

107TH CONGRESS  
1ST SESSION

# H. R. 3022

To provide for a program of temporary enhanced unemployment benefits.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 4, 2001

Mr. CARDIN (for himself, Mr. RANGEL, Mr. HOUGHTON, Mr. STARK, Mr. ENGLISH, Mr. LEVIN, Mr. McDERMOTT, and Mr. COYNE) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To provide for a program of temporary enhanced unemployment benefits.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Temporary Unemploy-  
5       ment Compensation Act of 2001”.

6       **SEC. 2. FEDERAL-STATE AGREEMENTS.**

7       (a) IN GENERAL.—Any State which desires to do so  
8       may enter into and participate in an agreement under this  
9       Act with the Secretary of Labor (hereinafter in this Act  
10       referred to as the “Secretary”). Any State which is a party

1 to an agreement under this Act may, upon providing 30  
2 days' written notice to the Secretary, terminate such  
3 agreement.

4 (b) PROVISIONS OF AGREEMENT.—

5 (1) IN GENERAL.—Any agreement under sub-  
6 section (a) shall provide that the State agency of the  
7 State will make—

8 (A) payments of regular compensation to  
9 individuals in amounts and to the extent that  
10 they would be determined if the State law were  
11 applied with the modifications described in  
12 paragraph (2), and

13 (B) payments of temporary supplemental  
14 unemployment compensation to individuals  
15 who—

16 (i) have exhausted all rights to reg-  
17 ular compensation under the State law,

18 (ii) do not, with respect to a week,  
19 have any rights to compensation (excluding  
20 extended compensation) under the State  
21 law of any other State (whether one that  
22 has entered into an agreement under this  
23 Act or otherwise) nor compensation under  
24 any other Federal law (other than under  
25 the Federal-State Extended Unemployment

1 Compensation Act of 1970), and are not  
2 paid or entitled to be paid any additional  
3 compensation under any State or Federal  
4 law, and

5 (iii) are not receiving compensation  
6 with respect to such week under the unem-  
7 ployment compensation law of Canada.

8 (2) MODIFICATIONS DESCRIBED.—The modi-  
9 fications described in this paragraph are as follows:

10 (A) An individual shall be eligible for reg-  
11 ular compensation if the individual would be so  
12 eligible, determined by applying—

13 (i) the base period that would other-  
14 wise apply under the State law if this Act  
15 had not been enacted, or

16 (ii) a base period ending at the close  
17 of the calendar quarter most recently com-  
18 pleted before the date of the individual's  
19 application for benefits,

20 whichever results in the greater amount.

21 (B) An individual shall not be denied reg-  
22 ular compensation under the State law's provi-  
23 sions relating to availability for work, active  
24 search for work, or refusal to accept work, sole-  
25 ly by virtue of the fact that such individual is

1 seeking, or available for, only part-time (and  
2 not full-time) work.

3 (C) The amount of regular compensation  
4 (including dependents' allowances) payable for  
5 any week shall be equal to the amount deter-  
6 mined under the State law (before the applica-  
7 tion of this subparagraph), plus an additional—

8 (i) 15 percent, or

9 (ii) \$25,

10 whichever is greater.

11 (c) NONREDUCTION RULE.—Under the agreement,  
12 subsection (b)(2)(C) shall not apply (or shall cease to  
13 apply) with respect to a State upon a determination by  
14 the Secretary that the method governing the computation  
15 of regular compensation under the State law of that State  
16 has been modified in a way such that—

17 (1) the average weekly amount of regular com-  
18 pensation which will be payable during the period of  
19 the agreement (determined disregarding the modi-  
20 fications described in subsection (b)(2)) will be less  
21 than

22 (2) the average weekly amount of regular com-  
23 pensation which would otherwise have been payable  
24 during such period under the State law, as in effect  
25 on September 11, 2001.

1 (d) COORDINATION RULES.—

2 (1) REGULAR COMPENSATION PAYABLE UNDER  
3 A FEDERAL LAW.—The modifications described in  
4 subsection (b)(2) shall also apply in determining the  
5 amount of benefits payable under any Federal law to  
6 the extent that those benefits are determined by ref-  
7 erence to regular compensation payable under the  
8 State law of the State involved.

9 (2) TSUC TO SERVE AS SECOND-TIER BENE-  
10 FITS.—Notwithstanding any other provision of law,  
11 extended benefits shall not be payable to any indi-  
12 vidual for any week for which temporary supple-  
13 mental unemployment compensation is payable to  
14 such individual.

15 (e) EXHAUSTION OF BENEFITS.—For purposes of  
16 subsection (b)(1)(B)(i), an individual shall be considered  
17 to have exhausted such individual’s rights to regular com-  
18 pensation under a State law when—

19 (1) no payments of regular compensation can  
20 be made under such law because such individual has  
21 received all regular compensation available to such  
22 individual based on employment or wages during  
23 such individual’s base period, or

24 (2) such individual’s rights to such compensa-  
25 tion have been terminated by reason of the expira-

1       tion of the benefit year with respect to which such  
2       rights existed.

3       (f) WEEKLY BENEFIT AMOUNT, TERMS AND CONDI-  
4       TIONS, ETC. RELATING TO TSUC.—For purposes of any  
5       agreement under this Act—

6           (1) the amount of temporary supplemental un-  
7       employment compensation which shall be payable to  
8       an individual for any week of total unemployment  
9       shall be equal to the amount of regular compensa-  
10      tion (including dependents' allowances) payable to  
11      such individual under the State law for a week for  
12      total unemployment during such individual's benefit  
13      year,

14          (2) the terms and conditions of the State law  
15      which apply to claims for regular compensation and  
16      to the payment thereof shall apply to claims for tem-  
17      porary supplemental unemployment compensation  
18      and the payment thereof, except where inconsistent  
19      with the provisions of this Act or with the regula-  
20      tions or operating instructions of the Secretary pro-  
21      mulgated to carry out this Act, and

22          (3) the maximum amount of temporary supple-  
23      mental unemployment compensation payable to any  
24      individual for whom a temporary supplemental un-  
25      employment compensation account is established

1 under section 3 shall not exceed the amount estab-  
2 lished in such account for such individual.

3 **SEC. 3. TEMPORARY SUPPLEMENTAL UNEMPLOYMENT**  
4 **COMPENSATION ACCOUNT.**

5 (a) IN GENERAL.—Any agreement under this Act  
6 shall provide that the State will establish, for each eligible  
7 individual who files an application for temporary supple-  
8 mental unemployment compensation, a temporary supple-  
9 mental unemployment compensation account.

10 (b) AMOUNT IN ACCOUNT.—

11 (1) IN GENERAL.—The amount established in  
12 an account under subsection (a) shall be equal to the  
13 lesser of—

14 (A) 50 percent of the total amount of reg-  
15 ular compensation (including dependents' allow-  
16 ances) payable to him during his benefit year  
17 under such law, or

18 (B) 13 times his weekly benefit amount.

19 (2) WEEKLY BENEFIT AMOUNT.—For purposes  
20 of this subsection, an individual's weekly benefit  
21 amount for any week is the amount of regular com-  
22 pensation (including dependents' allowances) under  
23 the State law payable to such individual for such  
24 week for total unemployment.

1           (3) **RULE OF CONSTRUCTION.**—For purposes of  
2 any computation under paragraph (1) (and any de-  
3 termination of amount under section 2(f)(1)), the  
4 modification described in section 2(b)(2)(C) (relating  
5 to increased benefits) shall be deemed to have been  
6 in effect with respect to the entirety of the benefit  
7 year involved.

8 **SEC. 4. PAYMENTS TO STATES HAVING AGREEMENTS**  
9 **UNDER THIS ACT.**

10       (a) **GENERAL RULE.**—There shall be paid to each  
11 State which has entered into an agreement under this Act  
12 an amount equal to—

13           (1) 100 percent of any regular compensation  
14 made payable to individuals by such State by virtue  
15 of the modifications which are described in section  
16 2(b)(2) and deemed to be in effect with respect to  
17 such State pursuant to section 2(b)(1)(A),

18           (2) 100 percent of any regular compensation—

19               (A) which is paid to individuals by such  
20 State by reason of the fact that its State law  
21 contains provisions comparable to the modifica-  
22 tions described in section 2(b)(2)(A)–(B), but  
23 only

24               (B) to the extent that those amounts  
25 would, if such amounts were instead payable by

1           virtue of the State law's being deemed to be so  
2           modified pursuant to section 2(b)(1)(A), have  
3           been reimbursable under paragraph (1), and  
4           (3) 100 percent of the temporary supplemental  
5           unemployment compensation paid to individuals by  
6           the State pursuant to such agreement.

7           (b) DETERMINATION OF AMOUNT.—Sums under sub-  
8           section (a) payable to any State by reason of such State  
9           having an agreement under this Act shall be payable, ei-  
10          ther in advance or by way of reimbursement (as may be  
11          determined by the Secretary), in such amounts as the Sec-  
12          retary estimates the State will be entitled to receive under  
13          this Act for each calendar month, reduced or increased,  
14          as the case may be, by any amount by which the Secretary  
15          finds that the Secretary's estimates for any prior calendar  
16          month were greater or less than the amounts which should  
17          have been paid to the State. Such estimates may be made  
18          on the basis of such statistical, sampling, or other method  
19          as may be agreed upon by the Secretary and the State  
20          agency of the State involved.

21          (c) ADMINISTRATIVE EXPENSES, ETC.—There is  
22          hereby appropriated out of the employment security ad-  
23          ministration account of the Unemployment Trust Fund  
24          (as established by section 901(a) of the Social Security  
25          Act) \$500,000,000 to reimburse States for the costs of

1 the administration of agreements under this Act (includ-  
2 ing any improvements in technology in connection there-  
3 with) and to provide reemployment services to unemploy-  
4 ment compensation claimants in States having agreements  
5 under this Act. Each State's share of the amount appro-  
6 priated by the preceding sentence shall be determined by  
7 the Secretary according to the factors described in section  
8 302(a) of the Social Security Act and certified by the Sec-  
9 retary to the Secretary of the Treasury.

10 **SEC. 5. FINANCING PROVISIONS.**

11 (a) IN GENERAL.—Funds in the extended unemploy-  
12 ment compensation account (as established by section  
13 905(a) of the Social Security Act), and the Federal unem-  
14 ployment account (as established by section 904(g) of the  
15 Social Security Act), of the Unemployment Trust Fund  
16 shall be used, in accordance with subsection (b), for the  
17 making of payments (described in section 4(a)) to States  
18 having agreements entered into under this Act.

19 (b) CERTIFICATION.—The Secretary shall from time  
20 to time certify to the Secretary of the Treasury for pay-  
21 ment to each State the sums described in section 4(a)  
22 which are payable to such State under this Act. The Sec-  
23 retary of the Treasury, prior to audit or settlement by the  
24 General Accounting Office, shall make payments to the  
25 State in accordance with such certification by transfers

1 from the extended unemployment compensation account  
2 (or, to the extent that there are insufficient funds in that  
3 account, from the Federal unemployment account) to the  
4 account of such State in the Unemployment Trust Fund.

5 **SEC. 6. FRAUD AND OVERPAYMENTS.**

6 (a) IN GENERAL.—If an individual knowingly has  
7 made, or caused to be made by another, a false statement  
8 or representation of a material fact, or knowingly has  
9 failed, or caused another to fail, to disclose a material fact,  
10 and as a result of such false statement or representation  
11 or of such nondisclosure such individual has received any  
12 regular compensation or temporary supplemental unem-  
13 ployment compensation under this Act to which he was  
14 not entitled, such individual—

15 (1) shall be ineligible for any further benefits  
16 under this Act in accordance with the provisions of  
17 the applicable State unemployment compensation  
18 law relating to fraud in connection with a claim for  
19 unemployment compensation, and

20 (2) shall be subject to prosecution under section  
21 1001 of title 18, United States Code.

22 (b) REPAYMENT.—In the case of individuals who  
23 have received any regular compensation or temporary sup-  
24 plemental unemployment compensation under this Act to  
25 which they were not entitled, the State shall require such

1 individuals to repay those benefits to the State agency,  
2 except that the State agency may waive such repayment  
3 if it determines that—

4           (1) the payment of such benefits was without  
5           fault on the part of any such individual, and

6           (2) such repayment would be contrary to equity  
7           and good conscience.

8           (c) RECOVERY BY STATE AGENCY.—

9           (1) IN GENERAL.—The State agency may re-  
10          cover the amount to be repaid, or any part thereof,  
11          by deductions from any regular compensation or  
12          temporary supplemental unemployment compensa-  
13          tion payable to such individual under this Act or  
14          from any unemployment compensation payable to  
15          such individual under any Federal unemployment  
16          compensation law administered by the State agency  
17          or under any other Federal law administered by the  
18          State agency which provides for the payment of any  
19          assistance or allowance with respect to any week of  
20          unemployment, during the 3-year period after the  
21          date such individuals received the payment of the  
22          regular compensation or temporary supplemental un-  
23          employment compensation to which they were not  
24          entitled, except that no single deduction may exceed

1 50 percent of the weekly benefit amount from which  
2 such deduction is made.

3 (2) OPPORTUNITY FOR HEARING.—No repay-  
4 ment shall be required, and no deduction shall be  
5 made, until a determination has been made, notice  
6 thereof and an opportunity for a fair hearing has  
7 been given to the individual, and the determination  
8 has become final.

9 (d) REVIEW.—Any determination by a State agency  
10 under this section shall be subject to review in the same  
11 manner and to the same extent as determinations under  
12 the State unemployment compensation law, and only in  
13 that manner and to that extent.

14 **SEC. 7. DEFINITIONS.**

15 For purposes of this Act:

16 (1) IN GENERAL.—The terms “compensation”,  
17 “regular compensation”, “extended compensation”,  
18 “additional compensation”, “benefit year”, “base pe-  
19 riod”, “State”, “State agency”, “State law”, and  
20 “week” have the respective meanings given such  
21 terms under section 205 of the Federal-State Ex-  
22 tended Unemployment Compensation Act of 1970,  
23 subject to paragraph (2).

1           (2) STATE LAW AND REGULAR COMPENSA-  
2           TION.—In the case of a State entering into an  
3           agreement under this Act—

4                   (A) “State law” shall be considered to  
5                   refer to the State law of such State, applied in  
6                   conformance with the modifications described in  
7                   section 2(b)(2), subject to section 2(c), and

8                   (B) “regular compensation” shall be con-  
9                   sidered to refer to such compensation, deter-  
10                  mined under its State law (applied in the man-  
11                  ner described in subparagraph (A)),

12           except as otherwise provided or where the context  
13           clearly indicates otherwise.

14 **SEC. 8. APPLICABILITY.**

15           (a) IN GENERAL.—An agreement entered into under  
16           this Act shall apply to weeks of unemployment—

17                   (1) beginning after the date on which such  
18                   agreement is entered into, and

19                   (2) ending before January 1, 2003.

20           (b) SPECIFIC RULES.—Under such an agreement—

21                   (1) the modification described in section  
22                   2(b)(2)(A) (relating to alternative base periods) shall  
23                   not apply except in the case of initial claims filed  
24                   after September 11, 2001,

1           (2) the modifications described in section  
2           2(b)(2)(B)–(C) (relating to part-time employment  
3           and increased benefits, respectively) shall apply to  
4           weeks of unemployment (described in subsection  
5           (a)), irrespective of the date on which an individual’s  
6           claim for benefits is filed, and

7           (3) the payments described in section  
8           2(b)(1)(B) (relating to temporary supplemental un-  
9           employment compensation) shall not apply except in  
10          the case of individuals exhausting their rights to reg-  
11          ular compensation (as described in clause (i) there-  
12          of) after September 11, 2001.

○