

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

FROM: Alex Halper, Senior Vice President, Government Affairs

DATE: October 27, 2025

RE: **PA Chamber memo: Oppose H.B. 1995 - Backtracking on UC compromise**

The PA Chamber urges you to oppose H.B. 1995, which we understand the Committee may consider tomorrow. This bill would violate the terms of a compromise from 2016.

Pennsylvania's unemployment compensation trust fund (UCTF) became insolvent during the Great Recession, forcing the Commonwealth to incur billions in debt that Pennsylvania employers were responsible for paying off.

Act 60 of 2012 was a bipartisan compromise to put the UCTF on a path solvency: employers would continue paying some of the highest UC taxes in the country, plus additional debt service surcharges; and eligibility standards would be adjusted to limit eligibility for some cyclical seasonal workers for whom UC was typically supplemental wages in the offseason.

Several years later, certain stakeholders sought to undo the Act 60 eligibility adjustment over the objections of the business community, who was still paying off the debt. The PA Chamber reluctantly agreed to the proposed Act 60 reversal, but only as part of a package of solvency measures that included different cost reductions, tax increases on certain categories of employers and, importantly, additional potential cost-saving measures that would be triggered in the years ahead if the UCTF remained below the federal government's standard for adequate solvency. This legislation became Act 144 of 2016.

Agreeing to this "compromise" required a leap of faith for employers and UCTF advocates who agreed to immediate new costs on the system in exchange for cost-saving measures in the future.

Today, Pennsylvania employers have been and still pay extremely high UC taxes – over 50 percent higher than the national average – and since the UCTF is still below Federal solvency, one of the Act 144 cost reductions is scheduled to trigger on.

H.B. 1995 would postpone the effective date of this agreed-to measure, which is contrary to the Act 144 compromise. Accordingly, we urge you to oppose. Please contact Alex Halper at ahalper@pachamber.org or 717-645-8730 with questions or to discuss.

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