

**CHRONOLOGY  
OF  
FEDERAL UNEMPLOYMENT COMPENSATION LAWS**

**FOR INFORMATIONAL PURPOSES ONLY**

**THIS DOCUMENT INCLUDES ALL UNEMPLOYMENT INSURANCE ENACTMENTS  
AND SELECT ENACTMENTS IMPACTING THE UNEMPLOYMENT INSURANCE  
PROGRAM**

**(NOT AN OFFICIAL INTERPRETATION OF FEDERAL LAWS)**

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**P.L. 74-271, approved August 14, 1935 (HR 7260)**

*Social Security Act*

Declared constitutional by the U.S. Supreme Court May 24, 1937.

Establishes the basic framework of the Federal-State system of unemployment insurance. Key provisions include:

- Allowance of a credit against the Federal unemployment tax for taxes paid under a State law that meets Federal law requirements; tax on total wages of:
  - 1936 – 1.0 percent with net tax of 0.1 percent
  - 1937 – 2.0 percent with net tax of 0.2 percent
  - 1938 – 3.0 percent with net tax of 0.3 percent
- Federal financing of administrative costs; and
- Substantial State autonomy over all substantive elements of self-contained unemployment insurance laws.

These provisions have not been fundamentally altered in 50 years.

**P.L. 75-722, approved June 25, 1938 (HR 10127)**

*The Railroad Unemployment Insurance Act*

Provides for a special Federal system of unemployment insurance for the railroad industry, which is excluded from the Federal unemployment tax.

**P.L. 76-1, approved February 10, 1939 (HR 10127)**

*(No title)*

Moves the taxing provision in Title IX of the Social Security Act to the Internal Revenue Code, Chapter 23, Federal Unemployment Tax (FUTA).

**P.L. 76-379, approved August 10, 1939 (HR 6635)**

*Social Security Act Amendments of 1939*

Limits the tax base under the FUTA to the first \$3,000 of a covered worker's earnings.

Adds further coverage exclusions, including:

- Newsboys under 18.
- Student nurses and interns in a hospital.
- Insurance agents or solicitors on commission only.
- Domestic service in a college club or fraternity.
- Casual labor not in the employer's trade or business.
- Students employed in a school where they are enrolled, if they earn \$45 or less in a calendar quarter.

Extends coverage to:

- Federal instrumentalities not wholly owned by the Federal Government, such as national banks and State bank members of the Federal Reserve System.
- Instrumentalities not wholly owned by State and local governments, unless they have constitutional immunity.

Requires States to establish merit systems for personnel who administer the unemployment insurance program.

**P.L. 78-346, approved June 22 1944 (S 1767)**

*Servicemen's Readjustment Act of 1944 ("G.I. Bill of Rights")*

Although not strictly unemployment insurance as such, Servicemen's Readjustment Allowances function in such a role.

Provides readjustment allowances of \$20 per week for a maximum of 52 weeks to unemployed veterans of World War II and to self-employed veterans with net monthly profits under \$100.

The Veterans Administration and State unemployment insurance agencies administer this program. For most veterans, this program ends in July 1952.

**P.L. 78-458, approved October 3, 1944 (S 2051)**

*War Mobilization and Reconversion Act of 1944*

Establishes a loan fund (George Loan Fund) to provide Federal loans to States whose revenues are inadequate for the increased benefit payments expected to result from the reconversion to peace.

This fund is never used and the legislation lapses.

**P.L. 79-291, approved December 29, 1945 (HR 4489)**

*(No title)*

Adds FUTA Section 3306(c)(16), an exclusion from coverage for service performed for an international organization.

**P.L. 79-719, approved August 10, 1946**

*(No title)*

Extends coverage to maritime service. Provides that a State can cover the crew of an American vessel if the operating office is within the State.

Provides that States can withdraw employee contributions from the unemployment fund for payment of benefits under a temporary disability insurance program.

Seamen formerly employed by the U.S. War Shipping Administration were eligible for Reconversion Unemployment Benefits for Seaman paid under the law of the State in which they filed the claim. This program ends on June 30, 1950.

Adds FUTA Section 3306(c)(17), providing for exclusion from coverage of services performed by a fisherman except for commercial halibut or salmon fishing or on a boat of more than 10 net tons.

**P.L. 80-226, approved July 24, 1947 (HR 4011)**

*(No title)*

Permits voluntary contributions used in the computation of tax rates under experience rating.

**P.L. 80-492, approved April 20, 1948**

*(No title)*

Amends FUTA Section 3306(c)(15) by adding an exclusion from coverage for services performed by a news agent.

**P.L. 80-642, approved June 14, 1948 (H.J. Res. 296)**

*(No title)*

Amends FUTA, following a Supreme Court decision, to limit the term "employee" to an employee under the common law rule of "master-servant" relationship, retroactive to 1939. Federal coverage was withdrawn from some 500,000 persons, including outside salesmen.

**P.L. 81-734, approved August 28, 1950 (HR 6000)**

*Social Security Act Amendments of 1950*

Amends FUTA by adding a notice that a finding of noncertification becomes effective 90 days after the Governor is notified of the finding unless the State in the interim amends its law. Also specifies that no finding of failure to comply with the labor standards will be based on an interpretation of State law with respect to which further administrative or judicial review is provided for under State law.

Amends FUTA to provide that wages paid by a successor employer are included with those paid by predecessor employer in meeting the \$3,000 limit when the successor acquired substantially all of the predecessor's property.

Amends FUTA to exclude from wages:

- Payments made to an employee on account of retirement.
- Payments made for sickness or accident to an employee 6 months after the employee last works for the employer.
- Payments made to an employee from a trust fund as beneficiary of the trust.
- Remuneration paid in other than cash for service not in the course of the employer's business.
- Any payment made to an employee after reaching his or her 65th year if the employee has not been working for the employer.

Amends FUTA to redefine exclusion for casual labor not related to the employer's usual course of business.

Amends FUTA to increase the limit on the exclusion of wages earned from a nonprofit organization for part-time service, from \$45 to \$50. Deletes the \$45 wage requirement for services performed by students for schools.

**P.L. 82-550, approved July 16, 1952 (HR 7656)**

*Veterans Readjustment Assistance Act of 1952*

Establishes the Korean War Program (UCV), which provides up to 26 weeks of benefits at \$26 a week or a maximum total of \$676 to unemployed veterans of the Korean conflict discharged between June 27, 1950 and February 1, 1955.

Federal supplements raise the State weekly benefit amount to \$26 or pay the veteran after he exhausts State benefits.

This program ends for most veterans on July 26, 1958 (except for those who serve in the war and continue in the service) and for all on January 31, 1960.

**P.L. 83-196, approved August 5, 1953 (HR 5303)**

*(No title)*

Amends FUTA to permit States to cover services performed by general agents of the Secretary of Commerce in connection with American vessels owned or chartered to the U.S. under the following conditions:

- Those general agents are designated instrumentalities of the U.S.
- The State may require contributions from persons having employees on such vessels and require the Secretary of Commerce's agents to make contributions for both unemployment compensation and temporary disability insurance.
- Each general agent as described above is a legal entity in his capacity as an employer on his own account.
- Adds a definition of "general agents" as applied to vessels operated by such agents of the Department of Commerce.

**P.L. 83-567, approved August 5, 1954 (HR 5173)**

*Employment Security Administrative Financing Act of 1954 (referred to as the "Reed Act" after its sponsor Congressman Reed)*

Earmarks all proceeds of the FUTA to unemployment insurance purposes by automatically appropriating to the Federal Unemployment Trust Fund any annual excess of Federal tax receipts over employment security administrative expenditures approved by the Congress.

Establishes a loan fund to provide interest-free loans to States whose unemployment insurance trust funds fall below the amount they paid out in benefits for the previous year. A State has four years to repay before its Federal tax is increased as a means of repayment.

Provides for the return to the States of any excess above a \$200 million reserve in the Loan Fund, to be used for paying benefits and, under certain conditions, State administrative expenses, including buildings.

**P.L. 83-591, approved August 16, 1954**

*(No title)*

Amends FUTA to include organizations that test for public safety in the list of nonprofit organizations for which services are excludable.

**P.L. 83-767, approved September 1, 1954 (HR 9707)**

*(No title)*

Permits States to reduce the tax rate for newly covered employers with at least one year's (instead of three years') experience with the risk of unemployment.

Extends coverage to Federal civilian employees employed after December 31, 1954, subject to benefit provisions of State laws, under Title XV of the Social Security Act, the Unemployment Compensation for Federal Employees (UCFE) program.

Extends coverage, effective January 1, 1956, to employers of four or more workers in 20 weeks in a calendar year.

**P.L. 85-441, approved June 4, 1958 (HR 12065)**

*Temporary Unemployment Compensation Act of 1958 (TUC)*

Permits any State that signed an agreement with the U.S. Secretary of Labor to pay extended



benefits of half the regular duration to individuals, who have exhausted benefits after June 30, 1957, and before April 1, 1959 (up to 13 additional weeks of benefits to such workers).

The Federal Government finances the program through loans to participating States which they repaid by a reduction in the FUTA tax offset credit for 1963 and thereafter, if the amount is not repaid to the Federal Treasury by November 10 of the taxable year.

The TUC program begins on June 23, 1958, and ends on April 10, 1959, or, for Federal employees and veterans, on June 30, 1958. This is the first of many temporary emergency programs to deal with recessions.

**P.L. 85-840, approved August 28, 1958 (HR 13549)**

*Social Security Amendments of 1958*

Amends the Internal Revenue Code to exempt unemployment insurance from income taxation, to clarify prior interpretations to this effect.

**P.L. 85-848, approved August 28, 1958 (HR 11630)**

*Ex-servicemen's Unemployment Compensation Act of 1958 (UCX)*

Establishes a permanent program to provide benefits for veterans under the law of the State in which a claim is filed to coincide with the end of special coverage for Korean veterans.

**P.L. 86-778, approved September 13, 1960 (HR 12580)**

*Social Security Amendments of 1960*

Amends Title XII of the Social Security Act, to provide that advances from the Federal Loan Fund be made to only those States which are unable to meet benefit claims in the current or following month, and to limit the amount to that required for one month's benefits. Recovery of the advanced funds through an increase in the Federal unemployment tax is set to begin in 2 years instead of 4.

Effective January 1, 1961, coverage under the UCFE program is extended to certain instrumentalities that were neither wholly nor partially covered by FUTA, such as Federal Reserve banks, land banks, and credit unions.

Effective January 1, 1961, Puerto Rico is brought into the Federal-State system.

Coverage is extended to employees on American aircraft working outside the United States; employees of nonprofit institutions not exempt from income tax; and various employees of

certain income tax-exempt organizations (fraternal beneficiary society, certain agricultural organizations, volunteer beneficiary association). Employees providing service for a 501(c)(3) organization or an organization that provides religious, charitable, or educational services are exempt from coverage (previously employees of certain nonprofit organizations organized and operated exclusively for scientific, testing for public safety, educational purposes, or for the prevention of cruelty to children and animals).

Increases the Federal payroll tax from 3.0 to 3.1 percent without change in the 2.7 percent offset provision, thus increasing the Federal share of the tax which cannot be offset from 0.3 to 0.4 percent. Receipts from this 0.4 percent tax are credited to a new Employment Security Administration Account, from which an annual maximum of \$35 million is allowed for State administration. At the end of each fiscal year, the excess amount is to be transferred to the Federal Unemployment Account (Loan Fund) to build up a balance of \$550 million (formerly \$200 million) or 0.4 percent of taxable payrolls, if higher. Any surplus over this stipulated ceiling is to be returned to the States.

**P.L. 87-6, approved March 24, 1961 (HR 4806)**

*Temporary Extended Unemployment Compensation Act of 1961 (TEUC)*

Provides for federally financed extended benefits of one-half the regular benefit entitlement up to a maximum of 13 weeks, and a combined maximum of 39 weeks, to workers, including Federal civilian employees and ex-servicemen, who exhausted regular benefits after June 30, 1960, and before April 1, 1962. (TEUC is the second temporary emergency program to respond to recession.)

Reimburses States paying either regular benefits or State additional benefits beyond 26 weeks that count toward the 13 weeks Federal benefit maximum.

The program, which expires June 30, 1962, is financed by a temporary additional Federal unemployment tax of 0.4 percent for 1962 and 0.25 percent for 1963.

**P.L. 87-256, approved September 21, 1961 (HR 8666)**

*Mutual Educational and Cultural Exchange Act of 1961*

Amends FUTA Section 3306(c)(18) by providing an exclusion for services performed by a nonresident alien while temporarily in the U.S. as a nonimmigrant.

**P.L. 87-321, approved September 26, 1961 (HR 2585)**

*(No title)*

Amends FUTA to permit extra tax credits for successor employers.

**P.L. 87-792, approved October 10, 1963**

*(No title)*

Excludes from wages under FUTA payments made to an employee under a bond purchase plan.

**P.L. 88-173, approved November 7, 1963 (HR 8821)**

*(No title)*

Amends provisions of P.L. 86-778, relative to State loans, to provide that an increase in FUTA tax to recover such loans is to be waived if a State makes voluntary repayments.

**P.L. 88-650, approved October 13, 1964 (HR 9393)**

*(No title)*

Excludes from wages under FUTA remuneration paid to an employee if a corresponding deduction is allowable under section 217 of the Internal Revenue Code (dealing with payment by the employer of moving expenses of an employee).

**P.L. 90-248, approved January 2, 1968**

*(No title)*

Excludes from wages under FUTA remuneration by an employer on the termination of an employee's job because of death, disability retirement, or age retirement benefits.

**P.L. 91-53, approved August 7, 1969 (HR 9951)**

*(No title)*

Amends FUTA, effective January 1, 1970, to provide that the previous taxable year is added to the current taxable year to determine who meets the size of firm criterion of four or more employees.

**P.L. 91-373, approved August 10, 1970 (HR 14705)**

*Employment Security Amendments of 1970*

Increases the Federal unemployment tax to 3.2 percent with 0.5 percent apportioned to the

Federal Government, effective January 1970. Earmarks receipts from the 0.1 percent increase in 1970 and 1971 for a new Federal Extended Unemployment Compensation Account.

Provides for judicial review of adverse determinations by the U.S. Secretary of Labor in State conformity or compliance proceedings. States are permitted to appeal to a U.S. Circuit Court of Appeals.

The U.S. Secretary of Labor establishes a Federal unemployment insurance research program of grants to train unemployment insurance personnel (Federal and State) and Federal Advisory Council on Unemployment Compensation, composed of individuals representing management, labor, and the public, to review the program and recommend improvements.

Repeals a Federal statute that denied unemployment benefits to ex-servicemen during periods to which military terminal leave was allocated. Ex-servicemen are to be treated similarly to all unemployed workers under State law as to their accrued military leave.

Creates the Extended Unemployment Compensation Program, a permanent program to extend duration of benefits during recessions. The national program triggers on after January 1, 1972, whenever the seasonally adjusted insured employment rate for the nation is 4.5 percent or more for 3 consecutive months.

- Permits a State to institute such a program on or after October 10, 1970, to become operative whenever its insured unemployment rate averages 4 percent or more for 13 consecutive weeks and is at least 20 percent higher than the average of such rates for the corresponding 13-week periods in the 2 preceding years.
- Provides that an extended benefit period ends when the specified unemployment conditions nationally and within the State no longer exist, but is required to remain in effect at least 13 weeks in any State. Claimants who exhaust regular benefit rights during an extended benefit period are eligible for up to 13 additional weeks of benefits or the equivalent of half of the maximum weeks of regular benefits in the State, if that is less, with a 39-week ceiling in total benefits (regular plus extended).
- The Federal Government funds half of the extended benefit cost, financing the program by receipts for 1970 and 1971 from a 0.1 percent increase in the Federal tax receipts. Establishes an Extended Unemployment Compensation Account with a ceiling of \$750 million or 0.125 percent of total wages in covered employment, if larger. Any remainder is to be retained in the Employment Security Administration account.

Federal Unemployment Account (Loan Fund) ceiling is changed to \$550 million or 0.125 percent of total wages in covered employment, whichever is larger.

Provides that when all three accounts reach their statutory limits and when any advances from Treasury general funds have been repaid; any excess is to be distributed to accounts of the individual States.

Extends coverage, effective January 1, 1972, to:

- Employers who had one or more employees performing service in 20 weeks in a calendar year or a quarterly payroll of \$1500;
- Nonprofit organizations of four or more employees (excluding churches, religious organizations, and primary or secondary schools), State hospitals and State institutions of higher education (by requiring States to provide mandatory coverage);
- Outside salesman and agents and commission drivers;
- Certain categories of agricultural processing workers; and
- U.S. citizens working for American firms outside the U.S. (who are required to file their benefit claims in person within the U.S.).
- College faculty and other professional workers in colleges are covered but are not eligible for benefits (based on college employment) in summers or between terms if they have a contract to resume such work. States can exclude, from otherwise required coverage, students' spouses employed by schools under certain conditions, and workers in hospitals in which they are patients.

Requires States to offer covered nonprofit organizations the alternatives of either reimbursing the fund for benefit charges based on work performed for them or of paying taxes on the same basis as other employers. States are required to extend to municipal corporations or other governmental subdivisions the right to elect coverage for hospitals and colleges which they operate but if they do so elect, they are required to make reimbursements in the amount of benefits paid in lieu of contributions.

Effective January 1, 1972, raises the taxable wage base to \$4,200.

Provides that new employers in a State can be assigned a reduced rate of not less than 1 percent on a reasonable basis other than experience with unemployment.

Effective January 1, 1972, State laws are required to include these provisions:

- Benefits may not be paid in a second successive benefit year unless the claimant had some employment since the beginning of the preceding benefit year.
- Benefits may not be denied to workers who are in approved training.
- Benefits may not be reduced or denied because a person who has worked in one State files his claim in another State or Canada.
- States must participate in arrangements for combining wage credits when the earnings are in two or more States.

- Cancellation of wage credits or total reduction in benefit rights is prohibited except for misconduct in connection with a claim, or receipt of disqualifying income, such as part-time employment.

**P.L. 91-606, approved December 31, 1970**

*Disaster Relief Act of 1970*

Authorizes the President to provide an individual unemployed as a result of a major disaster any assistance he deems appropriate, but no more than the maximum benefits and duration available under the UI law of the State in which the disaster occurred. Benefits are payable under this Act from January 1971 through April 1974 when this Act was superseded by the Disaster Relief Act of 1974.

**P.L. 92-224, approved December 29, 1971 (HR 6065)**

*Emergency Unemployment Compensation Act of 1971*

Creates a new temporary compensation (TC) program providing additional extended benefits, effective January 30, 1972, and ending September 30, 1972.

Financed entirely by the Federal Government.

Triggers on for a State when its insured unemployment rate, plus an adjustment rate for exhaustees, is 6.5 percent or more, provided the trigger for payment of benefits under the Federal State Extended Unemployment Compensation Act of 1970 is in effect or terminated solely because the State no longer met the requirement of an insured unemployment rate of at least 120 percent of the average of the rates for the corresponding periods of the two preceding years.

During this emergency benefit period a claimant is eligible for either up to 13 more weeks of benefits or half of the State's maximum of regular benefits, whichever is less.

Extends the Reed Act (P.L. 83-567), authority for States to use funds returned as surplus FUTA tax receipts for administrative purpose, from 1973 to 1983.

**P.L. 92-329, approved June 30, 1972 (HR 15587)**

*(No title)*

Extends the Emergency Extended Unemployment Compensation Act of 1971 to March 31, 1973.

To finance this extension, the Federal unemployment tax for 1973 is increased from 3.2 percent

to 3.28 percent, the Federal share of which is 0.58 percent.

### **October 1972 - October 1976**

Between October 1972 and the end of 1976, Congress enacts 7 bills suspending, temporarily, the 120 percent requirement of the permanent extended benefit program provided in Public Law 91-373.

- **P.L. 93-572, approved December 31, 1974** (Federal Supplemental Benefits), waived the 120 percent before December 31, 1976, and beginning after December 31, 1974) and changed the national "off" and "on" triggers specified in the State laws from 4.5 percent to 4.0 percent for the same period.
- The last such bill, **P.L. 94-566, approved October 20, 1976**, permits States permanently to waive the 120 percent factor when the State insured unemployment rate reaches 5 percent. The provision applied to weeks beginning after March 30, 1977.
- The list of these bills is as follows:
  - **P.L. 92-259, approved October 27, 1972.**
  - **P.L. 93-53, approved July 1, 1973.**
  - **P.L. 93-233, approved December 31, 1973.**
  - **P.L. 93-256, approved March 28, 1974.**
  - **P.L. 93-329, approved June 30, 1974.**
  - **P.L. 93-572, approved December 31, 1974.**
  - **P.L. 94-566, approved October 20, 1976.**

### **P.L. 93-288, approved May 22, 1974 (S 3062)**

#### *Disaster Relief Act of 1974*

Authorizes the President to provide appropriate assistance to individuals unemployed as a result of a major disaster. Assistance is to continue no longer than one year after the major disaster is declared. The amount of disaster assistance is deductible from regular UI and cannot exceed the maximum weekly benefit amount of the State in which disaster occurs. This program operates through agreements with State agencies.



**P.L. 93-567, approved December 31, 1974 (HR 16596)**

*Emergency Jobs and Unemployment Assistance Act of 1974*

Provides wholly federally financed Special Unemployment Assistance (SUA) to individuals who have no benefit rights under the terms of the applicable State unemployment insurance law subject to certain modifications.

All of their employment and wages during the base period is to be considered, whether or not covered under the State unemployment insurance law. The base period to be used, regardless of the provisions of the State unemployment insurance law, is the 52-week period immediately preceding the filing of a valid initial claim for SUA.

The maximum duration of SUA for any individual is 26 weeks.

This program, originally scheduled to expire at the end of 1975, is extended by P.L. 94-566 for new claims to January 1, 1978 and for continued claims to July 1, 1978.

**P.L. 93-572, approved December 31, 1974 (HR 17597)**

*Emergency Unemployment Compensation Act of 1974*

Establishes an emergency unemployment compensation program in which States can participate under agreement with the Secretary of Labor. Up to 13 weeks of wholly federally financed Federal Supplemental Benefits (FSB) are paid to individuals who have exhausted all regular and extended benefits to which they were entitled.

Benefits are not payable before January 1, 1975 and not after December 31, 1976, for new claims and March 31, 1977 for continued claims. Benefits are payable on the basis of the same triggers as in the extended benefits program provided that the National trigger is 4% instead of 4.5%.

**P.L. 93-618, approved January 3, 1975 (HR 10710)**

*Trade Act of 1974*

Establishes the Trade Adjustment Assistance (TAA) program, providing benefits to workers adversely affected by imports. Weekly benefit amount is 70 percent of a worker's average weekly wage -- up to a maximum of the average national weekly wage paid to workers in manufacturing -- up to 52 weeks of benefits. Programs operate through agreements with States.

Effective from April 3, 1975; program expires September 30, 1982

Amends FUTA to reduce tax credits of employers in States without a trade agreement with the Secretary or where the agreement was not satisfactorily fulfilled, by 15 percent of the FUTA tax.

**P.L. 94-12, approved March 29, 1975 (HR 2166)**

*Tax Reduction Act of 1975*

Effective for weeks of unemployment ending before July 1, 1975, emergency unemployment compensation benefits were increased from the lesser of 50% of regular compensation or 13 weeks to the lesser of 100% of regular compensation or 26 weeks.

**P.L. 94-45, approved June 30, 1975 (HR 6900)**

*Emergency Compensation and Special Unemployment Assistance Extension Act of 1975*

Provides that, in order for an FSB trigger to be on, not only must the State and national triggers be on, but also the insured unemployment rate in the State for the preceding 13-week period must equal at least 5.0 percent. Limits the maximum duration of benefits in a 5.0 percent period to 13 weeks. Extends the program for all claimants until March 31, 1977.

Provides for a 3-year deferral of the tax credit reduction provisions applicable to borrowing States provided they met conditions prescribed by the Secretary of Labor.

**P.L. 94-444, approved October 1, 1976 (HR 12987)**

*Emergency Jobs Program Extension Act of 1976*

Provides for Federal reimbursement to the States for unemployment insurance paid to individuals separated from public service jobs under the Comprehensive Employment and Training Act (CETA).

**P.L. 94-566, approved October 20, 1976 (HR 10210)**

*The Unemployment Compensation Amendments of 1976*

Effective January 1, 1978, extends coverage to:

- Agricultural labor for employers with 10 or more workers in 20 weeks or who paid \$20,000 or more in cash wages in any calendar quarter.
- Household workers of employers who paid \$1,000 or more in any calendar quarter for such services.
- State and local governments with certain minor exceptions.

- Employees of nonprofit elementary and secondary schools.

The Virgin Islands is permitted to become part of the Federal-State unemployment insurance system.

Provides a transition from coverage under SUA to coverage under the regular UI program by stipulating that if a State agrees to pay benefits to qualified newly covered workers as of January 1, 1978, based on wages earned prior to that date, benefits paid through June 30, 1978 or after, which are based on newly covered wages earned prior to January 1, 1978, will be reimbursed from general Federal revenues. The Federal reimbursement is to be based on the ratio of a claimant's otherwise uncovered wages to his total base period wages.

Permits a State, by law, to provide that neither contributions-paying employers nor reimbursing employers are liable for the cost of benefits for which the State is reimbursed under the terms of the transition provisions.

Extended Special Unemployment Assistance (SUA) until December 31, 1977, for new claims and the program terminated for all claimants on June 30, 1978.

Amends certain financing provisions:

- Increases the taxable wage base from \$4,200 to \$6,000 as of January 1, 1978.
- Increases the net Federal tax rate from 0.5 percent to 0.7 percent as of January 1, 1977, to be reduced back to 0.5 percent after all advances to the Federal extended unemployment compensation account are repaid. The proportion of FUTA revenues allocated to the Federal extended unemployment compensation account is increased from 1-tenth to 5-fourteens of a percent as long as the net Federal tax rate remains 0.7 percent.
- Prohibits any sharing by the Federal Government of costs of extended benefits based upon services performed by workers for State and local governments, effective January 1, 1979.
- Permits States to request loans from the Federal Unemployment Trust Fund to pay benefits for a 3-month period, rather than a 1-month period, but funds continued to be paid to the States only on a month-to-month basis.
- Provides for pro-rata sharing of benefit costs when an individual's unemployment compensation benefits are based on both Federal and non-Federal employment. The Federal share is based on the ratio of Federal wages to total base period wages.

Under the extended benefit program, effective for weeks beginning after March 30, 1977, modifies the triggers in the extended benefits program to provide for the payment of extended benefits (benefit weeks 27 through 39) in a State when either of the following conditions is met:

- There is a seasonally adjusted national insured unemployment rate of 4.5 percent, based

on the most recent 13-week period;

- The unadjusted State insured unemployment rate is 4.0 percent, based on the most recent 13-week period, and the rate is 20 percent higher than the State's average insured unemployment rate for the corresponding 13-week period in the two preceding years. However, this latter condition can be waived by State law whenever the unadjusted insured unemployment rate is 5 percent or more.

Prohibits disqualification for unemployment compensation benefits solely on the basis of pregnancy.

Affords Federal employees the same unemployment compensation appeal procedures available to other unemployment compensation claimants in contesting the determination of the employing agency on the issue of cause of separation from work and work history.

Requires State UI laws to prohibit payment of benefits:

- To a professional athlete between successive seasons who had "reasonable assurance" of reemployment.
- To an alien not legally admitted to the United States for permanent residence.
- To a claimant receiving a pension: weekly benefits would be reduced by the amount of the weekly pension (Effective October 1, 1979).
- To a claimant based on services performed for educational institutions in instructional, research, or principal administrative capacities during periods between academic years or terms if an individual has either a contract or reasonable assurance of employment for both the prior and forthcoming academic terms.

Permits States to deny benefits based on services performed for educational institutions during periods between school terms to nonprofessional employees of primary and secondary educational institutions if an individual is employed at the end of the prior term and there is reasonable assurance he or she will be so employed during the forthcoming term.

Requires that, except for the between-terms denial provisions, compensation based on service performed for a State, a local government, or a nonprofit organization must be paid on the same terms and conditions as compensation based on other covered services.

Establishes a 13-member National Commission on Unemployment Compensation to study and report on the unemployment insurance program, with an interim report by March 31, 1978, and a final report due not later than January 1, 1979. Members were to be appointed: seven by the President, who designated the Chairman; and three each by the President Pro Tempore of the Senate and Speaker of the House of Representatives. It requires that labor, industry, the Federal Government, local government, and small business each be represented. The commission was directed to study and evaluate the present unemployment compensation programs in order to

assess the long-range needs of the programs, to consider alternatives, and to recommend any appropriate changes.

**P.L. 95-19, approved April 12, 1977 (HR 4800)**

*Emergency Unemployment Compensation Extension Act of 1977*

Amends the FSB program

- Limits the payment of FSB so that no such payment is made more than 2 years after the end of the benefit year for which the claimant exhausted regular benefits.
- Reduces the length of an emergency benefit period from 26 to 13 weeks.
- Extends the program to November 1, 1977, for new claims and February 1, 1978 for continued claims.
- Adds special Federal disqualifications for refusal of suitable work and failure to actively seek work.
- Defines suitable work for the FSB program; and adds special penalty and repayment provisions for fraudulent acts on the part of either claimant or employer.
- Provides general revenue financing of FSB from April 1, 1977.

Extends the deferral period for reduced offset credit because of nonpayment of loans for two years (in addition to the original 3-year deferral provided in P.L. 94-45), to 1980.

Clarifies the Federal standard requiring the denial of benefits to undocumented aliens.

Permits States to extend the blanket between-terms denial provision applicable to school employees to weeks of unemployment occurring during vacation periods and holiday recesses (in addition to weeks occurring between school terms or academic years) if the individual had reasonable assurance of reemployment.

Extends the due date of the final report of the National Commission from January 1, 1979, to July 1, 1979.

Extends the effective date of the Federal standard requiring reduction of benefits by retirement income from October 1, 1979 to April 1, 1980.

**P.L. 95-171, approved November 12, 1977 (HR 3387)**

*(No title)*

Amends FUTA to permit States to extend the blanket between-terms denial requirement, applicable to school employees, to employees of educational service agencies.

**P.L. 95-216, approved December 20, 1977 (HR 9346)**

*Social Security Amendments of 1977*

Requires State agencies to provide wage information to welfare agencies on request.

Provides for the annual (rather than quarterly) reporting of FICA wages.

For purposes of the FUTA, if two related employers concurrently employed the same individual and paid the person through a common paymaster, each corporation would be deemed to have paid only the amount actually disbursed by it to the person.

**P.L. 95-600, approved November 6, 1978 (HR 13511)**

*Revenue Act of 1978*

Subjects unemployment benefits to partial taxation under the income tax law for those whose adjusted gross income exceeded \$25,000 for a head of household or \$20,000 for a single filer.

**P.L. 96-84, approved October 10, 1979 (HR 3920)**

*(No title)*

Extends the exclusion from the FUTA of services performed by certain alien farm workers for 2 years (in addition to the 2 years prescribed in P.L. 94-566) but provides that these workers should be counted for determining if a farm operator has enough workers of payroll to be subject to Federal Unemployment Tax Act coverage.

Extends the final reporting date of the National Commission to June 30, 1980, and requires that the Commission cease to exist 90 days after the date of the final report.

**P.L. 96-249, approved May 26, 1980 (S 1309)**

*Food Stamp Act Amendments of 1980*

Amends the Social Security Act, (Effective January 1, 1983), requiring, as condition for Title III grants to States, that the State Employment Security Agency disclose to the Department of Agriculture for Food Stamp purposes, on a reimbursable basis for administrative costs and on request, whether an individual has received, is receiving, or has made application for UI, and whether the individual has received an offer of suitable work.

**P.L. 96-265, approved June 9, 1980 (HR 3236)**

*Social Security Disability Amendments of 1980*

Amends the Social Security Act (Effective January 1, 1980) to require, as a condition for Title III grants to States, that the State Employment Security Agency disclose to State or local child support enforcement agencies, on a reimbursable basis for administrative costs and on request, wage information in the agency records.

**P.L. 96-364, approved September 26, 1980 (HR 3904)**

*Multiemployer Pension Plan Amendments Act of 1980*

Amends the pension deduction requirement of FUTA, limiting the mandated deduction in State UI laws to that portion of an employee's pension funded by the base period employer;

Amends Title 5 of the U.S. Code to require that ex-service members have 365 days, rather than 90 days, of service to qualify for UCX benefits; and

Amends Section 202 of the Federal-State Extended Unemployment Compensation Act of 1970 of require that EB not be payable for more than 2 weeks to an interstate claimant unless the EB trigger is on in both the agent and paying States.

**P.L. 96-499, approved December 5, 1980 (HR 7765)**

*Omnibus Budget Reconciliation Act of 1980*

Amends the Emergency Jobs and Unemployment Assistance Act (P.L. 93-567), as later amended by P.L. 94-444, to provide for Federal reimbursement to the States from the Federal Unemployment Benefit Account (FUBA) for payment of UI to individuals separated from CETA public service jobs.

Terminates definition of “public service wages” as covered employment for services performed

in weeks that begin after December 5, 1980.

Amends the Federal-State Extended Unemployment Compensation Act of 1970:

- Eliminates the Federal 50 percent matching share for the first week of extended benefits in any State which does not have a waiting period for regular benefits or that has a waiting period for which benefits are paid retroactively (“at any time or under any circumstances”.) Where State legislation is needed, amendments are effective in the case of compensation paid to individuals during eligibility periods beginning after the end of the first regularly scheduled session of the State legislature ending after January 4, 1981.
- Provides for two new Federal standards, both effective for weeks of unemployment beginning after March 31, 1981:
  - State law must deny extended benefits to an individual during a period of unemployment for which, under State law, he or she is disqualified for State benefits because of voluntary quit, discharge for misconduct, or refusal of suitable work, even though the disqualification has been terminated under State law, unless the termination is based upon employment subsequent to the date of the disqualification. EB disqualification continues throughout the EB period.
  - State law must deny EB to an individual who fails to accept suitable work (as specifically defined in the amendment) or a referral to such work, or who fails to engage in a systematic and sustained search for work and fails to provide tangible evidence to the State agency of such effort. The disqualification will be terminated only after four weeks employment with earnings of at least four times weekly benefit amount.
- For certification of State laws, provides that the requirements of the two new Federal standards are conformity standards and are required to be included in State laws for certification of a State law by the Secretary of Labor on October 31, 1981, and for each year thereafter.

Amends the Unemployment for Federal Employees (UCFE) program (Chapt. 85, Title 5 USC)

- Establishes a special account within the Unemployment Trust Fund from which States are reimbursed for UCFE payments. Requires each Federal agency to reimburse the amount of benefit payments attributable to its former employees.
- Effective with respect to UCFE benefits attributable to services performed by individuals after December 31, 1980.

Employee taxes paid by the employer under Federal Insurance Contributions Act (FICA) and, where applicable, under State UI laws, are to be taxable under FUTA.



**P.L. 97-34, approved August 13, 1981 (HR 4242)**

*Economic Recovery Tax Act of 1981*

Adds to exclusions from FUTA coverage services excluded from Federal Insurance Contributions Act (FICA) under section 3121(b)(2) of the Internal Revenue Code (services performed by an individual engaged in fishing on boats which normally have crews of fewer than 10 individuals, and for which any remuneration is provided as a share of the catch or the proceeds of the catch). (Effective for calendar year 1981.)

**P.L. 97-35, approved August 13, 1981 (HR 3982)**

*Omnibus Budget Reconciliation Act of 1981*

Amends the Federal-State Extended Unemployment Compensation Act of 1970:

- Eliminates national trigger so that extended benefits are hereafter payable only in States with insured unemployment rates as provided in Federal law. Effective upon date of enactment, August 13, 1981.
- Excludes EB claims from calculation of the insured unemployment rate (IUR) for EB trigger purposes. Only claims for regular State unemployment compensation are included in calculating the extended benefit trigger rates. Effective upon date of enactment, August 13, 1981.
- Modifies State EB State triggers, as indicated below, and effective for weeks of unemployment beginning after September 25, 1982:
  - Makes extended benefits payable in any State in which IUR is at least 5 percent and is 20 percent higher than the average of the-same 13 week period in the 2 previous years.
  - When the "20 percent factor" is not met, a State, at its option may pay EB when the State IUR reaches 6 percent, regardless of the IUR in previous years.
- Requires that State law limit payment of EB to claimants who have worked at least 20 weeks in full-time insured unemployment or have earned the equivalent in insured wages. "Equivalent" is defined as earnings in covered unemployment which equal or exceed 40 times the weekly benefit amount (WBA) or 1-1/2 times highest quarter earnings in the individual's base period. Effective for weeks beginning after September 25, 1982.
- Provides for reduction of EB entitlement by TRA payments. If the benefit year of an individual ends within an EB period, the number of weeks of EB for which the 50 percent of cost is reimbursable by the Federal Government in the EB period is to be reduced by

the number of weeks in such benefit year in which TRA is paid to such individual.  
Effective for weeks beginning after September 30, 1981.

Amends the Unemployment Compensation for Ex-Servicemembers (UCX) program:

- Disqualifies UCX individuals who left the military at the end of term of enlistment and were eligible to reenlist. No change in prior requirement that individual must have served at least 365 or more continuous days in military service to qualify. Effective for all separations from the military which occurred on and after July 1, 1981, with respect to weeks of unemployment which occurred after date of enactment, August 13, 1981.

For purposes of child support intercept, State agencies, as a condition for grants under Title III, Social Security Act:

- Shall require each new UI claimant to disclose whether or not he owes child support obligations.
- Shall notify the appropriate State or local child support agency, if a claimant discloses that he or she owes child support and is determined to be eligible to receive UI benefits, of such determination of eligibility.
- Shall deduct and withhold from UI payable to the claimant, and forward to the child support agency, the proportionate amount of the individual's UI benefits specified in the agreement or otherwise.

Amends loan mechanism

- For any taxable year beginning with 1981, provides a cap on credit reductions at the higher of 0.6 or the rate for the State's rate for the prior year, if no State action is taken during the 12-month period ending on September 30 of the taxable year (excluding action under State law in effect prior to enactment of the Reconciliation Act) resulting in:
  - reduction in the State's tax effort or
  - a net decrease in the solvency of the State's unemployment compensation system.

For taxable years 1983-1987, in addition to the above results, additional requirements are that:

- The State UI tax rate for the taxable year equals or exceeds the average benefit cost ratio for calendar years in the 5-calendar year period ending with the last calendar year preceding the taxable year, and
- The outstanding balance for such State of advances under title XIII of the Social Security Act on September, 30 of such taxable year is not greater than the

outstanding balance for such State of such advances on September 30 of the third preceding taxable year (or, for purposes of applying this subparagraph to taxable year 1983--September 30, 1981).

- Except for cash flow loans, as defined below, interest is payable on all loans made to States on and after April 1, 1982, and before January 1, 1988, at the lesser rate of 10 percent or the rate of interest paid in the last quarter of the preceding calendar year to State balances in the Federal Unemployment Trust Fund.
  - Cash flow loan – No interest is required to be paid with respect to a loan made during any calendar year if the loan is repaid in full by no later than September 30 of the same year. However, if a second or subsequent loan is made after September 30 but during the same calendar year, interest is also payable for the period during which the earlier loan is outstanding.
  - Due dates for payment of interest – Interest attributable to any periods during a fiscal year is to be paid by the State to the Secretary of the Treasury not later than the first day of the following fiscal year. If interest becomes payable retroactively on a loan made earlier in fiscal year by virtue of another loan made to the State after September 30 of the same calendar year, interest on the earlier loan (which has been repaid prior to September 30) is to be paid not later than the day after the later loan was made.
  - Postponement of interest – In the case of any loan made during the last 5 months of any fiscal year (May 1 - September 30), interest on such loans (attributable to periods during such fiscal year) is not required to be paid before the last day of the succeeding taxable year. Any such deferred interest is to bear interest in the same manner as if it had been a loan made on the day in which it would otherwise have been required to be paid.
- Interest required to be paid under the amendment is not to be paid (directly or indirectly) by a State from amounts in its unemployment fund. If the Secretary of Labor determines that any State action results in the payment of interest directly or indirectly (by an equivalent reduction in State unemployment taxes or otherwise) from such unemployment fund, the Secretary will not certify such State's unemployment compensation law for FUTA tax credit.
- Crediting of loan repayments
  - Any voluntary loan repayment made by a State should be applied against loans on a last made first repaid basis (LIFO). This will enable a State to reduce or eliminate interest payments due and loans made after April 1, 1982.
  - Any other loan repayment should be applied on a first made first repaid basis (FIFO). This provision applies essentially to loan reductions brought about by deductions in FUTA offset credit resulting in higher FUTA net tax payments by

employers in a debtor State; such payments in excess of 0.7 percent are to be credited against a State's outstanding loans.

- Effective dates: these provisions apply only to loans made on or after April 1, 1982, and before January 1, 1988.

#### Provisions relating to Trade Adjustment Assistance

- Changes "contributed importantly" to "substantial cause" as the basic requirement for certification, with respect to petitions filed on or after 180th day after enactment.
- Broadens Secretary of Labor's responsibilities to workers, expanding information required to include program benefits and services, application procedures and application dates, and to inform State vocational education and other interests of certifications issued and possible training needs; requires Secretary to insure and review State program compliance.
- Qualifying requirements for workers
  - Payments are to be made only to an adversely affected worker who files an application for TRA for any week that begins more than 60 days after the date the petition is filed. (Changed from: after the date specified in the certification.)
  - Liberalizes 26-weeks pre-layoff requirements:
    - ✓ includes the week of employment in which separation occurred as qualifying week; and
    - ✓ counts as qualifying weeks up to 3 weeks of employer-authorized leave for vacation, sickness, injury, maternity, or to serve as full-time union representatives, or up to 7 weeks of disability covered by worker's compensation, or up to 7 weeks combining disability and not more than 3 weeks of employer-authorized or union leave.
  - Adds requirements that worker:
    - ✓ receive credit for any waiting week under State or Federal UI law;
    - ✓ exhaust all UI to which entitled in recent benefit period;
    - ✓ not be entitled to further UI or waiting period;
    - ✓ comply with EB "suitable work" requirements;
    - ✓ cannot collect another round of TRA benefits under same certification after exhaustion of subsequent UI benefit period.

- Search for Work/Availability for Training. Permits Secretary, after first 8 weeks of TRA eligibility, effective for weeks of TRA payable after September 30, 1981, to:
  - ✓ require all workers in a labor market area to accept training for a period no longer than their remaining TRA benefits, or
  - ✓ extend job search beyond the area if unemployment is high, suitable work opportunities are not available, training facilities are available, and training is approved for the individual worker.
- Amount of allowance is the same as weekly benefit amount (WBA) paid to worker under recent regular UI claim, reduced by any training allowance and by any income deductible from UI under disqualifying income provisions of applicable State law, effective date: For weeks of TRA payable after September 30, 1981.
- Total amount of TRA payments are not to exceed amount which, when added to regular UI entitlement, will equal 52 times regular UI weekly benefit amount. Effective date: TRA is to be payable for weeks of unemployment beginning after September 30, 1981, except that current recipients before October 1 are entitled to remaining weeks of basic or training benefits under current programs but at new UI weekly benefit level.
- Training allowance not payable if worker does not apply for training within 210 days after date of the certification. (Changed from: Allowance not payable for week which begins more than 3 years after week of total or partial separation.)
- Eliminates older worker payments.
- Provides training and other employment services
  - If after determining that no suitable work is available, and it is determined that the worker will benefit from training, there is reasonable expectation of employment, and the worker is qualified, the Secretary might approve training for the worker. Upon such approval, the worker should be entitled to have costs of training paid by the Secretary. Secretary should submit quarterly report to Congress of training expenditures and demand. Effective for weeks of TRA payable after September 30, 1981
  - Employment services and training available to claimants even if EB "suitable work" is available; worker can not be disqualified or found to be ineligible for UI or TRA benefits for leaving lower-level or minimum wage EB-required work for training, or because of the application to any week of training of availability, active search for work, or job refusal requirements of State or Federal law. Effective for weeks of TRA payable after September 30, 1981.

- Increases supplemental assistance for "reasonable" expenses to an amount not to exceed actual per diem expenses or 50 percent of Federal per diem allowance for subsistence and the Federal travel regulations mileage rate. Effective for registrations for services and applications for allowances made or filed after September 30, 1981.
- Amends job search and relocations allowance provisions, effective for applications filed after September 30, 1981.
  - Increases job search allowance from 80 to 90 percent of necessary expenses and maximum to 600; increases relocation allowance from 80 to 90 percent of reasonable and necessary expenses and maximum lump sum to \$600. Increases allowance for expenses to same level as supplemental assistance for training under training and other employment services.
  - Certified workers partially laid off might file applications for job search or relocation allowances but are be totally separated to receive benefits. Job search applications are required to be filed within one year of date of certification or total layoff, whichever is later, or 6 months after training completion. Relocation applications required to be filed within 14 months after certification or layoff, whichever is later, or 6 months after training completion.
- Effective upon enactment, broadens prior law to provide for recovery of overpayments, whether fraudulent or otherwise, from TRA benefits, UI or any other Federal or State unemployment assistance or allowances payable to a worker. Secretary might waive under certain conditions. Workers ineligible for TRA benefits in case of fraudulent Statements or intentional withholding of information. No payment or deduction required until notice of determination, opportunity for fair hearing, and determination becomes final.
- Authorizes such sums as may be necessary for each of fiscal years 1982 and 1983, and extends basic authorization for the program by one year, until September 30, 1983.

**P.L. 97-248, approved September 3, 1982 (HR 4961)**

*Tax Equity and Fiscal Responsibility Act of 1982*

Establishes the Federal Supplemental Compensation (FSC) program to provide additional weeks of benefits in all States, beginning with later of September 12, 1982, or date of execution by State of agreement with the Secretary of Labor.

- Effective from above indicated effective date through March 31, 1983.
- Benefits under FSC are payable as follows:

- up to 10 weeks for unemployed workers in a State that was in EB status at some time on or after June 1, 1982.
- up to 8 weeks in State with EB trigger rate (IUR) at or above 3.5 percent.
- up to 6 weeks in all other States.
- FSC is payable to unemployed worker whose entitlement to UI or EB ended on or after June 1, 1982, and who:
  - has exhausted all State UI and EB to which entitled
  - has worked 20 weeks or equivalent during applicable State base period; and
  - meets all other State UI and EB requirements.
- Benefit and administrative costs paid from Federal general revenues.

#### Amends FUTA taxable wage base and tax rate

- Increases the FUTA wage base of individual annual earnings paid by an employer from \$6,000 to \$7,000. This requires each State, for its employers to qualify for FUTA tax credit on \$7,000, to have a taxable wage base of at least that amount. (Effective date: January 1, 1983)
- Increases gross FUTA tax from 3.4 to 3.5 percent. Employers in States with approved UI laws continue to receive a 2.7 percent credit against the FUTA tax. The standard net Federal FUTA tax becomes 0.8 percent. (Effective date: January 1, 1983.)
- Increases gross FUTA tax from 3.5 to 6.2 percent. This includes a permanent tax of 0.6 percent plus a temporary 0.2 percent that continues in effect until all general revenue advances to the Federal Extended Unemployment Compensation Account (EUCA) have been repaid. The offset credit for State employers increases to 5.4 percent, so that the net Federal tax rate remains at 0.8 percent until the EUCA account has repaid all general revenue advances; at such time it drops to 0.6 percent. The taxable wage base remains at \$7,000. State experience rating schedules are required to have a maximum rate of at least 5.4 percent. (Effective date: January 1, 1985, but provided a 5-year phase-in period for State UI laws which provide a rate uniform above 2.7 percent for certain groups of employers).

#### Modifies allocation of FUTA revenues among accounts in Federal Unemployment Trust Fund

- Allocations for periods beginning January 1, 1983, revenues from the 0.8 percent Federal tax to be distributed as follows:
  - Sixty percent (or 0.48 percentage points) to be allocated to the Employment

Security Administration Account (ESAA).

- Forty percent (or 0.32 percentage points) to be allocated to the EUCA account.
- Allocations after general fund advances to EUCA have been repaid (FUTA tax of 0.6 percent):
  - Ninety percent (or 0.54 percentage points) to be allocated to ESAA.
  - Ten percent (or 0.06 percentage points) to be allocated to EUCA.

#### Modifies Reed Act Provisions

- Extended for 10 years the authority for States to use Reed Act funds for administrative purposes:
  - 1956 allotments extended to 1991
  - 1957 allotments extended to 1992
  - 1958 allotments extended to 1993
- Permits States that have used such funds for payment of benefits to reestablish or replenish Reed Act Accounts upon request of the Governor, and after outstanding loans have been repaid by the State.
- Effective upon enactment (September 3, 1982).

Under extended benefit program, Federal 50 percent matching share of extended benefits (EB) not payable to State on that part of an EB payment which resulted from failure of State UI law to have a benefit structure in which benefit amounts are rounded down to the next lower dollar. Effective October 1, 1983, or after next legislative session in the State.

#### Modifies coverage FUTA coverage provisions:

- Removes age limitation (22) for exclusion of wages paid to student interns. Effective date: upon enactment (September 3, 1982).
- Extends for two years -- from January 1, 1982 to January 1, 1984 -- the prior exclusion of wages paid to certain alien farmworkers who are admitted for a temporary period of time. Effective date: January 1, 1982.
- Provides for a one-year period, for exclusion of wages paid for services performed in organized summer camps by individuals who are full-time students during the school year.



Amends income taxing provisions by reducing income thresholds limiting the inclusion of State and Federal UI benefits in adjusted gross income to \$12,000 (from \$20,000) for single taxpayers, and to \$18,000 (from \$25,000) for married taxpayers filing jointly. Estimated tax penalties for 1982 attributed to this change are waived. Effective: for benefits paid on or after January 1, 1982.

Permits States to make repayments on loans from State trust fund accounts in lieu of further reductions in credit against the gross FUTA tax if following requirements are met (called waiver):

- The State account has sufficient funds or sufficient income to enable it to repay an amount equal to at least the sum that the credit reduction would generate plus any advances made to the State during the year.
- After making payment under (see above bullet) the State retains enough funds in its account to pay all State benefits for the next three months.
- After receiving the first advance, or after date of enactment (September 3, 1982) the State makes a change in its UI law that results in an increase in the solvency of its unemployment compensation system. (Effective: for tax years beginning after December 31, 1982).

Eliminates, for qualified State, an additional credit reduction based on State's previous 5-year cost rate that began in the fifth year a State was subject to annual reductions in credit against FUTA because of outstanding loans. Applies to a debtor State in any tax year beginning after December 31, 1982, in which the State has taken no action during the 12-month period ending on September 30 which reduced the solvency of the State trust fund. (Effective: for tax years beginning after December 31, 1982).

Permits States with high unemployment to reduce interest payments on loans to 25 percent of the amount incurred in any year, and to thereby extend the payment of such obligation over a 4-year period, with interest charged on the amount deferred beyond the year in which otherwise due. Deferral is permitted of the amount of interest due for any calendar year in which the State insured unemployment rate (IUR) equaled or exceeded 7.5 percent during the first 6 months of the preceding calendar year. (Effective: for interest due after December 31, 1982).

Modifies treatment of some employees of certain institutions of higher education

- Permits States to deny UI payments to non-teaching, non-research, and non-administrative employees of colleges and universities during periods between academic years or terms, if there is reasonable assurance that the individual will be employed by the institution at the beginning of the forthcoming academic year or term. This makes Federal law consistent toward such employees of educational institutions.
- If any non-teaching, non-research, or non-administrative school employee is denied benefits and such employee is not offered an opportunity to be reemployed for the next

succeeding school year or term, such individual will be entitled to retroactive payment for each week for which the individual files a timely claim for benefits and for which compensation is denied solely because of (see paragraph above).

- Effective dates:
  - Effective with respect to weeks of unemployment beginning after date of enactment (September 3, 1982)
  - Insofar as retroactive payment is required to employees of educational institutions other than institutions of higher education, such requirement as a condition for certification of a State UI law by the Secretary of Labor does not become effective before January 1, 1984.

Directs the Secretary of Labor (DOL) to develop model legislation that can be used by States that wish to establish short-time compensation (worksharing) programs, and to furnish technical assistance to such States. The Secretary is directed to evaluate the operation and impact of such programs implemented by the States and to report his or her findings to Congress no later than October 1, 1985. Effective upon enactment (September 3, 1982).

Excludes from FUTA (and FICA) coverage of certain direct sellers and real estate sellers who are licensed direct sellers of real estate or who execute an agreement with an employer in which substantially all remuneration is based on sales or output (commission).

#### **P.L. 97-362, approved October 25, 1982 (HR 4717)**

##### *Miscellaneous Revenue Act of 1982*

Amends provisions of the unemployment compensation for ex-servicemembers (UCX) program:

- amends definition of “Federal service” to mean active service (including active duty for training purpose for a continuous period of 180 days or more) in the armed forces or the commissioned corps of the National Oceanic and Atmospheric Administration (NOAA); if with respect to such service:
  - the individual is discharged or released under honorable conditions (and, if an officer, does not resign for the good of the service); and
  - the individual is discharged or released after completing his/her first full term of active service, or
  - the individual is discharged before completing such term:
    - ✓ for the convenience of the Government,

- ✓ because of medical disqualification, pregnancy, parenthood, or service-incurred injury or disability,
  - ✓ because of hardship, or
  - ✓ because of personality disorder or inaptitude, but only if the service is continuous for 365 days or more.
- Benefits not payable before fifth week beginning after the week of discharge or release.
  - Aggregate amount of compensation under this or any other Federal law will not exceed 13 times the individual's weekly benefit amount for total unemployment (including payments under EB).
  - Amendments apply to terminations of service on or after July 1, 1981, but only with respect to eligibility for benefits for weeks of unemployment after date of enactment. Compensation payable in the case of benefit years established before date of enactment is not reduced. Date of Enactment: October 25, 1982
  - UCX payments charged to Department of Defense after October 1, 1983.

Excludes from coverage, for an additional 1 year period, service performed by individuals engaged in fishing on boats which normally have crews of fewer than 10 individuals, and for which any remuneration is provided as a share of the catch or proceeds of the catch. Effective for calendar year 1982)

Modifies conditions for approval of petition with respect to Trade Adjustment Assistance:

- Postpones until October 1, 1983, the change in causal relationship previously effective from February 9, 1982--from "contributed importantly" to "substantial cause" of reduced hours or closing of firm.
- Since September 30, 1983, is the expiration date of the Trade Act, this effectively repeals the change enacted on August 13, 1981 (already postponed to February 9, 1982) and leaves the "contributed importantly" language in effect.

**P.L. 97-424, approved January 6, 1983 (HR 6211)**

*Surface Transportation Assistance Act of 1982*

Changes triggers and duration of Federal Supplemental Compensation (FSC) program:

- States in a "higher unemployment period" (an IUR of 6.0 percent or more) pay up to a total of 16 weeks of FSC.

- States with an IUR of less than 6.0 percent but which were in an EB period at some time between June 1, 1982, and the date of enactment of this Act pay up to a total of 14 weeks of FSC.
- States in a “higher unemployment period” that would pay up to 16 weeks under this Act except that the extended benefit period began after enactment of the Highway Revenue Act of 1982 pay 12 weeks of FSC.
- States in an "intermediate unemployment period" (an IUR of at least 3.5 percent but less than 4.5 percent), and where the State does not pay EB during the life of the FSC program, pay up to a total of 10 weeks of FSC.
- All other States pay up to a total of 8 weeks of FSC.

Claimants who have exhausted FSC are eligible for these additional weeks regardless of whether they have met the eligibility requirements for UI in the period between exhaustion and enactment of the extension.

Once a State triggers into an "intermediate unemployment period" or a "high unemployment period" it remains there for at least 4 weeks unless it has triggered into a high or higher unemployment period earlier. A State continues in the higher unemployment period for at least 4 weeks.

Retains March 31, 1983 expiration date. Effective on enactment: January 6, 1983.

**P.L. 97-448, approved January 12, 1983 (HR 6056)**

*Technical Corrections Act of 1982*

December 1982 FSC Technical Amendment: The maximum number of weeks of FSC payable to an interstate claimant became the lesser of the number of weeks of FSC payable in either the agent or liable State. (This provision became effective as though it had been included in the original enactment.)

**P.L. 98-13, approved March 29, 1983 (HR 2369)**

*(No title)*

Ensures that the FSC program, scheduled to expire March 31, 1983, but to be extended for 6 months by P.L. 98-21 (see below), would not expire even though that bill would not be signed by March 31, 1983.

**P.L. 98-21, approved April 20, 1983 (HR 1900)**

*Social Security Amendments of 1983*

Amends definition of wages

- to include employer contributions under certain deferred compensation and salary reduction arrangements, and
- to exclude the value of employer-provided meals and lodging if the value is excluded from the employee's gross income.

Extends the FSC program from March 31, 1983, through September 30, 1983.

- Effective April 1, 1983 FSC benefits became payable as follows:
  - Basic FSC Benefits. Individuals who began receiving FSC on or after April 1, 1983 can receive up to a maximum of:
    - ✓ 14 weeks in States with average IUR 6.0 percent and above;
    - ✓ 12 weeks in States with average IUR 5.0 to 5.9 percent;
    - ✓ 10 weeks in States with average IUR 4.0 to 4.9 percent;
    - ✓ 8 weeks in all other States.
  - The maximum number of weeks payable in a State after April 1, 1983 can be no more than 4 weeks less than the maximum number of weeks payable under the FSC law in effect as of March 27, 1983.
  - Individuals who exhaust FSC on or before April 1, 1983 can receive additional weeks equal to three-fourths of the basic FSC entitlement payable in the State, up to a maximum of:
    - 10 weeks in the States with an average IUR of 6.0 or above;
    - 8 weeks in the States with an average IUR of 4.0 to 5.9;
    - 6 weeks in the States with an average IUR of 4.0 and below.
  - Transitional FSC Benefits. Individuals who begin receiving FSC before April 1, 1983 and have some FSC entitlement remaining after that date, can also receive additional (i.e., transitional) weeks described above. However, the combination of their remaining basic FSC entitlement received after April 1, 1983, and the additional weeks cannot exceed the maximum number of weeks of basic FSC benefits payable in the State.

- Phaseout FSC Benefits. Individuals who have not exhausted their FSC entitlement on September 30, 1983, when the program expires, will be eligible to receive up to 50 percent of their remaining FSC entitlement. No new claimants can be added to the FSC program on or after September 30, 1983.

Makes permanent, the interest provision, originally scheduled to expire at the end of 1987.

- Interest can be deferred (for interest accrued in FY's 1983, 1984, 1985) and paid off in four installments of 25 percent increments in future years under the following conditions:
  - No reduction in a State's tax effort or trust fund solvency, and
  - either the State has reduced benefits and increased taxes by at least 25% or for FY 82 State UI tax revenues equal at least 2 percent of total wages of covered employers.
- In addition, interest can be delayed up to 9 months if the State's TUR in any calendar year after 1982 is 13.5% or higher.
- A discounted interest rate (1 percent less than the rate that would otherwise apply) is available to a State whose tax-increase/benefit-reduction is greater than that required for the deferred interest.
- Changes the date for payment of interest from the first day of the next fiscal year to before the first day of the next fiscal year.
- Requires a State to pay interest, when due, as a condition for all the State's employers to continue to receive offset credit against the FUTA tax and for the State to continue to receive grants for administration. (Effective on enactment)

The "cap" on automatic FUTA credit reductions (available if certain solvency requirements are met) which was scheduled to expire at the end of CY 1987, is made permanent. Certain special lower credit reductions are authorized for tax years 1983, 1984, and 1985 liabilities for States who failed to qualify for a total cap but who met at least 2 of the 4 requirements for the cap.

Redefines average employer contribution rate to include all of a State's taxable wages, rather than only the Federal taxable wage, in determining a State's average tax rate, in order to more accurately reflect a State's tax effort, and the fact that many States have wage bases above the Federal base. Effective for taxable years beginning with 1983).

Requires States to apply the between-terms denial of benefits to employees of educational institutions and educational service agencies who are employed in a noninstructional, nonresearch or nonprincipal administrative capacity, and who have reasonable assurance of reemployment in the next year or term. Permits States to apply the between terms denial to individuals who perform services on behalf of an educational institution or an educational

service agency even though not employed by either the institution or agency. Effective for weeks beginning April 1, 1984, and after the end of the first session of the State legislature which began after date of enactment and remained in session at least 25 days.

Permits States to make week-to-week eligibility determinations for EB claimants serving on jury duty or hospitalized with an emergency or life-threatening condition if the State applies the same conditions to its regular UI claimants. Absent this amendment, States were required to deny EB to claimants prevented from seeking work because of jury duty or hospitalization until they returned to work for at least 4 weeks and earned 4 times the weekly benefit amount.

Gives States the option of deducting an amount from the unemployment compensation benefits otherwise payable to an individual and using the amount deducted to pay for health insurance if the individual elects to have the deduction made and the deduction is made under a program approved by the Secretary of Labor. Effective upon enactment.

Permits a nonprofit organization (501(c)(3)) that elects to switch from the contribution to the reimbursement method of financing unemployment benefits to apply any accumulated balance in its State unemployment account to costs incurred after it switches to the reimbursement method, under the following conditions:

- the organization has not elected to switch to the reimbursement method under prior authority because during these periods the organization is treated as a 501(c)(4) organization by the Internal Revenue Service, but the organization has been subsequently determined by the IRS to be a 501(c)(3) organization: and,
- the organization elects to switch to the reimbursement method before the earlier of 18 months after such election is first available to it under State law or January 1, 1984.

**P.L. 98-92, approved September 2, 1983 (HR 3409)**

*(No title)*

Amends the Federal Supplemental Compensation Act of 1982 as follows:

- Limits the Reduction in the Weeks of FSC payable in a State which lost four or more weeks of benefits between the weeks beginning March 27, 1983 and July 24, 1983 to the number of weeks payable for the week beginning July 24. States were frozen at that level for the week beginning August 7, 1983, to the expiration of the FSC program on September 30, 1983.
- Affects Individual Eligibility for FSC by providing, in the case of an FSC account established before June 5, 1983, that the weeks of entitlement for an individual cannot be less than the number of weeks payable in the State for the week beginning March 27, 1983, reduced by four.

**P.L. 98-118, approved October 11, 1983 (HR 4101)**

*Federal Supplemental Compensation Extension of 1983*

Extends the Federal Supplemental Compensation Act of 1982 until October 18, 1983.

Provides that no interest is payable on any cash flow loans repaid by a State by September 30 of the year in which loans are taken out.

**P.L. 98-120, approved October, 12, 1983 (HR 3818)**

*(No title)*

Reauthorizes the Trade Act of 1974, extending programs dealing with TAA benefits and allowances for workers and assistance to firms which are trade-impacted to September 30, 1985.

Establishes a “contributed importantly” test for group eligibility in place of “a substantial cause” test. Specifies that the term “contributed importantly” means a cause that is important, but not necessarily more important than any other cause.

**P.L. 98-135, approved October 24, 1983 (HR 3929)**

*Federal Supplemental Compensation Amendments of 1983*

Amends the Federal Supplemental Compensation program as follows:

- Extends provisions of the Act to March 31, 1985.
- Eliminates any phase-out payments after March 31, 1985, expiration date.
- Amends FSC benefit provisions
  - Basic FSC benefits (Effective from October 23, 1983)
    - ✓ 14 weeks---State IUR of 6 percent or more OR long-term IUR of 5.5 percent or more\*
    - ✓ 12 weeks --State IUR of 5-5.9 percent OR long-term IUR of 4.5-5.4 percent\*
    - ✓ 10 weeks --State IUR between 4 and 4.9 percent weeks
    - ✓ 8 weeks --State IUR of less than 4 percent.



\*Long-term IUR in the State calculated for period consisting of the last week beginning in the second calendar quarter ending before the week for which determination is made and all weeks preceding such date which begin on or after January 1, 1982.

- Additional FSC benefits, for individuals who first began receiving FSC on or after April 1, 1983--
  - ✓ up to 5 weeks additional FSC entitlement for those who exhausted FSC before week of October 23, 1983.
- Stabilizers, for those receiving FSC the week of October 23, 1983:
  - ✓ up to 4 weeks additional FSC entitlement in States with 12 or 14 weeks basic FSC as of that week,
  - ✓ up to 2 weeks additional FSC entitlement in States with 8 or 10 weeks basic entitlement.
- Transition rule: Any remaining FSC entitlement after week of October 16, 1983, and additional weeks cannot exceed the maximum number of weeks of basic FSC payable in the State during the week of October 23, 1983.
  - ✓ Individuals are frozen at the level for which they qualified when they first filed claim for FSC; no increase or decrease in number of weeks of entitlement. (Except that interstate claimants are limited to the lesser of the number of weeks of FSC payable in either the agent or liable State.)
  - ✓ State applicable benefit period is frozen for 13 weeks at a time, with no increase or decrease in number of weeks during this period. When a State does change, it can only gain or lose 2 weeks for next 13-week period.

Amends FUTA to exclude from taxable wages any payment made by an employer to a survivor or estate of a former employee after the calendar year in which such employee died.

Extends for an additional 2 years, to December 31, 1985, the exclusion from coverage of wages paid to certain alien farmworkers brought into the country under contract for fixed periods of time.

Revises mechanics of repaying to the general fund of the Treasury repayable advances which have been made to the Federal Unemployment Account.

Directs the Secretary of Labor, not later than April 1, 1984, to submit a report to Congress on:

- the feasibility of using area triggers in unemployment compensation programs, and

- the feasibility of determining whether individuals filing claims for unemployment compensation are structurally unemployed.

Directs the Secretary of Labor, the Director of the Office of Personnel Management, and the Attorney General to enter into such cooperative arrangements as would assist State UI agencies to review and act as appropriate upon information concerning the eligibility for UI benefits of retired Federal employees and Federal prisoners.

Directs the Secretary to report to the Congress, prior to January 31, 1984, upon such arrangements that have been entered into and any arrangements which can be entered into with other State agencies for the purpose of ensuring that UI is not paid to retired individuals or prisoners "in violation of law." The report is to include any recommendations for necessary legislation to carry out this purpose.

**P.L. 98-369, approved July 18, 1984 (HR 4170)**

*Deficit Reduction Act of 1984*

Provisions relating to UI include:

Amends the definition of wages to include tips as well as payments made directly to the employee by the employer, including tips made by credit card as well as in cash, where the tip income is reported to the employer by the employee. Effective January 1, 1986, except for employers in States in which the legislature does not meet in regular session under certain conditions, in which case January 1, 1987 would apply.

Extends for an additional 2 years, to December 31, 1984, the exclusion from coverage of services performed by an individual engaged as a crew member of certain fishing boats, which normally had crews of fewer than 10 individuals, and for which any remuneration is provided as a share of the catch or the proceeds of the catch (as in section 3121(b)(20) of FICA).

Establishes an Income [and Eligibility] Verification System

- Amends Title III, Social Security Act (grants to States for administrative costs of the UI program) to require that the State UI law provide that information is to be requested and exchanged for purposes of income and eligibility verification in accordance with a State system of employer reports of quarterly wages paid to employees (which could but need not be the UI wage record system). Effective April 1, 1985; waiver might be granted by the Secretary to extend effective date under certain conditions to September 30, 1986.
- Requires all States to have in effect, as a condition for compliance with federally aided assistance programs, a requirement that employers make quarterly reports of wages to a State agency (which might be the agency administering the State UI law). The Secretary of Labor is permitted to waive this requirement if he determines that the State has in

effect an alternative system which is as effective and timely for purposes of providing employment related income and eligibility data. Effective September 30, 1988.

Amends the Trade Adjustment Assistance program as follows:

- With respect to the additional 26 weeks of Trade Readjustment Allowances available to workers while in approved training, the additional 26 weeks of TRA are to be payable during the 26 weeks which begin with the first week of training if that training is not approved until after the last week of entitlement to basic TRA. (Under prior law, the 26 additional weeks of TRA while in training were payable only during the 26 weeks immediately following exhaustion of entitlement to basic TRA.)
- Increases maximum job search and relocation allowances from \$600 to \$800.

Income taxing of UI benefits will not apply to UI benefits paid after CY 1978 with respect to any weeks of unemployment ending before December 1, 1978.

**P.L. 99-15, approved April 4, 1985 (HR 1866)**

*(No title).*

Amends Federal Supplemental Compensation program as follows:

- In the case of any individual who is receiving FSC for the week which includes March 31, 1985, such FSC continues to be payable to such individual, as under the law prior to this amendment, for any week thereafter, in a period of consecutive weeks for each of which he/she met the FSC eligibility requirements.
- Each State, to continue eligibility for FSC, is required, within a three-week period after an amendment to the agreement effecting this change is proposed by the Secretary of Labor, to enter into such modification. In the absence of such modification, the Secretary is required to terminate any present agreement effective with the end of the last week which ended on or before the end of the three-week period. States are empowered to pay FSC in accordance with this amendment for weeks beginning after March 31, 1985, and are to be reimbursed in accordance with the provisions of the Federal Supplemental Compensation Act of 1982.
- Remaining weeks of benefits are to be paid only for consecutive weeks of unemployment.

**P.L. 99-107, approved September 30, 1985 (HR 3452)**

*Emergency Extension Act of 1985*

Extends for 45 days the application of certain tobacco excise taxes, the Trade Adjustment Assistance Program, certain Medicare reimbursement provisions, and borrowing authority under the Railroad Unemployment Insurance program.

**P.L. 99-181, approved December 13, 1985 (HR 3918)**

*(No title)*

Extends the provisions of P.L. 99-107 until December 18, 1985.

**P.L. 99-189, approved December 18, 1985 (HR 3981)**

*(No title)*

Extends the provisions of P.L. 99-181 until December 19, 1985.

**P.L. 99-272, approved April 7, 1986 (HR 3128)**

*Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)*

Provides for cross-offset recovery of UI overpayments by:

- Amending Section 303(a)(5), SSA, to provide that amounts may be deducted from unemployment benefits and used to pay overpayments as provided in subsection (g).
- Amending Section 303, SSA, to add new subsection (g), which provides that a State may deduct from unemployment benefits an amount equal to any overpayment made to an individual under a Federal or State UI law that was not previously recovered. Any State may enter into an agreement with the Secretary of Labor for reciprocal recovery under Federal and State laws.
- Making appropriate conforming amendments to Section 3304(a)(4), FUTA.

For purposes of FSC, provides that employment during week or weeks including March 31, 1985, shall be disregarded with respect to consecutive weeks of unemployment requirement in FSC if the individual fails to meet the consecutive weeks requirement in the close-out of FSC by reason of performing certain temporary disaster services. This provision applies only to service performed as a member of the National Guard after being called up by the Governor of a State to perform services related to a major disaster that was declared by the President on June 3, 1985,

under the Disaster Relief Act.

Continues exclusions from coverage as provided below:

- Exemption from FUTA for wages paid for agricultural labor performed by aliens admitted to the United States pursuant to Section 214 (c) and 101(a)(15)(H) of the Immigration and Nationality Act. Extended only for wages paid before January 1, 1988.
- Permanent exemption from FUTA for wages paid to summer camp counselors who are full-time students, effective for wages paid after September 19, 1985.
- Permanent exemption from FUTA for wages paid to certain fishing boat crew members (applicable only if remuneration depends on the boat's catch and the crew normally consists of fewer than 10 members), effective for wages paid after December 31, 1980.

Makes adjustments in Railroad Unemployment Tax to increase tax rate; added a surtax if the RRUI program must borrow from the retirement program and eliminates expiration date of borrowing authority.

Amends the Trade Adjustment Assistance program as follows:

- Eligibility--Clarifies that both firm and worker assistance apply to agricultural workers and firms.
- Job Search Programs--Adds to the qualifying requirements for receipt of trade readjustment allowances that the worker must be enrolled in, or have completed, a job search program approved by the Secretary of Labor. This requirement is waived when the Secretary has determined that no acceptable job search program is reasonably available. Failure of the worker to continue participation in the job search program without justifiable cause terminates payment of TRA until the worker begins or resumes participation in the job search program.
- Qualifying weeks of Employment--Clarifies and simplifies the "weeks of employment" of workers who have been on specified types of leave (disability, vacation, sickness, etc.) and provides a maximum of 7 weeks credit for all of these cases except for compensable disability leave.
- Limitations--While the maximum amount of TRA plus UI benefits remains unchanged at 52 times the weekly TRA amount, the time period for payment of the benefit amount is extended to 104 weeks following exhaustion of regular UI benefits. Adds a provision prohibiting TRA for any week in which the individual is receiving on-the-job training and provides that if a worker is eligible for a training allowance under any Federal law other than TAA, the amount of such allowance will be deducted from the TRA otherwise payable.
- Job Training for Workers--Requires the Secretary to approve training to the extent

appropriated funds are available. Clarifies that reasonable expectation of employment does not mean employment immediately upon completion of training. Defines the types of training programs that the Secretary shall approve to include: on-the-job training, any training approved by the local JTPA PIC, and any other training programs approved by the Secretary. As to OJT, adds certain provisions protecting currently employed workers of the employer involved and requires the employer to certify that the trainee would be employed for at least 26 weeks after completion of the training.

- Agreements with the States--Adds provision that the agreement between the Secretary and the States could include agreements with the Employment Service, the JTPA, Title III agency or any other State or local agency administering job training or related programs. The cooperating agency is given the responsibility of advising each adversely affected worker to apply for training at the time the worker applies for allowances. Failure of the worker to apply for training is not cause for denial of TAA. The agency is also required to interview each such worker within 60 days after application for training to discuss suitable training opportunities available to the worker.
- Job Search Allowances--Requires the Secretary to reimburse any adversely affected worker for expenses incurred in participating in a job search program approved by the Secretary.
- Termination of TAA--No assistance, allowances or other payments might be provided under the program after September 30, 1991.
- Retroactivity--Program in effect on December 18, 1985, continues to date of enactment of this Act. Job Search program requirements apply to workers covered by petitions filed on or after date of enactment.
- Gramm-Rudman-Hollings--TRA payable under the Act for weeks of unemployment beginning March 1, 1986, to October 1, 1986, were to be reduced by non-defense sequester percentage.

**P.L. 99-514, approved October 22, 1986 (HR 3838)**

*Tax Reform Act of 1986*

Includes as taxable income (for purposes of income tax) any amount received under a law of the United States or of a State that is in the nature of unemployment compensation received after December 31, 1986, in taxable years ending after such date.

Amends exclusions for educational assistance programs and group legal service plans as follows:

- Extends such exclusions from 1985 to 1987.
- With respect to education assistance plans, increases maximum amount from \$5,000 to

\$5,250.

- Amendments applied to years ending after December 31, 1985.

Clarifies description of benefits which might be provided under Cafeteria Plans.

For purposes of the Targeted Jobs Tax Credit (TJTC):

- Extends termination of TJTC from December 31, 1985, to December 31, 1988.
- Modified conditions of credit.
- Amendments applied with respect to individuals who began work with the employer after December 31, 1985.

For purposes of services performed for certain tribal governments:

- Excludes from FUTA service performed in the employ of a qualified Indian tribal government if it was service which is performed:
  - before, on, or after date of enactment (October 22, 1986), but before January 1, 1988, and
  - during a period in which the Indian tribal government is not covered by a State UI program, and

with respect to which the FUTA tax has not been paid.

- "Qualified Indian tribal government" defined as an Indian tribal government the service for which is not covered by a State UI program on June 11, 1986.

**P.L. 99-595, approved October 31, 1986 (HR 5679)**

*(No title)*

Extends the exclusion from FUTA of wages paid to certain alien farmworkers from "before January 1, 1988," to "before January 1, 1993,".

**P.L. 99-603, approved November 6, 1986 (S 1200)**

*Immigration Reform and Control Act of 1986*

For purposes of verification of status requirements:

- Substitutes "income and eligibility verification system" for "income verification system".
- Requires any individual who is not a citizen or national of the U.S. is required to present either
  - alien registration documentation or other proof of immigration status from the Immigration and Naturalization Service (INS) that contains the individual's alien admission number or alien file number or numbers, or
  - such other documentation as the State determines constitutes reasonable evidence indicating a satisfactory immigration status.
- If such documentation is presented, the State is to utilize such number to verify with INS the individual's immigration status through a system designated by INS for use with the States that-
  - utilizes the individual's name, file number, admission number, or other means permitting efficient verification, and
  - protects the individual's privacy to the maximum degree possible.
- In any such case, if at the time of application for benefits the appropriate Statement is submitted but the required documentation is presented but not verified, the State-
  - shall provide a reasonable opportunity to submit to the State evidence indicating a satisfactory immigration status, and
  - may not delay, deny, reduce, or terminate the program on the basis of the individual's immigration status until such a reasonable opportunity has been provided.
- If the State determines that such individual is not in satisfactory immigration status-
  - the State shall deny or terminate the individual's eligibility for benefits, and
  - the applicable fair hearing process should be made available to such individual.
- Provides that each Federal agency (DOL) should not take any compliance, disallowance penalty, or other regulatory action against a State with respect to any error in the State's determination of eligibility based on citizenship or immigration status-
  - if the State has provided such eligibility based on a verification of satisfactory immigration status by INS,
  - because the State was required to provide a reasonable opportunity to submit documentation,



- because the State was required to wait for response of INS to the State's request for official verification of the immigration status of the individual, or
- because of a fair hearing process.
- Amends Title III, SSA, to include in grants to States for costs of administration "100 percent of so much of the reasonable costs of the reasonable expenditures of the State as are attributable to the costs of the implementation and operation of the immigration and status verification system".
- Requires Commissioner of INS to implement a system for verification of immigration status to be available to all the States by October 1, 1987. System shall not be used by INS for administrative (non-criminal) immigration purposes and shall not be implemented in a manner that provides for verification without regard to the sex, color, race, religion, or nationality of the individual involved.
- The amendments generally take effect on October 1, 1988.
- Requires each appropriate Secretary to examine and report to appropriate Committees of Congress, by not later than April 1, 1988, concerning whether, and the extent to which-
  - the application of the amendments to the program is cost-effective and otherwise appropriate, and
  - there should be a waiver of the application of such amendments as noted below
  - The amendments shall not apply with respect to certain enumerated programs (including UI) until after the date of receipt of such report.
- Waiver in Certain Cases. If the appropriate Secretary determines on the Secretary's own initiative or upon application by an administering entity and based on such information as the Secretary deems persuasive, that-
  - the Secretary or the administering entity has in effect as timely a system as provided under the amendments, including hearing and appeals rights for beneficiaries, or
  - the costs of administering the system otherwise required exceed the estimated savings.
  - the Secretary may waive application of the system to the extent (by State or other geographic area or otherwise) that such determinations apply.

**P.L. 100-203, approved December 22, 1987 (HR 3545)**

*Omnibus Budget Reconciliation Act of 1987 (OBRA 87)*

Provides retroactive change in deadline for State UI laws to meet OBRA 80 requirements related to the Federal State Extended Unemployment Compensation Act relating with respect to the "work test". Deadline is changed from April 1, 1981, to October 31, 1981, except for one State, where deadline is October 31, 1982. The change is for purposes of determining Federal reimbursement only.

Directs Secretary of Labor to carry out three demonstration projects, under agreements with three States, to test the feasibility of providing self-employment allowances (SEA) to UI recipients

- States selected on the basis of:
  - availability and quality of technical assistance currently provided by agencies of the State to the self-employed;
  - existing local market conditions and the business climate for new, small business enterprises in the State;
  - the adequacy of State resources to carry out a regular UI program and a program under this section;
  - the range and extent of specialized services to be provided by the State to individuals covered by such an agreement;
  - the design of the evaluation to be applied by the State to the program, and
  - the standards which are to be utilized by the State for the purpose of assuring that individuals who will receive self-employment assistance under this section will have sufficient experience (or training) and ability to be self-employed.
- Key provisions of State agreement
  - self-allowances to apply to eligible individual in a benefit year within 3-year period of the agreement
  - allowances shall be under same general conditions as for benefits under State UI law except that:
    - ✓ State and Federal requirements relating to availability for work, active search for work, or referral to accept suitable work shall not apply; and
    - ✓ each individual shall be considered to be unemployed under applicable UI law.

- amount paid under this act shall be charged against amount for which individual may be eligible for UI or EB, and total amount may not be more than applicable total under UI or EB.
- Detailed evaluation required by each State operating under agreement.
- State may use State UI reserves for all costs except costs of administration. Self-allowances shall be considered as compensation under EB as appropriate.
- Title III granted funds may not be used for costs of administration of this program.
- Secretary shall issue an interim report to Congress not later than 2 years after date of enactment and a final report not later than 4 years, including-
  - information on the extent to which this section has been utilized,
  - an analysis of any barriers to utilization; and
  - an analysis of the feasibility of extending the provisions of this section to individuals not covered by State UI laws.
- Appropriate provisions relating to fraud and overpayment.
- An "eligible individual" means an individual who-
  - is eligible to receive UI or EB during the benefit year;
  - is likely to receive UI/EB for the maximum number of weeks for which UI/EB is made available under State law during such benefit year;
  - submits an application to the State agency for a self-employment allowance under this section; and
  - meets applicable State requirements, except that during a fiscal year, the number of eligible individuals shall be not more than
    - ✓ 3 percent of the number of individuals eligible to receive UI at the beginning of a fiscal year, or
    - ✓ the number of persons who exhausted their UI in the prior fiscal year, whichever is less.
- "Self-employment allowances" means compensation paid under this section, and
- The terms "compensation", "extended compensation", "regular compensation", "benefit

year", "State", and "State law" shall have the meanings given to such terms under the Federal-State Extended Unemployment Compensation Act of 1970.

Extends through December 1990 the FUTA tax rate of 6.2 percent. Thereafter the rate drops to 6.0 percent. The maximum State employer offset credit remains at 5.4 percent in each case.

Amends Title IX, SSA, to provide for the following changes with respect to FUA and EUCA, with respect to calendar years 1988, 1989, and 1990-

- Transfers an amount equal to the 0.2 percent surtax from the Employment Security Administration Account (ESAA) to FUA and EUCA in an amount equal to 50 percent of the surtax to each account.
- Increases the FUA ceiling from "one-eighth" to "five-eighth" of 1 percent of total wages covered under State UI laws.
- Increases the EUCA ceiling from "one-eighth" to "three-eighths" of 1 percent of total wages covered under State UI laws.

Regarding interest provisions:

- Requires that interest be paid on advances made from the General Fund to EUCA and FUA, with respect to all advances made after date of enactment, December 22, 1987.
- Interest be charged at the same rate borne by all interest bearing obligations of the United States then forming part of the public debt.
- Interest paid by States upon advances (loans) on or after December 22, 1987, be credited to FUA (instead of being deposited in the General Fund, as heretofore).

**P.L. 100-418, approved August 23, 1988 (HR 4848)**

*Omnibus Trade and Competitiveness Act of 1988*

Reauthorizes the TRA program for 2 additional years from September 30, 1991 to September 30, 1993.

Expands eligibility to workers in the oil and gas industry (exploration and drilling) effective on date of enactment. Retroactive to workers laid off after September 30, 1985, covered by a certification petition filed within 90 days after enactment.

Expands eligibility to otherwise qualified workers of firms that supply essential goods (parts, materials, or services) to directly affected firms. Effective one year after the trust fund under Sec. 1427 is established.

Requires the Secretary to provide written notice by mail of the trade adjustment assistance benefits available under the act to each worker whom the Secretary has reason to believe is covered by a certification. In addition, the Secretary is required to publish notice of such benefits in newspapers of general circulations in the areas in which workers covered by such certifications reside.

Requires training as a condition for receiving TRA benefits unless training is not feasible or appropriate. This requirement is waived when the Secretary has determined that it is not feasible or appropriate to approve a training program. Failure of the worker to begin or continue participation in the approved training program without justifiable cause terminates payment of TRA until the worker begins or resumes participation in the training program.

- The Secretary is to submit an annual report to Congress on the number of workers who received certifications that it is not feasible or appropriate to have training approved.
- Workers are to be treated as participating in approved training and eligible for TRA benefits while in training during a training break which does not exceed 14 days if the break is provided under such training program (e.g., semester breaks).

Requires DOL to establish one or more demonstration projects to evaluate supplemental wage allowances as an option for workers qualified for TRA who take a new full-time job paying less than their previous job.

- Secretary to submit report to Congress evaluating results, with recommendations within 3 years after enactment.

Removes appropriation limitation and requires the Secretary to approve training for a worker if the 5 criteria in present law are met, plus a new sixth criterion requiring training to be appropriate for suitable employment and available at a reasonable cost. Criteria also include requirement that approved training be "reasonably" available. Approval entitles worker to payment of cost directly or through a voucher system, subject to total annual training cost entitlement cap of \$80 million. Effective on enactment for workers certified eligible on or after that date.

- The cap would increase to \$120 million effective on the date that is one year after the first date on which a new trust fund (see section 1427 discussion below) financed by a new uniform ad valorem import fee (see section 1428 discussion below) is established.
- Remedial education is included among options for approved training. OJT costs must be paid in 12 equal monthly installments. Permits partial payment of TAA training costs from other Federal and State funds.
- Prohibits approval of training programs if: costs are paid in total or in part under a non-government plan or program; the worker has entitlement to obtain training or funds for training under such program (no double dip); the worker is required to reimburse the plan or program for any portion of the costs of the training.

- Provides for coordination at the State level of the administration of training and other employment services between worker TAA and the dislocated worker program of JTPA.
- Requires each cooperating State or State agency to advise each worker who applies for UI benefits of the benefits available under the Trade Adjustment Act and of application procedures and deadlines.
- Eliminates the current requirement that the State agency must interview each adversely affected worker within 60 days after application for training, changing the language to "as soon as practicable".

Most recent separation from employment shall be used for determining beginning of a worker's eligibility period. Applies on enactment and retroactively to workers who were separated from employment between August 13, 1981, and April 7, 1986, if they have been continuously unemployed since original layoff and are enrolled in training.

Extends the TRA program authorities and authorizations through FY 1993. Appropriates (with amounts used to be charged against FY 1989 appropriated amounts) such amounts as may be necessary for additional FY 1988 payments incurred as a result of the changes in training, job search and relocation provisions during the period after the date of enactment (August 23, 1988) and before October 1, 1988.

Establishes a trust fund consisting of revenues from an import fee to go into effect if and when the import fee is imposed.

- President must seek GATT agreement and agreement of parties to bilateral free trade areas to permit imposition by parties of a small uniform duty on all imports (with limited exceptions) to fund TAA-type programs. Fee could not exceed program cost, up to a maximum level of 0.15 percent ad valorem.
- Provides 2 years for negotiations to seek agreement. If negotiations are successful, the fee would be imposed. If not successful, President to decide whether implementation of the fee was in the national interest. If he decides the fee is not in the national economic interest, he would not implement the fee, but instead would report to the Congress on his decisions and his reasons. Congress would have 90 days to pass a joint resolution disapproving President's decision.

**P.L. 100-485, approved October 13, 1988 (HR 1720)**

*Family Support Act of 1988*

This Act replaces the AFDC program with a new program emphasizing work, child support and needs-based family support supplements.

It includes amendments to Sections 303 and 304 of the Social Security Act requiring the SESAs to take actions in consonance with an agreement entered into between the Secretary of Labor and the Secretary of Health and Human Services to enable the Secretary of HHS to obtain prompt access to any wage and unemployment claims information, including any information that might be useful in locating noncustodial parents with child support obligations.

Compliance with this provision and with the terms of the agreement between the Secretaries is a necessary condition for receipt of administrative grants under Title III of the SSA.

This amendment becomes effective on the first day of the first calendar quarter which begins one year or more after the date of enactment. The agreement between the Secretaries is to be entered into not later than 90 days after the date of enactment.

Congress intends that the Department of Health and Human Services be billed by the Department of Labor for its costs and the costs incurred by the States and that DOL will, in turn, appropriately reimburse the SESAs for the cost of providing the information.

#### **PL 100-503, approved October 18, 1988 (S 496)**

##### *Computer Matching and Privacy Protection Act of 1988*

The purpose of this act is to regulate the use of computer matching conducted by Federal agencies or using Federal records subject to the Privacy Act of 1974 (5 USC 552(a)). The Act is designed to ensure privacy, integrity and verification of data disclosed for computer matching. The law contains three main elements:

- It requires that Federal agencies participating in "computer matching programs" enter into written matching agreements outlining the terms of disclosure and use of information employed and produced by the matching program. No disclosure of information may be made for computer matching purposes unless a matching agreement has been approved.
- It requires the establishment of a Data Integrity Board within each agency that conducts or participates in a matching program. The function of the Data Integrity Board is to oversee and coordinate the implementation of this Act by reviewing and approving matching agreements and by reviewing the matches in which its agency has participated in the past year to determine compliance with applicable laws, regulations, guidelines, and agency agreements, and to assess the cost and benefits of such programs.
- It requires the establishment of procedural safeguards for individuals whose records are matched in programs covered by the Act, including requirements for the independent verification of information yielded by computer matches, and notice to and opportunity for individuals to contest the findings of computer matching programs prior to adverse actions being taken against such individuals.

Generally, the law will cover only computerized matching involving a Federal agency as a

source or recipient of information. It is limited to those matches involving a Federal system of records that are made for the purpose of verifying information related to Federal benefit programs.

These provisions take effect 9 months after the date of enactment.

**PL 100-628, approved November 7, 1988 (HR 4352)**

*Stuart B. McKinney Homeless Assistance Amendments Act of 1988*

Amends JTPA to add a new program called "JEDI" - Jobs for Employable Dependent Individuals. In this new JTPA provision, bonus payments will be made to certain JTPA programs and program operators, based on successful placement of employable dependent individuals in continuous employment. "Continuous Employment" is defined as gainful employment under which wages or salaries are reportable for unemployment insurance purposes, and such wages or salaries are earned during a total of 4 out of 5 consecutive calendar quarters.

- The JEDI amendments do not provide for JTPA access to individual wage records data from the UI system data bases. Access to the requisite data thus becomes a matter to be determined under the provisions of the individual State UI laws.

Requires State Employment Security Agency to disclose records concerning wage and unemployment claims information to the Department of Housing and Urban Development and Public Housing Authorities. Under the provision, the Secretary of HUD may require any applicant for HUD assisted programs to sign a consent form authorizing the DHUD or Public Housing Agency to request from the State Employment Security Agency release of (on a reimbursable basis) wage and unemployment claims information concerning the applicant. Release of the information is restricted only to officers and employees of DHUD and Public Housing Authorities.

These amendments are effective (except as below) on September 30, 1989.

- At the initiative of a State or a State Agency, early implementation of the provisions may be approved by the secretary of Labor on any date before September 30, 1989 which is more than 90 days after the date of enactment.
- In the case of any State the legislature of which has not been in session for at least 30 calendar days between the date of enactment and September 30, 1989, the amendments to the SSA shall take effect 30 calendar days after the first day on which the legislature is in session on or after September-30, 1989.

These provisions and amendments cease to be effective (sunset) as of October 1, 1994.



**P.L. 100-647, approved November 10, 1988 (HR 4333)**

*Technical and Miscellaneous Revenue Act of 1988*

Provides that income derived by individual members of an Indian tribe or by a qualified Indian entity, from fishing-rights related activity is exempt from Federal and State tax, including income, social security, and unemployment compensation taxes.

For tax years beginning through the end of CY 1988, excludes (within Stated limits) from an employees income for employment tax purposes, certain --

- amounts paid for or incurred by the employer for educational assistance provided to the employee
- amounts contributed by an employer to a qualified group legal services plan for an employee.
- These are one-year extensions of provisions that had been allowed to lapse at the end of CY 1987.

Permits a State to treat certain persons who render dependent care or similar services as other than an employee for employment tax purposes for the period beginning on January 1, 1984, and ending on December 31, 1989. The term "employment tax" means any tax imposed by Subtitle C of the Internal Revenue Code of 1986.

Amends the definition of wages to reflect treatment of amounts received under cafeteria plans as defined in Section 125 of the Internal Revenue Code of 1986.

Amends the definition of wages to reflect the treatment of "includable gross income" arising by reason of the nondiscriminatory requirements of employee benefit plans as they relate to highly compensated employees which are set forth in section 89 of the Code.

**P.L. 100-689, approved November 18, 1988 (S 2049)**

*The Veterans Benefits and Program Improvements Act of 1988*

Requires that, not later than one year after the date of enactment, the Secretary of Labor and the Administrator of Veterans Affairs [Secretary] shall enter into a memorandum of understanding to define the relationship and responsibilities of the VA, DOL, and State and local agencies with respect to the provision of information to veterans on services and benefit eligibility, program application, issues resolution and the initiation of appeals procedures.

Requires the Assistant Secretary of Labor for Veterans Employment and Training, in consultation with the Office designated by the Secretary of Labor to coordinate the functions of the Secretary under Title III of JTPA as amended (P.L. 100-418, the Employment and Training

Assistance for Dislocated Workers Program) to coordinate the activities of the Secretary of Labor with respect to providing unemployed veterans with information, forms and assistance regarding the following programs:

- Title IV C of JTPA
- The Veterans Job Training Act
- Title III of JTPA
- Employment Assistance and Unemployment Compensation under the Trade Adjustment Assistance Program and under any other program administered by the Employment and Training Administration
- Educational Assistance
- Certification of a veteran as a member of a targeted group eligible for TJTC.

**P.L. 100-707, approved November 23, 1988 (HR 2707)**

*The Disaster Relief and Emergency Assistance Amendments of 1988*

Amends the Disaster Relief Act of 1974 (PL 93-288). Includes several amendments to the Disaster Unemployment Assistance Program (DUA):

- Payment of DUA is limited to only weeks of disaster-related unemployment with respect to which the individual is not entitled to any other Unemployment Compensation or waiting period credit.
- Payment of DUA is limited to a maximum of 26 weeks after the declaration of a major disaster (previously, the limit was one year).
- Repeals the provision reducing the amount of DUA by any amount of unemployment compensation or private income protection insurance compensation available to the individual.

**P.L. 101-239, approved December 19, 1989 (HR 3299)**

*Omnibus Budget Reconciliation Act of 1989*

Extends two provisions which had expired for taxable years beginning after December 31, 1988. Effective for taxable years beginning after December 31, 1988, and expiring taxable years beginning after September 30, 1990.

- Amounts paid for or incurred by the employer for educational assistance provided to the employee (with certain limits)
- Amounts contributed by an employer to a qualified group legal services plan on behalf of an employee (with certain limits).

For both provisions, for taxable years beginning in 1990, the exclusions are limited to amounts paid by the employer on or before September 30, 1990.

**P.L. 101-453, approved October 24, 1990 (HR 4279)**

*Cash Management Improvement Act of 1990*

Authorizes the Secretary of the Treasury to issue regulations requiring a State to pay interest on Federal grant funds it receives before checks for the grant-related activities are cashed. The Federal government is required to pay interest to a State that has had to disburse its own funds before receiving a tardy Federal government payment.

The Secretary of the Treasury is directed to prescribe regulations that promote the timely disbursement of Federal funds and to assess penalties against Federal agencies that do not comply with such regulations. Interest payments received by the Federal government from a State on monies received from a trust fund shall be credited to that trust fund account rather than as miscellaneous receipts to the Treasury. A specific provision relating to the Unemployment Trust Fund provides

- That amounts of interest paid by a State, on funds drawn from its account in the Unemployment Trust Fund, shall be deposited into that account and shall consist of actual interest earnings by the State, less related banking costs incurred by the State, for the period for which interest is calculated.

The law is effective upon enactment (October 24, 1990), except that the States and the Federal government are afforded two years from that date before the interest payment procedures go into effect.

**P.L. 101-508, approved November 5, 1990 (HR 5835)**

*Omnibus Budget Reconciliation Act of 1990*

Extends the 0.2 percent temporary tax under FUTA through December 31, 1995. The temporary tax was originally scheduled to expire December 1987, but was extended through 1990 by P.L. 100-203. The gross FUTA tax remains at 6.2 percent, the maximum offset at 5.4 percent, and the net tax at 0.8 percent, for five additional years.

The distribution of the revenue generated by the FUTA tax among the accounts in the

unemployment trust fund will change to 90 percent to ESAA, 10 percent to EUCA, and overflow to FUA beginning in 1991.

Regarding the Reed Act:

- deletes the 35-year limitation on the expenditure of the 1956, 1957, and 1958 distributions of Reed Act funds. Therefore, the funds can be used for administrative purposes in perpetuity.
- specifies that future Reed Act distributions will be based on the Federal taxable wage base rather than the State taxable wage base.
- The amendments apply to fiscal years beginning after the date of enactment.

Extends the exclusion for employer-provided educational assistance benefits through taxable years beginning before January 1, 1992. Repeals the special rule limiting the exclusion in the case of a taxable year beginning in 1990. Repeals the restriction on graduate level courses. The amendments are effective for taxable years beginning after December 31, 1989, except for the last which is effective for taxable years beginning after December 31, 1990.

**P.L. 102-107, approved August 17, 1991 (HR 3201)**

*Emergency Unemployment Compensation Act of 1991*

This Act would have established an extended benefits program for workers who exhausted regular benefits before 9/1/1991 but after 4/1/91.

This law also would have restored ex-servicemembers benefits to the same levels as those received by civilians by:

- Providing up to 26 weeks of benefits rather than 13;
- Reducing the waiting weeks from 4 to that provided under state law; and
- Revising the number of continuous days a reservist is required to serve on active duty in order to become eligible for benefits from 180 to 90.

NOTE: The law was not implemented because the President did not declare the “emergency” that was requisite for the provisions to take effect. (It was necessary in order to provide funding for implementation). As written, the law’s provisions would not be effective if the President did not declare the “emergency” at the time of enactment.

**P.L. 102-164, approved November 15, 1991 (HR 3575)**

*Emergency Unemployment Compensation Act of 1991*

Establishes the Emergency Unemployment Compensation (EUC) program which provides benefits to individuals who have exhausted all rights to regular benefits under State law and have no rights to regular or extended compensation; effective November 17, 1991 through July 4, 1992.

- Provides the lesser of duration under regular State compensation or:
  - Up to 20 weeks of benefits if the State average insured unemployment rate (AIUR) is 5.0 percent or greater or the 6-month total unemployment rate (TUR) is 9.0 percent or greater.
  - Up to 13 weeks of benefits if the State AIUR is at least 4.0 percent or the AIUR is 2.5 percent and the exhaustion rate (ER) is at least 29 percent.
  - 6 weeks of benefits (with a reachback) if the State AIUR is at least 3.0 percent.
  - 6 weeks (no reachback) in all other States.
- Provides for reachback; workers exhausting regular UI after 3/1/91 and before date of implementation of this act are eligible for all benefits if their state is a 13 or 20 week state or if the state has an AIUR of 3%.
- Definitions:
  - AIUR: Insured unemployment rate with the addition of workers who exhausted regular benefits in the last 3 months in the numerator.
  - ER: Average monthly number of workers exhausting regular benefits during the last 12 months divided by the average monthly number of individuals receiving first payments of regular benefits during the last 12 months.
  - TUR: Ratio of all unemployed workers to all workers in the labor force in the state during the last 6 months for which data are available.

Provides for a three-state job search demonstration project for certain recipients drawing UI for at least 6 but not more than 10 weeks.

Provides for same waiting period and duration of benefits as are applicable to civilians under state law for ex-servicemembers.

Provides that reservists are eligible after 90 days of active duty call up instead of after 180 days.

Permits states to pay benefits between school years and terms to certain school employees.

Provides for a quadrennial commission (the Advisory Council on Unemployment Compensation) to review all aspects of the UI system and report findings to the President and Congress.

Requires DOL to develop a new method of allocating UI State administrative grants.

Finances provisions by :

- Extending program for IRS collection of nontax debts owed to federal agencies.
- Extending 0.2% FUTA surtax for one year through 1996.
- Changing individual estimated tax requirements. Now, estimates should be made based on tax liability for current year rather than liability for previous year.

Provides for 13 weeks of extended Railroad Unemployment Insurance to workers with less than 10 years of service in the industry. Permits reachback for those who exhausted regular railroad UI after 2/28/91 and are otherwise eligible.

**P.L. 102-182, approved December 4, 1991 (HR 1724)**

*(No title)*

Amends Emergency Unemployment Compensation program to make it a two-tiered program:

- Up to 20 weeks for States with AIUR of 5.0% or more or 6 month TUR of 9.0% or more (high unemployment States).
- Up to 13 weeks for all States

Eliminates the 6-week tier.

Eliminates the trigger calculation language relating to 13-week tier and all references to exhaustion rate and definition of exhaustion rate.

Makes the reachback provision applicable to all States.

Changes termination date of program from July 4, 1992, to June 13, 1992.

Effective Date: As though this bill had been part of P.L. 102-164.

**P.L. 102-227, approved December 11, 1991 (HR 3909)**

*Tax Extension Act of 1991*

Extends for six months (through June 30, 1992):

- Section 127 of the Internal Revenue Code – exclusion for employer-provided educational assistance from gross wages for income and employment tax purposes.
- Section 120 of the Internal Revenue Code – exclusion for employer-provided group legal services from gross wages for income and employment tax purposes.

These provisions were last extended by the Omnibus Reconciliation Act of 1990, P.L. 101-508 for taxable years beginning before January 1, 1992.

**P.L. 102-244, approved February 7, 1992 (HR 4095)**

*Emergency Unemployment Compensation Amendments of 1992*

Extends the EUC program through July 4, 1992.

For weeks of unemployment ending before June 13, 1992, increases benefits payable from:

- Up to 20 weeks to up to 33 weeks in a State with a high unemployment period in effect, and
- Up to 13 weeks to up to 26 weeks in all other States.

The previous 20 and 13 week limits apply to weeks of unemployment beginning after June 13, 1992.

These amendments were effective upon enactment.

Financing for this Act is provided by a temporary increase in the amount of corporate estimated tax payments, accelerating the time of collection of these funds.

Provides for an extension of Extended Railroad Unemployment Insurance benefits comparable to the added benefits provided under the EUC program to other unemployed workers – an additional 13 weeks for the period ending June 13.

Provides for a six-month extension of time for payment of additional FUTA taxes in States subject to a reduction in offset credits. Applicable only in States declared a credit reduction State for taxable years beginning in 1991, and for employers who did not receive notice of such credit reduction before December 1, 1991. Michigan is the only State in which this provision is applicable.

**P.L. 102-318, approved July 3, 1992 (HR 5260)**

*Emergency Unemployment Compensation Amendments of 1992*

Extends EUC program to March 6, 1993, and provides that no compensation is payable for any week beginning after June 19, 1993. Changes the number of additional benefit weeks payable to a minimum of 7 weeks or a maximum of 26 weeks.

Provides up to 26 weeks of EUC benefits in States where AIUR equals or exceeds 5.0 percent (or where the 6 month TUR equals or exceeds 9.0 percent – high unemployment States) and up to 20 weeks in all other States until National TUR averages 7.0 percent or less for two consecutive months at which point:

- 15 weeks, high unemployment States
- 10 weeks, all other States

When National TUR two month average is less than 6.8 percent:

- 13 weeks, high unemployment States
- 7 weeks, all other States

EUC benefit costs attributable to these amendments are to be paid from general revenues.

Claimants who re-qualify for regular benefits (new benefit year) may elect to stay on EUC.

Provides for an extension of Extended Railroad Unemployment Insurance through March 6, 1993.

Amends the Extended Benefits program as follows:

- Provides for a new optional trigger of 6.5 percent State TUR (seasonally adjusted, 3 months) and 110 percent of rate for comparable period in either or both of two preceding years. Provides, under this option, for an additional 7 weeks of EB if State TUR (seasonally adjusted, 3 months) is 8 percent and 110 percent of comparable periods.
- Provides States the option of utilizing one or more of the three EB qualifying monetary requirements (20 weeks, 40 times WBA, or 1 ½ high quarter wages).
- Suspends the Federal EB suitable work, job search and reemployment requirements for purging disqualifications until January 1, 1995. Requires the Advisory Council on Unemployment Compensation (ACUC) to study and make recommendations by February 1, 1994. NOTE: This suspension applies only to EB, not EUC, as this provision



only applies to weeks beginning after March 6, 1993.

Modifies FUTA provisions as follows:

- Requires States to provide information to claimants on State and Federal income taxation of UI benefits and on filing of estimated taxes.
- Allows States to include information on Earned Income Credit in Form 1099G mailings if it does not increase cost of mailing.
- Extends for two years (to January 1, 1995) the permitted exclusion of alien agricultural workers; requires ACUC to report on this issue by February 1, 1994.
- Adds a temporary extension to the time within which loans must be repaid before an increase in the Federal tax rate occurs. Applies only if State amended its UI law to increase estimated contributions required under that law by at least 25 percent.

Modifies Unemployment Trust Fund Accounts as follows:

- Reduces the FUA ceiling to 0.25 percent from 0.625 percent of covered wages.
- Increases the EUCA ceiling to 0.5 percent from 0.375 percent of covered wages.
- Permits interest-free borrowing among Federal accounts.
- Establishes enforcement mechanism so that Federal agencies failing to pay FECA billings within 30 days will have an automatic deposit made by the Treasury from funds otherwise appropriated to the delinquent agency.

Extends authority for, and clarifies, provisions of law relating to Short Time Compensation programs.

Provides that up to 26 weeks of active duty in reserve status may be considered as qualifying weeks for TRA, effective as of August, 1990.

Finances provisions through:

- An extension for 1 year (through 1996) of the present law personal exemption phaseout for certain high income tax payers.
- Modifications of the provisions relating to the payment of estimated taxes by large corporations to qualify for safe harbor.
- Modification of the rollover and withholding provisions relating to non-periodic pension distributions.

**P.L. 103-6, approved March 4, 1993 (HR 920)**

*Emergency Unemployment Compensation Amendments of 1993*

Extends the EUC program through October 2, 1993. No new claims for EUC for weeks of unemployment beginning after October 2, 1993. No payment of EUC benefits to any individual for weeks of unemployment beginning after January 15, 1994.

Finances the costs of the extension of the EUC benefits from general revenues.

Provides a similar extension for recipients of Railroad Unemployment Benefits.

Provides that the Secretary shall establish a program for encouraging the adoption and implementation of a system of profiling new claimants for regular unemployment compensation to identify which claimants are most likely to exhaust such benefits and who may be in need of reemployment assistance services to make a successful transition to new employment.

All direct spending amounts provided for in the Act are determined to be "emergency", thus offsets under the provisions of the Balanced Budget and Emergency Deficit Control Act of 1985 are not required

**P.L. 103-66, approved August 10, 1993 (HR 2264)**

*Omnibus Budget Reconciliation Act of 1993*

Excludes employer provided educational assistance from the definition of wages through December 31, 1994.

Extends the 0.2% FUTA surtax for two additional years through calendar year 1998.

Extends the termination date for the TAA program for 5 years through September 30, 1998.

**P.L. 103-152, approved November 24, 1993 (HR 3167)**

*Unemployment Compensation Amendments of 1993*

Extends the EUC program through February 5, 1994. No new claims for EUC for weeks of unemployment beginning after February 5, 1994. No payment of EUC benefits to any individual for weeks of unemployment beginning after April 30, 1994.

Reduces duration to 13 weeks in high unemployment States and 7 weeks in all other States.

Provides a similar extension for recipients of Railroad Unemployment Benefits.

Repeals the provision giving certain claimants a choice between filing an EUC claim or a claim for regular State benefits.

Specifies that each State's unemployment agency is required to establish a profiling system for the purpose of determining which claimants are most likely to exhaust their regular UI benefits and may be in need of reemployment assistance services, and refer such claimants to reemployment services available under any State or Federal law.

Provides that as a condition of eligibility for UI benefits, a claimant who has been referred to reemployment services pursuant to the profiling system must participate in these or similar services unless the State agency determines that the claimant has completed such services, or there is justifiable cause for failure to participate.

The profiling requirement is effective one year after the date of enactment.

Requires the Secretary of Labor to report to Congress, no later than 3 years after enactment, on the operation and effectiveness of the profiling system.

A technical amendment strikes language amending Title IX of the Social Security Act that was inadvertently changed by P.L. 102-318.

Extends the due date for the first report of the Advisory Council on Unemployment Compensation to February 1, 1995.

Financing provisions of the bill meet the requirements of the Budget Enforcement Act. The components of the financing are an increase in the sponsorship period for aliens under the supplemental security income (SSI) program, from 3 years to 5 years, and savings as a result of States implementing a system of worker profiling.

### **P.L. 103-182, approved December 8, 1993 (HR 3450)**

#### *North American Free Trade Agreement Implementation Act*

Amends Section 3306 of the IRC of 1986 permitting States to establish a self-employment assistance (SEA) program to provide an allowance payable in the same amount, same interval, on the same terms, and subject to same conditions, as regular UI for the purpose of becoming self-employed to individuals who are:

- eligible to receive regular unemployment compensation;
- identified (under a worker profiling system) as likely to exhaust regular unemployment compensation (UC);
- participating in self-employment assistance activities; and

- engaged on a full-time basis in activities relating to the establishment of a business, are eligible to receive

Exempts such individuals from the State requirements pertaining to availability for work, active work search, refusal of acceptable work, and disqualifying income applicable to income earned from self-employment.

Requires that the aggregate number of individuals in the SEA program not exceed 5 percent of the number of individuals receiving compensation under the State law at such time, and that the costs of the program do not exceed costs incurred by the State (and charged to the Unemployment Trust Fund) had it not participated in the program.

Makes conforming amendments to Sections 3304(a)(4) and 3306(f) of the IRC, and Section 303(a)(5) of the SSA, to allow for the withdrawal of funds for the payment of allowances under the SEA program.

Requires any State participating in the SEA program to report annually to the Secretary of Labor on relevant aspects of program operations.

Requires the Secretary of Labor to submit a report to Congress with respect to the operation of the SEA program not later than 4 years after the date of enactment of this Act.

SEA provisions are effective upon enactment and terminate 5 years after the date of enactment.

Establishes the NAFTA Transitional Adjustment Assistance (NAFTA-TAA) program by amending the Trade Act of 1974 to provide assistance for workers in firms that are directly affected by imports from or shifts in production to Mexico or Canada.

Allows the Secretary to use existing authority under Title III of the Job Training Partnership Act to provide assistance to workers in secondary firms that supply or assemble products produced by firms that are directly affected.

Requires the effected group of workers, including farm workers, or their authorized representative to file a petition for certification of eligibility for services with the governor in the State where the firm is located.

Requires the governor, within 10 days, to make a preliminary finding of whether the petition meets certain criteria and forward all petitions to the Secretary of Labor. If preliminary findings of a petition are affirmative, requires the governor to ensure that rapid response and basic readjustment services are available to the workers.

Requires the Secretary of Labor to make a decision regarding certification for eligibility within 30 days.

Upon certification of eligibility by the Secretary, provides the affected workers with:

- employment services (counseling, testing, and job placement assistance);
- training;
- trade readjustment allowances to workers who are enrolled in a training program by the end of the 16th week of their initial UI benefit period or, if later, 6 weeks after certification of a petition;
- job search allowances providing reimbursement for job search expenses; and
- relocation allowances.

Provides a "reachback" provision that ensures assistance is also available to those workers who are laid off between the date of enactment of the implementing bill and the entry into force of the Agreement.

NAFTA-TAA provisions take effect on the date the Agreement enters into force with respect to the United States.

**P.L. 103-296, approved August 15, 1994 (HR 4277)**

*Social Security Independence and Program Improvements Act of 1994*

Establishes the Social Security Administration as an independent agency.

Amends Section 3306(c)(19) of FUTA, giving States the option of excluding from coverage services performed by aliens who are admitted to the United States under a "q" visa.

A "q" visa is a temporary visa issued to aliens (for a period not to exceed 15 months) who are participating in an international cultural exchange program providing practical training, employment, and the sharing of the history, culture, and traditions of the country of the alien's nationality and who will be employed under the same wages and working conditions as domestic workers.

Provisions take effect with the calendar quarter following the calendar quarter of enactment.

**P.L. 103-387, approved October 22, 1994 (HR 4278)**

*Social Security Domestic Employment Reform Act of 1994*

Authorizes the U.S. Secretary of the Treasury to enter into agreements with States to collect State unemployment taxes from employers of domestic workers by allowing individuals to report wages paid to these workers on Form 1040 of their Federal income tax returns. However, States

are not required to enter into agreements with the Secretary of the Treasury.

Any amounts collected under an agreement are transferred by the Secretary of the Treasury to the account of the State in the Unemployment Trust Fund.

Provision applies to remuneration paid in calendar years beginning after December 31, 1994.

**P.L. 103-465, approved December 8, 1994 (HR 5110)**

*Uruguay Round Agreements Act*

Amends Section 3304(a) of FUTA, requiring each State to establish a system for withholding Federal income tax from UI benefits, so that withholding can occur at the option of the claimant.

Claimants are asked at the time they file their claim whether or not they want Federal income taxes withheld. If a claimant chooses withholding, the amount withheld is at a flat 15 percent rate.

Amends Section 3304(a)(4) of FUTA, to permit (but does not require) States to allow claimants to elect to have State and local income tax withholding from their benefits.

Administrative expenses for which States can be reimbursed could include the cost of conducting Federal income tax withholding.

Provision is effective for UI benefits paid after December 31, 1996.

**P.L. 104-188, approved August 20, 1996 (HR 3448)**

*Small Business Job Protection Act of 1996*

Reinstates until December 31, 1997, the exclusion of employer provided educational assistance for undergraduates (assistance for graduate level courses terminated June 30, 1996) from the definition of wages for income tax purposes. This exclusion applies to taxable years beginning after December 31, 1994.

Amends section 3306(c)(1)(B) of FUTA, to reinstate and make permanent the FUTA exemption for wages paid to certain aliens (known as H-2A workers) who are admitted to the U.S. to perform agricultural labor. This provision is effective for services performed after December 31, 1994.

Amends the definition of wages under Section 3306(b) of FUTA to exclude any payment made under an arrangement to which section 408(p) of the Internal Revenue Code (pertaining to SIMPLE retirement accounts) applies, other than certain elective contributions. This provision applies to taxable years beginning after December 31, 1996.

Amends Chapter 25 of the Internal Revenue Code of 1986, relating to employment taxes, to expand the definition of "direct seller" to include newspaper carriers and distributors, effectively making these individuals independent contractors and thus ineligible for any benefits arising out of status as an employee. This provision is effective January 1, 1996.

Amends section 3121 (b)(20) of FICA and, by reference, FUTA, to clarify the employment tax status of certain fishermen. The law permits exclusion from coverage of services performed by these individuals when a list of criteria are met, among them that the size of the crew is normally fewer than 10 individuals. The change specifies that the exclusion applies if the average size of the crew on trips made during the preceding 4 calendar quarters was fewer than 10 individuals. In addition, the exemption applies if the crew member receives certain cash payments. The cash payment cannot exceed \$100 per trip, is contingent on a minimum catch, and is paid solely for additional duties (e.g., as mate, engineer, or cook) for which additional cash remuneration is customary. These amendments apply to remuneration paid after December 31, 1994. In addition, the amendments apply to remuneration paid after December 31, 1984, and before January 1, 1995, unless the payer treated such remuneration when paid as subject to FICA taxes.

**P.L. 104-191, approved August 21, 1996 (HR 3103)**

*Health Coverage Availability and Affordability Act of 1996*

Amends the definition of wages in section 3306(b), FUTA, to exclude remuneration paid to or on behalf of an employee if (and to the extent that) at the time of the payment it is reasonable to believe that a corresponding deduction is allowable for Medical Savings Accounts under section 106(b) of Internal Revenue Code.

**P.L. 104-193, approved August 22, 1996 (HR 3734)**

*Personal Responsibility and Work Opportunity Reconciliation Act of 1996*

Requires each State to establish and operate an automated State Directory of New Hires (SDNH) by October 1, 1997, that contains information on newly hired employees.

Requires employers to furnish for each newly hired employee the name, address, and Social Security Number (SSN) of the employee, and the name, address and assigned identification number of the employer under the Internal Revenue Code (IRC) of 1986.

Requires governors to determine the State entity responsible for collecting and maintaining the new hire information.

The term "employee" is defined within the meaning of Chapter 24 of the IRC of 1986, and "employer" is defined within the meaning of section 3401(d) of the IRC and includes any governmental entity and labor organization as defined in the National Labor Relations Act.

Requires employers to report new hires to the SDNH no later than 20 days after the date the employee is hired. Reporting is required on a W-4 format or equivalent and may be transmitted by first class mail, magnetically or electronically.

Requires agencies designated by the State, either directly or by contract, to compare SSNs of new hires submitted by employers with SSNs in the child support case registry beginning May 1, 1998.

Amends IEVS provisions of the SSA to require State and local governmental entities and labor organizations to make quarterly wage reports to a State agency.

Amends the SSA to permit State and local child support enforcement (CSE) agencies to redisclose wage information to any agent of the State and local CSE agencies. The agents are subject to the same safeguards as the CSE agencies.

Permits an employer who has employees in two or more States and transmits reports electronically or magnetically to designate one State where they have employees, to which it will submit the report on new hires to the SDNH.

Permits State agencies responsible for administering a program specified section in 1137(b) access to the SDNH for purposes of verifying eligibility for the program.

Permits State agencies operating employment security and workers' compensation programs access to information reported by employers to the SDNH for the propose of administering such programs.

Requires the Secretary of Health and Human Services (HHS) to establish and maintain within the Federal Parent Locator Service (FPLS) a National Directory of New Hires (NDNH) by October 1, 1997.

Requires the Secretary of HHS to establish and maintain within FPLS a case registry of child support orders by October 1, 1998, that will contain information from the State case registries.

Requires Federal agencies (civilian and military) to report new hires and wages directly to the NDNH.

Amends section 3304(a)(16) of FUTA by replacing reference to the Secretary of Health, Education, and Welfare with the Secretary HHS and requires that wage and unemployment compensation information contained in records of the State UI agency be furnished to the Secretary of HHS for the purposes of the NDNH.

Amends the SSA to require that the State UI agency provide wage record and claim information quarterly to the Secretary of HHS, ensure that the information is correct and verified, and establish safeguards (as determined by the Secretary of Labor) to ensure that the information is used only for the purposes of carrying out the child support enforcement program under Title IV.



Requires the Secretary of Labor and the Secretary of HHS to jointly work to develop cost-effective and efficient methods of accessing the information in various State directories of new hires and the NDNH. This provides authority for development of the Wage Record Interchange System (WRIS), that is, the SSN index.

Requires the Secretary of HHS to reimburse Federal and State agencies (including SDNHs) for furnishing information in an amount to be determined by HHS. This reimbursement does not include the costs of obtaining, compiling or maintaining the information.

Requires State CSE agencies and Federal agencies which receive information from HHS to reimburse HHS in an amount to be determined by HHS. This reimbursement includes the costs of obtaining, verifying, maintaining, and comparing the information.

Restricts the eligibility of illegal and legal aliens for Federal, State and local benefits. Limited categories of aliens and programs are exempted from the restrictions. Permits States to enact legislation to override certain restrictions with respect to State and local benefits.

Requires the Secretary of Labor to prepare a report on the reductions in force for the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate by January 1, 1997.

While not an amendment to section 303(d), requires State and local food stamp agencies to withhold amounts from UI from any member of the household for food stamp over issuances.

**P.L. 105-33, approved August 5, 1997 (HR 2015)**

*Balanced Budget Act of 1997*

Amends section 303(h), SSA, to clarify that wage and claim information required to be disclosed to the Secretary of Health and Human Services with respect to the National Directory of New Hires may be redisclosed to the Department of the Treasury, the Social Security Administration, and State Child Support Enforcement Agencies.

Provides that the base period provision of State law shall not be considered a provision for method of administration within the meaning of Federal law. Effective for any base period beginning before, on, or after the date of enactment. This amendment does not require States to amend their laws.

Amends the SSA to increase the FUA ceiling from 0.25 percent to 0.5 percent of covered wages. Effective October 1, 2001.

Amends the SSA to cap the amount of Reed Act transfers made with respect to the Federal fiscal years ending in 1999, 2000 and 2001 at \$100 million per year. Funds are distributed based on the State's share of administrative funds otherwise allocated for each fiscal year and can be used

only for the administration of the UI program.

Amends the SSA to impose an additional requirement that States meet funding goals established by the Secretary of Labor in regulations in order to qualify for interest free advances. Effective for calendar years beginning after date of enactment.

Amends FUTA to permit States to exclude from coverage services performed as an election official or election worker if the amount of remuneration received by the individual during the calendar year for services as an election official or election worker is less than \$1,000. Coverage was previously required. Effective for calendar years beginning after date of enactment.

Amends FUTA to exclude from coverage services performed by persons committed to a penal institution. Effective for services performed after January 1, 1994.

Amends FUTA to permit States to exclude from coverage services performed for an elementary or secondary school which is operated primarily for religious purposes, which is described in section 502(c)(3), and which is exempt from tax under section 501(a). Coverage was previously required. Effective for services performed after date of enactment.

Authorizes appropriations for program integrity activities as follows --

FY 1998	\$89 million
FY 1999	91 million
FY 2000	93 million
FY 2001	96 million
FY 2002	98 million

Integrity activities are initial claims review, eligibility review, benefit payments control, and employer liability auditing activities.

**P.L. 105-34, approved August 5, 1997 (HR 2014)**

*Taxpayer Relief Act of 1997*

Extends until May 31, 2000, the exclusion for employer-provided educational assistance for undergraduates from the definition of wages for income tax purposes, and thus for FUTA. Effective for taxable years beginning after December 31, 1996.

Extends the 0.2 percent FUTA surtax through 2007.

Provides a clarification concerning the employment tax status of registered representatives of a securities broker-dealer.

Amends the Internal Revenue Code to authorize the IRS to impose a continuous levy on certain payments, including unemployment compensation, until the levy is released. The levy may be

imposed on any individual who is liable for an internal revenue tax and who does not pay such tax within 10 days of notice and demand by the IRS. The IRS may continuously levy up to 15 percent of any specified payment, including unemployment compensation. Provision applies to levies issued after date of enactment.

**P.L. 105-220, approved August 7, 1998 (HR 1385)**

*Workforce Investment Act (WIA) of 1998*

Although WIA does not amend Federal UI laws, it:

- requires that programs authorized under State UI laws, in accordance with applicable Federal law, be mandatory partners in the One-Stop system,
- requires State UI programs to provide information regarding filing claims for UI in One-Stops,
- requires States to use quarterly wage records, consistent with State law, in measuring State progress on the WIA performance measures, and creating consumer reports,
- authorizes the use of real property in which the Federal government has acquired equity through UI or Wagner-Peyser administrative grants, or through Reed Act funds,
- continues (by regulation) application of the approved training provisions of the JTPA for dislocated workers during the transition period to WIA,
- allows States to develop and submit unified plans, including UC, for activities covered under WIA, and
- establishes an employment statistics system, including among other things, employment and earnings information maintained in a longitudinal manner to be used for research and program evaluation.

Repeals special unemployment benefit programs for Airline and Redwood workers.

**P.L. 105-306, approved October 28, 1998 (HR 4558)**

*Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998*

Amends the North American Free Trade Agreement Implementation Act to repeal the Self-employment Assistance (SEA) Act termination date, thereby making permanent the authorization of the SEA program.

**P.L. 106-170, approved December 17, 1999 (HR 1180)**

*Ticket to Work and Work Incentives Improvement Act of 1999*

Amends section 1137 (Income and Eligibility Verification System) of the Social Security Act to permit employers to submit wage reports with respect to certain domestic service employment on an annual basis, rather than a quarterly basis.

Extends the exclusion from the FUTA definition of wages for employer-provided educational assistance for undergraduate courses under section 127 of the IRC from May 31, 2000, to December 31, 2001.

**P.L. 106-386, approved October 28, 2000 (HR 3244)**

*Victims of Trafficking and Violence Protection Act of 2000*

Requires the Secretary of Labor, in consultation with the Attorney General, to conduct a national study to identify State laws that address the separation from employment of an employee due to circumstances directly resulting from the experience of domestic violence by the employee and circumstances governing the receipt or non receipt of UI based on such separation. The report is to be submitted to the Congress not later than one year after enactment.

Includes a provision requiring the Secretary of Labor, among others, to expand benefits and services to victims of severe forms of trafficking in persons in the US, without regard to immigration status of such victims.

**P.L. 106-554, approved December 21, 2000 (HR 4577, HR 5662)**

*Consolidated Appropriations Act, 2001*

Amends FUTA to treat Indian tribes (governmental entities and any subdivision, subsidiary, or business enterprise wholly owned by the tribe) similar to State and local governments, meaning that:

- Services performed in the employ of tribes generally are no longer subject to the FUTA tax.
- As a condition of participation in the UI program:
  - Services performed in the employ of tribes, are with specified exceptions, required to be covered under State UI law. Previously, coverage was at the option of the State.
  - Tribes must be offered the reimbursement option. Previously, States were

prohibited from offering the reimbursement option to tribes.

- Extended benefit payments based on services performed in the employ of tribes no longer qualify for Federal sharing.

Provides that if a Tribe fails to make required payments to the State's unemployment fund or payments of penalty or interest, then the tribe will become liable for the FUTA tax and the State may remove tribal services from State UI coverage.

Includes a transition provision which waives past due FUTA taxes for Tribes who reimburse the State for benefits paid for service attributable to the Tribe.

Effective upon enactment.

**P.L. 107-16, approved June 7, 2001 (HR 1836)**

*Economic Growth and Tax Relief Reconciliation Act of 2001*

Reduces the voluntary withholding rate on UI benefits from 15 percent to 10 percent.

Extends the exclusion of employer-provided educational assistance from the FUTA definition of wages to graduate education and makes the exclusion permanent for both undergraduate and graduate courses.

**P.L. 107-110, approved January 8, 2002 (HR 1)**

*No Child Left Behind Act of 2001*

Permits educators to choose to have their salary pro-rated over a 12-month period or get paid during the months that school is in session only.

- With respect to UI eligibility, the between and within terms provisions continue to apply.
- However, if the educators who elected to have their salary pro-rated over a 12-month period do not have reasonable assurance of continued employment or could qualify for benefits based on non-education wages, the state would ignore the education salary earned between terms when determining eligibility for benefits and weekly benefit amounts.

**P.L. 107-147, approved March 9, 2002 (HR 3090)**

*Job Creation and Worker Assistance Act of 2002*

Transfers \$8.0 billion to states on March 13, 2002, as a Reed Act distribution. Permits states to use these funds for:

- Regular UI benefits
- State extensions of UI
- Benefits to those not otherwise eligible, including part-time workers and workers with recent wages (i.e. state use of an alternative base period to determine eligibility)\
- UI and ES administration

Provides for payment of Temporary Extended Unemployment Compensation (TEUC) to eligible individuals under agreements between states and the Secretary of Labor.

- TEUC is in effect for weeks of unemployment beginning after the date agreement entered into and ending before January 1, 2003.
- To be eligible, individuals must:
  - Have exhausted all rights to regular compensation;
  - Have no rights to regular or extended compensation;
  - Not be receiving compensation under the UI law of Canada; and
  - Have filed a claim for regular compensation on or after March 15, 2001.
- Terms and conditions of state law apply except that the individual must meet the monetary requirements of the extended benefit (EB) program (20 weeks of work, 1 ½ high quarter wages, or 40 times the weekly benefit amount).
- A Governor may elect to pay TEUC in lieu of EB, but is not required to trigger off an EB period.
- Entitlement is equal to the lesser of 50 percent of regular compensation or 13 times the weekly benefit amount.
- Provides up to 13 additional weeks of TEUC if, at the time the individual exhausts the first TEUC entitlement, the state is in an EB period or would have been if the IUR were 4.0% rather than 5.0%.

**P.L. 107-154, approved March 25, 2002 (HR 3986)**

*(No title)*

Provides that disaster assistance shall be made available for 39 weeks after the major disaster declaration for any individual eligible as a result of the terrorist attacks of September 11, 2001.

**P.L. 107-206, approved August 2, 2002 (HR 4775)**

*Supplemental Appropriations for the Fiscal Year Ending September 30, 2002, and for Other Purposes*

Prohibits the use of appropriated funds to enforce the requirement to cover employees of Indian Tribes in Alaska for FY 2002.

**P.L. 107-210, approved August 6, 2002 (HR 3009)**

*The Trade Act of 2002*

Reauthorizes and consolidates the Trade Adjustment Assistance (TAA) program and the NAFTA-TAA program.

- Defines as eligible workers:
  - Have exhausted all rights to regular compensation;
  - Workers directly impacted by imports, shifts in production to countries with a free trade agreement with the U.S., or certain other production shifts.
  - Secondary workers who worked for companies that sold or produced 20% or more of their product to the primary firm or whose separation from work was due to the loss of business with the primary firm. (upstream workers)
  - Secondary workers that performed additional value-added production processes for articles produced by primary firms and the primary firm was certified due to imports or shifts in production to Canada or Mexico. (downstream workers)
- New TAA program immediately triggers provision of rapid response and basic adjustment services and reduces (from 60 to 40 days) the time the Secretary has to review a petition. Also caps training spending at \$220 M per year.
- Requires early enrollment in training as a condition for extended income support. Tightens criteria for waivers of training requirement for receipt of income support.

- Creates a 5-year alternative program for certain TAA workers aged 50 and older.
- Enhances provision of employer-based training.
- Increases job search and relocation allowances.
- Provides 78 weeks of benefits for workers participating in training. Workers who need remedial education can get an additional 26 weeks of income support for a total of 104 weeks)

Authorizes new health insurance tax credits.

- Eligible population:
  - Individuals eligible to receive income support under the new TAA program.
  - Participants in new Alternative TAA for Older Workers.
  - Pension Benefit Guarantee Corporation benefit recipients aged 55 and older.
- Benefits available:
  - 65% advanceable and refundable tax credit.
  - Credit may be used for COBRA, state COBRA, continuing individual market coverage, and certain state pooling options.
- Funding mechanism:
  - Appropriates about \$20M in FY 2003 for the Treasury Department to provide seed money for States to create high-risk pools. Appropriates \$40M for each of FY 2003 and 2004 to assist States in operating the pools.
  - Appropriates \$10M in FY 2002 and authorizes appropriation of \$60M in 2003 – 2007 to DOL for National Emergency Grants (NEGs) to States to administer health insurance provisions of the Act and to assist workers in purchasing health insurance coverage.
  - Appropriates \$50M in FY 2002 and authorizes appropriations of \$100M in 2003 and \$50M in 2004 to DOL for NEGs to States to provide interim health insurance coverage and support services to participants.



**P.L. 108-1, approved January 8, 2003 (S 23)**

*(No title)*

Extends expiration of the TEUC program from January 1, 2003 to May 31, 2003.

Adds phase-out (soft cutoff) for individuals who have amounts remaining in their accounts as of May 31, 2003. No TEUC is payable for weeks beginning after August 30, 2003.

**P.L. 108-11, approved April 16, 2003 (HR 1559)**

*Emergency Wartime Supplemental Appropriations Act, 2003*

Provides additional benefits under the Temporary Extended Unemployment Compensation (TEUC) program to displaced airline and related workers.

- Airline related workers are those who had employment, in whole or in part, in their base period (upon which the claim for regular compensation was established):
  - with an air carrier;
  - at a facility at an airport;
  - with an upstream producer or supplier for an air carrier.
- Separation from employment must be due, in whole or in part, to: (1) the September 11, 2001, terrorist attack or a security measure taken in response to that attack; (2) a closure of an airport in the U.S. as a result of such attack; or (3) the military conflict in Iraq.

Provides additional TEUC benefits for airline and related workers as follows:

- Increase the maximum weeks of TEUC from 26 to 52 by increasing the Tier I maximum from 13 to 39; Tier II (also known as TEUC-X) maximum remains 13.
  - Amounts for eligible individuals (i.e., airline related workers) who are current beneficiaries or who have already exhausted TEUC would be redetermined.
- Extend the TEUC program from May 31, 2003, to December 28, 2003.
- Extend the phaseout period from August 30, 2003, to December 26, 2004.

**P.L. 108-26, approved May 28, 2003 (HR 2185)**

*Unemployment Compensation Amendments of 2003*

Extends the expiration of the Temporary Extended Unemployment Compensation (TEUC) program from May 31, 2003, to December 31, 2003.

Extends TEUC phaseout/transition from August 30, 2003, to March 31, 2004.

**P.L. 108-199, approved January 23, 2004 (HR 2673)**

*Consolidated Appropriations Act, 2004*

In the Conference Report (Report 108-401), the Department of Labor is encouraged to study the impact of using alternate criteria for the allotment of grants to states for the administration of the UC program. Results of the study would be submitted to Congress at the FY 2005 budget hearings.

**P.L. 108-295, approved August 9, 2004 (HR 3463)**

*SUTA Dumping Prevention Act of 2004*

Prohibits employers from manipulating state experience rating systems so that they pay lower state unemployment compensation (UC) taxes than their unemployment experience would otherwise allow. Specifically:

- Unemployment experience must be transferred whenever there is substantially common ownership, management or control of two employers, and one of these employers transfers its trade or business (including its workforce), or a portion thereof, to the other employer. This requirement applies to both total and partial transfers of business.
- Unemployment experience may not be transferred when a person who is not an employer acquires the trade or business of an existing employer. This prohibition applies only if the UC agency finds that such person acquired the business solely or primarily for the purpose of obtaining a lower rate of contributions.
- “Meaningful” civil and criminal penalties must be imposed on persons “knowingly” violating *or attempting to violate* the two requirements.
- States must establish procedures for identifying SUTA dumping .
- Effective date: Rate years beginning after the end of the 26-week period beginning on the first day of the first regularly scheduled session of the state’s legislature beginning on or after August 9, 2004. (January 1, 2006 – July 1, 2007)

Permits the use of certain information in the National Directory of New Hires by state UC agencies in the administration of Federal and state UC laws.

**P.L. 109-91, approved October 20, 2005 (HR 3971)**

*QI, TMA, and Abstinence Programs Extension and Hurricane Katrina unemployment Relief Act of 2005*

Not later than 10 days after enactment, transfers \$500 million from the Federal Unemployment Account in the Unemployment Trust Fund to the benefit accounts of Alabama (\$15 million), Louisiana (\$400 million), and Mississippi (\$85 million) for payment of regular state benefits, the state share of extended benefits, and additional benefits.

Permits any state, on or after August 28, 2005, to use amounts received pursuant to Title III of the Social Security Act to assist in the administration of claims on behalf of any other state if a major disaster was declared in such other state (or any area within such other state) under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina.

**P.L. 109-148, approved December 30, 2005 (HR 2863)**

*Department of Defense Appropriations Act, 2006*

For Alabama, Louisiana, and Mississippi, extends the obligation period from December 31, 2005, to September 30, 2006, for funds provided under the FY 2005 appropriation for activities authorized by Title III of the Social Security Act, except that for funds used for automation, extends the obligation period from September 30, 2007, to September 30, 2008.

**P.L. 109-176, approved March 6, 2006 (S 1777)**

*Katrina Emergency Assistance Act of 2006*

Provides that unemployment assistance as a result of disaster declarations made for Hurricanes Katrina and Rita (on or after August 29, 2005) shall be made available for 39 weeks after the date of the disaster declarations.

**P.L. 109-280, approved August 17, 2006 (H.R. 4)**

*Pension Protection Act of 2006*

Adds a pension rollover provision to Section 3304(a)(15) of the Internal Revenue Code of 1986.

**P.L. 110-5, approved February 15, 2007 (HJ Res. 20)**

*Revised Continuing Appropriations Resolution, 2007*

*Transfer of Federal Equity in State Employment Security Real Property to the States*

Provides that any federal equity acquired in real property through grants to States awarded under title III of the SSA or under the Wagner-Peyser Act is transferred to the States that used the grants for the acquisition of such equity.

A State shall not use funds awarded under this Act, the Wagner-Peyser Act, or title III of the SSA to amortize the costs of real property that is purchased by any State on or after the date of enactment of the Revised Continuing Appropriations Resolution, 2007.

**P.L. 110-89, approved September 28, 2007 (HR 3375)**

An Act to Extend the Trade Adjustment Assistance Program under the Trade Act of 1974 for three months.

Temporarily extends the expiration of the Trade Adjustment Assistance (TAA) program under the Trade Act of 1974 for 3 months from September 30, 2007, to December 31, 2007.

**P.L. 110-140, approved December 19, 2007 (HR 6)**

*Energy Independence and Security Act of 2007*

Extends the 0.2 percent FUTA surtax for 1 year through 2008.

**P.L. 110-161, approved December 26, 2007 (HR 2764)**

Consolidated Appropriations Act, 2008

Provisions include reauthorization of the Trade Adjustment Assistance (TAA) program under the Trade Act of 1974 which was set to expire December 31, 2007, through September 30, 2008.

**P.L. 110-252, approved June 30, 2008 (HR 2642)**

*Supplemental Appropriations Act of 2008*

Provides \$110 million to the States for the administration of the unemployment insurance

program. Funds may be expended from the Employment Security Administration Account in the Unemployment Trust Fund, and are to be used for unemployment insurance workloads experienced by the States through September 30, 2008. Funds will be available for Federal obligation through December 31, 2008.

Provides for payment of Emergency Unemployment Compensation (EUC 08) to eligible individuals under agreements between States and the Secretary of Labor.

- EUC 08 is in effect for weeks of unemployment beginning after the date agreement entered into and ending on or before March 31, 2009.
- Provides for phase-out (soft cut off) for individuals with amounts remaining in their accounts as of March 31, 2009. No EUC 08 is payable after June 30, 2009.
- To be eligible, individuals must:
  - Have exhausted all rights to regular compensation;
  - Have no rights to regular or extended compensation;
  - Not be receiving compensation under the UI law of Canada; and
  - Have a benefit year ending on May 1, 2007 or later.
- Terms and conditions of state law apply except that the individual must have 20 weeks of full time insured employment or the equivalent (1 ½ times the high quarter wages or 40 times the weekly benefit amount) in insured wages during the base period.
- Aliens who are not legally authorized to work in the United States are ineligible to receive emergency unemployment compensation.
- The governor of a State that is in an extended benefit (EB) period may elect to pay EUC 08 prior to EB.
- Entitlement is equal to the lesser of 50 percent of regular compensation or 13 times the weekly benefit amount.

**P.L. 110-328, approved September 30, 2008**

*SSI Extension for Elderly and Disabled Refugees Act of 2008*

Permits states to use the Treasury Offset Program to recover covered unemployment compensation debts through offset from Federal income tax refunds.

Defines covered unemployment compensation debt to mean:

- a past-due debt for erroneous payment of UC due to fraud which has become final under the state's UC law and which remains uncollected for not more than 10 years;
- contributions due to the unemployment fund of a state for which the state has determined the person to be liable due to fraud and which remain uncollected for not more than 10 years; and
- any penalties and interest (P&I) assessed by the state on the above debts.

Offset is permitted only if the address on the Federal return for such taxable year of the overpayment is an address within the State seeking the offset.

Requires the State to:

- notify the person owing the debt of the proposed action by certified mail with return receipt;
- provide at least 60 days to present evidence that the liability is not legally enforceable or due to fraud;
- consider evidence presented and make a determination; and
- ensure that reasonable efforts to obtain payment have been made.

Provision shall not apply to refunds payable 10 years after the date of enactment.

**P.L. 110-329, approved September 30, 2008 (HR 2638)**

Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009

Provisions include extending the Trade Adjustment Assistance (TAA) program under the Trade Act of 1974 which was set to expire September 30, 2008, through March 6, 2009.

**P.L. 110-343, approved October 3, 2008 (HR 1424)**

*Energy Improvement and Extension Act of 2008*

Extends the 0.2 percent FUTA surtax for one year through December 31, 2009.

**P.L. 110-449, approved November 21, 2008 (HR 6867)**

*Unemployment Compensation Extension Act of 2008*

- Increases the basic Emergency Unemployment Compensation 2008 (EUC 08) entitlement by up to 7 weeks, for a total of up to 20 weeks of benefits.
- Creates a second tier of EUC 08 benefits in states with “high unemployment”. Provides up to 13 additional weeks of EUC 08 to eligible jobless workers for a total of up to 33 weeks of benefits.
- In order to be considered “high unemployment,” a state must meet one of the following criteria:
  - State’s unemployment level meets one of the thresholds required to trigger “on” to the permanent Extended Benefits program;
  - State’s insured unemployment rate for a week and the preceding 12 weeks is at least 4.0%; or
  - State’s 3-month seasonally adjusted total unemployment rate is at least 6.0%.
- The determination of whether a state is in a “high unemployment” period will be made as if this provision were in the initial EUC 08 enactment on June 30, 2008.
- The EUC 08 program still ends on March 31, 2009. However, individuals collecting benefits as of this date (whether basic or second tier) can collect any remaining entitlement through November 27, 2009.
- Provides for the temporary suspension of the prohibition on Federal sharing of the costs of the first week of Extended Benefits or sharable regular compensation for states that do not have a non-compensable waiting period/states that compensate the waiting period under certain circumstances for weeks of unemployment beginning after enactment and ending on or before December 8, 2009.

**P.L. 110-458, approved December 23, 2008 (H.R. 7327)**

*Worker, Retiree, and Employer Recovery Act of 2008*

Technical correction to Section 3304(a)(15) of the Internal Revenue Code of 1986. Provides that the amount of compensation shall not be reduced on account of pensions, retirement or retired pay, annuity, or other similar payments which are not includible in the gross income of the individual because it was a part of a rollover distribution.

**P.L. 111-5, approved February 17, 2009 (HR 1)**

*American Recovery & Reinvestment Act of 2009*

Appropriations

Appropriates \$250M to states for reemployment services for unemployment insurance (UI) claimants including information technology required to identify and serve the needs of such claimants.

Taxation of Unemployment Compensation

Excludes from Federal income taxation the first \$2,400 of unemployment compensation received in 2009.

Trade Adjustment Assistance

Amends the Trade Act of 1974 to expand the trade adjustment assistance (TAA) program to cover adversely affected workers in service sector firms, or public (Federal, state, or local government) agencies or subdivisions.

Revises group eligibility requirements for TAA to include:

- Workers in firms that supply services;
- Workers whose firm produces component parts based on increased imports of finished products;
- Workers whose firm has shifted production to any foreign country;
- Workers in public agencies;
- Workers in firms that supply testing, packaging, maintenance, and transportation services to companies with TAA-certified workers; and
- Workers whose firm is identified in an International Trade Commission “injury” determination listed in the Act.

Provides workers with a new entitlement to employment and case management services, and designates funds for that purpose.

Permits cooperating state agencies (CSAs) to waive requirements, as necessary, to ensure the eligibility for program benefits of returning service members in the same manner and to the same extent as if the service member had not served a period of duty.

Provides protections for workers covered under certifications delayed by judicial and administrative appeals.

Applies state UI “good cause” waiver provisions to all TAA time limitations.



Revises the prohibition against determining an adversely affected worker ineligible for unemployment insurance benefits because of training or other specified reasons.

Provides minimum requirements for CSA reviews of waivers of the training requirement.

Increases from \$220M to \$575M the statutory cap on funds that may be allocated to the states for training per year for FY 2009 and 2010, and changes how DOL apportions those funds.

Allows TAA-funded training prior to separation from employment, and allows part-time training, but without trade readjustment assistance (TRA).

Extends the deadline for enrolling in training in order to qualify for TRA to 26 weeks from the later of the worker's most recent total qualifying separation or 26 weeks from the issuance of the certification. States may grant an extension of the training deadline for up to 45 days for extenuating circumstances. Workers may also receive a waiver of the training requirement within the same 26 week plus 45 day period.

Increases the maximum amount of additional TRA from 52 to 78 weeks for workers in long-term training.

Permits the payment of 78 weeks of additional TRA over a period of 91 weeks, thereby allowing breaks in training and temporary periods of employment where additional TRA is not paid.

Allows payment of up to 26 more consecutive weeks of additional TRA if the worker must undertake prerequisite education or remedial education in order to complete a program of TAA training.

Allows trade-affected workers to elect to receive TRA instead of UI based upon a second UI benefit year resulting from part-time or short-term work with a lower weekly benefit amount (WBA).

Creates a new standard for the waiver of recovery of TAA overpayments.

Eliminates the 210 day requirement for making an application for training as a condition for the receipt of additional TRA.

Eliminates the requirement for a group certification specifically for reemployment trade adjustment assistance (RTAA); and under alternative trade adjustment assistance (ATAA) that a worker must find reemployment within 26 weeks of layoff.

Workers who choose and are eligible to receive RTAA may also receive regular TAA benefits and services: employment and case management services, training, TRA (with limitations), relocation, health coverage tax credit (HCTC), and job search allowances.

Increases the limit on wages in eligible reemployment to \$55,000 a year. Increases the individual's benefit cap to \$12,000.

Allows a worker to qualify for RTAA when working part-time.

Expands the HCTC program, which is available to “eligible TAA recipients”.

Modifies the definition of an “eligible TAA recipient” to permit a worker to receive the HCTC even though s/he is in a break in training of a duration that renders the worker ineligible for TRA.

Modifies the definition of an “eligible TAA recipient” to not apply the training enrollment requirements to an individual who is receiving unemployment insurance compensation.

Increases the HCTC tax credit from 65 percent to 80 percent of the amount a worker paid for coverage under qualifying health insurance.

Provides for the continuation of HCTC eligibility for family members after receipt of Medicare, death, or divorce of the principle recipient.

Amends the percentage of job search expenses that may be paid on behalf of a qualified participant to 100 percent of the total expenses, capped at \$1,500.

Amends the percentage of relocation expenses that may be paid on behalf of a qualified participant to 100 percent of the total expenses, plus a payment up to \$1,500.

#### Emergency Unemployment Compensation

Extends the ending date for the Emergency Unemployment Compensation (EUC) program for new entrants from March 31, 2009 to December 31, 2009. Extends the ending date for phase out for current beneficiaries from August 27, 2009 to May 31, 2010.

Transfers funds from the general fund of the Treasury to the extended unemployment compensation account and the employment security administration account for payment of EUC benefits and administration resulting from the extensions noted above. These funds are not required to be repaid.

#### Federal Additional Compensation

Provides for a federally funded \$25 increase in unemployment compensation weekly benefit amounts.

States are prohibited from modifying the method of computation of regular compensation if it results in the average weekly benefit amount of regular compensation being lower than it was on December 31, 2008.

Appropriates funds from the general fund of the Treasury for these benefits and related administrative expenses.

Effective for weeks of unemployment beginning after the state enters an agreement to make these payments and ending before January 1, 2010. Provides for phase out for current beneficiaries ending on June 30, 2010.

### Unemployment Compensation Modernization Incentive Payments

Makes available through September 30, 2011, \$7 billion for incentive payments in the Federal Unemployment Account for states whose UI laws include certain provisions.

These funds can be used for UC benefits, or UI or ES administration, if appropriated by state legislature.

Eligibility for a state's share is divided into two components:

- One-third of state's share –State law must provide for either a base period that uses the most recently completed calendar quarter or an alternative base period that uses the most recently completed calendar quarter for individuals not otherwise eligible because of use of a base period that does not include the most recently completed calendar quarter; and
- Remaining two-thirds of state's share –State law must meet the base period requirement above and must contain at least two of the following four provisions:
  - Individuals shall not be denied from receiving benefits under provisions relating to availability for work, active search for work, or refusal to accept work solely because they are seeking only part-time work if a majority of the weeks of work in the base period include part-time work;
  - Individuals shall not be disqualified from receiving benefits due to separation from employment if that separation is for a compelling family reason. Compelling family reason means:
    - domestic violence verified by documentation which causes individuals to reasonable believe continued employment would jeopardize their or any immediate family member's safety;
    - the illness or disability of a member of the individuals' immediate family; or
    - the need for individuals to accompany their spouse to a place from which it is impractical for them to commute and due to a change in location of the spouse's employment.
  - Individuals who have exhausted all rights to regular unemployment compensation, and who are enrolled in and making satisfactory progress in a state-approved training program or in a job training program authorized under the Workforce Investment Act of 1998 shall be entitled to an additional amount of benefits equal to twenty-six times their average weekly benefit amount for the most recent benefit year. Such training programs shall prepare individuals who have been separated from a declining

occupation or who have been involuntarily separated from employment due to a permanent reduction in operations at their place of employment for entry into a high-demand occupation.

- Dependents' allowances of at least \$15 per dependent per week, subject to a minimum aggregation of the lesser of \$50 per week or 50% of the individual's weekly benefit amount, are paid to eligible beneficiaries.

### Administrative Grants

Provides for a \$500M transfer from the employment security administration account to the state accounts in the unemployment trust fund.

Use of funds is limited to the administration of the UC modernization incentive provisions, outreach to individuals who may now be eligible for UC benefits due to the UC modernization incentive provisions, improvement of UC benefit and tax operations, and staff-assisted reemployment services to UC claimants.

### Interest on Advances

Waives interest payments due on any advances and accrual of interest on any advances through December 31, 2010.

### Extended Benefits

Provides for 100% Federal funding of extended benefits (EB) for weeks of unemployment beginning before January 1, 2010. Provides for phase-out for current beneficiaries until June 1, 2010.

Extends the ending date of provision for Federal funding of the first week of EB in states with no waiting week from December 8, 2009 to May 30, 2010.

Permits states, for purposes of determining eligibility for EB, to expand the definition of an individual's eligibility period to include any week beginning after an individual exhausts EUC during an EB period in the state. Effective for weeks of unemployment beginning before January 1, 2010 with phase out for current beneficiaries ending on June 1, 2010.

### Railroad Unemployment Insurance

Provides a temporary increase in extended unemployment benefits from 65 days to 130 days through December 31, 2009 and makes appropriations to cover the costs.

**P.L. 111-8, approved March 11, 2009 (HR 1105)**

*(Omnibus Appropriation Act, 2009)*

Makes \$422 million available through September 30, 2010 for repayable advances to the Unemployment Trust Fund (UTF) for payment of extended compensation under the Federal-State Extended Unemployment Compensation Act of 1970 and advances to states for payment of compensation, and nonrepayable advances to the UTF for payments to states for compensation paid to Federal employees.

**P.L. 111-46, approved August 7, 2009 (HR 3357)**

*(no title)*

Amends the Omnibus Appropriation Act, 2009 to make available, without fiscal year limitation, such sums as may be necessary for advances to the Unemployment Trust Fund.

**P.L. 111-92, approved November 6, 2009 (HR 3548)**

*Worker, Homeownership, and Business Assistance Act of 2009*

Emergency Unemployment Compensation

Increases the second tier Emergency Unemployment Compensation 2008 (EUC 08) entitlement by 1 week, for a total of up to 14 weeks of second tier benefits, and makes the second tier available in all states.

Creates a third tier of EUC 08 in states in an “extended benefit period”. Provides up to 13 weeks of third tier benefits.

- In order to be considered to be in an “extended benefit period” for third tier benefits, a state must meet one of the following criteria:
  - State’s insured unemployment rate for a week and the preceding 12 weeks is at least 4.0%; or
  - State’s 3-month seasonally adjusted total unemployment rate is at least 6.0%.

Creates a fourth tier of EUC 08 in states in an “extended benefit period”. Provides up to 6 weeks of fourth tier benefits.

- In order to be considered to be in an “extended benefit period” for fourth tier benefits, a state must meet one of the following criteria:

- State’s insured unemployment rate for a week and the preceding 12 weeks is at least 6.0%; or
- State’s 3-month seasonally adjusted total unemployment rate is at least 8.5%.

The determination of whether a state is in an “extended benefit period” will be made as if these provisions were in the initial EUC 08 enactment on June 30, 2008.

Permits states to pay third tier benefits before the increased second tier if the state determines that paying increased second tier benefits first would unduly delay the prompt payment of EUC 08.

Allows states to pay Extended Benefits (EB) prior to the payment of the fourteenth week of the second tier, and the third and fourth tiers of EUC 08 if the individual claimed EB for at least 1 week of unemployment after the exhaustion of first tier EUC 08.

Transfers funds from the general fund of the Treasury to the extended unemployment compensation account and the employment security administration account for payment of EUC benefits and administration resulting from the extensions noted above. These funds are not required to be repaid.

#### Unemployment Compensation Modernization Incentive Payments

Amends the “compelling family reason” criterion for qualifying for the remaining two-thirds of a state’s share by allowing a state to consider either, or both of the following as good cause for separating from employment (previously only the domestic violence provision was required):

- domestic violence verified by documentation which causes individuals to reasonable believe continued employment would jeopardize their or any immediate family member’s safety; or
- Sexual assault, verified by reasonable and confidential documentation as the State law may require, which causes the individual reasonably to believe continued employment would jeopardize the safety of the individual or of any member of the individual's immediate family.

However, a state cannot qualify for the incentive payment if their law is amended to make access to unemployment benefits less broad in this respect.

#### Federal Additional Compensation (FAC)

Provides that the monthly equivalent of any FAC shall be disregarded after November 6, 2009 for the purposes of determining an individual’s eligibility for Supplemental Nutrition Assistance Program (SNAP) benefits.

### Railroad Unemployment Insurance

Provides an extension of extended unemployment benefits through December 31, 2010 and makes appropriations to cover the costs.

### FUTA Surtax

Extends the 0.2 percent FUTA surtax for one year and six months through June 30, 2011.

## **P.L. 111-118, approved December 19, 2009 (HR 3326)**

### *Department of Defense Appropriations Act, 2010*

#### Emergency Unemployment Compensation (EUC)

Extends the end date for the Emergency Unemployment Compensation (EUC) program for new entrants from December 31, 2009 to February 28, 2010. Extends the ending date for phase-out for current beneficiaries from May 31, 2010 to July 31, 2010.

#### Federal Additional Compensation (FAC)

Extends the end date for the Federal Additional Compensation (FAC) program from January 1, 2010 to February 28, 2010. Extends the ending date for phase-out for current beneficiaries from June 30, 2010 to August 31, 2010.

#### Extended Benefits (EB)

Extends the end date for 100% Federal funding of extended benefits (EB) and the expanded EB eligibility provision from January 1, 2010 to February 28, 2010. Extends phase-out for current beneficiaries from June 1, 2010 to July 31, 2010.

Extends the end date of the provision for Federal funding of the first week of EB in states with no waiting week from May 30, 2010 to July 31, 2010.

## **P.L. 111-144, approved March 2, 2010 (HR 4691)**

### *Temporary Extension Act of 2010*

#### Emergency Unemployment Compensation (EUC)

Extends the end date for the Emergency Unemployment Compensation (EUC) program for new entrants from February 28, 2010 to April 5, 2010. Extends the ending date for phase-out for current beneficiaries from July 31, 2010 to September 4, 2010.

### Federal Additional Compensation (FAC)

Extends the end date for the Federal Additional Compensation (FAC) program from February 28, 2010 to April 5, 2010. Extends the ending date for phase-out for current beneficiaries from August 31, 2010 to October 5, 2010.

### Extended Benefits (EB)

Extends the end date for 100% Federal funding of extended benefits (EB) and the expanded EB eligibility provision from February 28, 2010 to April 5, 2010. Extends phase-out for current beneficiaries from July 31, 2010 to September 4, 2010.

Extends the end date of the provision for Federal funding of the first week of EB in states with no waiting week from July 31, 2010 to September 4, 2010.

## **P.L. 111-157, approved April 15, 2010 (HR 4851)**

### *Continuing Extension Act of 2010*

### Emergency Unemployment Compensation (EUC)

Extends the end date for the Emergency Unemployment Compensation (EUC) program for new entrants from April 5, 2010 to June 2, 2010. Extends the ending date for phase-out for current beneficiaries from September 4, 2010 to November 6, 2010.

### Federal Additional Compensation (FAC)

Extends the end date for the Federal Additional Compensation (FAC) program from April 5, 2010 to June 2, 2010. Extends the ending date for phase-out for current beneficiaries from October 5, 2010 to December 7, 2010.

### Extended Benefits (EB)

Extends the end date for 100% Federal funding of extended benefits (EB) and the expanded EB eligibility provision from April 5, 2010 to June 2, 2010. Extends phase-out for current beneficiaries from September 4, 2010 to November 6, 2010.

Extends the end date of the provision for Federal funding of the first week of EB in states with no waiting week from September 4, 2010 to November 6, 2010.

### Effective Date

These provisions take effect as if included in the Temporary Extension Act of 2010 (P.L. 111-144), enacted on March 2, 2010.



**P.L. 111-205, approved July 22, 2010 (HR 4213)**

*Unemployment Compensation Extension Act of 2010*

Emergency Unemployment Compensation (EUC)

Extends the end date for the Emergency Unemployment Compensation (EUC) program for new entrants from June 2, 2010, to November 30, 2010. Extends the ending date for phase-out for current beneficiaries from November 6, 2010, to April 30, 2011.

Authorizes continued general revenue funding of EUC benefits and administrative costs.

Extended Benefits (EB)

Extends the end date for 100% Federal funding of extended benefits (EB) and the expanded EB eligibility provision from June 2, 2010, to December 1, 2010. Extends phase-out for current beneficiaries from November 6, 2010, to May 1, 2011.

Extends the end date of the provision for Federal funding of the first week of EB in states with no waiting week from November 6, 2010, to April 30, 2011.

Coordination of EUC With Regular Compensation

Provides that if:

1. Claimants were determined to be entitled to EUC with respect to a benefit year;
2. That benefit year expired;
3. Claimants have remaining entitlement to EUC with respect to that benefit year; and
4. Their weekly benefit amount of regular compensation in a new benefit year would be at least either \$100 or 25 percent less than their initial weekly benefit amount,

the state would determine whether they will receive EUC or regular compensation by using one of the following four options.

- Option 1: Establish a new benefit year for the individual, but defer payment of regular compensation until the EUC claim has been exhausted;
- Option 2: Defer the establishment of the new benefit year and “freeze” the base period wages currently available for use in establishing a benefit year when the EUC claim has been exhausted;
- Option 3: Establish the new benefit year, commence regular compensation payments, and augment the new weekly benefit amount with funds from the claimant’s EUC account equal to the difference between the new regular compensation weekly benefit amount and the older EUC claim’s weekly benefit amount; or

- Option 4: Continue to pay the EUC claim if the individual elects not to file a claim for regular UI in the new benefit year.

This provision is applicable to claimants whose benefit years expire after the date of enactment.

#### EUC Nonreduction Rule

Prohibits states from modifying the method of computation of regular compensation if it results in the average weekly benefit amount of regular compensation (disregarding any Federal Additional Compensation payable) being lower than it was on June 2, 2010.

#### Effective Date

Except for coordination of EUC with regular compensation, these provisions take effect as if included in the Continuing Extension Act of 2010(P.L. 111-157), enacted on April 15, 2010.

### **P.L. 111-291, approved December 8, 2010 (HR 4783)**

#### *The Claims Resolution Act of 2010*

#### Treasury Offset Program

Amends the Internal Revenue Code of 1986 regarding the use of the Treasury Offset Program to collect certain UC debts as follows:

- Removes the requirement that an offset for an overpayment of Federal income taxes be permitted only against residents of the State seeking the offset; the offset now applies to residents of any State;
- Removes the requirement to notify the taxpayer, by certified mail with return receipt, of the covered unemployment compensation debt;
- Modifies the definition of “covered unemployment compensation debt” to include a past-due debt for the person’s failure to report earnings;
- Modifies the definition of “covered unemployment compensation debt” to mean contributions due to the unemployment fund of a State that has determined the person to be liable (no longer limited to liability due to fraud); and
- Provides that “covered unemployment compensation debt” may be collected beyond 10 years (under prior law, the debt was uncollectable after 10 years).

### National Directory of New Hires (NDNH)

Amends the Social Security Act to require employers to report to the NDNH the date on which services for remuneration were first performed by the newly hired employee. The amendment also provides that each required report furnished to the NDNH shall, to the extent practicable, be made on a W-4 form. (Previously, the report had to be furnished on a W-4 form.)

### **P.L. 111-312, approved December 17, 2010 (HR 4853)**

#### *Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010*

### Emergency Unemployment Compensation (EUC)

Extends the end date for the Emergency Unemployment Compensation (EUC) program for new entrants from November 30, 2010, to January 3, 2012. Extends the ending date for phase-out for current beneficiaries from April 30, 2011, to June 9, 2012.

Authorizes continued general revenue funding of EUC benefits and administrative costs.

### Extended Benefits (EB)

Extends the end date for 100% Federal funding of extended benefits (EB) and the expanded EB eligibility provision from December 1, 2010, to January 4, 2012. Extends phase-out for current beneficiaries from May 1, 2011, to June 11, 2012.

Extends the end date of the provision for Federal funding of the first week of EB in states with no waiting week from April 30, 2011, to June 10, 2012.

### Three-year Look-back Option for EB Triggers

Permits states to amend their laws to temporarily modify the provisions concerning EB “on” and “off” indicators by increasing the “look-back” from two years to three years.

Applies to compensation for weeks of unemployment beginning after December 17, 2010 (or, if later, the date established pursuant to state law), and ending on or before December 31, 2011.

### Treasury Offset Program

A technical correction to Section 6402(f) of the Internal Revenue Code of 1986 provides that any covered unemployment compensation debt may be collected via the Treasury Offset Program.

### Effective Date

Except for the three-year look-back option for EB triggers, these provisions take effect as if included in the Unemployment Compensation Extension Act of 2010 (P.L. 111-205), enacted on

July 22, 2010.

**P.L. 111-318, approved December 18, 2010 (S 3789)**

*Social Security Number Protection Act of 2010*

Prohibits the use of Social Security numbers on checks issued for payment by governmental agencies. This means that state unemployment insurance agencies are prohibited from printing the Social Security number or a derivative thereof on benefit checks, or any other checks to individuals or other state agencies.

Prohibits Federal, State, or local agencies from employing, or entering into a contract for the use or employment of, prisoners in any capacity that would allow such prisoners access to the Social Security numbers of other individuals. This means that state unemployment insurance agencies are prohibited from using prisoners to process wage records or any other records that contain Social Security numbers.

**P.L. 112-40, approved October 21, 2011 (HR 2832)**

*The Trade Adjustment Assistance Extension Act of 2011*

Trade Adjustment Assistance

Retroactive to February 13, 2011, extends the Trade Adjustment Assistance program. Requires reconsideration of denied petitions filed after February 12, 2011. For petitions certified between February 13, 2011 and October 21, 2011, gives workers the option to choose the TAA program as amended by P.L. 112-40. Workers must exercise the choice option between December 20, 2011 and March 19, 2012.

Eliminates coverage for workers in a public agency from the group eligibility requirements for Trade Adjustment Assistance (TAA).

Effective through December 31, 2014, eliminates waivers from training requirements for workers who are subject to recall by the firm from which they separated, workers with marketable skills, and workers expected to retire within 2 years who receive Trade Readjustment Assistance (TRA) payments.

Effective through December 31, 2014, reduces the maximum number of additional weeks for TRA payments for workers in training from 78 weeks in a 91-week period to 65 weeks in a 78-week period.

Eliminates remedial and prerequisite training as an eligibility factor for additional weeks of TRA.

Effective through December 31, 2014, changes the requirements for workers in training who have exhausted additional TRA to receive an additional 13 weeks TRA to:

- require training that leads to the completion of a degree or industry-recognized credential (previously remedial and prerequisite training); and
- require workers to participate in training each week, substantially meet the performance benchmarks established as part of the approved training, continue to make progress toward completion, and complete the training during the period of eligibility.

Changes the cap for training funds available to states to include relocation allowances, employment and case management services, and job search allowances. Authorizes \$575,000 for each fiscal year 2012 and 2013 and \$143,750,000 through December 31, 2013 for services.

Limits state administration costs for TAA to not more than 10 percent (previously 2/3) of a state's allocation and requires that at least 5 percent (previously 1/3) of the funds be used to provide case management and employment services.

Allows the Secretary to recapture unexpended TAA funds from states and reallocate to states with a demonstrated pattern of need.

Allows state discretion in providing job search and relocation allowances. Limits the amount of funds for each to not more than 90 percent (previously all) of the total costs, not to exceed \$1250 (previously \$1500).

Reduces the wage supplement for older workers under the Reemployment Trade Adjustment Assistance (RTAA) program to \$10,000 (was \$12,000). Changes the income eligibility limit for RTAA to workers earning less than \$50,000 (was \$55,000).

Effective October 1, 2011, adds a new core performance indicator to require reporting of the percentage of workers who obtain a recognized postsecondary credential, including an industry recognized credential, or a secondary school diploma.

Requires the Department of Labor to update the data collection system by October 1, 2012 to include more information on payments made to workers, types of training, worker demographics and outcomes, and program costs by categories of services.

The amendments made by the Trade Adjustment Assistance Extension Act of 2011 will sunset on December 31, 2013 with the exception of the following provisions related to training:

- eliminating training waivers;
- eliminating additional 26 weeks of TRA for remedial or prerequisite training; and
- allowing 13 additional weeks for completion of a degree or industry-related credential.

The provisions established by the Trade Act of 1974, as amended by the Trade Act of 2002, will be in effect January 1, 2014 through December 31, 2014.

Reauthorizes appropriations for the TAA program through December 31, 2014.

Retroactive to February 13, 2011, extends the Health Care Tax Credit (HCTC) for eligible TAA recipients through December 31, 2013.

Retroactive to February 13, 2011, increases the Health Care Tax Credit (HCTC) for eligible TAA recipients from 65 percent to 72.5 percent of the amount a worker paid for coverage under qualifying health insurance.

Extends COBRA benefits for certain TAA-eligible individuals through December 31, 2013.

#### Mandatory Penalty Assessment on Unemployment Compensation Fraud Claims

Amends the Social Security Act to require states, within two years from the date of enactment, to assess a penalty of not less than 15% of the amount overpaid to an individual on any claim for unemployment compensation (UC) benefits that is determined to be due to the individual's fraud. Requires immediate deposit of the assessment into the unemployment fund. For purposes of assessing the penalty, defines UC benefits to include all payments for compensation to Federal civilian employees, ex-servicemembers, trade readjustment allowances, disaster unemployment assistance, any Federal program which increases the weekly benefit amount, or any other Federal program providing payments for UC.

#### Prohibition on Noncharging Due to Employer Fault

Effective October 21, 2013, amends the Internal Revenue Code to prohibit states from relieving an employer of benefit charges if the employer's (or its agent's) failure to respond timely and adequately has resulted in an inappropriate payment and if the employer (or agent) has established a pattern of failing to respond for information. Permits states to charge an employer for fault after the first instance of failure to respond timely or adequately to requests for information related to a UC claim.

#### Reporting of Rehired Employees to National Directory of New Hires (NDNH)

Effective April 21, 2012, amends the definition of "newly hired employee" in the Social Security Act to require employers to report the first day of earnings for rehired employees who have been separated from employment at least sixty 60 days to the NDNH. States requiring legislative changes to comply with federal law have until the first day of the second calendar quarter that begins after the close of the state's first regular session that begins after October 21, 2011 to meet the requirement.

#### **P.L. 112-78, approved December 23, 2011 (HR 3765)**

##### *Temporary Payroll Tax Cut Continuation Act of 2011*

#### Emergency Unemployment Compensation (EUC)

Extends the end date for the Emergency Unemployment Compensation (EUC) program for new entrants from January 3, 2012 to March 6, 2012. Extends the ending date for phase-out for

current beneficiaries from June 9, 2012, to August 15, 2012.

Authorizes continued general revenue funding of EUC benefits and administrative costs.

#### Extended Benefits (EB)

Extends the end date for 100% Federal funding of extended benefits (EB) and the expanded EB eligibility provision from January 4, 2012 to March 7, 2012. Extends phase-out for current beneficiaries from June 11, 2012, to August 15, 2012.

Extends the end date of the provision for Federal funding of the first week of EB in states with no waiting week from June 10, 2012, to August 15, 2012.

#### Three-year Look-back Option for EB Triggers

Extends the authority for states to temporarily modify the provisions concerning EB “on” and “off” indicators by increasing the “look-back” from two years to three years.

Applies to compensation for weeks of unemployment beginning after December 17, 2010 (or, if later, the date established pursuant to state law), and ending on or before February 29, 2012.

#### Effective Date

These provisions take effect as if included in the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (P.L. 111-312), enacted on December 17, 2010.

### **P.L. 112-96, approved February 22, 2012 (HR 3630)**

#### *The Middle Class Tax Relief and Job Creation Act of 2012*

#### Work Search Requirements

Amends section 303(a), Social Security Act (SSA), to add a work search requirement as a condition of eligibility for Unemployment Insurance (UI). This provision applies to weeks of unemployment beginning after the end of the first session of a state’s legislature which begins after enactment.

#### State Reemployment Demonstration Projects

Amends SSA to permit up to 10 states to conduct demonstration projects to expedite reemployment or to improve state effectiveness in carrying out state law on reemployment and provides:

- demonstration projects may be commenced any time after enactment, must last 1-3 years, and end by December 31, 2015;

- permits the Secretary to waive requirements in section 3304(a)(4), Federal Unemployment Tax Act (FUTA) and section 303(a)(5), SSA (withdrawal standard), and 303(a)(1), SSA (methods of administration);
- limits the project scope to subsidies for employer-provided training and disbursement to employers to cover part of the cost of wages (not to exceed the weekly benefit amount); and
- permits Title III (UI administration) grant monies to be used to fund demonstration projects.

#### Mandatory Recovery of Overpayments

Amends FUTA and the SSA to require states to offset overpayments against benefit payments due an individual. Adds “Federal additional compensation” to the list of benefit payments against which overpayments may be offset.

These provisions apply to weeks beginning after the end of the 1<sup>st</sup> session of a state’s legislature beginning after enactment.

#### Data Exchange Standardization

Amends SSA to add provisions requiring the Secretary, in conjunction with OMB, to designate a data exchange standard for any category of information required under SSA and provides parameters for the data exchange standards.

Requires the establishment of data exchange standards for required reporting and provides parameters for reporting standards. Requires the Secretary to issue a proposed rule within 12 months of enactment and a final rule within 24 months of enactment.

Effective with respect to reports required in the first reporting period after the effective date of the final rule.

#### Drug Testing

Amends section 303, SSA, to add a new subsection permitting states to test UI applicants for drugs if:

- the applicant was discharged for unlawful use of drugs, or
- the applicant is only available for suitable work in an occupation that regularly conducts drug testing.

Permits states to deny benefits to an applicant who tests positive for drugs under the circumstances described above.

#### Emergency Unemployment Compensation (EUC)

Extends the end date for the Emergency Unemployment Compensation (EUC) program from



March 6, 2012 to January 2, 2013. Eliminates phase-out for beneficiaries with amounts remaining in their accounts; no EUC is payable after January 2, 2013.

Effective June 1, 2012, modifies the EUC program by changing the Total Unemployment Rate (TUR) required in a state during the most recent 3 months:

- adds a TUR trigger of 6% for Tier 2 (previously no trigger);
- increases the Tier 3 TUR trigger to 7.0% (previously 6.0%); and
- increases the TUR trigger for Tier 4 to at least 9.0% (previously 8.5%).

Effective after September 2, 2012:

- reduces Tier 1 benefits to the lesser of 54% of regular UI or 14 weeks (previously 80% or 20 weeks); and
- reduces Tier 3 benefits to the lesser of 35% of regular UI or 9 weeks (previously 50% or 13 weeks).

For states on Extended Benefits (EB), Tier 4 would remain unchanged. For states not on Extended Benefits (EB), for weeks of benefits:

- from March 1, 2012 to May 31, 2012, increases Tier 4 total benefits to the lesser of 62% of regular UI or 16 weeks (previously 24% and 6 weeks) and:
  - applies only for individuals currently in Tier 4 or new entrants to Tier 4 (there is no “reachback” to prior Tier 4 exhaustees); and
  - the total EUC and Extended Benefits (EB) to an individual may not exceed 282% of regular UI or 73 weeks;
- from June 1, 2012 until August 31, 2012, reduces Tier 4 benefits to the lesser of 24% of regular UI or 6 weeks; and
- from September 1, 2012 until January 2, 2013, increases Tier 4 benefits for all states to the lesser of 39% of regular UI or 10 weeks (previously 24% and 6 weeks).

States are required to defer payment of EB to an individual until all EUC has been paid to that individual. If a state is on EB when this increase in benefits takes effect the state *must* pay the increased EUC amount before paying the balance of EB.

#### Extended Benefits (EB)

Extends 100% Federal funding of “sharable” EB costs from March 7, 2012 to December 31, 2012.

Extends Federal funding of the first week of EB if the state does not have a non-compensable waiting week from August 15, 2012 to June 30, 2013.

Extends the authority for states to use a 3-year “Lookback” from February 29, 2012 to December 31, 2012.

### EUC Work Search

Requires that the agreement between the Secretary and states include a provision that individuals receiving EUC be able to work, available to work, and actively seeking work.

Defines “actively seeking work” to include Employment Services (ES) registration, appropriate search for work, maintenance of a work search record, and providing such record to the state upon request.

Requires the Secretary to establish a minimum number of claims for each state to randomly audit for compliance.

### EUC Reemployment Services and Reemployment and Eligibility Assessment Activities (REAs)

Changes the agreement between the Secretary and the states to require that:

- states provide reemployment services and REA activities to individuals who start receiving EUC “on or after the 30<sup>th</sup> day” following enactment of this Act;
- EUC claimants referred to reemployment services and REA activities participate in those services and actively seek work (permits the state to waive participation under certain circumstances); and
- states provide EUC claimants: labor market and career information, assessment of the individual’s skills, orientation to one-stop center services, review of the individuals’ eligibility based on work search activities, and defines additional services that may be provided.

Requires the Secretary issue guidance on implementation of reemployment services and REA activities not later than 30 days after enactment.

Provides funding for reemployment services and REA activities from general revenues at \$85 per person served through FY 2013.

Provides for distribution of funds among states, and for the transfer of funds to the Employment Security Administration account as the Secretary determines necessary to carry out reemployment services and REA activities.

### EUC Recovery of Overpayments

Requires states to offset EUC overpayments against benefits payable to individuals using the same procedures as are used to recover overpayments of regular compensation.

### EUC Nonreduction Rule

Provides that the EUC nonreduction rule (prohibiting states from reducing the average weekly benefit amount) does not apply to states that enacted a law before March 1, 2012 that, upon taking effect, would violate the nonreduction rule.

### Short-time Compensation (STC) Program

Repeals the previous definition of STC and amends section 3306, FUTA, to add a new subsection defining “short-time compensation program” (STC) as a program under which:

- employer participation is voluntary;
- employer reduces employee hours in lieu of layoffs;
- the reduction is at least 10 percent and not more than 60 percent, and employees are not disqualified from unemployment compensation;
- employees receive a pro rata share of benefits they would have received if totally unemployed;
- employees meet work availability and work search requirement if they are available for their workweek as required;
- eligible employees may participate in appropriate training, either employer-sponsored or funded under the Workforce Investment Act of 1998;
- employers are required to certify that, if health and retirement benefits are provided, those benefits will not be reduced due to participation in the short-time compensation program; and
- the state agency requires the employer to submit a written plan describing how the requirements of this subsection will be implemented, with an estimate of the number of layoffs that would have occurred but for the short-time compensation program; the plan must be consistent with employer obligations under Federal law.

Amends Federal law to allow payment of STC from the state account in the Unemployment Trust Fund and provides that a state currently operating an STC program has until 2 years and 6 months after enactment to meet the new requirements.

### Temporary Financing for States with STC Program in Law

Provides 100 percent funding for STC paid to an individual under state law. Provisions for full funding include:

- the maximum amount payable to an individual is 26 times the amount of regular compensation payable, including dependents’ allowances;
- no payments be made to an individual who is employed on a seasonal, temporary, or intermittent basis;
- funding applies to weeks of unemployment beginning on or after the date of enactment and ending on or before the date that is 3 years and 6 months after the date of enactment;

- states operating an STC program under the old definition will be eligible for 2 years and 6 months of reimbursement until they amend their laws to conform to the new definition; and
- a state may continue to receive payments at 100 percent funding upon enactment of STC law that is compliant with the new definition for a combined total of 156 weeks.

Appropriates funds from general revenues and requires the Secretary to certify to Treasury the sums payable to each state under this section.

#### Temporary Financing for States With No STC Program in Law

Provides that if a state's law does not provide for payment of STC, the state may enter into an agreement with the Secretary to operate a Federal STC program. Provisions for payment include:

- maximum amount payable to an individual is 26 times the amount of regular compensation payable, including dependents' allowances;
- no payments may be made to an individual who is employed on a seasonal, temporary, or intermittent basis;
- state will be paid one-half of the amount of STC paid to individuals and any additional administrative expenses incurred by reason of the agreement;
- participating employers must pay one-half of the amount of short-time compensation paid by the state, money must be deposited into the state's unemployment trust fund, and may not be used to calculate the employer's contribution rate;
- an agreement entered into under this section applies to weeks of unemployment beginning on or after the date on which the agreement is entered into, and ending on or before the date that is 2 years and 13 weeks after the date of enactment;
- state may receive payments for a maximum of 104 weeks under this agreement; and
- if a state enacts STC law, it may receive 100 percent payments, after the effective date of the law, for a combined total of 156 weeks (until 3 years and 6 months after enactment).

Appropriates funds from general revenues and requires the Secretary is to certify to Treasury the sums payable to each state under this section.

#### Grants for STC Programs

Provides grants to states and requires that:

- state law meet the definition of STC program in section 3306(v), FUTA;
- one-third of the maximum incentive payment be used for implementation or improved administration and two-thirds be used for promotion and enrollment of employers;
- state meet the conformity requirements of FUTA and SSA to receive administrative grants;
- STC program not be subject to discontinuation and must be scheduled to take effect within 12 months of certification; and

- grant funds may be recouped if the state terminates the STC program or fails to meet appropriate requirements within a 5-year period of the date the grant is awarded.

Appropriates \$100 million from general revenues to carry out the grant program without fiscal limitation and authorizes the Secretary to use 0.25% of available funds to provide for outreach and to share best practices among the states.

#### Guidance for STC Implementation

Requires the Secretary to:

- develop, and to periodically review and revise, model legislative language that states may use to develop and enact short-time compensation programs (requires consultation with employers, labor organizations, state workforce agencies, and other program experts);
- provide technical assistance and guidance in developing, enacting, and implementing such programs;
- establish reporting requirements for the number of estimated averted layoffs, number of participating employers, and other items; and
- report to Congress, not later than 4 years after enactment, on the implementation of the STC program.

Appropriates \$150 million from general revenue without fiscal year limitation for required report.

#### Self-Employment Assistance (SEA) Program

Amends Federal-State Extended Unemployment Compensation Act of 1970 (EUCA) law and the Supplemental Appropriations Act of 2008 to make SEA programs available to individuals who have exhausted benefits if a state chooses to create an SEA program for EB/EUC claimants (previously available only for individuals receiving “regular compensation”). Requires that:

- participants do not have to be identified through profiling as likely to exhaust regular benefits;
- individuals may receive up to 26 weeks of SEA payments based on EUC, EB or combined EUC/EB eligibility (combined eligibility limit);
- an individual who is receiving SEA under an EB program may continue to receive EUC SEA benefits when s/he exhausts EB eligibility, up to the combined eligibility limit (carryover rule);
- the percentage of EUC/EB participants in SEA may not exceed 1 percent of the number of individuals receiving UI;
- the requirement that SEA programs not result in increased costs to the state UI program is inapplicable to SEA programs for EB and EUC recipients;
- no individual may be approved for participation in SEA unless the agency “has a reasonable expectation that the individual will be entitled to at least 13 weeks” of EUC and/or EB benefits; and

- individuals may drop out of SEA at any time and receive the balance of EB or EUC to which the individual was initially determined eligible.

### Grants for SEA Programs

Provides grants to states to improve administration of existing SEA programs or to develop, implement, and administer SEA programs and:

- authorizes the Secretary to award grants to states to promote SEA programs and enroll unemployed individuals in those programs;
- requires applications for grants be submitted to the Secretary on or before December 31, 2013; and
- that the amount of a grant shall be determined based on the percentage of unemployed individuals relative to the percentage of unemployed individuals in all states.

Appropriates \$35 million from general revenues for fiscal years 2012 through 2013.

### Guidance for SEA Implementation

Requires the Secretary to:

- develop model language, and periodically review and revise the model language;
- provide technical assistance and guidance in establishing, improving, and administering SEA programs;
- establish reporting requirements for state SEA programs utilizing required elements and any additional appropriate information;
- submit a report to Congress, evaluating the effectiveness of the SEA programs (required information defined), no later than 5 years after enactment;
- consult with employers, labor organizations, state agencies, and other relevant program experts in the development of model language and guidance; and
- utilize resources available through DOL and to coordinate with the Administrator of the Small Business Administration to ensure adequate funding is reserved and available for entrepreneurial training for SEA participants.

## **P.L. 112-240, approved January 2, 2013 (HR 8)**

*American Taxpayer Relief Act of 2012*

### Emergency Unemployment Compensation (EUC)

Extends the end date for the Emergency Unemployment Compensation (EUC) program from January 2, 2013 to January 1, 2014.

Authorizes continued general revenue funding of EUC benefits and administrative costs.

### Extended Benefits (EB)

Extends 100% Federal funding of “sharable” EB costs from December 31, 2012 to December 31, 2013. Extends phase-out for current beneficiaries from June 30, 2013, to June 30, 2014.

Extends Federal funding of the first week of EB if the state does not have a non-compensable waiting week from June 30, 2013 to June 30, 2014.

### Three-year Lookback Option for EB Triggers

Extends the authority for states to use a three-year “lookback” from December 31, 2012 to December 31, 2013.

### Extension of Funding for Reemployment Services and Reemployment and Eligibility Assessment Activities

Extends funding for reemployment services and REA activities through FY 2014.

### Effective Date

These provisions take effect as if included in the Unemployment Benefits Extension Act of 2012 (P.L. 112-96), enacted on February 22, 2012.

## **P.L. 113-67, approved December 26, 2013 (HJR 59)**

### *Bipartisan Budget Act of 2013*

### Mandatory Use of Treasury Offset Program

Amends the Social Security Act to require states to utilize the Internal Revenue Service Treasury Offset Program to recover a covered unemployment compensation debt that is uncollected a year after the debt was determined due.

Last updated 7/1/14