

110TH CONGRESS
2D SESSION

H. R. 5688

To provide for a program of targeted extended unemployment compensation,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 3, 2008

Mr. WELLER of Illinois (for himself and Mr. TIBERT) introduced the following
bill; which was referred to the Committee on Ways and Means

A BILL

To provide for a program of targeted extended unemployment
compensation, and for other purposes.

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

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

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “Targeted Assistance to Restore Growth in Employment
6 Throughout 2008 Act” or the “TARGET Act”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Federal-State agreements.
- Sec. 3. Targeted extended unemployment compensation account.
- Sec. 4. Payments to States having agreements for the payment of targeted extended unemployment compensation.

Sec. 5. Financing provisions.
Sec. 6. Fraud and overpayments.
Sec. 7. Definitions.

1 **SEC. 2. FEDERAL-STATE AGREEMENTS.**

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

9 (b) PROVISIONS OF AGREEMENT.—Any agreement
10 under subsection (a) shall provide that the State agency
11 of the State will make payments of targeted extended un-
12 employment compensation—

13 (1) to individuals who—

14 (A) have exhausted all rights to regular
15 compensation under the State law,

16 (B) have no rights to compensation (in-
17 cluding both regular compensation and ex-
18 tended compensation) with respect to a week
19 under such law or any other State unemploy-
20 ment compensation law or to compensation
21 under any other Federal law (and are not paid
22 or entitled to be paid any additional compensa-
23 tion under any State or Federal law), and

1 (C) are not receiving compensation with
2 respect to such week under the unemployment
3 compensation law of Canada, and

4 (2) for any week of unemployment which begins
5 in the individual's period of eligibility (as defined in
6 section 7(2)).

7 (c) EXHAUSTION OF BENEFITS.—For purposes of
8 subsection (b)(1)(A), an individual shall be deemed to
9 have exhausted such individual's rights to regular com-
10 pensation under a State law when—

11 (1) no payments of regular compensation can
12 be made under such law because such individual has
13 received all regular compensation available to such
14 individual based on employment or wages during
15 such individual's base period, or

16 (2) such individual's rights to such compensa-
17 tion have been terminated by reason of the expira-
18 tion of the benefit year with respect to which such
19 rights existed.

20 (d) TARGETED EXTENDED UNEMPLOYMENT COM-
21 PENSATION PAYMENT.—For purposes of any agreement
22 under this Act—

23 (1) the amount of targeted extended unemploy-
24 ment compensation which shall be payable to any in-
25 dividual for any week of total unemployment shall be

1 equal to the amount of regular compensation (in-
2 cluding dependents' allowances) payable to such in-
3 dividual during such individual's benefit year under
4 the State law for a week of total unemployment,

5 (2) the terms and conditions of the State law
6 which apply to claims for extended compensation
7 and to the payment thereof shall apply to claims for
8 targeted extended unemployment compensation and
9 the payment thereof, except where inconsistent with
10 the provisions of this Act or with the regulations or
11 operating instructions of the Secretary promulgated
12 to carry out this Act, and

13 (3) the maximum amount of targeted extended
14 unemployment compensation payable to any indi-
15 vidual for whom an account is established under sec-
16 tion 3 shall not exceed the amount credited to such
17 account for such individual.

18 (e) ELECTION TO TRIGGER OFF EXTENDED BEN-
19 EFIT PROGRAM.—Notwithstanding any other provision of
20 Federal law (and if State law permits), the Governor of
21 a State in a Tier-1, Tier-2, or Tier-3 period, as defined
22 in section 3, is authorized to and may elect to trigger off
23 an extended benefit period in order to provide payment
24 of targeted extended unemployment compensation to indi-

1 individuals who have exhausted their rights to regular com-
2 pensation under State law.

3 (f) ELECTION TO PROVIDE BENEFITS UNDER ONE
4 OR MORE TIERS.—A State may specify in its agreement
5 that it elects to make payments under this Act for one
6 or more Tier periods.

7 **SEC. 3. TARGETED EXTENDED UNEMPLOYMENT COM-**
8 **PENSATION ACCOUNT.**

9 (a) IN GENERAL.—Any agreement under this Act
10 shall provide that the State will establish, for each eligible
11 individual who files an application for targeted extended
12 unemployment compensation, a targeted extended unem-
13 ployment compensation account with respect to such indi-
14 vidual's benefit year.

15 (b) AMOUNT IN ACCOUNT.—

16 (1) IN GENERAL.—The amount credited to an
17 account under subsection (a) shall—

18 (A) in the case of a Tier-1 period, be equal
19 to the lesser of—

20 (i) 19.3 percent of the total amount of
21 regular compensation (including depend-
22 ents' allowances) payable to the individual
23 with respect to the benefit year (as deter-
24 mined under the State law) on the basis of

1 which the individual most recently received
2 regular compensation, or

3 (ii) 5 times the individual's average
4 weekly benefit amount for the benefit year,

5 (B) in the case of a Tier-2 period be equal
6 to the lesser of—

7 (i) 30.9 percent of the total amount of
8 regular compensation (including depend-
9 ents' allowances) payable to the individual
10 with respect to the benefit year (as deter-
11 mined under the State law) on the basis of
12 which the individual most recently received
13 regular compensation, or

14 (ii) 8 times the individual's average
15 weekly benefit amount for the benefit year,
16 and

17 (C) in the case of a Tier-3 period be equal
18 to the lesser of—

19 (i) 50 percent of the total amount of
20 regular compensation (including depend-
21 ents' allowances) payable to the individual
22 with respect to the benefit year (as deter-
23 mined under the State law) on the basis of
24 which the individual most recently received
25 regular compensation, or

1 (ii) 13 times the individual's average
2 weekly benefit amount for the benefit year.

3 (2) ACCUMULATED CREDITS.—The amount
4 credited to an individual's account under paragraph
5 (1) shall—

6 (A) if so credited based on a Tier-2 period,
7 include (in addition to the amount provided for
8 by paragraph (1)(B)) the amount that would
9 have been creditable to the account under para-
10 graph (1)(A) (determined as if a Tier-1 period
11 was the only one in effect), except that this sub-
12 paragraph shall apply only if the State agree-
13 ment under section 2(a) provides for targeted
14 extended unemployment compensation based on
15 a Tier-1 period; and

16 (B) if so credited based on a Tier-3 period,
17 include (in addition to the amount provided for
18 by paragraph (1)(C)) the amount that would
19 have been creditable to the account under the
20 provisions of paragraph (1)(A) or (1)(B)
21 (whichever satisfies clause (i), and determined
22 as if the Tier to which such provisions relate
23 was the only one in effect), except that—

24 (i) this subparagraph shall apply only
25 if the State agreement under section 2(a)

1 provides for targeted extended unemploy-
2 ment compensation based on a Tier-1 or a
3 Tier-2 period, as the case may be; and

4 (ii) if the State agreement provides
5 for targeted extended unemployment com-
6 pensation based on both Tier-1 and Tier-
7 2, then—

8 (I) the preceding provisions of
9 this subparagraph shall be applied
10 based only on the Tier-2 period; and

11 (II) the provisions of subpara-
12 graph (A) shall also apply as if the
13 State were then in a Tier-2 (and not
14 a Tier-3) period.

15 (3) ADDITIONAL CREDITS.—Additional amounts
16 as appropriate will be credited to an individual's ac-
17 count if, after an account is first established for the
18 individual, the State comes to satisfy the require-
19 ments for a Tier period associated with higher rates
20 of unemployment and elects in its agreement to pro-
21 vide benefits to individuals under such higher Tier
22 period.

23 (4) WEEKLY BENEFIT AMOUNT.—For purposes
24 of this subsection, an individual's weekly benefit
25 amount for any week is the amount of regular com-

1 pensation (including dependents' allowances) under
2 the State law payable to such individual for such
3 week of total unemployment.

4 (c) TIER-1 PERIOD.—For purposes of this Act—

5 (1) IN GENERAL.—The term “Tier-1 period”
6 means, with respect to any State, the period
7 which—

8 (A) begins with the third week after the
9 first week for which the requirements of para-
10 graph (2) are satisfied, and

11 (B) ends with the third week after the first
12 week for which the requirements of paragraph
13 (2) are not satisfied.

14 (2) REQUIREMENTS.—For purposes of para-
15 graph (1), the requirements of this paragraph are
16 satisfied for any week if—

17 (A) the average rate of total unemploy-
18 ment in such State (seasonally adjusted) for the
19 period consisting of the most recent 3 months
20 for which data for all States are published be-
21 fore the close of such week equals or exceeds—

22 (i) 6 percent, and

23 (ii) 110 percent of such average rate
24 for either (or both) of the corresponding 3-

1 month periods ending in the 2 preceding
2 calendar years, or

3 (B) the rate of insured unemployment in
4 the State for the period consisting of such week
5 and the immediately preceding 12 weeks equals
6 or exceeds—

7 (i) 4 percent, and

8 (ii) 120 percent of the average of such
9 rates for the corresponding 13-week period
10 ending in each of the preceding 2 calendar
11 years.

12 (d) TIER-2 PERIOD.—For purposes of this Act—

13 (1) IN GENERAL.—The term “Tier-2 period”
14 means, with respect to any State, the period
15 which—

16 (A) begins with the third week after the
17 first week for which the requirements of para-
18 graph (2) are satisfied, and

19 (B) ends with the third week after the first
20 week for which the requirements of paragraph
21 (2) are not satisfied.

22 (2) REQUIREMENTS.—For purposes of para-
23 graph (1), the requirements of this paragraph are
24 satisfied for any week if—

1 (A) the average rate of total unemploy-
2 ment in such State (seasonally adjusted) for the
3 period consisting of the most recent 3 months
4 for which data for all States are published be-
5 fore the close of such week equals or exceeds—

6 (i) 6.3 percent, and

7 (ii) 110 percent of such average rate
8 for either (or both) of the corresponding 3-
9 month periods ending in the 2 preceding
10 calendar years, or

11 (B) the rate of insured unemployment in
12 the State for the period consisting of such week
13 and the immediately preceding 12 weeks equals
14 or exceeds—

15 (i) 4.5 percent, and

16 (ii) 120 percent of the average of such
17 rates for the corresponding 13-week period
18 ending in each of the preceding 2 calendar
19 years.

20 (e) TIER-3 PERIOD.—For purposes of this Act—

21 (1) IN GENERAL.—The term “Tier-3 period”
22 means, with respect to any State, the period
23 which—

1 (A) begins with the third week after the
2 first week for which the requirements of para-
3 graph (2) are satisfied, and

4 (B) ends with the third week after the first
5 week for which the requirements of paragraph
6 (2) are not satisfied.

7 (2) REQUIREMENTS.—For purposes of para-
8 graph (1), the requirements of this paragraph are
9 satisfied for any week if—

10 (A) the average rate of total unemploy-
11 ment in such State (seasonally adjusted) for the
12 period consisting of the most recent 3 months
13 for which data for all States are published be-
14 fore the close of such week equals or exceeds—

15 (i) 6.5 percent, and

16 (ii) 110 percent of such average rate
17 for either (or both) of the corresponding 3-
18 month periods ending in the 2 preceding
19 calendar years, or

20 (B) the rate of insured unemployment in
21 the State for the period consisting of such week
22 and the immediately preceding 12 weeks equals
23 or exceeds—

24 (i)(I) 5 percent, and

- 1 (II) 120 percent of the average of
2 such rates for the corresponding 13-week
3 period ending in each of the preceding 2
4 calendar years, or
5 (ii) 6 percent.

6 (f) SPECIAL RULES.—

7 (1) COORDINATION BETWEEN PERIODS.—For
8 any week, only one type of period (either Tier-1,
9 Tier-2, or Tier-3) may be in effect for any State.

10 (2) HIGHEST RELEVANT TIER APPLIES.—For
11 any week, the highest Tier period for which the
12 State satisfies the requirements of this section and
13 with respect to which the State has agreed to make
14 payments under an agreement entered into under
15 section 2 applies.

16 (3) DURATION OF PERIODS.—A State will be
17 considered to be in a Tier-1, Tier-2, or Tier-3 period
18 only as long as the State satisfies the requirements
19 for such period.

20 (4) NONDUPLICATION OF BENEFITS.—An indi-
21 vidual may not have such individual's account cred-
22 ited more than once based on the same Tier under
23 the agreement.

24 (5) NOTIFICATION BY SECRETARY.—When a
25 determination has been made that a Tier-1, Tier-2,

1 or Tier-3 period is beginning or ending with respect
2 to a State, the Secretary shall cause notice of such
3 determination to be published in the Federal Reg-
4 ister.

5 (g) EFFECTIVE DATE.—No targeted extended unem-
6 ployment compensation shall be payable to any individual
7 under this Act for any week—

8 (1) beginning before the later of—

9 (A) April 1, 2008, or

10 (B) the first week following the week in
11 which an agreement under this Act is entered
12 into, or

13 (2) beginning after March 31, 2009.

14 (h) TRANSITIONAL RULE.—For purposes of deter-
15 mining whether a Tier-1, Tier-2, or Tier-3 period is in
16 effect with respect to any State for the 1st week for which
17 targeted extended unemployment compensation may be
18 payable under this Act in such State, this Act shall be
19 treated as having been in effect for all weeks ending on
20 or after March 18, 2008.

21 **SEC. 4. PAYMENTS TO STATES HAVING AGREEMENTS FOR**
22 **THE PAYMENT OF TARGETED EXTENDED UN-**
23 **EMPLOYMENT COMPENSATION.**

24 (a) GENERAL RULE.—There shall be paid to each
25 State which has entered into an agreement under this Act

1 an amount equal to the applicable percentage of the tar-
2 geted extended unemployment compensation paid to indi-
3 viduals by the State pursuant to such agreement.

4 (b) APPLICABLE PERCENTAGE.—For purposes of
5 this section, the term “applicable percentage” means, with
6 respect to targeted extended unemployment compensation
7 paid—

8 (1) with respect to a week based on a Tier-1
9 period, 50 percent,

10 (2) with respect to a week based on a Tier-2
11 period, 75 percent, and

12 (3) with respect to a week based on a Tier-3
13 period, 100 percent.

14 (c) PAYMENT PRIORITY.—For purposes of this sec-
15 tion, targeted extended unemployment compensation is
16 presumed to be paid to any individual—

17 (1) first, from any amounts credited to their ac-
18 count based on a Tier-1 period;

19 (2) then, from any amounts credited to their
20 account based a Tier-2 period; and

21 (3) then, from any amounts credited to their
22 account based on a Tier-3 period.

23 (d) TREATMENT OF REIMBURSABLE COMPENSA-
24 TION.—No payment shall be made to any State under this
25 section in respect of any compensation to the extent the

1 State is entitled to reimbursement in respect of such com-
2 pensation under the provisions of any Federal law other
3 than this Act or chapter 85 of title 5, United States Code.
4 A State shall not be entitled to any reimbursement under
5 such chapter 85 in respect of any compensation to the ex-
6 tent the State is entitled to reimbursement under this Act
7 in respect of such compensation.

8 (e) DETERMINATION OF AMOUNT.—Sums payable to
9 any State by reason of such State having an agreement
10 under this Act shall be payable, either in advance or by
11 way of reimbursement (as may be determined by the Sec-
12 retary), in such amounts as the Secretary estimates the
13 State will be entitled to receive under this Act for each
14 calendar month, reduced or increased, as the case may be,
15 by any amount by which the Secretary finds that the Sec-
16 retary's estimates for any prior calendar month were
17 greater or less than the amounts which should have been
18 paid to the State. Such estimates may be made on the
19 basis of such statistical, sampling, or other method as may
20 be agreed upon by the Secretary and the State agency of
21 the State involved.

22 **SEC. 5. FINANCING PROVISIONS.**

23 (a) IN GENERAL.—Funds in the extended unemploy-
24 ment compensation account (as established by section 905
25 of the Social Security Act) of the Unemployment Trust

1 Fund shall be used for the making of payments to States
2 having agreements entered into under this Act.

3 (b) CERTIFICATION.—The Secretary shall from time
4 to time certify to the Secretary of the Treasury for pay-
5 ment to each State the sums payable to such State under
6 this Act. The Secretary of the Treasury, prior to audit
7 or settlement by the General Accounting Office, shall
8 make payments to the State in accordance with such cer-
9 tification, by transfers from the extended unemployment
10 compensation account (as established by section 905 of the
11 Social Security Act) to the account of such State in the
12 Unemployment Trust Fund.

13 (c) AUTHORIZATION OF APPROPRIATIONS FOR CER-
14 TAIN PAYMENTS.—There are authorized to be appro-
15 priated from the general fund of the Treasury, without
16 fiscal year limitation, to the extended unemployment com-
17 pensation account (as established by section 905 of the
18 Social Security Act) such sums as may be necessary to
19 make the payments under this section in respect of—

20 (1) compensation payable under chapter 85 of
21 title 5, United States Code, and

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

1 Amounts appropriated pursuant to the preceding sentence
2 shall not be required to be repaid.

3 (d) ADMINISTRATIVE COSTS.—There are appro-
4 priated out of the employment security administration ac-
5 count (as established by section 901(a) of the Social Secu-
6 rity Act (42 U.S.C. 1101(a)) of the Unemployment Trust
7 Fund, without fiscal year limitation, such funds as may
8 be necessary for purposes of assisting States (as provided
9 in title III of the Social Security Act (42 U.S.C. 501 et
10 seq.)) in meeting the costs of administration of agree-
11 ments under this Act.

12 **SEC. 6. FRAUD AND OVERPAYMENTS.**

13 (a) IN GENERAL.—If an individual knowingly has
14 made, or caused to be made by another, a false statement
15 or representation of a material fact, or knowingly has
16 failed, or caused another to fail, to disclose a material fact,
17 and as a result of such false statement or representation
18 or of such nondisclosure such individual has received an
19 amount of targeted extended unemployment compensation
20 under this Act to which he was not entitled, such indi-
21 vidual—

22 (1) shall be ineligible for further targeted ex-
23 tended unemployment compensation under this Act
24 in accordance with the provisions of the applicable
25 State unemployment compensation law relating to

1 fraud in connection with a claim for unemployment
2 compensation, and

3 (2) shall be subject to prosecution under section
4 1001 of title 18, United States Code.

5 (b) REPAYMENT.—In the case of individuals who
6 have received amounts of targeted extended unemploy-
7 ment compensation under this Act to which they were not
8 entitled, the State shall require such individuals to repay
9 the amounts of such targeted extended unemployment
10 compensation to the State agency, except that the State
11 agency may waive such repayment if it determines that—

12 (1) the payment of such targeted extended un-
13 employment compensation was without fault on the
14 part of any such individual, and

15 (2) such repayment would be contrary to equity
16 and good conscience.

17 (c) RECOVERY BY STATE AGENCY.—

18 (1) IN GENERAL.—The State agency may re-
19 cover the amount to be repaid, or any part thereof,
20 by deductions from any targeted extended unemploy-
21 ment compensation payable to such individual under
22 this Act or from any unemployment compensation
23 payable to such individual under any State or Fed-
24 eral unemployment compensation law administered
25 by the State agency or under any other Federal law

1 administered by the State agency which provides for
2 the payment of any assistance or allowance with re-
3 spect to any week of unemployment, during the 3-
4 year period after the date such individuals received
5 the payment of the targeted extended unemployment
6 compensation to which they were not entitled, except
7 that no single deduction may exceed 50 percent of
8 the weekly benefit amount from which such deduc-
9 tion is made.

10 (2) OPPORTUNITY FOR HEARING.—No repay-
11 ment shall be required, and no deduction shall be
12 made, until a determination has been made, notice
13 thereof and an opportunity for a fair hearing has
14 been given to the individual, and the determination
15 has become final.

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

21 **SEC. 7. DEFINITIONS.**

22 For purposes of this Act—

23 (1) the terms “compensation”, “regular com-
24 pensation”, “extended compensation”, “additional
25 compensation”, “benefit year”, “base period”,

1 “State”, “State agency”, “State law”, and “week”
2 have the respective meanings given such terms under
3 section 205 of the Federal-State Extended Unem-
4 ployment Compensation Act of 1970; and
5 (2) an individual’s period of eligibility consists
6 of any week which begins on or after April 1, 2008,
7 and which begins before March 31, 2009; except
8 that an individual shall not have any period of eligi-
9 bility unless his benefit year ends on or after July
10 1, 2007.

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