



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

FROM: Alex Halper, Director, Government Affairs

DATE: May 25, 2021

RE: Support bills in Committee

The PA Chamber urges support for the following bills scheduled for committee consideration today.

H.B. 508: This bill would phaseout Pennsylvania’s participation in federal unemployment compensation enhancement programs and implement a Back-to-Work bonus to encourage employment. Employers are reporting significant workforce shortages, which threatens to further disrupt economic recovery. Many reference the \$300 weekly federal enhancements as a disincentive to work since many claimants are making as much or more in benefits as they were in wages. This legislation would encourage employment and economic recovery.

H.B. 922: A long-standing principle of workers' compensation has been reimbursement to employers for certain expenses if a third party is found liable for the injury. “Subrogation” holds negligent third-parties accountable, mitigates the impact on non-negligent employers and prevents double recovery by claimants. The PA Supreme Court’s 2018 *Whitmoyer* decision significantly disrupted this process based on a technicality, leading to higher costs on employers. This legislation makes the technical change necessary to address the Court's concern.

H.B. 1387: The Uninsured Employers’ Guaranty Fund is an employer-funded program to pay wage-loss and medical benefits for workers hurt on the job whose employers do not have workers’ compensation coverage. Past audits have found that many claimants have not filed a tax return and cannot prove the wages they claim to have earned. UEGF was intended to protect workers from negligent or unscrupulous employers; unfortunately, it has been manipulated over the years to become “free” workers’ comp for the underground economy. This bill strikes a balance: proof of wages would be required to qualify for wage benefits but medical costs would still be covered.

We urge you to support these bills. Please contact Alex Halper at ahalper@pachamber.org or 717-645-8730 with questions or to discuss.