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SENATE

{ REPORT
No. 95-1105

ELIGIBILITY FOR EXTENDED UNEMPLOYMENT BENEFITS

AUGUST 10 (legislative day, MAY 17), 1978.—Ordered to be printed

Mr. LONG, from the Committee on Finance,
submitted the following

REPORT

[To accompany H.R. 12380]

The Committee on Finance, to which was referred the bill (H.R. 12380) to amend the Federal-State Extended Unemployment Compensation Act of 1970 with respect to an individual's eligibility period for benefits under such act, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

I. SUMMARY

Under the Federal-State Extended Unemployment Compensation Act, up to 13 weeks of additional unemployment benefits are paid in times of high unemployment to persons who have exhausted their regular State benefits. Present law places no time limit on when an individual may claim those 13 weeks of benefits as long as an extended unemployment benefit period is continuously in effect. This may be a period of many years. H.R. 12380 would provide that an individual's eligibility for extended benefits would end 2 years after the end of his benefit year (that is, generally, 3 years after he first became eligible for benefits).

II. GENERAL DISCUSSION OF THE BILL

When an unemployed person exhausts his regular State benefit eligibility (generally a maximum of 26 weeks), he may be eligible for up to 13 additional weeks of extended benefits under a Federal-State program which goes into effect when unemployment rates are excessive either nationally or in individual States. This program is currently in effect in five States (Alaska, New Jersey, New York, Puerto Rico,

and Rhode Island). An individual's entitlement under this program need not be used in consecutive weeks, however, but can be carried over until he requalifies for regular benefits or until the program triggers off in his State. Most individuals who do not exhaust their eligibility within a year of when they first claim benefits will have returned to work and requalified for regular benefits. State agencies, however, have no way of knowing this until a new claim is filed and must therefore retain the records of the earlier eligibility for as long as the State has the program in effect. This can be a period of several years. H.R. 12380 would terminate eligibility for extended benefits 2 years after the end of an individual's benefit year—that is, about 3 years after he first began drawing regular benefits. This would permit States to eliminate a substantial amount of recordkeeping.

It is possible that some individuals will lose benefits that otherwise would have been payable. Such cases should be very rare. Moreover, the committee does not believe that the payment of benefits under this program more than 3 years after the individual last worked in qualifying employment is consistent with the purposes of the program.

Under the bill, States would be permitted to terminate eligibility in accord with the bill's provisions at any time after enactment and would be required to implement the new termination provision no later than January 1, 1981.

III. BUDGETARY IMPACT OF THE BILL

In compliance with section 252(a) of the Legislative Reorganization Act of 1970 and section 403 of the Congressional Budget Act, the following statements are made concerning the budgetary impact of the bill.

The committee estimates that the bill would result in no additional cost and would, in fact, permit a small reduction in administrative costs. (There is a possibility of some reduction in benefit costs, although it seems likely that any such reduction would be negligible.)

No estimate of this bill has been received from the Congressional Budget Office. However, the identical provision was agreed to by the House of Representatives and the House report on the bill includes a CBO estimate indicating a likelihood of "small" savings.

IV. REGULATORY IMPACT OF THE BILL

In compliance with paragraph 5 of rule XXIX of the Standing Rules of the Senate, the following statement is made concerning the regulatory impact of the bill.

The bill will require a very minor modification in the regulations governing the Federal-State Extended Unemployment Compensation Act. The major result of this change will be to allow State unemployment compensation agencies to eliminate some recordkeeping which is now required but which in the great majority of cases serves no purpose. Otherwise, the bill should have no regulatory impact and no impact on personal privacy or paperwork. The bill has no significant economic impact, although it could in a very few cases result in ineligibility for benefits which would be payable under present law but which are inconsistent with the fundamental purposes of the program.

V. VOTE OF THE COMMITTEE IN REPORTING THE BILL

In compliance with section 133 of the Legislative Reorganization Act of 1933, the following statement is made concerning the vote of the committee in reporting the bill:

The bill was ordered reported by a voice vote.

VI. CHANGES IN EXISTING LAW

In compliance with paragraph 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 203 OF THE FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1970

EXTENDED BENEFIT PERIOD

Beginning and Ending

SEC. 203.(a) * * *

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Eligibility Period

(c) For purposes of this title, an individual's eligibility period under the State law shall consist of the weeks in his benefit year which begin in an extended benefit period and, if his benefit year ends within such extended benefit period, any weeks thereafter [which begin in such extended benefit period] *which (1) begin in such extended benefit period, and (2) begin within 2 years after the last day of his benefit year.*

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