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COMMITTEE PRINT

STAFF DATA AND MATERIALS ON
THE EMERGENCY
UNEMPLOYMENT
COMPENSATION
ACT OF 1974

COMMITTEE ON FINANCE
UNITED STATES SENATE
RUSSELL B. LONG, *Chairman*



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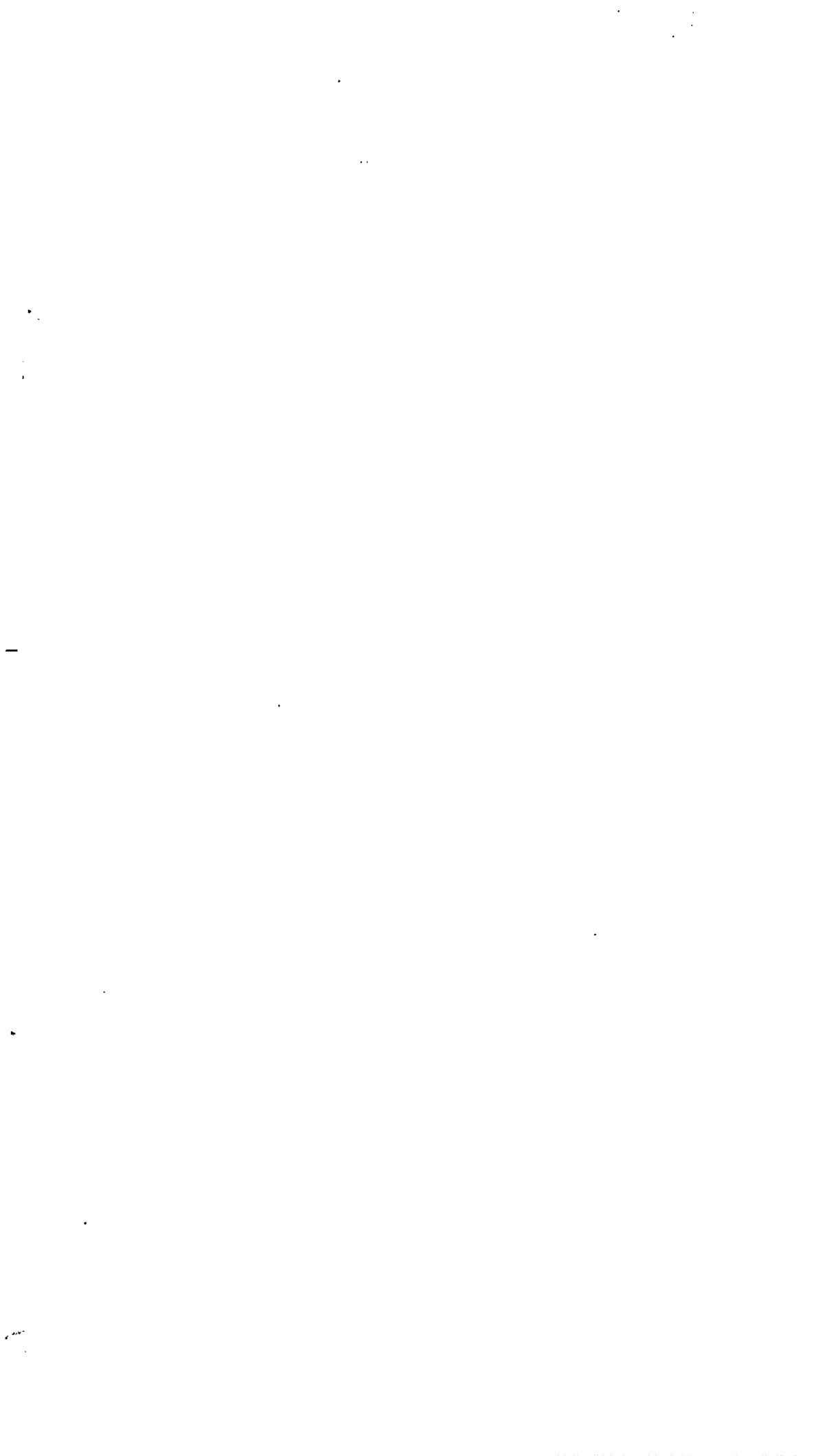
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A. Unemployment Compensation Programs



BENEFITS UNDER EXISTING UNEMPLOYMENT COMPENSATION PROGRAMS

Program	Benefit duration ¹	Funding ²	When in effect
Regular State programs.....	1st to 26th week of unemployment.	100 percent from State unemployment accounts.	At all times.
Federal-State extended benefits.	27th to 39th week of unemployment.	50 percent from State, 50 percent from Federal unemployment accounts.	High level of insured unemployment—nationally or in specific State.
Emergency unemployment benefits.	(a) 40th to 52d week of unemployment.	(a) 100 percent from Federal unemployment accounts.	(a) Temporary program: expires Mar. 31, 1977; effective only when extended program in effect and State insured unemployment rate is at least 5 percent.
	(b) 53d to 65th week of unemployment.	(b) 100 percent from Federal unemployment accounts.	(b) Same as (a) but effective only if State insured unemployment rate is at least 6 percent.

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¹ Based on maximum duration of benefits (26 weeks in most States for regular program). Persons with less substantial work history may qualify for shorter durations.

² Repayable loans from general revenues are available to cover shortages in these accounts.

I. Description of the Present Unemployment Insurance Program

Unemployment insurance is a Federal-State system designed to provide temporary wage loss compensation to workers as protection against the economic hazards of unemployment. Funds accumulated from payroll taxes permit payment of benefits to unemployed insured workers.

DURATION OF BENEFITS

State unemployment compensation programs generally provide up to 26 weeks of benefits in a year to unemployed workers who are covered under these programs. A few State programs provide for a somewhat longer maximum benefit duration, and most State programs limit the duration of benefits to less than 26 weeks in the case of certain workers who do not have a history of recent steady employment.

Provisions have been made for extending the duration of benefits in times of high unemployment (beyond what is provided under the regular provisions of State programs) to take account of the fact that, during such times, it is more difficult for unemployed workers to find new jobs. These programs were temporary until 1970, when a program to provide such extended benefits was made a permanent part of Federal law through the enactment of the Federal-State Extended Unemployment Compensation Act.

Provision has also been made from time to time to take account of unemployment arising from certain specific unusual circumstances. Examples of this type of legislation are the unemployment assistance provisions of the Disaster Relief Act and the trade readjustment allowances under the Trade Act. These provisions make special types of unemployment benefits available to persons whose jobs are adversely affected by natural disasters or by increased imports which result from Federal trade policy.

A temporary program of Emergency Compensation was enacted at the end of 1974 to deal with recent extraordinarily high levels of unemployment. As amended in 1975, this program provides additional weeks of benefits for those who have exhausted their regular and extended benefit entitlement in States with insured unemployment levels of 5 percent or higher. This program is scheduled to expire on March 31, 1977.

FINANCING THE PROGRAMS

Under the provisions of the Internal Revenue Code, a tax is levied on covered employers at a current rate of 3.4 percent on wages up to \$6,000 a year paid to an employee (\$4,200 until 1978). The law, however, provides a credit against Federal tax liability of 2.7 percent to employers who pay State taxes under an approved State unemployment compensation program. This credit is allowed regardless of the tax paid to the State by the employer. Because all of the States now have an approved unemployment compensation program, the effective Federal tax is 0.7 percent. This Federal tax is used to pay all of the administrative costs, both State and Federal, associated with the unemployment compensation programs, to provide 50 percent of the benefits paid under the Federal-State Extended Unemployment Compensation Act of 1970 (other than costs after 1978 resulting from cov-

erage of State and local Government employees, whose employment is not subject to the Federal tax), to pay the costs of benefits under the Emergency Unemployment Compensation Act of 1974, and to maintain a loan fund from which an individual State may borrow (title XII of the Social Security Act) whenever it lacks funds to pay the unemployment compensation benefits due for a month. Under the law, the Federal tax rate will be reduced to 3.2 percent when all general revenue advances to the Federal Unemployment Trust Fund have been repaid. In order to assure that a State will repay any loans it secures from the fund, the law provides that when a State has an outstanding loan balance on January 1 for 2 consecutive years, the full amount of the loan must be repaid by November 10 of the second year or the Federal tax on employers in that State will be increased for that year and further increased for each subsequent year that the loan has not been repaid. Under a provision of Public Law 94-45 a 3-year (1975, 1976, and 1977) suspension of the increases in tax rates is permitted for a State which the Secretary finds has taken appropriate steps (a) to restore the fiscal soundness of its program and (b) to provide for repayment of outstanding loans within a reasonable period of time. As of January 1977, employers in two States, Vermont and Washington, are paying increased Federal taxes while a suspension of an increase for employers in Connecticut has been approved by the Secretary.

All States levy taxes on employers within the State. Three States (Alabama, Alaska, and New Jersey) also collect contributions from employees. These taxes are deposited by the State to its account in the unemployment trust fund in the Federal Treasury, and withdrawn as needed to pay benefits. On December 31, 1975, the total reserve of the 37 States which had not exhausted their reserves was \$4.4 billion. The other 15 States were supplementing their State unemployment tax collections with loans from the Federal account in order to meet benefit payments. As of February 15, 1977, the number of States exhausting their reserves had increased to 22, which at that time had borrowed \$3.8 billion.

AMOUNT OWED TO GENERAL FUND OF THE TREASURY BY THE UNEMPLOYMENT TRUST FUND

[In billions of dollars]

	Amount owed as of September 30				
	1977	1978	1979	1980	1981
Total.....	12.8	12.3	10.9	9.0	6.4
Attributable to State loans.....	4.0	4.0	4.0	3.7	2.9
Attributable to Federal responsibilities.....	8.8	8.3	6.9	5.3	3.5

Source: Department of Labor projections.

UNEMPLOYMENT COMPENSATION—REVENUES AND EXPENDITURES, FISCAL YEARS 1977-81

[In billions of dollars]

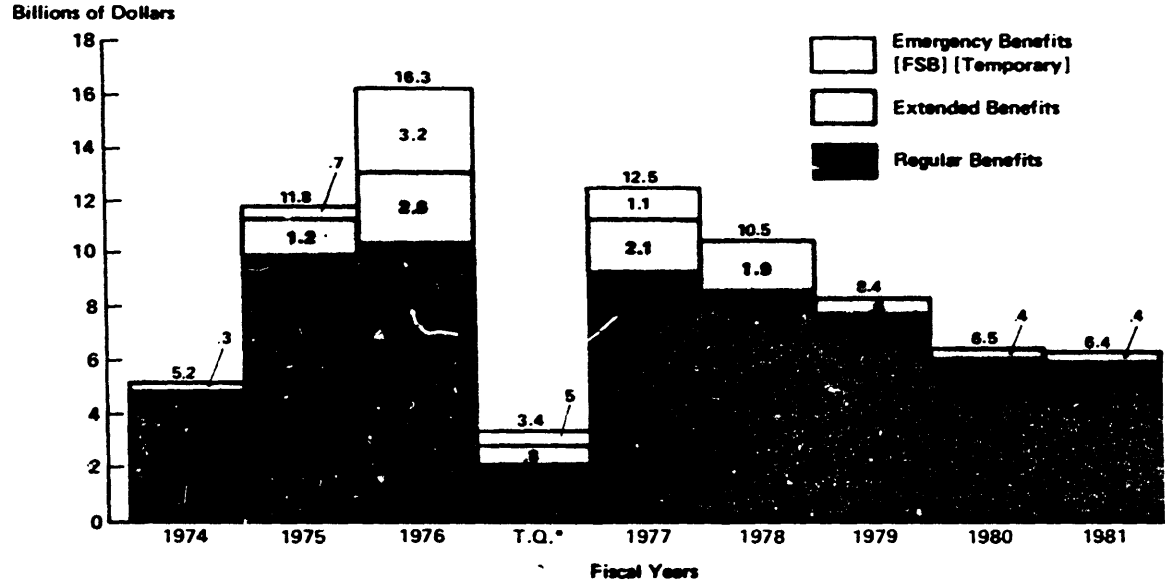
	1977	1978	1979	1980	1981
Revenues.....	10.6	13.7	14.5	14.3	14.5
State taxes.....	8.7	11.0	11.6	11.3	11.3
Federal taxes.....	1.9	2.7	2.9	3.0	3.2
Expenditures.....	14.0	12.0	9.9	7.9	7.8
Regular benefits.....	9.3	8.6	7.8	6.1	6.0
Extended/emergency benefits.....	3.2	1.9	.6	.4	.4
Administrative costs.....	1.5	1.5	1.5	1.4	1.4

Source: Department of Labor projections.

Benefit Payments

State UI Programs (Excludes SUA)

Regular, Extended and Federal Supplemental Benefits
Under PL94-566, U.C. Amendments of 1976



Based on 1/24/77 Unemployment Assumptions
*Transitional Quarter

U.S. Department of Labor
Employment and Training Administration
Unemployment Insurance Service
February 18, 1977

Staff note: SUA (special unemployment assistance) is a temporary general fund program of benefits for unemployed persons not covered by the regular unemployment compensation programs. FSB (Federal supplemental benefits) is the popular name given by the Department of Labor to the program established by the Emergency Unemployment Compensation Act of 1974.

ADVANCES TO STATES FROM FEDERAL UNEMPLOYMENT ACCOUNT

[In millions of dollars per calendar year]

States	1972	1973	1974	1975	1976	1977 through Feb. 15, 1977	Total
Connecticut.....	31.8	21.7	8.5	190.2	111.0	35.0	1 398.2
Washington.....		40.7	3.4	50.0	55.3		149.4
Vermont.....			5.3	23.0	9.2	3.7	41.2
New Jersey.....				352.2	145.0	36.3	533.5
Rhode Island.....				45.8	20.0		65.8
Massachusetts.....				140.0	125.0		265.0
Michigan.....				326.0	245.0		571.0
Puerto Rico.....				35.0	22.0	10.0	67.0
Minnesota.....				47.0	76.0	4.0	127.0
Maine.....				2.4	12.5	1.0	15.9
Pennsylvania.....				173.8	379.1	149.4	702.3
Delaware.....				6.5	14.0	6.1	26.6
District of Columbia.....				7.0	20.6	9.8	43.4
Alabama.....				10.0	20.0	5.6	35.6
Illinois.....				68.8	446.5	135.2	650.5

Arkansas.....					20.0	3.0	23.0
Hawaii.....					22.5		22.5
Nevada.....					7.6		7.6
Oregon.....					18.5		18.5
Maryland.....					36.1	2.5	38.6
Montana.....					1.4	4.3	5.7
New York.....						29.3	29.3
Total.....	31.8	62.4	17.2	1,477.7	1,813.3	435.2	3,837.6

Actual loans received.....	\$437.0
Less repayment.....	(38.8)
Total.....	398.2

II. Federal-State Extended Unemployment Compensation Act of 1970

The Employment Security Amendments of 1970 (Public Law 91-373) established a permanent program to pay extended benefits during periods of high unemployment to workers who exhaust their basic entitlement to regular State unemployment compensation. As a condition of Federal approval of the State's unemployment insurance program, States were required to establish the new program by January 1, 1972, and all States have done so. The Federal Government and the States each pay 50 percent of the cost of benefits under this program.

These extended benefits are paid to workers only during an "extended benefit" period. Such a period can exist either on a national or State basis by the triggering of either the national or the State "on" indicator.

National "On" Indicator.—There is a national "on" indicator when the seasonally adjusted rate of insured unemployment for the whole Nation equals or exceeds 4.5 percent in each of the three most recent calendar months.

State "On" Indicator.—There is a State "on" indicator when the rate of insured unemployment for the State is at least 4 percent but only if it equals or exceeds, during a moving 13-week period, 120 percent of the average rate for the corresponding 13-week period in the preceding two calendar years. If the insured unemployment rate in the State is at least 5 percent, benefits can be paid—at State option—even if the rate is not 20 percent higher than in the two preceding years.

Extended Benefit Period.—An extended benefit period in a State begins after there is either a State or national "on" indicator, and continues until the trigger conditions are no longer met, but the minimum period is 13 weeks.

Benefits.—During either a national or State extended benefit period, the State is required to provide each eligible claimant with extended compensation at the individual's regular weekly benefit amount. Benefits under the Federal-State program are limited to not more than 13 weeks per individual.

III. Emergency Unemployment Compensation Act of 1974

Public Law 93-572 (the Emergency Unemployment Compensation Act of 1974) created a new temporary emergency unemployment compensation program. As modified by subsequent legislation, this program provides a third tier of protection for workers in States with high unemployment levels who exhaust their benefits under the regular State program and the Federal-State Extended Unemployment Compensation Act.

Compensation under the program is payable in a State having an agreement with the Secretary and experiencing the required unemployment levels, for weeks of unemployment beginning after 1974. Once triggered, the period during which emergency compensation can be paid in the State will remain in effect for at least 26 weeks, but no benefits are payable after March 31, 1977.

The cost of the emergency benefits payments is met by repayable advances from Federal general revenues to the extended unemployment compensation account in the Federal Unemployment Trust Fund. As of the start of fiscal year 1977, the cost of the emergency benefits program totalled \$4.4 billion. Fiscal year 1977 costs through the March 31, 1977 expiration of the program are expected to raise this total to \$5.5 billion.

To be eligible for compensation under the Emergency Unemployment Compensation Act, an individual must have exhausted all rights to regular unemployment insurance benefits and to extended benefits. In States with an insured unemployment rate of 6 percent or more an eligible individual is entitled potentially to emergency benefits for up to the number of weeks of his total regular benefit entitlement, but not more than 26 weeks. In States with an insured unemployment rate of less than 6 percent, emergency benefit entitlement is limited to one-half of regular program entitlement, a maximum of 13 weeks. The program terminates (subject to the 26-week minimum duration) when the State insured unemployment rate falls below 5 percent. The weekly benefit amount is the same as for State regular and Federal-State extended compensation.

If an individual is drawing benefits when the insured unemployment rate drops below 6 percent, or below 5 percent, and the change would affect his entitlement, a special provision assures that he will receive at least 13 weeks of additional benefits unless his entitlement would have ended sooner even if the rate had not declined.

An individual who applies for benefits under the Emergency Unemployment Compensation Act of 1974 is required as a condition of eligibility to be either participating in or to have applied for a job-training program, if the Secretary of Labor has determined that the individual's occupational skills need upgrading or broadening.

The emergency unemployment compensation program goes into effect in a State only when extended unemployment benefits are also payable in the State. However, the extended program is currently "triggered on" in all States since the mandatory national "on" indicator of 4.5 percent has been exceeded, and this situation is expected to continue well beyond the March 31, 1977, expiration date of the emergency benefits program.

STATE AND NATIONAL INDICATORS FOR EXTENDED AND EMERGENCY BENEFITS

[13-week average insured unemployment rate as of Feb. 5, 1977]

State	13-week IUR	Percent of prior 2 yr
National average	5.26	NA
Alabama	6.24	95
Alaska	11.07	109
Arizona	4.75	76
Arkansas	6.77	85
California	6.33	89

STATE AND NATIONAL INDICATORS FOR EXTENDED AND
EMERGENCY BENEFITS—Continued

[13-week average insured unemployment rate as of Feb. 5, 1977]

State	13-week IUR	Percent of prior 2 yr
Colorado	3.22	94
Connecticut	6.91	90
Delaware	5.72	107
District of Columbia	3.37	103
Florida	4.32	86
Georgia	4.45	76
Hawaii	5.33	99
Idaho	5.89	87
Illinois	5.97	103
Indiana	3.46	70
Iowa	3.81	100
Kansas	3.61	103
Kentucky	5.59	95
Louisiana	4.15	117
Maine	8.55	92
Maryland	5.06	92
Massachusetts	6.12	69
Michigan ¹	(7.19)	(73)
Minnesota	4.95	96
Mississippi	4.60	93
Missouri	5.38	89
Montana	6.10	84
Nebraska	2.93	71
Nevada	6.93	84
New Hampshire	3.79	62
New Jersey	8.30	88
New Mexico	4.93	88
New York	7.06	92
North Carolina	5.26	78
North Dakota	4.79	133
Ohio ¹	(4.20)	(89)
Oklahoma	3.86	92
Oregon	6.77	76
Pennsylvania	7.90	104
Puerto Rico	20.03	118
Rhode Island	8.05	78
South Carolina	4.78	67

South Dakota.....	3.13	103
Tennessee.....	5.95	88
Texas.....	2.09	90
Utah.....	4.35	87
Vermont.....	7.71	88
Virginia.....	2.77	95
Washington.....	8.55	85
West Virginia.....	6.71	106
Wisconsin.....	4.94	84
Wyoming.....	2.58	107

¹ Indicator as of January 29, 1977.

NA—Not applicable.

STATE INSURED UNEMPLOYMENT RATES FOR EXTENDED/EMERGENCY BENEFITS

Below 5 percent (regular and extended benefits only, 39 week maximum)	5 to 5.9 percent (emer- gency benefits up to 52d week)	6 percent and over (emer- gency benefits up to 65th week)
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Arizona	Delaware	Alabama
Colorado	Hawaii	Alaska
District of Columbia	Idaho	Arkansas
Florida	Illinois	California
Georgia	Kentucky	Connecticut
Indiana	Maryland	Maine
Iowa	Missouri	Massachusetts
Kansas	North Carolina	Michigan
Louisiana	Tennessee	Montana
Minnesota		Nevada
Mississippi		New Jersey
Nebraska		New York
New Hampshire		Oregon
New Mexico		Pennsylvania
North Dakota		Puerto Rico
Ohio		Rhode Island
Oklahoma		Vermont
South Carolina		Washington
South Dakota		West Virginia
Texas		
Utah		
Virginia		
Wisconsin		
Wyoming		

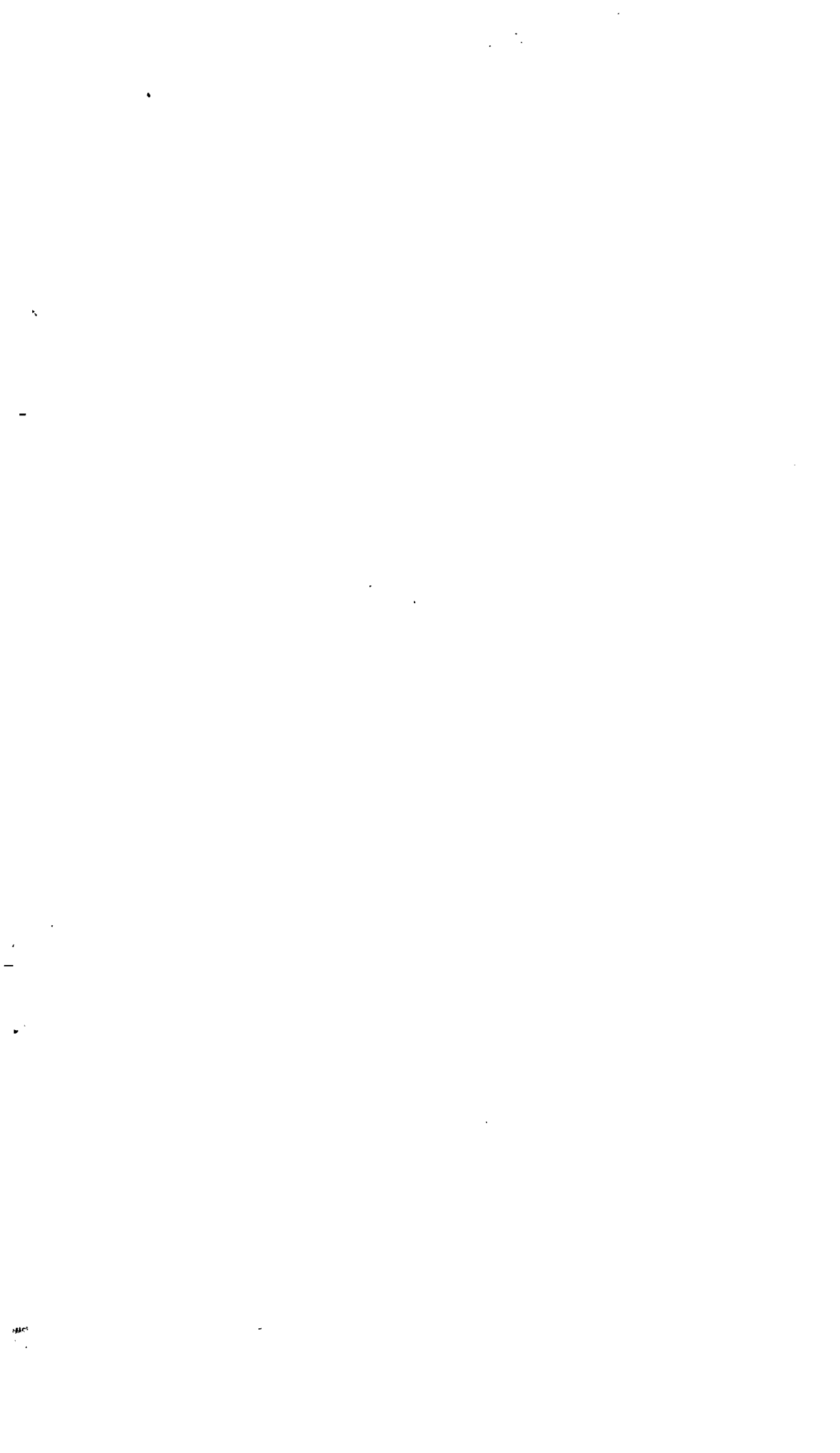
Note: Situation as of February 5, 1977, based on insured unemployment rates as of February 22, 1977.

**EMERGENCY UNEMPLOYMENT COMPENSATION ACT OF 1974
DATA: CALENDAR YEAR 1975**

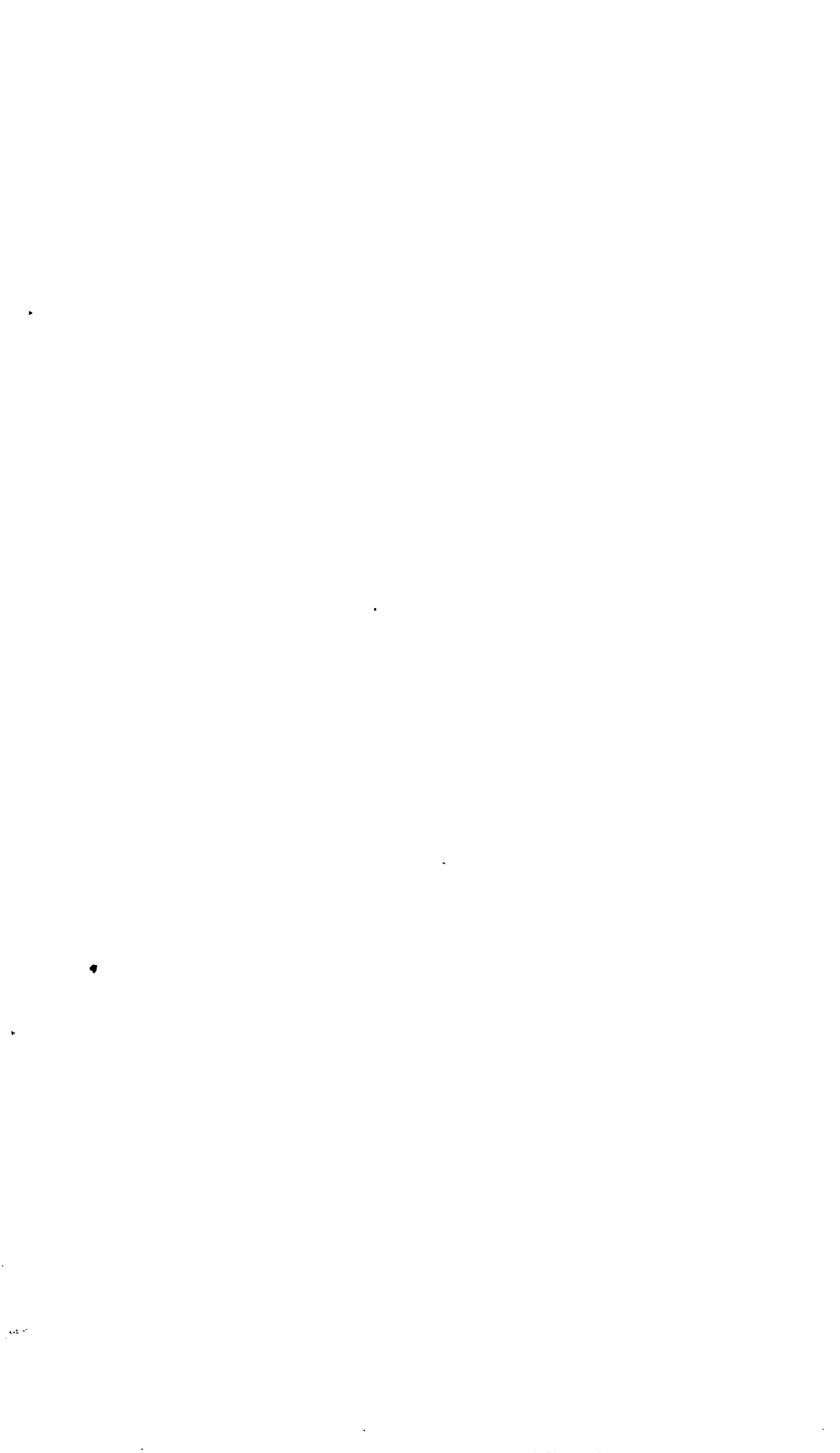
	Beneficiaries during year ¹	Total benefit payments (thousands)	Number exhausting benefits
Total	2,646,078	\$2,132,839	1,210,806
Alabama.....	24,457	17,705	6,771
Alaska.....	1,126	1,116	213
Arizona.....	23,980	13,131	12,582
Arkansas.....	16,442	9,595	4,842
California.....	330,540	188,173	192,125
Colorado.....	8,693	6,240	1,050
Connecticut.....	48,300	28,897	4,747
Delaware.....	5,788	3,758	1,459
District of Columbia.....	10,282	12,968	3,414
Florida.....	103,543	45,636	62,978
Georgia.....	67,975	45,078	21,981
Hawaii.....	4,997	6,253	1,507
Idaho.....	3,833	1,743	1,492
Illinois.....	94,117	57,662	40,750
Indiana.....	51,903	40,188	32,463
Iowa.....	19,439	8,943	7,904
Kansas.....	9,010	5,425	2,611
Kentucky.....	19,432	13,896	6,830
Louisiana.....	16,461	9,648	10,291
Maine.....	19,771	7,902	9,013
Maryland.....	22,469	13,463	18,500
Massachusetts.....	209,860	207,372	62,466
Michigan.....	236,127	212,475	142,918
Minnesota.....	31,769	24,198	13,087
Mississippi.....	13,842	6,094	3,728
Missouri.....	43,688	33,404	16,036
Montana.....	4,882	2,199	2,852
Nebraska.....	7,334	5,367	5,047
Nevada.....	9,753	8,458	8,627
New Hampshire.....	777	534	25
New Jersey.....	182,099	191,002	126,002
New Mexico.....	4,246	2,639	2,276
New York.....	345,806	414,442	110,517
North Carolina.....	33,895	28,156	9,578
North Dakota.....	646	283	280

Ohio.....	77,044	69,145	14,032
Oklahoma.....	11,920	8,697	3,719
Oregon.....	21,682	17,088	9,752
Pennsylvania.....	127,058	117,006	36,755
Rhode Island.....	62,328	48,628	59,622
South Carolina.....	24,988	14,212	15,555
South Dakota.....	1,602	770	915
Tennessee.....	42,695	24,318	6,096
Texas.....	41,836	31,587	15,892
Utah.....	7,687	5,385	3,865
Vermont.....	7,609	5,910	4,165
Virginia.....	1,282	8,829	39
Washington.....	82,708	59,074	48,461
West Virginia.....	7,572	4,706	1,170
Wisconsin.....	36,900	22,001	11,674
Wyoming.....	389	150	3
Puerto Rico.....	63,496	21,288	32,129

¹ Based on number of "first weeks" claimed during year.



**B. Characteristics of Recipients Under the Emergency
Unemployment Compensation Act**



Characteristics of Recipients Under the Emergency Unemployment Compensation Act

Pursuant to Public Law 94-45 a study of the characteristics of recipients under the Emergency benefits program was conducted for the Department of Labor by Mathematica Policy. The study, based on a survey of 6,835 recipients, was conducted in February and March of 1976. Excerpts from some of the tables in this report are printed in this section. Some of the characteristics of Emergency benefits recipients in 1975 as shown by the report were:

- In 1975, 2.8 million persons received emergency benefits.
- 52 percent of recipients were male; 48 percent were female.
- 30 percent of recipients were husbands in husband-wife families; 31 percent were wives in husband-wife families; and 18 percent were family members who were neither the husband nor the wife; the remainder were either living alone (15 percent) or were single-parent heads of household (6 percent).
- When interviewed in March 1976, 34 percent of male recipients and 29 percent of females had been reemployed; 52 percent of males and 43 percent of females were still looking for work; 15 percent of males and 28 percent of females were no longer looking for work.
- The average recipient household had 1975 income of \$8,190 without unemployment benefits and \$10,420 with unemployment benefits. In husband-wife families where the wife was the beneficiary, the husband's 1975 earnings averaged \$8,590.

Two-thirds of beneficiary households would have been above and one-third below the official poverty income level without emergency benefits.

- On average emergency benefits replaced 46 percent of gross wages and 65 percent of net (after tax) wages. For married women recipients, emergency benefits replaced 77 percent of net wages.
- In 36 percent of beneficiary households, some household member was receiving benefits from some other program.

CHARACTERISTICS OF EMERGENCY BENEFITS RECIPIENTS

	Percent
Age:	
Under 25.....	21.2
25 to 34.....	25.3
35 to 44.....	15.4
45 to 54.....	16.3
55 to 64.....	13.5
65 and older.....	8.3
Mean age.....	34.7
Race:	
White.....	84.7
Black and other.....	15.2
Education:	
Some elementary school.....	8.7
Completed elementary school.....	8.3
Some high school.....	23.8
High school graduate.....	38.5
Some college.....	15.4
College graduate.....	5.5
Mean years of school completed.....	11.2
Family type:	
Head of household:	
Husband-wife families:	
Respondent was husband.....	30.0
Respondent was wife.....	31.1
Others living with family.....	6.2
Unrelated individuals.....	14.6
Not head of household.....	18.2
Sex:	
Male.....	52.4
Female.....	47.6

UNEMPLOYMENT EXPERIENCE OF EMERGENCY BENEFITS RECIPIENTS

Reason pre-UI job ended:	
Seasonal layoff (percent).....	12.2
General decline in business (percent).....	49.5
Other reasons (percent).....	38.3
Mean number of weeks not working.....	63.0
Mean weekly unemployment compensation.....	\$64
Mean number of weeks collecting unemployment compensation.....	50.1
Percent exhausting benefits by March 1976 (percent).	35.9

EMERGENCY BENEFITS AS A PERCENT OF PRIOR WAGES

[In percent]

Percentage of wages replaced	Head of household								All recipients
	Husband-wife families		Other families		Unrelated individuals		Not head of household		
	Male respondent	Female respondent	Male respondent	Female respondent	Male respondent	Female respondent	Male respondent	Female respondent	
Gross ratio:									
0 to 40.....	52.4	24.9	40.5	20.0	46.0	22.5	43.2	17.8	36.7
40 to 60.....	36.4	57.1	42.0	63.9	40.3	60.3	43.0	66.5	48.6
60 and over.....	11.2	18.0	17.5	16.1	13.7	17.2	13.8	15.7	14.7
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Mean percent.....	41	50	46	51	44	50	45	53	46
Wage replacement net of taxes and work-related expenses:									
0 to 40.....	25.1	5.7	15.9	7.6	22.3	9.5	18.9	6.6	15.2
40 to 60.....	39.9	21.4	43.0	27.6	39.5	35.1	40.8	29.9	33.1
60 and over.....	35.0	72.9	41.1	64.8	38.2	55.4	40.3	63.5	51.7
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Mean percent.....	56	77	58	72	57	64	57	70	65

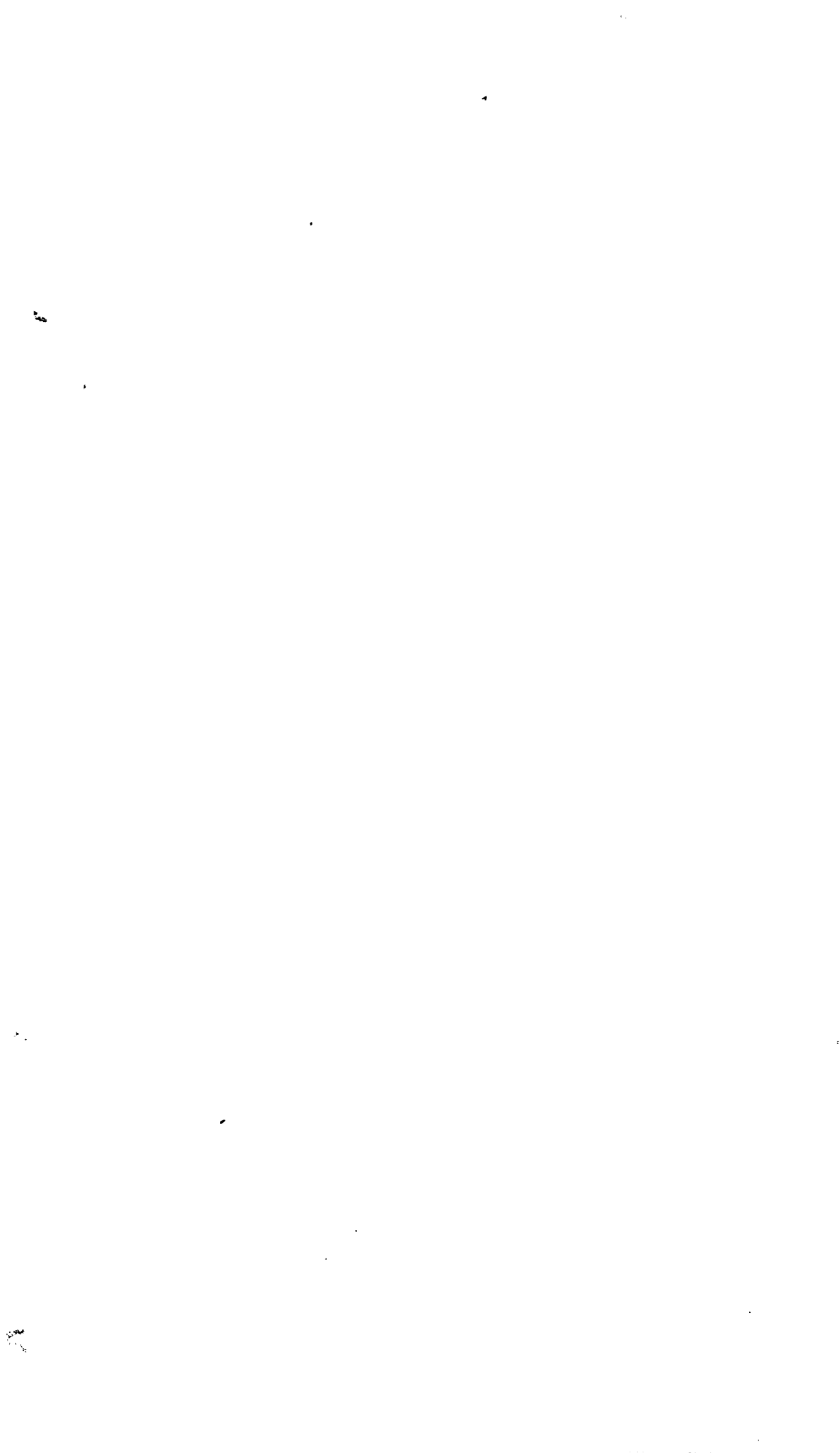
HOUSEHOLD INCOME OF EMERGENCY BENEFITS RECIPIENTS

[Amounts in dollars]

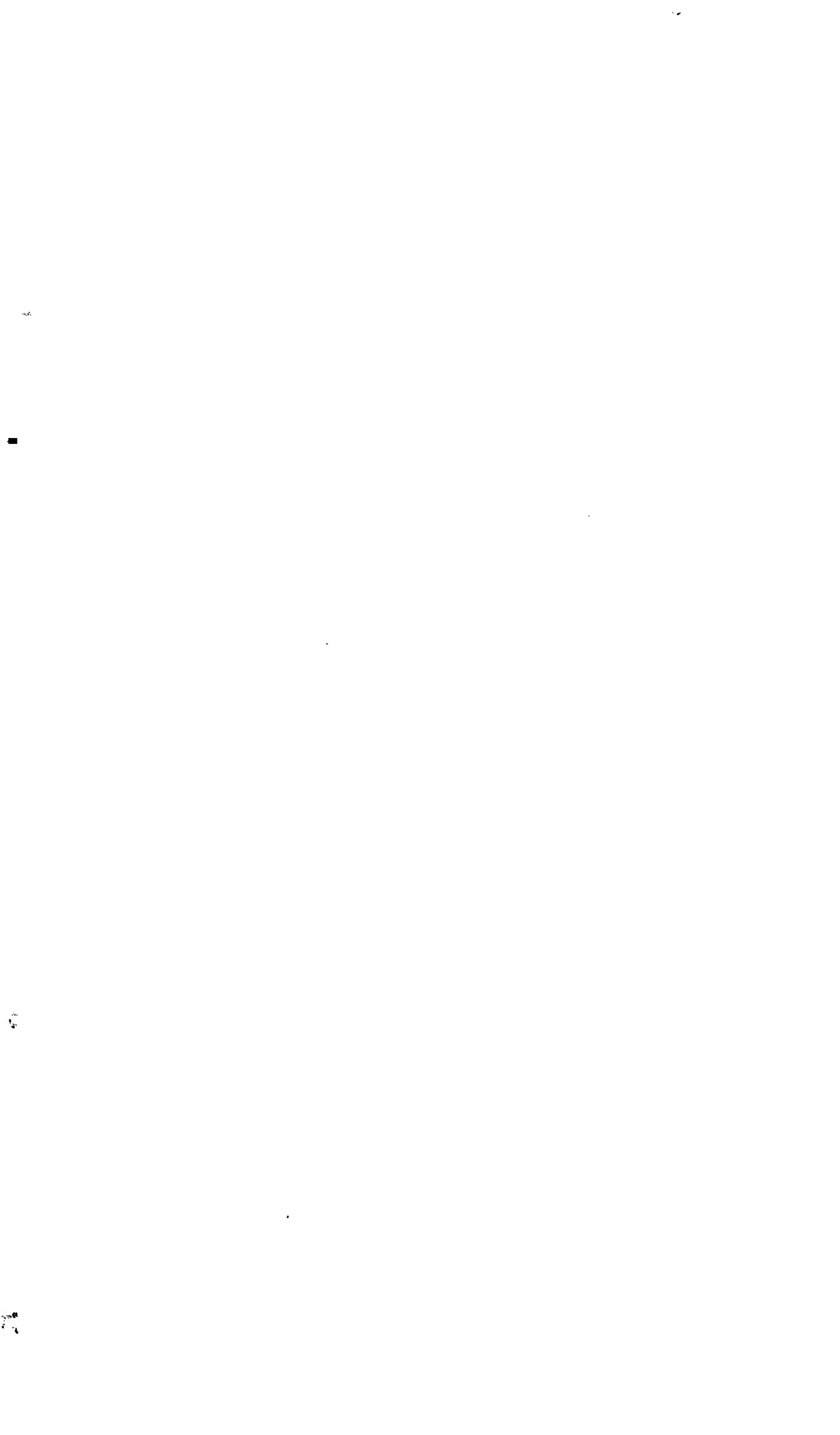
Average household income	Head of household								All recipients
	Husband-wife families		Other families		Unrelated individuals		Not head of household		
	Male respondent	Female respondent	Male respondent	Female respondent	Male respondent	Female respondent	Male respondent	Female respondent	
1973.....	10,540	11,650	9,160	7,550	7,060	6,200	10,050	9,250	10,040
1974.....	10,730	12,730	9,000	9,370	7,030	6,300	10,410	10,570	10,630
1975 total:									
Without respondent's unemployment compensation...	8,000	10,640	6,080	4,770	2,400	2,920	9,890	9,730	8,190
With respondent's unemployment compensation...	10,690	12,500	8,630	6,640	4,880	4,880	12,160	11,560	10,420
1975, by source:									
Respondent earnings.....	3,550	160	1,610	1,010	1,260	840	1,540	1,140	1,700
Spouse earnings.....	2,200	8,590	390	860	40	570	170	640	3,370
Earnings of others.....	590	750	2,470	1,100	510	160	7,300	6,490	1,830
Social security.....	520	380	600	570	150	880	290	670	450
Pensions.....	470	180	400	120	100	190	90	210	250
Unemployment compensation.....	2,750	2,040	2,550	1,870	2,480	1,960	2,270	1,890	2,310
Other transfer income.....	440	250	340	750	240	130	400	310	350
Other income.....	190	170	270	360	110	140	110	220	170

**Ratio of income, without unem-
 ployment compensation, to
 poverty standard, 1975 (per-
 cent):**

0 to 1.0.....	48.7	20.6	51.1	59.8	73.6	65.4	43.9	38.4	42.4
1.0 to 1.5.....	15.3	11.1	14.2	15.5	10.0	13.2	10.3	14.0	12.7
1.5 to 2.0.....	11.8	14.6	9.5	9.9	5.2	11.0	9.6	14.8	11.9
2.0 to 3.0.....	14.2	28.5	11.7	8.8	6.4	5.4	15.6	15.8	17.4
3.0 and over.....	9.9	25.2	13.6	6.0	4.8	5.1	20.8	17.0	15.6
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0



**C. Additional Materials Related to Unemployment
Compensation Program**



SELECTED UNEMPLOYMENT COMPENSATION STATISTICS, FISCAL YEARS 1974-78

Item	Fiscal year—					
	1974 (actual)	1975 (actual)	1976 (prelim- inary)	Transition quarter (estimate)	1977 (estimate)	1978 (estimate)
Labor force (thousands).....	90,008	91,876	93,597	94,800	96,000	97,900
Covered employment (millions) (calendar year).....	66.7	65.4	66.7	.....	66.7	69.2
Total covered wages (millions) (calendar year).....	\$558.2	\$579.5	\$633.9	.....	\$732.1	\$817.7
Total taxable wages (millions) (calendar year).....	\$265.5	\$262.0	\$295.4	.....	\$326.3	\$401.7
FUTA revenue (millions).....	\$1,454	\$1,355	\$1,531	\$371	\$1,900	\$2,700
State tax revenue (millions).....	\$5,264	\$5,299	\$6,404	\$2,289	\$8,700	\$11,000
Total unemployment rate (percent).....	4.9	7.2	8.0	7.1	7.4	6.5
Insured unemployment rate (percent).....	3.0	5.2	5.0	4.0	4.5	3.8
Benefit payments (billions):						
Regular UI benefits.....	\$4.9	\$9.9	\$10.3	\$2.1	\$9.3	\$8.6
Extended benefits.....	.3	1.2	2.8	.8	2.1	1.9
Emergency benefits.....	.....	.7	3.2	.5	1.1	.....

Source: Department of Labor.

WEEKLY STATE UNEMPLOYMENT COMPENSATION BENEFITS FOR TOTAL UNEMPLOYMENT

State	Weekly benefit amount ¹		Average (fiscal year 1976)	Required total earnings in base year ²		Minimum work in base year (weeks) ³
	Minimum	Maximum		For minimum benefit	For maximum benefit	
Alabama.....	\$15	\$90	\$66	\$525	\$3,491	20
Alaska.....	¹ 23	¹ 120	80	750	8,500	20
Arizona.....	15	⁴ 85	72	562	2,906	20
Arkansas.....	15	100	62	450	3,169	20
California.....	30	104	69	750	3,308	
Colorado.....	25	116	83	750	11,961	
Connecticut.....	¹ 20	¹ 174	76	600	4,640	
Delaware.....	20	125	76	720	4,500	
District of Columbia.....	¹ 14	148	96	450	5,069	20
Florida.....	10	82	63	400	3,240	20
Georgia.....	27	⁴ 90	65	972	3,240	20
Hawaii.....	5	120	82	150	3,600	14
Idaho.....	17	99	68	520	3,185	20
Illinois.....	15	¹ 135	90	1,000	3,168	20
Indiana.....	35	115	64	500	2,850	20
Iowa.....	20	116	83	600	2,410	20
Kansas.....	25	101	67	750	3,030	20
Kentucky.....	12	87	66	344	2,736	20
Louisiana.....	10	90	65	300	2,700	
Maine.....	17	119	60	900	1,977	20
Maryland.....	¹ 13	89	73	360	3,168	20
Massachusetts..	¹ 20	¹ 162	75	1,200	4,186	
Michigan.....	¹ 18	¹ 136	92	350	3,150	14
Minnesota.....	18	113	76	648	4,050	18
Mississippi.....	10	80	49	360	2,880	20

See footnotes at end of table.

Missouri.....	15	85	72	450	2,550	20
Montana.....	12	97	63	455	3,769	20
Nebraska.....	12	80	67	600	2,100	2Q
Nevada.....	16	94	72	528	3,488	
New Hampshire.	14	95	64	600	7,800	2Q
New Jersey.....	20	104	77	600	4,080	20
New Mexico.....	17	83	58	521	2,731	
New York.....	20	95	74	600	3,780	20
North Carolina..	15	105	62	565	4,076	20
North Dakota....	15	107	62	600	4,280	2Q
Ohio.....	¹ 16	¹ 161	81	400	6,401	20
Oklahoma.....	16	93	58	500	3,588	20
Oregon.....	28	102	67	700	8,120	18
Pennsylvania....	¹ 18	¹ 141	85	440	5,240	20
Rhode Island....	¹ 31	120	71	920	3,620	20
South Carolina..	10	103	62	300	3,978	20
South Dakota....	19	89	63	590	2,826	20
Tennessee.....	14	85	60	504	3,060	20
Texas.....	15	63	54	500	2,325	20
Utah.....	10	110	72	700	2,954	19
Vermont.....	15	96	68	600	3,820	20
Virginia.....	20	103	67	720	3,708	20
Washington.....	17	102	74	1,550	2,619	⁴ 16
West Virginia....	14	128	59	700	13,250	
Wisconsin.....	23	126	81	748	4,600	16
Wyoming.....	10	95	69	800	2,350	20
Puerto Rico.....	7	60	42	150	1,800	2Q

¹ Amounts include dependents' allowances in 11 States which provide such allowances (in the case of minimum benefits the table assumes 1 dependent).

For a worker with no dependents the maximum weekly benefits in these States are: Alaska: \$90; Connecticut: \$110; Illinois: \$106; Indiana: \$69; Massachusetts: \$101; Michigan: \$97; Ohio: \$95; Pennsylvania: \$125; and Rhode Island: \$100.

² In some States larger total earnings may be required in order for the benefits to be paid for the maximum number of weeks. See table 3.

³ Number of weeks of work in base year required to qualify for minimum benefits. "2Q" denotes that State directly or indirectly requires work in at least 2 quarters of the base year.

⁴ Alternative requirement is 600 hours of employment.

Note: Data in table correct as of February 1977.

**DURATION (IN WEEKS) OF REGULAR UNEMPLOYMENT
BENEFITS ¹**

State	Minimum potential duration	Maximum potential duration	Earnings in base year required for maximum benefits ²
Alabama.....	11	26	\$7,019
Alaska.....	14	28	8,500
Arizona.....	12	26	6,629
Arkansas.....	10	26	7,797
California.....	12	26	5,406
Colorado.....	7	26	11,961
Connecticut.....	26	26	4,640
Delaware.....	17	26	6,498
District of Columbia.....	17	34	10,062
Florida.....	10	26	8,425
Georgia.....	9	26	9,358
Hawaii.....	26	26	3,600
Idaho.....	10	26	8,281
Illinois.....	26	26	3,012
Indiana.....	4	26	7,176
Iowa.....	10	39	9,048
Kansas.....	10	26	7,875
Kentucky.....	15	26	6,785
Louisiana.....	12	28	6,298
Maine.....	11	26	6,161
Maryland.....	26	26	3,168
Massachusetts.....	9	30	8,997
Michigan.....	11	26	5,600
Minnesota.....	13	26	8,325
Mississippi.....	12	26	6,237

State	Minimum potential duration	Maximum potential duration	Earnings in base year required for maximum benefits ²
Missouri.....	8	26	6,630
Montana.....	13	26	4,070
Nebraska.....	17	26	6,180
Nevada.....	11	26	7,329
New Hampshire.....	26	26	7,800
New Jersey.....	15	26	5,408
New Mexico.....	18	30	4,150
New York.....	26	26	3,780
North Carolina.....	13	26	8,190
North Dakota.....	18	26	7,490
Ohio.....	20	26	8,320
Oklahoma.....	10	26	7,251
Oregon.....	9	26	8,120
Pennsylvania.....	30	30	5,240
Rhode Island.....	12	26	7,602
South Carolina.....	10	26	8,031
South Dakota.....	10	26	6,939
Tennessee.....	12	26	6,629
Texas.....	9	26	6,063
Utah.....	10	36	9,352
Vermont.....	26	26	3,820
Virginia.....	12	26	8,034
Washington.....	8	30	9,179
West Virginia.....	26	26	13,250
Wisconsin.....	1	34	10,750
Wyoming.....	11	26	7,917
Puerto Rico.....	20	20	1,800

¹ Based on benefits for total unemployment. Amounts payable can be stretched out over a longer period in the case of partial unemployment.

² Based on maximum weekly benefit amount paid for maximum number of weeks.

Note: Data in table correct as of February 1977.

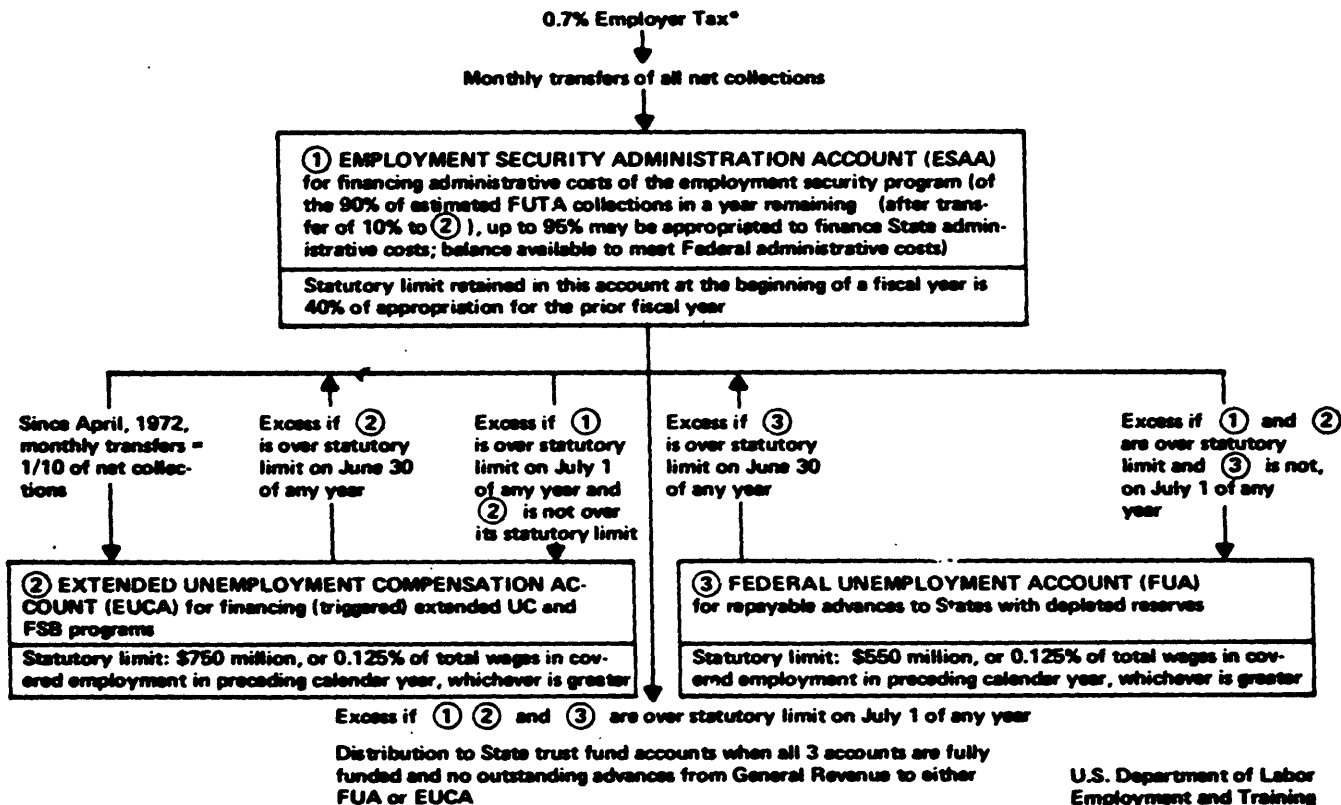
UNEMPLOYMENT: 1960-75

[Rates in percent]

Year	National unemployment rate	
	Total	Insured
1960.....	5.5	4.7
1961.....	6.7	5.7
1962.....	5.5	4.3
1963.....	5.7	4.3
1964.....	5.2	3.7
1965.....	4.5	2.9
1966.....	3.8	2.2
1967.....	3.8	2.5
1968.....	3.6	2.2
1969.....	3.5	2.1
1970.....	4.9	3.5
1971.....	5.9	4.1
1972.....	5.6	3.3
1973.....	4.9	2.7
1974.....	5.6	3.7
1975.....	8.5	6.4
1976 (preliminary).....	7.7	5.0

Note: The insured unemployment rate represents the average weekly number of insured unemployed as a percentage of the average number of persons in covered employment.

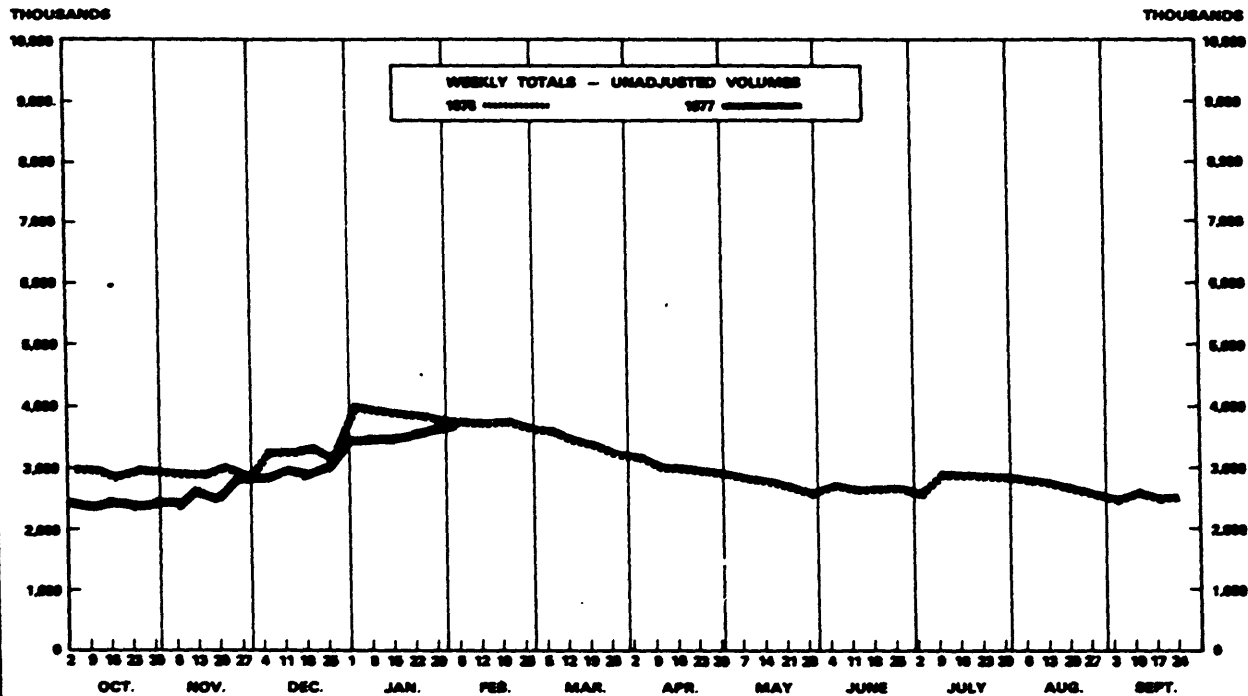
Flow of FUTA Funds Under Existing Federal Statutes

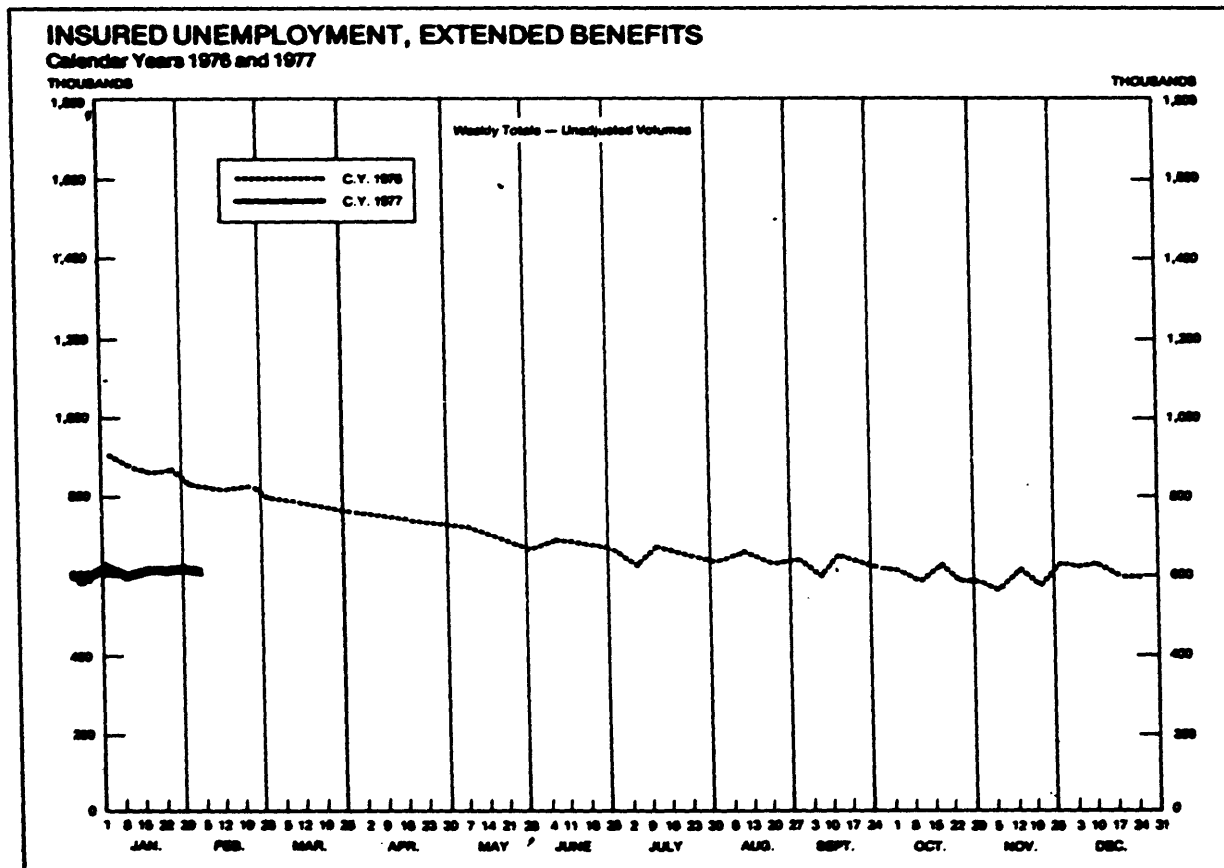


*Effective tax, after 2.7 percent is offset against 3.4 percent Federal unemployment tax.

U.S. Department of Labor
 Employment and Training
 Administration
 February 15, 1977

STATE INSURED UNEMPLOYMENT Fiscal Year 1976 and 1977





**D. Emergency Unemployment Compensation Act of 1974, as
Amended—Public Law 93-572**



Emergency Unemployment Compensation Act of 1974, as Amended
(Public Law 93-572)

AN ACT To provide a program of emergency unemployment compensation
*Be it enacted by the Senate and House of Representatives of the
 United States of America in Congress assembled,*

Short Title

Section 101. This Act may be cited as the "Emergency Unemployment Compensation Act of 1974".

Federal-State Agreements

Sec. 102. (a) Any State, the State unemployment compensation law of which is approved by the Secretary of Labor (hereinafter in this Act referred to as the "Secretary") under section 3304 of the Internal Revenue Code of 1954 which desires to do so, may enter into and participate in an agreement with the Secretary under this Act, if such State law contains (as of the date such agreement is entered into) a requirement that extended compensation be payable thereunder as provided by the Federal-State Extended Unemployment Compensation Act of 1970. Any State which is a party to an agreement under this Act may, upon providing thirty days' written notice to the Secretary, terminate such agreement.

(b) Any such agreement shall provide that the State agency of the State will make payments of emergency compensation—

(1) to individuals who—

(A) (i) have exhausted all rights to regular compensation under the State law;

(ii) have exhausted all rights to extended compensation, or are not entitled thereto, because of the ending of their eligibility period for extended compensation, in such State;

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

¹ Public Law 93-572 has been amended by Public Laws 94-12 and 94-45.

(C) are not receiving compensation with respect to such week under the unemployment compensation law of Canada,¹
 (2) for any week of unemployment which—

(A) begins in—

(i) an emergency benefit period (as defined in subsection (c)(3)), and

(ii) the individual's period of eligibility (as defined in section 105(2)); or

(B) begins in an individual's additional eligibility period (as defined in section 105(4)).²

(c)(1) For purposes of subsection (b)(1)(A), an individual shall be deemed to have exhausted his 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 him based on employment or wages during his base period; or

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

(2) For purposes of subsection (b)(1)(B), an individual shall be deemed to have exhausted his rights to extended compensation under a State law when no payments of extended compensation under a State law can be made under such law because such individual has received all the extended compensation available to him from his extended compensation account (as established under State law in accordance with section 202(b)(1) of the Federal-State Extended Unemployment Compensation Act of 1970).

(3)(A)(i) For purposes of subsection (b)(2)(A), in the case of any State, an emergency benefit period—

(I) shall begin with the third week after a week for which there is a State "emergency on" indicator; and

(II) shall end with the third week after the first week for which there is a State "emergency off" indicator.

(ii) In the case of any State, no emergency benefit period shall last for a period of less than 26 consecutive weeks, and no emergency benefit period which began prior to January 1, 1976, shall end prior to such date.³

¹ Subparagraph (C) was amended by section 116(d)(3) of P.L. 94-566.

² Paragraph (2) was amended by Public Law 94-45 effective with respect to compensation for weeks of unemployment beginning on or after January 1, 1976. Prior to that date, paragraph (2) reads:

"(2) for any week of unemployment which begins in—

(A) an emergency benefit period (as defined in subsection (c)(3)); and

(B) the individual's period of eligibility (as defined in section 105(b))."

³ Public Law 94-45 added the words "and no emergency benefit period which began prior to January 1, 1976, shall end prior to such date" effective with respect to compensation for weeks of unemployment beginning on or after January 1, 1976.

(iii) When a determination has been made that an emergency benefit period is beginning or ending with respect to any State, the Secretary shall cause notice of such determination to be published in the Federal Register.

(B) (i) For purposes of subparagraph (A), there is a State "emergency on" indicator for a week if (I) there is a State or National "on" indicator for such week (as determined under subsections (d) and (e) of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970), and (II) the rate of insured unemployment in such State for the period consisting of such week and the immediately preceding twelve weeks equaled or exceeded 5 per centum.¹

(ii) For purposes of subparagraph (A), there is a State "emergency off" indicator for a week if the rate of insured unemployment in such State for the period consisting of such week and the immediately preceding twelve weeks is less than 5 per centum.²

(d) For purposes of any agreement under this Act—

(1) the amount of the emergency compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependents' allowances) payable to him during his benefit year under the State law; and

(2) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof shall (except where inconsistent with the provisions of this Act or regulations of the Secretary promulgated to carry out this Act) apply to claims for emergency compensation and the payment thereof.

(e) (1) Any agreement under this Act with a State shall provide that the State will establish, for each eligible individual who files an application for emergency compensation, an emergency compensation account.

(2) Subject to the provisions of paragraph (3), the amount established in such account for any individual shall be equal to the lesser of—

(A) 100 per centum of the total amount of regular compensation (including dependents' allowances) payable to him with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation, or

¹ Subclause (II) was added by Public Law 94-45 effective with respect to compensation for weeks of unemployment beginning on or after January 1, 1976.

² Clause (ii) was amended by Public Law 94-45 effective with respect to compensation for weeks of unemployment beginning on or after January 1, 1976. Prior to that date, this clause reads as follows: "(ii) For purposes of subparagraph (A), there is a State 'emergency off' indicator for a week if there is both a State and a National 'off' indicator for such week (as determined under subsections (d) and (e) of the Federal-State Extended Unemployment Compensation Act of 1970)."

(B) twenty-six times his average weekly benefit amount (as determined for purposes of section 202(b)(1)(C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year.

(3) Notwithstanding paragraph (2), the total amount of emergency compensation payable to any individual for weeks of unemployment which begin in a 5-per centum period (as defined in section 105(5)) shall not exceed the lesser of—

(A) 50 per centum of the total amount of regular compensation (including dependents' allowances) payable to him with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation, or

(B) thirteen times his average weekly benefit amount (as determined for purposes of section 202(b)(1)(C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year.

(4) The amounts determined under paragraphs (2) and (3) with respect to any individual shall each be reduced by the amount of any assistance paid to such individual under title II of the Emergency Jobs and Unemployment Assistance Act of 1974 for any weeks of unemployment in the 65-week period preceding the first week of unemployment with respect to which compensation is payable to such individual under this Act.¹

¹ Subsection (e) was amended by Public Law 94-45 effective with respect to compensation for weeks of unemployment beginning on or after January 1, 1976. Prior to that date, this subsection reads as follows:

"(e) (1) Any agreement under this Act with a State shall provide that the State will establish, for each eligible individual who files an application for emergency compensation, an emergency compensation account.

"(2) Except as provided in paragraph (3), the amount established in such account for any individual shall be equal to the lesser of—

"(A) 50 per centum of the total amount of regular compensation (including dependents' allowances) payable to him with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation; or

"(B) thirteen times his average weekly benefit amount (as determined for purposes of section 202(b)(1)(C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year.

"(3) Effective only with respect to benefits for weeks of unemployment ending before January 1, 1976, the amount established in such account for any individual shall be equal to the lesser of—

"(A) 100 per centum of the total amount of regular compensation (including dependent's allowances) payable to him with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation; or

"(B) twenty-six times his average weekly benefit amount (as determined for purposes of section 202(b)(1)(C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year.

"(4) The amount determined under paragraphs (2) and (3) with respect to any individual shall each be reduced by the amount of any assistance paid to such individual under title II of the Emergency Jobs and Unemployment Assistance Act of 1974, for any weeks of unemployment in the 65-week period preceding the first week of unemployment with respect to which compensation is payable to such individual under this Act."²

² Subsection (e) as in effect prior to January 1, 1976 was amended by Public Laws 94-12 and 94-45.

(f) (1) No emergency compensation shall be payable to any individual under an agreement entered into under this Act for any week beginning before whichever of the following is the latest:

(A) the first week which begins after December 31, 1974,

(B) the week following the week in which such agreement is entered into, or

(C) the first week which begins after the date of the enactment of this Act.

(2) No emergency compensation shall be payable to any individual under an agreement entered into under this Act for any week ending after March 31, 1977.¹

(g) Notwithstanding the preceding provisions of this section, emergency compensation shall not be payable for any week to an individual who is not a participant in a training program which is approved by the Secretary if—

(1) the State determines that there is a need for upgrading or broadening such individual's occupational skills and a program which is approved by the Secretary for such upgrading or broadening is available within a reasonable distance and without charge to the individual for tuition or fees, and

(2) such individual is not an applicant to participate in such a program.²

Payments to States Having Agreements for the Payment of Emergency Compensation

Sec. 103. (a) There shall be paid to each State which has entered into an agreement under this Act an amount equal to 100 per centum of the emergency compensation paid to individuals by the State pursuant to such agreement.

(b) No payment shall be made to any State under this section in respect of compensation for which the State is entitled to reimbursement under the provisions of any Federal law other than this Act.

(c) Sums payable to any State by reason of such State's having an agreement under this Act 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 Act 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 would have been paid to the State. Such estimates

¹ Subsection (f) (2) was amended by Public Law 94-45.

² Subsection (g) was added by Public Law 94-45.

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.

Financing Provisions

Sec. 104. (a) (1) Funds in the extended unemployment compensation account (as established by section 905 of the Social Security Act) of the Unemployment Trust Fund shall be used for the making of payments to States having agreements entered into under this Act.

(2) 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 Act. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as established by section 905 of the Social Security Act) to the account of such State in the Unemployment Trust Fund.

(b) There are hereby authorized to be appropriated, without fiscal year limitation, to the extended unemployment compensation account, as repayable advances (without interest), such sums as may be necessary to carry out the purposes of this Act. Amounts appropriated as repayable advances and paid to the States under section 103 shall be repaid, without interest, as provided in section 905(d) of the Social Security Act.

Definitions

Sec. 105. For purposes of this Act—

(1) the terms “compensation”, “regular compensation”, “extended compensation”, “base period”, “benefit year”, “State”, “State agency”, “State law”, and “week” shall have the meanings assigned to them under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970;

(2) the term “period of eligibility” means, in the case of any individual, the weeks in his benefit year which begin in an extended benefit period or an emergency benefit period, and, if his benefit year ends within such extended benefit period, any weeks thereafter which begin in such extended benefit period or in such emergency benefit period;

(3) the term “extended benefit period” shall have the meaning assigned to such term under section 203 of the Federal-State Extended Unemployment Compensation Act of 1970;

(4) the term “additional eligibility period” means the thirteen-week period following the week in which an emergency benefit

period ends in a State, as determined under section 102(c)(3); but no individual shall have an additional eligibility period unless there was payable to him in such State, for the week in which such emergency benefit period ended, either emergency compensation under this Act or extended compensation under the Federal-State Extended Unemployment Compensation Act of 1970;

(5) the term "5-per centum period" means a period in a State which begins with the third week after the first week in which the rate of insured unemployment in the State for the period consisting of such first week and the immediately preceding twelve weeks is less than 6 per centum and which ends with the second week after the first week in which the rate of insured unemployment in the State for the period consisting of such first week and the immediately preceding twelve weeks equals or exceeds 6 per centum; except that no 5-per centum period shall begin in any State prior to the fourteenth week after the last week in a preceding 5-per centum period in such State;

(6) the term "rate of insured unemployment" means the percentage arrived at by dividing the average weekly number of individuals filing claims for weeks of unemployment with respect to the specified period (as determined on the basis of the reports made by the State agency to the Secretary) by the average monthly covered employment for the specified period;

(7) the rate of insured unemployment for any thirteen-week period shall be determined by reference to the average monthly covered employment under the State law for the first four of the most recent six calendar quarters ending before the close of such period; and

(8) determinations with respect to the rate of insured unemployment in a State shall be made by the State agency in accordance with regulations prescribed by the Secretary.

For purposes of any State law which refers to an extension under Federal law of the duration of benefits under the Federal-State Extended Unemployment Compensation Act of 1970, this Act shall be treated as amendatory of such Act.¹

Extension of Waiver of 120-Percent Requirement for Purposes of Extended Compensation Program

Sec. 106. The last sentence of section 203(e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970, as amended, is amended by striking out "April 30, 1975" and inserting in lieu thereof "December 31, 1976".

TEMPORARY REDUCTION IN NATIONAL TRIGGER

Sec. 107. Section 203(d) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following new sentence: "Effective with respect to compensation for weeks of unemployment beginning before December 31, 1976, and beginning after December 31, 1974 (or, if later, the date established pursuant to State law), the State may by law provide that the determination of whether there has been a national 'on' or 'off' indicator beginning or ending any extended benefit period shall be made under this subsection as if the phrase '4.5 per centum', contained in paragraphs (1) and (2), read '4 per centum'."

PROVISION FOR FINANCING TEMPORARY REDUCTION IN NATIONAL TRIGGER

Sec. 108. Section 204(a) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following new paragraph:

"(3) In the case of compensation which is sharable extended compensation or sharable regular compensation by reason of the provision contained in the last sentence of section 203(d), the first paragraph of this subsection shall be applied as if the words 'one-half of' read '100 per centum of' but only with respect to compensation that would not have been payable if the State law's provisions as to the State 'on' and 'off' indicators omitted the 120 percent factor as provided for by Public Law 93-368 and by section 106 of this Act."

¹ Paragraphs (4) through (8) were added by Public Law 94-45.