

TO: The Honorable Members of the PA House of Representatives

FROM: Alex Halper, Senior Vice President, Government Affairs

DATE: November 17, 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 House may consider this week. This bill is contrary to 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.

Bipartisan compromise legislation in 2012 and 2016 put the UCTF on a path to solvency: higher employer UC taxes, plus additional debt service surcharges, were packaged with additional tax increases on certain categories of employers and 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.

Agreeing to this "compromise" required a leap of faith for employers and UCTF advocates who agreed to higher taxes and 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 solvency, one of these cost reductions is scheduled to trigger on next year.

H.B. 1995 would postpone the effective date of this agreed-to measure, which is contrary to the 2016 agreement. 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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