

Public Law 87-6

March 24, 1961
[H. R. 4806]

AN ACT

To provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes.

Temporary Extended Unemployment Compensation Act of 1961.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Temporary Extended Unemployment Compensation Act of 1961".

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) The term "compensation period" means, in the case of any individual, the period beginning with the first day of a benefit year (determined under applicable State law) for such individual and ending on the day before the first day of the next benefit year (determined under applicable State law) for such individual. If the applicable State law does not define a benefit year, then for purposes of the preceding sentence such term has the meaning prescribed by the Secretary.

(2) The term "first claim" means the first request for determination of an individual's right to temporary extended unemployment compensation, without regard to whether or not any compensation is paid.

(3) The term "State unemployment compensation" means the regular unemployment compensation payable to an individual under the State law or title XV, and any additional unemployment compensation payable to such individual under the State law or title XV during periods of high unemployment.

(4) The term "Secretary" means the Secretary of Labor of the United States.

(5) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico.

(6) The term "State agency" means the agency of the State which administers its State law.

(7) The term "State law" means the unemployment compensation law of the State, approved by the Secretary under section 3304 of the Internal Revenue Code of 1954, and the unemployment compensation law of Puerto Rico during the last six months before January 1, 1961.

(8) The term "temporary extended unemployment compensation" means the additional unemployment compensation payable under this Act.

(9) The term "title XV" means title XV of the Social Security Act.

(10) The term "week" means a week as defined in the applicable State law.

PAYMENT OF COMPENSATION

Eligibility

SEC. 3. (a) Payment of temporary extended unemployment compensation shall be made, for any week of unemployment which begins in the covered period specified in section 6, to individuals who have, after June 30, 1960, exhausted (within the meaning prescribed by the Secretary by regulations) all rights under the State law and title XV and who have no rights to unemployment compensation with respect to such week under any such law or under any other Federal or State unemployment compensation law.

26 USC 3304.

68 Stat. 1130.
42 USC 1361-
1371.

Weekly Benefit Amount

(b) The temporary extended unemployment compensation payable to an individual for a week of total unemployment shall be the weekly benefit amount (including allowances for dependents) for total unemployment which was payable to him pursuant to the State law or title XV under which he last exhausted his rights before making his first claim under this Act. The temporary extended unemployment compensation payable to an individual for a week of less than total unemployment shall be computed on the basis of such weekly benefit amount, except that in such computation allowances for dependents shall be taken into account in the manner provided by the applicable State law with respect to such a week of less than total unemployment.

68 Stat. 1130.
42 USC 1361-
1371.

Application of State Laws

(c) Except where inconsistent with the provisions of this Act, the terms and conditions of the State law or title XV under which an individual most recently exhausted his rights shall apply to his claim for temporary extended unemployment compensation and to the payment thereof.

REIMBURSEMENT

SEC. 4. The United States shall reimburse any State, with which an agreement has been entered into under section 7 which includes the provisions specified in subsection (a) (2) thereof, for any State unemployment compensation paid by it to an individual with respect to a week of unemployment beginning in the covered period specified in section 6, to the extent that the sum of such payment, plus the State unemployment compensation paid by such State for prior weeks of unemployment in the compensation period and not reimbursed under this section, exceeds 26 times the weekly benefit amount (including allowances for dependents) for total unemployment which was payable to such individual pursuant to State law or title XV in such compensation period.

LIMITATION ON TOTAL PAYMENTS AND REIMBURSEMENTS

Overall Limitation

SEC. 5. (a) The sum of the temporary extended unemployment compensation payable to any individual, plus the State unemployment compensation paid to such individual with respect to which any State is entitled to reimbursement under this Act (or would be entitled to such reimbursement but for the fact that such compensation is paid under title XV), shall not exceed whichever of the following amounts is the smaller:

(1) An amount equal to 50 percent of the total amount of State unemployment compensation (including allowances for dependents) which was payable to him for his first compensation period, or

(2) An amount equal to 13 times his weekly benefit amount for his first compensation period.

Limitation Based on Compensation Period

(b) Payment of temporary extended unemployment compensation (and reimbursement of State unemployment compensation) shall not be made with respect to any individual for any week of unemployment, to the extent that such payment or reimbursement, when added to the sum of State unemployment compensation and temporary

extended unemployment compensation paid to such individual with respect to prior weeks in the compensation period, would exceed 39 times such individual's weekly benefit amount for such compensation period.

Definitions

(c) For purposes of this section—

(1) The term "first compensation period" means—

(A) in the case of any individual whose first claim under this Act is for a week of unemployment before his first reimbursement week, the compensation period in which he last exhausted his rights to State unemployment compensation before making such first claim, or

(B) in the case of any other individual, the compensation period in which his first reimbursement week occurs.

(2) In the case of any individual, the term "first reimbursement week" means the first week with respect to which any State is entitled to reimbursement under section 4 (or would be entitled to such reimbursement but for the fact that the compensation was paid under title XV).

(3) An individual's weekly benefit amount for any compensation period is the weekly benefit amount (including allowances for dependents) for total unemployment which was payable to him in such compensation period pursuant to the State law or title XV.

COVERED PERIOD

SEC. 6. In the case of any individual, the covered period referred to in sections 3 and 4 is the period—

(1) beginning on whichever of the following is the later:

(A) the 15th day after the date on which this Act is enacted, or

(B) the day after the date on which any applicable agreement is entered into under section 7 or 8, and

(2) ending—

(A) on March 31, 1962, or

(B) on June 30, 1962, in the case of an individual who (for a week beginning before April 1, 1962) had a week with respect to which temporary extended unemployment compensation was payable under section 3, reimbursement was payable under section 4, or reimbursement would have been so payable but for the fact that the unemployment compensation was payable under title XV.

AGREEMENTS WITH STATES

In General

SEC. 7. (a) The Secretary is authorized on behalf of the United States to enter into an agreement with a State, or with the agency administering the State law, which shall include the provisions described in paragraphs (1) and (2) or in either of them:

(1) Such State agency will make, as agent of the United States, payments of temporary extended unemployment compensation to the individuals referred to in section 3 on the basis provided in this Act, and will otherwise cooperate with the Secretary and with other State agencies in making payments of temporary extended unemployment compensation under this Act.

(2) The United States will reimburse the State for State unemployment compensation paid under the conditions specified in section 4.

Except as provided in section 8, temporary extended unemployment compensation shall be paid, and reimbursement under section 4 shall be made, only pursuant to an agreement entered into under this section.

Amendment, Suspension, or Termination of Agreement

(b) Each agreement under this Act shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

No Denial or Reduction of State Benefits

(c) Any agreement under this Act shall provide that regular unemployment compensation otherwise payable to any individual will not be denied or reduced for any week by reason of any right to temporary extended unemployment compensation under this Act.

Review

(d) Any determination by a State agency with respect to entitlement to temporary extended unemployment compensation pursuant to an agreement under this Act shall be subject to review in the same manner and to the same extent as determinations under the State law, and only in such manner and to such extent.

Compensation To Be Reduced by Certain Retirement Pensions and Annuities

(e) (1) Any agreement under this Act shall provide that temporary extended unemployment compensation payable to an individual with respect to a week shall be reduced, under regulations prescribed by the Secretary, by any amount received with respect to such week as a retirement pension or annuity under a public or private retirement plan or system provided, or contributed to, by any base period employer. An amount received with respect to a period other than a week shall be prorated by weeks. No reduction shall be made under this paragraph for (A) any retirement pension or annuity received by reason of disability, or (B) any amount received under title II of the Social Security Act.

(2) For purposes of this subsection, the term "base period employer" means, in the case of any individual, any person who paid such individual any remuneration for employment which was taken into account in computing the amount or duration of any State unemployment compensation which was payable to such individual at any time during the compensation period.

(3) For purposes of section 3(c), so much of any State law as provides a disqualification for, or a reduction in, State unemployment compensation for amounts received as retirement pensions or annuities (or for amounts received under title II of the Social Security Act) shall be deemed to be inconsistent with the provisions of this Act relating to the payment of temporary extended unemployment compensation.

EX-SERVICEMEN AND FEDERAL EMPLOYEES

In States Which Do Not Have Agreements

SEC. 8. (a) For the purpose of paying temporary extended unemployment compensation to individuals who have, after June 30, 1960, exhausted their rights to unemployment compensation under title XV in a State with which there is no agreement under section 7 which applies with respect to the weeks of unemployment concerned, the Secretary may extend any existing agreement with such State. Any such extension shall apply only to weeks of unemployment beginning after such extension is made. For the purposes of this Act, any such extension shall be treated as an agreement entered into under this Act.

In the Virgin Islands

(b) For the purpose of paying temporary extended unemployment compensation to individuals who have, after June 30, 1960, exhausted their rights to unemployment compensation under title XV in the Virgin Islands, the Secretary may utilize the personnel and facilities of the agency in the Virgin Islands cooperating with the United States Employment Service under the Act of June 6, 1933 (29 U.S.C. 49 and following), may delegate to officials of such agency any authority granted to him by this Act whenever the Secretary determines such delegation to be necessary in carrying out the purposes of this Act, and may allocate or transfer funds or otherwise pay or reimburse such agency for the total cost of the temporary extended unemployment compensation paid under this Act and for expenses incurred in carrying out the purposes of this Act.

Review

(c) Any individual referred to in subsection (b) whose claim for temporary extended unemployment compensation has been denied shall be entitled to a fair hearing and review as provided in section 1503(c) of title XV.

PENALTIES

False Statements, and So Forth

SEC. 9. (a) Whoever makes a false statement or representation of a material fact knowing it to be false, or knowingly fails to disclose a material fact, to obtain or increase for himself or for any other individual any payment under this Act shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

Recovery of Overpayments

(b) (1) If a State agency or the Secretary, as the case may be, or a court of competent jurisdiction, finds that any person—

(A) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed, or caused another to fail, to disclose a material fact, and

(B) as a result of such action has received any payment under this Act to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary, as the case may be. In lieu of requiring the repayment of any amount under this paragraph, the State agency or the Secretary, as the case may be, may recover such amount by deductions

68 Stat. 1130.
42 USC 1361-
1371.

48 Stat. 113.

68 Stat. 1132.
42 USC 1363.

from any compensation payable to such person under this Act. Any such finding by a State agency or the Secretary, as the case may be, may be made only after an opportunity for a fair hearing, subject to such further review as may be appropriate under sections 7(d) and 8(c).

(2) Any amount repaid to a State agency under paragraph (1) shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary under paragraph (1) shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

INFORMATION

SEC. 10. The agency administering the State law shall furnish to the Secretary such information as he may find necessary or appropriate in carrying out the provisions of this Act. Such information shall include data (which may be procured on a sampling basis) relating to the personal characteristics, family situation, employment background, and experience under this Act of individuals found to be entitled to temporary extended unemployment compensation.

PAYMENTS TO STATES

Payment on Calendar Month Basis

SEC. 11. (a) (1) Except as provided in paragraph (2), there shall be paid to each State which has an agreement under this Act, either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this Act for each calendar month, reduced or increased, as the case may be, by any sum 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 upon the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency.

(2) Any payments to a State pursuant to section 4 shall be by way of reimbursement, and shall be used only for the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.

Certification

(b) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State which has an agreement under this Act sums payable to such State under paragraphs (1) and (2) of subsection (a). The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the Federal extended compensation account. Sums payable to a State under paragraph (2) of subsection (a) shall be paid by transfers from the Federal extended compensation account to the account of such State in the Unemployment Trust Fund.

Money To Be Used Only for Purposes for Which Paid

(c) All money paid a State under this Act shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this Act, to the Treasury and credited to

current applicable appropriations, funds, or accounts from which payments to States under this Act may be made.

Surety Bonds

(d) An agreement under this Act may require any officer or employee of the State certifying payments or disbursing funds pursuant to the agreement, or otherwise participating in its performance, to give a surety bond to the United States in such amount as the Secretary may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this Act.

Liability of Certifying Officers

(e) No person designated pursuant to an agreement under this Act as a certifying officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any compensation certified by him under this Act.

Liability of Disbursing Officers

(f) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this Act if it was based upon a voucher signed by a certifying officer designated as provided in subsection (e) of this section.

Cost of Administration

(g) For the purpose of payments made to a State under title III of the Social Security Act, administration by the State agency of such State pursuant to an agreement under this Act shall be deemed to be a part of the administration of the State law.

49 Stat. 626.
42 USC 501-503.

REGULATIONS

SEC. 12. The Secretary is hereby authorized to make such rules and regulations as may be necessary to carry out the provisions of this Act. Such regulations shall include regulations prescribing the method of computing an average weekly benefit amount where there is more than one weekly benefit amount payable in a period.

FEDERAL EXTENDED COMPENSATION ACCOUNT

Establishment of Account

74 Stat. 970.
42 USC 1101
note.

SEC. 13. Title IX of the Social Security Act is amended by adding at the end thereof the following new section:

"FEDERAL EXTENDED COMPENSATION ACCOUNT

"Establishment of Account

"SEC. 905. (a) There is hereby established in the Unemployment Trust Fund a Federal extended compensation account. For the purposes provided for in section 904(e), such account shall be maintained as a separate book account. There are hereby authorized to be appropriated, without fiscal year limitation, such amounts as may be necessary to make the payments of compensation provided by sections 3 and 8 of the Temporary Extended Unemployment Compensation Act of 1961 and the reimbursements provided by section 4 of such Act. The amounts so appropriated shall be transferred from time

42 USC 1104.

to time to the Federal extended compensation account on the basis of estimates by the Secretary of the Treasury after consultation with the Secretary of Labor of the amounts required to make such payments and reimbursements. Amounts so transferred shall be repayable advances (without interest), except to the extent that such amounts are used to make the payments of compensation provided by sections 3 and 8 of the Temporary Extended Unemployment Compensation Act of 1961 to individuals by reason of the exhaustion of their rights to unemployment compensation under title XV. Such repayable advances shall be repaid by transfers, from the Federal extended compensation account to the general fund of the Treasury, at such times as the amount in the Federal extended compensation account is determined by the Secretary of the Treasury, in consultation with the Secretary of Labor, to be adequate for such purpose.

68 Stat. 1130.
42 USC 1361-
1371.

"Transfers to Account

"(b) The Secretary of the Treasury shall transfer (as of the close of each month in the calendar years 1963 and 1964), from the employment security administration account to the Federal extended compensation account established by subsection (a), an amount determined by him to be equal to 50 percent of the amount by which—

"(1) transfers to the employment security administration account pursuant to section 901(b) (2) during such month, exceed

42 USC 1101.

"(2) payments during such month from the employment security administration account pursuant to section 901(b) (3) and (d).

If for any such month the payments referred to in paragraph (2) exceed the transfers referred to in paragraph (1), proper adjustments shall be made in the amounts subsequently transferred.

"Transfers to State Accounts

"(c) (1) The Secretary of the Treasury shall transfer (as of December 31, 1963), from the Federal extended compensation account to the accounts of the States in the Unemployment Trust Fund, the balance in the Federal extended compensation account as of such date. Such balance shall be determined by deducting from the amount in the account on December 31, 1963, the amount of the outstanding advances made to such account pursuant to subsection (a).

"(2) Each State's share of the balance to be transferred under this subsection—

"(A) shall be determined by the Secretary of Labor and certified by him to the Secretary of the Treasury before that date on the basis of reports furnished by the States to the Secretary of Labor before December 1, 1963, and

"(B) shall bear the same ratio to the balance in such account as of December 31, 1963, as (i) the amount of wages subject to contributions under such State's unemployment compensation law during 1961 and 1962 which have been reported to the State before May 1, 1963, bears to (ii) the total of wages subject to contributions under all State unemployment compensation laws during 1961 and 1962 which have been reported to the States before May 1, 1963.

"Termination of Account

"(d) Except as provided by subsection (c), no transfer to or from the Federal extended compensation account shall be made after December 31, 1964."

TEMPORARY INCREASE IN RATE OF TAX

Temporary Increase

26 USC 3301.

SEC. 14. (a) Section 3301 of the Internal Revenue Code of 1954 (relating to the rate of the Federal unemployment tax) is amended by adding at the end thereof the following new sentence: "In the case of wages paid during the calendar years 1962 and 1963, the rate of such tax shall be 3.5 percent in lieu of 3.1 percent."

No Change in Credits

26 USC 3302.

(b) Section 3302(d)(1) of such Code (relating to credits against tax) is amended to read as follows:

"(1) RATE OF TAX DEEMED TO BE 3 PERCENT.—In applying subsection (c), the tax imposed by section 3301 shall be computed at the rate of 3 percent in lieu of 3.1 percent (or, in the case of the tax imposed with respect to the calendar years 1962 and 1963, in lieu of 3.5 percent)."

42 USC 1101.

SEC. 15. Notwithstanding section 901(c)(1)(A) of the Social Security Act, the limitation on the amount authorized to be made available for the fiscal years ending on June 30, 1961, and 1962, for the purposes specified in such section 901(c)(1)(A) is hereby increased to—

- (1) \$385,000,000 for the fiscal year ending June 30, 1961, and
- (2) \$415,000,000 for the fiscal year ending June 30, 1962.

Approved March 24, 1961.

Public Law 87-7

AN ACT

March 24, 1961
[H. R. 5075]

To provide temporary extended railroad unemployment insurance benefits, and for other purposes.

Temporary Extended Railroad Unemployment Insurance Benefits Act of 1961.

53 Stat. 1113.
45 USC 367.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Temporary Extended Railroad Unemployment Insurance Benefits Act of 1961".

SEC. 2. An employee as defined in the Railroad Unemployment Insurance Act who has, after June 30, 1960, and before April 1, 1962, exhausted (within the meaning prescribed by the Railroad Retirement Board by regulation) his right to unemployment benefits under the Railroad Unemployment Insurance Act, shall be paid unemployment benefits in accordance otherwise with the provisions of such Act for days of unemployment, not exceeding sixty-five, and not exceeding in the aggregate, an amount equal to 50 per centum of the total amount of unemployment benefits which were payable to him in the benefit year in which he last exhausted his rights before making his first claim under this Act, which occur in registration periods, as defined in the Railroad Unemployment Insurance Act, beginning on or after the fifteenth day after the date of enactment of the Temporary Extended Unemployment Compensation Act of 1961, and before April 1, 1962, and which would not be days with respect to which he would be held entitled otherwise to receive unemployment benefits under the Railroad Unemployment Insurance Act: *Provided*, That an employee entitled under this section to benefits for a day before April 1, 1962, may receive such benefits for days in registration periods which begin before July 1, 1962: *Provided further*, That payment of benefits otherwise provided for in this Act shall

Ante, p. 8.