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Contact:

Catherine DeLoughry

(412) 281-4783 ext. 3131

cdeloughry@alleghenyconference.org

Greater Pittsburgh Chamber supports Unemployment Compensation reform to restore solvency to system \$4 billion in debt

(June 7, 2012 - PITTSBURGH, PA) – The Greater Pittsburgh Chamber of Commerce applauds state lawmakers and the Corbett administration for approving a comprehensive Unemployment Compensation (UC) reform plan. The legislation (SB 1310), which will restore solvency to a UC system that is in debt to the federal government by \$4 billion, passed the PA House on Wednesday and is expected to be signed by Governor Corbett shortly.

Despite an unemployment rate that has been well below the national average for several years, Pennsylvania is third nationally in UC payouts annually and has a UC tax rate that is among the highest in the country. Due to the growing debt to the federal government, the burden on employers has been escalating. As a result of the federal debt alone, Pennsylvania employers paid about \$350 million more this year in UC taxes than the prior year.

“This legislation refinances the debt, resulting in predictable and less costly payments to employers and also tightens some eligibility requirements to ensure that those workers who are legitimately out of work receive these important benefits,” said Barbara McNees, president, Greater Pittsburgh Chamber of Commerce.

“On behalf of employers across our ten-county Pittsburgh region, we appreciate the leadership shown by our legislators and Governor Corbett in addressing this issue which has impacted the bottom line of so many employers and put further job creation in jeopardy,” McNees continued.

The plan is expected to save approximately \$2.34 billion between 2013 – when the pending law will take effect – and 2019, when the UC Trust Fund is expected to be completely solvent.

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The Greater Pittsburgh Chamber of Commerce, an affiliate of the Allegheny Conference on Community Development, advocates for business climate improvements to create an even more competitive regional environment for new and existing businesses. For more information, visit www.PittsburghChamber.org

