

108TH CONGRESS
1ST SESSION

S. 1708

To provide extended unemployment benefits to displaced workers, and to make other improvements in the unemployment insurance system.

IN THE SENATE OF THE UNITED STATES

OCTOBER 2, 2003

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

A BILL

To provide extended unemployment benefits to displaced workers, and to make other improvements in the unemployment insurance system.

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

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Unemployment Compensation Extension Act”.

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

Sec. 1. Short title; table of contents.

TITLE I—TEMPORARY EXTENDED UNEMPLOYMENT
COMPENSATION

- Sec. 101. References.
 Sec. 102. Extension of the Temporary Extended Unemployment Compensation Act of 2002.
 Sec. 103. Entitlement to additional weeks of temporary extended unemployment compensation.
 Sec. 104. Extended benefit periods.

TITLE II—UNEMPLOYMENT BENEFITS FOR INDIVIDUALS QUALIFYING
BASED ON PART-TIME WORK OR AN ALTERNATIVE
BASE PERIOD

- Sec. 201. Federal-State agreements.
 Sec. 202. Payments to States having agreements under this title.
 Sec. 203. Financing provisions.
 Sec. 204. Definitions.
 Sec. 205. Applicability.

TITLE III—RAILROAD UNEMPLOYMENT INSURANCE

- Sec. 301. Temporary increase in extended unemployment benefits under the Railroad Unemployment Insurance Act.

1 **TITLE I—TEMPORARY EX-**
 2 **TENDED UNEMPLOYMENT**
 3 **COMPENSATION**

4 **SEC. 101. REFERENCES.**

5 Except as otherwise expressly provided, whenever in
 6 this title an amendment is expressed in terms of an
 7 amendment to a section or other provision, the reference
 8 shall be considered to be made to a section or other provi-
 9 sion of the Temporary Extended Unemployment Com-
 10 pensation Act of 2002 (Public Law 107–147; 26 U.S.C.
 11 3304 note).

12 **SEC. 102. EXTENSION OF THE TEMPORARY EXTENDED UN-**
 13 **EMPLOYMENT COMPENSATION ACT OF 2002.**

14 (a) SIX-MONTH EXTENSION OF PROGRAM.—Section
 15 208 is amended to read as follows:

1 **“SEC. 208. APPLICABILITY.**

2 “(a) IN GENERAL.—Subject to subsection (b), an
3 agreement entered into under this title shall apply to
4 weeks of unemployment—

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

7 “(2) ending before July 1, 2004.

8 “(b) TRANSITION.—In the case of an individual who
9 is receiving temporary extended unemployment compensa-
10 tion for the week which immediately precedes the first day
11 of the week that includes July 1, 2004, temporary ex-
12 tended unemployment compensation shall continue to be
13 payable to such individual for any week thereafter from
14 the account from which such individual received com-
15 pensation for the week immediately preceding that termi-
16 nation date. No compensation shall be payable by reason
17 of the preceding sentence for any week beginning after De-
18 cember 31, 2004.”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 this section shall take effect as if included in the enact-
21 ment of the Temporary Extended Unemployment Com-
22 pensation Act of 2002 (Public Law 107–147; 26 U.S.C.
23 3304 note).

1 **SEC. 103. ENTITLEMENT TO ADDITIONAL WEEKS OF TEM-**
2 **PORARY EXTENDED UNEMPLOYMENT COM-**
3 **PENSATION.**

4 (a) WEEKS OF TEUC AMOUNTS.—Paragraph (1) of
5 section 203(b) is amended to read as follows:

6 “(1) IN GENERAL.—The amount established in
7 an account under subsection (a) shall be equal to 26
8 times the individual’s weekly benefit amount for the
9 benefit year.”.

10 (b) WEEKS OF TEUC-X AMOUNTS.—Section
11 203(c)(1) is amended by striking “an amount equal to the
12 amount originally established in such account (as deter-
13 mined under subsection (b)(1))” and inserting “7 times
14 the individual’s weekly benefit amount for the benefit
15 year”.

16 (c) EFFECTIVE DATE.—

17 (1) IN GENERAL.—The amendments made by
18 this section—

19 (A) shall take effect as if included in the
20 enactment of the Temporary Extended Unem-
21 ployment Compensation Act of 2002 (Public
22 Law 107–147; 26 U.S.C. 3304 note); but

23 (B) shall apply only with respect to weeks
24 of unemployment beginning on or after the date
25 of enactment of this Act, subject to paragraph
26 (2).

1 (2) SPECIAL RULES.—In the case of an indi-
2 vidual for whom a temporary extended unemploy-
3 ment compensation account was established before
4 the date of enactment of this Act, the Temporary
5 Extended Unemployment Compensation Act of 2002
6 (as amended by this title) shall be applied subject to
7 the following:

8 (A) Any amounts deposited in the individ-
9 ual’s temporary extended unemployment com-
10 pensation account by reason of section 203(c)
11 of such Act (commonly known as “TEUC–X
12 amounts”) before the date of enactment of this
13 Act shall be treated as amounts deposited by
14 reason of section 203(b) of such Act (commonly
15 known as “TEUC amounts”), as amended by
16 subsection (a).

17 (B) For purposes of determining whether
18 the individual is eligible for any TEUC–X
19 amounts under such Act, as amended by this
20 title—

21 (i) any determination made under sec-
22 tion 203(c) of such Act before the applica-
23 tion of the amendments made by this title
24 shall be disregarded; and

1 (ii) any such determination shall in-
 2 stead be made by applying section 203(c)
 3 of such Act, as amended by this title—

4 (I) as of the time that all
 5 amounts established in such account
 6 in accordance with section 203(b) of
 7 such Act (as amended by this title,
 8 and including any amounts described
 9 in subparagraph (A)) are in fact ex-
 10 hausted, except that

11 (II) if such individual's account
 12 was both augmented by and exhausted
 13 of all TEUC-X amounts before the
 14 date of enactment of this Act, such
 15 determination shall be made as if ex-
 16 haustion (as described in section
 17 203(c)(1) of such Act) had not oc-
 18 curred until such date of enactment.

19 **SEC. 104. EXTENDED BENEFIT PERIODS.**

20 (a) APPLICATION OF REVISED RATE OF INSURED
 21 UNEMPLOYMENT.—Section 207 is amended—

22 (1) by striking “In” and inserting “(a) In Gen-
 23 eral.—In”; and

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

1 “(b) INSURED UNEMPLOYMENT RATE.—For pur-
 2 poses of carrying out section 203(c) with respect to weeks
 3 of unemployment beginning on or after the date of enact-
 4 ment of this subsection, the term ‘rate of insured unem-
 5 ployment’, as used in section 203(d) of the Federal-State
 6 Extended Unemployment Compensation Act of 1970 (26
 7 U.S.C. 3304 note), has the meaning given such term
 8 under section 203(e)(1) of such Act, except that individ-
 9 uals exhausting their right to regular compensation during
 10 the most recent 3 calendar months for which data are
 11 available before the close of the period for which such rate
 12 is being determined shall be taken into account as if they
 13 were individuals filing claims for regular compensation for
 14 each week during the period for which such rate is being
 15 determined, and section 203(d)(1)(A) of such Act shall be
 16 applied by substituting ‘either (or both)’ for ‘each.’”.

17 (b) ADDITIONAL EXTENDED BENEFIT PERIOD TRIG-
 18 GER.—

19 (1) IN GENERAL.—Section 203(c) is amended
 20 by adding at the end the following:

21 “(3) ADDITIONAL EXTENDED BENEFIT PERIOD
 22 TRIGGER.—

23 “(A) IN GENERAL.—Effective with respect
 24 to compensation for weeks of unemployment be-
 25 ginning on or after the date of enactment of

1 this paragraph, an agreement under this title
2 shall provide that, in addition to any other ex-
3 tended benefit period trigger, for purposes of
4 beginning or ending any extended benefit period
5 under this section—

6 “(i) there is a State ‘on’ indicator for
7 a week if—

8 “(I) the average rate of total un-
9 employment in such State (seasonally
10 adjusted) for the period consisting of
11 the most recent 3 months for which
12 data for all States are published be-
13 fore the close of such week equals or
14 exceeds 6 percent; and

15 “(II) the average rate of total
16 unemployment in such State (season-
17 ally adjusted) for the 3-month period
18 referred to in subclause (I) equals or
19 exceeds 110 percent of such average
20 rate for the corresponding 3-month
21 period ending in either (or both) of
22 the preceding 2 calendar years; and

23 “(ii) there is a State ‘off’ indicator for
24 a week if either the requirements of sub-

1 clause (I) or (II) of clause (i) are not satis-
2 fied.

3 “(B) NO EFFECT ON OTHER DETERMINA-
4 TIONS.—Notwithstanding the provisions of any
5 agreement described in subparagraph (A), any
6 week for which there would otherwise be a
7 State ‘on’ indicator shall continue to be such a
8 week and shall not be determined to be a week
9 for which there is a State ‘off’ indicator.

10 “(C) DETERMINATIONS MADE BY THE
11 SECRETARY.—For purposes of this subsection,
12 determinations of the rate of total unemploy-
13 ment in any State for any period (and of any
14 seasonal adjustment) shall be made by the Sec-
15 retary.”.

16 (2) CONFORMING AMENDMENT.—Section
17 203(c)(1) is amended by inserting “or (3)” after
18 “paragraph (2)”.

1 **TITLE II—UNEMPLOYMENT BEN-**
2 **EFITS FOR INDIVIDUALS**
3 **QUALIFYING BASED ON PART-**
4 **TIME WORK OR AN ALTER-**
5 **NATIVE BASE PERIOD**

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

7 (a) IN GENERAL.—Any State which desires to do so
8 may enter into and participate in an agreement under this
9 title with the Secretary of Labor (hereinafter in this title
10 referred to as the “Secretary”). Any State which is a party
11 to an agreement under this title may, upon providing 30
12 days’ written notice to the Secretary, terminate such
13 agreement.

14 (b) PROVISIONS OF AGREEMENT.—

15 (1) IN GENERAL.—Any agreement under sub-
16 section (a) shall provide that the State agency of the
17 State will make payments of regular compensation
18 to individuals in amounts and to the extent that they
19 would be determined if the State law were applied
20 with the modifications described in paragraph (2).

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

23 (A) In the case of an individual who is not
24 eligible for regular compensation under the
25 State law because of the use of a definition of

1 base period that does not count wages earned
2 in the most recently completed calendar quar-
3 ter, eligibility for compensation under this title
4 shall be determined by applying a base period
5 ending at the close of the most recently com-
6 pleted calendar quarter.

7 (B) In the case of an individual who is not
8 eligible for regular compensation under the
9 State law because such individual does not meet
10 requirements relating to availability for work,
11 active search for work, or refusal to accept
12 work, because such individual is seeking, or is
13 available for, less than full-time work, com-
14 pensation under this title shall not be denied by
15 such State to an otherwise eligible individual
16 who seeks less than full-time work or fails to
17 accept full-time work.

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

1 **SEC. 202. PAYMENTS TO STATES HAVING AGREEMENTS**
2 **UNDER THIS TITLE.**

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

6 (1) 100 percent of any regular compensation
7 made payable to individuals by such State by virtue
8 of the modifications which are described in section
9 201(b)(2) and deemed to be in effect with respect to
10 such State pursuant to section 201(b)(1), and

11 (2) 100 percent of any regular compensation—

12 (A) which is paid to individuals by such
13 State by reason of the fact that its State law
14 contains provisions comparable to the modifica-
15 tions described in section 201(b)(2), but only

16 (B) to the extent that those amounts
17 would, if such amounts were instead payable by
18 virtue of the State law's being deemed to be so
19 modified pursuant to section 201(b)(1), have
20 been reimbursable under paragraph (1).

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

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

9 (c) ADMINISTRATIVE AND OTHER EXPENSES.—
10 There is hereby appropriated out of the employment secu-
11 rity administration account of the Unemployment Trust
12 Fund (as established by section 901(a) of the Social Secu-
13 rity Act) \$500,000,000 to reimburse States for the costs
14 of the administration of agreements under this title (in-
15 cluding any improvements in technology in connection
16 therewith) and to provide reemployment services to unem-
17 ployment compensation claimants in States having agree-
18 ments under this title. Each State's share of the amount
19 appropriated by the preceding sentence shall be deter-
20 mined by the Secretary according to the factors described
21 in section 302(a) of the Social Security Act and certified
22 by the Secretary to the Secretary of the Treasury.

23 **SEC. 203. FINANCING PROVISIONS.**

24 (a) IN GENERAL.—Funds in the extended unemploy-
25 ment compensation account (as established by section

1 905(a) of the Social Security Act), and the Federal unem-
2 ployment account (as established by section 904(g) of the
3 Social Security Act), of the Unemployment Trust Fund
4 shall be used, in accordance with subsection (b), for the
5 making of payments (described in section 202(a)) to
6 States having agreements entered into under this title.

7 (b) CERTIFICATION.—The Secretary shall from time
8 to time certify to the Secretary of the Treasury for pay-
9 ment to each State the sums described in section 202(a)
10 which are payable to such State under this title. The Sec-
11 retary of the Treasury, prior to audit or settlement by the
12 General Accounting Office, shall make payments to the
13 State in accordance with such certification by transfers
14 from the extended unemployment compensation account
15 (or, to the extent that there are insufficient funds in that
16 account, from the Federal unemployment account) to the
17 account of such State in the Unemployment Trust Fund.

18 **SEC. 204. DEFINITIONS.**

19 For purposes of this title:

20 (1) IN GENERAL.—The terms “compensation”,
21 “regular compensation”, “base period”, “State”,
22 “State agency”, “State law”, and “week” have the
23 respective meanings given such terms under section
24 205 of the Federal-State Extended Unemployment

1 Compensation Act of 1970, subject to paragraph
2 (2).

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

6 (A) “State law” shall be considered to
7 refer to the State law of such State, applied in
8 conformance with the modifications described in
9 section 201(b)(2), and

10 (B) “regular compensation” shall be con-
11 sidered to refer to such compensation, deter-
12 mined under its State law (applied in the man-
13 ner described in subparagraph (A)),
14 except as otherwise provided or where the context
15 clearly indicates otherwise.

16 **SEC. 205. APPLICABILITY.**

17 An agreement entered into under this title shall apply
18 to weeks of unemployment—

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

21 (2) ending before January 1, 2005.

1 **TITLE III—RAILROAD**
2 **UNEMPLOYMENT INSURANCE**

3 **SEC. 301. TEMPORARY INCREASE IN EXTENDED UNEM-**
4 **PLOYMENT BENEFITS UNDER THE RAILROAD**
5 **UNEMPLOYMENT INSURANCE ACT.**

6 Section 2(c)(2) of the Railroad Unemployment Insur-
7 ance Act (45 U.S.C. 352(c)(2)) is amended by adding at
8 the end the following:

9 “(D) TEMPORARY INCREASE IN EXTENDED
10 UNEMPLOYMENT BENEFITS.—

11 “(i) EMPLOYEES WITH 10 OR MORE
12 YEARS OF SERVICE.—Subject to clause
13 (iii), in the case of an employee who has
14 10 or more years of service (as so defined),
15 with respect to extended unemployment
16 benefits—

17 “(I) subparagraph (A) shall be
18 applied by substituting “130 days of
19 unemployment” for “65 days of un-
20 employment”; and

21 “(II) subparagraph (B) shall be
22 applied by inserting “(or, in the case
23 of unemployment benefits, 13 con-
24 secutive 14-day periods” after “7 con-
25 secutive 14-day periods”.

1 “(ii) EMPLOYEES WITH LESS THAN 10
2 YEARS OF SERVICE.—Subject to clause
3 (iii), in the case of an employee who has
4 less than 10 years of service (as so de-
5 fined), with respect to extended unemploy-
6 ment benefits, this paragraph shall apply
7 to such an employee in the same manner
8 as this paragraph would apply to an em-
9 ployee described in clause (i) if such clause
10 had not been enacted.

11 “(iii) APPLICATION.—The provisions
12 of clauses (i) and (ii) shall apply to an em-
13 ployee who received normal benefits for
14 days of unemployment under this Act dur-
15 ing the period beginning on July 1, 2002,
16 and ending before July 1, 2004.”.

○