

RECOVER COVID UNEMPLOYMENT FRAUD IN BANKS ACT

MAY 29, 2026.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SMITH of Missouri, from the Committee on Ways and Means, submitted the following

R E P O R T

[To accompany H.R. 8873]

The Committee on Ways and Means, to whom was referred the bill (H.R. 8873) to recover unclaimed pandemic-era unemployment compensation funds held by financial institutions or escheated to State unclaimed property administrators, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Recover COVID Unemployment Fraud in Banks Act”.

SEC. 2. NATIONAL RECOVERY COORDINATOR AND TASK FORCE.

(a) IN GENERAL.—

(1) **DESIGNATION OF NATIONAL RECOVERY COORDINATOR.**—The Secretary of Labor, in consultation with the Secretary of the Treasury, the Inspector General of the Department of Labor, and the Attorney General, shall designate an official to serve as National Recovery Coordinator to oversee and coordinate the activities and responsibilities of the task force described in paragraph (2).

(2) **TASK FORCE ESTABLISHMENT.**—Not later than 30 days after the date of enactment of this Act, the National Recovery Coordinator shall convene a task force to be named the “Recover Pandemic Unemployment Funds in Banks Task Force” (in this section, the “Task Force”).

(3) **MEMBERS.**—The Task Force shall include—

- (A) the Attorney General, or their designee;
- (B) the Secretary of Labor, or their designee;
- (C) the Inspector General of the Department of Labor, or their designee;
- (D) the Secretary of the Treasury, or their designee;
- (E) the Chairman of the Federal Deposit Insurance Corporation, or their designee; and
- (F) the Director of the Consumer Financial Protection Bureau, or their designee.

(b) **TASK FORCE RESPONSIBILITIES.**—It shall be the responsibility of the Task Force to—

(1) coordinate with applicable State agencies to identify Federal pandemic unemployment compensation payments issued on prepaid debit cards that—

(A) are held by financial institutions, and other entities identified by the Inspector General of the Department of Labor, contracted by a State agency to transfer such payments to unemployment claimants; or

(B) were transferred by such an entity to, and are currently held by, a State agency responsible for unclaimed property;

(2) coordinate with appropriate Federal agencies to develop model processes which comply with relevant Federal and State laws and result in cost-effective recovery of the payments identified under paragraph (1), including issuing guidance, in coordination with the Secretary of Labor, to administrators of State agencies responsible for administering Federal unemployment compensation payments or determining fraud in such programs, including—

(A) guidelines for—

(i) reviewing such payments and determining if such a payment was an improper payment;

(ii) determining whether cost-effective recovery of an improper payment is possible, including a threshold, or a methodology for calculating a dollar threshold, for cost-effective recovery; and

(iii) actions, consistent with State law, to be taken by the State agency if an improper payment is determined to be the result of fraud;

(B) assurances that, subject to section 303(g) of the Social Security Act (42 U.S.C. 503(g)), any action taken in relation to a determination that a payment identified under paragraph (1) is an improper payment shall be taken under State law;

(C) a model notice and information, developed in coordination with the Consumer Financial Protection Bureau, about resources available to individuals whose identity information is determined to have been fraudulently used to obtain Federal pandemic unemployment compensation;

(D) information on the legal pathways described under paragraphs (3) and (4) for recovery of payments that are improper payments held by financial institutions and agencies described in paragraph (1); and

(E) procedural requirements for State agencies to follow when funds are returned by such institutions that provides a standardized methodology to return funds to the Federal Government;

(3) issue guidance, in coordination with the Comptroller of the Currency and Chairman of the Federal Deposit Insurance Corporation, to financial institutions described in paragraph (1) that are holding payments that are improper payments that provides information on a legal pathway, consistent with bank-

ing regulations and applicable contracts with State agencies, for returning such payments to the appropriate State agency; and

(4) issue guidance, in coordination with the Secretary of Treasury, to administrators of State agencies responsible for unclaimed property on the obligations of such agencies to review and return payments described in paragraph (1)(B) to the appropriate State agency.

(c) **CONSULTATION REQUIREMENT.**—In developing the guidance required to be issued under paragraphs (2), (3), and (4) of subsection (b), the Task Force shall consult with State agencies and incorporate best practices from previous attempts by any such States to recover payments determined to be improper payments from institutions described in paragraph (1)(A) of such subsection.

(d) **STATE ADMINISTRATIVE COSTS.**—The Secretary of Labor shall reimburse States for all administrative costs incurred as a result of coordination with the Task Force by reason of an agreement under section 2102, 2104, or 2107 of the CARES Act (15 U.S.C. 9201; 9203; 9205).

(e) **DEFINITIONS.**—Except as otherwise specified, in this section:

(1) **FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION.**—The term “Federal pandemic unemployment compensation” means a payment of—

(A) pandemic unemployment assistance under section 2102(b) of the CARES Act (15 U.S.C. 9021(b));

(B) Federal Pandemic Unemployment Compensation and Mixed Earner Unemployment Compensation under section 2104(b)(1) of the CARES Act (15 U.S.C. 9023(b)(1)); and

(C) pandemic emergency unemployment compensation under section 2107(a)(2) of the CARES Act (15 U.S.C. 9025(a)(2)).

(2) **IMPROPER PAYMENT.**—The term “improper payment” means any amount of a pandemic unemployment payment to which the individual is not entitled.

(3) **STATE; STATE AGENCY; STATE LAW.**—The terms “State”, “State agency”, and “State law” have the meanings given those terms in section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

SEC. 3. EXTENSION OF THE STATUTE OF LIMITATIONS FOR PANDEMIC UNEMPLOYMENT FRAUD BY INDIVIDUALS UNDER CERTAIN UNEMPLOYMENT PROGRAMS.

(a) **PANDEMIC UNEMPLOYMENT ASSISTANCE.**—Section 2102 of the CARES Act (15 U.S.C. 9021) is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection:

“(h) **STATUTE OF LIMITATIONS.**—

“(1) **IN GENERAL.**—Notwithstanding any other provision of law and subject to paragraph (2), any criminal prosecution or civil enforcement action for a violation of, or conspiracy to violate, section 371, 641, 1028A, 1029, 1341, 1343, 1344, 1349, 1956, or 1957 of title 18, United States Code, or section 3729 or 3802 of title 31, United States Code, with respect to any unemployment compensation claim funded in whole or in part by pandemic unemployment assistance under this section shall be brought not later than 10 years after the date of the violation or conspiracy.

“(2) **EXCEPTION.**—Paragraph (1) shall not apply with respect to a criminal prosecution or civil enforcement action if the statute of limitations applicable to such criminal prosecution or civil enforcement action expired prior to the date of enactment of the Recover COVID Unemployment Fraud in Banks Act.”.

(b) **FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION AND MIXED EARNER UNEMPLOYMENT COMPENSATION.**—Section 2104(f) of the CARES Act (15 U.S.C. 9023(f)) is amended by adding at the end the following new paragraph:

“(5) **STATUTE OF LIMITATIONS.**—

“(A) **IN GENERAL.**—Notwithstanding any other provision of law and subject to subparagraph (B), any criminal prosecution or civil enforcement action for a violation of, or conspiracy to violate, section 371, 641, 1028A, 1029, 1341, 1343, 1344, 1349, 1956, or 1957 of title 18, United States Code, or section 3729 or 3802 of title 31, United States Code, with respect to any unemployment compensation claim funded in whole or in part by Federal Pandemic Unemployment Compensation or Mixed Earner Unemployment Compensation under this section shall be brought not later than 10 years after the date of the violation or conspiracy.

“(B) **EXCEPTION.**—Subparagraph (A) shall not apply with respect to a criminal prosecution or civil enforcement action if the statute of limitations applicable to such criminal prosecution or civil enforcement action expired prior to the date of enactment of the Recover COVID Unemployment Fraud in Banks Act.”.

(c) PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION.—Section 2107(e) of the CARES Act (15 U.S.C. 9025(e)) is amended by adding at the end the following new paragraph:

“(5) STATUTE OF LIMITATIONS.—

“(A) IN GENERAL.—Notwithstanding any other provision of law and subject to subparagraph (B), any criminal prosecution or civil enforcement action for a violation of, or conspiracy to violate, section 371, 641, 1028A, 1029, 1341, 1343, 1344, 1349, 1956, or 1957 of title 18, United States Code, or section 3729 or 3802 of title 31, United States Code, with respect to any unemployment compensation claim funded in whole or in part by Pandemic Emergency Unemployment Compensation under this section shall be brought not later than 10 years after the date of the violation or conspiracy.

“(B) EXCEPTION.—Subparagraph (A) shall not apply with respect to a criminal prosecution or civil enforcement action if the statute of limitations applicable to such criminal prosecution or civil enforcement action expired prior to the date of enactment of the Recover COVID Unemployment Fraud in Banks Act.”.

(d) EFFECTIVE DATE.—The amendments made by section Act shall take effect on the date of enactment of this Act.

I. SUMMARY AND BACKGROUND

A. PURPOSE AND SUMMARY

H.R. 8873, the “Recover COVID Unemployment Fraud in Banks Act,” as ordered reported by the Committee on Ways and Means on May 21, 2026, establishes a federal taskforce, led by a National Recovery Coordinator, to coordinate with applicable state agencies to reconcile unspent federal pandemic unemployment insurance (UI) payments issued on prepaid debit cards held by banks and develop model processes that facilitate the cost-effective recovery of payments and return them to the federal government. The bill includes due process protections and information for UI claimants found to have had their identity stolen connected to fraudulent payments, requires the issuance of guidance to financial institutions that provides a legal pathway to return payments to the appropriate state agency, and mandates the creation of guidance to states agencies responsible for unclaimed property on the obligations of their agencies to review and return payments to the federal government.

The bill also establishes a 10-year statute of limitations for criminal prosecution and civil enforcement actions related to fraudulent unemployment claims funded by federal pandemic unemployment programs created in the Coronavirus Aid, Relief, and Economic Security (CARES) Act (P.L. 116–136). These programs include Pandemic Unemployment Assistance (PUA), Federal Pandemic Unemployment Compensation (FPUC), Mixed Earner Unemployment Compensation (MEUC), and Pandemic Emergency Unemployment Compensation (PEUC). The bill doubles the statute of limitations, which started to expire on March 27, 2025, from five to 10 years, allowing federal law enforcement to continue prosecuting criminals, recover billions in taxpayer dollars lost to fraud during the COVID–19 pandemic and prevent the continued escheatment of frozen UI payments on prepaid debit cards to state unclaimed property administrators.

B. BACKGROUND AND NEED FOR LEGISLATION

On March 27, 2020, the CARES Act was signed into law in response to the COVID–19 pandemic. The law included authorization

for several new, temporary federal pandemic unemployment programs to: (1) provide supplemental payments (an additional \$600/week and subsequently \$300/week) on top of state regular UI payments; (2) cover self-employed and gig workers not eligible for state UI; and (3) extend the number of weeks unemployed workers could receive benefits. Like other pandemic-era programs, such as the Paycheck Protection Program (PPP), fraud was rampant in pandemic unemployment programs. Generous benefits and high demand for immediate relief overwhelmed state workforce agencies and allowed both domestic and international fraudsters access to benefits, largely through use of stolen personally identifiable information (PII). Fraud delayed legitimate payments getting to workers and resulted in an estimated \$100–\$135 billion in stolen unemployment.¹ According to the most recent data from the Department of Labor, only \$6 billion, or roughly four percent, has been recovered.²

During the pandemic, many states distributed millions in pandemic unemployment benefits through prepaid debit cards issued by banks. Banks are subject to federal laws that require them to flag and report suspicious fraudulent activity. In some cases, banks flagged debit card accounts containing unemployment benefits for signs of fraud and froze the funds, preventing them from being issued.

On January 30, 2026, and February 10, 2026, the Department of Labor Inspector General (DOL–OIG) published two fraud alert memos addressed to the Department of Labor (DOL) Employment and Training Administration (ETA) describing the findings from subpoenas to several financial institutions and concluded there is a “significant risk of loss of taxpayer funds.” DOL–OIG’s investigation found that thousands of prepaid debit cards have been left abandoned by state workforce agencies, unreconciled, and in some cases transferred to state unclaimed property divisions. DOL–OIG found that \$720 million in UI benefits are sitting on prepaid debit cards in banks, while another \$192 million has already been escheated to state unclaimed property divisions due to inactivity. Escheatment is the legal process where financial institutions transfer “abandoned” or unclaimed property, such as dormant bank accounts, uncashed checks, or securities, to the state when the owner cannot be located. The state acts as the custodian, holding these assets indefinitely for the rightful owner to claim. Accounts are typically considered abandoned after a period of inactivity (often 3–5 years) and after failed attempts to contact the owner.

DOL–OIG urged swift action and recommended that ETA issue guidance to state workforce agencies within 30 days to ensure relevant parties commence engagement to assess their findings and take action to recover the funds. DOL–OIG’s press release stated, “. . . without immediate action, American taxpayers could lose \$912 million tied to pandemic unemployment insurance fraud.”³

¹ Government Accountability Office (GAO–23–106696). “Unemployment Insurance. Estimated Amount of Fraud during Pandemic Likely Between \$100 Billion and \$135 Billion,” September 12, 2023.

² U.S. Department of Labor Employment and Training Administration. UI Recovery Rates Report, https://oui.doleta.gov/unemploy/recovery/recovery_rpt.asp.

³ Press release: “U.S. Department of Labor’s Inspector General Uncovers Nearly \$1 Billion in Taxpayer Money at Risk—Tied to COVID Unemployment Fraud,” February 11, 2026.

DOL–OIG examined over \$1.3 billion in affected UI funds held on more than 6.5 million prepaid card accounts issued by Financial Institutions 1 (FI1) and 2 (FI2). In total, across both financial institutions, DOL–OIG found:

- \$1 billion remained on 5,902,117 prepaid card accounts; and
- \$267 million in already escheated UI funds from 915,495 prepaid card accounts.

Of these totals, DOL–OIG identified \$912 million in potentially fraudulently obtained funds that was, or is, currently being held on 3,912,746 accounts.

- \$720 million (69% of the \$1.04 billion) in potentially fraudulently obtained funds was being held on 3,453,080 FI1 and FI2 prepaid cards.
- \$192 million (72% of the \$267 million) in potentially fraudulently obtained FI1 and FI2 funds that have been escheated to state unclaimed property.

Summary of DOL–OIG Findings of Pandemic Unemployment Funds in Banks

	Financial Institution #1	Financial Institution #2	Total
Potential Fraudulent Funds Held by Bank	\$523 million	\$197 million	\$720 million
# of Debit Cards	2.7 million	774,000	3.4 million
Highest Amount on a Single Card	\$76,000	\$56,000	.....
Already Transferred to State Unclaimed Property	\$191 million	\$48,059	\$192 million
Total Possible Funds to be Recovered .....	.....	.....	\$912 million

NOTE: Labor Department Inspector General assessed the state versus federal share of UI funding held by banks as 78% federal and 22% state unemployment funds.

Even more concerning, when reviewing debit card accounts held by FI1 and FI2, DOL–OIG found \$472 million, or nearly half of the funds, were associated with claims that DOL–OIG had previously flagged for DOL and state workforce agencies as being potentially fraudulent in September 2022.⁴ In that alert transmittal, DOL–OIG identified claims in states in four specific high-risk areas, including payments to individuals with Social Security numbers: (1) filed in multiple states, (2) of deceased persons, (3) used to file UI claims with suspicious email accounts, and (4) of federal prisoners.

These recent findings indicate that many states took no action regarding these prior flags, thus the millions of dollars on “forgotten” debit cards still held by banks, and unresolved by states. Recovering overpayments is a legally required part of the UI program. However, states lack incentive to resolve COVID-era claims largely because the majority of the funds distributed during that time were federal (approximately 78%). Therefore, any time or staff associated with reviewing claims for suspicious activity would need to be absorbed by the state—but any dollars recovered go back to federal Treasury. Following the pandemic, states were eager to “move on” and lacked the staff to investigate the large volume of past claims that were deemed fraudulent or suspicious, as evidenced by the recent DOL–OIG findings.

⁴*Alert Memorandum: Potentially Fraudulent Unemployment Insurance Payments in High-Risk Areas Increased to \$45.6 Billion*, Report No. 19–22–005–03–315 (September 21, 2022), <https://www.oig.dol.gov/public/reports/oa/2022/19-22-005-03-315.pdf>, Department of Labor, Office of Inspector General.

Inaction means that unresolved taxpayer funds get turned over to state unclaimed property divisions, essentially abandoning millions in federal funds to state coffers. During a hearing held by the Subcommittee on Work and Welfare on March 5, 2026, *“Reclaiming ‘Forgotten’ Fraudulent Pandemic Unemployment Funds Frozen by Banks,”* DOL–OIG Anthony D’Esposito stated that nearly \$1 billion in fraudulent unemployment benefits remain unclaimed or frozen in prepaid debit card accounts across 21 states and that more than \$200 million of funds flagged for fraud have already been transferred to state unclaimed property divisions. Furthermore, the DOL–OIG estimated a total of \$500 million will be escheated by late summer or early fall if no action is taken by Congress.⁵ However, absent new authority, DOL cannot compel states to act. In addition, banks have cited challenges with concerns about liability and lack of a clear pathway from the federal government for safely returning funds to states.

Following the pandemic, some states were able to work proactively with banks to recover funds. These states went through the process to reconcile prepaid debit accounts of claimants that were flagged for fraud by banks to recover what state and federal funds they could. For example, in Ohio and Maryland, funds were identified in banks and returned through action on the part of the state and mutual cooperation. During a Work and Welfare Subcommittee in February 6, 2025, *Time’s Running Out: Prosecuting Fraudsters for Stealing Billions in Unemployment Benefits from American Workers*, one of our witnesses testified to the recovery of nearly \$400 million by the Ohio Department of Job and Family Services from multiple financial institutions.⁶ Last August, DOL–OIG working with ETA, and the Maryland Department of Labor, facilitated the return of approximately \$520 million in suspected fraudulent pandemic unemployment payments on bank debit cards to the federal Treasury, which had been frozen by Bank of America.⁷ Despite these state successes, the recent DOL–OIG reports indicate that much more work is left to be done and federal action may be required to ensure funds are fully recovered.

H.R. 8873 is responsive to law enforcement agencies and financial institutions’ desire to have Congressional action to address this urgent situation. By establishing a federal task force, led by a National Recovery Coordinator, to coordinate with applicable state workforce agencies to identify federal pandemic UI payments issued on prepaid debit cards held by financial institutions or transferred to state agencies responsible for unclaimed property and providing a legal pathway for financial institutions to return payments to state agencies is decisive action needed to claw these funds back and safeguard taxpayer’s money.

H.R. 8873 also includes an extension of the statute of limitations for prosecuting criminal and civil enforcement actions involving pandemic unemployment fraud. Section 3 of the bill is the same language included in H.R. 1156, which passed the House as a standalone bill on March 11, 2025. Since then, the Congressional

⁵ Email from DOL–OIG to Ways and Means Committee Majority Staff, dated May 11, 2026.

⁶ Hearing: *“Time’s Running Out: Prosecuting Fraudsters for Stealing Billions in Unemployment Benefits from American Workers,”* February 6, 2025, Subcommittee on Work and Welfare, Committee on Ways and Means.

⁷ Press release: “U.S. Department of Labor Helps recover \$520 million in suspected fraudulent pandemic-era unemployment insurance payments,” August 14, 2025.

Budget Office (CBO) revised their score of that bill, which originally attributed a cost of \$10 million/10 years, to savings of \$10 million/10 years attributable to a reduction in direct spending as a result of additional federal recoveries of fraudulent payments.⁸ (Also see the Committee’s *report* with further explanation and background for changes included in H.R. 1163.)

C. LEGISLATIVE HISTORY

Background

H.R. 8873 was introduced on May 19, 2026, and was referred to the Committee on Ways and Means.

Committee Hearings

The Committee has held the following hearings:

On March 5, 2026, the Committee on Ways and Means Subcommittee on Work and Welfare held a hearing titled “Reclaiming “Forgotten” Fraudulent Pandemic Unemployment Funds Frozen by Banks.”

Committee Action

The Committee on Ways and Means marked up H.R. 8873, “Recover COVID Unemployment Fraud in Banks Act,” on May 21, 2026, and ordered the bill, as amended, favorably reported (with a quorum being present).

D. DESIGNATED HEARING

Pursuant to clause 3(c)(6) of rule XIII, the following hearing was used to develop and consider: “Reclaiming “Forgotten” Fraudulent Pandemic Unemployment Funds Frozen by Banks,” hearing held on March 5, 2026.

II. EXPLANATION OF THE BILL

A. REASONS FOR CHANGE

Section 1. The Committee believes the title accurately reflects the content of the bill.

Section 2. The Committee believes establishing a federal taskforce, led by a National Recovery Coordinator, to coordinate with states to review and recover federal pandemic UI payments issued on prepaid debit cards banks or already transferred to state unclaimed property managers will result in additionally recovery of stolen UI funds to the American taxpayer.

Section 3. The Committee believes extending the statute of limitations for criminal prosecution and civil enforcement actions in pandemic unemployment programs from 5 to 10 years will give federal law enforcement officials the tools to hold criminals who perpetrated pandemic fraud accountable and lead to additional recovery of taxpayer dollars.

⁸Email from CBO to House and Senate Majority and Minority Committee staff dated March 6, 2026.

B. EXPLANATION OF PROVISIONS

Section 1. This section provides the short title, Recover COVID Unemployment Fraud in Banks Act.

Section 2. Requires establishment of a federal taskforce within 30 days of enactment, to be named the “Recover Pandemic Unemployment Funds in Banks Task Force,” led by a National Recovery Coordinator.

Establishes members of the task force to include: the Attorney General, Secretary of Labor, Inspector General of the Department of Labor, Secretary of the Treasury, Chairman of the Federal Deposit Insurance Corporation, and Director of the Consumer Financial Protection Bureau.

Outlines task force responsibilities to include:

- Coordinating with state agencies to identify federal pandemic unemployment compensation payments issued on pre-paid debit cards held by financial institutions or transferred to state agencies responsible for unclaimed property;
- Coordinating with appropriate federal agencies to develop model processes that result in cost-effective recovery of such payments, including issuing guidance to state agencies with guidance pertaining to:
 - reviewing payments and determining whether a payment was an improper payment; determining cost effective recovery thresholds;
 - actions to be taken by the state if an improper payment is determined to be the result of fraud;
 - model notice and information about resources available to individuals whose identity information is determined to have been fraudulently used;
 - information on legal pathways for recovery of improper payments held by financial institutions; and
 - procedural requirements for returning funds to the federal government.
- Issuing guidance to financial institutions holding such payments, providing them with a legal pathway to return payments to the appropriate state agency;
- Issuing guidance to administrators of state agencies responsible for unclaimed property on the obligations of their agencies to review and return payments to the appropriate state agency.

Requires the task force to consult with state agencies and incorporate best practices from previous attempts by state agencies to recover payments determined to be improper payments from financial institutions.

Provides that the Secretary of Labor shall reimburse states for administrative costs incurred as a result of coordination with the task force.

Provides definitions of “federal pandemic unemployment compensation” to include pandemic unemployment programs funded by the CARES Act (P.L. 116–136); “improper payments;” and “state agency”.

Section 3. Establishes a 10-year statute of limitations, based on the date of the violation, for criminal prosecution and civil enforcement actions related to fraudulent unemployment claims funded in

or whole in part by the following CARES Act programs: Pandemic Unemployment Assistance; Federal Pandemic Unemployment Compensation and Mixed Earner Unemployment Compensation; and Pandemic Emergency Unemployment Compensation.

Provides an exception with respect to criminal prosecution or civil enforcement if the statute of limitations applicable to such criminal prosecution or civil enforcement expired prior to the date of enactment.

C. EFFECTIVE DATE

This bill would become effective upon enactment.

III. VOTE OF THE COMMITTEE

In compliance with the Rules of the House of Representatives, the following statement is made concerning the vote of the Committee on Ways and Means during the markup consideration of H.R. 8873, the “Recover COVID Unemployment Fraud in Banks Act,” on May 21, 2026.

H.R. 8873 was ordered favorably reported to the House of Representatives as amended by a roll call vote of 41 yeas to 0 nays (with a quorum being present). The vote was as follows:

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. Smith (MO)	X	.....	.....	Mr. Neal	X	.....	.....
Mr. Buchanan .....	.....	.....	.....	Mr. Doggett	X	.....	.....
Mr. Smith (NE)	X	.....	.....	Mr. Thompson	X	.....	.....
Mr. Kelly	X	.....	.....	Mr. Larson	X	.....	.....
Mr. Schweikert	X	.....	.....	Mr. Davis	X	.....	.....
Mr. LaHood	X	.....	.....	Ms. Sánchez	X	.....	.....
Mr. Arrington	X	.....	.....	Ms. Sewell	X	.....	.....
Mr. Estes	X	.....	.....	Ms. DelBene	X	.....	.....
Mr. Smucker	X	.....	.....	Ms. Chu	X	.....	.....
Mr. Hern	X	.....	.....	Ms. Moore (WI)	X	.....	.....
Mrs. Miller (WV) .....	.....	.....	.....	Mr. Boyle	X	.....	.....
Dr. Murphy	X	.....	.....	Mr. Beyer	X	.....	.....
Mr. Kustoff	X	.....	.....	Mr. Evans	X	.....	.....
Mr. Fitzpatrick	X	.....	.....	Mr. Schneider	X	.....	.....
Mr. Steube .....	.....	.....	.....	Mr. Panetta	X	.....	.....
Ms. Tenney	X	.....	.....	Mr. Gomez	X	.....	.....
Mrs. Fischbach	X	.....	.....	Mr. Horsford	X	.....	.....
Mr. Moore (UT)	X	.....	.....	Ms. Plaskett	X	.....	.....
Ms. Van Duyn	X	.....	.....	Mr. Suozzi	X	.....	.....
Mr. Feenstra	X	.....	.....				
Ms. Malliotakis .....	.....	.....	.....				
Mr. Carey	X	.....	.....				
Mr. Yakym	X	.....	.....				
Mr. Miller (OH)	X	.....	.....				
Mr. Bean	X	.....	.....				
Mr. Moran	X	.....	.....				

IV. BUDGET EFFECTS OF THE BILL

A. COMMITTEE ESTIMATE OF BUDGETARY EFFECTS

With respect to clause 3(d) of rule XIII of the Rules of the House of Representatives, a cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974 was not made available to the Committee in time for the filing of this report.

**B. STATEMENT REGARDING NEW BUDGET AUTHORITY AND TAX
EXPENDITURES BUDGET AUTHORITY**

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee states that the bill involves no new or increased budget authority. The Committee states further that the bill involves no new or increased tax expenditures.

**C. COST ESTIMATE PREPARED BY THE CONGRESSIONAL
BUDGET OFFICE**

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause (3)(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has requested but not received a cost estimate for this bill from the Director of Congressional Budget Office. The Chairman of the Committee shall cause such estimate and statement to be printed in the Congressional Record upon its receipt by the Committee.

**V. OTHER MATTERS TO BE DISCUSSED UNDER THE
RULES OF THE HOUSE**

A. COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee made findings and recommendations that are reflected in this report.

B. STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

With respect to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee advises that the bill does not authorize funding, so no statement of general performance goals and objectives is required.

C. INFORMATION RELATING TO UNFUNDED MANDATES

This information is provided in accordance with section 423 of the Unfunded Mandates Reform Act of 1995 (Pub. L. No. 104-4).

The Committee has determined that the bill does not contain Federal mandates on the private sector. The Committee has determined that the bill does not impose a Federal intergovernmental mandate on State, local, or tribal governments.

**D. CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND
LIMITED TARIFF BENEFITS**

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the bill, and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

E. TAX COMPLEXITY ANALYSIS

Pursuant to clause 3(h)(1) of rule XIII of the Rules of the House of Representatives, the staff of the Joint Committee on Taxation has determined that a complexity analysis is not required under section 4022(b) of the IRS Reform Act because the bill contains no provisions that amend the Internal Revenue Code of 1986 and that have “widespread applicability” to individuals or small businesses, within the meaning of the rule.

F. DUPLICATION OF FEDERAL PROGRAMS

In compliance with clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes: (1) a program of the Federal Government known to be duplicative of another Federal program; (2) a program included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139; or (3) a program related to a program identified in the most recent Catalog of Federal Domestic Assistance, published pursuant to the Federal Program Information Act (Pub. L. No. 95–220, as amended by Pub. L. No. 98–169).

VI. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

CARES ACT

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DIVISION A—KEEPING WORKERS PAID AND EMPLOYED, HEALTH CARE SYS- TEM ENHANCEMENTS, AND ECO- NOMIC STABILIZATION

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TITLE II—ASSISTANCE FOR AMERICAN WORKERS, FAMILIES, AND BUSINESSES

Subtitle A—Unemployment Insurance Provisions

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SEC. 2102. PANDEMIC UNEMPLOYMENT ASSISTANCE.

(a) DEFINITIONS.—In this section:

(1) COVID-19.—The term “COVID-19” means the 2019 Novel Coronavirus or 2019-nCoV.

(2) COVID-19 PUBLIC HEALTH EMERGENCY.—The term “COVID-19 public health emergency” means the public health emergency declared by the Secretary of Health and Human Services on January 27, 2020, with respect to the 2019 Novel Coronavirus.

(3) COVERED INDIVIDUAL.—The term “covered individual”—

(A) means an individual who—

(i) is not eligible for regular compensation or extended benefits under State or Federal law or pandemic emergency unemployment compensation under section 2107, including an individual who has exhausted all rights to regular unemployment or extended benefits under State or Federal law or pandemic emergency unemployment compensation under section 2107;

(ii) provides self-certification that the individual—

(I) is otherwise able to work and available for work within the meaning of applicable State law, except the individual is unemployed, partially unemployed, or unable or unavailable to work because—

(aa) the individual has been diagnosed with COVID-19 or is experiencing symptoms of COVID-19 and seeking a medical diagnosis;

(bb) a member of the individual’s household has been diagnosed with COVID-19;

(cc) the individual is providing care for a family member or a member of the individual’s household who has been diagnosed with COVID-19;

(dd) a child or other person in the household for which the individual has primary caregiving responsibility is unable to attend school or another facility that is closed as a direct result of the COVID-19 public health emergency and such school or facility care is required for the individual to work;

(ee) the individual is unable to reach the place of employment because of a quarantine imposed as a direct result of the COVID-19 public health emergency;

(ff) the individual is unable to reach the place of employment because the individual has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;

(gg) the individual was scheduled to commence employment and does not have a job or is unable to reach the job as a direct result of the COVID-19 public health emergency;

(hh) the individual has become the breadwinner or major support for a household because the head of the household has died as a direct result of COVID-19;

(ii) the individual has to quit his or her job as a direct result of COVID-19;

(jj) the individual's place of employment is closed as a direct result of the COVID-19 public health emergency; or

(kk) the individual meets any additional criteria established by the Secretary for unemployment assistance under this section; or

(II) is self-employed, is seeking part-time employment, does not have sufficient work history, or otherwise would not qualify for regular unemployment or extended benefits under State or Federal law or pandemic emergency unemployment compensation under section 2107 and meets the requirements of subclause (I); and

(iii) provides documentation to substantiate employment or self-employment or the planned commencement of employment or self-employment not later than 21 days after the later of the date on which the individual submits an application for pandemic unemployment assistance under this section or the date on which an individual is directed by the State Agency to submit such documentation in accordance with section 625.6(e) of title 20, Code of Federal Regulations, or any successor thereto, except that such deadline may be extended if the individual has shown good cause under applicable State law for failing to submit such documentation; and

(B) does not include—

(i) an individual who has the ability to telework with pay; or

(ii) an individual who is receiving paid sick leave or other paid leave benefits, regardless of whether the individual meets a qualification described in items (aa) through (kk) of subparagraph (A)(i)(I).

(4) SECRETARY.—The term “Secretary” means the Secretary of Labor.

(5) STATE.—The term “State” includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

(b) ASSISTANCE FOR UNEMPLOYMENT AS A RESULT OF COVID-19.—Subject to subsection (c), the Secretary shall provide to any covered individual unemployment benefit assistance while such individual is unemployed, partially unemployed, or unable to work for the weeks of such unemployment with respect to which the individual is not entitled to any other unemployment compensation (as that term is defined in section 85(b) of title 26, United States Code) or waiting period credit.

(c) APPLICABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), the assistance authorized under subsection (b) shall be available to a covered individual—

(A) for weeks of unemployment, partial unemployment, or inability to work caused by COVID-19—

(i) beginning on or after January 27, 2020; and

(ii) ending on or before September 6, 2021; and

(B) subject to subparagraph (A)(ii), as long as the covered individual's unemployment, partial unemployment, or inability to work caused by COVID-19 continues.

(2) LIMITATION ON DURATION OF ASSISTANCE.—The total number of weeks for which a covered individual may receive assistance under this section shall not exceed 79 weeks and such total shall include any week for which the covered individual received regular compensation or extended benefits under any Federal or State law, except that if after the date of enactment of this Act, the duration of extended benefits is extended, the 79-week period described in this paragraph shall be extended by the number of weeks that is equal to the number of weeks by which the extended benefits were extended.

(3) ASSISTANCE FOR UNEMPLOYMENT BEFORE DATE OF ENACTMENT.—The Secretary shall establish a process for making assistance under this section available for weeks beginning on or after January 27, 2020, and before the date of enactment of this Act.

(5) APPEALS BY AN INDIVIDUAL.—

(A) IN GENERAL.—An individual may appeal any determination or redetermination regarding the rights to pandemic unemployment assistance under this section made by the State agency of any of the States.

(B) PROCEDURE.—All levels of appeal filed under this paragraph in the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands—

(i) shall be carried out by the applicable State that made the determination or redetermination; and

(ii) shall be conducted in the same manner and to the same extent as the applicable State would conduct appeals of determinations or redeterminations regarding rights to regular compensation under State law.

(C) PROCEDURE FOR CERTAIN TERRITORIES.—With respect to any appeal filed in Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, Republic of the Marshall Islands, and the Republic of Palau—

(i) lower level appeals shall be carried out by the applicable entity within the State;

(ii) if a higher level appeal is allowed by the State, the higher level appeal shall be carried out by the applicability entity within the State; and

(iii) appeals described in clauses (i) and (ii) shall be conducted in the same manner and to the same extent as appeals of regular unemployment compensation are conducted under the unemployment compensation law of Hawaii.

(6) CONTINUED ELIGIBILITY FOR ASSISTANCE.—As a condition of continued eligibility for assistance under this section, a covered individual shall submit a recertification to the State for each week after the individual's 1st week of eligibility that certifies that the individual remains an individual described in subsection (a)(3)(A)(ii) for such week.

(d) AMOUNT OF ASSISTANCE.—

(1) IN GENERAL.—The assistance authorized under subsection (b) for a week of unemployment, partial unemployment, or inability to work shall be—

(A)(i) the weekly benefit amount authorized under the unemployment compensation law of the State where the covered individual was employed, except that the amount may not be less than the minimum weekly benefit amount described in section 625.6 of title 20, Code of Federal Regulations, or any successor thereto; and

(ii) the amount of Federal Pandemic Unemployment Compensation under section 2104; and

(B) in the case of an increase of the weekly benefit amount after the date of enactment of this Act, increased in an amount equal to such increase.

(2) CALCULATIONS OF AMOUNTS FOR CERTAIN COVERED INDIVIDUALS.—In the case of a covered individual who is self-employed, who lives in a territory described in subsection (c) or (d) of section 625.6 of title 20, Code of Federal Regulations, or who would not otherwise qualify for unemployment compensation under State law, the assistance authorized under subsection (b) for a week of unemployment shall be calculated in accordance with section 625.6 of title 20, Code of Federal Regulations, or any successor thereto, and shall be increased by the amount of Federal Pandemic Unemployment Compensation under section 2104.

(3) ALLOWABLE METHODS OF PAYMENT.—Any assistance provided for in accordance with paragraph (1)(A)(ii) shall be payable either—

(A) as an amount which is paid at the same time and in the same manner as the assistance provided for in paragraph (1)(A)(i) is payable for the week involved; or

(B) at the option of the State, by payments which are made separately from, but on the same weekly basis as, any assistance provided for in paragraph (1)(A)(i).

(4) WAIVER AUTHORITY.—In the case of individuals who have received amounts of pandemic unemployment assistance to which they were not entitled, the State shall require such individuals to repay the amounts of such pandemic unemployment assistance to the State agency, except that the State agency may waive such repayment if it determines that—

- (A) the payment of such pandemic unemployment assistance was without fault on the part of any such individual; and
 - (B) such repayment would be contrary to equity and good conscience.
- (e) **WAIVER OF STATE REQUIREMENT.**—Notwithstanding State law, for purposes of assistance authorized under this section, compensation under this Act shall be made to an individual otherwise eligible for such compensation without any waiting period.
- (f) **AGREEMENTS WITH STATES.**—
 - (1) **IN GENERAL.**—The Secretary shall provide the assistance authorized under subsection (b) through agreements with States which, in the judgment of the Secretary, have an adequate system for administering such assistance through existing State agencies, including procedures for identity verification or validation and for timely payment, to the extent reasonable and practicable.
 - (2) **PAYMENTS TO STATES.**—There shall be paid to each State which has entered into an agreement under this subsection an amount equal to 100 percent of—
 - (A) the total amount of assistance provided by the State pursuant to such agreement; and
 - (B) any additional administrative expenses incurred by the State by reason of such agreement (as determined by the Secretary), including any administrative expenses necessary to facilitate processing of applications for assistance under this section online or by telephone rather than in-person and expenses related to identity verification or validation and timely and accurate payment.
 - (3) **TERMS OF PAYMENTS.**—Sums payable to any State by reason of such State's having an agreement under this subsection shall be payable, either in advance or by way of reimbursement (as determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this subsection for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.
- (g) **FUNDING.**—
 - (1) **ASSISTANCE.**—
 - (A) **IN GENERAL.**—Funds in the extended unemployment compensation account (as established by section 905(a) of the Social Security Act (42 U.S.C. 1105(a)) of the Unemployment Trust Fund (as established by section 904(a) of such Act (42 U.S.C. 1104(a))) shall be used to make payments to States pursuant to subsection (f)(2)(A).
 - (B) **TRANSFER OF FUNDS.**—Notwithstanding any other provision of law, the Secretary of the Treasury shall transfer from the general fund of the Treasury (from funds not otherwise appropriated) to the extended unemployment compensation account such sums as the Secretary of Labor estimates to be necessary to make payments described in

subparagraph (A). There are appropriated from the general fund of the Treasury, without fiscal year limitation, the sums referred to in the preceding sentence and such sums shall not be required to be repaid.

(2) ADMINISTRATIVE EXPENSES.—

(A) IN GENERAL.—Funds in the employment security administration account (as established by section 901(a) of the Social Security Act (42 U.S.C. 1105(a)) of the Unemployment Trust Fund (as established by section 904(a) of such Act (42 U.S.C. 1104(a))) shall be used to make payments to States pursuant to subsection (f)(2)(B).

(B) TRANSFER OF FUNDS.—Notwithstanding any other provision of law, the Secretary of the Treasury shall transfer from the general fund of the Treasury (from funds not otherwise appropriated) to the employment security administration account such sums as the Secretary of Labor estimates to be necessary to make payments described in subparagraph (A). There are appropriated from the general fund of the Treasury, without fiscal year limitation, the sums referred to in the preceding sentence and such sums shall not be required to be repaid.

(3) CERTIFICATIONS.—The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under paragraphs (1) and (2).

(h) STATUTE OF LIMITATIONS.—

(1) IN GENERAL.—*Notwithstanding any other provision of law and subject to paragraph (2), any criminal prosecution or civil enforcement action for a violation of, or conspiracy to violate, section 371, 641, 1028A, 1029, 1341, 1343, 1344, 1349, 1956, or 1957 of title 18, United States Code, or section 3729 or 3802 of title 31, United States Code, with respect to any unemployment compensation claim funded in whole or in part by pandemic unemployment assistance under this section shall be brought not later than 10 years after the date of the violation or conspiracy.*

(2) EXCEPTION.—*Paragraph (1) shall not apply with respect to a criminal prosecution or civil enforcement action if the statute of limitations applicable to such criminal prosecution or civil enforcement action expired prior to the date of enactment of the Recover COVID Unemployment Fraud in Banks Act.*

[(h)] (i) RELATIONSHIP BETWEEN PANDEMIC UNEMPLOYMENT ASSISTANCE AND DISASTER UNEMPLOYMENT ASSISTANCE.—Except as otherwise provided in this section or to the extent there is a conflict between this section and part 625 of title 20, Code of Federal Regulations, such part 625 shall apply to this section as if—

(1) the term “COVID-19 public health emergency” were substituted for the term “major disaster” each place it appears in such part 625; and

(2) the term “pandemic” were substituted for the term “disaster” each place it appears in such part 625.

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SEC. 2104. EMERGENCY INCREASE IN UNEMPLOYMENT COMPENSATION BENEFITS.

(a) **FEDERAL-STATE AGREEMENTS.**—Any State which desires to do so may enter into and participate in an agreement under this section with the Secretary of Labor (in this section referred to as the “Secretary”). Any State which is a party to an agreement under this section may, upon providing 30 days’ written notice to the Secretary, terminate such agreement.

(b) **PROVISIONS OF AGREEMENT.**—

(1) **FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION.**—Any agreement under this section shall provide that the State agency of the State will make payments of regular compensation to individuals in amounts and to the extent that they would be determined if the State law of the State were applied, with respect to any week for which the individual is (disregarding this section) otherwise entitled under the State law to receive regular compensation, as if such State law had been modified in a manner such that the amount of regular compensation (including dependents’ allowances) payable for any week shall be equal to—

(A) the amount determined under the State law (before the application of this paragraph), plus

(B) an additional amount equal to the amount specified in paragraph (3) (in this section referred to as “Federal Pandemic Unemployment Compensation”), plus

(C) an additional amount of \$100 (in this section referred to as “Mixed Earner Unemployment Compensation”) in any case in which the individual received at least \$5,000 of self-employment income (as defined in section 1402(b) of the Internal Revenue Code of 1986) in the most recent taxable year ending prior to the individual’s application for regular compensation.

(2) **ALLOWABLE METHODS OF PAYMENT.**—Any Federal Pandemic Unemployment Compensation or Mixed Earner Unemployment Compensation provided for in accordance with paragraph (1) shall be payable either—

(A) as an amount which is paid at the same time and in the same manner as any regular compensation otherwise payable for the week involved; or

(B) at the option of the State, by payments which are made separately from, but on the same weekly basis as, any regular compensation otherwise payable.

(3) **AMOUNT OF FEDERAL PANDEMIC UNEMPLOYMENT COMPENSATION.**—

(A) **IN GENERAL.**—The amount specified in this paragraph is the following amount:

(i) For weeks of unemployment beginning after the date on which an agreement is entered into under this section and ending on or before July 31, 2020, \$600.

(ii) For weeks of unemployment beginning after December 26, 2020 (or, if later, the date on which such agreement is entered into), and ending on or before September 6, 2021, \$300.

(4) **CERTAIN DOCUMENTATION REQUIRED.**—An agreement under this section shall include a requirement, similar to the

requirement under section 2102(a)(3)(A)(iii), for the substantiation of self-employment income with respect to each applicant for Mixed Earner Unemployment Compensation under paragraph (1)(C).

(c) NONREDUCTION RULE.—

(1) IN GENERAL.—An agreement under this section shall not apply (or shall cease to apply) with respect to a State upon a determination by the Secretary that the method governing the computation of regular compensation under the State law of that State has been modified in a manner such that the number of weeks (the maximum benefit entitlement), or the average weekly benefit amount, of regular compensation which will be payable during the period of the agreement (determined disregarding any Federal Pandemic Unemployment Compensation or Mixed Earner Unemployment Compensation) will be less than the number of weeks, or the average weekly benefit amount, of the average weekly benefit amount of regular compensation which would otherwise have been payable during such period under the State law, as in effect on January 1, 2020.

(2) MAXIMUM BENEFIT ENTITLEMENT.—In paragraph (1), the term “maximum benefit entitlement” means the amount of regular unemployment compensation payable to an individual with respect to the individual’s benefit year.

(d) PAYMENTS TO STATES.—

(1) IN GENERAL.—

(A) FULL REIMBURSEMENT.—There shall be paid to each State which has entered into an agreement under this section an amount equal to 100 percent of—

(i) the total amount of Federal Pandemic Unemployment Compensation and Mixed Earner Unemployment Compensation paid to individuals by the State pursuant to such agreement; and

(ii) any additional administrative expenses incurred by the State by reason of such agreement (as determined by the Secretary).

(B) TERMS OF PAYMENTS.—Sums payable to any State by reason of such State’s having an agreement under this section shall be payable, either in advance or by way of reimbursement (as determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this section for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

(2) CERTIFICATIONS.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this section.

(3) APPROPRIATION.—There are appropriated from the general fund of the Treasury, without fiscal year limitation, such sums as may be necessary for purposes of this subsection.

(e) APPLICABILITY.—An agreement entered into under this section shall apply—

(1) to weeks of unemployment beginning after the date on which such agreement is entered into and ending on or before July 31, 2020; and

(2) to weeks of unemployment beginning after December 26, 2020 (or, if later, the date on which such agreement is entered into), and ending on or before September 6, 2021.

(f) FRAUD AND OVERPAYMENTS.—

(1) IN GENERAL.—If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of Federal Pandemic Unemployment Compensation or Mixed Earner Unemployment Compensation to which such individual was not entitled, such individual—

(A) shall be ineligible for further Federal Pandemic Unemployment Compensation or Mixed Earner Unemployment Compensation in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation; and

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

(2) REPAYMENT.—In the case of individuals who have received amounts of Federal Pandemic Unemployment Compensation or Mixed Earner Unemployment Compensation to which they were not entitled, the State shall require such individuals to repay the amounts of such Federal Pandemic Unemployment Compensation or Mixed Earner Unemployment Compensation to the State agency, except that the State agency may waive such repayment if it determines that—

(A) the payment of such Federal Pandemic Unemployment Compensation or Mixed Earner Unemployment Compensation was without fault on the part of any such individual; and

(B) such repayment would be contrary to equity and good conscience.

(3) RECOVERY BY STATE AGENCY.—

(A) IN GENERAL.—The State agency shall recover the amount to be repaid, or any part thereof, by deductions from any Federal Pandemic Unemployment Compensation or Mixed Earner Unemployment Compensation payable to such individual or from any unemployment compensation payable to such individual under any State or Federal unemployment compensation law administered by the State agency or under any other State or Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the 3-year period after the date such individuals received the payment of the Federal Pandemic Unemployment Compensation or Mixed Earner Unemployment Compensation to which they were not enti-

tled, in accordance with the same procedures as apply to the recovery of overpayments of regular unemployment benefits paid by the State.

(B) OPPORTUNITY FOR HEARING.—No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

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

(5) *STATUTE OF LIMITATIONS.*—

(A) *IN GENERAL.*—*Notwithstanding any other provision of law and subject to subparagraph (B), any criminal prosecution or civil enforcement action for a violation of, or conspiracy to violate, section 371, 641, 1028A, 1029, 1341, 1343, 1344, 1349, 1956, or 1957 of title 18, United States Code, or section 3729 or 3802 of title 31, United States Code, with respect to any unemployment compensation claim funded in whole or in part by Federal Pandemic Unemployment Compensation or Mixed Earner Unemployment Compensation under this section shall be brought not later than 10 years after the date of the violation or conspiracy.*

(B) *EXCEPTION.*—*Subparagraph (A) shall not apply with respect to a criminal prosecution or civil enforcement action if the statute of limitations applicable to such criminal prosecution or civil enforcement action expired prior to the date of enactment of the Recover COVID Unemployment Fraud in Banks Act.*

(g) APPLICATION TO OTHER UNEMPLOYMENT BENEFITS.—Each agreement under this section shall include provisions to provide that—

(1) the purposes of the preceding provisions of this section, as such provisions apply with respect to Federal Pandemic Unemployment Compensation, shall be applied with respect to unemployment benefits described in subsection (i)(2) to the same extent and in the same manner as if those benefits were regular compensation; and

(2) the purposes of the preceding provisions of this section, as such provisions apply with respect to Mixed Earner Unemployment Compensation, shall be applied with respect to unemployment benefits described in subparagraph (A), (B), (D), or (E) of subsection (i)(2) to the same extent and in the same manner as if those benefits were regular compensation.

(h) DISREGARD OF ADDITIONAL COMPENSATION FOR PURPOSES OF MEDICAID AND CHIP.—The monthly equivalent of any Federal pandemic unemployment compensation paid to an individual under this section shall be disregarded when determining income for any purpose under the programs established under titles XIX and title XXI of the Social Security Act (42 U.S.C. 1396 et seq., 1397aa et seq.).

(i) DEFINITIONS.—For purposes of this section—

(1) the terms “compensation”, “regular compensation”, “benefit year”, “State”, “State agency”, “State law”, and “week” have the respective meanings given such terms under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note); and

(2) any reference to unemployment benefits described in this paragraph shall be considered to refer to—

(A) extended compensation (as defined by section 205 of the Federal-State Extended Unemployment Compensation Act of 1970);

(B) regular compensation (as defined by section 85(b) of the Internal Revenue Code of 1986) provided under any program administered by a State under an agreement with the Secretary;

(C) pandemic unemployment assistance under section 2102;

(D) pandemic emergency unemployment compensation under section 2107; and

(E) short-time compensation under a short-time compensation program (as defined in section 3306(v) of the Internal Revenue Code of 1986).

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SEC. 2107. PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION.

(a) FEDERAL-STATE AGREEMENTS.—

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

(2) **PROVISIONS OF AGREEMENT.**—Any agreement under paragraph (1) shall provide that the State agency of the State will make payments of pandemic emergency unemployment compensation to individuals who—

(A) have exhausted all rights to regular compensation under the State law or under Federal law with respect to a benefit year (excluding any benefit year that ended before July 1, 2019);

(B) have no rights to regular compensation with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law;

(C) are not receiving compensation with respect to such week under the unemployment compensation law of Canada; and

(D) are able to work, available to work, and actively seeking work.

(3) **EXHAUSTION OF BENEFITS.**—For purposes of paragraph (2)(A), an individual shall be deemed to have exhausted such individual’s rights to regular compensation under a State law when—

(A) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to such individual based on

employment or wages during such individual's base period;
or

(B) such individual's rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(4) WEEKLY BENEFIT AMOUNT, ETC.—For purposes of any agreement under this section—

(A) the amount of pandemic emergency unemployment compensation which shall be payable to any individual for any week of total unemployment shall be equal to—

(i) the amount of the regular compensation (including dependents' allowances) payable to such individual during such individual's benefit year under the State law for a week of total unemployment;

(ii) the amount of Federal Pandemic Unemployment Compensation under section 2104(b)(1)(B); and

(iii) the amount (if any) of Mixed Earner Unemployment Compensation under section 2104(b)(1)(C);

(B) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof (including terms and conditions relating to availability for work, active search for work, and refusal to accept work) shall apply to claims for pandemic emergency unemployment compensation and the payment thereof, except where otherwise inconsistent with the provisions of this section or with the regulations or operating instructions of the Secretary promulgated to carry out this section;

(C) the maximum amount of pandemic emergency unemployment compensation payable to any individual for whom an pandemic emergency unemployment compensation account is established under subsection (b) shall not exceed the amount established in such account for such individual; and

(D) the allowable methods of payment under section 2104(b)(2) shall apply to payments of amounts described in subparagraph (A)(ii).

(5) COORDINATION RULES.—

(A) IN GENERAL.—Subject to subparagraph (B), an agreement under this section shall apply with respect to a State only upon a determination by the Secretary that, under the State law or other applicable rules of such State, the payment of extended compensation for which an individual is otherwise eligible must be deferred until after the payment of any pandemic emergency unemployment compensation under subsection (b) for which the individual is concurrently eligible.

(B) SPECIAL RULE.—In the case of an individual who is receiving extended compensation under the State law for the week that includes the date of enactment of this subparagraph (without regard to the amendments made by subsections (a) and (b) of section 206 of the Continued Assistance for Unemployed Workers Act of 2020) or for the week that includes the date of enactment of the American Rescue Plan Act of 2021 (without regard to

the amendments made by subsections (a) and (b) of section 9016 of such Act), such individual shall not be eligible to receive pandemic emergency unemployment compensation by reason of such amendments until such individual has exhausted all rights to such extended benefits.

(6) NONREDUCTION RULE.—

(A) IN GENERAL.—An agreement under this section shall not apply (or shall cease to apply) with respect to a State upon a determination by the Secretary that the method governing the computation of regular compensation under the State law of that State has been modified in a manner such that the number of weeks (the maximum benefit entitlement), or the average weekly benefit amount, of regular compensation which will be payable during the period of the agreement will be less than the number of weeks, or the average weekly benefit amount, of the average weekly benefit amount of regular compensation which would otherwise have been payable during such period under the State law, as in effect on January 1, 2020.

(B) MAXIMUM BENEFIT ENTITLEMENT.—In subparagraph (A), the term “maximum benefit entitlement” means the amount of regular unemployment compensation payable to an individual with respect to the individual’s benefit year.

(7) ACTIVELY SEEKING WORK.—

(A) IN GENERAL.—Subject to subparagraph (C), for purposes of paragraph (2)(D), the term “actively seeking work” means, with respect to any individual, that such individual—

(i) is registered for employment services in such a manner and to such extent as prescribed by the State agency;

(ii) has engaged in an active search for employment that is appropriate in light of the employment available in the labor market, the individual’s skills and capabilities, and includes a number of employer contacts that is consistent with the standards communicated to the individual by the State;

(iii) has maintained a record of such work search, including employers contacted, method of contact, and date contacted; and

(iv) when requested, has provided such work search record to the State agency.

(B) FLEXIBILITY.—Notwithstanding the requirements under subparagraph (A) and paragraph (2)(D), a State shall provide flexibility in meeting such requirements in case of individuals unable to search for work because of COVID-19, including because of illness, quarantine, or movement restriction.

(8) SPECIAL RULE FOR EXTENDED COMPENSATION.—At the option of a State, for any weeks of unemployment beginning after the date of the enactment of this paragraph and before September 6, 2021, an individual’s eligibility period (as described in section 203(c) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note)) shall, for purposes of any determination of eligibility for extended com-

pensation under the State law of such State, be considered to include any week which begins—

(A) after the date as of which such individual exhausts all rights to pandemic emergency unemployment compensation; and

(B) during an extended benefit period that began on or before the date described in subparagraph (A).

(b) PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION ACCOUNT.—

(1) IN GENERAL.—Any agreement under this section shall provide that the State will establish, for each eligible individual who files an application for pandemic emergency unemployment compensation, an pandemic emergency unemployment compensation account with respect to such individual's benefit year.

(2) AMOUNT IN ACCOUNT.—The amount established in an account under subsection (a) shall be equal to 53 times the individual's average weekly benefit amount, which includes the amount of Federal Pandemic Unemployment Compensation under section 2104, for the benefit year.

(3) WEEKLY BENEFIT AMOUNT.—For purposes of this subsection, an individual's weekly benefit amount for any week is the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for such week for total unemployment plus the amount of Federal Pandemic Unemployment Compensation under section 2104.

(4) COORDINATION OF PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION WITH REGULAR COMPENSATION.—

(A) IN GENERAL.—If—

(i) an individual has been determined to be entitled to pandemic emergency unemployment compensation with respect to a benefit year;

(ii) that benefit year has expired;

(iii) that individual has remaining entitlement to pandemic emergency unemployment compensation with respect to that benefit year; and

(iv) that individual would qualify for a new benefit year in which the weekly benefit amount of regular compensation is at least \$25 less than the individual's weekly benefit amount in the benefit year referred to in clause (i),

then the State shall determine eligibility for compensation as provided in subparagraph (B).

(B) DETERMINATION OF ELIGIBILITY.—For individuals described in subparagraph (A), the State shall determine whether the individual is to be paid pandemic emergency unemployment compensation or regular compensation for a week of unemployment using one of the following methods:

(i) The State shall, if permitted by State law, establish a new benefit year, but defer the payment of regular compensation with respect to that new benefit year until exhaustion of all pandemic emergency unemployment compensation payable with respect to the benefit year referred to in subparagraph (A)(i).

(ii) The State shall, if permitted by State law, defer the establishment of a new benefit year (which uses all the wages and employment which would have been used to establish a benefit year but for the application of this subparagraph), until exhaustion of all pandemic emergency unemployment compensation payable with respect to the benefit year referred to in subparagraph (A)(i).

(iii) The State shall pay, if permitted by State law—

(I) regular compensation equal to the weekly benefit amount established under the new benefit year; and

(II) pandemic emergency unemployment compensation equal to the difference between that weekly benefit amount and the weekly benefit amount for the expired benefit year.

(iv) The State shall determine rights to pandemic emergency unemployment compensation without regard to any rights to regular compensation if the individual elects to not file a claim for regular compensation under the new benefit year.

(c) PAYMENTS TO STATES HAVING AGREEMENTS FOR THE PAYMENT OF PANDEMIC EMERGENCY UNEMPLOYMENT COMPENSATION.—

(1) IN GENERAL.—There shall be paid to each State that has entered into an agreement under this section an amount equal to 100 percent of the pandemic emergency unemployment compensation paid to individuals by the State pursuant to such agreement.

(2) TREATMENT OF REIMBURSABLE COMPENSATION.—No payment shall be made to any State under this section in respect of any compensation to the extent the State is entitled to reimbursement in respect of such compensation under the provisions of any Federal law other than this section or chapter 85 of title 5, United States Code. A State shall not be entitled to any reimbursement under such chapter 85 in respect of any compensation to the extent the State is entitled to reimbursement under this section in respect of such compensation.

(3) DETERMINATION OF AMOUNT.—Sums payable to any State by reason of such State having an agreement under this section shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this section for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that the Secretary's estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

(d) FINANCING PROVISIONS.—

(1) COMPENSATION.—

(A) IN GENERAL.—Funds in the extended unemployment compensation account (as established by section 905(a) of the Social Security Act (42 U.S.C. 1105(a)) of the Unem-

ployment Trust Fund (as established by section 904(a) of such Act (42 U.S.C. 1104(a)) shall be used for the making of payments to States having agreements entered into under this section.

(B) TRANSFER OF FUNDS.—Notwithstanding any other provision of law, the Secretary of the Treasury shall transfer from the general fund of the Treasury (from funds not otherwise appropriated) to the extended unemployment compensation account such sums as the Secretary of Labor estimates to be necessary to make payments described in subparagraph (A). There are appropriated from the general fund of the Treasury, without fiscal year limitation, the sums referred to in the preceding sentence and such sums shall not be required to be repaid.

(2) ADMINISTRATION.—

(A) IN GENERAL.—There are appropriated out of the employment security administration account (as established by section 901(a) of the Social Security Act (42 U.S.C. 1101(a)) of the Unemployment Trust Fund, without fiscal year limitation, such funds as may be necessary for purposes of assisting States (as provided in title III of the Social Security Act (42 U.S.C. 501 et seq.)) in meeting the costs of administration of agreements under this section.

(B) TRANSFER OF FUNDS.—Notwithstanding any other provision of law, the Secretary of the Treasury shall transfer from the general fund of the Treasury (from funds not otherwise appropriated) to the employment security administration account such sums as the Secretary of Labor estimates to be necessary to make payments described in subparagraph (A). There are appropriated from the general fund of the Treasury, without fiscal year limitation, the sums referred to in the preceding sentence and such sums shall not be required to be repaid.

(3) CERTIFICATION.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this subsection. The Secretary of the Treasury, prior to audit or settlement by the Government Accountability Office, shall make payments to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as so established) to the account of such State in the Unemployment Trust Fund (as so established).

(e) FRAUD AND OVERPAYMENTS.—

(1) IN GENERAL.—If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of pandemic emergency unemployment compensation under this section to which such individual was not entitled, such individual—

(A) shall be ineligible for further pandemic emergency unemployment compensation under this section in accordance with the provisions of the applicable State unemploy-

ment compensation law relating to fraud in connection with a claim for unemployment compensation; and

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

(2) REPAYMENT.—In the case of individuals who have received amounts of pandemic emergency unemployment compensation under this section to which they were not entitled, the State shall require such individuals to repay the amounts of such pandemic emergency unemployment compensation to the State agency, except that the State agency may waive such repayment if it determines that—

(A) the payment of such pandemic emergency unemployment compensation was without fault on the part of any such individual; and

(B) such repayment would be contrary to equity and good conscience.

(3) RECOVERY BY STATE AGENCY.—

(A) IN GENERAL.—The State agency shall recover the amount to be repaid, or any part thereof, by deductions from any pandemic emergency unemployment compensation payable to such individual under this section or from any unemployment compensation payable to such individual under any State or Federal unemployment compensation law administered by the State agency or under any other State or Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the 3-year period after the date such individuals received the payment of the pandemic emergency unemployment compensation to which they were not entitled, in accordance with the same procedures as apply to the recovery of overpayments of regular unemployment benefits paid by the State.

(B) OPPORTUNITY FOR HEARING.—No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

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

(5) STATUTE OF LIMITATIONS.—

(A) IN GENERAL.—*Notwithstanding any other provision of law and subject to subparagraph (B), any criminal prosecution or civil enforcement action for a violation of, or conspiracy to violate, section 371, 641, 1028A, 1029, 1341, 1343, 1344, 1349, 1956, or 1957 of title 18, United States Code, or section 3729 or 3802 of title 31, United States Code, with respect to any unemployment compensation claim funded in whole or in part by Pandemic Emergency Unemployment Compensation under this section shall be brought not later than 10 years after the date of the violation or conspiracy.*

(B) EXCEPTION.—Subparagraph (A) shall not apply with respect to a criminal prosecution or civil enforcement action if the statute of limitations applicable to such criminal prosecution or civil enforcement action expired prior to the date of enactment of the Recover COVID Unemployment Fraud in Banks Act.

(f) DEFINITIONS.—In this section, the terms “compensation”, “regular compensation”, “extended compensation”, “benefit year”, “base period”, “State”, “State agency”, “State law”, and “week” have the respective meanings given such terms under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note).

(g) APPLICABILITY.—An agreement entered into under this section shall apply to weeks of unemployment—

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

(2) ending on or before September 6, 2021.

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