district in which such office is located.

Every individual desiring employment shall file an application with the board.

(f) Every individual desiring employment under the provisions of this act shall file with the board an application, under oath or affirmation, which shall be in a form prescribed by the board, provided that such application shall be the same for all individuals desiring the same grade of employment, and shall be so drawn as to reveal the qualifications as prescribed by the secretary. In no case shall the board require of the applicant any information pertaining to his race, creed, color, or political affiliations. Upon receiving such application the applicant shall be admitted to the next competitive examination in the grade of employment which he or she seeks. Such competitive examinations shall be practical in their character and, so far as may be possible, shall relate to those matters which will fairly test the relative capacity and fitness of persons examined to discharge the duties of the service into which they seek to be appointed. Such competitive examinations shall be in writing, but in arriving at a final rating of applicants for such administrative and professional grades of employment as are so designated by the board, the board may take into consideration such experience and personal qualifications as are related to the grades of employment for which applicants are being examined, provided that the same standards shall apply with respect to all applicants in the same grade of employment.

Information concerning race, creed, etc., not permitted.

Examinations.

(g) The board shall conduct such examinations at such places in the Commonwealth as to make it reasonably convenient and inexpensive for applicants to attend them. Every candidate admitted to such examinations shall be given a number, so that, when his paper is marked and graded, it will be impossible for the person passing upon the examination papers to ascertain the candidate's identity until his written examination rating has been established.

Identity of candidate not to be disclosed.

School teachers to mark papers.

(h) Examination papers of such candidates shall be marked by a committee designated by the board, with the approval of the Governor, consisting of school teachers in this Commonwealth. All such examining committee members shall receive compensation at the rate of fifteen dollars per day for their services, and reimbursement for necessary expenses. The members of such examining committees may employ necessary clerks and assistants. Subject to the approval of the secretary, the number of clerks and assistants so employed and the amount of their compensation shall be determined by the board. All such examination papers shall be rated on a basis of one hundred per centum and less. Such ex-

Method of marking papers.

amination papers shall immediately thereafter be filed with the board.

(i) The board shall certify to the secretary for each administrative district, and for the State as a whole, lists of the names of persons receiving a passing mark, and shall rank such persons in the order of magnitude commencing with the highest rating for the specified grade of employment. Such list shall be known as a list of eligibles and shall be valid until the next examination is held for the same grade of employment, but in no event for a period of less than one year, unless no more than two names remain on a list of eligibles, in which case a new examination may be held; but those whose names remained on the list of eligibles shall be retained on the new list for a period of at least one year from the date of their original certification.

List of eligibles.

In certifying lists of eligibles for the various grades in any class of employment, the board shall certify persons taking identical examinations on all lists of eligibles for all grades in such class of employment for which they are qualified.

Eligibles to be classified.

(j) The secretary shall make appointments to positions created under this act, and shall fill vacancies as they may occur from the lists of eligibles certified to him by the board, except with respect to positions filled by the appointment of persons exempted by subsection (b) of this section. In making appointments therefrom, the secretary shall select from the three persons ranking highest on the list of eligibles for the grade of employment in the administrative district, or in the State as a whole, as the case may be, the applicant most suitable for the position in the grade of employment for which a vacancy exists, taking into consideration his experience and personal qualifications with sole reference to merit and fitness for the position to be filled. If, upon inquiry by the secretary, a person on the list of eligibles is found to be not available for employment or cannot be located, his name shall not for the time being be considered among the three names from which a choice is to be made. For the second vacancy, the secretary shall make selection from the highest three persons remaining on such list of eligibles who have not been within his reach for three separate vacancies. The third and any additional vacancies shall be filled in like manner.

Secretary must make the appointments from list of eligibles.

Method of making selection.

(k) A person selected for appointment shall be duly notified by the secretary in writing and, upon accepting and reporting for duty, shall receive from the secretary a certificate of appointment. The first nine months under this appointment shall be a probationary period. If and when, after full and fair trial, during this period the conduct or capacity of the probationer be not satisfactory to the secretary, the probationer shall be so

Person appointed to be notified in writing.

First nine months of employment to be probationary period.

notified in writing with a full statement of reasons, and this notice shall terminate his service, provided that within ten days he may appeal his case to the board in the same manner as hereinafter provided for individuals receiving notice of dismissal. The retention of such individual beyond the probationary period shall automatically confirm such individual as a permanent appointment.

Retention beyond period confirms permanent appointment.

Board may employ help to conduct examinations.

(l) The board shall employ from time to time, when necessary, experts and necessary clerical assistants to review applications, prepare and conduct such examinations, and to prepare lists of eligibles from the ratings of applicants taking such examinations. Subject to the approval of the secretary, the number of such experts and clerical assistants and their compensation shall be determined by the board.

Board to certify lists to secretary when requested.

(m) It shall be the duty of the board to certify to the secretary lists of eligibles for all grades of employment as such lists are requested by the secretary, as soon as practical, and to maintain a sufficient number of names on each of such lists to meet all reasonable requirements of the secretary in making necessary appointments under this act.

Where only two eligibles.

(n) When there are no more than two eligibles on a list of eligibles for any grade of employment in which a vacancy exists, the secretary may in his discretion make an appointment therefrom.

Secretary may dismiss employes.

(o) The secretary may, when in his judgment the public interest or the efficiency of the service requires, summarily dismiss any employe of the department engaged in the administration of this act, who has been finally convicted of an offense in connection with his duties in the administration of this act, or of any felony or any crime involving moral turpitude.

Secretary may suspend employes.

The secretary may suspend for a period not to exceed thirty days, or dismiss any employe of the department engaged in the administration of this act for delinquency or misconduct in his or her duties under this act.

Secretary may furlough employes.

The secretary may by reason of lack of funds, or curtailment of work, furlough any employes of the department engaged in the administration of this act, provided that such employes shall be reinstated to the lists of eligibles, and shall be given preference over all other persons on such lists of eligibles for future appointments to their own grade of employment, or a lower grade in the same class of employment in order of seniority. Such eligibility for reinstatement shall remain effective for a period equal in length to an employe's service under this act, but in no case shall it continue for a period longer than two years. Employes may, upon application in writing to the secretary, and upon

Employes may secure a leave of absence.

written approval by him, obtain a leave of absence without pay.

(p) All employes of the department engaged in the administration of this act who are given notice of dismissal, suspension or furlough shall be entitled to a hearing before the board by an appeal made within ten days after such notice of dismissal, suspension or furlough becomes effective, and shall be furnished with copies of any charges preferred against them, and shall be allowed a reasonable time for personally answering the same in writing and submitting affidavits in support thereof. Any employe summarily dismissed or dismissed for delinquency or misconduct under a decision of the board, or upon the expiration of the date for an appeal, if no appeal has been taken, shall be removed from all lists of eligibles for positions under this act. Any employe, after having been dismissed, suspended or furloughed, or having received notice of dismissal, suspension or furlough, and who has made appeal thereof to the board, shall be restored, upon being sustained on such appeal by the decision of the board, to the same grade of employment in which he had been employed and, in the discretion of the board, shall be fully reimbursed for any loss of salary caused by such dismissal, suspension or furlough. The board shall hear such appeals and render a final decision in all cases under this section in not more than thirty days after the date of such appeals, and shall keep records of such appeals, as provided for appeals for compensation under section five hundred four of this act. Appeals may be taken by the secretary, or the employe, from the board to the Superior Court within thirty days after the decision of the board in the same manner as provided in this act for appeals with respect to compensation.

Dismissed, suspended, and furloughed employes may appeal.

Board to hear appeals.

Appeals may be taken from board to Superior Court.

(q) It shall be the duty of every officer and employe in the department, and of every applicant or eligible for a position therein, to give to the board all proper and pertinent information and testimony in regard to matters required or arising under this section, and under the rules and regulations of the department and the board pursuant thereto, and to subscribe such testimony and make oath or affirmation to the same.

Duty of officers and employes, etc., to give testimony.

In exercising its authority under this section, the board shall have the power to administer oaths and subpoenas as delegated to it under section five hundred six of this act.

Board to have power to administer oaths.

(r) The board shall have the power to make such rules and regulations as may be necessary for the execution of the provisions of this section, provided such rules are not inconsistent with the provisions thereof.

Board to have power to make rules for execution of this section.

(s) Whoever makes a false statement or representation knowing it to be false, or knowingly fails to dis-

Penal offenses.

close a material fact, or in any manner conceals any information in order to obtain employment, either for himself or any other person, under this section shall, upon conviction thereof in a summary proceeding, be sentenced to pay a fine of not less than twenty dollars nor more than two hundred dollars, and in the default of the payment of such fine and costs, shall be sentenced to imprisonment for not more than thirty days, and each such violation shall be deemed to be a separate offense, and his name shall be removed from all lists of eligibles, and if appointed, he shall be summarily dismissed.

Expenses.

(t) The secretary shall pay all necessary expenses in the administration of this section, including the compensation paid to such experts, members of examining committee, assistants and clerks, and shall cause such places to be rented as may be necessary for conducting examinations and correcting examination papers and pay the rent thereof and such other incidental expenses in the administration of this section, as may be necessary, from the Administration Fund.

### ARTICLE III

#### CONTRIBUTIONS BY EMPLOYERS

Type of  
employer  
embraced  
by this act.

Section 301. Contributions by Employers of Eight or More Employes.—Each employer who has employed eight or more employes (whether or not the same employes) in employment for some portion of each of some twenty days (whether or not at the same moment of time) during a calendar year, each day being in a different week, shall pay for each such calendar year, beginning with the calendar year one thousand nine hundred thirty-six, contributions into the Unemployment Compensation Fund, which shall be equal to, but not more than, the amount of the maximum credit allowable to such employer for such calendar year by section nine hundred two of the Social Security Act against the Federal excise tax imposed by section nine hundred one of the Social Security Act with respect to employment. Such payments shall be made at such times and in such manner as the department shall prescribe. Such contributions, in order to be no more and no less than the maximum credit allowable under the Social Security Act against such Federal excise tax, shall be equal to the following percentage of total wages paid or payable by the employer for such calendar year:

Payments.

Percentages.

- (1) Nine-tenths of one per centum for the calendar year one thousand nine hundred thirty-six;
- (2) One and eight-tenths per centum for the calendar year one thousand nine hundred thirty-seven; and
- (3) Two and seven-tenths per centum for the calendar year one thousand nine hundred thirty-eight and each calendar year thereafter.

Section 302. Contributions by Employers Not Subject to Section 301.—Each employer (as defined in this act), other than employers subject to section three hundred one of this act, shall pay for each calendar year, beginning with the calendar year one thousand nine hundred thirty-six, contributions into the Unemployment Compensation Fund, which shall be equal to but not more than the following percentage of total wages paid or payable by the employer for such calendar year:

- (1) Nine-tenths of one per centum for the calendar year one thousand nine hundred thirty-six;
- (2) One and eight-tenths per centum for the calendar year one thousand nine hundred thirty-seven; and
- (3) Two and seven-tenths per centum for the calendar year one thousand nine hundred thirty-eight and each calendar year thereafter.

Percentages.

In the event that Title IX of the Social Security Act shall be amended or repealed by the Congress, or held unconstitutional by the Supreme Court of the United States, and for such reason, the provisions of Section 301 of this act cannot be administered, and the contributions imposed by said section cannot be collected from employers under said section, then such employers shall become subject to the payment of contributions under the provisions of this section at the rates herein specified.

If Title IX of the Social Security Act be amended or repealed or held unconstitutional, then employers under section 301 liable under section 302.

Section 303. Period and Termination of Contributions.—(a) Any employer who or which becomes subject to this act during any calendar year shall be subject to and shall pay the contributions required by this act during the whole of such calendar year.

Extent of liability.

(b) Any employer subject to this act shall cease to be so subject and shall be relieved of the payment of contributions, only upon written application to the department and finding by the department that he has not employed any employe (whether or not the same employe) in employment subject to this act for some portion of each of some twenty days, each day being in a different week, during the previous or current calendar year, whether or not such weeks are consecutive.

Liability may cease.

Section 304. Reports by Employers.—Each employer shall file with the department such reports, at such times, and containing such information, as the department shall require, for the purpose of ascertaining and paying the contributions required by this act.

Shall file reports when requested.

Section 305. Payment of Contributions.—Concurrently with each report, the employer shall pay to the department the amount of contributions imposed by this act for the period covered by the report; but the department may, in proper cases, upon request made, permit an extension of time for the payment of contributions due. The amount of the contribution in respect of which an extension is granted shall be paid (with inter-

Employer shall pay concurrently with each report. Department may grant an extension.

est at the rate of one-half of one per centum per month) on or before the expiration of the period of extension.

Section 306. Fractions of a Cent.—In the payment of any contributions, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent.

Employers engaged in interstate commerce not exempt.

Section 307. Interstate Commerce.—No employer required by this act to pay contributions shall be relieved from compliance therewith on the ground that he is engaged in interstate commerce, or that this act does not distinguish between employes engaged in interstate commerce and those engaged in intrastate commerce.

Interest at the rate of 1% per month on past due contributions.

Section 308. Interest on Past Due Contributions.—Contributions unpaid on the date on which they are due and payable, as prescribed by the department, shall bear interest at the rate of one per centum per month from the date they become due until paid.

Collection of contributions and interest may be enforced by legal action.

Section 309. Collection of Contributions and Interest.—If, after notice by the department, any employer fails, neglects, or refuses to pay any contributions due, or the interest due thereon, the amount due shall be collected by civil action in the name of the Commonwealth. Civil actions brought under this section to collect contributions, or interest thereon, from any employer shall be heard by the court at the earliest possible date, and shall be entitled to preference upon the calendar of the court over all other actions, except petitions for judicial review under this act and cases arising under The Workmen's Compensation Act of one thousand nine hundred fifteen, and its amendments and supplements. No court costs shall be imposed on the Commonwealth in any such civil actions.

Priorities enumerated in case of dissolution.

Section 310. Priorities Under Legal Dissolutions and Distributions.—In the event of any distribution of an employer's assets pursuant to an order of any court under the laws of this Commonwealth, including any receivership, assignment for benefit of creditors, adjudicated insolvency, composition, or similar proceeding, contributions or installments thereof, or interest thereon, then or thereafter due shall be paid in full prior to all other claims except taxes, claims arising under The Workmen's Compensation Act of one thousand nine hundred fifteen, and its amendments and supplements, and claims for wages of not more than two hundred and fifty dollars to each claimant earned within six months of the commencement of the proceeding. In the event of an employer's adjudication in bankruptcy, judicially confirmed extension, proposal, or composition under the Federal Bankruptcy Act of one thousand eight hundred ninety-eight, as amended, contributions and interest then or thereafter due shall be entitled to such priority as is provided in section sixty-four (b) of that act (United

In case of bankruptcy, priorities governed by section 64 of Federal Bankruptcy Act.



States Code Annotated Title XI, Section one hundred four (b) as amended).

Section 311. Refunds and Adjustments.—If, not later than one year from the payment of any contribution, or interest thereon, an employer shall make application for an adjustment thereof in connection with subsequent contribution payments or, if such adjustment cannot be made, for a refund thereof and the department shall determine that such contribution or interest, or any portion thereof, was erroneously collected for any reason whatever, including the failure to employ one or more employes (whether or not the same employe or employes) for some portion of each of some twenty days during the calendar year, each day being in a different week, for which the contributions were made, the department shall allow such employer to make an adjustment thereof without interest in connection with subsequent contribution payments by him or, if such adjustment cannot be made, the department shall refund said amount without interest out of moneys to the credit of the Employers' Contribution Account in the Unemployment Compensation Fund. For like cause and within the same period, an adjustment or refund may be so made on the initiative of the department.

Department  
may make  
refunds and  
adjustments.

#### ARTICLE IV

##### COMPENSATION

Section 401. Qualifications Required to Secure Compensation.—Compensation shall be payable to any employe who is or becomes totally unemployed on or after January first, one thousand nine hundred thirty-eight, and who—

Compensation  
payable  
only to  
employes  
meeting  
enumerated  
qualifications.

(a) Has, within his base year, earned wages from employers of not less than thirteen times his weekly compensation amount;

(b) Has registered for work at a designated employment office, at such times and in such manner as the department may prescribe;

(c) Has made a claim for compensation in the proper manner prescribed by the department;

(d) Is able to work and available for work; and

(e) Has been totally unemployed for a waiting period of at least three weeks (except as otherwise hereinafter provided in this clause), prior to any week for which he claims compensation, provided that such three weeks of total unemployment shall occur after compensation first becomes payable under this act. Such three weeks shall not include any week in which the employe was ineligible for compensation under section four hundred two of this act, or was ineligible for compensation under any provision of this section, excepting, however, para-

graphs (a) and (c) of this section. The three weeks of total unemployment need not be consecutive, but may be accumulated over the period of fifty-two consecutive weeks preceding any week for which he claims compensation: Provided, That this requirement shall not interrupt the payment of compensation for consecutive weeks of unemployment. If the employe's total unemployment is due to a voluntary suspension of work resulting from an industrial dispute, then he shall be ineligible for compensation for a further waiting period of three weeks in addition to the waiting period hereinbefore prescribed in this clause.

Causes enumerated which will make an employe ineligible for compensation.

Section 402. Ineligibility for Compensation.—An employe shall be ineligible for compensation for any week in which his unemployment is due to—

(a) Failure, without good cause, either to apply for suitable work when so directed by the employment office, or to accept suitable work when offered to him by the employment office. In determining whether or not any work is suitable for an individual, the department shall consider the degree of risk involved to his health, safety and morals, his physical fitness and prior training and experience, and the distance of the available work from his residence;

(b) Voluntarily leaving work, except where as a condition of continuing in employment the employe would be required to join or remain a member of a company union or to resign from or refrain from joining any bona fide labor organization, or to accept wages, hours or conditions of employment not desired by a majority of the employes in the establishment or the occupation, or would be denied the right of collective bargaining under generally prevailing conditions.

Rate of compensation.

Section 403. Rate and Payment of Weekly Compensation.—Compensation shall be payable at the rate of fifty per centum of the employe's full-time weekly wage, but the amount shall not be more than fifteen dollars, nor less than seven dollars and fifty cents a week. An employe's weekly compensation amount, as determined for the first week of his benefit year, shall constitute his weekly compensation amount throughout such benefit year. Compensation shall be computed to the nearest multiple of five cents. Compensation shall be paid through employment offices at such times and in such manner as the department may prescribe.

Payment.

Maximum compensation.

Section 404. Amount of Compensation.—The maximum total amount of compensation payable to any eligible employe during any benefit year shall not exceed one-eighth of his total wages from employers during the first eight out of the last nine completed calendar quarters immediately preceding each week with respect to which compensation is payable (excluding, however, any

completed calendar quarter which occurs prior to January first, one thousand nine hundred thirty-seven), or thirteen times his weekly compensation amount, whichever is the lesser.

The department may maintain a separate account for each employe and in such event shall credit his account with all wages earned by him from employers subsequent to January first, one thousand nine hundred thirty-seven. Compensation paid to an eligible employe shall be charged against amounts credited to such account in the chronological order in which the wages of such individual were earned from employers.

Employe's  
account.

Section 405. Duties of Employers.—Each employer shall post in a conspicuous place, or places, in his establishment, or establishments, any printed statement or notice required by the rules and regulations of the department.

Regulations of  
board to be  
posted by  
employer.

Section 406. Nonliability of Commonwealth.—Compensation shall be deemed to be due and payable under this act only to the extent provided in this act, and to the extent that moneys are available therefor to the credit of the Unemployment Compensation Fund, and neither the Commonwealth, the department, nor the secretary shall be liable for any amount in excess of such moneys.

Commonwealth,  
department,  
and secretary  
not liable for  
compensation.

## ARTICLE V

### DETERMINATION OF COMPENSATION; APPEALS; REVIEWS; PROCEDURE

Section 501. Initial Determination of Compensation; Appeals.—The department shall promptly examine any claim filed, and on the basis of the facts found by it, shall determine whether or not the claim for compensation is valid, and if valid, the week with respect to which compensation shall commence, the weekly compensation payable, and the maximum duration thereof. The claimant and other affected parties shall be promptly notified of the decision and the reasons therefor. Unless the claimant or other affected parties file an appeal from such decision with the board within ten calendar days after such notification was mailed to his last known post office address, and applies for a hearing, such decision of the department shall be final and compensation shall be paid or denied in accordance therewith. In the event that an appeal is filed with the board, the payment of compensation shall be withheld pending determination of the claim, but when a referee or the board affirms a decision of the department allowing compensation such compensation shall be paid notwithstanding any further appeal which may thereafter be taken.

Department  
shall determine  
whether  
compensation  
should be  
paid, and  
extent of the  
payment.

Appeals must  
be taken  
within 10 days.

When appeal  
is filed,  
payment is to  
be withheld.

Section 502. Decision of Referee; Further Appeals and Reviews.—Where an appeal from the decision of the

Appeals to  
be heard by  
referees.

department is taken, a referee shall, after affording the parties reasonable opportunity for a fair hearing, affirm, modify, or reverse such findings of fact and the decision of the department as to him shall appear just and proper. The parties shall be duly notified of the referee's decision, and the reasons therefor, which shall be deemed the final decision of the board, unless within ten days after the date of such decision the board acts on its own motion, or upon application, permits any of the parties to institute a further appeal before the board. A memorandum of testimony of any hearing before any referee shall be made and be preserved for a period of two years.

Further appeals.

Persons who may not participate in hearings.

Section 503. Disqualifications to Participate in Hearings.—No referee, member of the board, or employe of the department shall participate in the hearing of any case in which he himself is an interested party. The board may designate an alternate to serve in the absence or disqualification of any referee.

Board may remove appeals from referees.

Section 504. Powers of Board Over Claims.—The board shall have power, on its own motion, or on appeal, to remove, transfer, or review any claim pending before, or decided by, a referee, and in any such case and in cases where a further appeal is allowed by the board from the decision of a referee, may affirm, modify, or reverse the decision of the department or referee on the basis of the evidence previously submitted in the case, or direct the taking of additional evidence. When any claim pending before a referee is removed or transferred to the board, the board shall afford the parties reasonable opportunity for a fair hearing. The parties shall be duly notified of the board's final decision and the reasons therefor. A complete record shall be kept of each case heard before the board. All testimony at any hearing before the board, whether on appeal or otherwise, shall be taken by a reporter, but need not be transcribed unless the disputed claim is further appealed.

Board to prescribe rules of procedure.

Section 505. Rules of Procedure.—The manner in which appeals shall be taken, the reports thereon required from the department, the claimant and employers, and the conduct of hearings and appeals, shall be in accordance with rules of procedure prescribed by the board whether or not such rules conform to common law or statutory rules of evidence and other technical rules of procedure.

Oaths.

Section 506. Power to Administer Oaths; Subpœnas.—In the discharge of the duties imposed by this act, the secretary, the members of the board, any agent duly authorized in writing by the board, and any referee shall have power to administer oaths and affirmations, take depositions and certify to official acts. The department and the board shall have power to issue summons or

Subpœnas.

subpœnas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda, and other records deemed necessary as evidence in connection with a disputed claim or the administration of this act. Such summons or subpœnas shall be signed by the secretary or the chairman of the board, as the case may be, or some person duly authorized in writing by the secretary or the board. Witnesses subpœnaed pursuant to this act shall be allowed reasonable fees and expenses at a rate fixed by the department. Such fees and all expenses of proceedings involving disputed claims shall be deemed a part of the expense of administering this act and shall be paid from the Administration Fund.

Execution of subpœnas.

Section 507. Procedure where Summons or Subpœnas Disobeyed.—In case any person refuses, fails, or neglects to obey a summons or subpœna issued under the authority of this act, or fails, refuses, or neglects to produce any books, papers, correspondence, memoranda, or record, the department or the board or its agent duly authorized in writing may petition the court of common pleas of the county in which the inquiry is being carried on, or within which the person summoned or subpœnaed is found or resides or transacts business, setting forth the facts, whereupon the court shall have jurisdiction to issue to such person its subpœna requiring such person to appear before the court at a time fixed and there to give testimony touching the matter under investigation, or to produce such other evidence as may be required.

Where subpœnas disobeyed, board, department, or agent may petition court of common pleas.

Any person who shall, without just cause, fail, neglect, or refuse to obey a subpœna of the court or who shall, without just cause, fail or refuse to attend and testify or to answer any lawful inquiry or to produce books, papers, correspondence, memoranda, and other records, if it is in his power so to do, in obedience to a subpœna of the court may be punished by said court for contempt.

Failure to answer court subpœna subjects party to be held in contempt.

Section 508. Protection Against Self-Incrimination.—No person shall be excused from attending or testifying, or from producing books, papers, correspondence, memoranda, and other records before the department, the board, or any referee or court, in obedience to any summons or subpœna, on the ground that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual shall not be exempt from prosecution and punishment for perjury committed in so testifying.

Evidence, if self-incrimination claimed, cannot be used as a basis of criminal proceedings

Decisions final after 10 days except where an appeal has been disallowed by board.

Section 509. Finality of Decisions.—Any decision made by the department or any referee or the board shall become final ten days after the date thereof, unless appealed from, as hereinbefore provided; but any decision of the board or of a referee, where an appeal has been disallowed by the board, shall nevertheless be subject to appeal to the Superior Court after the same has become final.

Must exhaust remedies before eligible to appeal to Superior Court.

Section 510. Appeals to Superior Court.—An appeal to the Superior Court may be taken by any party claiming to be aggrieved, but only after he has exhausted his remedies before the board. In any such appeal the board shall be made the party defendant. Every appeal to the Superior Court must be taken within thirty days after the decision of the referee or board becomes final. The appeal shall be by petition and shall state the grounds upon which a judicial review is sought. A copy of such appeal petition shall be served upon a member or agent of the board, and sufficient additional copies shall be left with the board to enable the board to furnish a copy to every party in interest in the proceeding who has not joined in the appeal. The board shall file an answer in the Superior Court within thirty days after the petition has been served on it, and shall at the same time file with the court certified copies of all documents and papers, a record of all testimony taken and all findings of facts and decisions thereon. The board may also, in its discretion, certify to such court questions of law involved in any decision by it.

Procedure to be followed in case of appeals.

In any appeal to the Superior Court the findings of the board or referee, as the case may be, as to the facts, if supported by the evidence and in the absence of fraud, shall be conclusive, and in such cases the jurisdiction of the court shall be confined to questions of law, and such cases shall be given precedence over all other civil cases except cases arising under The Workmen's Compensation Act of one thousand nine hundred fifteen, and its amendments and supplements.

Superior Court to decide questions of law only.

Bond not required on appeal to Superior Court.

Section 511. Exceptions and Bond Not Necessary; No Supersedeas to Be Granted.—In order to take an appeal to the Superior Court, it shall not be necessary to enter exceptions to the rulings of the board, and no bond shall be required for entering an appeal. No appeal to the Superior Court shall act as a supersedeas.

Appeal to Superior Court not to act as supersedeas.

Section 512. Final Order of Board.—Upon the final determination of any appeal, the board shall enter an order in accordance with the decree of the court.

## ARTICLE VI

UNEMPLOYMENT COMPENSATION FUND AND  
ADMINISTRATION FUND

Section 601. Unemployment Compensation Fund.— There is hereby created a special fund separate and apart from all public moneys or funds of this Commonwealth to be known as the Unemployment Compensation Fund. All contributions, together with penalties and interest thereon, received or collected by the department from employers under the provisions of this act shall be paid into the Unemployment Compensation Fund, and shall be credited by the department to a ledger account to be known as the Employers' Contribution Account. All moneys from time to time received and credited to the Employers' Contribution Account (exclusive of refunds made under section three hundred eleven) shall be paid promptly by the department into the Unemployment Trust Fund, except as otherwise provided in section six hundred five of this act.

Unemployment  
Compensation  
Fund created.

As often as may be necessary, the department shall requisition from the Unemployment Trust Fund such amounts as shall be necessary to provide adequate funds for the payment of compensation, as provided in this act. Upon receipt of such requisitioned funds, the department shall deposit them into the Unemployment Compensation Fund to the credit of a ledger account, to be known as the Compensation Account, and shall expend such moneys solely for the payment of compensation, as provided by this act. All moneys to the credit of the Compensation Account shall be mingled and undivided. The department shall pay all compensation authorized by this act out of moneys standing to the credit of the Compensation Account.

Department  
to pay  
compensation  
out of fund.

Section 602. Administration Fund.—There is hereby created a special fund to be known as the Administration Fund, which shall consist of all moneys or other property received by the department from the United States of America, or any agency thereof, including the Social Security Board, or from any other source whatsoever, to be used for the administration of this act. The department shall pay all costs required for the administration and operation of this act out of the Administration Fund.

Administration  
Fund to be  
used to pay  
cost of the  
administering  
of this act.

Section 603. State Treasurer as Custodian.—The State Treasurer shall be the custodian of the Unemployment Compensation Fund and the Administration Fund. He shall give a bond, or bonds, with corporate sureties, conditioned upon the faithful performance of his duties as custodian of such funds in such amount or amounts as shall be determined and fixed by the Executive Board of this Commonwealth. Premiums for such bond or bonds shall be paid by the department out of the moneys

State Treasurer  
to be the  
custodian of  
the fund, and  
is to bond for  
faithful  
performance  
of duties.

in the Administration Fund. All moneys belonging to such funds (exclusive of moneys on deposit in the Unemployment Trust Fund as provided in section six hundred one) shall be deposited by the State Treasurer in any banks or public depositories in which general funds of the Commonwealth may be deposited, but no public deposit insurance charge or premium shall be paid out of moneys in the Unemployment Compensation Fund. Any law to the contrary notwithstanding, all payments from such funds shall be made under such systems of requisitioning and accounting as the Governor, the State Treasurer, and Secretary shall determine.

Section 604. Budgetary Provisions Not Applicable.—The provisions of article six of The Administrative Code of one thousand nine hundred twenty-nine, as amended, shall not apply to the funds created under the provisions of this act.

Section 605. Management of Funds upon Discontinuance of Unemployment Trust Fund.—If Title IX of the Social Security Act, or any amendment thereto, or any other Federal tax against which contributions under this act may be credited, shall be amended or repealed by Congress or held unconstitutional by the Supreme Court of the United States, with the result that no contributions under this act may be credited against such Federal tax, then the department shall requisition from the Unemployment Trust Fund all moneys, properties, or securities therein belonging to the Unemployment Compensation Fund of this Commonwealth, and shall credit the same to the Employers' Contribution Account in the Unemployment Compensation Fund. Thereafter all contributions received or collected under this act shall remain to the credit of the Employers' Contribution Account in the Unemployment Compensation Fund until required for the payment of compensation, in which event sufficient funds for this purpose, upon requisition of the department, shall be transferred to the credit of the Compensation Account in the aforesaid fund. All moneys standing to the credit of the Employers' Contribution Account in the Unemployment Compensation Fund shall be invested by the State Treasurer in such investments prescribed by the act of April twenty-fifth, one thousand nine hundred twenty-nine (Pamphlet Laws, seven hundred twenty-three), as are readily marketable, and the investment of such moneys shall at all times be so made that all the assets to the credit of the Employers' Contribution Account shall always be readily convertible into cash when needed for the payment of compensation.



## ARTICLE VII

## PROTECTION OF RIGHTS AND COMPENSATION

Section 701. Certain Agreements Void; Penalty.—No agreement by an employe to waive, release, or commute his rights to compensation, or any other rights under this act, shall be valid. No agreement by an employe or by employes to pay all or any portion of an employer's contributions, required under this act from such employer, shall be valid. No employer shall, directly or indirectly, make or require or accept any deduction from the remuneration of individuals in his employ to finance contributions required from him under this act, or require or accept any waiver by an employe of any right hereunder. Any employer or officer or agent of an employer who violates any provision of this section shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced for each offense to pay a fine of not less than one hundred dollars nor more than one thousand dollars, or be imprisoned for not more than six months, or both.

Employe cannot release his right to compensation.

Employes cannot pay employer's contributions.

Employer cannot reduce employes' salaries for contributions.

Violation.

Section 702. Limitation of Fees.—No employer or employe shall be charged fees of any kind in any proceeding under this act by the department, the board, or any of its officers or agents. Any individual claiming compensation in any proceeding before the department, the board, or referee may be represented by counsel or other duly authorized agent; but no such counsel or agent shall either charge or receive any greater fee for such services than is approved by the board. Any person who violates any provision of this section shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to pay a fine of not less than fifty dollars nor more than five hundred dollars, or be imprisoned for not more than six months, or both.

Employers not liable for fees.

Fees of counsel to be fixed by board.

Section 703. No Assignment of Compensation; Exemptions.—No assignment, pledge, or encumbrance of any right to compensation which is or may become due or payable under this act shall be valid, and such rights to compensation shall be exempt from levy, execution, attachment, or any other remedy whatsoever provided for the collection of debt. Compensation payments received by an employe, so long as they are not mingled with other funds of the employe, shall be exempt from any remedy whatsoever for the collection of all debts, except debts incurred for necessities furnished to such individual or his spouse or dependents during the time when such individual was unemployed. No waiver of any exemption provided for in this section shall be valid.

Employe cannot assign or pledge his compensation.

## ARTICLE VIII

## PENALTY PROVISIONS

Section 801. False Statements and Representations to Obtain or Increase Compensation.—Whoever makes a false statement or representation knowing it to be false, or knowingly fails to disclose a material fact to obtain or increase any compensation or other payment under this act, either for himself or for any other person, shall, upon conviction thereof in a summary proceeding, be sentenced to pay a fine of not less than twenty nor more than fifty dollars, and in default of the payment of such fine and costs shall be sentenced to imprisonment for not longer than thirty days, and each such false statement or representation or failure to disclose a material fact shall constitute a separate offense.

Section 802. False Statements and Representations to Prevent or Reduce Compensation.—Any employer (whether or not liable for the payment of contributions under this act) or any officer or agent of such employer, or any other person who makes a false statement or representation knowing it to be false, or who knowingly fails to disclose a material fact to prevent or reduce the payment of compensation to any employe entitled thereto, or to avoid becoming or remaining subject hereto, or to avoid or reduce any contribution or other payment required from an employer under this act, or who wilfully fails or refuses to make any such contribution or other payment or to furnish any reports required hereunder, or who wilfully fails or refuses to produce or permit the inspection or copying of records as required hereunder, shall, upon conviction thereof in a summary proceeding, be sentenced to pay a fine of not less than twenty dollars nor more than two hundred dollars, and in default of the payment of such fine and costs shall be sentenced to imprisonment for not longer than thirty days, and each such false statement or representation or failure to disclose a material fact, and each day of such failure or refusal shall constitute a separate offense.

Section 803. Violation of Act and Rules and Regulations.—Any person who shall wilfully violate any provision of this act or any rule or regulation thereunder, the violation of which is made unlawful, or the observance of which is required under the terms of this act, and for which a penalty is neither prescribed herein nor provided by any other applicable statute, shall, upon conviction thereof in a summary proceeding, be sentenced to pay a fine of not less than twenty nor more than two hundred dollars, and in default of the payment of such fine and costs shall be sentenced to imprisonment for not longer than thirty days, and each day such violation continues shall be deemed to be a separate offense.

Section 804. Liability to Repay Compensation Unlawfully Received.—Any person who by reason of the nondisclosure or misrepresentation by him or by another of a material fact (irrespective of whether such nondisclosure or misrepresentation was known or fraudulent) has received any sum as compensation under this act, while any conditions for the receipt of compensation imposed by this act were not fulfilled in his case, or while he was disqualified from receiving compensation, shall be liable to repay to the Unemployment Compensation Fund to the credit of the Employers' Contribution Account a sum equal to the amount so received by him, and such sum shall be collectible in the manner provided in this act for the collection of past due contributions.

## ARTICLE IX

## SAVING CLAUSE; REPEALS; EFFECTIVE DATE

Section 901. Saving Clause.—The General Assembly reserves the right to amend or repeal all or any part of this act at any time, and there shall be no vested right of any kind against such amendment or repeal. All the rights, privileges, or immunities conferred by this act, or by acts done pursuant thereto, shall exist subject to the power of the General Assembly to amend or repeal this act at any time. Saving clause.

Section 902. Repeals.—All acts or parts of acts inconsistent herewith are hereby repealed. Inconsistent acts repealed.

Section 903. Effective Date.—This act shall become effective immediately upon its final enactment. When effective.

APPROVED—The 5th day of December, A. D. 1936.

GEORGE H. EARLE

—  
No. 2

## AN ACT

Making an appropriation, out of the General Fund, to the Department of Labor and Industry for the administration and enforcement of the Unemployment Compensation Law; and providing for the reimbursement of the General Fund by the transfer of a similar amount from the Administration Fund.

Section 1. Be it enacted, &c., That the sum of fifty thousand dollars (\$50,000) is hereby appropriated, out of the General Fund, to the Department of Labor and Industry for payment into the Administration Fund created by the Unemployment Compensation Law, for the payment of salaries, wages, or other compensation of officers and employes, for the payment of postage, traveling expenses, mileage charges to the Department of Property and Supplies for the use of automobiles,