

107TH CONGRESS
2D SESSION

S. 2892

To provide economic security for America's workers.

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2002

Mr. KENNEDY (for himself, Mrs. CLINTON, and Mr. ROCKEFELLER) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide economic security for America's workers.

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 “Economic Security Act of 2002”.

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—BENEFIT PROVISIONS

Sec. 101. Temporary enhanced unemployment compensation benefit; revision of base period; unemployment compensation based on part-time employment.

Sec. 102. Funding for administrative expenses.

Sec. 103. No reduction in unemployment compensation as a result of pension rollovers.

**TITLE II—EXTENSION OF EMERGENCY UNEMPLOYMENT
COMPENSATION PROGRAM**

Subtitle A—Addressing Temporary Extended Unemployment Compensation

Sec. 201. Extension of the Temporary Extended Unemployment Compensation Act of 2002.

Sec. 202. Entitlement to 26 weeks of temporary extended unemployment compensation.

Sec. 203. Application of revised rate of insured unemployment.

Sec. 204. Additional TEUC extended benefit period trigger.

Sec. 205. Additional 7 weeks of benefits for workers in high unemployment States.

Sec. 206. Repeal of 20 weeks of work requirement.

Sec. 207. Modification to eligibility requirements.

Sec. 208. Additional extension of unemployment assistance.

Sec. 209. Effective date.

Subtitle B—Improvements to the Federal-State Extended Unemployment
Compensation Program

Sec. 211. Repeal of certain State law extended benefit requirements.

Sec. 212. Revision of definition of rate of insured unemployment.

Sec. 213. Entitlement to 13 weeks of unemployment compensation.

Sec. 214. Lowering of extended benefit “on” indicator.

Sec. 215. Study and report on unemployment insurance benefits provided to individuals who have received assistance under the temporary assistance for needy families program.

Sec. 216. Effective date.

1 TITLE I—BENEFIT PROVISIONS

2 SEC. 101. TEMPORARY ENHANCED UNEMPLOYMENT COM-
3 PENSATION BENEFIT; REVISION OF BASE PE-
4 RIOD; UNEMPLOYMENT COMPENSATION
5 BASED ON PART-TIME EMPLOYMENT.

6 (a) IN GENERAL.—Section 202 of the Temporary Ex-
7 tended Unemployment Compensation Act of 2002 (Public
8 Law 107–147; 116 Stat. 27) is amended by adding at the
9 end the following new subsection:

10 “(f) TEMPORARY ENHANCED UNEMPLOYMENT COM-
11 PENSATION BENEFITS.—

1 “(1) IN GENERAL.—Notwithstanding any other
2 provision of this Act, for weeks of unemployment be-
3 ginning on or after the date that is 60 days after
4 the date of enactment of the Economic Security Act
5 of 2002, each agreement under subsection (a) shall
6 provide that the State agency of the State will
7 make—

8 “(A) payments of regular compensation to
9 individuals in amounts and to the extent that
10 they would be determined if the State law were
11 applied with the modifications described in
12 paragraph (2); and

13 “(B) payments of temporary supplemental
14 unemployment compensation to individuals
15 who—

16 “(i) have exhausted all rights to reg-
17 ular compensation under the State law;

18 “(ii) do not, with respect to a week,
19 have any rights to compensation (excluding
20 extended compensation) under the State
21 law of any other State (whether one that
22 has entered into an agreement under this
23 Act or otherwise) nor compensation under
24 any other Federal law (other than under
25 the Federal-State Extended Unemployment

1 Compensation Act of 1970), and are not
2 paid or entitled to be paid any additional
3 compensation under any State or Federal
4 law; and

5 “(iii) are not receiving compensation
6 with respect to such week under the unem-
7 ployment compensation law of Canada.

8 “(2) MODIFICATIONS DESCRIBED.—The modi-
9 fications described in this paragraph are as follows:

10 “(A) In the case of an individual who is
11 not eligible for regular compensation under the
12 State law because of the use of a definition of
13 base period that does not count wages earned
14 in the most recently completed calendar quar-
15 ter, then eligibility for compensation under this
16 title shall be determined by applying a base pe-
17 riod ending at the close of the most recently
18 completed calendar quarter.

19 “(B) In the case of an individual who is
20 not eligible for regular compensation under the
21 State law because such individual does not meet
22 requirements relating to availability for work,
23 active search for work, or refusal to accept
24 work, because such individual is seeking, or is
25 available for, less than full-time work, then

1 compensation under this title shall not be de-
2 nied by such State to an otherwise eligible indi-
3 vidual who seeks less than full-time work or
4 fails to accept full-time work.

5 “(C) The amount of regular compensation
6 (including dependents’ allowances) payable for
7 any week shall be equal to the amount deter-
8 mined under the State law (before the applica-
9 tion of this subparagraph), plus an additional—

10 “(i) 15 percent; or

11 “(ii) \$25,

12 whichever is greater.

13 “(3) NONREDUCTION RULE.—Under the agree-
14 ment, paragraph (2)(C) shall not apply (or shall
15 cease to apply) with respect to a State upon a deter-
16 mination by the Secretary that the method gov-
17 erning the computation of regular compensation
18 under the State law of that State has been modified
19 in a way such that the average weekly amount of
20 regular compensation which will be payable during
21 the period of the agreement (determined dis-
22 regarding the modifications described in paragraph
23 (2)) will be less than the average weekly amount of
24 regular compensation which would otherwise have

1 been payable during such period under the State
2 law, as in effect on September 11, 2001.”.

3 (b) AMOUNT IN TEUC ACCOUNT.—Paragraph (2) of
4 section 203(b) of the Temporary Extended Unemployment
5 Compensation Act of 2002 (Public Law 107–147; 116
6 Stat. 30) is amended to read as follows:

7 “(2) WEEKLY BENEFIT AMOUNT.—For pur-
8 poses of this subsection, an individual’s weekly ben-
9 efit amount for any week is an amount equal to—

10 “(A) the amount of regular compensation
11 (including dependents’ allowances) under the
12 State law payable to such individual for such
13 week for total unemployment; plus

14 “(B) the amount of any temporary en-
15 hanced unemployment compensation under the
16 agreement payable to the individual for such
17 week for total unemployment.”.

18 (c) PAYMENTS TO STATES.—Subsection (a) of sec-
19 tion 204 of the Temporary Extended Unemployment Com-
20 pensation Act of 2002 (Public Law 107–147; 116 Stat.
21 30) is amended to read as follows:

22 “(a) GENERAL RULE.—There shall be paid to each
23 State that has entered into an agreement under this title
24 an amount equal to—

1 “(1) 100 percent of the temporary extended un-
2 employment compensation paid to individuals by the
3 State pursuant to such agreement;

4 “(2) 100 percent of any regular compensation
5 which would have been temporary enhanced unem-
6 ployment compensation under this title but for the
7 fact that its State law contains provisions com-
8 parable to the provisions in paragraphs (1) and (2)
9 of section 202(f); and

10 “(3) 100 percent of the temporary enhanced
11 unemployment compensation paid to individuals by
12 the State pursuant to such agreement.”.

13 **SEC. 102. FUNDING FOR ADMINISTRATIVE EXPENSES.**

14 Section 204 of the Temporary Extended Unemploy-
15 ment Compensation Act of 2002 (Public Law 107–147;
16 116 Stat. 30) is amended by adding at the end the fol-
17 lowing new subsection:

18 “(d) ADMINISTRATIVE EXPENSES, ETC.—There is
19 hereby appropriated, without fiscal year limitation, out of
20 the employment security administration account of the
21 Unemployment Trust Fund (as established by section
22 901(a) of the Social Security Act (42 U.S.C. 1101(a)))
23 \$500,000,000 to reimburse States for the costs of the ad-
24 ministration of agreements under this title (including any
25 improvements in technology in connection therewith) and

1 to provide reemployment services to unemployment com-
 2 pensation claimants in States having agreements under
 3 this title. Each State's share of the amount appropriated
 4 by the preceding sentence shall be determined by the Sec-
 5 retary according to the factors described in section 302(a)
 6 of the Social Security Act (42 U.S.C. 501(a)) and certified
 7 by the Secretary to the Secretary of the Treasury.”.

8 **SEC. 103. NO REDUCTION IN UNEMPLOYMENT COMPENSA-**
 9 **TION AS A RESULT OF PENSION ROLLOVERS.**

10 (a) IN GENERAL.—Section 3304(a) of the Internal
 11 Revenue Code of 1986 is amended by adding at the end
 12 the following flush sentence:

13 “In no event shall paragraph (15) apply in the case of
 14 any rollover distribution which is not includable in gross
 15 income for the taxable year in which paid.”.

16 (b) EFFECTIVE DATE.—

17 (1) IN GENERAL.—Except as provided in para-
 18 graph (2), the amendment made by this section shall
 19 apply to compensation paid for weeks of unemploy-
 20 ment beginning on or after the date that is 60 days
 21 after the date of enactment of the Economic Secu-
 22 rity Act of 2002.

23 (2) EXTENSION OF EFFECTIVE DATE FOR
 24 STATE LAW AMENDMENT.—If the Secretary of
 25 Labor determines that a State requires an amend-

1 ment to State law for that State to meet the require-
 2 ments imposed under the Federal-State Extended
 3 Unemployment Compensation Act of 1970 (26
 4 U.S.C. 3304 note) by the amendment made by this
 5 section, the State shall not be regarded as failing to
 6 comply with the requirements of such Act solely on
 7 the basis of its failure to meet these requirements
 8 before the first day of the first calendar quarter be-
 9 ginning after the close of the first regular session of
 10 the State legislature that begins after the date of the
 11 enactment of this Act. For purposes of the previous
 12 sentence, in the case of a State that has a 2-year
 13 legislative session, each year of the session is consid-
 14 ered to be a separate regular session of the State
 15 legislature.

16 **TITLE II—EXTENSION OF EMER-**
 17 **GENCY UNEMPLOYMENT**
 18 **COMPENSATION PROGRAM**

19 **Subtitle A—Addressing Temporary**
 20 **Extended Unemployment Com-**
 21 **pensation**

22 **SEC. 201. EXTENSION OF THE TEMPORARY EXTENDED UN-**
 23 **EMPLOYMENT COMPENSATION ACT OF 2002.**

24 (a) SIX-MONTH EXTENSION OF PROGRAM.—Section
 25 208 of the Temporary Extended Unemployment Com-

1 pension Act of 2002 (Public Law 107–147; 116 Stat.
2 30) is amended to read as follows:

3 **“SEC. 208. APPLICABILITY.**

4 “(a) IN GENERAL.—Subject to subsection (b), an
5 agreement entered into under this title shall apply to
6 weeks of unemployment—

7 “(1) beginning after the date on which such
8 agreement is entered into; and

9 “(2) ending before July 1, 2003.

10 “(b) ENTITLEMENT TO FULL BENEFITS.—Any indi-
11 vidual who is receiving compensation under this Act as
12 of the date described in subsection (a)(2) shall continue
13 to receive such compensation until benefits under this Act
14 are exhausted.”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall take effect as if included in the enact-
17 ment of the Temporary Extended Unemployment Com-
18 pensation Act of 2002 (Public Law 107–147; 116 Stat.
19 21).

20 **SEC. 202. ENTITLEMENT TO 26 WEEKS OF TEMPORARY EX-**
21 **TENDED UNEMPLOYMENT COMPENSATION.**

22 Paragraph (1) of section 203(b) of the Temporary
23 Extended Unemployment Compensation Act of 2002
24 (Public Law 107–147; 116 Stat. 21) is amended to read
25 as follows:

1 “(1) IN GENERAL.—The amount established in
 2 an account under subsection (a) shall be equal to 26
 3 times the individual’s average weekly benefit amount
 4 for the benefit year.”.

5 **SEC. 203. APPLICATION OF REVISED RATE OF INSURED UN-**
 6 **EMPLOYMENT.**

7 Section 207 of the Temporary Extended Unemploy-
 8 ment Compensation Act of 2002 (Public Law 107–147;
 9 116 Stat. 21) is amended—

10 (1) by striking “In this title, the terms” and in-
 11 serting the following: “In this title:

12 “(1) GENERAL DEFINITIONS.—The terms”; and

13 (2) by adding at the end the following new
 14 paragraph:

15 “(2) RATE OF ADJUSTED INSURED UNEMPLOY-
 16 MENT.—For weeks of unemployment beginning after
 17 the date that is 60 days after the date of enactment
 18 of the Economic Security Act of 2002 and ending
 19 before the date on which the amendment made by
 20 section 212(a) of such Act takes effect, the term
 21 ‘rate of insured unemployment’ has the meaning
 22 given that term in section 203(e)(1) of the Federal-
 23 State Extended Unemployment Compensation Act of
 24 1970 (26 U.S.C. 3304 note), except that each indi-
 25 vidual exhausting the right of such individual to reg-

1 ular compensation during the most recent 3 calendar
 2 months for which data are available before the close
 3 of the period for which such rate is being determined
 4 shall be taken into account as if each such individual
 5 was filing a claim for regular compensation for each
 6 week during the period for which such rate is being
 7 determined.”.

8 **SEC. 204. ADDITIONAL TEUC EXTENDED BENEFIT PERIOD**
 9 **TRIGGER.**

10 (a) IN GENERAL.—Section 203(c) of the Temporary
 11 Extended Unemployment Compensation Act of 2002
 12 (Public Law 107–147; 116 Stat. 21) is amended by add-
 13 ing at the end the following new paragraph:

14 “(3) ADDITIONAL EXTENDED BENEFIT PERIOD
 15 TRIGGER.—

16 “(A) IN GENERAL.—Effective with respect
 17 to compensation for weeks of unemployment be-
 18 ginning after the date that is 60 days after the
 19 date of enactment of the Economic Security Act
 20 of 2002, an agreement under this title shall
 21 provide that, in addition to any other extended
 22 benefit period trigger, for purposes of beginning
 23 or ending any extended benefit period under
 24 this section—

1 “(i) there is a State ‘on’ indicator for
2 a week if—

3 “(I) the average rate of total un-
4 employment in such State (seasonally
5 adjusted) for the period consisting of
6 the most recent 3 months for which
7 data for all States are published be-
8 fore the close of such week equals or
9 exceeds 6 percent; and

10 “(II) the average rate of total
11 unemployment in such State (season-
12 ally adjusted) for the 3-month period
13 referred to in clause (i) equals or ex-
14 ceeds 110 percent of such average
15 rate for either (or both) of the cor-
16 responding 3-month periods ending in
17 the 2 preceding calendar years; and

18 “(ii) there is a State ‘off’ indicator for
19 a week if either the requirements of sub-
20 clause (I) or (II) of clause (i) are not satis-
21 fied.

22 “(B) NO EFFECT ON OTHER DETERMINA-
23 TIONS.—Notwithstanding the provisions of any
24 agreement described in subparagraph (A), any
25 week for which there would otherwise be a

1 State ‘on’ indicator shall continue to be such a
 2 week and shall not be determined to be a week
 3 for which there is a State ‘off’ indicator.

4 “(C) DETERMINATIONS MADE BY THE
 5 SECRETARY.—For purposes of this subsection,
 6 determinations of the rate of total unemploy-
 7 ment in any State for any period (and of any
 8 seasonal adjustment) shall be made by the Sec-
 9 retary.”.

10 (b) CONFORMING AMENDMENT.—Section 203(c)(1)
 11 of the Temporary Extended Unemployment Compensation
 12 Act of 2002 (Public Law 107–147; 116 Stat. 21) is
 13 amended by inserting “or (3)” after “paragraph (2)”.

14 **SEC. 205. ADDITIONAL 7 WEEKS OF BENEFITS FOR WORK-**
 15 **ERS IN HIGH UNEMPLOYMENT STATES.**

16 Section 203(c)(1) of the Temporary Extended Unem-
 17 ployment Compensation Act of 2002 (Public Law 107–
 18 147; 116 Stat. 30) is amended by striking “an amount
 19 equal to the amount originally established in such account
 20 (as determined under subsection (b)(1))” and inserting “7
 21 times the individual’s average weekly benefit amount for
 22 the benefit year”.

23 **SEC. 206. REPEAL OF 20 WEEKS OF WORK REQUIREMENT.**

24 Paragraph (2) of section 202(d) of the Temporary
 25 Extended Unemployment Compensation Act of 2002

1 (Public Law 107–147; 116 Stat. 21) is amended to read
2 as follows:

3 “(2) the terms and conditions of the State law
4 which apply to claims for regular compensation and
5 to the payment thereof shall apply to claims for tem-
6 porary extended unemployment compensation and
7 the payment thereof, except where otherwise incon-
8 sistent with the provisions of this title or with the
9 regulations or operating instructions of the Sec-
10 retary promulgated to carry out this title; and”.

11 **SEC. 207. MODIFICATION TO ELIGIBILITY REQUIREMENTS.**

12 (a) INDIVIDUAL NOT INELIGIBLE BY REASON OF
13 SUBSEQUENT ENTITLEMENT TO REGULAR BENEFITS.—
14 Section 202 of the Temporary Extended Unemployment
15 Compensation Act of 2002 (Public Law 107–147; 116
16 Stat. 30), as amended by section 102, is amended by add-
17 ing at the end the following new subsection:

18 “(h) CERTAIN RIGHTS TO REGULAR COMPENSATION
19 DISREGARDED.—If the rights of an individual to regular
20 compensation have been exhausted for any benefit year,
21 such individual’s eligibility to receive emergency unem-
22 ployment compensation under this Act in respect of such
23 benefit year shall be determined without regard to any
24 rights to regular compensation for a subsequent benefit

1 year if such individual does not file a claim for regular
 2 compensation for such subsequent benefit year.”.

3 (b) EFFECTIVE DATE.—

4 (1) IN GENERAL.—The amendment made by
 5 this section shall apply to weeks of unemployment
 6 beginning after the date of the enactment of this
 7 Act.

8 (2) TRANSITION RULES.—

9 (A) WAIVER OF RECOVERY OF CERTAIN
 10 OVERPAYMENTS.—On and after the date of the
 11 enactment of this Act, no repayment of any
 12 emergency unemployment compensation shall be
 13 required under the Temporary Extended Unem-
 14 ployment Compensation Act of 2002 (Public
 15 Law 107–147; 116 Stat. 30) if the individual
 16 would have been entitled to receive such com-
 17 pensation had the amendment made by sub-
 18 section (a) applied to all weeks beginning on or
 19 before the date of the enactment of this Act.

20 (B) WAIVER OF RIGHTS TO CERTAIN REG-
 21 ULAR BENEFITS.—If—

22 (i) before the date of the enactment of
 23 this Act, the rights of an individual to reg-
 24 ular compensation have been exhausted for
 25 any benefit year; and

1 (ii) after such exhaustion, such indi-
2 vidual was not eligible to receive emergency
3 unemployment compensation by reason of
4 being entitled to regular compensation for
5 a subsequent benefit year,
6 such individual may elect to defer any rights to
7 regular compensation for such subsequent ben-
8 efit year with respect to weeks beginning after
9 such date of enactment until such individual
10 has exhausted such individual's rights to emer-
11 gency unemployment compensation in respect of
12 the benefit year referred to in clause (i), and
13 such individual shall be entitled to receive emer-
14 gency unemployment compensation for such
15 weeks in the same manner as if such individual
16 had not been entitled to the regular compensa-
17 tion to which the election applies.

18 **SEC. 208. ADDITIONAL EXTENSION OF UNEMPLOYMENT AS-**
19 **SISTANCE.**

20 (a) **IN GENERAL.**—Section 1 of Public Law 107–154
21 (116 Stat. 80) is amended by striking “39 weeks” and
22 inserting “52 weeks”.

23 (b) **EFFECTIVE DATE.**—The amendment made by
24 subsection (a) shall take effect as if included in the enact-
25 ment of Public Law 107–154 (116 Stat. 80).

1 **SEC. 209. EFFECTIVE DATE.**

2 Except as otherwise provided in this subtitle, the
3 amendments made by this subtitle shall apply with respect
4 to weeks of unemployment beginning on or after the date
5 that is 60 days after the date of enactment of the Eco-
6 nomic Security Act of 2002.

7 **Subtitle B—Improvements to the**
8 **Federal-State Extended Unem-**
9 **ployment Compensation Pro-**
10 **gram**

11 **SEC. 211. REPEAL OF CERTAIN STATE LAW EXTENDED BEN-**
12 **EFIT REQUIREMENTS.**

13 (a) IN GENERAL.—Section 202 of the Federal-State
14 Extended Unemployment Compensation Act of 1970 (26
15 U.S.C. 3304 note) is amended—

- 16 (1) in subsection (a), by striking paragraphs
17 (3) through (7); and
18 (2) by striking subsection (c).

19 (b) CONFORMING AMENDMENT.—Paragraph (4) of
20 section 231(a) of the Trade Act of 1974 (19 U.S.C.
21 2291(a)) is repealed.

22 **SEC. 212. REVISION OF DEFINITION OF RATE OF INSURED**
23 **UNEMPLOYMENT.**

24 (a) IN GENERAL.—Section 203(e)(1)(A) of the Fed-
25 eral-State Extended Unemployment Compensation Act of

1 1970 (26 U.S.C. 3304 note) is amended by adding at the
2 end the following new paragraph:

3 “(3) Notwithstanding paragraph (1), the term
4 ‘rate of insured unemployment’ shall have the mean-
5 ing given that term under paragraph (1), except that
6 each individual exhausting the right of such indi-
7 vidual to regular compensation during the most re-
8 cent 3 calendar months for which data are available
9 before the close of the period for which such rate is
10 being determined shall be taken into account as if
11 each such individual was filing a claim for regular
12 compensation for each week during the period for
13 which such rate is being determined.”.

14 (b) EFFECTIVE DATE.—

15 (1) IN GENERAL.—Except as provided in para-
16 graph (2), the amendment made by subsection (a)
17 shall apply with respect to weeks of unemployment
18 beginning on or after July 1, 2003.

19 (2) EXTENSION OF EFFECTIVE DATE FOR
20 STATE LAW AMENDMENT.—If the Secretary of
21 Labor determines that a State requires an amend-
22 ment to State law for that State to meet the require-
23 ments imposed under the Federal-State Extended
24 Unemployment Compensation Act of 1970 (26
25 U.S.C. 3304 note) by the amendment made by this

1 section, the State shall not be regarded as failing to
 2 comply with the requirements of such Act solely on
 3 the basis of its failure to meet these requirements
 4 before the first day of the first calendar quarter be-
 5 ginning after the close of the first regular session of
 6 the State legislature that begins after the date of the
 7 enactment of this Act. For purposes of the previous
 8 sentence, in the case of a State that has a 2-year
 9 legislative session, each year of the session is consid-
 10 ered to be a separate regular session of the State
 11 legislature.

12 **SEC. 213. ENTITLEMENT TO 13 WEEKS OF UNEMPLOYMENT**
 13 **COMPENSATION.**

14 Section 202(b)(1) of the Federal-State Extended Un-
 15 employment Compensation Act of 1970 (26 U.S.C. 3304
 16 note) is amended by striking subparagraph (A) and redес-
 17 ignating subparagraphs (B) and (C) as subparagraphs (A)
 18 and (B), respectively.

19 **SEC. 214. LOWERING OF EXTENDED BENEFIT “ON” INDI-**
 20 **CATOR.**

21 (a) IN GENERAL.—Section 203(d) of the Federal-
 22 State Extended Unemployment Compensation Act of 1970
 23 (26 U.S.C. 3304 note) is amended—

24 (1) in paragraph (1)(B), by striking “5 per cen-
 25 tum” and inserting “4 percent”; and

1 (2) in the matter following paragraph (2), by
2 striking “the figure ‘5’ contained in subparagraph
3 (B) thereof were ‘6’;” and inserting “the figure ‘4’
4 contained in subparagraph (B) thereof were ‘5’;”.

5 (b) ADDITIONAL TRIGGER.—Section 203(f)(1) of the
6 Federal-State Extended Unemployment Compensation Act
7 of 1970 (26 U.S.C. 3304 note) is amended

8 (1) in the matter preceding subparagraph (A),
9 by striking “Effective with respect to compensation
10 for weeks of unemployment beginning after March 6,
11 1993, the State may by law provide that for pur-
12 poses of beginning or ending any extended benefit
13 period under this section” and inserting “Each State
14 shall by law provide that for purposes of beginning
15 or ending any extended benefit period under this
16 section”.

17 (2) in subparagraph (A)(i), by striking “6.5”
18 and inserting “6”.

19 (c) INDIVIDUALS’ COMPENSATION ACCOUNTS.—Sec-
20 tion 202(b)(3)(B) is amended by striking “substituting ‘8
21 percent’ for ‘6.5 percent.’” and inserting “substituting
22 ‘7.5 percent’ for ‘6 percent.’”

23 (d) CONFORMING AND TECHNICAL AMENDMENTS.—

24 (1) The matter following paragraph (2) of sec-
25 tion 203(d) of the Federal-State Extended Unem-

1 ployment Compensation Act of 1970 (26 U.S.C.
 2 3304 note) is amended by striking “Effective with
 3 respect to compensation for weeks of unemployment
 4 beginning after March 30, 1977 (or, if later, the
 5 date established pursuant to State law), the State”
 6 and inserting “A State”.

7 (2) Section 207 of the Federal-State Extended
 8 Unemployment Compensation Act of 1970 (26
 9 U.S.C. 3304 note) is repealed.

10 (3) The heading of subsection (f) of section 203
 11 of the Federal-State Extended Unemployment Com-
 12 pensation Act of 1970 (26 U.S.C. 3304 note) is
 13 amended to read as follows:

14 “Additional Trigger”.

15 **SEC. 215. STUDY AND REPORT ON UNEMPLOYMENT INSUR-**
 16 **ANCE BENEFITS PROVIDED TO INDIVIDUALS**
 17 **WHO HAVE RECEIVED ASSISTANCE UNDER**
 18 **THE TEMPORARY ASSISTANCE FOR NEEDY**
 19 **FAMILIES PROGRAM.**

20 (a) STATE STUDIES AND REPORTS.—

21 (1) STATE STUDIES.—

22 (A) IN GENERAL.—The Secretary of Labor
 23 (in this section referred to as the “Secretary”)
 24 shall enter into a contract with each State
 25 under which each State shall conduct a study

1 on the extent to which the State unemployment
2 insurance system has served each individual
3 who has received assistance under the State
4 program to provide temporary assistance for
5 needy families funded under part A of title IV
6 of the Social Security Act (42 U.S.C. 601 et
7 seq.), but who ceases to receive assistance
8 under such program due to earnings from em-
9 ployment, and who subsequently became unem-
10 ployed.

11 (B) RECORD MATCHING REQUIREMENT.—

12 In conducting the study under subparagraph
13 (A), the State shall match records under such
14 State program with unemployment insurance
15 records to determine whether such individuals
16 were eligible for unemployment insurance bene-
17 fits and, if such individuals were eligible for
18 such benefits, whether such individuals received
19 such benefits.

20 (2) STATE REPORTS.—Not later than January
21 15, 2003, each State shall submit a report on study
22 conducted under paragraph (1)(A) to the Secretary
23 and to the legislature of such State together with
24 recommendations for such legislation and adminis-
25 trative action as the State determines appropriate.

1 (b) REPORT OF THE SECRETARY.—Not later than
2 March 1, 2003, the Secretary shall submit to the appro-
3 priate committees of Congress a report based on the re-
4 ports submitted to the Secretary by the States under sub-
5 section (a)(2) together with recommendations for such leg-
6 islation and administrative action as the Secretary deter-
7 mines appropriate.

8 (c) USE OF REED ACT FUNDS.—Section 903(d)(4)
9 of the Social Security Act (42 U.S.C. 1103(d)(4)) is
10 amended—

11 (1) by inserting “(A)” after “(4)”; and

12 (2) by adding at the end the following new sub-
13 paragraph:

14 “(B) Amounts transferred to a State account under
15 this subsection may be used to pay the costs of conducting
16 the study and submitting the reports required by section
17 215 of the Economic Security Act of 2002.”.

18 **SEC. 216. EFFECTIVE DATE.**

19 (a) IN GENERAL.—Except as provided in subsection
20 (b) or any other provision of this subtitle, the amendments
21 made by this subtitle shall apply to compensation paid for
22 weeks of unemployment beginning on or after the date of
23 enactment of this Act.

24 (b) EXTENSION OF EFFECTIVE DATE FOR STATE
25 LAW AMENDMENT.—If the Secretary of Labor determines

1 that a State requires an amendment to State law for that
2 State to meet the requirements imposed under the Fed-
3 eral-State Extended Unemployment Compensation Act of
4 1970 (26 U.S.C. 3304 note) by the amendments made by
5 this subtitle, the State shall not be regarded as failing to
6 comply with the requirements of such Act solely on the
7 basis of its failure to meet these requirements before the
8 first day of the first calendar quarter beginning after the
9 close of the first regular session of the State legislature
10 that begins after the date of the enactment of this Act.
11 For purposes of the previous sentence, in the case of a
12 State that has a 2-year legislative session, each year of
13 the session is considered to be a separate regular session
14 of the State legislature.

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