TO: The Honorable Members of the PA House Labor & Industry Committee

FROM: Alex Halper, Director, Government Affairs

DATE: June 4, 2019

RE: Support H.B. 83 – Uninsured Employer Guaranty Fund

I write on behalf of the PA Chamber to urge support for H.B. 83, legislation to address a flaw with the Uninsured Employer Guaranty Fund. The Committee is scheduled to consider this bill today.

UEGF covers medical and wage benefits for injured workers whose employers don't have workers' compensation coverage. Though insured employers pay higher costs, we support UEGF: injured workers should not be burdened because their employer was unscrupulous or irresponsible.

Several years ago the Department of Labor & Industry audited UEGF and found an alarming percentage of claimants had not filed a tax return and/or could not produce any documentation to substantiate the wages they claim to have earned, in which case the wage benefit amount is based simply on claimant testimony. It has become clear that UEGF is being manipulated and viewed by some as “free” workers’ comp for the underground cash economy, rather than a safety net for workers who played by the rules but had the misfortune of an irresponsible employer.

H.B. 83 provides a compromise in which UEGF would still cover medical expenses for claimants who have not paid their taxes and cannot prove their wages, but these individuals would not be eligible for wage benefits.

Despite legislation passed last session to significantly increase funding for UEGF, the program remains in a financially precarious state. H.B. 83 will help ensure that benefits are available to those for whom the UEGF was intended and we urge your support.

Please contact Alex Halper at 717 720-5471 or ahalper@pachamber.org with questions or to discuss.