



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

FROM: Alex Halper, Director, Government Affairs

DATE: Oct. 29, 2019

RE: Support bills in Committee – S.B. 922 and H.B. 68

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I write on behalf of the PA Chamber to urge support for two bills the committee is scheduled to consider today: S.B. 922, legislation to address a workers' compensation court decision; and H.B. 68, related to employer unemployment compensation taxes.

**S.B. 922 – Workers' Compensation *Whitmoyer* case**

A long-standing principle of workers' compensation has been the right of employers to be reimbursed for certain expenses if a third party is found liable for the injury. Courts have upheld so-called subrogation rights in order to hold negligent third-parties accountable, mitigate the impact on non-negligent employers and prevent double recovery by claimants. Subrogation has included allowing employers to offset future wage-loss and medical costs if the third party recovery exceeds the compensation paid by employer.

However, in the 2018 *Whitmoyer* decision, the PA Supreme Court found that the ability to offset future costs only applied to wage-loss benefits, not medical expenses. The court did not seem to object to the concept of subrogation in this case applying to both wage and medical benefits, but simply raised technical issues with language in that section. This decision disrupted the long-held and widely-accepted application of the law leading to increased costs for Pennsylvania employers. S.B. 922 makes the technical change to address *Whitmoyer* and we urge you to support the bill.

**H.B. 68 – Employer Unemployment Compensation taxes**

Employers' UC tax rates are partially based on experience – that is, taxes may increase when former employees qualify for benefits. The law allows for employers to obtain relief from these "charges" under certain circumstances; for example, if an employee voluntarily quits. However, current law provides only 15 days to file for relief from charges, which is often not enough time for an employer to become aware of the charges, determine eligibility for relief and properly file.

H.B. 68 extends this window from 15 to 21 days – a modest but welcomed reform to provide employers a little extra time to navigate the process and, if eligible, rightfully avoid higher taxes.

We urge you to support these bills. Please contact Alex Halper at [ahalper@pachamber.org](mailto:ahalper@pachamber.org) or 717-720-5471 with any questions or to discuss.