

112TH CONGRESS
1ST SESSION

H. R. 2137

To amend the Internal Revenue Code of 1986 to authorize an unemployment assistance voucher program.

IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 2011

Mr. RENACCI (for himself and Mr. CLARKE of Michigan) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to authorize an unemployment assistance voucher program.

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.**

4 This Act may be cited as the “Empowering More
5 Productive and Lasting Opportunity Act of 2011”.

6 **SEC. 2. TREATMENT OF EMPLOYMENT ASSISTANCE VOUCH-**
7 **ER PROGRAMS.**

8 (a) USE OF UNEMPLOYMENT FUND FOR EMPLOY-
9 MENT ASSISTANCE VOUCHER PROGRAM.—

1 (1) STATE LAW.—Section 3304(a)(4) of the In-
2 ternal Revenue Code of 1986 is amended by striking
3 “and” at the end of subparagraph (F), by inserting
4 “and” at the end of subparagraph (G), and by add-
5 ing at the end the following new subparagraph:

6 “(H) during the 5-year period beginning
7 on the date of the enactment of the Empow-
8 ering More Productive and Lasting Opportunity
9 Act of 2011, amounts may be withdrawn for
10 the payment of allowances under an employ-
11 ment assistance voucher program (as defined in
12 section 3306(v));”.

13 (2) PERMISSIBLE EXPENDITURES.—Section
14 3306(f) of such Code is amended—

15 (A) by striking “and” at the end of para-
16 graph (5),

17 (B) by redesignating the paragraph relat-
18 ing to the self-employment assistance program
19 as paragraph (6) and striking the period at the
20 end of such paragraph and inserting “; and”;
21 and

22 (C) by adding at the end the following new
23 paragraph:

24 “(7) during the 5-year period beginning on the
25 date of the enactment of the Empowering More Pro-

1 ductive and Lasting Opportunity Act of 2011,
2 amounts may be withdrawn for the payment of al-
3 lowances under an employment assistance voucher
4 program (as defined in subsection (v)).”.

5 (b) EMPLOYMENT ASSISTANCE VOUCHER PROGRAM
6 DEFINED.—Section 3306 of such Code is amended by
7 adding at the end the following new subsection:

8 “(v) EMPLOYMENT ASSISTANCE VOUCHER PRO-
9 GRAM.—For the purposes of this chapter—

10 “(1) IN GENERAL.—The term ‘employment as-
11 sistance voucher program’ means a program under
12 which—

13 “(A) an eligible individual is issued an em-
14 ployment assistance voucher,

15 “(B) upon employment with an employer
16 described in paragraph (5)—

17 “(i) the eligible individual transfers
18 the employment assistance voucher to the
19 employer,

20 “(ii) the individual ceases to receive
21 unemployment compensation and is paid
22 wages by the employer, and

23 “(iii) the employer receives payments
24 upon presenting the voucher to the State,
25 and

1 “(C) the program meets such other re-
2 quirements as the Secretary of Labor deter-
3 mines to be appropriate.

4 “(2) RULES RELATING TO UNEMPLOYED INDI-
5 VIDUALS.—For purposes of paragraph (1)—

6 “(A) COMPENSATION.—Compensation pur-
7 suant to paragraph (1)(B)(ii) shall—

8 “(i) be at a rate equal to or greater
9 than the percentage specified by State law
10 (but in no event less than 110 percent) of
11 the rate which would otherwise be payable
12 to the individual,

13 “(ii) not be less than the minimum
14 wage (as specified in section 6 of the Fair
15 Labor Standards Act of 1938),

16 “(iii) be payable for a period not to
17 exceed the maximum number of remaining
18 weeks of unemployment compensation (in-
19 cluding supplemental and emergency) to
20 which the employee would be entitled (but
21 for participating in the employment assist-
22 ance voucher program), determined as of
23 the date of employment.

24 “(B) TERMINATION OF EMPLOYMENT.—If,
25 before the end of the period referred to in sub-

1 paragraph (A)(iii), an individual's employment
2 with an employer under the employment assist-
3 ance voucher program is terminated for reasons
4 other than cause, the individual is entitled to
5 the remaining period of entitlement referred to
6 in subparagraph (A)(iii) less the number of
7 weeks of such employment.

8 “(C) CERTAIN REQUIREMENTS NOT TO
9 APPLY.—State requirements relating to avail-
10 ability for work, active search for work, and re-
11 fusal to accept work are not applicable to indi-
12 viduals participating in the employment assist-
13 ance voucher program.

14 “(3) EMPLOYMENT ASSISTANCE VOUCHER.—
15 The term ‘employment assistance voucher’ means a
16 voucher—

17 “(A) obtained by an eligible individual pur-
18 suant to the State law,

19 “(B) payable to the employer of the eligible
20 individual—

21 “(i) at a rate determined under State
22 law but not to exceed 90 percent of the
23 amount of unemployment compensation to
24 which the eligible individual is entitled, and

1 “(ii) on the same schedule as unem-
2 ployment compensation would be payable
3 to the individual but for employment under
4 the employment assistance voucher pro-
5 gram.

6 “(4) ELIGIBLE INDIVIDUAL.—The term ‘eligible
7 individual’ means an individual who—

8 “(A) is eligible to receive regular unem-
9 ployment compensation under the State law, ex-
10 tended unemployment, or emergency unemploy-
11 ment or would be eligible to receive such com-
12 pensation except for the requirements described
13 in paragraph (1)(B),

14 “(B) is identified pursuant to a State
15 worker profiling system as an individual likely
16 to exhaust regular unemployment compensation,
17 and

18 “(C) is employed by an eligible employer.

19 “(5) ELIGIBLE EMPLOYER.—The term ‘eligible
20 employer’ means an employer who agrees to the
21 terms and conditions of employment under the un-
22 employment assistance voucher program and who is
23 approved by the State agency.

24 “(6) TREATMENT OF PARTICIPATING INDIVID-
25 UALS UNDER FEDERAL AND STATE LAW.—Individ-

1 uals participating in an unemployment assistance
2 voucher program shall be treated as unemployed for
3 the purposes of Federal and State laws applicable to
4 unemployment compensation, except that wages paid
5 to the employee under such program shall be subject
6 to Federal and State taxation to the same extent
7 and in the same manner as wages generally.

8 “(7) COST LIMITER.—A State program shall
9 not be treated as an employment assistance voucher
10 program for purposes of this chapter unless the pro-
11 gram does not result in any cost to the Unemploy-
12 ment Trust Fund (established by section 904(a) of
13 the Social Security Act) in excess of the cost that
14 would be incurred by such State and charged to
15 such Fund, or to any Federal funds in the system
16 if the State had not participated in such program.

17 “(8) PREVENTION OF EMPLOYMENT TERMI-
18 NATION TO PARTICIPATE IN PROGRAM.—A State
19 program shall not be treated as an employment as-
20 sistance voucher program for purposes of this chap-
21 ter unless the State has in effect measures to pre-
22 vent employers from terminating employment for
23 purposes of participating in the employment assist-
24 ance voucher program.”.

1 (c) CONFORMING AMENDMENT.—Section 303(a)(5)
2 of the Social Security Act (42 U.S.C. 503(a)(5)) is amend-
3 ed by striking “; and” and inserting “: *Provided further,*
4 That amounts may be withdrawn for the payment of al-
5 lowances under an employment assistance voucher pro-
6 gram (as defined in section 3306(v) of the Internal Rev-
7 enue Code of 1986); and”.

8 (d) STATE REPORTS.—Any State operating an em-
9 ployment assistance voucher program approved by the
10 Secretary of Labor pursuant to section 3304(a)(4)(H) of
11 the Internal Revenue Code of 1986 (as added by this sec-
12 tion) shall report annually to the Secretary on the number
13 of individuals who participate in the program, the oper-
14 ating costs of the program, compliance with program re-
15 quirements, and any other relevant aspects of program op-
16 erations requested by the Secretary.

17 (e) REPORT TO CONGRESS.—Not later than 4 years
18 after the date of the enactment of this Act, the Secretary
19 of Labor shall submit a report to the Congress with re-
20 spect to the operation of the employment assistance vouch-
21 er program. Such report shall be based on the reports re-
22 ceived from the States pursuant to subsection (d) and in-
23 clude such other information as the Secretary of Labor
24 determines is appropriate.

1 (f) EFFECTIVE DATE.—The provisions of this section
2 and the amendments made by this section shall take effect
3 on the date of the enactment of this Act.

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