

112TH CONGRESS
1ST SESSION

S. 1804

To amend title IV of the Supplemental Appropriations Act, 2008 to provide for the continuation of certain unemployment benefits, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 3, 2011

Mr. REED (for himself, Mr. DURBIN, Mr. WHITEHOUSE, Mr. LEVIN, and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title IV of the Supplemental Appropriations Act, 2008 to provide for the continuation of certain unemployment benefits, 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 “Emergency Unemployment Compensation Extension Act
6 of 2011”.

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

Sec. 1. Short title; table of contents.

TITLE I—EXTENSION OF UNEMPLOYMENT PROGRAMS

- Sec. 101. Temporary extension of unemployment insurance provisions.
 Sec. 102. Modification of indicators under the extended benefit program.
 Sec. 103. Additional extended unemployment benefits under the Railroad Unemployment Insurance Act.

TITLE II—STATE AND EMPLOYER ASSISTANCE

- Sec. 201. Extension of temporary assistance for States with advances.
 Sec. 202. FUTA credit reductions for 2011 contingent on voluntary agreements.
 Sec. 203. Assistance contingent on voluntary agreements.
 Sec. 204. Solvency bonus.

1 **TITLE I—EXTENSION OF**
 2 **UNEMPLOYMENT PROGRAMS**

3 **SEC. 101. TEMPORARY EXTENSION OF UNEMPLOYMENT IN-**
 4 **SURANCE PROVISIONS.**

5 (a) IN GENERAL.—(1) Section 4007 of the Supple-
 6 mental Appropriations Act, 2008 (Public Law 110–252;
 7 26 U.S.C. 3304 note) is amended—

8 (A) by striking “January 3, 2012” each place
 9 it appears and inserting “January 3, 2013”;

10 (B) in the heading for subsection (b)(2), by
 11 striking “JANUARY 3, 2012” and inserting “JANUARY
 12 3, 2013”; and

13 (C) in subsection (b)(3), by striking “June 9,
 14 2012” and inserting “June 8, 2013”.

15 (2) Section 2005 of the Assistance for Unemployed
 16 Workers and Struggling Families Act, as contained in
 17 Public Law 111–5 (26 U.S.C. 3304 note; 123 Stat. 444),
 18 is amended—

1 (A) by striking “January 4, 2012” each place
2 it appears and inserting “January 4, 2013”; and

3 (B) in subsection (c), by striking “June 11,
4 2012” and inserting “June 11, 2013”.

5 (3) Section 5 of the Unemployment Compensation
6 Extension Act of 2008 (Public Law 110–449; 26 U.S.C.
7 3304 note) is amended by striking “June 10, 2012” and
8 inserting “June 10, 2013”.

9 (b) FUNDING.—Section 4004(e)(1) of the Supple-
10 mental Appropriations Act, 2008 (Public Law 110–252;
11 26 U.S.C. 3304 note) is amended—

12 (1) in subparagraph (F), by striking “and” at
13 the end; and

14 (2) by inserting after subparagraph (G) the fol-
15 lowing:

16 “(H) the amendments made by section
17 101(a)(1) of the Emergency Unemployment
18 Compensation Extension Act of 2011; and”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall take effect as if included in the enact-
21 ment of the Tax Relief, Unemployment Insurance Reau-
22 thorization, and Job Creation Act of 2010 (Public Law
23 111–312).

1 **SEC. 102. MODIFICATION OF INDICATORS UNDER THE EX-**
2 **TENDED BENEFIT PROGRAM.**

3 (a) EXTENSION.—Section 203 of the Federal-State
4 Extended Unemployment Compensation Act of 1970 (26
5 U.S.C. 3304 note) is amended—

6 (1) in subsection (d), by striking “December
7 31, 2011” and inserting “December 31, 2012”; and

8 (2) in subsection (f)(2), by striking “December
9 31, 2011” and inserting “December 31, 2012”.

10 (b) INDICATOR.—Section 203(d) of the Federal-State
11 Extended Unemployment Compensation Act of 1970 (26
12 U.S.C. 3304 note) is amended by adding at the end the
13 following: “Effective with respect to compensation for
14 weeks of unemployment beginning on or after January 1,
15 2012 (or, if later, the date established pursuant to State
16 law) and ending on or before December 31, 2012, the
17 State may by statute, regulation, or other issuance having
18 the force and effect of law provide that the determination
19 of whether there has been a State ‘on’ or ‘off’ indicator
20 beginning or ending any extended benefit period shall be
21 made under this subsection, disregarding subparagraph
22 (A) of paragraph (1) and disregarding ‘either subpara-
23 graph (A) or’ in paragraph (2).”.

24 (c) ALTERNATIVE TRIGGER.—Section 203(f) of the
25 Federal-State Extended Unemployment Compensation Act
26 of 1970 (26 U.S.C. 3304 note) is amended—

1 (1) by redesignating paragraph (3) as para-
2 graph (4); and

3 (2) by inserting after paragraph (2) the fol-
4 lowing:

5 “(3) Effective with respect to compensation for weeks
6 of unemployment beginning on or after January 1, 2012
7 (or, if later, the date established pursuant to State law)
8 and ending on or before December 31, 2012, the State
9 may by statute, regulation, or other issuance with the
10 force and effect of law provide that the determination of
11 whether there has been a State ‘on’ or ‘off’ indicator be-
12 ginning or ending any extended benefit period shall be
13 made under this subsection, disregarding clause (ii) of
14 paragraph (1)(A) and as if paragraph (1)(B) had been
15 amended by striking ‘either the requirements of clause (i)
16 or (ii)’ and inserting ‘the requirements of clause (i)’.”.

17 **SEC. 103. ADDITIONAL EXTENDED UNEMPLOYMENT BENE-**
18 **FITS UNDER THE RAILROAD UNEMPLOY-**
19 **MENT INSURANCE ACT.**

20 (a) EXTENSION.—Section 2(c)(2)(D)(iii) of the Rail-
21 road Unemployment Insurance Act, as added by section
22 2006 of the American Recovery and Reinvestment Act of
23 2009 (Public Law 111–5) and as amended by section 9
24 of the Worker, Homeownership, and Business Assistance
25 Act of 2009 (Public Law 111–92) and section 505 of the

1 Tax Relief, Unemployment Insurance Reauthorization,
2 and Job Creation Act of 2010 (Public Law 111–312), is
3 amended—

4 (1) by striking “June 30, 2011” and inserting
5 “June 30, 2012”; and

6 (2) by striking “December 31, 2011” and in-
7 serting “December 31, 2012”.

8 (b) CLARIFICATION ON AUTHORITY TO USE
9 FUNDS.—Funds appropriated under either the first or
10 second sentence of clause (iv) of section 2(c)(2)(D) of the
11 Railroad Unemployment Insurance Act shall be available
12 to cover the cost of additional extended unemployment
13 benefits provided under such section 2(c)(2)(D) by reason
14 of the amendments made by subsection (a) as well as to
15 cover the cost of such benefits provided under such section
16 2(c)(2)(D), as in effect on the day before the date of the
17 enactment of this Act.

18 **TITLE II—STATE AND EMPLOYER** 19 **ASSISTANCE**

20 **SEC. 201. EXTENSION OF TEMPORARY ASSISTANCE FOR** 21 **STATES WITH ADVANCES.**

22 Section 1202(b)(10)(A) of the Social Security Act
23 (42 U.S.C. 1322(b)(10)(A)) is amended, in the matter be-
24 fore clause (i), by striking “2010—” and inserting “2010

1 and the 12-month period beginning on October 1, 2011—
 2 ”.

3 **SEC. 202. FUTA CREDIT REDUCTIONS FOR 2011 CONTIN-**
 4 **GENT ON VOLUNTARY AGREEMENTS.**

5 (a) **IN GENERAL.**—Section 3302(c) of the Internal
 6 Revenue Code of 1986 is amended—

7 (1) by redesignating paragraph (3) as para-
 8 graph (4), and

9 (2) by inserting after paragraph (2) the fol-
 10 lowing new paragraph:

11 “(3)(A) If a State has entered into a voluntary
 12 agreement under section 203 of the Emergency Un-
 13 employment Compensation Extension Act of 2011,
 14 the provisions of paragraph (2) shall be applied with
 15 respect to the taxable year beginning January 1,
 16 2011, or any succeeding taxable year, by deeming
 17 January 1, 2012, to be the first January 1 occurring
 18 after January 1, 2010. For purposes of paragraph
 19 (2), consecutive taxable years in the period com-
 20 mencing January 1, 2012, shall be determined as if
 21 the taxable year which begins on January 1, 2012,
 22 were the taxable year immediately succeeding the
 23 taxable year which began on January 1, 2010. No
 24 taxpayer shall be subject to credit reductions under

1 this paragraph for the taxable year beginning Janu-
2 ary 1, 2011.

3 “(B) If the voluntary agreement specified in
4 subparagraph (A) is terminated under section
5 203(e) of the Emergency Unemployment Compensa-
6 tion Extension Act of 2011, subparagraph (A) shall
7 not be effective for any taxable year.”.

8 (b) EFFECTIVE DATE.—The amendments made by
9 subsection (a) shall apply to taxable years beginning after
10 December 31, 2010.

11 **SEC. 203. ASSISTANCE CONTINGENT ON VOLUNTARY**
12 **AGREEMENTS.**

13 (a) IN GENERAL.—The amendment made by section
14 201 shall not apply with respect to any State with which
15 the Secretary of Labor has not entered into a voluntary
16 agreement under this section.

17 (b) APPLICATION.—Any State that has 1 or more
18 outstanding repayable advances from the Federal unem-
19 ployment account under section 1201 of the Social Secu-
20 rity Act (42 U.S.C. 1321) may apply to the Secretary of
21 Labor to enter into a voluntary agreement under this sec-
22 tion.

23 (c) REQUIREMENTS.—An application described in
24 subsection (b) shall be submitted within such time, and
25 in such form and manner, as the Secretary of Labor may

1 require, except that any such application shall include cer-
2 tification by the State that during the period of the agree-
3 ment—

4 (1) the method governing the computation of
5 regular compensation under the State law of the
6 State will not be modified in a manner such that the
7 average weekly benefit amount of regular compensa-
8 tion which will be payable during the period of the
9 agreement will be less than the average weekly ben-
10 efit amount of regular compensation which would
11 have otherwise been payable under the State law as
12 in effect on the date of the enactment of this sub-
13 section;

14 (2) the State law of the State will not be modi-
15 fied in a manner such that any unemployed indi-
16 vidual who would be eligible for regular compensa-
17 tion under the State law in effect on such date of
18 enactment would be ineligible for regular compensa-
19 tion during the period of the agreement or would be
20 subject to any disqualification during the period of
21 the agreement that the individual would not have
22 been subject to under the State law in effect on such
23 date of enactment; and

24 (3) the State law of the State will not be modi-
25 fied in a manner such that the maximum amount of

1 regular compensation that any unemployed indi-
2 vidual would be eligible to receive in a benefit year
3 during the period of the agreement will be less than
4 the maximum amount of regular compensation that
5 the individual would have been eligible to receive
6 during a benefit year under the State law in effect
7 on such date of enactment.

8 (d) DECISION.—The Secretary of Labor shall review
9 any application received from a State to enter into a vol-
10 untary agreement under this section and, within 30 days
11 after the date of receipt, approve or disapprove the appli-
12 cation and notify the Governor of the State of the Sec-
13 retary's decision, including—

14 (1) if approved, the effective date of the agree-
15 ment; and

16 (2) if disapproved, the reasons why it was dis-
17 approved.

18 (e) TERMINATION.—

19 (1) IN GENERAL.—If, after reasonable notice
20 and opportunity for a hearing, the Secretary of
21 Labor finds that a State with which the Secretary
22 has entered into an agreement under this section
23 has modified State law so that it no longer contains
24 the provisions specified in paragraph (1), (2), or (3)
25 of subsection (c) or has failed to comply substan-

1 tially with any of those provisions, the agreement
2 shall be terminated, effective as of such date as the
3 Secretary shall determine, but in no event later than
4 December 31, 2012.

5 (2) EFFECT WITH RESPECT TO REPAYABLE AD-
6 VANCES.—If an agreement under this section with a
7 State is terminated, then, effective as of the termi-
8 nation date of such agreement, paragraph (10) of
9 section 1202(b) of the Social Security Act shall, for
10 purposes of such State, be applied as if subpara-
11 graph (A) of such paragraph had been amended by
12 striking the date specified in such subparagraph (in
13 the matter before clause (i) thereof) and inserting
14 the termination date of such agreement.

15 (f) REGULATIONS.—Any regulations or guidance nec-
16 essary to carry out this title or any of the amendments
17 made by this title may be prescribed by—

18 (1) to the extent that they relate to section 201,
19 the Secretary of Labor; and

20 (2) to the extent that they relate to section 202,
21 the Secretary of the Treasury.

22 (g) DEFINITIONS.—For purposes of this section, the
23 terms “State”, “State law”, “regular compensation”, and
24 “benefit year” have the respective meanings given such
25 terms under section 205 of the Federal-State Extended

1 Unemployment Compensation Act of 1970 (26 U.S.C.
2 3304 note).

3 **SEC. 204. SOLVENCY BONUS.**

4 Section 904 of the Social Security Act (42 U.S.C.
5 1104) is amended by adding at the end the following:

6 “Solvency Bonus

7 “(h)(1) Notwithstanding any other provision of this
8 section, the amount which is credited under subsection (e)
9 to the book account of the State agency of a solvent State
10 shall, for each quarter to which this subsection applies,
11 be equal to the amount which would be determined under
12 this section, for such State agency and for such quarter,
13 if the 5th sentence of subsection (b) were applied by
14 using—

15 “(A) the average rate of interest which (but for
16 this subsection) would otherwise have been deter-
17 mined under subsection (b) for purposes of such
18 quarter; plus

19 “(B) an additional 2 percentage points.

20 “(2) For purposes of this subsection, a State shall
21 be considered to be a ‘solvent State’ if the outstanding
22 balance for such State of advances under title XII is equal
23 to zero. A determination as to whether or not a State is
24 a solvent State shall be made by the Secretary of Labor—

25 “(A) for each State;

1 “(B) for each quarter to which this subsection
2 applies; and

3 “(C) based on such date or period (before the
4 1st day of such quarter), and otherwise in such
5 manner, as the Secretary of Labor shall determine
6 in consultation with the Secretary of the Treasury.

7 “(3) This subsection applies to each quarter in cal-
8 endar year 2012.

9 “(4) Nothing in this subsection shall have the effect
10 of causing the amount which is credited under subsection
11 (e) to any account in the Fund for any quarter to be less
12 than the amount which (disregarding this subsection)
13 would otherwise have been so credited to such account for
14 such quarter.”.

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