

TEMPORARY EXTENDED UNEMPLOYMENT
COMPENSATION ACT OF 1961

MARCH 21, 1961.—Ordered to be printed

Mr. MILLS, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 4806]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4806) to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 3, 12, 13, and 14.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 5, 6, 7, 8, 9, 10, and 11, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

Compensation To Be Reduced By Certain Retirement Pensions and Annuities

(e)(1) Any agreement under this Act shall provide that temporary extended unemployment compensation payable to an individual with respect to a week shall be reduced, under regulations prescribed by the Secretary, by any amount received with respect to such week as a retirement pension or annuity under a public or private retirement plan or system provided, or contributed to, by any base period employer. An amount received with respect to a period other than a week shall be pro-

rated by weeks. No reduction shall be made under this paragraph for (A) any retirement pension or annuity received by reason of disability, or (B) any amount received under title II of the Social Security Act.

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

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

And the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

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

(1) \$385,000,000 for the fiscal year ending June 30, 1961, and

(2) \$415,000,000 for the fiscal year ending June 30, 1962.

And the Senate agree to the same.

W. D. MILLS,
CECIL R. KING,
THOS. J. O'BRIEN,
N. M. MASON,
JOHN W. BYRNES,

Managers on the Part of the House.

ROBT. S. KERR,
RUSSELL B. LONG,
GEORGE SMATHERS,
FRANK CARLSON,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4806) to provide for the establishment of a temporary program of extended unemployment compensation, to provide for a temporary increase in the rate of the Federal unemployment tax, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: Section 7 of the bill as passed by the House provides that (except as provided in sec. 8 of the bill) temporary extended unemployment compensation under the bill is to be paid only pursuant to agreements entered into with the States. Under section 3(c) of the bill as passed by the House, the terms and conditions of the State law (or title XV of the Social Security Act, relating to Federal employees and ex-servicemen) under which an individual most recently exhausted his rights are to apply to his claim for, and the payment of, temporary extended unemployment compensation, except where those terms and conditions are inconsistent with the provisions of the bill.

Senate amendment numbered 1 adds a new subsection (e) to section 7 of the bill. It requires any agreement entered into under the bill to provide that temporary extended unemployment compensation payable to an individual with respect to a week will be reduced by the amount of the following payments received with respect to such week: (1) a primary insurance benefit under title II of the Social Security Act, (2) a retirement annuity (other than a survivor annuity) under the U.S. Civil Service Retirement Act of 1930, (3) any other retirement system established by or pursuant to State or Federal law, if the employer contributes to such system, or (4) a retirement pension under a private retirement plan provided, or contributed to, by an employer. A payment for a period other than a week is required to be prorated by weeks in accordance with regulations prescribed by the Secretary. Notwithstanding the foregoing provisions no reduction is to be made from the temporary extended unemployment compensation to which any individual is entitled if (A) the entitlement of such individual to any such insurance benefit, pension, annuity, or other retirement benefit is based on disability, or (B) such individual is at least 65 years of age and the benefit to which he is entitled is payable under laws administered by the Veterans' Administration and such pension is based on service performed by such individual.

The House recedes with an amendment. Under the action recommended in the accompanying conference report, each agreement under the bill will provide that temporary extended unemployment compensation payable to an individual with respect to a week will be reduced, under regulations prescribed by the Secretary of Labor,

by the amount of any retirement pension or retirement annuity received with respect to such week under a public or private retirement plan or system provided, or contributed to, by any base period employer. An amount received with respect to a period other than a week is to be prorated by weeks. No reduction is to be made under this provision (1) for any retirement pension or retirement annuity received by reason of disability, or (2) for any amount received under title II of the Social Security Act.

For purposes of this provision, the term "base period employer" means, in the case of any individual, any person who paid such individual any remuneration for employment which was taken into account in computing the amount or duration of any State unemployment compensation (as defined in par. (3) of sec. 2 of the bill) which was payable to such individual at any time during the compensation period (as defined in par. (1) of sec. 2 of the bill).

This provision also makes it clear that so much of any State law as provides a disqualification for, or a reduction in, State unemployment compensation for amounts received as retirement pensions or retirement annuities (or for amounts received under title II of the Social Security Act) is not to apply for purposes of the payment of temporary extended unemployment compensation under the bill.

As in the case of the Senate amendment, section 7(e) of the bill is to apply only to the payment of temporary extended unemployment compensation. It does not apply in respect of State unemployment compensation paid by a State for which the State is reimbursed under section 4 of the bill.

It is to be noted that the conference agreement applies in respect of retirement pensions and retirement annuities received under public or private retirement plans or systems provided, or contributed to, by any base-period employer. Thus, a retirement annuity under the U.S. Civil Service Retirement Act of 1930 will reduce the amount of temporary extended unemployment compensation payable to an individual if the United States was a base-period employer of such individual. On the other hand, workmen's compensation payments and payments made under laws administered by the Veterans' Administration will not be taken into account under the new section 7(e)(1) since these payments are not received as retirement pensions or retirement annuities. The treatment of the payments described in the preceding sentence will be determined under the applicable State law.

Amendment No. 2: Section 10 of the bill both as passed by the House and as amended by the Senate requires the agency administering the State unemployment compensation law to furnish the Secretary of Labor such information as he may find necessary or appropriate in carrying out the provisions of the bill. Senate amendment numbered 2 provides that such information shall include data (which may be procured on a sampling basis) relating to the personal characteristics, family situation, employment background, and experience under the bill of individuals found to be entitled to temporary extended unemployment compensation. The House recedes.

Amendment No. 3: Under section 13 of the bill as passed by both the House and the Senate, a new section 905 would be added to the Social Security Act establishing in the unemployment trust fund a Federal extended compensation account. Subsection (b) of the new

section 905 has the effect of requiring the Secretary of the Treasury to transfer the additional tax imposed by the bill to this account. Under the House bill, these transfers would be made at the close of each month in the calendar years 1963 and 1964. Under Senate amendment numbered 3, these transfers would be made at the close of each month in the calendar years 1962 and 1963. In conformity with the action on Senate amendment numbered 13, the Senate recedes.

Amendments Nos. 4 to 11, inclusive: Under section 13 of the bill as passed by the House, a new section 905(c) would be added to the Social Security Act which (1) requires the Secretary of the Treasury to transfer (as of December 31, 1964), from the Federal extended compensation account to the accounts of the States in the unemployment trust fund, the balance in the Federal extended compensation account as of such date, and (2) provides the method of determining each State's share of the balance to be so transferred. Senate amendments numbered 4 to 11, inclusive, changed the December 31, 1964, date to December 31, 1963, and made other changes in dates to conform to this action. The House recedes.

Amendment No. 12: The bill as passed by the House contained a new section 901(d) of the Social Security Act providing that, except as provided in the new section 901(c), no transfer to or from the Federal extended compensation account is to be made after December 31, 1964. Senate amendment numbered 12 changed this date to December 31, 1963. The Senate recedes.

Amendment No. 13: Section 14(a) of the bill both as passed by the House and as amended by the Senate amends section 3301 of the Internal Revenue Code of 1954 (relating to rate of tax under the Federal Unemployment Tax Act) to temporarily increase the rate of the excise tax paid by employers from 3.1 percent of wages to 3.5 percent. Under the bill as passed by the House this increase applies in the case of wages paid during the calendar years 1962 and 1963. Under Senate amendment numbered 13 this increase applies in the case of wages paid during the calendar years 1961 and 1962. The Senate recedes.

Amendment No. 14: Section 14(b) of the bill, both as passed by the House and as amended by the Senate, relates to the preservation, without change, of the existing credits against the Federal unemployment tax. Senate amendment numbered 14 made this preservation of credits applicable for the calendar years 1961 and 1962 (in lieu of the calendar years 1962 and 1963). In conformity with the conference action on Senate amendment numbered 13, the Senate recedes.

Amendment No. 15: Section 901(c)(1)(A) of the Social Security Act provides a limitation of \$350 million on the amount authorized to be made available each fiscal year for the purpose of—

(1) assisting the States in the administration of their unemployment compensation laws as provided in title III of the Social Security Act (including administration pursuant to agreements under any Federal unemployment compensation law),

(2) the establishment and maintenance of systems of public employment offices in accordance with the act of June 6, 1933, as amended (the Wagner-Peyser Act), and

(3) carrying into effect section 2012 of title 38 of the United States Code (assignment of employees to local employment offices

to discharge duties prescribed for veterans' employment representatives).

Senate amendment numbered 15 adds a new section 15 to the bill which provides that notwithstanding this \$350 million limitation the Congress may make available for grants to States under section 901(c)(1) of the Social Security Act, for fiscal years ending June 30, 1961, and June 30, 1962, an amount which shall not exceed \$425 million for each such fiscal year.

The House recedes with an amendment. Under the conference agreement, the aggregate amount which the Congress may make available for grants to States under section 901(c)(1)(A) of such act shall not exceed \$385 million for the fiscal year ending June 30, 1961, and \$415 million for the fiscal year ending June 30, 1962. The \$350 million limitation continues to apply for each fiscal year ending on or after June 30, 1963.

W. D. MILLS,
CECIL R. KING,
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N. M. MASON,
JOHN W. BYRNES,
Managers on the Part of the House.

