

108TH CONGRESS  
1ST SESSION

# S. 923

To provide for additional weeks of temporary extended unemployment compensation, to provide for a program of temporary enhanced regular unemployment compensation, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

APRIL 11, 2003

Mr. KENNEDY (for himself, Mr. SMITH, Mr. DASCHLE, Mrs. CLINTON, Mr. REED, Mr. DURBIN, Mr. SARBANES, Mr. BINGAMAN, Mr. ROCKEFELLER, Mr. DODD, Mr. LEVIN, Mrs. MURRAY, Mr. HARKIN, Ms. MIKULSKI, Ms. CANTWELL, and Mr. SCHUMER) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To provide for additional weeks of temporary extended unemployment compensation, to provide for a program of temporary enhanced regular unemployment compensation, and for other purposes.

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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Economic Security Act of 2003”.

6 (b) TABLE OF CONTENTS.—The table of contents of  
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—EXTENSION AND ENHANCEMENT OF TEMPORARY  
EXTENDED UNEMPLOYMENT COMPENSATION

Sec. 101. Extension of the Temporary Extended Unemployment Compensation Act of 2002.

Sec. 102. Entitlement to additional weeks of temporary extended unemployment compensation.

TITLE II—TEMPORARY ENHANCED REGULAR UNEMPLOYMENT  
COMPENSATION

Sec. 201. Federal-State agreements.

Sec. 202. Payments to States having agreements under this title.

Sec. 203. Financing provisions.

Sec. 204. Definitions.

Sec. 205. Applicability.

Sec. 206. Coordination with the Temporary Extended Unemployment Compensation Act of 2002.

1 **TITLE I—EXTENSION AND EN-**  
2 **HANCEMENT OF TEMPORARY**  
3 **EXTENDED UNEMPLOYMENT**  
4 **COMPENSATION**

5 **SEC. 101. EXTENSION OF THE TEMPORARY EXTENDED UN-**  
6 **EMPLOYMENT COMPENSATION ACT OF 2002.**

7 (a) IN GENERAL.—Section 208 of the Temporary Ex-  
8 tended Unemployment Compensation Act of 2002 (Public  
9 Law 107–147; 116 Stat. 30), as amended by Public Law  
10 108–1 (117 Stat. 3), is amended—

11 (1) in subsection (a)(2), by striking “before  
12 June 1” and inserting “on or before November 30”;

13 (2) in subsection (b)(1), by striking “May 31,  
14 2003” and inserting “November 30, 2003”;

15 (3) in subsection (b)(2)—

1 (A) in the heading, by striking “MAY 31,  
2 2003” and inserting “NOVEMBER 30, 2003”; and

3 (B) by striking “May 31, 2003” and in-  
4 serting “November 30, 2003”; and

5 (4) in subsection (b)(3), by striking “August  
6 30, 2003” and inserting “February 28, 2004”.

7 (b) EFFECTIVE DATE.—The amendments made by  
8 this section shall take effect as if included in the enact-  
9 ment of the Temporary Extended Unemployment Com-  
10 pensation Act of 2002 (Public Law 107–147; 116 Stat.  
11 21).

12 **SEC. 102. ENTITLEMENT TO ADDITIONAL WEEKS OF TEM-**  
13 **PORARY EXTENDED UNEMPLOYMENT COM-**  
14 **PENSATION.**

15 (a) ENTITLEMENT TO ADDITIONAL WEEKS.—

16 (1) IN GENERAL.—Paragraph (1) of section  
17 203(b) of the Temporary Extended Unemployment  
18 Compensation Act of 2002 (Public Law 107–147;  
19 116 Stat. 28) is amended—

20 (A) in subparagraph (A), by striking “50  
21 percent” and inserting “100 percent”; and

22 (B) in subparagraph (B), by striking “13  
23 times” and inserting “26 times”.

24 (2) REPEAL OF RESTRICTION ON AUGMENTA-  
25 TION DURING TRANSITIONAL PERIOD.—Section

1 208(b) of the Temporary Extended Unemployment  
2 Compensation Act of 2002 (Public Law 107–147),  
3 as amended by Public Law 108–1 (117 Stat. 3) and  
4 section 101(a), is amended—

5 (A) in paragraph (1)—

6 (i) by striking “paragraphs (2) and  
7 (3)” and inserting “paragraph (2)”; and

8 (ii) by inserting before the period at  
9 the end the following: “, including such  
10 compensation payable by reason of  
11 amounts deposited in such account after  
12 such date pursuant to the application of  
13 subsection (c) of such section”;

14 (B) by striking paragraph (2); and

15 (C) by redesignating paragraph (3) as  
16 paragraph (2).

17 (3) EXTENSION OF TRANSITION LIMITATION.—

18 Section 208(b)(2) of the Temporary Extended Un-  
19 employment Compensation Act of 2002 (Public Law  
20 107–147), as amended by Public Law 108–1 (117  
21 Stat. 3) and section 101(a)(4) and as redesignated  
22 by paragraph (2), is amended by striking “February  
23 28, 2004” and inserting “May 29, 2004”.

24 (4) CONFORMING AMENDMENT FOR AUG-  
25 MENTED BENEFITS.—Section 203(c)(1) of the Tem-

1       porary Extended Unemployment Compensation Act  
2       of 2002 (Public Law 107–147; 116 Stat. 28) is  
3       amended by striking “the amount originally estab-  
4       lished in such account (as determined under sub-  
5       section (b)(1))” and inserting “7 times the individ-  
6       ual’s average weekly benefit amount for the benefit  
7       year”.

8       (b) EFFECTIVE DATE AND APPLICATION.—

9           (1) IN GENERAL.—The amendments made by  
10       subsection (a) shall apply with respect to weeks of  
11       unemployment beginning on or after the date of en-  
12       actment this Act.

13           (2) TEUC–X AMOUNTS DEPOSITED IN AC-  
14       COUNT PRIOR TO DATE OF ENACTMENT DEEMED TO  
15       BE THE ADDITIONAL TEUC AMOUNTS PROVIDED BY  
16       THIS SECTION.—In applying the amendments made  
17       by subsection (a) under the Temporary Extended  
18       Unemployment Compensation Act of 2002 (Public  
19       Law 107–147; 116 Stat. 26), the Secretary of Labor  
20       shall deem any amounts deposited into an individ-  
21       ual’s temporary extended unemployment compensa-  
22       tion account by reason of section 203(c) of such Act  
23       (commonly known as “TEUC–X amounts”) prior to  
24       the date of enactment of this Act to be amounts de-  
25       posited in such account by reason of section 203(b)

1 of such Act, as amended by subsection (a) (com-  
2 monly known as “TEUC amounts”).

3 (3) APPLICATION TO EXHAUSTEES AND CUR-  
4 RENT BENEFICIARIES.—

5 (A) EXHAUSTEES.—In the case of any in-  
6 dividual—

7 (i) to whom any temporary extended  
8 unemployment compensation was payable  
9 for any week beginning before the date of  
10 enactment of this Act; and

11 (ii) who exhausted such individual’s  
12 rights to such compensation (by reason of  
13 the payment of all amounts in such indi-  
14 vidual’s temporary extended unemployment  
15 compensation account) before such date,  
16 such individual’s eligibility for any additional  
17 weeks of temporary extended unemployment  
18 compensation by reason of the amendments  
19 made by subsection (a) shall apply with respect  
20 to weeks of unemployment beginning on or  
21 after the date of enactment of this Act.

22 (B) CURRENT BENEFICIARIES.—In the  
23 case of any individual—

24 (i) to whom any temporary extended  
25 unemployment compensation was payable

1           for any week beginning before the date of  
2           enactment of this Act; and

3                   (ii) as to whom the condition de-  
4           scribed in subparagraph (A)(ii) does not  
5           apply,

6           such individual shall be eligible for temporary  
7           extended unemployment compensation (in ac-  
8           cordance with the provisions of the Temporary  
9           Extended Unemployment Compensation Act of  
10          2002, as amended by subsection (a)) with re-  
11          spect to weeks of unemployment beginning on  
12          or after the date of enactment of this Act.

13           (4) REDETERMINATION OF ELIGIBILITY FOR  
14          AUGMENTED AMOUNTS FOR INDIVIDUALS FOR WHOM  
15          SUCH A DETERMINATION WAS MADE PRIOR TO THE  
16          DATE OF ENACTMENT.—Any determination of  
17          whether the individual’s State is in an extended ben-  
18          efit period under section 203(c) of the Temporary  
19          Extended Unemployment Compensation Act of 2002  
20          (Public Law 107–147; 116 Stat. 28) made prior to  
21          the date of enactment of this Act shall be dis-  
22          regarded and the determination under such section  
23          shall be made as follows:

24                   (A) INDIVIDUALS WHO EXHAUSTED ALL  
25          TEUC AND TEUC–X AMOUNTS PRIOR TO THE

1           DATE OF ENACTMENT.—In the case of an indi-  
 2           vidual whose temporary extended unemploy-  
 3           ment account has, prior to the date of enact-  
 4           ment of this Act, been both augmented under  
 5           such section 203(c) and exhausted of all  
 6           amounts by which it was so augmented, the de-  
 7           termination shall be made as of such date of  
 8           enactment.

9           (B) ALL OTHER INDIVIDUALS.—In the  
 10          case of an individual who is not described in  
 11          subparagraph (A), the determination shall be  
 12          made at the time that the individual's account  
 13          established under such section 203, as amended  
 14          by subsection (a), is exhausted.

15   **TITLE        II—TEMPORARY        EN-**  
 16       **HANCED       REGULAR        UNEM-**  
 17       **EMPLOYMENT COMPENSATION**

18   **SEC. 201. FEDERAL-STATE AGREEMENTS.**

19          (a) IN GENERAL.—Any State which desires to do so  
 20          may enter into and participate in an agreement under this  
 21          title with the Secretary of Labor (in this title referred to  
 22          as the “Secretary”). Any State which is a party to an  
 23          agreement under this title may, upon providing 30 days’  
 24          written notice to the Secretary, terminate such agreement.

25          (b) PROVISIONS OF AGREEMENT.—

1           (1) IN GENERAL.—Subject to paragraph (3),  
2           any agreement under subsection (a) shall provide  
3           that the State agency of the State, in addition to  
4           any amounts of regular compensation to which an  
5           individual may be entitled under the State law, shall  
6           make payments of temporary enhanced regular un-  
7           employment compensation to an individual in an  
8           amount and to the extent that the individual would  
9           be entitled to regular compensation if the State law  
10          were applied with the modifications described in  
11          paragraph (2).

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

14           (A) In the case of an individual who is not  
15           eligible for regular compensation under the  
16           State law because of the use of a definition of  
17           base period that does not count wages earned  
18           in the most recently completed calendar quar-  
19           ter, then eligibility for compensation shall be  
20           determined by applying a base period ending at  
21           the close of the most recently completed cal-  
22           endar quarter.

23           (B) In the case of an individual who is not  
24           eligible for regular compensation under the  
25           State law because such individual does not meet

1 requirements relating to availability for work,  
2 active search for work, or refusal to accept  
3 work, because such individual is seeking, or is  
4 available for, less than full-time work, then  
5 compensation shall not be denied by such State  
6 to an otherwise eligible individual who seeks  
7 less than full-time work or fails to accept full-  
8 time work.

9 (3) REDUCTION OF AMOUNTS OF REGULAR  
10 COMPENSATION AVAILABLE FOR INDIVIDUALS WHO  
11 SOUGHT PART-TIME WORK OR FAILED TO ACCEPT  
12 FULL-TIME WORK.—Any agreement under sub-  
13 section (a) shall provide that the State agency of the  
14 State shall reduce the amount of regular compensa-  
15 tion available to an individual who has received tem-  
16 porary enhanced regular unemployment compensa-  
17 tion as a result of the application of the modification  
18 described in paragraph (2)(B) by the amount of  
19 such temporary enhanced regular unemployment  
20 compensation.

21 (c) COORDINATION RULE.—The modifications de-  
22 scribed in subsection (b)(2) shall also apply in determining  
23 the amount of benefits payable under any Federal law to  
24 the extent that those benefits are determined by reference

1 to regular compensation payable under the State law of  
2 the State involved.

3 **SEC. 202. PAYMENTS TO STATES HAVING AGREEMENTS**

4 **UNDER THIS TITLE.**

5 (a) GENERAL RULE.—There shall be paid to each  
6 State which has entered into an agreement under this title  
7 an amount equal to—

8 (1) 100 percent of any temporary enhanced reg-  
9 ular unemployment compensation; and

10 (2) 100 percent of any regular compensation  
11 which is paid to individuals by such State by reason  
12 of the fact that its State law contains provisions  
13 comparable to the modifications described in sub-  
14 paragraphs (A) and (B) of section 201(b)(2), but  
15 only to the extent that those amounts would, if such  
16 amounts were instead payable by virtue of the State  
17 law's being deemed to be so modified pursuant to  
18 section 201(b)(1), have been reimbursable under  
19 paragraph (1).

20 (b) DETERMINATION OF AMOUNT.—Sums under sub-  
21 section (a) payable to any State by reason of such State  
22 having an agreement under this title shall be payable, ei-  
23 ther in advance or by way of reimbursement (as may be  
24 determined by the Secretary), in such amounts as the Sec-  
25 retary estimates the State will be entitled to receive under

1 this title for each calendar month, reduced or increased,  
2 as the case may be, by any amount by which the Secretary  
3 finds that the Secretary's estimates for any prior calendar  
4 month were greater or less than the amounts which should  
5 have been paid to the State. Such estimates may be made  
6 on the basis of such statistical, sampling, or other method  
7 as may be agreed upon by the Secretary and the State  
8 agency of the State involved.

9 **SEC. 203. FINANCING PROVISIONS.**

10 (a) IN GENERAL.—Funds in the extended unemploy-  
11 ment compensation account (as established by section  
12 905(a) of the Social Security Act (42 U.S.C. 1105(a))),  
13 and the Federal unemployment account (as established by  
14 section 904(g) of such Act (42 U.S.C. 1104(g))), of the  
15 Unemployment Trust Fund (as established by section  
16 904(a) of such Act (42 U.S.C. 1104(a))) shall be used  
17 for the making of payments to States having agreements  
18 entered into under this title.

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 which are payable to such  
22 State under this title. The Secretary of the Treasury, prior  
23 to audit or settlement by the General Accounting Office,  
24 shall make payments to the State in accordance with such  
25 certification by transfers from the extended unemployment

1 compensation account (as so established), or, to the extent  
2 that there are insufficient funds in that account, from the  
3 Federal unemployment account, to the account of such  
4 State in the Unemployment Trust Fund (as so estab-  
5 lished).

6 (c) ASSISTANCE TO STATES.—There are appro-  
7 priated out of the employment security administration ac-  
8 count of the Unemployment Trust Fund (as established  
9 by section 901(a) of the Social Security Act (42 U.S.C.  
10 1101(a))) \$500,000,000 to reimburse States for the costs  
11 of the administration of agreements under this title (in-  
12 cluding any improvements in technology in connection  
13 therewith) and to provide reemployment services to unem-  
14 ployment compensation claimants in States having agree-  
15 ments under this title. Each State's share of the amount  
16 appropriated by the preceding sentence shall be deter-  
17 mined by the Secretary according to the factors described  
18 in section 302(a) of the Social Security Act (42 U.S.C.  
19 502(a)) and certified by the Secretary to the Secretary  
20 of the Treasury.

21 (d) APPROPRIATIONS FOR CERTAIN PAYMENTS.—  
22 There are appropriated from the general fund of the  
23 Treasury, without fiscal year limitation, to the extended  
24 unemployment compensation account (as so established)  
25 of the Unemployment Trust Fund (as so established) such

1 sums as the Secretary estimates to be necessary to make  
2 the payments under this section in respect of—

3 (1) compensation payable under chapter 85 of  
4 title 5, United States Code; and

5 (2) compensation payable on the basis of serv-  
6 ices to which section 3309(a)(1) of the Internal Rev-  
7 enue Code of 1986 applies.

8 Amounts appropriated pursuant to the preceding sentence  
9 shall not be required to be repaid.

10 **SEC. 204. DEFINITIONS.**

11 For purposes of this title, the terms “compensation”,  
12 “base period”, “regular compensation”, “State”, “State  
13 agency”, “State law”, and “week” have the respective  
14 meanings given such terms under section 205 of the Fed-  
15 eral-State Extended Unemployment Compensation Act of  
16 1970.

17 **SEC. 205. APPLICABILITY.**

18 (a) IN GENERAL.—Except as provided in subsection  
19 (b), an agreement entered into under this title shall apply  
20 to weeks of unemployment—

21 (1) beginning after the date on which such  
22 agreement is entered into; and

23 (2) ending before July 1, 2004.

24 (b) PHASE-OUT OF TERUC.—

1           (1) IN GENERAL.—Subject to paragraph (2), in  
 2           the case of an individual who has established eligi-  
 3           bility for temporary enhanced regular unemployment  
 4           compensation, but who has not exhausted all rights  
 5           to such compensation, as of the last day of the week  
 6           ending before July 1, 2004, such compensation shall  
 7           continue to be payable to such individual for any  
 8           week beginning after such date for which the indi-  
 9           vidual meets the eligibility requirements of this title.

10           (2) LIMITATION.—No compensation shall be  
 11           payable by reason of paragraph (1) for any week be-  
 12           ginning after December 31, 2004.

13 **SEC. 206. COORDINATION WITH THE TEMPORARY EX-**  
 14                           **TENDED UNEMPLOYMENT COMPENSATION**  
 15                           **ACT OF 2002.**

16           (a) IN GENERAL.—The Temporary Extended Unem-  
 17           ployment Compensation Act of 2002 (Public Law 107–  
 18           147; 116 Stat. 30) is amended—

19           (1) in section 202(b)(1), by inserting “, and  
 20           who have exhausted all rights to temporary en-  
 21           hanced regular unemployment compensation” before  
 22           the semicolon at the end;

23           (2) in section 202(b)(2), by inserting “, tem-  
 24           porary enhanced regular unemployment compensa-  
 25           tion,” after “regular compensation”;

1           (3) in section 202(c), by inserting “(or, as the  
2 case may be, such individual’s rights to temporary  
3 enhanced regular unemployment compensation)”  
4 after “State law” in the matter preceding paragraph  
5 (1);

6           (4) in section 202(c)(1), by inserting “and no  
7 payments of temporary enhanced regular unemploy-  
8 ment compensation can be made” after “under such  
9 law”;

10          (5) in section 202(d)(1), by inserting “or the  
11 amount of any temporary enhanced regular unem-  
12 ployment compensation (including dependents’ allow-  
13 ances) payable to such individual for such a week,”  
14 after “total unemployment”;

15          (6) in section 202(d)(2)(A), by inserting “, or,  
16 as the case may be, to temporary enhanced regular  
17 unemployment compensation,” after “State law”;

18          (7) in section 203(b)(1)(A), by inserting “plus  
19 the amount of any temporary enhanced regular un-  
20 employment compensation payable to such individual  
21 for such week,” after “under such law”; and

22          (8) in section 203(b)(2), by inserting “or the  
23 amount of any temporary enhanced regular unem-  
24 ployment compensation payable to such individual  
25 for such week,” after “total unemployment”.

1 (b) AMOUNT OF TEUC OFFSET BY AMOUNT OF  
 2 TERUC.—Section 203(b)(1) of the Temporary Extended  
 3 Unemployment Compensation Act of 2002 (Public Law  
 4 107–147; 116 Stat. 28) is amended—

5 (1) in subparagraph (B), by striking the period  
 6 at the end and inserting a comma; and

7 (2) by adding at the end the following:

8 “minus the number of weeks in which the individual  
 9 was entitled to temporary enhanced regular unem-  
 10 ployment compensation as a result of the application  
 11 of the modification described in section 201(b)(2)(A)  
 12 of the Economic Security Act of 2003 (relating to  
 13 the alternative base period) multiplied by the indi-  
 14 vidual’s average weekly benefit amount for the ben-  
 15 efit year.”.

16 (c) TEMPORARY ENHANCED REGULAR UNEMPLOY-  
 17 MENT COMPENSATION DEFINED.—Section 207 of the  
 18 Temporary Extended Unemployment Compensation Act of  
 19 2002 (Public Law 107–147; 116 Stat. 30) is amended to  
 20 read as follows:

21 **“SEC. 207. DEFINITIONS.**

22 “In this title:

23 “(1) GENERAL DEFINITIONS.—The terms ‘com-  
 24 pensation’, ‘regular compensation’, ‘extended com-  
 25 pensation’, ‘additional compensation’, ‘benefit year’,

1 'base period', 'State', 'State agency', 'State law', and  
2 'week' have the respective meanings given such  
3 terms under section 205 of the Federal-State Ex-  
4 tended Unemployment Compensation Act of 1970  
5 (26 U.S.C. 3304 note).

6 “(2) TEMPORARY ENHANCED REGULAR UNEM-  
7 PLOYMENT COMPENSATION.—The term ‘temporary  
8 enhanced regular unemployment compensation’  
9 means temporary enhanced regular unemployment  
10 benefits payable under title II of the Economic Secu-  
11 rity Act of 2003.”.

○