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 Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

3 (a) Short Title.—This Act may be cited as the “Emergency Unemployment Compensation Extension Act of 2011”.

(b) Table of Contents.—The table of contents of 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.

TITLE I—EXTENSION OF UNEMPLOYMENT PROGRAMS

SEC. 101. TEMPORARY EXTENSION OF UNEMPLOYMENT INSURANCE PROVISIONS.

(a) In general.—(1) Section 4007 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

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

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

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

(2) Section 2005 of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111–5 (26 U.S.C. 3304 note; 123 Stat. 444), is amended—
(A) by striking “January 4, 2012” each place it appears and inserting “January 4, 2013”; and

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


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

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

(2) by inserting after subparagraph (G) the following:

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

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Tax Relief, Unemployment Insurance Reau-
thorization, and Job Creation Act of 2010 (Public Law 111–312).
SEC. 102. MODIFICATION OF INDICATORS UNDER THE EXTENDED BENEFIT PROGRAM.

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

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


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

(c) Alternative Trigger.—Section 203(f) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended—
(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following:

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

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

(a) Extension.—Section 2(c)(2)(D)(iii) of the Railroad Unemployment Insurance Act, as added by section 2006 of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) and as amended by section 9 of the Worker, Homeownership, and Business Assistance Act of 2009 (Public Law 111–92) and section 505 of the
Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (Public Law 111–312), is amended—

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

(2) by striking “December 31, 2011” and inserting “December 31, 2012”.

(b) Clarification on Authority to Use Funds.—Funds appropriated under either the first or second sentence of clause (iv) of section 2(c)(2)(D) of the Railroad Unemployment Insurance Act shall be available to cover the cost of additional extended unemployment benefits provided under such section 2(c)(2)(D) by reason of the amendments made by subsection (a) as well as to cover the cost of such benefits provided under such section 2(c)(2)(D), as in effect on the day before the date of the enactment of this Act.

TITLE II—STATE AND EMPLOYER ASSISTANCE

SEC. 201. EXTENSION OF TEMPORARY ASSISTANCE FOR STATES WITH ADVANCES.

Section 1202(b)(10)(A) of the Social Security Act (42 U.S.C. 1322(b)(10)(A)) is amended, in the matter before clause (i), by striking “2010—” and inserting “2010
and the 12-month period beginning on October 1, 2011—"

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

(a) In General.—Section 3302(c) of the Internal
Revenue Code of 1986 is amended—

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

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

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

“(B) If the voluntary agreement specified in subparagraph (A) is terminated under section 203(e) of the Emergency Unemployment Compensation Extension Act of 2011, subparagraph (A) shall not be effective for any taxable year.”.

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

SEC. 203. ASSISTANCE CONTINGENT ON VOLUNTARY AGREEMENTS.

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

(b) APPLICATION.—Any State that has 1 or more outstanding repayable advances from the Federal unemployment account under section 1201 of the Social Security Act (42 U.S.C. 1321) may apply to the Secretary of Labor to enter into a voluntary agreement under this section.

(e) REQUIREMENTS.—An application described in subsection (b) shall be submitted within such time, and in such form and manner, as the Secretary of Labor may
require, except that any such application shall include cer-
tification by the State that during the period of the agree-
ment—

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

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

(3) the State law of the State will not be modi-
fied in a manner such that the maximum amount of
regular compensation that any unemployed individual would be eligible to receive in a benefit year during the period of the agreement will be less than the maximum amount of regular compensation that the individual would have been eligible to receive during a benefit year under the State law in effect on such date of enactment.

(d) DECISION.—The Secretary of Labor shall review any application received from a State to enter into a voluntary agreement under this section and, within 30 days after the date of receipt, approve or disapprove the application and notify the Governor of the State of the Secretary’s decision, including—

(1) if approved, the effective date of the agreement; and

(2) if disapproved, the reasons why it was disapproved.

(e) TERMINATION.—

(1) IN GENERAL.—If, after reasonable notice and opportunity for a hearing, the Secretary of Labor finds that a State with which the Secretary has entered into an agreement under this section has modified State law so that it no longer contains the provisions specified in paragraph (1), (2), or (3) of subsection (c) or has failed to comply substan-
ially with any of those provisions, the agreement shall be terminated, effective as of such date as the Secretary shall determine, but in no event later than December 31, 2012.

(2) EFFECT WITH RESPECT TO REPAYABLE ADVANCES.—If an agreement under this section with a State is terminated, then, effective as of the termination date of such agreement, paragraph (10) of section 1202(b) of the Social Security Act shall, for purposes of such State, be applied as if subparagraph (A) of such paragraph had been amended by striking the date specified in such subparagraph (in the matter before clause (i) thereof) and inserting the termination date of such agreement.

(f) REGULATIONS.—Any regulations or guidance necessary to carry out this title or any of the amendments made by this title may be prescribed by—

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

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

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

SEC. 204. SOLVENCY BONUS.

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

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````Solvency Bonus
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````(h)(1) Notwithstanding any other provision of this section, the amount which is credited under subsection (e) to the book account of the State agency of a solvent State shall, for each quarter to which this subsection applies, be equal to the amount which would be determined under this section, for such State agency and for such quarter, if the 5th sentence of subsection (b) were applied by using—
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````(A) the average rate of interest which (but for this subsection) would otherwise have been determined under subsection (b) for purposes of such quarter; plus
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````(B) an additional 2 percentage points.
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````(2) For purposes of this subsection, a State shall be considered to be a ‘solvent State’ if the outstanding balance for such State of advances under title XII is equal to zero. A determination as to whether or not a State is a solvent State shall be made by the Secretary of Labor—
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````(A) for each State;
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“(B) for each quarter to which this subsection applies; and

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

“(3) This subsection applies to each quarter in calendar year 2012.

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

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