

No. 1988-107

## AN ACT

SB 1221

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," transferring an amount from the Interest Fund to the General Fund.

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

Section 1. Section 601.2 of the act of December 5, 1936 (2nd Sp.Sess., 1937 P.L.2897, No.1), known as the Unemployment Compensation Law, added July 21, 1983 (P.L.68, No.30), is amended to read:

Section 601.2. Interest Fund.—(a) There is hereby established a separate account in the State Treasury, to be known as the Interest Fund. All taxes collected under section 301.6 of this act shall be paid into the Interest Fund. The moneys in this fund shall be used in the following priority order and such funds received are hereby appropriated for all of the following purposes:

(1) For transfer to the General Fund for repayment of loans pursuant to subsection (c) *or for transfer to the General Fund pursuant to subsection (f)*.

(2) For the payment of annual interest obligations assessed under Title XII of the Social Security Act.

(3) Repayment of outstanding interest-bearing advances received under Title XII of the Social Security Act.

(4) Unemployment compensation payments under this act.

(b) Whenever the Governor shall ascertain that the cash balance and current estimated receipts of the Interest Fund shall be insufficient at any time during any State fiscal year to meet promptly the expenses of the Commonwealth from such fund, and the fund will have adequate funds available to meet such expenses and other anticipated expenses prior to the completion of the fiscal year, the State Treasurer is hereby authorized and directed, from time to time during such State fiscal year, to transfer from the General Fund to the Interest Fund such sums as the Governor directs. Any sums so transferred shall be available only for the purposes for which the fund to which they are transferred is appropriated by law. Such transfers shall be made hereunder upon warrant of the State Treasurer upon requisition of the Governor.

(c) In order to reimburse the General Fund for moneys transferred from such fund under subsection (b), there shall be transferred moneys to such fund from the Interest Fund in such amounts and times as the Governor shall direct, but in no event later than thirty (30) days after the end of such State fiscal year. Such retransfers shall be made upon warrant of the State Treasurer upon requisition of the Governor.

(d) Any amount of moneys remaining in this fund at the end of the calendar year after the interest obligations, for the calendar year, under Title XII of the Social Security Act have been met may be used as a voluntary repayment as prescribed by section 1202(b)(6)(A) of the Social Security Act, to reduce the balance of any outstanding interest-bearing advances received under Title XII of the Social Security Act.

(e) *[Any] Except as may be provided in subsection (f), any amount of moneys remaining in this fund at the end of the calendar year in which the outstanding balance of interest-bearing advance under Title XII of the Social Security Act is zero shall be transferred to the Unemployment Compensation Fund and credited to the Employers' Contribution Account as specified in section 601.*

*(f) Subsequent to the repayment of all indebtedness as described in this section, the sum of forty-one million dollars (\$41,000,000) is hereby transferred from the Interest Fund to the General Fund. Moneys remaining in the Interest Fund after this transfer shall be transferred to the Unemployment Compensation Fund as provided in subsection (e).*

Section 2. This act shall take effect immediately.

APPROVED—The 14th day of October, A. D. 1988.

ROBERT P. CASEY