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CONFIDENTIAL COMMITTEE PRINT

SUMMARY OF SENATE AMENDMENTS TO
H.R. 14705—EMPLOYMENT SECURITY
AMENDMENTS OF 1970



APRIL 10, 1970

Printed for the use of the Senate Committee on Finance and the House
Committee on Ways and Means for the use of the conferees

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Estimate of number of employers and employees added to coverage by H.R. 14705, as passed by the House and by the Senate

[In thousands]

Coverage	Federal Unemployment Tax Act			State unemployment insurance laws		
	House bill		Senate bill	House bill		Senate bill
	Employers	Jobs	Employers	Jobs	Employers	Jobs
Mandatory coverage:						
Small firms (employers of 1 or more workers in 20 weeks, or with quarterly payroll of \$800 or more).....	1, 258	2, 554	0	0	1, 266	0
Definition of employee.....	(1)	360	(1)	360	(1)	210
Agricultural processing workers.....	(2)	205	(2)	205	(2)	190
Large farms (employing 8 or more workers in 26 weeks).....	0	0	23	275	0	22
Nonprofit organizations.....					18	1, 949
State hospitals and institutions of higher education.....					1	725
Employment outside the United States.....	(1)	160	(1)	160	(1)	160
Subtotal.....	1, 258	3, 279	23	1, 000	646	4, 500
Optional coverage:						
County and municipal hospitals and institutions of higher education.....					0	0
Total extension of coverage.....	1, 258	3, 279	23	1, 000	646	4, 500
						43
						2
						45
						4, 407

¹ Nearly all the employers involved are already covered because of other employees.

² Not available.

SUMMARY OF SENATE AMENDMENTS TO H.R. 14705

Bill page	Amendment No.	Description
		SHORT TITLE
1	(1)	Changes short title of bill from "Employment Security Amendments of 1969" to "Employment Security Amendments of 1970."
Title I—Unemployment Compensation Amendments		
COVERAGE OF SMALL FIRMS		
1-3	(2-7)	Committee amendments: Delete provision of House bill which amended definition of "employer" to include firms employing one worker or more during 20 weeks in a calendar year or paying wages of \$800 or more in any calendar quarter. The effect of the Senate amendment would be to retain the present-law test of four or more employees in 20 weeks.
COVERAGE OF AGRICULTURAL LABOR		
4-5	(8-9)	Extends coverage to agricultural employers, including crew leaders, having eight or more employees during each of 26 weeks in a calendar year. Floor amendment (Senator Holland) excludes from coverage services performed by an alien temporarily admitted to the United States to perform agricultural labor under the Immigration and Nationality Act. (Another floor amendment (Senator Mondale) deleted a provision of the Committee amendment which would have excluded crew leaders from the coverage under the bill.)
COVERAGE OF FACULTY, RESEARCH, AND ADMINISTRATIVE PERSONNEL IN INSTITUTIONS OF HIGHER EDUCATION		
6-10	(10-14)	House bill requires extension of coverage to State and nonprofit institutions of higher education, excluding individuals employed in an instructional, research, or principal administrative capacity. Committee amendments (a) remove this exclusion, but (b) add provision to Federal law specifying that these additional employees are

Bill Page	Amendment No.	Description
		not to be considered unemployed during the summer vacation if they have a contract to resume work the next academic year.

COVERAGE OF CLIENTS OF SHELTERED WORKSHOPS

9-10	(12)	House bill generally requires extension of coverage to nonprofit organizations but specifically excludes from the requirement clients of sheltered workshops. Committee amendment deletes this exclusion.
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MODIFICATION OF EFFECTIVE DATE IN CERTAIN STATES

13	(15-16)	Committee amendments: Modify effective date so that a State whose legislature does not meet in regular session in 1971 is given until July 1, 1972 to make the changes in State law necessary to meet the requirement of covering employees of nonprofit organizations and State hospitals and institutions of higher education.
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COVERAGE OF CERTAIN SERVICES PERFORMED OUTSIDE THE UNITED STATES: EXCLUSION OF VIRGIN ISLANDS

14	(17)	House bill extends coverage to U.S. citizens employed outside the United States by American employers, except for service performed in Canada. Committee amendment also excludes from coverage service performed in the Virgin Islands.
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OPTIONAL COVERAGE OF COUNTY AND MUNICIPAL HOSPITALS AND INSTITUTIONS OF HIGHER EDUCATION

17-18	(18)	Committee amendment: Requires States to permit employees of county or municipal hospitals and institutions of higher education to be covered at the option of the governmental unit, under an agreement to make payments in lieu of taxes.
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Bill page	Amendment No.	Description
EFFECTIVE DATE OF PROVISIONS REQUIRED TO BE INCLUDED IN STATE LAWS		
20	(19-20)	Committee amendments: Modify effective date so that a State whose legislature does not meet in regular session in 1971 is given until July 1, 1972, to make the changes in State law necessary to meet the requirements for eliminating the "double dip," prohibiting denial of compensation to workers undergoing training, participating in interstate and combined wage claim agreements, and generally prohibiting total cancellation of a worker's wage credits.
UNEMPLOYMENT COMPENSATION RESEARCH PROGRAM		
28	(21)	Committee amendment: Modifies provision of House bill by deleting clause which requires that development of information on the effect and impact of extending coverage to excluded groups give first attention to domestic workers in private households.
28	(22)	Committee amendment: Authorizes appropriations for research program beginning in fiscal year 1971 rather than fiscal year 1970 as in the House bill.
TRAINING PROGRAM		
29	(23)	Committee amendment: Clarifies language authorizing establishment of training programs to emphasize that the purpose of the program is principally to provide the training necessary to make an individual more efficient in his current job or enable him to perform a higher level job in the administration of the unemployment compensation program.
30	(24)	Committee amendment: Authorizes appropriations for training program beginning in fiscal year 1971 rather than fiscal year 1970 as in the House bill.
FEDERAL ADVISORY COUNCIL		
32	(25)	Committee amendment: Authorizes appropriations for Federal Advisory Council beginning in fiscal year 1971 rather than fiscal year 1970 as in the House bill.

CERTIFICATION DATE

- 35 (26) Committee amendment: Conforming amendment modifies language of certification requirement to take into account special effective date provisions for States whose legislatures do not meet in regular session in 1971 (conforms with amendments 15, 16, 19, 20, and 29).

Title II—Federal-State Extended Unemployment Compensation Program

EXTENDED BENEFIT PROGRAM

- 36 (27) Changes short title from "Federal-State Extended Unemployment Compensation Act of 1969" to "Federal-State Unemployment Compensation Act of 1970."
- 46 (28)
- 47 (29) Committee amendment: Modifies effective date so that a State whose legislature does not meet in regular session in 1971 is given until July 1, 1972 to make the changes in State law necessary to meet the requirement of establishing an extended benefit program.

Title III—Financing Provisions

TAX RATE FOR FIRST QUARTER OF 1970

- 48 (30-31) House bill raises net Federal tax from 0.4% to 0.5% effective with respect to wages paid beginning January 1970. Committee amendments provide that for purposes of quarterly "advance" payments of the net Federal tax, employers may use a 0.4% rate for quarters which have already expired. Under both House and Senate bills, employer's liability for wages paid in calendar year 1970 as a whole would be at a tax rate of 0.5%.

CLERICAL AMENDMENTS

- 50 (32-35) Clerical amendments: Correct citation of section in United States Code.
- 55 (36) Clerical Amendment: Supplies missing section number.

EFFECTIVE DATE OF TRANSFERS TO EXTENDED UNEMPLOYMENT COMPENSATION ACCOUNT

- 57 (37) Committee amendment: In conformity with amendment 31, authorizes transfers of funds to extended unemployment compensation account beginning July 1970 instead of April 1970 as in House bill.

Bill page	Amendment No.	Description
CHANGE IN SHORT TITLE		
59	(38-39)	Change reference from "Federal-State Extended Unemployment Compensation Act of 1969" to "Federal-State Extended Unemployment Compensation Act of 1970."
REPAYMENT OF ADVANCES FROM GENERAL FUNDS TO EXTENDED BENEFIT PROGRAM		
60	(40)	Committee amendment: Requires that all advances from general funds to the extended unemployment compensation account be repaid to the Treasury before excess tax collections may be transferred to State accounts.
Title IV—Miscellaneous Provisions		
60	(41)	Clerical Amendment: Adds new title heading for two provisions unrelated to unemployment compensation.
6 PERCENT RETIREMENT AND SAVINGS BONDS		
60-61	(42)	Floor amendment (Senator Williams of Delaware): Requires Secretary of the Treasury to issue retirement and savings bonds on a discount basis, to mature in 10 or 20 years. They would yield a 6% annual interest rate compounded semi-annually, and there would be a limit of \$3,000 (in maturity value) on the amount of bonds that could be purchased annually. (Under present law similar bonds are authorized to be issued—yielding interest up to 5%—under section 22A of the Second Liberty Bond Act.)
SECURITIES AND EXCHANGE REGISTRATION OF TAX-EXEMPT SECURITIES		
61-62	(43)	Floor amendment (Senator Sparkman): Exempts States and municipalities from the requirement that they register with the Securities and Exchange Commission any industrial development bonds which they propose to issue, if the interest paid on the issue qualifies for tax exemption under the tax laws (including the \$1 million and \$5 million exceptions). The amendment applies to bonds sold after January 1, 1969.