



TO: The Honorable Members of the PA House Labor & Industry Committee
FROM: Alex Halper, VP, Government Affairs
DATE: October 18, 2023
RE: Oppose HB 1481 – Unemployment compensation for striking workers

I write on behalf of the PA Chamber to urge you to oppose H.B. 1481, to provide unemployment compensation (UC) eligibility for striking workers, which the Committee is scheduled to consider today.

UC is a critical safety net for individuals who have lost their job through no fault of their own as they actively seek new employment. Pennsylvania employers pay some of the highest UC taxes in the country – over 50 percent higher than the national average according to [2022 federal data](#) – to finance one of the more generous systems for UC benefits in the country.

H.B. 1481 would extend UC eligibility for those who voluntarily go on strike and we have concerns:

- **Competitiveness:** Currently, only two states pay benefits to striking workers and [California Democratic Governor Gavin Newsome recently vetoed similar legislation](#). This proposal makes Pennsylvania a less attractive place to do business.
- **Tax increases:** This proposal not only unfairly tilts the playing field, it will also mean higher taxes on employers since UC tax rates are based on employer experience.
- **Violates Federal law:** Section 303(a)(12) of the Social Security Act states that a “claimant must be able to work, available to work, and actively seeking work,” which is contrary to H.B. 1481.
- **Cost:** Pennsylvania’s UC trust fund remains below a healthy solvency level under federal standards and is not prepared to withstand a potential recession. Employers are already paying an additional tax as a result and this proposal will exacerbate the current strain on the fund.

The federal government and states have considered criteria for UC eligibility during work stoppages – for example, providing eligibility in the event of a lockout or during a strike if the working conditions or terms of employment have changed. Additionally, unions establish funds to pay workers if they voluntarily go on strike. This proposal would reverse this precedent that has been agreed to for nearly 90 years.

We urge committee members to oppose H.B. 1481 or, at a minimum, take the time to hold a hearing and solicit input from your local employers and other stakeholders before voting on the bill.

Please contact Alex Halper at ahalper@pachamber.org or 717-645-8730 with questions or to discuss.