

115TH CONGRESS
1ST SESSION

S. 1251

To require the Secretary of Labor to establish a pilot program for providing portable benefits to eligible workers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 25, 2017

Mr. WARNER introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To require the Secretary of Labor to establish a pilot program for providing portable benefits to eligible workers, 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.**

4 This Act may be cited as the “Portable Benefits for
5 Independent Workers Pilot Program Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) Many independent workers, constituting a
9 growing percentage of the workforce in the United
10 States, do not have access to benefits and protec-

1 tions typically provided through traditional full-time
2 employment.

3 (2) These independent workers are independent
4 contractors, temporary workers, self-employed, or
5 work pursuant to other contingent or alternative
6 work arrangements.

7 (3) According to a 2015 study by the Comp-
8 troller General of the United States, the size of the
9 contingent workforce grew from 35 percent of em-
10 ployed workers in 2006 to 40 percent of employed
11 workers in 2010.

12 (4) According to a 2016 study by economists
13 Lawrence Katz and Alan Krueger, 94 percent of net
14 employment growth in the United States economy
15 from 2005 to 2015 occurred in alternative work ar-
16 rangements.

17 (5) As the population of independent workers
18 grows, it is increasingly important that workers are
19 provided portable benefits.

20 **SEC. 3. DEFINITIONS.**

21 In this Act:

22 (1) **ELIGIBLE ORGANIZATION.**—The term “eligi-
23 ble organization” means any State or local govern-
24 ment or any nonprofit organization.

1 (2) ELIGIBLE WORK.—The term “eligible work”
 2 means any work performed that is not in connection
 3 with traditional full-time employment.

4 (3) ELIGIBLE WORKER.—The term “eligible
 5 worker” means any worker who is not a traditional
 6 full-time employee of the entity hiring the worker for
 7 the eligible work, including any independent con-
 8 tractor, contract worker, self-employed individual,
 9 freelance worker, temporary worker, or contingent
 10 worker.

11 (4) PORTABLE BENEFITS.—The term “portable
 12 benefits”—

13 (A) means work-related benefits that are
 14 provided to eligible workers for eligible work in
 15 a manner that allows the worker to maintain
 16 the benefits upon changing jobs; and

17 (B) includes—

18 (i) contributions on behalf of the eligi-
 19 ble worker made by an entity (including
 20 multiple entities, if applicable) in connec-
 21 tion with eligible work performed by the
 22 worker for the entity, including entities
 23 that facilitate the sale of such work;

24 (ii) contributions made by the eligible
 25 worker; or

1 (iii) a combination of the contribu-
 2 tions described in clauses (i) and (ii).

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

5 (6) WORK-RELATED BENEFITS.—The term
 6 “work-related benefits” means benefits, including
 7 protections, of a type that are commonly provided to
 8 traditional full-time employees, such as workers’
 9 compensation, skills training, disability coverage,
 10 health insurance coverage, retirement saving, income
 11 security, and short-term saving.

12 **SEC. 4. ESTABLISHMENT OF PORTABLE BENEFITS PILOT**
 13 **PROGRAM.**

14 (a) IN GENERAL.—The Secretary, in consultation
 15 with the head of any other relevant Federal agency, shall
 16 award grants for fiscal year 2018, on a competitive basis,
 17 to eligible organizations to support broad innovation and
 18 experimentation with respect to portable benefits.

19 (b) USES OF FUNDS.—

20 (1) TYPES OF GRANTS.—The grants awarded
 21 under subsection (a) shall be grants for—

22 (A) the evaluation, or improvement to the
 23 design or implementation, of existing models or
 24 approaches for providing portable benefits; or

1 (B) the design, implementation, and eval-
2 uation of new models or approaches for pro-
3 viding such benefits.

4 (2) REQUIREMENT REGARDING RETIREMENT-
5 RELATED BENEFITS.—An eligible organization that
6 receives a grant under subsection (a) may not use
7 the grant to fund a model or approach described in
8 paragraph (1) that provides only retirement-related
9 benefits.

10 (c) POTENTIAL FOR NATIONAL APPLICABILITY.—In
11 awarding grants under subsection (a), the Secretary shall
12 consider the potential of the model or approach described
13 in subsection (b)(1) to be replicated on a large scale or
14 at the national level.

15 (d) APPLICATIONS.—Each eligible organization that
16 desires to receive a grant under subsection (a) shall sub-
17 mit an application to the Secretary, at such time, in such
18 manner, and accompanied by such information as the Sec-
19 retary may require.

20 **SEC. 5. REPORT TO CONGRESS.**

21 Not later than September 30, 2020, the Comptroller
22 General of the United States shall evaluate the outcome
23 of the grants awarded under section 4(a) and provide a
24 report on such evaluation to Congress. Such report shall
25 include an assessment of the impact of such grants on the

1 compensation of workers receiving portable benefits under
2 section 4.

3 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

4 (a) IN GENERAL.—There is authorized to be appro-
5 priated for fiscal year 2018—

6 (1) \$5,000,000 to carry out the grants de-
7 scribed in section 4(b)(1)(A); and

8 (2) \$15,000,000 to carry out the grants de-
9 scribed in section 4(b)(1)(B).

10 (b) AVAILABILITY.—Amounts appropriated under
11 subsection (a) shall remain available until expended.

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