

117TH CONGRESS
1ST SESSION

S. _____

To modernize unemployment compensation benefits.

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To modernize unemployment compensation benefits.

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 “Unemployment Insurance Modernization Act”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—MODERNIZATION OF EXTENDED BENEFITS

Sec. 101. Full Federal funding of extended unemployment compensation.

Sec. 102. Improving the extended benefit triggers.

Sec. 103. Increase in the number of weeks of extended benefits during high un-
employment periods.

Sec. 104. Improved calculation of amounts in an individual’s extended benefit
account.

- Sec. 105. Transition for amounts remaining in extended benefit accounts when a State is no longer in an extended benefit period.
- Sec. 106. Coordination of extended benefits with regular compensation.
- Sec. 107. Portability of extended benefits.
- Sec. 108. Exemption of extended benefits from sequestration.
- Sec. 109. Effective date.

TITLE II—MODERNIZATION OF REGULAR UNEMPLOYMENT

- Sec. 201. Floor on the number of weeks.
- Sec. 202. Floor on the minimum replacement of wages.
- Sec. 203. Floor on the maximum benefit.
- Sec. 204. Part-time work.
- Sec. 205. Use of an alternative base period.
- Sec. 206. Expansion of good cause quits.
- Sec. 207. Elimination of waiting weeks.
- Sec. 208. Temporary work assignment.
- Sec. 209. Waiver of nonfraud overpayments.
- Sec. 210. Short-time compensation program.
- Sec. 211. Minimum level of prior employment.
- Sec. 212. Employee status.
- Sec. 213. Eligibility of certain student-workers for unemployment compensation.
- Sec. 214. Access to benefits.
- Sec. 215. Jobseeker allowance.
- Sec. 216. Dependents' allowance.
- Sec. 217. Emergency enhanced unemployment compensation.

TITLE III—MODERNIZATION OF UNEMPLOYMENT INSURANCE TECHNOLOGY

- Sec. 301. Modernization of technology for delivering unemployment compensation.

1 **TITLE I—MODERNIZATION OF** 2 **EXTENDED BENEFITS**

3 **SEC. 101. FULL FEDERAL FUNDING OF EXTENDED UNEM-** 4 **PLOYMENT COMPENSATION.**

5 (a) IN GENERAL.—Section 204 of the Federal-State
6 Extended Unemployment Compensation Act of 1970 (26
7 U.S.C. 3304 note) is amended—

8 (1) in subsection (a), by striking “(1) There
9 shall be paid” and all that follows through the pe-
10 riod at the end of paragraph (3) and inserting the

1 following : “(1) There shall be paid to each State an
2 amount equal to 100 percent of the extended com-
3 pensation (including allowances for dependents) paid
4 to individuals under State law.

5 “(2) No payment shall be made to any State under
6 this subsection with respect to benefits paid if the State—

7 “(A) assesses payments due in lieu of contribu-
8 tions from the employer for such benefits; or

9 “(B) charges the employer for purposes of em-
10 ployer experience rating for such benefits.”;

11 (2) by striking subsections (b) and (c); and

12 (3) by redesignating subsections (d) and (e) as
13 subsections (b) and (c), respectively.

14 (b) CONFORMING AMENDMENT.—Section 202(a)(6)
15 of the Federal-State Extended Unemployment Compensa-
16 tion Act of 1970 (26 U.S.C. 3304 note) is amended by
17 striking “or shareable regular compensation”.

18 **SEC. 102. IMPROVING THE EXTENDED BENEFIT TRIGGERS.**

19 (a) TUR TRIGGERS.—Section 203 of the Federal-
20 State Extended Unemployment Compensation Act of 1970
21 (26 U.S.C. 3304 note) is amended by striking subsection
22 (f) and inserting the following new subsections:

23 “(f) STATE TUR TRIGGER.—

24 “(1) IN GENERAL.—For purposes of this sec-
25 tion:

1 “(A) ON INDICATOR.—There is a State
2 ‘on’ indicator for a week if the average rate of
3 total unemployment in such State (seasonally
4 adjusted) for the period consisting of the most
5 recent 3 months for which data for all States
6 are published before the close of such week
7 equals or exceeds 5.5 percent.

8 “(B) OFF INDICATOR.—There is a State
9 ‘off’ indicator for a week if the requirement of
10 subparagraph (A) is not satisfied.

11 “(2) APPLICATION.—Notwithstanding the pro-
12 vision of any State law, any week for which there
13 would otherwise be a State ‘on’ indicator shall con-
14 tinue to be such a week and shall not be determined
15 to be a week for which there is a State ‘off’ indi-
16 cator.

17 “(3) DETERMINATIONS OF THE RATE OF TOTAL
18 UNEMPLOYMENT.—For purposes of this subsection,
19 determinations of the rate of total unemployment in
20 any State for any period (and of any seasonal ad-
21 justment) shall be made by the Secretary.

22 “(g) NATIONAL TUR TRIGGER.—

23 “(1) IN GENERAL.—For purposes of this sec-
24 tion:

1 “(A) ON INDICATOR.—There is a State
2 ‘on’ indicator for a week if the average rate of
3 total unemployment for all States (seasonally
4 adjusted) for the period consisting of the most
5 recent 3 months for which data for all States
6 are published before the close of such week
7 equals or exceeds 5.5 percent.

8 “(B) OFF INDICATOR.—There is a State
9 ‘off’ indicator for a week if the requirement of
10 subparagraph (A) is not satisfied.

11 “(2) APPLICATION.—Notwithstanding the pro-
12 vision of any State law, any week for which there
13 would otherwise be a State ‘on’ indicator shall con-
14 tinue to be such a week and shall not be determined
15 to be a week for which there is a State ‘off’ indi-
16 cator.

17 “(3) DETERMINATIONS OF THE RATE OF TOTAL
18 UNEMPLOYMENT.—For purposes of this subsection,
19 determinations of the rate of total unemployment for
20 all States for any period (and of any seasonal ad-
21 justment) shall be made by the Secretary.”.

22 (b) AUGMENTED TRIGGERS.—Section 203 of the
23 Federal-State Extended Unemployment Compensation Act
24 of 1970 (26 U.S.C. 3304 note), as amended by subsection

1 (a), is amended by adding at the end the following new
2 subsections:

3 “(h) AUGMENTED STATE TRIGGER.—

4 “(1) IN GENERAL.—For purposes of this sec-
5 tion:

6 “(A) ON INDICATOR.—There is a State
7 ‘on’ indicator for a week if the augmented aver-
8 age rate of total unemployment in such State
9 (seasonally adjusted) for the period consisting
10 of the most recent 3 months for which data for
11 all States are published before the close of such
12 week equals or exceeds 5.5 percent.

13 “(B) OFF INDICATOR.—There is a State
14 ‘off’ indicator for a week if the requirement
15 under subparagraph (A) is not satisfied.

16 “(2) AUGMENTED AVERAGE RATE OF TOTAL
17 UNEMPLOYMENT.—For purposes of paragraph
18 (1)(A), the term ‘augmented average rate of total
19 unemployment’ means, with respect to a State, the
20 sum of—

21 “(A) the average rate of total unemploy-
22 ment in such State (seasonally adjusted) for the
23 period consisting of the most recent 3 months
24 for which data for all States are published be-
25 fore the close of such week; and

1 “(B) the excess (if any) of—

2 “(i) the average rate of total unem-
3 ployment in such State (seasonally ad-
4 justed) for the period referred to in sub-
5 paragraph (A); over

6 “(ii) the average rate of total unem-
7 ployment in such State (seasonally ad-
8 justed) for any continuous 3-month period
9 ending in any of the 3 preceding years.

10 “(3) APPLICATION.—Notwithstanding the pro-
11 vision of any State law, any week for which there
12 would otherwise be a State ‘on’ indicator shall con-
13 tinue to be such a week and shall not be determined
14 to be a week for which there is a State ‘off’ indi-
15 cator.

16 “(4) DETERMINATIONS OF THE RATE OF TOTAL
17 UNEMPLOYMENT.—For purposes of this subsection,
18 determinations of the rate of total unemployment in
19 any State for any period (and of any seasonal ad-
20 justment) shall be made by the Secretary.

21 “(i) AUGMENTED NATIONAL TRIGGER.—

22 “(1) IN GENERAL.—For purposes of this sec-
23 tion:

24 “(A) ON INDICATOR.—There is a State
25 ‘on’ indicator for a week if the augmented aver-

1 age rate of total unemployment for all States
2 (seasonally adjusted) for the period consisting
3 of the most recent 3 months for which data for
4 all States are published before the close of such
5 week equals or exceeds 5.5 percent; and

6 “(B) OFF INDICATOR.—There is a State
7 ‘off’ indicator for a week if the requirement
8 under subparagraph (A) is not satisfied.

9 “(2) AUGMENTED AVERAGE RATE OF TOTAL
10 UNEMPLOYMENT.—For purposes of paragraph
11 (1)(A), the term ‘augmented average rate of total
12 unemployment’ means the sum of—

13 “(A) the average rate of total unemploy-
14 ment for all States (seasonally adjusted) for the
15 period consisting of the most recent 3 months
16 for which data for all States are published be-
17 fore the close of such week; and

18 “(B) the excess (if any) of—

19 “(i) the average rate of total unem-
20 ployment for all States (seasonally ad-
21 justed) for the period referred to in sub-
22 paragraph (A); over

23 “(ii) the average rate of total unem-
24 ployment for all States (seasonally ad-

1 justed) for any continuous 3-month period
2 ending in any of the 3 preceding years.

3 “(3) APPLICATION.—Notwithstanding the pro-
4 vision of any State law, any week for which there
5 would otherwise be a State ‘on’ indicator shall con-
6 tinue to be such a week and shall not be determined
7 to be a week for which there is a State ‘off’ indi-
8 cator.

9 “(4) DETERMINATIONS OF THE RATE OF TOTAL
10 UNEMPLOYMENT.—For purposes of this subsection,
11 determinations of the rate of total unemployment for
12 all States for any period (and of any seasonal ad-
13 justment) shall be made by the Secretary.”.

14 (c) ELEVATED UNEMPLOYMENT TRIGGERS.—

15 (1) IN GENERAL.—Section 203 of the Federal-
16 State Extended Unemployment Compensation Act of
17 1970 (26 U.S.C. 3304 note), as amended by sub-
18 sections (a) and (b), is amended by adding at the
19 end the following new subsections:

20 “(j) ELEVATED STATE UNEMPLOYMENT TRIGGER.—

21 “(1) IN GENERAL.—For purposes of this sec-
22 tion:

23 “(A) ON INDICATOR.—There is a State
24 ‘on’ indicator for a week if the average rate of
25 total unemployment in the State (seasonally ad-

1 justed) for the period consisting of the most re-
2 cent 3 months for which data for the State pub-
3 lished before the close of such week is at least
4 0.5 percentage points higher than the lowest av-
5 erage rate of total unemployment in such State
6 (seasonally adjusted) for any continuous 3-
7 month period in the preceding 12 months.

8 “(B) OFF INDICATOR.—There is a State
9 ‘off’ indicator for a week if the average rate of
10 total unemployment in the State (seasonally ad-
11 justed) for the period consisting of the most re-
12 cent 3 months for which data for the State is
13 published before the close of such week—

14 “(i) has decreased for not less than 2
15 consecutive months;

16 “(ii) is less than 5.5 percent; and

17 “(iii) is less than 1.5 percentage
18 points above the average rate of total un-
19 employment in the State (seasonally ad-
20 justed) for the period consisting of the
21 most recent 3 months for which data for
22 the State is published before the close of
23 the first week for which there is an ‘on’ in-
24 dicator under subparagraph (A).

1 “(2) APPLICATION.—Notwithstanding the pro-
2 vision of any State law, any week for which there
3 would otherwise be a State ‘on’ indicator shall con-
4 tinue to be such a week and shall not be determined
5 to be a week for which there is a State ‘off’ indi-
6 cator.

7 “(3) DETERMINATIONS OF THE RATE OF TOTAL
8 UNEMPLOYMENT.—For purposes of this subsection,
9 determinations of the rate of total unemployment in
10 any State for any period (and of any seasonal ad-
11 justment) shall be made by the Secretary.

12 “(4) INCLUSION OF DETERMINATION IN
13 MONTHLY EMPLOYMENT SITUATION REPORTS.—Not-
14 withstanding any other provision of law, the Sec-
15 retary, acting through the Commissioner of the Bu-
16 reau of Labor Statistics, shall include in each
17 monthly employment situation report published by
18 the Commissioner a specific determination of wheth-
19 er or not there is an ‘on’ indicator under paragraph
20 (1)(A) for each State.

21 “(k) ELEVATED NATIONAL UNEMPLOYMENT TRIG-
22 GER.—

23 “(1) IN GENERAL.—For purposes of this sec-
24 tion:

1 all States is published before the close of
2 the first week for which there is an ‘on’ in-
3 dicator under subparagraph (A).

4 “(2) APPLICATION.—Notwithstanding the pro-
5 vision of any State law, any week for which there
6 would otherwise be a State ‘on’ indicator shall con-
7 tinue to be such a week and shall not be determined
8 to be a week for which there is a State ‘off’ indi-
9 cator.

10 “(3) DETERMINATIONS OF THE RATE OF TOTAL
11 UNEMPLOYMENT.—For purposes of this subsection,
12 determinations of the rate of total unemployment for
13 all States for any period (and of any seasonal ad-
14 justment) shall be made by the Secretary.

15 “(4) INCLUSION OF DETERMINATION IN
16 MONTHLY EMPLOYMENT SITUATION REPORTS.—Not-
17 withstanding any other provision of law, the Sec-
18 retary, acting through the Commissioner of the Bu-
19 reau of Labor Statistics, shall include in each
20 monthly employment situation report published by
21 the Commissioner a specific determination of wheth-
22 er or not there is an ‘on’ indicator under paragraph
23 (1)(A) in the United States.”.

24 (2) COORDINATION BETWEEN ELEVATED STATE
25 AND NATIONAL UNEMPLOYMENT TRIGGERS AND

1 OTHER TRIGGERS.—Section 203(b) of the Federal-
2 State Extended Unemployment Compensation Act of
3 1970 (26 U.S.C. 3304 note) is amended by adding
4 at the end the following new paragraph:

5 “(3)(A) In the case of a State for which there is an
6 ‘on’ indicator for a week under subsection (j) or (k) and
7 at least one of subsections (f) through (i), section
8 202(b)(1) shall be applied by substituting—

9 “(i) ‘100 per centum’ for ‘50 per centum’ in
10 subparagraph (A); and

11 “(ii) ‘twenty-six’ for ‘thirteen’ in subparagraph
12 (B).

13 “(B) The increase in amounts in an account by rea-
14 son of subparagraph (A) shall be in addition to any in-
15 creases in amounts in an account by reason of paragraph
16 (3) of section 202(b).”.

17 **SEC. 103. INCREASE IN THE NUMBER OF WEEKS OF EX-**
18 **TENDED BENEFITS DURING HIGH UNEM-**
19 **PLOYMENT PERIODS.**

20 Section 202(b) of the Federal-State Extended Unem-
21 ployment Compensation Act of 1970 (26 U.S.C. 3304
22 note) is amended—

23 (1) in paragraph (1)—

24 (A) in the matter preceding subparagraph

25 (A), by striking “The State law” and inserting

1 “Subject to paragraph (3) and section
2 203(b)(3), the State law”;

3 (B) in subparagraph (A), by inserting “or”
4 at the end;

5 (C) in subparagraph (B), by striking “,
6 or” at the end and inserting a period; and

7 (D) by striking subparagraph (C); and

8 (2) by striking paragraph (3) and inserting the
9 following new paragraph:

10 “(3) INCREASE IN AMOUNT IN ACCOUNT DUR-
11 ING HIGH UNEMPLOYMENT PERIODS.—

12 “(A) TIERS.—Effective with respect to
13 weeks beginning in a high unemployment pe-
14 riod, paragraph (1) shall be applied as follows:

15 “(i) SECOND TIER.—In the case of
16 weeks in a tier 2 high unemployment pe-
17 riod described in subparagraph (B)(i), by
18 substituting—

19 “(I) ‘100 per centum’ for ‘50 per
20 centum’ in subparagraph (A); and

21 “(II) ‘twenty-six’ for ‘thirteen’ in
22 subparagraph (B).

23 “(ii) THIRD TIER.—In the case of
24 weeks in a tier 3 high unemployment pe-

1 riod described in subparagraph (B)(ii), by
2 substituting—

3 “(I) ‘150 per centum’ for ‘50 per
4 centum’ in subparagraph (A); and

5 “(II) ‘thirty-nine’ for ‘thirteen’ in
6 subparagraph (B).

7 “(iii) FOURTH TIER.—In the case of
8 weeks in a tier 4 high unemployment pe-
9 riod described in subparagraph (B)(iii), by
10 substituting—

11 “(I) ‘200 per centum’ for ‘50 per
12 centum’ in subparagraph (A); and

13 “(II) ‘fifty-two’ for ‘thirteen’ in
14 subparagraph (B).

15 “(B) HIGH UNEMPLOYMENT PERIODS.—

16 “(i) SECOND TIER.—For purposes of
17 subparagraph (A)(i), a second tier high un-
18 employment period described in this clause
19 is any period during which an extended
20 benefit period would be in effect if sub-
21 section (f)(1)(A), (g)(1)(A), (h)(1)(A), or
22 (i)(1)(A) of section 203 were applied by
23 substituting ‘6.5 percent but is less than
24 7.5 percent’ for ‘5.5 percent’.

1 “(ii) THIRD TIER.—For purposes of
2 subparagraph (A)(ii), a third tier high un-
3 employment period described in this clause
4 is any period during which an extended
5 benefit period would be in effect if sub-
6 section (f)(1)(A), (g)(1)(A), (h)(1)(A), or
7 (i)(1)(A) of section 203 were applied by
8 substituting ‘7.5 percent but is less than
9 8.5 percent’ for ‘5.5 percent’.

10 “(iii) FOURTH TIER.—For purposes of
11 subparagraph (A)(iii), a fourth tier high
12 unemployment period described in this
13 clause is any period during which an ex-
14 tended benefit period would be in effect if
15 subsection (f)(1)(A), (g)(1)(A), (h)(1)(A),
16 or (i)(1)(A) of section 203 were applied by
17 substituting ‘8.5 percent’ for ‘5.5 percent’.

18 “(C) INDIVIDUALS REMAIN ELIGIBLE FOR
19 AUGMENTED AMOUNT EVEN IF TIER THRESH-
20 OLD NO LONGER MET.—If an individual’s ac-
21 count is augmented under subparagraph (B)
22 because a State triggers on to a tier described
23 in clause (i), (ii), or (iii) of subparagraph (B),
24 the augmented amount shall remain in such ac-
25 count for the duration of the individual’s ben-

1 efit year even if the requirements for such tier
2 are no longer met.

3 “(D) CLARIFICATION.—The triggers under
4 subsections (d), (j) and (k) of section 203 shall
5 not apply for purposes of determining high un-
6 employment periods under this paragraph.”.

7 **SEC. 104. IMPROVED CALCULATION OF AMOUNTS IN AN IN-**
8 **DIVIDUAL’S EXTENDED BENEFIT ACCOUNT.**

9 Section 202(b)(1) of the Federal-State Extended Un-
10 employment Compensation Act of 1970 (26 U.S.C. 3304
11 note) is amended, in the matter preceding subparagraph
12 (A), by striking “the least” and inserting “the greatest”.

13 **SEC. 105. TRANSITION FOR AMOUNTS REMAINING IN EX-**
14 **TENDED BENEFIT ACCOUNTS WHEN A STATE**
15 **IS NO LONGER IN AN EXTENDED BENEFIT PE-**
16 **RIOD.**

17 Section 203(b) of the Federal-State Extended Unem-
18 ployment Compensation Act of 1970 (26 U.S.C. 3304
19 note), as amended by section 102(c)(2), is amended by
20 adding at the end the following new paragraph:

21 “(4) In the case of an individual who has amounts
22 remaining in an account established under section 202(b)
23 as of the date that extended benefits would otherwise not
24 be payable to the individual because there is a State ‘off’

1 indicator, extended compensation shall continue to be pay-
2 able to such individual from such amounts for any week—

3 “(A) that begins on or after such date and ends
4 on or before 6 months after such date; and

5 “(B) for which the individual meets the eligi-
6 bility requirements under this title.”.

7 **SEC. 106. COORDINATION OF EXTENDED BENEFITS WITH**
8 **REGULAR COMPENSATION.**

9 Section 202 of the Federal-State Extended Unem-
10 ployment Compensation Act of 1970 (26 U.S.C. 3304
11 note) is amended by adding at the end the following new
12 subsection:

13 “(d) COORDINATION OF EXTENDED COMPENSATION
14 WITH REGULAR COMPENSATION.—

15 “(1) If—

16 “(A) an individual has been determined to
17 be entitled to extended compensation with re-
18 spect to a benefit year;

19 “(B) such benefit year has expired;

20 “(C) such individual has remaining entitle-
21 ment to extended compensation with respect to
22 such benefit year; and

23 “(D) such individual would qualify for a
24 new benefit year in which the weekly benefit
25 amount of regular compensation is at least \$25

1 less than the individual's weekly benefit amount
2 in the benefit year referred to in subparagraph
3 (A);

4 then the State shall determine eligibility for com-
5 pensation as provided in paragraph (2).

6 “(2) For individuals described in paragraph (1),
7 the State shall determine whether the individual is
8 to be paid extended compensation or regular com-
9 pensation for a week of unemployment using one of
10 the following methods:

11 “(A) The State shall, if permitted by State
12 law, establish a new benefit year, but defer the
13 payment of regular compensation with respect
14 to that new benefit year until exhaustion of all
15 extended compensation payable with respect to
16 the benefit year referred to in paragraph
17 (1)(A).

18 “(B) The State shall, if permitted by State
19 law, defer the establishment of a new benefit
20 year (which uses all the wages and employment
21 which would have been used to establish a ben-
22 efit year but for the application of this para-
23 graph) until exhaustion of all extended com-
24 pensation payable with respect to the benefit
25 year referred to in paragraph (1)(A).

1 “(C) The State shall pay, if permitted by
2 State law—

3 “(i) regular compensation equal to the
4 weekly benefit amount established under
5 the new benefit year; and

6 “(ii) extended compensation equal to
7 the difference between that weekly benefit
8 amount and the weekly benefit amount for
9 the expired benefit year.

10 “(D) The State shall determine rights to
11 extended compensation without regard to any
12 rights to regular compensation if the individual
13 elects to not file a claim for regular compensa-
14 tion under the new benefit year.”.

15 **SEC. 107. PORTABILITY OF EXTENDED BENEFITS.**

16 Section 202(a) of the Federal-State Extended Unem-
17 ployment Compensation Act of 1970 (26 U.S.C. 3304
18 note) is amended by adding at the end the following new
19 paragraph:

20 “(8) The provisions under section 3304(a)(9)(A) of
21 the Internal Revenue Code of 1986 shall apply to benefits
22 under this title in the same manner as such provisions
23 apply to regular compensation under State law.”.

1 **SEC. 108. EXEMPTION OF EXTENDED BENEFITS FROM SE-**
2 **QUESTRATION.**

3 (a) IN GENERAL.—Section 255(g)(1)(A) of the Bal-
4 anced Budget and Emergency Deficit Control Act of 1985
5 (2 U.S.C. 905(g)(1)(A)) is amended by inserting after
6 “Payments to Social Security Trust Funds (28–0404–0–
7 1–651).” the following:

8 “Payments to a State under the Federal-State Ex-
9 tended Unemployment Compensation Act of 1970 (26
10 U.S.C. 3304 note).”.

11 (b) APPLICABILITY.—The amendment made by this
12 section shall apply to any sequestration order issued under
13 the Balanced Budget and Emergency Deficit Control Act
14 of 1985 (2 U.S.C. 900 et seq.) on or after the date of
15 enactment of this Act.

16 **SEC. 109. EFFECTIVE DATE.**

17 The amendments made by this title (other than sec-
18 tion 108) shall apply to weeks of unemployment beginning
19 on or after January 1, 2023 (or earlier if established by
20 State law (but in no case earlier than 60 days after the
21 date of enactment of this Act)).

22 **TITLE II—MODERNIZATION OF**
23 **REGULAR UNEMPLOYMENT**

24 **SEC. 201. FLOOR ON THE NUMBER OF WEEKS.**

25 (a) IN GENERAL.—Section 3304(a) of the Internal
26 Revenue Code of 1986 is amended—

1 (1) in paragraph (18), by striking “and” at the
2 end;

3 (2) by redesignating paragraph (19) as para-
4 graph (20); and

5 (3) by inserting after paragraph (18) the fol-
6 lowing new paragraph:

7 “(19) the minimum duration of benefits is at
8 least 26 weeks and no variable duration formula
9 that provides for maximum weeks of benefits of
10 fewer than 26 weeks is used, or, in the case of a
11 State that uses a maximum benefit entitlement, an
12 individual’s maximum benefit entitlement may not
13 be less than 26 times the individual’s weekly benefit
14 amount; and”.

15 (b) **EFFECTIVE DATE.**—The amendments made by
16 subsection (a) shall apply to weeks of unemployment be-
17 ginning on or after the earlier of—

18 (1) the date the State changes its statutes, reg-
19 ulations, or policies in order to comply with such
20 amendments; or

21 (2) January 1, 2023.

1 **SEC. 202. FLOOR ON THE MINIMUM REPLACEMENT OF**
2 **WAGES.**

3 (a) IN GENERAL.—Section 3304(a) of the Internal
4 Revenue Code of 1986, as previously amended by this title,
5 is amended—

6 (1) in paragraph (19), by striking “and” at the
7 end;

8 (2) by redesignating paragraph (20) as para-
9 graph (21); and

10 (3) by inserting after paragraph (19) the fol-
11 lowing new paragraph:

12 “(20) an individual’s weekly benefit amount is
13 at least equal to 75 percent of the average weekly
14 earnings in the quarter of the individual’s base pe-
15 riod with the highest earnings (not to exceed the
16 maximum weekly benefit amount under the State
17 law); and”.

18 (b) EFFECTIVE DATE.—The amendments made by
19 subsection (a) shall apply to weeks of unemployment be-
20 ginning on or after the earlier of—

21 (1) the date the State changes its statutes, reg-
22 ulations, or policies in order to comply with such
23 amendments; or

24 (2) January 1, 2023.

1 **SEC. 203. FLOOR ON THE MAXIMUM BENEFIT.**

2 (a) IN GENERAL.—Section 3304(a) of the Internal
3 Revenue Code of 1986, as previously amended by this title,
4 is amended—

5 (1) in paragraph (20), by striking “and” at the
6 end;

7 (2) by redesignating paragraph (21) as para-
8 graph (22); and

9 (3) by inserting after paragraph (20) the fol-
10 lowing new paragraph:

11 “(21) the maximum weekly benefit amount may
12 not be less than $\frac{2}{3}$ of the State’s average weekly
13 wage (as determined by the Secretary of Labor);
14 and”.

15 (b) EFFECTIVE DATE.—The amendments made by
16 subsection (a) shall apply to weeks of unemployment be-
17 ginning on or after the earlier of—

18 (1) the date the State changes its statutes, reg-
19 ulations, or policies in order to comply with such
20 amendments; or

21 (2) January 1, 2023.

22 **SEC. 204. PART-TIME WORK.**

23 (a) IN GENERAL.—Section 3304(a) of the Internal
24 Revenue Code of 1986, as previously amended by this title,
25 is amended—

1 (1) in paragraph (21), by striking “and” at the
2 end;

3 (2) by redesignating paragraph (22) as para-
4 graph (25); and

5 (3) by inserting after paragraph (21) the fol-
6 lowing new paragraphs:

7 “(22) an individual is not denied unemployment
8 compensation on the basis that the work in such in-
9 dividual’s base period includes part-time work (as
10 defined by the Secretary of Labor);

11 “(23) an individual is not denied unemployment
12 compensation under any State law provisions relat-
13 ing to ability to work, availability for work, active
14 search for work, or refusal to accept work, solely be-
15 cause such individual is seeking only part-time work
16 (as defined by the Secretary of Labor);

17 “(24) when determining the weekly benefit
18 amount for individuals claiming partial unemploy-
19 ment, including an individual who accepts part-time
20 work (as defined by the Secretary of Labor) but con-
21 tinues to search for full-time work or additional
22 part-time work, the State disregards, at a minimum,
23 earnings equal to $\frac{1}{4}$ of the individual’s weekly ben-
24 efit amount, but the State may reduce the individ-
25 ual’s weekly benefit amount by up to 75 cents for

1 each dollar the individual earns beyond an amount
2 equal to $\frac{1}{4}$ of the individual's weekly benefit
3 amount; and”.

4 (b) EFFECTIVE DATE.—The amendments made by
5 subsection (a) shall apply to weeks of unemployment be-
6 ginning on or after the earlier of—

7 (1) the date the State changes its statutes, reg-
8 ulations, or policies in order to comply with such
9 amendments; or

10 (2) January 1, 2023.

11 **SEC. 205. USE OF AN ALTERNATIVE BASE PERIOD.**

12 (a) IN GENERAL.—Section 3304(a) of the Internal
13 Revenue Code of 1986, as previously amended by this title,
14 is amended—

15 (1) in paragraph (24), by striking “and” at the
16 end;

17 (2) by redesignating paragraph (25) as para-
18 graph (27); and

19 (3) by inserting after paragraph (24) the fol-
20 lowing new paragraphs:

21 “(25) the State law—

22 “(A) uses a base period that includes the
23 most recently completed calendar quarter before
24 the start of the benefit year for purposes of de-

1 termining eligibility for unemployment com-
2 pensation; or

3 “(B) provides that, in the case of an indi-
4 vidual who would not otherwise be eligible for
5 unemployment compensation under the State
6 law because of the use of a base period that
7 does not include the most recently completed
8 calendar quarter before the start of the benefit
9 year, eligibility is determined using a base pe-
10 riod that includes the most recently completed
11 calendar quarter before the start of the benefit
12 year;

13 “(26) in the case of an individual who would
14 not otherwise be eligible for unemployment com-
15 pensation under State law because the individual
16 took unpaid leave or reduced pay for medical, paren-
17 tal, or caregiving purposes during the base period, or
18 because the individual was incapable of work due to
19 illness, injury, or disability during the base period,
20 eligibility shall be determined using a base period
21 that includes the State’s standard or alternative
22 base period and at least 4 additional quarters imme-
23 diately before or after the base period or alternative
24 base period; and”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall apply to weeks of unemployment be-
3 ginning on or after the earlier of—

4 (1) the date the State changes its statutes, reg-
5 ulations, or policies in order to comply with such
6 amendments; or

7 (2) January 1, 2023.

8 **SEC. 206. EXPANSION OF GOOD CAUSE QUILTS.**

9 (a) IN GENERAL.—Section 3304 of the Internal Rev-
10 enue Code of 1986, as previously amended by this title,
11 is amended—

12 (1) in subsection (a)—

13 (A) in paragraph (26), by striking “and”
14 at the end;

15 (B) by redesignating paragraph (27) as
16 paragraph (28); and

17 (C) by inserting after paragraph (26) the
18 following new paragraph:

19 “(27) an individual shall not be disqualified
20 from unemployment compensation for separating
21 from employment if that separation is for any com-
22 pelling reason (as defined in subsection (g)); and”;
23 and

24 (2) by adding at the end the following new sub-
25 section:

1 “(g) DEFINITION OF COMPELLING REASON.—

2 “(1) IN GENERAL.—For purposes of subsection
3 (a)(27), the Secretary of Labor shall establish a def-
4 inition for the term ‘compelling reason’.

5 “(2) REQUIREMENTS.—In defining the term
6 compelling reason, the Secretary shall include the
7 following reasons:

8 “(A) SEXUAL OR OTHER HARASSMENT,
9 DOMESTIC VIOLENCE, SEXUAL ASSAULT, OR
10 STALKING.—

11 “(i) IN GENERAL.—The individual is
12 a survivor or victim of sexual or other har-
13 assment or a survivor of domestic violence,
14 sexual assault, or stalking.

15 “(ii) EVIDENCE.—For purposes of
16 clause (i) and paragraph (a)(27), a separa-
17 tion of an individual shall be considered to
18 be attributable to such individual being a
19 survivor or victim of sexual or other har-
20 assment or a survivor of domestic violence,
21 sexual assault, or stalking if such indi-
22 vidual submits such evidence as the State
23 deems sufficient.

1 “(iii) SUFFICIENT DOCUMENTA-
2 TION.—For purposes of clause (ii), a State
3 shall deem sufficient, at a minimum—

4 “(I) evidence of such harassment,
5 violence, assault, or stalking in the
6 form of—

7 “(aa) a sworn statement and
8 a form of identification;

9 “(bb) a police or court
10 record;

11 “(cc) documentation from a
12 victim service provider, an attor-
13 ney, a police officer, a medical
14 professional, a social worker, an
15 antiviolence counselor, a member
16 of the clergy, or another profes-
17 sional; or

18 “(dd) any other documenta-
19 tion determined appropriate by
20 the Secretary of Labor; and

21 “(iv) an attestation that the separa-
22 tion is attributable to such harassment, vi-
23 olence, assault, or stalking.

24 “(v) DEFINITIONS.—In this subpara-
25 graph:

1 “(I) DOMESTIC VIOLENCE, SEX-
2 UAL ASSAULT, STALKING, VICTIM OF
3 SEXUAL OR OTHER HARASSMENT, AND
4 SURVIVOR OF DOMESTIC VIOLENCE,
5 SEXUAL ASSAULT, OR STALKING.—
6 The terms ‘domestic violence’, ‘sexual
7 assault’, ‘stalking’, ‘survivor or victim
8 of sexual or other harassment’, and
9 ‘survivor of domestic violence, sexual
10 assault, or stalking’ have the mean-
11 ings given such terms under State
12 law, regulation, or policy.

13 “(II) VICTIM SERVICE PRO-
14 VIDER.—The term ‘victim service pro-
15 vider’ has the meaning given such
16 term in section 40002 of the Violence
17 Against Women Act of 1994.

18 “(B) ILLNESS OR DISABILITY OF A FAMILY
19 MEMBER.—The illness or disability of a member
20 of the individual’s immediate family (as those
21 terms are defined by the Secretary of Labor).

22 “(C) ACCOMPANY THE INDIVIDUAL’S
23 SPOUSE.—The need for the individual to accom-
24 pany such individual’s spouse—

1 “(i) to a place from which it is im-
2 practical for such individual to commute;
3 and

4 “(ii) due to a change in location of the
5 spouse’s employment.

6 “(D) RELOCATION OF WORKPLACE.—The
7 relocation of the workplace of the individual
8 such that it becomes impractical for the indi-
9 vidual to commute.

10 “(E) CARE FOR A CHILD.—The need to
11 care for a child when child care has been lost
12 and an alternative arrangement cannot be rea-
13 sonably secured.

14 “(F) UNUSUAL RISK.—The individual’s job
15 presents any unusual risk to the health or safe-
16 ty of the individual.

17 “(G) IRREGULAR WORK SCHEDULES OR
18 UNPREDICTABLE HOURS AND PAY.—Irregular
19 work schedules or unpredictable hours and pay.

20 “(H) OTHER REASONS.—Other reasons de-
21 termined appropriate by the State.”.

22 (b) EFFECTIVE DATE.—The amendments made by
23 subsection (a) shall apply to weeks of unemployment be-
24 ginning on or after the earlier of—

1 (1) the date the State changes its statutes, reg-
2 ulations, or policies in order to comply with such
3 amendments; or

4 (2) January 1, 2023.

5 **SEC. 207. ELIMINATION OF WAITING WEEKS.**

6 (a) IN GENERAL.—Section 3304(a) of the Internal
7 Revenue Code of 1986, as previously amended by this title,
8 is amended—

9 (1) in paragraph (27), by striking “and” at the
10 end;

11 (2) by redesignating paragraph (28) as para-
12 graph (29); and

13 (3) by inserting after paragraph (27) the fol-
14 lowing new paragraph:

15 “(28) compensation is immediately paid to an
16 individual for their first week of otherwise compen-
17 sable unemployment without a waiting week; and”.

18 (b) EFFECTIVE DATE.—The amendments made by
19 subsection (a) shall apply to weeks of unemployment be-
20 ginning on or after the earlier of—

21 (1) the date the State changes its statutes, reg-
22 ulations, or policies in order to comply with such
23 amendments; or

24 (2) January 1, 2023.

1 **SEC. 208. TEMPORARY WORK ASSIGNMENT.**

2 (a) IN GENERAL.—Section 3304(a) of the Internal
3 Revenue Code of 1986, as previously amended by this title,
4 is amended—

5 (1) in paragraph (28), by striking “and” at the
6 end;

7 (2) by redesignating paragraph (29) as para-
8 graph (30); and

9 (3) by inserting after paragraph (28) the fol-
10 lowing new paragraph:

11 “(29) an individual’s completion of a temporary
12 employment assignment is considered to be an invol-
13 untary layoff for the purposes of claiming unemploy-
14 ment compensation, regardless of whether or not the
15 individual has contacted the employer after a tem-
16 porary assignment has ended; and”.

17 (b) EFFECTIVE DATE.—The amendments made by
18 subsection (a) shall apply to weeks of unemployment be-
19 ginning on or after the earlier of—

20 (1) the date the State changes its statutes, reg-
21 ulations, or policies in order to comply with such
22 amendments; or

23 (2) January 1, 2023.

24 **SEC. 209. WAIVER OF NONFRAUD OVERPAYMENTS.**

25 (a) REQUIREMENT.—

1 (1) IN GENERAL.—Section 3304(a) of the In-
2 ternal Revenue Code of 1986, as previously amended
3 by this title, is amended—

4 (A) in paragraph (29), by striking “and”
5 at the end;

6 (B) by redesignating paragraph (30) as
7 paragraph (31); and

8 (C) by inserting after paragraph (29) the
9 following new paragraph:

10 “(30) in the case of an individual who has re-
11 ceived amounts of unemployment compensation to
12 which they were not entitled, the State agency shall
13 waive repayment of such amounts to the State agen-
14 cy if it determines that—

15 “(A) the payment of such unemployment
16 compensation was without fault (as defined by
17 the Secretary of Labor) on the part of such in-
18 dividual; and

19 “(B) such repayment would be contrary to
20 equity and good conscience (as defined by the
21 Secretary of Labor); and”.

22 (2) STATE MAY ESTABLISH OTHER CIR-
23 CUMSTANCES.—Nothing in the paragraph (30) of
24 section 3304(a) of the Internal Revenue Code of
25 1986, as added by paragraph (1), shall preclude a

1 State from waiving repayments of unemployment
2 compensation in circumstances that are in addition
3 to the circumstances described in such paragraph
4 (30).

5 (b) EFFECTIVE DATE.—The amendments made by
6 subsection (a) shall apply to weeks of unemployment be-
7 ginning on or after the earlier of—

8 (1) the date the State changes its statutes, reg-
9 ulations, or policies in order to comply with such
10 amendments; or

11 (2) January 1, 2023.

12 **SEC. 210. SHORT-TIME COMPENSATION PROGRAM.**

13 (a) REQUIREMENT.—

14 (1) IN GENERAL.—Section 3304(a) of the In-
15 ternal Revenue Code of 1986, as previously amended
16 by this title, is amended—

17 (A) in paragraph (4)(E), by inserting “, as
18 required under paragraph (31)” after
19 “3306(v)”;

20 (B) in paragraph (30), by striking “and”
21 at the end;

22 (C) by redesignating paragraph (31) as
23 paragraph (32); and

24 (D) by inserting after paragraph (30) the
25 following new paragraph:

1 “(31) payment of short-time compensation is
2 made under a short-time compensation program (as
3 defined in section 3306(v)) under the State law;
4 and”.

5 (2) CONFORMING AMENDMENT.—Section
6 303(a)(5) of the Social Security Act (42 U.S.C.
7 503(a)(5)), is amended, in the fifth proviso, by in-
8 serting “, as required under section 3304(a)(31) of
9 such Code” after “1986”.

10 (3) EFFECTIVE DATE.—The amendments made
11 by this subsection shall apply to weeks of unemploy-
12 ment beginning on or after the earlier of—

13 (A) the date the State changes its statutes,
14 regulations, or policies in order to comply with
15 such amendments; or

16 (B) January 1, 2023.

17 (b) FLEXIBILITY.—Section 3306(v)(3) of the Inter-
18 nal Revenue Code of 1986 (relating to the definition of
19 a short-time compensation program) is amended by strik-
20 ing “60 percent” and inserting “80 percent”.

21 **SEC. 211. MINIMUM LEVEL OF PRIOR EMPLOYMENT.**

22 (a) REQUIREMENT.—

23 (1) IN GENERAL.—Section 3304(a) of the In-
24 ternal Revenue Code of 1986, as previously amended
25 by this title, is amended—

1 (A) in paragraph (31), by striking “and”
2 at the end;

3 (B) by redesignating paragraph (32) as
4 paragraph (33); and

5 (C) by inserting after paragraph (31) the
6 following new paragraph:

7 “(32) compensation is not denied to an other-
8 wise eligible individual if the individual earned at
9 least \$1,000 in covered wages during the highest
10 quarter of the base period and at least \$1,500 cov-
11 ered wages during the base period; and”.

12 (2) STATE MAY REDUCE MINIMUM THRESH-
13 OLDS.—Nothing in the paragraph (32) of section
14 3304(a) of the Internal Revenue Code of 1986, as
15 added by paragraph (1), shall preclude a State from
16 reducing the dollar thresholds described in such
17 paragraph (32).

18 (b) EFFECTIVE DATE.—The amendments made by
19 subsection (a) shall apply to weeks of unemployment be-
20 ginning on or after the earlier of—

21 (1) the date the State changes its statutes, reg-
22 ulations, or policies in order to comply with such
23 amendments; or

24 (2) January 1, 2023.

1 **SEC. 212. EMPLOYEE STATUS.**

2 (a) IN GENERAL.—Section 3304(a) of the Internal
3 Revenue Code of 1986, as previously amended by this title,
4 is amended—

5 (1) in paragraph (32), by striking “and” at the
6 end;

7 (2) by redesignating paragraph (33) as para-
8 graph (34); and

9 (3) by inserting after paragraph (32) the fol-
10 lowing new paragraph:

11 “(33) an individual performing any service shall
12 be considered an employee and not an independent
13 contractor for the purpose of the State law, unless—

14 “(A) the individual is free from control and
15 direction in connection with the performance of
16 the service, both under the contract for the per-
17 formance of service and in fact;

18 “(B) the service is performed outside the
19 usual course of the business of the employer;
20 and

21 “(C) the individual is customarily engaged
22 in an independently established trade, occupa-
23 tion, profession, or business of the same nature
24 as that involved in the service performed; and”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall apply to weeks of unemployment be-
3 ginning on or after the earlier of—

4 (1) the date the State changes its statutes, reg-
5 ulations, or policies in order to comply with such
6 amendments; or

7 (2) January 1, 2023.

8 **SEC. 213. ELIGIBILITY OF CERTAIN STUDENT-WORKERS**
9 **FOR UNEMPLOYMENT COMPENSATION.**

10 (a) IN GENERAL.—Section 3306(c)(10) of the Inter-
11 nal Revenue Code of 1986 is amended—

12 (1) by striking subparagraphs (B) and (C); and

13 (2) by redesignating subparagraph (D) as sub-
14 paragraph (B).

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to service performed on or after
17 January 1, 2023.

18 **SEC. 214. ACCESS TO BENEFITS.**

19 Section 303 of the Social Security Act (42 U.S.C.
20 503) is amended by adding at the end the following new
21 subsection:

22 “(n) ACCESS TO BENEFITS.—

23 “(1) IN GENERAL.—Not later than January 1,
24 2023, the State agency charged with administration

1 of the State law shall, in accordance with standards
2 established by the Secretary—

3 “(A) require that employers in the State
4 provide information regarding claim-filing for
5 unemployment compensation to employees upon
6 separation from employment;

7 “(B) have in place methods for employers
8 to notify the State workforce agency of employ-
9 ees who may apply for unemployment com-
10 pensation due to short-term layoffs, business
11 shutdowns, partial unemployment, and short-
12 time compensation;

13 “(C) ensure that any online claim-filing
14 system used by the State meets the technology
15 capabilities described in section 912(b)(2) of
16 the Social Security Act; and

17 “(D) ensure that alternate means of claim
18 filing are available for individuals who are un-
19 able to file through the State’s online claim-fil-
20 ing system.

21 “(2) ENFORCEMENT.—Whenever the Secretary
22 of Labor, after reasonable notice and opportunity for
23 hearing to the State agency charged with the admin-
24 istration of the State law, finds that there is a fail-
25 ure to comply substantially with the requirements of

1 paragraph (1), the Secretary of Labor shall notify
2 such State agency that further payments will not be
3 made to the State until the Secretary of Labor is
4 satisfied that there is no longer any such failure.
5 Until the Secretary of Labor is so satisfied, such
6 Secretary shall make no future certification to the
7 Secretary of the Treasury with respect to the
8 State.”.

9 **SEC. 215. JOBSEEKER ALLOWANCE.**

10 (a) IN GENERAL.—Chapter 23 of the Internal Rev-
11 enue Code of 1986 is amended—

12 (1) in section 3304(a), as previously amended
13 by this Act—

14 (A) in paragraph (33), by striking “and”
15 at the end;

16 (B) by redesignating paragraph (34) as
17 paragraph (35); and

18 (C) by inserting after paragraph (33) the
19 following new paragraph:

20 “(34) payment of jobseeker allowances shall be
21 paid pursuant to section 3304A; and”; and

22 (2) by inserting after section 3304 the following
23 new section:

24 **“SEC. 3304A. JOBSEEKER ALLOWANCE.**

25 “(a) ALLOWANCE.—

1 “(1) IN GENERAL.—Subject to the succeeding
2 provisions of this section, for purposes of section
3 3304(a)(34), a State shall provide for a weekly job-
4 seeker allowance to any eligible individual in accord-
5 ance with standards established by the Secretary of
6 Labor.

7 “(2) ELIGIBLE INDIVIDUAL.—In this section,
8 the term ‘eligible individual’ means an individual
9 who, for any week—

10 “(A) is unemployed or partially employed,
11 including self-employment;

12 “(B) is—

13 “(i) subject to paragraph (4), able to
14 work and available to work; and

15 “(ii) subject to paragraph (5), actively
16 seeking work;

17 “(C)(i) is at least 19 years of age (or at
18 least 18 years of age in the case of an indi-
19 vidual in foster care under the responsibility of
20 the State); or

21 “(ii) has earned a high school diploma or
22 its recognized equivalent; and

23 “(D) subject to paragraph (3), has an ad-
24 justed gross income for the most recently com-
25 pleted tax year that does not exceed the con-

1 tribution and benefit base as determined under
2 section 230 of the Social Security Act.

3 “(3) EXCEPTION TO AGI LIMITATION.—The re-
4 quirement under paragraph (2)(D) shall not apply to
5 an individual in a household if, in the past 6
6 months—

7 “(A) another member of such household
8 has been separated from employment;

9 “(B) the individual has become separated
10 or divorced from their spouse; or

11 “(C) another member of the individual’s
12 household has died.

13 “(4) ABLE TO WORK AND AVAILABLE TO
14 WORK.—

15 “(A) IN GENERAL.—For purposes of para-
16 graph (2)(B)(i), subject to subparagraph (B),
17 an individual shall be considered to be able to
18 work and available to work as long as any limit
19 on the individual’s ability to work or availability
20 to work does not constitute a withdrawal from
21 the labor market. For purposes of the preceding
22 sentence, an individual shall not be considered
23 to have withdrawn from the labor market if the
24 individual able to work and available to work
25 for 8 or more hours per week.

1 “(B) EXCEPTIONS.—A jobseeker allowance
2 shall not be denied to an otherwise eligible indi-
3 vidual for any week during which the individual
4 is not able to work and available for work be-
5 cause the individual—

6 “(i) is not available for work outside
7 of the locality of the individual’s residence;

8 “(ii) is not available for work during
9 hours when they are the primary caregiver
10 for a child or dependent;

11 “(iii) is attending a training course
12 with the approval of the State agency in
13 compliance with any regulations issued by
14 the Secretary of Labor;

15 “(iv) is appearing for jury duty before
16 any court under a lawfully issued sum-
17 mons;

18 “(v) has been temporarily laid off and
19 is available to work only for the employer
20 that has temporarily laid off the individual;
21 or

22 “(vi) is temporarily unable to work
23 due to illness or injury.

24 “(5) ACTIVELY SEEKING WORK.—

1 “(A) IN GENERAL.—For purposes of para-
2 graph (2)(B)(ii), subject to subparagraphs (B)
3 and (C), an individual shall be considered to be
4 actively seeking work if the individual—

5 “(i) engages in an active search for
6 employment that is appropriate in light of
7 the employment available in the labor mar-
8 ket and the individual’s skills and capabili-
9 ties, including a number of employer con-
10 tacts that is consistent with the standards
11 developed by the Secretary of Labor and
12 communicated to the individual;

13 “(ii) maintains a record of such work
14 search, including employers contacted,
15 method of contact, and date contacted;

16 “(iii) when requested, provides such
17 record to the State agency; and

18 “(iv) is registered for employment
19 services in such a manner and to such ex-
20 tent as prescribed by the Secretary of
21 Labor.

22 “(B) SPECIAL RULE FOR SELF-EMPLOY-
23 MENT.—In the case of an individual with a
24 work history that includes self-employment, the

1 individual may be considered actively seeking
2 work if the individual—

3 “(i) is engaged in activities (which
4 may include State-approved entrepre-
5 neurial training, business counseling, and
6 technical assistance) relating to resuming
7 self-employment that meet requirements
8 established by the Secretary of Labor;

9 “(ii) maintains a record of such activi-
10 ties; and

11 “(iii) when requested, provides such
12 record to the State agency.

13 “(C) EXCEPTIONS.—A jobseeker allowance
14 shall not be denied to an otherwise eligible indi-
15 vidual for any week during which the individual
16 is not actively seeking work because the indi-
17 vidual—

18 “(i) is attending a training course
19 with the approval of the State agency and
20 the Secretary of Labor;

21 “(ii) has been temporarily laid off
22 with a reasonable expectation they will re-
23 turn to work soon;

24 “(iii) has a specified start date for
25 new employment;

1 “(iv) is appearing for jury duty before
2 any court under a lawfully issued sum-
3 mons; or

4 “(v) has a compelling reason (as de-
5 fined in section 3304(g)).

6 “(6) MAY NOT REFUSE OFFER OF SUITABLE
7 WORK.—

8 “(A) IN GENERAL.—Subject to subpara-
9 graphs (B) and (C), an individual shall not be
10 eligible for a jobseeker allowance if the indi-
11 vidual refuses an offer of suitable work.

12 “(B) NONSUITABLE WORK.—Work shall
13 not be considered suitable work for an indi-
14 vidual if the work—

15 “(i) poses an unreasonable risk to the
16 individual’s health, safety, or morals;

17 “(ii) is not within the individual’s ex-
18 perience, training, or physical capability to
19 perform;

20 “(iii) is outside of the locality of the
21 individual’s residence or an unreasonable
22 distance from such residence; or

23 “(iv) meets other criteria established
24 by the Secretary of Labor.

1 “(C) EXCEPTIONS.—A jobseeker allowance
2 shall not be denied to an otherwise eligible indi-
3 vidual for any week for refusing an offer of
4 suitable work if—

5 “(i) the position offered is vacant due
6 directly to a strike, lockout, or other labor
7 dispute;

8 “(ii) the wages, hours, or other condi-
9 tions of the work offered are substantially
10 less favorable to the individual than those
11 prevailing for similar work in the locality;

12 “(iii) the position pays wages less
13 than the higher of—

14 “(I) the minimum wage provided
15 by section 6(a)(1) of the Fair Labor
16 Standards Act of 1938 (29 U.S.C.
17 206(a)(1)), without regard to any ex-
18 emption;

19 “(II) any applicable State or
20 local minimum wage;

21 “(iv) if as a condition of being em-
22 ployed the individual would be required to
23 join a company union or to resign from or
24 refrain from joining any bona fide labor
25 organization;

1 “(v) the position was not offered to
2 such individual in writing; or

3 “(vi) the work meets other criteria es-
4 tablished by the Secretary.

5 “(b) AMOUNT OF JOBSEEKER ALLOWANCE.—

6 “(1) AMOUNT.—

7 “(A) IN GENERAL.—Subject to the suc-
8 ceeding provisions of this subsection, the weekly
9 amount of a jobseeker allowance shall be an
10 amount equal to—

11 “(i) for 2021 and 2022, \$250; and

12 “(ii) for 2023 or a subsequent year,
13 the dollar amount specified in this sub-
14 paragraph for the preceding year increased
15 by the percentage change in the Consumer
16 Price Index for All Urban Consumers for
17 the 12-month period ending with June of
18 such preceding year.

19 “(B) ROUNDING.—If any amount deter-
20 mined under subparagraph (A)(ii) is not a mul-
21 tiple of \$1, such amount shall be rounded to the
22 nearest multiple of \$1.

23 “(2) REDUCED AMOUNT FOR INDIVIDUALS EX-
24 CLUSIVELY SEEKING PART-TIME WORK.—In the case
25 of an eligible individual who is available to work for

1 less than 20 hours per week, the amount of the job-
2 seeker allowance for such individual for a week shall
3 be equal to 50 percent of the jobseeker allowance
4 that would otherwise apply under paragraph (1) for
5 such week.

6 “(3) REDUCED AMOUNT FOR INDIVIDUALS RE-
7 CEIVING UNEMPLOYMENT BENEFITS.—In the case of
8 an eligible individual who is receiving unemployment
9 compensation under any State or Federal law for a
10 week, the amount of the jobseeker allowance for
11 such individual for such week (determined after ap-
12 plication of paragraph (2)) shall be reduced by the
13 amount of such regular compensation or extended
14 compensation for such week.

15 “(4) INCREASED AMOUNT FOR CERTAIN INDI-
16 VIDUALS IN STATES WITH ELEVATED UNEMPLOY-
17 MENT.—

18 “(A) IN GENERAL.—For weeks beginning
19 in an elevated unemployment period, in the case
20 of an eligible individual that meets the prior in-
21 come threshold described in subparagraph (C),
22 the amount of the jobseeker allowance for such
23 individual for the week (determined after the
24 application of paragraphs (2) and (3)) shall be
25 increased by an amount equal to—

1 “(i) the lesser of—

2 “(I) an amount equal to 1.4 per-
3 cent of the amount of the individual’s
4 earned income for the most recently
5 completed tax year (or the imme-
6 diately preceding tax year, if the indi-
7 vidual has not filed a return of tax for
8 the most recently completed tax
9 year)’; or

10 “(II) two-thirds of the State’s av-
11 erage weekly wage (as determined by
12 the Secretary of Labor); reduced by

13 “(ii) the amount of the jobseeker al-
14 lowance for such individual for such week
15 (determined after application of para-
16 graphs (2) and (3)); reduced by

17 “(iii) the amount of any reduction of
18 the jobseeker allowance for such individual
19 for such week pursuant to paragraph (3).

20 “(B) ELEVATED UNEMPLOYMENT PE-
21 RIOD.—For purposes of subparagraph (A), the
22 term ‘elevated unemployment period’ means any
23 period during which an extended benefit period
24 would be in effect under subsection (f), (g), (h),
25 or (i) of section 203 of the Federal-State Ex-

1 tended Unemployment Compensation Act of
2 1970 (26 U.S.C. 3304 note) if such subsection
3 was applied by substituting ‘7.5 percent’ for
4 ‘5.5 percent’.

5 “(C) PRIOR INCOME THRESHOLD.—

6 “(i) IN GENERAL.—For purposes of
7 subparagraph (A), an eligible individual
8 meets the prior income threshold described
9 in this subparagraph for a week if—

10 “(I) the individual’s earned in-
11 come for the most recently completed
12 tax year was equal to or greater than
13 \$10,000; and

14 “(II) the individual provides such
15 documentation of prior earned income
16 as the Secretary determines appro-
17 priate, such as, but not limited to, tax
18 returns, Form W-2s, Form 1099s,
19 and pay stubs.

20 “(ii) INFLATION ADJUSTMENT.—

21 “(I) IN GENERAL.—In the case
22 of any taxable year beginning in a cal-
23 endar year after 2023, the dollar
24 amount in clause (i)(I) shall be in-
25 creased by an amount equal to—

1 “(aa) such dollar amount;
2 multiplied by

3 “(bb) the cost-of-living ad-
4 justment determined under sec-
5 tion 1(f)(3) for the calendar year
6 in which the taxable year begins,
7 determined by substituting ‘cal-
8 endar year 2020’ for ‘calendar
9 year 2016’ in subparagraph
10 (A)(ii) thereof.

11 “(II) ROUNDING.—Any increase
12 determined under subclause (I) shall
13 be rounded to the nearest multiple of
14 \$100 in the case of an adjustment of
15 the amount in subsection (a)(1).

16 “(D) EARNED INCOME.—In this para-
17 graph, the term ‘earned income’ has the mean-
18 ing given that term in section 32(c)(2) of the
19 Internal Revenue Code of 1986.

20 “(5) EARNINGS DISREGARD.—

21 “(A) IN GENERAL.—Subject to subpara-
22 graph (B), an individual may earn up to 100
23 percent of the amount of the individual’s weekly
24 jobseeker allowance without losing eligibility for
25 the weekly jobseeker allowance.

1 “(B) REDUCTION.—In the case of an indi-
2 vidual who is not receiving regular compensa-
3 tion or extended compensation under any State
4 of Federal law with respect to a week, if the in-
5 dividual’s earnings are greater than $\frac{1}{4}$ of the
6 amount of the individual’s weekly jobseeker al-
7 lowance (determined after application of para-
8 graphs (2), (3), and (4)) for the week, the
9 amount of the individual’s weekly jobseeker al-
10 lowance (as so determined) for the week shall
11 be reduced by 75 cents for each dollar earned
12 above $\frac{1}{4}$ of the amount of the individual’s
13 weekly jobseeker allowance (as so determined).

14 “(c) JOBSEEKER ALLOWANCE ACCOUNT.—

15 “(1) IN GENERAL.—A State shall establish, for
16 each eligible individual who files an application for
17 a jobseeker allowance, a jobseeker allowance ac-
18 count.

19 “(2) MAXIMUM AMOUNT.—The maximum
20 amount of a jobseeker allowance payable to any indi-
21 vidual for whom a jobseeker allowance account is es-
22 tablished under paragraph (1) may not exceed the
23 amount established in such account for such indi-
24 vidual.

1 “(3) BASE-TIER JOBSEEKER ALLOWANCE.—The
2 amount established in an account under paragraph
3 (1) shall be equal to 26 times the amount of the
4 weekly jobseeker allowance (as determined under
5 subsection (b), taking into account the application of
6 paragraph (4) of such subsection but not taking into
7 account the application of paragraphs (2), (3), and
8 (5) of such subsection). Such amount shall be re-
9 ferred to in this section as the ‘base-tier jobseeker
10 allowance’.

11 “(4) FIRST-TIER JOBSEEKER ALLOWANCE.—

12 “(A) IN GENERAL.—If, at the time that
13 the amount added to an individual’s account
14 under paragraph (3) is exhausted, or at any
15 time during the individual’s benefit year, such
16 individual’s State is in an extended benefit pe-
17 riod under section 203(d) of the Federal-State
18 Extended Unemployment Compensation Act of
19 1970 (26 U.S.C. 3304 note), such account shall
20 be augmented by an amount (in this section re-
21 ferred to as ‘first tier jobseeker allowance’)
22 equal to 13 times the amount of the weekly job-
23 seeker allowance (as determined under sub-
24 section (b), taking into account the application
25 of paragraph (4) of such subsection but not

1 taking into account the application of para-
2 graphs (2), (3), and (5) of such subsection).

3 “(B) LIMITATION.—The account of an in-
4 dividual may be augmented not more than once
5 under this paragraph.

6 “(5) SECOND-TIER ADDITIONAL JOBSEEKER
7 ALLOWANCE.—

8 “(A) IN GENERAL.—If, at the time that
9 the amount added to an individual’s account
10 under paragraph (4) is exhausted, or at any
11 time during the individual’s benefit year, such
12 individual’s State is in a second-tier high unem-
13 ployment period under section 202(b)(3)(B)(i)
14 of the Federal-State Extended Unemployment
15 Compensation Act of 1970 (26 U.S.C. 3304
16 note), such account shall be augmented by an
17 amount (in this section referred to as ‘second-
18 tier jobseeker allowance’) equal to 13 times the
19 amount of the weekly jobseeker allowance (as
20 determined under subsection (b), taking into
21 account the application of paragraph (4) of
22 such subsection but not taking into account the
23 application of paragraphs (2), (3), and (5) of
24 such subsection).

1 “(B) LIMITATION.—The account of an in-
2 dividual may be augmented not more than once
3 under this paragraph.

4 “(6) THIRD-TIER ADDITIONAL JOBSEEKER AL-
5 LOWANCE.—

6 “(A) IN GENERAL.—If, at the time that
7 the amount added to an individual’s account
8 under paragraph (5) is exhausted, or at any
9 time during the individual’s benefit year, such
10 individual’s State is in a third-tier high unem-
11 ployment period under section 202(b)(3)(B)(ii)
12 of the Federal-State Extended Unemployment
13 Compensation Act of 1970 (26 U.S.C. 3304
14 note), such account shall be augmented by an
15 amount (in this section referred to as ‘third-tier
16 jobseeker allowance’) equal to 13 times the
17 amount of the weekly jobseeker allowance (as
18 determined under subsection (b), taking into
19 account the application of paragraph (4) of
20 such subsection but not taking into account the
21 application of paragraphs (2), (3), and (5) of
22 such subsection).

23 “(B) LIMITATION.—The account of an in-
24 dividual may be augmented not more than once
25 under this paragraph.

1 “(7) FOURTH-TIER ADDITIONAL JOBSEEKER
2 ALLOWANCE.—

3 “(A) IN GENERAL.—If, at the time that
4 the amount added to an individual’s account
5 under paragraph (6) is exhausted, or at any
6 time during the individual’s benefit year, such
7 individual’s State is in a fourth-tier high unem-
8 ployment period under section 202(b)(3)(B)(iii)
9 of the Federal-State Extended Unemployment
10 Compensation Act of 1970 (26 U.S.C. 3304
11 note), such account shall be augmented by an
12 amount (in this section referred to as ‘fourth-
13 tier jobseeker allowance’) equal to 13 times the
14 amount of the weekly jobseeker allowance (as
15 determined under subsection (b), taking into
16 account the application of paragraph (4) of
17 such subsection but not taking into account the
18 application of paragraphs (2), (3), and (5) of
19 such subsection).

20 “(B) LIMITATION.—The account of an in-
21 dividual may be augmented not more than once
22 under this paragraph.

23 “(d) PAYMENTS TO STATES.—

24 “(1) IN GENERAL.—

1 “(A) FULL REIMBURSEMENT.—There shall
2 be paid to each State an amount equal to 100
3 percent of—

4 “(i) the total amount of jobseeker al-
5 lowances paid to individuals by the State
6 pursuant to this section; and

7 “(ii) any additional administrative ex-
8 penses incurred by the State by reason of
9 making such payments (as determined by
10 the Secretary of Labor).

11 “(B) TERMS OF PAYMENTS.—Sums pay-
12 able to any State under this section shall be
13 payable, either in advance or by way of reim-
14 bursement (as determined by the Secretary of
15 Labor), in such amounts as the Secretary of
16 Labor estimates the State will be entitled to re-
17 ceive under this section for each calendar
18 month, reduced or increased, as the case may
19 be, by any amount by which the Secretary of
20 Labor finds that the Secretary’s estimates for
21 any prior calendar month were greater or less
22 than the amounts that should have been paid to
23 the State. Such estimates may be made on the
24 basis of such statistical, sampling, or other
25 method as may be agreed upon by the Secretary

1 of Labor and the State agency of the State in-
2 volved.

3 “(2) CERTIFICATIONS.—The Secretary of
4 Labor shall from time to time certify to the Sec-
5 retary of the Treasury for payment to each State the
6 sums payable to such State under this section.

7 “(3) DEPOSIT.—Sums payable to any State
8 under this section shall be deposited in the account
9 of such State in the Unemployment Trust Fund.
10 Amounts deposited under preceding sentence may
11 only be used by the State for the payment of job-
12 seeker allowances under this section.

13 “(4) FUNDING.—There are appropriated from
14 the general fund of the Treasury, without fiscal year
15 limitation, such sums as may be necessary for pur-
16 poses of this section.

17 “(e) FRAUD AND OVERPAYMENTS.—

18 “(1) IN GENERAL.—If an individual knowingly
19 has made, or caused to be made by another, a false
20 statement or representation of a material fact, or
21 knowingly has failed, or caused another to fail, to
22 disclose a material fact, and as a result of such false
23 statement or representation or of such nondisclosure
24 such individual has received an amount of jobseeker

1 allowances to which such individual was not entitled,
2 such individual—

3 “(A) shall be ineligible for further job-
4 seeker allowances in accordance with the provi-
5 sions of the applicable State unemployment
6 compensation law relating to fraud in connec-
7 tion with a claim for unemployment compensa-
8 tion; and

9 “(B) shall be subject to prosecution under
10 section 1001 of title 18, United States Code.

11 “(2) REPAYMENT.—In the case of individuals
12 who have received amounts of jobseeker allowances
13 to which they were not entitled, the State shall re-
14 quire such individuals to repay the amounts of such
15 jobseeker allowances to the State agency, except that
16 the State agency shall waive such repayment if it de-
17 termines that—

18 “(A) the payment of such jobseeker allow-
19 ance was without fault on the part of any such
20 individual; and

21 “(B) such repayment would be contrary to
22 equity and good conscience.

23 “(3) RECOVERY BY STATE AGENCY.—

24 “(A) IN GENERAL.—The State agency may
25 recover the amount to be repaid, or any part

1 thereof, by deductions from any jobseeker al-
2 lowance payable to such individual or from any
3 unemployment compensation payable to such
4 individual under any State or Federal unem-
5 ployment compensation law administered by the
6 State agency or under any other State or Fed-
7 eral law administered by the State agency
8 which provides for the payment of any assist-
9 ance or allowance with respect to any week of
10 unemployment, during the 3-year period after
11 the date such individual received the payment
12 of the jobseeker allowance to which they were
13 not entitled, in accordance with the same proce-
14 dures as apply to the recovery of overpayments
15 of regular unemployment benefits paid by the
16 State.

17 “(B) OPPORTUNITY FOR HEARING.—No
18 repayment shall be required, and no deduction
19 shall be made, until a determination has been
20 made, notice thereof and an opportunity for a
21 fair hearing has been given to the individual,
22 and the determination has become final.

23 “(4) REVIEW.—Any determination by a State
24 agency under this section shall be subject to review
25 in the same manner and to the same extent as deter-

1 minations under the State unemployment compensa-
2 tion law, and only in that manner and to that ex-
3 tent.

4 “(5) DEPOSIT IN STATE UNEMPLOYMENT
5 FUND.—Any amount recovered by a State agency
6 pursuant to this section shall be deposited in the ac-
7 count of such State in the Unemployment Trust
8 Fund. Amounts deposited under preceding sentence
9 may only be used by the State for the payment of
10 jobseeker allowances under this section.

11 “(f) PAYMENT TO BE DISREGARDED FOR PURPOSES
12 OF ALL FEDERAL AND FEDERALLY ASSISTED PRO-
13 GRAMS.—A jobseeker allowance payment shall not be re-
14 garded as income and shall not be regarded as a resource
15 for the month of receipt and the following 12 months, for
16 purposes of determining the eligibility of the recipient (or
17 the recipient’s spouse or family) for benefits or assistance,
18 or the amount or extent of benefits or assistance, under
19 any Federal program or under any State or local program
20 financed in whole or in part with Federal funds.

21 “(g) REGULATIONS.—Not later than 3 months after
22 the date of enactment of this section, the Secretary of
23 Labor shall issue regulations to carry out this section.”.

24 (b) PERMISSIBLE USE OF FUNDS.—

1 (1) INTERNAL REVENUE CODE OF 1986.—Sec-
2 tion 3304(a)(4) of the Internal Revenue Code of
3 1986 is amended—

4 (A) in subparagraph (F), by striking
5 “and” at the end;

6 (B) in subparagraph (G)(ii), by inserting
7 “and” at the end; and

8 (C) by adding at the end the following:

9 “(H) amounts may be withdrawn for the
10 payment of jobseeker allowances under section
11 3304A;”.

12 (2) SOCIAL SECURITY ACT.—Section 303(a)(5)
13 of the Social Security Act is amended by striking “;
14 and” at the end and inserting “: *Provided further,*
15 That amounts may be withdrawn for the payment of
16 jobseeker allowances under section 3304A; and”.

17 (c) CONFORMING AMENDMENT.—The table of sec-
18 tions for chapter 23 of the Internal Revenue Code of 1986
19 is amended inserting after the item relating to section
20 3304 the following new item:

 “Sec. 3304A. Jobseeker allowance.”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to weeks of unemployment begin-
23 ning on or after the earlier of—

1 (1) the date the State changes its statutes, reg-
2 ulations, or policies in order to comply with such
3 amendments; or

4 (2) January 1, 2023.

5 **SEC. 216. DEPENDENTS' ALLOWANCE.**

6 (a) IN GENERAL.—Chapter 23 of the Internal Rev-
7 enue Code of 1986 is amended—

8 (1) in section 3304(a), as previously amended
9 by this Act—

10 (A) in paragraph (34), by striking “and”
11 at the end;

12 (B) by redesignating paragraph (35) as
13 paragraph (36); and

14 (C) by inserting after paragraph (34) the
15 following new paragraph:

16 “(35) payment of dependents’ allowances shall
17 be paid pursuant to section 3304B; and”; and

18 (2) by inserting after section 3304A, as added
19 by section 215, the following new section:

20 **“SEC. 3304B. DEPENDENTS' ALLOWANCE.**

21 **“(a) DEPENDENTS' ALLOWANCE.—**

22 **“(1) ALLOWANCE.—**

23 **“(A) IN GENERAL.—**Subject to the suc-
24 ceeding provisions of this section, for purposes
25 of section 3304(a)(35), a State shall provide, in

1 the case of any individual who is entitled to re-
2 ceive unemployment compensation and who has
3 any dependents, a dependents' allowance in an
4 amount equal to the amount specified in sub-
5 paragraph (B) per dependent per week.

6 “(B) AMOUNT SPECIFIED.—

7 “(i) IN GENERAL.—The amount speci-
8 fied in this subparagraph is an amount
9 equal to—

10 “(I) for 2021 and 2022, \$25;

11 and

12 “(II) for 2023 or a subsequent
13 year, the dollar amount specified in
14 this subparagraph for the preceding
15 year increased by the percentage
16 change in the Consumer Price Index
17 for All Urban Consumers for the 12-
18 month period ending with June of
19 such preceding year.

20 “(ii) ROUNDING.—If any amount de-
21 termined under clause (i)(II) is not a mul-
22 tiple of \$1, such amount shall be rounded
23 to the nearest multiple of \$1.

24 “(2) DEPENDENT DEFINED.—In this section,
25 the term ‘dependent’ shall have the meaning given

1 that term under State law, except that such term
2 shall include—

3 “(A) any child in the care of the individual
4 who is under the age of 18, including natural
5 a child, an adopted child, and a step-child;

6 “(B) any child, including stepchild, natural
7 child, or adopted child, who, prior to enrollment
8 as full-time student, was in the care of the indi-
9 vidual seeking benefits, so long as the child re-
10 main enrolled as a full-time student and is
11 under the age of 24;

12 “(C) an immediate family member with a
13 disability who is in the care of the individual or
14 their household, regardless of whether or not
15 the family member resides in the individual’s
16 household;

17 “(D) a nonworking senior family member
18 living in the household of the individual;

19 “(E) a nonworking spouse who is not re-
20 ceiving unemployment compensation; and

21 “(F) other individuals determined appro-
22 priate by the Secretary of Labor.

23 “(b) PAYMENTS TO STATES.—

24 “(1) IN GENERAL.—

1 “(A) FULL REIMBURSEMENT.—There shall
2 be paid to each State an amount equal to 100
3 percent of—

4 “(i) the total amount of dependents’
5 allowances paid to individuals by the State
6 pursuant to this section; and

7 “(ii) any additional administrative ex-
8 penses incurred by the State by reason of
9 making such payments (as determined by
10 the Secretary of Labor).

11 “(B) TERMS OF PAYMENTS.—Sums pay-
12 able to any State under this section shall be
13 payable, either in advance or by way of reim-
14 bursement (as determined by the Secretary of
15 Labor), in such amounts as the Secretary of
16 Labor estimates the State will be entitled to re-
17 ceive under this section for each calendar
18 month, reduced or increased, as the case may
19 be, by any amount by which the Secretary of
20 Labor finds that the Secretary’s estimates for
21 any prior calendar month were greater or less
22 than the amounts that should have been paid to
23 the State. Such estimates may be made on the
24 basis of such statistical, sampling, or other
25 method as may be agreed upon by the Secretary

1 of Labor and the State agency of the State in-
2 volved.

3 “(2) CERTIFICATIONS.—The Secretary of
4 Labor shall from time to time certify to the Sec-
5 retary of the Treasury for payment to each State the
6 sums payable to such State under this section.

7 “(3) DEPOSIT.—Sums payable to any State
8 under this section shall be deposited in the account
9 of such State in the Unemployment Trust Fund.
10 Amounts deposited under preceding sentence may
11 only be used by the State for the payment of de-
12 pendents’ allowances under this section.

13 “(4) FUNDING.—There are appropriated from
14 the general fund of the Treasury, without fiscal year
15 limitation, such sums as may be necessary for pur-
16 poses of this section.

17 “(c) FRAUD AND OVERPAYMENTS.—

18 “(1) IN GENERAL.—If an individual knowingly
19 has made, or caused to be made by another, a false
20 statement or representation of a material fact, or
21 knowingly has failed, or caused another to fail, to
22 disclose a material fact, and as a result of such false
23 statement or representation or of such nondisclosure
24 such individual has received an amount of depend-

1 ents' allowances to which such individual was not en-
2 titled, such individual—

3 “(A) shall be ineligible for further depend-
4 ents' allowances in accordance with the provi-
5 sions of the applicable State unemployment
6 compensation law relating to fraud in connec-
7 tion with a claim for unemployment compensa-
8 tion; and

9 “(B) shall be subject to prosecution under
10 section 1001 of title 18, United States Code.

11 “(2) REPAYMENT.—In the case of individuals
12 who have received amounts of dependents' allow-
13 ances to which they were not entitled, the State shall
14 require such individuals to repay the amounts of
15 such dependents' allowances to the State agency, ex-
16 cept that the State agency shall waive such repay-
17 ment if it determines that—

18 “(A) the payment of such dependents' al-
19 lowances was without fault on the part of any
20 such individual; and

21 “(B) such repayment would be contrary to
22 equity and good conscience.

23 “(3) RECOVERY BY STATE AGENCY.—

24 “(A) IN GENERAL.—The State agency may
25 recover the amount to be repaid, or any part

1 thereof, by deductions from any dependents' al-
2 lowances payable to such individual or from any
3 unemployment compensation payable to such
4 individual under any State or Federal unem-
5 ployment compensation law administered by the
6 State agency or under any other State or Fed-
7 eral law administered by the State agency
8 which provides for the payment of any assist-
9 ance or allowance with respect to any week of
10 unemployment, during the 3-year period after
11 the date such individual received the payment
12 of the dependents' allowances to which they
13 were not entitled, in accordance with the same
14 procedures as apply to the recovery of overpay-
15 ments of regular unemployment benefits paid
16 by the State.

17 “(B) OPPORTUNITY FOR HEARING.—No
18 repayment shall be required, and no deduction
19 shall be made, until a determination has been
20 made, notice thereof and an opportunity for a
21 fair hearing has been given to the individual,
22 and the determination has become final.

23 “(4) REVIEW.—Any determination by a State
24 agency under this section shall be subject to review
25 in the same manner and to the same extent as deter-

1 minations under the State unemployment compensa-
2 tion law, and only in that manner and to that ex-
3 tent.

4 “(5) DEPOSIT IN STATE UNEMPLOYMENT
5 FUND.—Any amount recovered by a State agency
6 pursuant to this section shall be deposited in the ac-
7 count of such State in the Unemployment Trust
8 Fund. Amounts deposited under preceding sentence
9 may only be used by the State for the payment of
10 dependents’ allowances under this section.

11 “(d) PAYMENT TO BE DISREGARDED FOR PURPOSES
12 OF ALL FEDERAL AND FEDERALLY ASSISTED PRO-
13 GRAMS.—A dependents’ allowance payment shall not be
14 regarded as income and shall not be regarded as a re-
15 source for the month of receipt and the following 12
16 months, for purposes of determining the eligibility of the
17 recipient (or the recipient’s spouse or family) for benefits
18 or assistance, or the amount or extent of benefits or assist-
19 ance, under any Federal program or under any State or
20 local program financed in whole or in part with Federal
21 funds.

22 “(e) REGULATIONS.—Not later than 3 months after
23 the date of enactment of this section, the Secretary of
24 Labor shall issue regulations to carry out this section.”.

25 (b) PERMISSIBLE USE OF FUNDS.—

1 (1) INTERNAL REVENUE CODE OF 1986.—Sec-
2 tion 3304(a)(4) of the Internal Revenue Code of
3 1986, as amended by section 215, is amended—

4 (A) in subparagraph (G)(ii), by striking
5 “and” at the end;

6 (B) in subparagraph (H), by inserting
7 “and” at the end; and

8 (C) by adding at the end the following:

9 “(I) amounts may be withdrawn for the
10 payment of dependents’ allowances under sec-
11 tion 3304B;”.

12 (2) SOCIAL SECURITY ACT.—Section 303(a)(5)
13 of the Social Security Act, as amended by section
14 215, is amended by striking “; and” at the end and
15 inserting “: *Provided further*, That amounts may be
16 withdrawn for the payment of dependents’ allow-
17 ances under section 3304B; and”.

18 (c) CONFORMING AMENDMENT.—The table of sec-
19 tions for chapter 23 of the Internal Revenue Code of 1986,
20 as amended by section 215, is amended inserting after the
21 item relating to section 3304A the following new item:

“Sec. 3304B. Dependents’ allowance.”.

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to weeks of unemployment begin-
24 ning on or after the earlier of—

1 (1) the date the State changes its statutes, reg-
2 ulations, or policies in order to comply with such
3 amendments; or

4 (2) January 1, 2023.

5 **SEC. 217. EMERGENCY ENHANCED UNEMPLOYMENT COM-**
6 **PENSATION.**

7 (a) IN GENERAL.—Chapter 23 of the Internal Rev-
8 enue Code of 1986 is amended—

9 (1) in section 3304(a), as previously amended
10 by this Act—

11 (A) in paragraph (20), by inserting “, sub-
12 ject to paragraph (36) and section 3304C,”
13 after “benefit amount is”;

14 (B) in paragraph (35), by striking “and”
15 at the end;

16 (C) by redesignating paragraph (36) as
17 paragraph (37); and

18 (D) by inserting after paragraph (35) the
19 following new paragraph:

20 “(36) payment of emergency enhanced unem-
21 ployment compensation shall be paid pursuant to
22 section 3304C; and”; and

23 (2) by inserting after section 3304B, as added
24 by section 216, the following new section:

1 **“SEC. 3304C. EMERGENCY ENHANCED UNEMPLOYMENT**
2 **COMPENSATION.**

3 “(a) COMPENSATION.—

4 “(1) IN GENERAL.—Subject to the succeeding
5 provisions of this section, for purposes of section
6 3304(a)(36), during an emergency period with re-
7 spect to a State, section 3304(a)(20) shall be ap-
8 plied with respect to the State by substituting ‘equal
9 to 100 percent’ for ‘at least equal to 75 percent’.
10 The additional amount an individual receives pursu-
11 ant to the application of the preceding sentence shall
12 be referred to as ‘emergency enhanced unemploy-
13 ment compensation’.

14 “(2) EMERGENCY PERIOD.—For purposes of
15 paragraph (1), the term ‘emergency period’ means,
16 with respect to a State, any period during which—

17 “(A) a public health emergency has been
18 declared under section 319 of the Public Health
19 Service Act with respect to the State (including
20 a nationwide emergency); or

21 “(B) a major disaster or emergency has
22 been declared by the President under section
23 401 or 501, respectively, of the Robert T. Staf-
24 ford Disaster Relief and Emergency Assistance
25 Act (42 U.S.C. 5170, 5191).

26 “(b) PAYMENTS TO STATES.—

1 “(1) IN GENERAL.—

2 “(A) FULL REIMBURSEMENT.—There shall
3 be paid to each State an amount equal to 100
4 percent of—

5 “(i) the total amount of emergency
6 enhanced unemployment compensation
7 paid to individuals by the State pursuant
8 to this section; and

9 “(ii) any additional administrative ex-
10 penses incurred by the State by reason of
11 making such payments (as determined by
12 the Secretary of Labor).

13 “(B) TERMS OF PAYMENTS.—Sums pay-
14 able to any State under this section shall be
15 payable, either in advance or by way of reim-
16 bursement (as determined by the Secretary of
17 Labor), in such amounts as the Secretary of
18 Labor estimates the State will be entitled to re-
19 ceive under this section for each calendar
20 month, reduced or increased, as the case may
21 be, by any amount by which the Secretary of
22 Labor finds that the Secretary’s estimates for
23 any prior calendar month were greater or less
24 than the amounts that should have been paid to
25 the State. Such estimates may be made on the

1 basis of such statistical, sampling, or other
2 method as may be agreed upon by the Secretary
3 of Labor and the State agency of the State in-
4 volved.

5 “(2) CERTIFICATIONS.—The Secretary of
6 Labor shall from time to time certify to the Sec-
7 retary of the Treasury for payment to each State the
8 sums payable to such State under this section.

9 “(3) DEPOSIT.—Sums payable to any State
10 under this section shall be deposited in the account
11 of such State in the Unemployment Trust Fund.
12 Amounts deposited under preceding sentence may
13 only be used by the State for the payment of emer-
14 gency enhanced unemployment compensation under
15 this section.

16 “(4) FUNDING.—There are appropriated from
17 the general fund of the Treasury, without fiscal year
18 limitation, such sums as may be necessary for pur-
19 poses of this section.

20 “(c) FRAUD AND OVERPAYMENTS.—

21 “(1) IN GENERAL.—If an individual knowingly
22 has made, or caused to be made by another, a false
23 statement or representation of a material fact, or
24 knowingly has failed, or caused another to fail, to
25 disclose a material fact, and as a result of such false

1 statement or representation or of such nondisclosure
2 such individual has received an amount of emer-
3 gency enhanced unemployment compensation to
4 which such individual was not entitled, such indi-
5 vidual—

6 “(A) shall be ineligible for further emer-
7 gency enhanced unemployment compensation in
8 accordance with the provisions of the applicable
9 State unemployment compensation law relating
10 to fraud in connection with a claim for unem-
11 ployment compensation; and

12 “(B) shall be subject to prosecution under
13 section 1001 of title 18, United States Code.

14 “(2) REPAYMENT.—In the case of individuals
15 who have received amounts of emergency enhanced
16 unemployment compensation to which they were not
17 entitled, the State shall require such individuals to
18 repay the amounts of such emergency enhanced un-
19 employment compensation to the State agency, ex-
20 cept that the State agency shall waive such repay-
21 ment if it determines that—

22 “(A) the payment of such emergency en-
23 hanced unemployment compensation was with-
24 out fault on the part of any such individual;
25 and

1 “(B) such repayment would be contrary to
2 equity and good conscience.

3 “(3) RECOVERY BY STATE AGENCY.—

4 “(A) IN GENERAL.—The State agency may
5 recover the amount to be repaid, or any part
6 thereof, by deductions from any emergency en-
7 hanced unemployment compensation payable to
8 such individual or from any unemployment
9 compensation payable to such individual under
10 any State or Federal unemployment compensa-
11 tion law administered by the State agency or
12 under any other State or Federal law adminis-
13 tered by the State agency which provides for
14 the payment of any assistance or allowance with
15 respect to any week of unemployment, during
16 the 3-year period after the date such individual
17 received the payment of the emergency en-
18 hanced unemployment compensation to which
19 they were not entitled, in accordance with the
20 same procedures as apply to the recovery of
21 overpayments of regular unemployment benefits
22 paid by the State.

23 “(B) OPPORTUNITY FOR HEARING.—No
24 repayment shall be required, and no deduction
25 shall be made, until a determination has been

1 made, notice thereof and an opportunity for a
2 fair hearing has been given to the individual,
3 and the determination has become final.

4 “(4) REVIEW.—Any determination by a State
5 agency under this section shall be subject to review
6 in the same manner and to the same extent as deter-
7 minations under the State unemployment compensa-
8 tion law, and only in that manner and to that ex-
9 tent.

10 “(5) DEPOSIT IN STATE UNEMPLOYMENT
11 FUND.—Any amount recovered by a State agency
12 pursuant to this section shall be deposited in the ac-
13 count of such State in the Unemployment Trust
14 Fund. Amounts deposited under preceding sentence
15 may only be used by the State for the payment of
16 emergency enhanced unemployment compensation
17 under this section.

18 “(d) PAYMENT TO BE DISREGARDED FOR PURPOSES
19 OF ALL FEDERAL AND FEDERALLY ASSISTED PRO-
20 GRAMS.—A emergency enhanced unemployment com-
21 pensation payment shall not be regarded as income and
22 shall not be regarded as a resource for the month of re-
23 ceipt and the following 12 months, for purposes of deter-
24 mining the eligibility of the recipient (or the recipient’s
25 spouse or family) for benefits or assistance, or the amount

1 or extent of benefits or assistance, under any Federal pro-
2 gram or under any State or local program financed in
3 whole or in part with Federal funds.

4 “(e) REGULATIONS.—Not later than 3 months after
5 the date of enactment of this section, the Secretary of
6 Labor shall issue regulations to carry out this section.”.

7 (b) CONFORMING AMENDMENT.—The table of sec-
8 tions for chapter 23 of the Internal Revenue Code of 1986,
9 as amended by section 216, is amended inserting after the
10 item relating to section 3304B the following new item:

“Sec. 3304C. Emergency enhanced unemployment compensation.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to weeks of unemployment begin-
13 ning on or after the earlier of—

14 (1) the date the State changes its statutes, reg-
15 ulations, or policies in order to comply with such
16 amendments; or

17 (2) January 1, 2023.

18 **TITLE III—MODERNIZATION OF**
19 **UNEMPLOYMENT INSURANCE**
20 **TECHNOLOGY**

21 **SEC. 301. MODERNIZATION OF TECHNOLOGY FOR DELIV-**
22 **ERING UNEMPLOYMENT COMPENSATION.**

23 Title IX of the Social Security Act is amended by
24 adding at the end the following:

1 **“SEC. 912. MODERNIZATION OF TECHNOLOGY FOR DELIV-**
2 **ERING UNEMPLOYMENT COMPENSATION.**

3 “(a) ESTABLISHMENT.—

4 “(1) IN GENERAL.—Not later than 2 years
5 after the date of enactment of this section, the Sec-
6 retary shall develop, operate, and maintain a mod-
7 ular set of technology capabilities to modernize the
8 delivery of unemployment compensation, including
9 the delivery of jobseeker allowances under section
10 3304A of the Internal Revenue Code of 1986, (in
11 this section referred to as the ‘technology capabili-
12 ties’).

13 “(2) PURPOSES.—The purposes of developing
14 the technology capabilities are the following:

15 “(A) For such capabilities to be utilized
16 for any Federal administrative function associ-
17 ated with the provision of unemployment com-
18 pensation.

19 “(B) To provide States with modular, open
20 system technology capabilities and shared serv-
21 ices to administer their unemployment com-
22 pensation programs.

23 “(3) CONSULTATION.—In developing, operating,
24 and maintaining the technology capabilities under
25 paragraph (1), the Secretary shall—

1 “(A) coordinate with the Administrator;
2 and

3 “(B) consult, design, and conduct usability
4 testing with—

5 “(i) current and former claimants;

6 “(ii) employers that participate in un-
7 employment compensation programs;

8 “(iii) employees of State workforce
9 agencies;

10 “(iv) experts in technology and user
11 experience;

12 “(v) Federal administrators of unem-
13 ployment compensation;

14 “(vi) any other potential user of the
15 technology capabilities; and

16 “(vii) subject matter experts as
17 deemed appropriate by the Secretary.

18 “(b) REQUIREMENTS.—

19 “(1) IN GENERAL.—The technology capabilities
20 shall—

21 “(A) incorporate a modular open systems
22 approach and include modular components for
23 each function necessary to administer an unem-
24 ployment compensation program, including—

1 “(i) receiving, processing, and paying
2 claims for unemployment compensation, in-
3 cluding disaster benefits;

4 “(ii) online claim filing;

5 “(iii) the determination of claimant
6 eligibility;

7 “(iv) the collection of unemployment
8 taxes;

9 “(v) the submission of employer wage
10 records;

11 “(vi) the appeals and adjudication
12 processes for claimants and employers;

13 “(vii) sharing relevant data among
14 States and the Secretary; and

15 “(viii) any other functionality that ad-
16 dresses the issues and goals identified dur-
17 ing the pre-development study described in
18 subsection (c)(1);

19 “(B) comply with best practices and stand-
20 ards for privacy and cybersecurity, including
21 digital identity proofing services, identified in
22 consultation with the Director of the National
23 Institute of Standards and Technology (NIST)
24 and the Director of the Cybersecurity and In-
25 frastructure Security Agency (CISA);

1 “(C) prioritize end-to-end user experience
2 for claimants, employers, and administrators of
3 unemployment compensation programs;

4 “(D) include centralized Federal tech-
5 nology capabilities that allow for the storage,
6 exposure, and exchange of data required by
7 States to administer their unemployment com-
8 pensation programs (with the respective States
9 retaining possession of such data without re-
10 gard to the storage, exposure, or exchange of
11 such data in the Federal technology capabili-
12 ties);

13 “(E) provide States with the option to use
14 only some of the modular components of the
15 Federal technology capabilities while continuing
16 to utilize State technology capabilities to store
17 any data required to administer their unemploy-
18 ment compensation program in a State data-
19 base, provided that the State database meets
20 any guidelines established by the Secretary that
21 enable machine-to-machine interfaces to facili-
22 tate communication among States and between
23 such State and the Federal Government;

24 “(F) allow States to easily adapt the mod-
25 ular components of the Federal technology ca-

1 pabilities to meet the requirements of their
2 unique unemployment compensation programs;

3 “(G) ensure the timely and accurate pay-
4 ment of benefits, including measures to mini-
5 mize susceptibility to attacks by organized
6 criminal networks seeking to defraud State or
7 Federal unemployment compensation programs;
8 and

9 “(H) to the extent practicable, be made
10 available (along with any associated data pro-
11 duced under this section) to support other
12 interagency and intergovernmental activities as
13 appropriate.

14 “(2) ACCESSIBILITY REQUIREMENTS FOR ON-
15 LINE CLAIM FILING.—With respect to the online
16 claim filing component described in paragraph
17 (1)(A)(ii), such component shall—

18 “(A) ensure that the process of filing ini-
19 tial and continuing claims for unemployment
20 compensation can be readily understood and ac-
21 complished by the vast majority of claimants,
22 including individuals with limited English pro-
23 ficiency, individuals with disabilities (in compli-
24 ance with section 508 of the Rehabilitation Act

1 of 1973 (29 U.S.C. 794d)), older individuals,
2 and individuals with literacy challenges;

3 “(B) be available in any language spoken
4 by more than 1 percent of the national popu-
5 lation or any State’s population (with such
6 translations completed by human translators
7 rather than translation software) and comply
8 with the requirements of the Plain Writing Act
9 of 2010 (5 U.S.C. 301 note);

10 “(C) be accessible and optimized for all
11 commonly used desktop computers, tablets, and
12 mobile devices and operating systems such that
13 any features of the online claim filing compo-
14 nent (such as the ability to upload documenta-
15 tion) that are available in the desktop version
16 of the online claim filing component are also
17 available in the tablet and mobile versions;

18 “(D) allow for electronic submission of
19 documentation required to support a claim, in-
20 cluding the ability of claimants to scan or pho-
21 tograph and submit documentation using a tab-
22 let or mobile device;

23 “(E) be available 24 hours a day, 7 days
24 a week, with the exception of scheduled and
25 emergency maintenance that the State con-

1 ducts, to the extent practicable, at nonpeak
2 hours;

3 “(F) provide self-service account recovery
4 that can be completed online; and

5 “(G) deploy multiple methods of commu-
6 nication with claimants, such as short message
7 service (SMS) message, email, postal mail, live
8 chat, or chatbots.

9 “(3) REQUIREMENTS REGARDING HIGH-RISK
10 AUTOMATED DECISION SYSTEMS.—

11 “(A) IN GENERAL.—The technology capa-
12 bilities shall not rely solely on a high-risk auto-
13 mated decision system to deny a claim for un-
14 employment compensation, reduce the amount
15 of unemployment compensation for which a
16 claimant is eligible, or deny the right of a
17 claimant to appeal an unemployment compensa-
18 tion decision.

19 “(B) PARTIAL RELIANCE.—

20 “(i) IN GENERAL.—If any of the tech-
21 nology capabilities rely on a high-risk auto-
22 mated decision system to determine that a
23 claimant is ineligible for unemployment
24 compensation, to reduce the amount of un-
25 employment compensation for which a

1 claimant is eligible, or to deny the right of
2 a claimant to appeal an unemployment
3 compensation decision, the Secretary
4 shall—

5 “(I) require that an employee of
6 a State workforce agency review the
7 determination before—

8 “(aa) the claim for unem-
9 ployment compensation of such
10 claimant may be denied;

11 “(bb) the amount of unem-
12 ployment compensation for which
13 such claimant is eligible may be
14 reduced; or

15 “(cc) the right of such
16 claimant to appeal an unemploy-
17 ment compensation decision may
18 be denied;

19 “(II) consult with experts in the
20 Federal Government (including the
21 Director of the National Institute of
22 Standards and Technology and the
23 Director of the National Science
24 Foundation), regarding the potential
25 benefits and risks of partial reliance

1 on a high-risk automated decision sys-
2 tem;

3 “(III) prior to utilizing such part
4 of the technology capabilities that re-
5 lies on a high-risk automated decision
6 system—

7 “(aa) establish clear meth-
8 ods to measure the accuracy of
9 such part of the technology capa-
10 bilities; and

11 “(bb) ensure that such part
12 of the technology capabilities
13 minimizes the occurrence of bi-
14 ased results based on race, gen-
15 der, ethnicity, disability status,
16 income, occupation, or other per-
17 sonal characteristics as deter-
18 mined by the Secretary, and pre-
19 vents any increase in such bias;

20 “(IV) develop algorithmic impact
21 assessments, incorporating public
22 feedback and expert agency review, to
23 proactively assess the necessity of ad-
24 ditional formal policies and safeguards
25 to mitigate risks; and

1 “(V) establish transparency re-
2 quirements that include an annual
3 public disclosure of any use of a high-
4 risk automated decision system, a
5 plain language explanation of the de-
6 cision making structure of such high-
7 risk automated decision system, and
8 the details regarding such use and re-
9 lated outcomes.

10 “(ii) TRAINING.—The Secretary shall
11 establish best practices for training any
12 relevant employee of the Department or a
13 State workforce agency to reduce the im-
14 pact of automation bias.

15 “(C) MONITORING.—The Secretary shall
16 continuously monitor claim determinations that
17 rely, in part, on the use of a high-risk auto-
18 mated decision system to ensure that biased re-
19 sults based on the characteristics described in
20 subparagraph (B)(i)(III)(bb) do not occur.

21 “(c) PRE-DEVELOPMENT STUDY AND REPORT.—

22 “(1) STUDY.—Prior to the development of the
23 technology capabilities under subsection (a) or the
24 procurement of such technology capabilities under
25 subsection (g), the Secretary, in coordination with

1 the Administrator, shall conduct a study assessing
2 the technology needs of Federal and State unem-
3 ployment compensation programs. Such study shall
4 consider the following:

5 “(A) The Federal and State capabilities
6 that need to be upgraded or replaced to ensure
7 the smooth administration of their respective
8 unemployment compensation programs.

9 “(B) How to design and develop a Feder-
10 ally-maintained system that serves the needs of
11 both the Federal Government and each of the
12 State unemployment compensation programs.

13 “(C) The features necessary to effectively
14 respond to rapid changes in volume in times of
15 emergency, including features that enable easy
16 adaptation of, and updates to, such technology
17 capabilities in order to implement new rules or
18 benefits.

19 “(D) The features necessary to ensure the
20 technology capabilities have the capacity to han-
21 dle an increased number of claims during peri-
22 ods of high unemployment.

23 “(E) How the technology capabilities can
24 prioritize claimant experience and ensure acces-
25 sibility, including by soliciting feedback from

1 claimants and claimant representatives during
2 the development process.

3 “(F) How the technology capabilities can
4 ensure effective and equitable benefit delivery,
5 including the following:

6 “(i) The standardization of data col-
7 lection and reporting across States to fa-
8 cilitate administration and interoperability.

9 “(ii) The features that will facilitate
10 accurate and timely delivery of benefits
11 and reduce the time from successful unem-
12 ployment compensation claim to benefit de-
13 livery.

14 “(iii) The features that will help to
15 identify and prevent organized fraud
16 schemes without causing unreasonable
17 delays for legitimate claimants or penal-
18 izing mistakes.

19 “(iv) The appropriate level of ongoing
20 audit and analysis needed to evaluate the
21 effectiveness and equitability of benefit de-
22 livery.

23 “(v) How privacy-protective data ex-
24 posure and exchange between government
25 entities and privacy-protective public re-

1 porting could be utilized to improve and
2 ensure effective and equitable benefit deliv-
3 ery.

4 “(G) How the technology capabilities can
5 improve the employer experience, including tax
6 payment, the submission of wage information,
7 and the verification of claim information.

8 “(H) How the technology capabilities can
9 improve processes for employees of State work-
10 force agencies.

11 “(I) The information security measures
12 necessary to protect claimants’ personal data
13 while enabling auditing and research, including
14 recommendations for privacy-protective tech-
15 nologies, such as secure multi-party computa-
16 tion, that can enable such auditing and re-
17 search in a manner that does not involve shar-
18 ing data on individual claimants.

19 “(J) How the technology capabilities can
20 improve data sharing among States and the
21 Federal Government with respect to reciprocity,
22 benefit levels, timeliness, and accuracy.

23 “(K) How the technology capabilities can
24 minimize disparities in unemployment com-
25 pensation reciprocity by race, gender, ethnicity,

1 disability status, income, or occupation, and
2 prevent any increase in such disparities.

3 “(L) Potential approaches for development
4 or procurement of the technology capabilities,
5 including, for each approach presented, range
6 estimates for development, implementation, and
7 operational costs, and range estimates of capa-
8 bility delivery schedules.

9 “(2) REPORT.—Not later than 4 months after
10 the date of enactment of this section, the Secretary,
11 in coordination with the Administrator, shall submit
12 to Congress a report containing the results of the
13 study conducted under paragraph (1), together with
14 the Department’s strategy for development and pro-
15 curement of the technology capabilities, including
16 any recommendations for such legislation and ad-
17 ministrative action as the Secretary determines ap-
18 propriate.

19 “(d) DIGITAL SERVICES TEAM.—

20 “(1) ESTABLISHMENT.—The Secretary, in co-
21 ordination with the Administrator, shall establish in
22 the Department a Digital Services Team (in this
23 section referred to as the ‘Team’).

24 “(2) MEMBERSHIP.—The Team shall include—

25 “(A) technology experts;

1 “(B) user experience experts;

2 “(C) an experienced technical team leader
3 with experience in human-centered design and
4 modern software development practices; and

5 “(D) any other member deemed appro-
6 priate by the Secretary.

7 “(3) DUTIES.—The Team shall carry out the
8 following duties:

9 “(A) Assist the Secretary in the develop-
10 ment, operation, and maintenance of the tech-
11 nology capabilities under subsection (a).

12 “(B) After the development and deploy-
13 ment of the technology capabilities under sub-
14 section (a) is complete, assist the Secretary in
15 operating and overseeing the maintenance and
16 continued improvement of the technology capa-
17 bilities, including by providing technological as-
18 sistance—

19 “(i) to State workforce agencies; and

20 “(ii) to States seeking to adapt their
21 State databases to interface with the Fed-
22 erally provided modular and open systems
23 technology capabilities described in sub-
24 section (b)(1)(E).

1 “(C) Ensure the Department has sufficient
2 in-house technical expertise and procurement
3 support.

4 “(D) Assist the Department with tech-
5 nology needs.

6 “(E) Engage in such other activities
7 deemed appropriate by the Secretary.

8 “(4) STAFF AND RESOURCES.—The Secretary
9 shall ensure that the Team has such staff, resources,
10 and access to information as may be necessary to
11 carry out the duties of the Team.

12 “(5) DIGITAL SERVICES TEAM FUNDING.—Out
13 of any money in the Treasury not otherwise appro-
14 priated, there are appropriated to the Secretary
15 \$5,000,000 to carry out this subsection. Amounts
16 appropriated under the preceding sentence shall re-
17 main available until expended.

18 “(e) PILOT PROGRAM.—Prior to the deployment of
19 the technology capabilities to all States, the Secretary
20 shall select not fewer than 4 States to participate in a
21 pilot program to test the technology capabilities and dem-
22 onstrate that such technology capabilities meet the re-
23 quirements and end-to-end user experience needs estab-
24 lished by this Act, including those identified in the pre-
25 development study described in subsection (c)(1).

1 “(f) DATA SHARING.—To enable the storage, expo-
2 sure, and exchange of data required by States to admin-
3 ister their unemployment compensation programs, the
4 Secretary shall—

5 “(1) establish Computer Matching Agreements
6 in accordance with the Computer Matching and Pri-
7 vacy Protection Act of 1988 (5 U.S.C. 552a note)
8 to obtain information necessary to verify a claim-
9 ant’s eligibility for unemployment compensation;

10 “(2) determine appropriate aggregate data to
11 share on a regular basis with the public through the
12 Data.gov internet website pursuant to the Founda-
13 tions for Evidence-Based Policy Making Act of 2018
14 (5 U.S.C. 101 note);

15 “(3) establish appropriate controls and moni-
16 toring to make available only the data necessary for
17 States to administer their unemployment compensa-
18 tion programs; and

19 “(4) establish a data retention policy for retain-
20 ing or archiving historical unemployment compensa-
21 tion program data as deemed appropriate.

22 “(g) PROCUREMENT AND CONTRACTS WITH PRI-
23 VATE VENDORS.—If the Secretary contracts with a pri-
24 vate vendor to procure or develop or assist with the devel-

1 opment of the technology capabilities under subsection (a),
2 the Secretary shall—

3 “(1) ensure that any agreement with such pri-
4 vate vendor stipulates that the resulting technology
5 capabilities and associated research, applications,
6 automated processes, and associated metadata shall
7 be the proprietary information of the Federal Gov-
8 ernment;

9 “(2) follow best practices for Government IT
10 procurement to de-risk projects; and

11 “(3) provide funding based on program out-
12 comes rather than volume.

13 “(h) OVERSIGHT.—

14 “(1) OVERSIGHT.—During and after the devel-
15 opment of the technology capabilities under sub-
16 section (a), the Secretary shall—

17 “(A) respond to requests from Congress
18 for updates on the development of the tech-
19 nology capabilities; and

20 “(B) participate in oversight hearings and
21 demonstrations of the technology capabilities as
22 requested by Congress.

23 “(2) PUBLICLY AVAILABLE STATUS.—Not later
24 than 6 months after the date of enactment of this
25 section, the Secretary shall establish and maintain

1 publicly available content, available on the internet
2 website of the Department, that provides the status
3 of—

4 “(A) the technology capabilities being de-
5 veloped under this section;

6 “(B) the metrics of success for such devel-
7 opment;

8 “(C) the results from piloting and testing
9 of such technology capabilities; and

10 “(D) deployment of such technology capa-
11 bilities in each of the States and the Federal
12 Government.

13 “(i) TECHNOLOGY CAPABILITIES MODERNIZATION
14 FUNDING.—Out of any money in the Treasury not other-
15 wise appropriated, there are appropriated to the Secretary
16 \$500,000,000 to carry out this section (other than sub-
17 section (d)). Amounts appropriated under the preceding
18 sentence shall remain available until expended.

19 “(j) DEFINITIONS.—In this section:

20 “(1) ADMINISTRATOR.—The term ‘Adminis-
21 trator’ means the Administrator of the United
22 States Digital Service.

23 “(2) AUTOMATED DECISION SYSTEM.—The
24 term ‘automated decision system’ means a computa-
25 tional process, including one derived from machine

1 learning, statistics, or other data processing or arti-
2 ficial intelligence techniques, that makes a decision
3 or facilitates human decision making that impacts
4 claimants.

5 “(3) AUTOMATION BIAS.—The term ‘automa-
6 tion bias’ means the tendency for humans to over-
7 rely on the recommendation of an automated deci-
8 sion system, to place overconfidence in such rec-
9 ommendation based on perceived superiority to ana-
10 log or human processes, or to ignore evidence that
11 would indicate the automated decision system has
12 made an error.

13 “(4) CLAIMANT.—The term ‘claimant’ means a
14 claimant for unemployment compensation.

15 “(5) DEPARTMENT.—The term ‘Department’
16 means the Department of Labor.

17 “(6) HIGH-RISK AUTOMATED DECISION SYS-
18 TEM.—The term ‘high-risk automated decision sys-
19 tem’ means an automated decision system that—

20 “(A) poses a significant risk—

21 “(i) to the privacy or security of per-
22 sonal information of claimants; or

23 “(ii) of resulting in or contributing to
24 inaccurate, unfair, biased, or discrimina-
25 tory decisions impacting claimants;

1 “(B) makes decisions, or facilitates human
2 decision making, based on systematic evalua-
3 tions of current and historical claimant data,
4 including attempts to analyze or predict sen-
5 sitive aspects of claimants’ lives or characteris-
6 tics or activities that may affect their eligibility
7 for unemployment compensation, such as their
8 reason for separation from employment, avail-
9 ability for work, work search activities, work
10 performance, economic situation, health, per-
11 sonal preferences, interests, behavior, location,
12 or movements, that—

13 “(i) alter legal rights of the claimants;

14 or

15 “(ii) otherwise significantly impact the
16 claimants;

17 “(C) involves the personal information of a
18 significant number of claimants regarding race,
19 color, national origin, political opinions, reli-
20 gion, trade union membership, genetic data, bi-
21 ometric data, health, gender, gender identity,
22 sexuality, sexual orientation, disability status,
23 criminal convictions, or arrests; or

24 “(D) meets any other criteria deemed ap-
25 propriate by the Secretary.

1 “(7) MODULAR OPEN SYSTEMS APPROACH.—

2 The term ‘modular open systems approach’ means

3 an integrated business and technical strategy that—

4 “(A) employs a modular design that uses

5 system interfaces between a system platform

6 and a system component, between system com-

7 ponents, or between system platforms;

8 “(B) is subjected to verification to ensure

9 system interfaces comply with, if available and

10 suitable, widely supported and consensus-based

11 standards; and

12 “(C) uses a system architecture that allows

13 severable system platforms or components at

14 the appropriate level to be incrementally added,

15 removed, or replaced throughout the life cycle

16 of a system platform or component while yield-

17 ing—

18 “(i) significant cost savings or avoid-

19 ance;

20 “(ii) schedule reduction;

21 “(iii) opportunities for technical up-

22 grades;

23 “(iv) increased interoperability; or

24 “(v) other benefits during the

25 sustainment phase.

1 “(8) SECRETARY.—The term ‘Secretary’ means
2 the Secretary of Labor.

3 “(9) SECURE MULTI-PARTY COMPUTATION.—
4 The term ‘secure multi-party computation’ means a
5 computerized system that enables different partici-
6 pating entities in possession of private sets of data
7 to link and aggregate their data sets for the exclu-
8 sive purpose of performing a finite number of pre-
9 approved computations without transferring or oth-
10 erwise revealing any private data to each other or
11 anyone else.

12 “(10) STATE.—The term ‘State’ means each of
13 the several States, the District of Columbia, the
14 Commonwealth of Puerto Rico, and the United
15 States Virgin Islands.”.