

116TH CONGRESS
2D SESSION

S. 4378

To provide for a short-term extension of the Federal Pandemic Unemployment Compensation program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 30, 2020

Mr. ROMNEY (for himself, Ms. COLLINS, and Ms. MCSALLY) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide for a short-term extension of the Federal Pandemic Unemployment Compensation program, and for other purposes.

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 “Federal Pandemic Unemployment Compensation Exten-
6 sion Act of 2020”.

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

Sec. 1. Short title; table of contents.

Sec. 2. Improvements to Federal Pandemic Unemployment Compensation to better match lost wages.

Sec. 3. Supplemental emergency unemployment relief for governmental entities and nonprofit organizations.

Sec. 4. Conforming eligibility for Pandemic Unemployment Assistance to disaster unemployment assistance and accelerating appeal review.

Sec. 5. Improvements to State unemployment systems and strengthening program integrity.

Sec. 6. Emergency designation.

1 **SEC. 2. IMPROVEMENTS TO FEDERAL PANDEMIC UNEM-**
 2 **PLOYMENT COMPENSATION TO BETTER**
 3 **MATCH LOST WAGES.**

4 (a) EXTENSION.—Section 2104(e)(2) of the Relief
 5 for Workers Affected by Coronavirus Act (contained in
 6 subtitle A of title II of division A of the CARES Act (Pub-
 7 lic Law 116–136)) is amended by striking “July 31,
 8 2020” and inserting “November 1, 2020”.

9 (b) IMPROVEMENTS TO ACCURACY OF PAYMENTS.—

10 (1) FEDERAL PANDEMIC UNEMPLOYMENT COM-
 11 PENSATION.—

12 (A) IN GENERAL.—Section 2104(b) of the
 13 Relief for Workers Affected by Coronavirus Act
 14 (contained in subtitle A of title II of division A
 15 of the CARES Act (Public Law 116–136)) is
 16 amended—

17 (i) in paragraph (1)(B), by striking
 18 “of \$600” and inserting “equal to the
 19 amount specified in paragraph (3)”; and

20 (ii) by adding at the end the following
 21 new paragraph:

1 “(3) AMOUNT OF FEDERAL PANDEMIC UNEM-
2 EMPLOYMENT COMPENSATION.—

3 “(A) IN GENERAL.—The amount specified
4 in this paragraph is the following amount with
5 respect to an individual:

6 “(i) For weeks of unemployment be-
7 ginning after the date on which an agree-
8 ment is entered into under this section and
9 ending on or before July 31, 2020, \$600.

10 “(ii) For weeks of unemployment be-
11 ginning after the last week under clause (i)
12 and ending on or before August 31, 2020,
13 an amount equal to one of the following, as
14 determined by the State for all individuals:

15 “(I) \$500.

16 “(II) An amount (not to exceed
17 \$500) equal to—

18 “(aa) 80 percent of the indi-
19 vidual’s average weekly wages;
20 minus

21 “(bb) the individual’s base
22 amount (determined prior to any
23 reductions or offsets).

24 “(iii) For weeks of unemployment be-
25 ginning after the last week under clause

1 (ii) and ending on or before September 28,
2 2020, an amount equal to one of the fol-
3 lowing, as determined by the State for all
4 individuals:

5 “(I) \$400.

6 “(II) The amount determined
7 under clause (ii)(II).

8 “(iv) For weeks of unemployment be-
9 ginning after the last week under clause
10 (iii) and ending on or before November 2,
11 2020, an amount equal to one of the fol-
12 lowing, as determined by the State for all
13 individuals:

14 “(I) \$300.

15 “(II) The amount determined
16 under clause (ii)(II).

17 “(B) BASE AMOUNT.—For purposes of this
18 paragraph, the term ‘base amount’ means, with
19 respect to an individual, an amount equal to—

20 “(i) for weeks of unemployment under
21 the pandemic unemployment assistance
22 program under section 2102, the amount
23 determined under subsection (d)(1)(A)(i)
24 or (d)(2) of such section 2102, as applica-
25 ble; or

1 “(ii) for all other weeks of unemploy-
2 ment, the amount determined under para-
3 graph (1)(A) of this subsection.

4 “(C) AVERAGE WEEKLY WAGES.—

5 “(i) IN GENERAL.—Subject to clause
6 (ii), for purposes of this paragraph, the
7 term ‘average weekly wages’ means, with
8 respect to an individual, the following:

9 “(I) If the State computes the in-
10 dividual weekly unemployment com-
11 pensation benefit amount based on an
12 individual’s average weekly wages in a
13 base period, an amount equal to the
14 individual’s average weekly wages
15 used in such computation.

16 “(II) If the State computes the
17 individual weekly unemployment com-
18 pensation benefit amount based on
19 high quarter wages or a formula using
20 wages across some but not all quar-
21 ters in a base period, an amount equal
22 to $\frac{1}{13}$ of such high quarter wages or
23 average wages of the applicable quar-
24 ters used in the computation for the
25 individual.

1 “(III) If the State uses computa-
2 tions other than the computations
3 under subclause (I) or (II) for the in-
4 dividual weekly unemployment com-
5 pensation benefit amount, or for com-
6 putations of the weekly benefit
7 amount under the pandemic unem-
8 ployment assistance program under
9 section 2102, as described in sub-
10 section (d)(1)(A)(i) or (d)(2) of such
11 section 2102, for which subclause (I)
12 or (II) do not apply, an amount equal
13 to $\frac{1}{52}$ of the sum of all base period
14 wages.

15 “(ii) SPECIAL RULE.—If more than
16 one of the methods of computation under
17 subclauses (I), (II), and (III) of clause (i)
18 are applicable to a State, then such term
19 shall mean the amount determined under
20 the applicable subclause of clause (i) that
21 results in the highest amount of average
22 weekly wages.”.

23 (B) TECHNICAL AMENDMENT REGARDING
24 APPLICATION TO SHORT-TIME COMPENSATION
25 PROGRAMS AND AGREEMENTS.—Section

1 2104(i)(2) of the Relief for Workers Affected
2 by Coronavirus Act (contained in subtitle A of
3 title II of division A of the CARES Act (Public
4 Law 116–136)) is amended—

5 (i) in subparagraph (C), by striking
6 “and” at the end;

7 (ii) in subparagraph (D), by striking
8 the period at the end and inserting “;
9 and”; and

10 (iii) by adding at the end the fol-
11 lowing:

12 “(E) short-time compensation under sec-
13 tion 2108 or 2109.”.

14 (2) CONFORMING AMENDMENTS.—

15 (A) PANDEMIC UNEMPLOYMENT ASSIST-
16 ANCE.—Section 2102(d) of the Relief for Work-
17 ers Affected by Coronavirus Act (contained in
18 subtitle A of title II of division A of the
19 CARES Act (Public Law 116–136)) is amended
20 by inserting “with respect to the individual”
21 after “section 2104” in each of paragraphs
22 (1)(A)(ii) and (2).

23 (B) PANDEMIC EMERGENCY UNEMPLOY-
24 MENT COMPENSATION.—Section 2107 of the
25 Relief for Workers Affected by Coronavirus Act

1 (contained in subtitle A of title II of division A
2 of the CARES Act (Public Law 116–136)) is
3 amended—

4 (i) in subsection (a)(4)(A)(ii), by in-
5 serting “with respect to the individual”
6 after “section 2104”; and

7 (ii) in subsection (b)(2), by inserting
8 “with respect to the individual” after “sec-
9 tion 2104”.

10 (c) CONSISTENT TREATMENT OF EARNINGS AND UN-
11 EMPLOYMENT COMPENSATION.—Section 2104(h) of the
12 Relief for Workers Affected by Coronavirus Act (contained
13 in subtitle A of title II of division A of the CARES Act
14 (Public Law 116–136)) is amended by adding at the end
15 the following new sentence: “The preceding sentence shall
16 not apply to any Federal Pandemic Unemployment Com-
17 pensation paid to an individual with respect to a week of
18 unemployment ending on or after October 5, 2020.”.

19 (d) REQUIREMENT FOR RETURN TO WORK NOTIFI-
20 CATION AND REPORTING.—Section 2104(b) of the Relief
21 for Workers Affected by Coronavirus Act (contained in
22 subtitle A of title II of division A of the CARES Act (Pub-
23 lic Law 116–136)) is amended by adding at the end the
24 following new paragraph:

1 “(3) Beginning 30 days after the date of enact-
2 ment of this paragraph, any agreement under this
3 section shall require that the State has in place a
4 process to address refusal to return to work or re-
5 fusal of suitable work that includes the following:

6 “(A) Providing a plain-language notice to
7 individuals at the time of applying for benefits
8 regarding State law provisions relating to each
9 of the following:

10 “(i) Return to work requirements.

11 “(ii) Rights to refuse to return to
12 work or to refuse suitable work.

13 “(iii) How to contest the denial of a
14 claim that has been denied due to a claim
15 by an employer that the individual refused
16 to return to work or refused suitable work.

17 “(B) Providing a plain-language notice to
18 employers through any system used by employ-
19 ers or any regular correspondence sent to em-
20 ployers regarding how to notify the State if an
21 individual refuses to return to work.

22 “(C) Other items determined appropriate
23 by the Secretary of Labor.”.

24 (e) EFFECTIVE DATE.—The amendments made by
25 this section (other than the amendment made by sub-

1 section (d)) shall take effect as if included in the enact-
2 ment of the Relief for Workers Affected by Coronavirus
3 Act (contained in subtitle A of title II of division A of
4 the CARES Act (Public Law 116–136)).

5 **SEC. 3. SUPPLEMENTAL EMERGENCY UNEMPLOYMENT RE-**
6 **LIEF FOR GOVERNMENTAL ENTITIES AND**
7 **NONPROFIT ORGANIZATIONS.**

8 (a) IN GENERAL.—Section 903(i)(1)(B) of the Social
9 Security Act (42 U.S.C. 1103(i)(1)(B)) is amended by
10 striking “one-half” and inserting “75 percent”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 subsection (a) shall take effect as if included in the enact-
13 ment of the Relief for Workers Affected by Coronavirus
14 Act (contained in subtitle A of title II of division A of
15 the CARES Act (Public Law 116–136)).

16 **SEC. 4. CONFORMING ELIGIBILITY FOR PANDEMIC UNEM-**
17 **PLOYMENT ASSISTANCE TO DISASTER UNEM-**
18 **PLOYMENT ASSISTANCE AND ACCELERATING**
19 **APPEAL REVIEW.**

20 (a) CONFIRMATION OF ELIGIBILITY FOR PANDEMIC
21 UNEMPLOYMENT ASSISTANCE.—Section 2102(a) of the
22 Relief for Workers Affected by Coronavirus Act (contained
23 in subtitle A of title II of division A of the CARES Act
24 (Public Law 116–136)) is amended—

25 (1) in paragraph (3)—

1 (A) in subparagraph (A)—

2 (i) in clause (i), by striking “and” at
3 the end; and

4 (ii) by inserting after clause (ii) the
5 following:

6 “(iii) provides documentation substan-
7 tiating employment or self-employment or
8 the planned commencement of employment
9 or self-employment not later than 21 days
10 after the date on which the individual sub-
11 mits an application for assistance under
12 this section or is directed by the State
13 Agency to submit such documentation or
14 has shown good cause under the applicable
15 State law for failing to submit such docu-
16 mentation by the deadline, in accordance
17 with section 625.6(e) of title 20, Code of
18 Federal Regulations, or any successor
19 thereto, except that such documentation
20 shall not be required if the individual pre-
21 viously submitted such information to the
22 State agency for the purpose of obtaining
23 regular or other unemployment compensa-
24 tion; and”;

25 (B) in subparagraph (B)—

1 (i) in clause (i), by striking “or” at
2 the end;

3 (ii) in clause (ii), by striking the pe-
4 riod at the end and inserting “; or”; and

5 (iii) by adding at the end the fol-
6 lowing:

7 “(iii) in accordance with section
8 625.6(e)(2) of title 20, Code of Federal
9 Regulations, or any successor thereto, an
10 individual who does not provide docu-
11 mentation substantiating employment or
12 self-employment or the planned commence-
13 ment of employment or self-employment
14 under subparagraph (A)(iii).”;

15 (2) by redesignating paragraphs (4) and (5) as
16 paragraphs (5) and (6), respectively; and

17 (3) by inserting after paragraph (3) the fol-
18 lowing:

19 “(4) DOCUMENTATION SUBSTANTIATING EM-
20 PLOYMENT OR SELF-EMPLOYMENT OR THE
21 PLANNED COMMENCEMENT OF EMPLOYMENT OR
22 SELF-EMPLOYMENT.—The term ‘documentation sub-
23 stantiating employment or self-employment or the
24 planned commencement of employment or self-em-
25 ployment’ means documentation provided by the in-

1 dividual substantiating employment or self-employ-
2 ment and wages earned or paid for such employment
3 or self-employment, or such information related to
4 the planned commencement of employment or self-
5 employment.”.

6 (b) APPLICABILITY.—

7 (1) IN GENERAL.—Beginning not later than 30
8 days after the date of enactment of this Act, each
9 State shall require that documentation substan-
10 tiating employment or self-employment or the
11 planned commencement of employment or self-em-
12 ployment (as defined in section 2102 of the Relief
13 for Workers Affected by Coronavirus Act (contained
14 in subtitle A of title II of division A of the CARES
15 Act (Public Law 116–136))) be submitted by any in-
16 dividual who applies for pandemic unemployment as-
17 sistance under section 2102 of the Relief for Work-
18 ers Affected by Coronavirus Act (contained in sub-
19 title A of title II of division A of the CARES Act
20 (Public Law 116–136)) on or after the date of en-
21 actment of this Act.

22 (2) PRIOR APPLICANTS.—Any individual who
23 applied for pandemic unemployment assistance
24 under section 2102 of the Relief for Workers Af-
25 fected by Coronavirus Act (contained in subtitle A of

1 title II of division A of the CARES Act (Public Law
2 116–136)) before the date of enactment of this Act
3 and receives such assistance on or after the date of
4 enactment of this Act shall submit documentation
5 substantiating employment or self-employment or
6 the planned commencement of employment or self-
7 employment (as defined in such section 2102) not
8 later than 90 days after the date of enactment of
9 this Act or the individual will be ineligible to receive
10 pandemic unemployment assistance under such sec-
11 tion 2102.

12 (c) CONFORMING ELIGIBILITY FOR PANDEMIC UN-
13 EMPLOYMENT ASSISTANCE TO DISASTER UNEMPLOY-
14 MENT ASSISTANCE.—Section 2102(a)(3)(A) of the Relief
15 for Workers Affected by Coronavirus Act (contained in
16 subtitle A of title II of division A of the CARES Act (Pub-
17 lic Law 116–136)), as amended by subsection (a), is
18 amended—

19 (1) in clause (ii)—

20 (A) in subclause (I), in the matter pre-
21 ceding item (aa), by inserting “in the employ-
22 ment or service described in clause (iv)” after
23 “unavailable to work”; and

24 (B) in subclause (II), by striking “and” at
25 the end; and

1 (2) by inserting after clause (iii), as added by
2 subsection (a), the following:

3 “(iv) provides self-certification that
4 the principal source of income and liveli-
5 hood of the individual are dependent upon
6 the individual’s employment for wages or
7 the individual’s performance of service in
8 self-employment; and”.

9 (d) PANDEMIC UNEMPLOYMENT ASSISTANCE AP-
10 PEALS.—

11 (1) AMENDMENT.—Section 2102 of the Relief
12 for Workers Affected by Coronavirus Act (contained
13 in subtitle A of title II of division A of the CARES
14 Act (Public Law 116–136)) is amended by adding at
15 the end the following:

16 “(i) APPEALS BY AN INDIVIDUAL FILED IN THE 50
17 STATES, DISTRICT OF COLUMBIA, COMMONWEALTH OF
18 PUERTO RICO, AND VIRGIN ISLANDS.—

19 “(1) IN GENERAL.—An individual may appeal
20 any determination or redetermination regarding the
21 rights to pandemic unemployment assistance under
22 this section made by the State agency of a State, the
23 District of Columbia, the Commonwealth of Puerto
24 Rico, or the Virgin Islands (referred to in this sub-

1 section as ‘applicable States’). Such an appeal shall
2 be made in accordance with the applicable State law.

3 “(2) REQUIREMENTS.—All levels of an appeal
4 under paragraph (1) shall be—

5 “(A) carried out by the applicable State
6 that made the determination or redetermina-
7 tion; and

8 “(B) conducted in the same manner and to
9 the same extent as the applicable State would
10 conduct appeals of determinations or redeter-
11 minations regarding rights to compensation
12 under State law.”.

13 (2) EFFECTIVE DATE.—The amendment made
14 by paragraph (1) shall take effect as if included in
15 the enactment of the Relief for Workers Affected by
16 Coronavirus Act (contained in subtitle A of title II
17 of division A of the CARES Act (Public Law 116–
18 136)).

19 (3) APPLICABILITY.—The amendment made by
20 paragraph (1) shall not affect any decision regarding
21 the rights to pandemic unemployment assistance
22 under section 2102 of the Relief for Workers Af-
23 fected by Coronavirus Act (contained in subtitle A of
24 title II of division A of the CARES Act (Public Law

1 116–136)) issued on appeal or review before the
 2 date of enactment of this Act.

3 (e) TECHNICAL CORRECTION.—Section 2102(h) of
 4 the Relief for Workers Affected by Coronavirus Act (con-
 5 tained in subtitle A of title II of division A of the CARES
 6 Act (Public Law 116–136)) is amended by striking “sec-
 7 tion 625” each place it appears and inserting “part 625”.

8 **SEC. 5. IMPROVEMENTS TO STATE UNEMPLOYMENT SYS-**
 9 **TEMS AND STRENGTHENING PROGRAM IN-**
 10 **TEGRITY.**

11 (a) UNEMPLOYMENT COMPENSATION SYSTEMS.—

12 (1) IN GENERAL.—Section 303(a) of the Social
 13 Security Act (42 U.S.C. 503(a)) is amended—

14 (A) in the matter preceding paragraph (1),
 15 by striking “provision for—” and inserting
 16 “provision for each of the following:”;

17 (B) at the end of each of paragraphs (1)
 18 through (10) and paragraph (11)(B), by strik-
 19 ing “; and” and inserting a period; and

20 (C) by adding at the end the following new
 21 paragraph:

22 “(13) The State system shall, in addition to
 23 meeting the requirements under section 1137, meet
 24 the following requirements:

1 “(A) The system shall be capable of han-
2 dling a surge of claims that would represent a
3 twentyfold increase in claims from January
4 2020 levels, occurring over a one-month period.

5 “(B) The system shall be capable of—

6 “(i) adjusting wage replacement levels
7 for individuals receiving unemployment
8 compensation;

9 “(ii) adjusting weekly earnings dis-
10 regards, including the ability to adjust
11 such disregards in relation to an individ-
12 ual’s earnings or weekly benefit amount;
13 and

14 “(iii) providing for wage replacement
15 levels that vary based on the duration of
16 benefit receipt.

17 “(C) The system shall have in place an
18 automated process for receiving and processing
19 claims for disaster unemployment assistance
20 under section 410(a) of the Robert T. Stafford
21 Disaster Relief and Emergency Assistance Act
22 (42 U.S.C. 5177(a)), with flexibility to adapt
23 rules regarding individuals eligible for assist-
24 ance and the amount payable.

1 “(D) In the case of a State that makes
2 payments of short-time compensation under a
3 short-time compensation program (as defined in
4 section 3306(v) of the Internal Revenue Code of
5 1986), the system shall have in place an auto-
6 mated process of receiving and processing
7 claims for short-time compensation.

8 “(E) The system shall have in place an
9 automated process for receiving and processing
10 claims for—

11 “(i) unemployment compensation for
12 Federal civilian employees under sub-
13 chapter I of chapter 85 of title 5, United
14 States Code;

15 “(ii) unemployment compensation for
16 ex-servicemembers under subchapter II of
17 chapter 85 of title 5, United States Code;
18 and

19 “(iii) trade readjustment allowances
20 under sections 231 through 233 of the
21 Trade Act of 1974 (19 U.S.C. 2291–
22 2293).”.

23 (2) EFFECTIVE DATE.—The amendment made
24 by paragraph (1) shall apply to weeks of unemploy-
25 ment beginning on or after the earlier of—

1 (A) the date the State changes its statutes,
2 regulations, or policies in order to comply with
3 such amendment; or

4 (B) October 1, 2023.

5 (b) ELECTRONIC TRANSMISSION OF UNEMPLOYMENT
6 COMPENSATION INFORMATION.—Section 303 of the So-
7 cial Security Act (42 U.S.C. 503) is amended by adding
8 at the end the following new subsection:

9 “(n) ELECTRONIC TRANSMISSION OF UNEMPLOY-
10 MENT COMPENSATION INFORMATION.—

11 “(1) IN GENERAL.—Not later than October 1,
12 2022, the State agency charged with administration
13 of the State law shall use a system developed (in
14 consultation with stakeholders) and designated by
15 the Secretary of Labor for automated electronic
16 transmission of requests for information relating to
17 unemployment compensation and the provision of
18 such information between such agency and employ-
19 ers or their agents.

20 “(2) USE OF APPROPRIATED FUNDS.—The Sec-
21 retary of Labor may use funds appropriated for
22 grants to States under this title to make payments
23 on behalf of States as the Secretary determines is
24 appropriate for the use of the system described in
25 paragraph (1).

1 “(3) EMPLOYER PARTICIPATION.—The Sec-
2 retary of Labor shall work with the State agency
3 charged with administration of the State law to in-
4 crease the number of employers using this system
5 and to resolve any technical challenges with the sys-
6 tem.

7 “(4) REPORTS ON USE OF ELECTRONIC SYS-
8 TEM.—After the end of each fiscal year, on a date
9 determined by the Secretary, each State shall report
10 to the Secretary information on—

11 “(A) the proportion of employers using the
12 designated system described in paragraph (1);

13 “(B) the reasons employers are not using
14 such system; and

15 “(C) the efforts the State is undertaking
16 to increase employer’s use of such system.

17 “(5) ENFORCEMENT.—Whenever the Secretary
18 of Labor, after reasonable notice and opportunity for
19 hearing to the State agency charged with the admin-
20 istration of the State law, finds that there is a fail-
21 ure to comply substantially with the requirements of
22 paragraph (1), the Secretary of Labor shall notify
23 such State agency that further payments will not be
24 made to the State until the Secretary of Labor is
25 satisfied that there is no longer any such failure.

1 Until the Secretary of Labor is so satisfied, such
 2 Secretary shall make no future certification to the
 3 Secretary of the Treasury with respect to the
 4 State.”.

5 (c) UNEMPLOYMENT COMPENSATION INTEGRITY
 6 DATA HUB.—

7 (1) IN GENERAL.—Section 303(a) of the Social
 8 Security Act (42 U.S.C. 503(a)), as amended by
 9 subsection (a), is amended by adding at the end the
 10 following new paragraph:

11 “(14) The State agency charged with adminis-
 12 tration of the State law shall use the system des-
 13 ignated by the Secretary of Labor for cross-match-
 14 ing claimants of unemployment compensation under
 15 State law against any databases in the system to
 16 prevent and detect fraud and improper payments.”.

17 (2) EFFECTIVE DATE.—The amendment made
 18 by paragraph (1) shall apply to weeks of unemploy-
 19 ment beginning on or after the earlier of—

20 (A) the date the State changes its statutes,
 21 regulations, or policies in order to comply with
 22 such amendment; or

23 (B) October 1, 2022.

24 (d) REDUCING STATE BURDEN IN PROVIDING DATA
 25 TO PREVENT AND DETECT FRAUD.—Section 303 of the

1 Social Security Act (42 U.S.C. 503), as amended by sub-
2 section (b), is amended by adding at the end the following
3 new subsection:

4 “(o) USE OF UNEMPLOYMENT CLAIMS DATA TO
5 PREVENT AND DETECT FRAUD.—The Inspector General
6 of the Department of Labor shall, for the purpose of iden-
7 tifying and investigating fraud in unemployment com-
8 pensation programs, have direct access to each of the fol-
9 lowing systems:

10 “(1) The system designated by the Secretary of
11 Labor for the electronic transmission of requests for
12 information relating to interstate claims for unem-
13 ployment compensation.

14 “(2) The system designated by the Secretary of
15 Labor for cross-matching claimants of unemploy-
16 ment compensation under State law against data-
17 bases to prevent and detect fraud and improper pay-
18 ments (as referred to in subsection (a)(14)).”.

19 (e) USE OF NATIONAL DIRECTORY OF NEW HIRES
20 IN ADMINISTRATION OF UNEMPLOYMENT COMPENSATION
21 PROGRAMS AND PENALTIES ON NONCOMPLYING EMPLOY-
22 ERS.—

23 (1) IN GENERAL.—Section 303 of the Social
24 Security Act (42 U.S.C. 503), as amended by sub-

1 sections (b) and (d), is amended by adding at the
2 end the following new subsection:

3 “(p) USE OF NATIONAL DIRECTORY OF NEW
4 HIRES.—

5 “(1) IN GENERAL.—Not later than October 1,
6 2022, the State agency charged with administration
7 of the State law shall—

8 “(A) compare information in the National
9 Directory of New Hires established under sec-
10 tion 453(i) against information about individ-
11 uals claiming unemployment compensation to
12 identify any such individuals who may have be-
13 come employed, in accordance with any regula-
14 tions or guidance that the Secretary of Health
15 and Human Services may issue and consistent
16 with the computer matching provisions of the
17 Privacy Act of 1974;

18 “(B) take timely action to verify whether
19 the individuals identified pursuant to subpara-
20 graph (A) are employed; and

21 “(C) upon verification pursuant to sub-
22 paragraph (B), take appropriate action to sus-
23 pend or modify unemployment compensation
24 payments, and to initiate recovery of any im-

1 proper unemployment compensation payments
2 that have been made.

3 “(2) ENFORCEMENT.—Whenever the Secretary
4 of Labor, after reasonable notice and opportunity for
5 hearing to the State agency charged with the admin-
6 istration of the State law, finds that there is a fail-
7 ure to comply substantially with the requirements of
8 paragraph (1), the Secretary of Labor shall notify
9 such State agency that further payments will not be
10 made to the State until the Secretary of Labor is
11 satisfied that there is no longer any such failure.
12 Until the Secretary of Labor is so satisfied, such
13 Secretary shall make no future certification to the
14 Secretary of the Treasury with respect to the
15 State.”.

16 (2) PENALTIES.—

17 (A) IN GENERAL.—Section 453A(d) of the
18 Social Security Act (42 U.S.C. 653a(d)), in the
19 matter preceding paragraph (1), is amended by
20 striking “have the option to set a State civil
21 money penalty which shall not exceed” and in-
22 serting “set a State civil money penalty which
23 shall be no less than”.

1 (B) EFFECTIVE DATE.—The amendment
2 made by subparagraph (A) shall apply to pen-
3 alties assessed on or after October 1, 2022.

4 (f) STATE PERFORMANCE.—

5 (1) IN GENERAL.—Section 303 of the Social
6 Security Act (42 U.S.C. 503), as amended by sub-
7 sections (b), (d), and (e), is amended by adding at
8 the end the following new subsection:

9 “(q) STATE PERFORMANCE.—

10 “(1) IN GENERAL.—For purposes of assisting
11 States in meeting the requirements of this title, title
12 IX, title XII, or chapter 23 of the Internal Revenue
13 Code of 1986 (commonly referred to as ‘the Federal
14 Unemployment Tax Act’), the Secretary of Labor
15 may—

16 “(A) consistent with subsection (a)(1), es-
17 tablish measures of State performance, includ-
18 ing criteria for acceptable levels of performance,
19 performance goals, and performance measure-
20 ment programs;

21 “(B) consistent with subsection (a)(6), re-
22 quire States to provide to the Secretary of
23 Labor data or other relevant information from
24 time to time concerning the operations of the
25 State or State performance, including the meas-

1 ures, criteria, goals, or programs established
2 under paragraph (1);

3 “(C) require States with sustained failure
4 to meet acceptable levels of performance or with
5 performance that is substantially below accept-
6 able standards, as determined based on the
7 measures, criteria, goals, or programs estab-
8 lished under subparagraph (A), to implement
9 specific corrective actions and use specified
10 amounts of the administrative grants under this
11 title provided to such States to improve per-
12 formance; and

13 “(D) based on the data and other informa-
14 tion provided under subparagraph (B)—

15 “(i) to the extent the Secretary of
16 Labor determines funds are available after
17 providing grants to States under this title
18 for the administration of State laws, recog-
19 nize and make awards to States for per-
20 formance improvement, or performance ex-
21 ceeding the criteria or meeting the goals
22 established under subparagraph (A); or

23 “(ii) to the extent the Secretary of
24 Labor determines funds are available after
25 providing grants to States under this title

1 for the administration of State laws, pro-
2 vide incentive funds to high-performing
3 States based on the measures, criteria,
4 goals, or programs established under sub-
5 paragraph (A).

6 “(2) ENFORCEMENT.—Whenever the Secretary
7 of Labor, after reasonable notice and opportunity for
8 hearing to the State agency charged with the admin-
9 istration of the State law, finds that there is a fail-
10 ure to comply substantially with the requirements of
11 paragraph (1), the Secretary of Labor shall notify
12 such State agency that further payments will not be
13 made to the State until the Secretary of Labor is
14 satisfied that there is no longer any such failure.
15 Until the Secretary of Labor is so satisfied, such
16 Secretary shall make no future certification to the
17 Secretary of the Treasury with respect to the
18 State.”.

19 (2) EFFECTIVE DATE.—The amendments made
20 by this subsection shall take effect on the date of en-
21 actment of this Act.

22 (g) FUNDING.—Out of any money in the Treasury
23 of the United States not otherwise appropriated, there are
24 appropriated to the Secretary of Labor \$2,000,000,000 to
25 assist States in carrying out the amendments made by this

1 section, which may include regional or multi-State efforts.
2 Amounts appropriated under the preceding sentence shall
3 remain available until expended.

4 **SEC. 6. EMERGENCY DESIGNATION.**

5 (a) IN GENERAL.—The amounts provided by this Act
6 and the amendments made by this Act are designated as
7 an emergency requirement pursuant to section 4(g) of the
8 Statutory Pay-As-You-Go Act of 2010 (2 U.S.C. 933(g)).

9 (b) DESIGNATION IN SENATE.—In the Senate, this
10 Act and the amendments made by this Act are designated
11 as an emergency requirement pursuant to section 4112(a)
12 of H. Con. Res. 71 (115th Congress), the concurrent reso-
13 lution on the budget for fiscal year 2018.

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