

119TH CONGRESS
2D SESSION

S. _____

To modernize unemployment compensation benefits, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. WYDEN (for himself, Mr. SCHUMER, Mr. BENNET, and Ms. WARREN) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To modernize unemployment compensation benefits, 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 “Stability and Opportunity for Workers Act”.

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—MODERNIZATION OF REGULAR UNEMPLOYMENT
COMPENSATION

Sec. 101. Floor on the number of weeks.

Sec. 102. Floor on the minimum replacement of wages.

2

- Sec. 103. Floor on the maximum benefit.
- Sec. 104. Part-time work.
- Sec. 105. Base period.
- Sec. 106. Expansion of good cause separations.
- Sec. 107. Unemployment compensation for victims of a qualifying act of violence or harassment.
- Sec. 108. Elimination of waiting weeks.
- Sec. 109. Temporary work assignment.
- Sec. 110. Self-employment assistance program.
- Sec. 111. Short-time compensation program.
- Sec. 112. Minimum level of prior employment.
- Sec. 113. Employee status.
- Sec. 114. Eligibility of certain student-workers for unemployment compensation.
- Sec. 115. Dependents' allowance.
- Sec. 116. Labor disputes.
- Sec. 117. Educational employees.
- Sec. 118. Emergency enhanced unemployment compensation.
- Sec. 119. Suitable work.

TITLE II—MODERNIZATION OF EXTENDED BENEFITS

- Sec. 201. Full Federal funding of extended unemployment compensation.
- Sec. 202. Improving the extended benefit triggers.
- Sec. 203. Increase in the number of weeks of extended benefits during high unemployment periods.
- Sec. 204. Improved calculation of amounts in an individual's extended benefit account.
- Sec. 205. Transition for amounts remaining in extended benefit accounts when a State is no longer in an extended benefit period.
- Sec. 206. Coordination of extended benefits with regular compensation.
- Sec. 207. Portability of extended benefits.
- Sec. 208. Additional extended benefit program improvements.
- Sec. 209. Exemption of extended benefits from sequestration.
- Sec. 210. Effective date.

TITLE III—TRANSITION WAGES FOR RETRAINING

- Sec. 301. Transition wage program.
- Sec. 302. Transition scholarship pilot program.

TITLE IV—JOBSEEKER ALLOWANCE

- Sec. 401. Jobseeker allowance.

TITLE V—TAX FAIRNESS FOR DISPLACED WORKERS

- Sec. 501. Treatment of unemployment compensation for purposes of earned income credit.

1 **TITLE I—MODERNIZATION OF**
2 **REGULAR UNEMPLOYMENT**
3 **COMPENSATION**

4 **SEC. 101. FLOOR ON THE NUMBER OF WEEKS.**

5 (a) IN GENERAL.—Section 3304(a) of the Internal
6 Revenue Code of 1986 is amended—

7 (1) in paragraph (18), by striking “and” at the
8 end;

9 (2) by redesignating paragraph (19) as para-
10 graph (20); and

11 (3) by inserting after paragraph (18) the fol-
12 lowing new paragraph:

13 “(19) the minimum duration of benefits is at
14 least 26 weeks, and no variable duration formula
15 that provides for maximum weeks of benefits of
16 fewer than 26 weeks is used, or, in the case of a
17 State that uses a maximum benefit entitlement, an
18 individual’s maximum benefit entitlement may not
19 be less than 26 times the individual’s weekly benefit
20 amount; and”.

21 (b) EFFECTIVE DATE.—The amendments made by
22 subsection (a) shall apply to weeks of unemployment be-
23 ginning on or after the earlier of—

1 (1) the date the State changes its statutes, reg-
2 ulations, or policies in order to comply with such
3 amendments; or

4 (2) January 1, 2028.

5 **SEC. 102. FLOOR ON THE MINIMUM REPLACEMENT OF**
6 **WAGES.**

7 (a) IN GENERAL.—Section 3304(a) of the Internal
8 Revenue Code of 1986, as previously amended by this title,
9 is amended—

10 (1) in paragraph (19), by striking “and” at the
11 end;

12 (2) by redesignating paragraph (20) as para-
13 graph (21); and

14 (3) by inserting after paragraph (19) the fol-
15 lowing new paragraph:

16 “(20) an individual’s weekly benefit amount is
17 equal to the lesser of—

18 “(A) the maximum weekly benefit amount
19 under the State law; or

20 “(B) an amount equal to the quotient of—

21 “(i) an amount equal to at least 75
22 percent of the total earnings in the quarter
23 of the individual’s base period with the
24 highest earnings; divided by

25 “(ii) 13; and”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall apply to weeks of unemployment be-
3 ginning on or after the earlier of—

4 (1) the date the State changes its statutes, reg-
5 ulations, or policies in order to comply with such
6 amendments; or

7 (2) January 1, 2028.

8 **SEC. 103. FLOOR ON THE MAXIMUM BENEFIT.**

9 (a) IN GENERAL.—Section 3304(a) of the Internal
10 Revenue Code of 1986, as previously amended by this title,
11 is amended—

12 (1) in paragraph (20), by striking “and” at the
13 end;

14 (2) by redesignating paragraph (21) as para-
15 graph (22); and

16 (3) by inserting after paragraph (20) the fol-
17 lowing new paragraph:

18 “(21) the maximum weekly benefit amount may
19 not be less than $\frac{2}{3}$ of the State’s average weekly
20 wage (as determined by the Secretary of Labor) as
21 of October 1 of each calendar year and applied for
22 claims effective on or after January 1 of the subse-
23 quent calendar year; and”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall apply to weeks of unemployment be-
3 ginning on or after the earlier of—

4 (1) the date the State changes its statutes, reg-
5 ulations, or policies in order to comply with such
6 amendments; or

7 (2) January 1, 2028.

8 **SEC. 104. PART-TIME WORK.**

9 (a) IN GENERAL.—Section 3304(a) of the Internal
10 Revenue Code of 1986, as previously amended by this title,
11 is amended—

12 (1) in paragraph (21), by striking “and” at the
13 end;

14 (2) by redesignating paragraph (22) as para-
15 graph (25); and

16 (3) by inserting after paragraph (21) the fol-
17 lowing new paragraphs:

18 “(22) an individual is not denied unemployment
19 compensation under any State law provisions relat-
20 ing to ability to work, availability for work, active
21 search for work, or refusal to accept work, solely on
22 the basis of the number of hours of work such indi-
23 vidual is seeking, provided that the individual is
24 seeking at least the lesser of—

25 “(A) 20 hours of work per week; or

1 “(B) a number of hours of work per week
2 equal to at least $\frac{1}{2}$ of the typical number of
3 hours worked per week in the individual’s base
4 period;

5 “(23) an unemployed individual may claim ben-
6 efits for a week of partial unemployment where the
7 individual performs less than full-time work while
8 continuing to search for additional part-time or full-
9 time work in accordance with State law if their earn-
10 ings are less than the individual’s weekly benefit
11 amount;

12 “(24) when determining the weekly benefit
13 amount for an individual claiming a benefit for a
14 week of partial unemployment, the State disregards,
15 at a minimum, earnings equal to $\frac{1}{3}$ of the individ-
16 ual’s weekly benefit amount in computing the indi-
17 vidual’s weekly benefit for partial unemployment;
18 and”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 subsection (a) shall apply to weeks of unemployment be-
21 ginning on or after the earlier of—

22 (1) the date the State changes its statutes, reg-
23 ulations, or policies in order to comply with such
24 amendments; or

25 (2) January 1, 2028.

1 **SEC. 105. BASE PERIOD.**

2 (a) IN GENERAL.—Section 3304(a) of the Internal
3 Revenue Code of 1986, as previously amended by this title,
4 is amended—

5 (1) in paragraph (24), by striking “and” at the
6 end;

7 (2) by redesignating paragraph (25) as para-
8 graph (27); and

9 (3) by inserting after paragraph (24) the fol-
10 lowing new paragraphs:

11 “(25) the State law—

12 “(A) uses a base period that consists of 4
13 completed calendar quarters preceding the ef-
14 fective date of the claim and includes the most
15 recently completed calendar quarter before the
16 start of the benefit year for purposes of deter-
17 mining eligibility for unemployment compensa-
18 tion; or

19 “(B) provides that, in the case of an indi-
20 vidual who would not otherwise be eligible for
21 unemployment compensation under the State
22 law because of the use of a base period that
23 does not meet the requirements described in
24 subparagraph (A), eligibility is determined
25 using a base period that consists of 4 completed
26 calendar quarters preceding the effective date of

1 the claim and includes the most recently com-
2 pleted calendar quarter before the start of the
3 benefit year;

4 “(26) in the case of an individual who would
5 not otherwise be eligible for unemployment com-
6 pensation under State law because the individual
7 took unpaid leave or reduced pay for medical, paren-
8 tal, or caregiving purposes during the base period, or
9 because the individual was incapable of work due to
10 illness, injury, or disability during the base period,
11 eligibility shall be determined using a base period
12 that includes the State’s standard or alternative
13 base period and at least 4 additional consecutive
14 quarters immediately before the base period or alter-
15 native base period; and”.

16 (b) EFFECTIVE DATE.—The amendments made by
17 subsection (a) shall apply to claims with an effective date
18 beginning on or after the earlier of—

19 (1) the date the State changes its statutes, reg-
20 ulations, or policies in order to comply with such
21 amendments; or

22 (2) January 1, 2028.

1 **SEC. 106. EXPANSION OF GOOD CAUSE SEPARATIONS.**

2 (a) IN GENERAL.—Section 3304 of the Internal Rev-
3 enue Code of 1986, as previously amended by this title,
4 is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (26), by striking “and”
7 at the end;

8 (B) by redesignating paragraph (27) as
9 paragraph (28); and

10 (C) by inserting after paragraph (26) the
11 following new paragraph:

12 “(27) an individual shall not be disqualified
13 from unemployment compensation for separating
14 from employment if that separation is for any com-
15 pelling reason (as defined in subsection (g)); and”;
16 and

17 (2) by adding at the end the following new sub-
18 section:

19 “(g) DEFINITION OF COMPELLING REASON.—

20 “(1) IN GENERAL.—For purposes of subsection
21 (a)(27), the Secretary of Labor shall establish a def-
22 inition for the term ‘compelling reason’.

23 “(2) REQUIREMENTS.—In defining the term
24 ‘compelling reason’, the Secretary shall include the
25 following reasons:

1 “(A) ILLNESS OR DISABILITY OF A QUALI-
2 FIED FAMILY MEMBER.—

3 “(i) IN GENERAL.—The illness or dis-
4 ability of a qualified family member of the
5 individual.

6 “(ii) QUALIFIED FAMILY MEMBER.—
7 For purposes of clause (i), the term ‘quali-
8 fied family member’ means, with respect to
9 an individual—

10 “(I) a spouse (including a domes-
11 tic partner in a civil union or other
12 registered domestic partnership recog-
13 nized by a State) and a spouse’s par-
14 ent;

15 “(II) a child and a child’s spouse;

16 “(III) a parent and a parent’s
17 spouse;

18 “(IV) a sibling and a sibling’s
19 spouse;

20 “(V) a grandparent, a grand-
21 child, or a spouse of a grandparent or
22 grandchild; and

23 “(VI) any other individual who is
24 related by blood or affinity and whose
25 association with the individual is the

1 equivalent of a family relationship (as
2 determined under regulations issued
3 by the Secretary of the Labor).

4 “(B) TO ACCOMPANY THE INDIVIDUAL’S
5 SPOUSE.—In order to accompany such individ-
6 ual’s spouse—

7 “(i) to a place which is outside of the
8 individual’s commuting area; and

9 “(ii) due to a change in location of the
10 spouse’s employment.

11 “(C) RELOCATION OF WORKPLACE.—The
12 relocation of the workplace of the individual to
13 a place which is outside of the individual’s com-
14 muting area.

15 “(D) CARE FOR A CHILD.—The need to
16 care for a child when child care has been lost
17 and an alternative arrangement cannot be rea-
18 sonably secured.

19 “(E) UNUSUAL RISK.—The individual’s job
20 presents any unusual risk to the health or safe-
21 ty of the individual.

22 “(F) EMPLOYER’S FAILURE TO CONFORM
23 TO STATE AND FEDERAL LAWS.—The employ-
24 ee’s reasonable belief that the employer failed to
25 conform to any State or Federal law relating to

1 wages, hours, working conditions, collective bar-
2 gaining, harassment, discrimination, retaliation,
3 or reasonable accommodations.

4 “(G) RESUMING PARTICIPATION IN TRAIN-
5 ING.—The individual is resuming participation
6 in an approved training program in which the
7 individual was enrolled with the approval of the
8 State agency under section 3304(a)(8) prior to
9 a break provided under such training program.

10 “(H) OTHER REASONS.—Other reasons de-
11 termined appropriate by the State.”.

12 (b) EFFECTIVE DATE.—The amendments made by
13 subsection (a) shall apply to weeks of unemployment be-
14 ginning on or after the earlier of—

15 (1) the date the State changes its statutes, reg-
16 ulations, or policies in order to comply with such
17 amendments; or

18 (2) January 1, 2028.

19 **SEC. 107. UNEMPLOYMENT COMPENSATION FOR VICTIMS**
20 **OF A QUALIFYING ACT OF VIOLENCE OR HAR-**
21 **ASSMENT.**

22 (a) IN GENERAL.—Section 3304 of the Internal Rev-
23 enue Code of 1986, as previously amended by this title,
24 is amended—

25 (1) in subsection (a)—

1 (A) in paragraph (27), by striking “and”
2 at the end;

3 (B) by redesignating paragraph (28) as
4 paragraph (29); and

5 (C) by inserting after paragraph (27) the
6 following new paragraph:

7 “(28) an individual shall not be denied com-
8 pensation under such State law solely on the basis
9 of the individual having a voluntary separation from
10 work if such separation is attributable to such indi-
11 vidual being a victim of a qualifying act of violence
12 or harassment; and”; and

13 (2) by adding at the end the following new sub-
14 section:

15 “(h) VICTIMS OF A QUALIFYING ACT OF VIOLENCE
16 OR HARASSMENT.—

17 “(1) DOCUMENTATION.—For purposes of sub-
18 section (a)(28), a voluntary separation of an indi-
19 vidual shall be considered to be attributable to such
20 individual being a victim of a qualifying act of vio-
21 lence or harassment if such individual submits such
22 evidence as the State deems sufficient.

23 “(2) SUFFICIENT DOCUMENTATION.—For pur-
24 poses of paragraph (1), a State shall deem suffi-
25 cient—

1 “(A) evidence of such qualifying act of vio-
2 lence or harassment in the form of—

3 “(i) a sworn statement and a form of
4 identification;

5 “(ii) a police or court record;

6 “(iii) documentation from a profes-
7 sional from whom such individual has
8 sought assistance, including those associ-
9 ated with medical, legal, or religious pro-
10 fessions or a victim service provider; or

11 “(iv) any other documentation deter-
12 mined appropriate by the Secretary of
13 Labor or the State; and

14 “(B) an attestation that such voluntary
15 separation is attributable to such qualifying act
16 of violence or harassment.

17 “(3) DEFINITIONS.—

18 “(A) IN GENERAL.—Subject to subpara-
19 graph (B), in this section:

20 “(i) QUALIFYING ACT OF VIOLENCE
21 OR HARASSMENT.—The term ‘qualifying
22 act of violence or harassment’ means an
23 act, conduct, or pattern of conduct that is
24 or could constitute any of the following:

25 “(I) Domestic violence.

1 “(II) Dating violence.

2 “(III) Sexual assault.

3 “(IV) Stalking.

4 “(V) Sexual harassment.

5 “(VI) Other harassment.

6 “(ii) VICTIM OF A QUALIFYING ACT
7 OF VIOLENCE OR HARASSMENT.—The term
8 ‘victim of a qualifying act of violence or
9 harassment’ includes—

10 “(I) an individual who has experi-
11 enced or is experiencing a qualifying
12 act of violence or harassment; and

13 “(II) an individual whose family
14 or household member has experienced
15 or is experiencing a qualifying act of
16 violence or harassment.

17 “(iii) VIOLENCE AGAINST WOMEN ACT
18 DEFINITIONS.—The terms ‘domestic vio-
19 lence’, ‘dating violence’, ‘sexual assault’,
20 ‘stalking’, and ‘victim service provider’
21 have the meanings given such terms in sec-
22 tion 40002 of the Violence Against Women
23 Act of 1994, except that if the cor-
24 responding paragraph for any such term is
25 amended after the date of enactment of

1 this subsection, such amendment shall not
2 apply for purposes of this subsection until
3 the earlier of—

4 “(I) the date the State changes
5 its statutes, regulations, or policies in
6 order to comply with such amend-
7 ment; or

8 “(II) the date that is 2 years
9 after the date of enactment of such
10 amendment.

11 “(iv) SEXUAL HARASSMENT.—The
12 term ‘sexual harassment’ means hostile, in-
13 timidating, or oppressive behavior based on
14 sex that creates an offensive work environ-
15 ment.

16 “(v) OTHER HARASSMENT.—The term
17 ‘other harassment’ has the meaning given
18 the term ‘harassment’ (other than sexual
19 harassment) under State law, regulation,
20 or policy.

21 “(B) STATES MAY APPLY BROADER DEFINI-
22 TION.—A State may adopt a broader defini-
23 tion of any term under clause (i), (ii) (iii), (iv),
24 or (v) of subparagraph (A).”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 subsection (a) shall apply to weeks of unemployment be-
3 ginning on or after the earlier of—

4 (1) the date the State changes its statutes, reg-
5 ulations, or policies in order to comply with such
6 amendments; or

7 (2) January 1, 2028.

8 **SEC. 108. ELIMINATION OF WAITING WEEKS.**

9 (a) IN GENERAL.—Section 3304(a) of the Internal
10 Revenue Code of 1986, as previously amended by this title,
11 is amended—

12 (1) in paragraph (28), by striking “and” at the
13 end;

14 (2) by redesignating paragraph (29) as para-
15 graph (30); and

16 (3) by inserting after paragraph (28) the fol-
17 lowing new paragraph:

18 “(29) compensation is immediately paid to an
19 individual for their first week of otherwise compen-
20 sable unemployment without a waiting week; and”.

21 (b) EFFECTIVE DATE.—The amendments made by
22 subsection (a) shall apply to weeks of unemployment be-
23 ginning on or after the earlier of—

1 (1) the date the State changes its statutes, reg-
2 ulations, or policies in order to comply with such
3 amendments; or

4 (2) January 1, 2028.

5 **SEC. 109. TEMPORARY WORK ASSIGNMENT.**

6 (a) IN GENERAL.—Section 3304(a) of the Internal
7 Revenue Code of 1986, as previously amended by this title,
8 is amended—

9 (1) in paragraph (29), by striking “and” at the
10 end;

11 (2) by redesignating paragraph (30) as para-
12 graph (31); and

13 (3) by inserting after paragraph (29) the fol-
14 lowing new paragraph:

15 “(30) an individual’s completion of a temporary
16 employment assignment is considered to be an invol-
17 untary layoff for the purposes of determining eligi-
18 bility for unemployment compensation, regardless of
19 whether or not the individual has contacted the em-
20 ployer after a temporary assignment has ended;
21 and”.

22 (b) EFFECTIVE DATE.—The amendments made by
23 subsection (a) shall apply to weeks of unemployment be-
24 ginning on or after the earlier of—

1 (1) the date the State changes its statutes, reg-
2 ulations, or policies in order to comply with such
3 amendments; or

4 (2) January 1, 2028.

5 **SEC. 110. SELF-EMPLOYMENT ASSISTANCE PROGRAM.**

6 (a) REQUIREMENT.—

7 (1) IN GENERAL.—Section 3304(a) of the In-
8 ternal Revenue Code of 1986, as previously amended
9 by this title, is amended—

10 (A) in paragraph (4)(F), by inserting “, as
11 required under paragraph (31)” after
12 “3306(t)”;

13 (B) in paragraph (30), by striking “and”
14 at the end;

15 (C) by redesignating paragraph (31) as
16 paragraph (32); and

17 (D) by inserting after paragraph (30) the
18 following new paragraph:

19 “(31) payment of allowances is made under a
20 self-employment assistance program (as defined in
21 section 3306(t)) under the State law; and”.

22 (2) CONFORMING AMENDMENT.—Section
23 303(a)(5) of the Social Security Act (42 U.S.C.
24 503(a)(5)), is amended, in the last proviso, by in-

1 serting “, as required under section 3304(a)(31) of
2 such Code” after “1986”).

3 (b) EFFECTIVE DATE.—The amendments made by
4 subsection (a) shall apply to weeks of unemployment be-
5 ginning on or after the earlier of—

6 (1) the date the State changes its statutes, reg-
7 ulations, or policies in order to comply with such
8 amendments; or

9 (2) January 1, 2028.

10 **SEC. 111. SHORT-TIME COMPENSATION PROGRAM.**

11 (a) REQUIRED PROGRAM.—

12 (1) IN GENERAL.—Section 3304(a) of the In-
13 ternal Revenue Code of 1986, as previously amended
14 by this title, is amended—

15 (A) in paragraph (4)(E), by inserting “, as
16 required under paragraph (32)” after
17 “3306(v)”;

18 (B) in paragraph (31), by striking “and”
19 at the end;

20 (C) by redesignating paragraph (32) as
21 paragraph (33); and

22 (D) by inserting after paragraph (31) the
23 following new paragraph:

24 “(32) payment of short-time compensation is
25 made under a short-time compensation program (as

1 defined in section 3306(v)) under the State law;
2 and”.

3 (2) CONFORMING AMENDMENT.—Section
4 303(a)(5) of the Social Security Act (42 U.S.C.
5 503(a)(5)), is amended, in the fifth proviso, by in-
6 serting “, as required under section 3304(a)(32) of
7 such Code” after “1986”).

8 (b) REVISIONS TO DEFINITION OF A SHORT-TIME
9 COMPENSATION PROGRAM.—

10 (1) FLEXIBILITY.—

11 (A) IN GENERAL.—Section 3306(v)(3) of
12 the Internal Revenue Code of 1986 is amended
13 by striking “60 percent” and inserting “80 per-
14 cent”.

15 (B) EFFECTIVE DATE.—The amendment
16 made by subparagraph (A) shall take effect on
17 the date of enactment of this Act.

18 (2) PERMITTING EMPLOYERS TO FILE CLAIM
19 ON BEHALF OF EMPLOYEES.—Section 3306(v) of
20 the Internal Revenue Code of 1986 is amended—

21 (A) by redesignating paragraphs (8), (9),
22 and (10) as paragraphs (9), (10), and (11), re-
23 spectively; and

24 (B) by inserting after paragraph (7) the
25 following new paragraph:

1 “(8) the State agency allows an employer to file
2 weekly claims under the program on behalf of em-
3 ployees;”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section (other than subsection (b)(1)) shall apply to
6 weeks of unemployment beginning on or after the earlier
7 of—

8 (1) the date the State changes its statutes, reg-
9 ulations, or policies in order to comply with such
10 amendments; or

11 (2) January 1, 2028.

12 **SEC. 112. MINIMUM LEVEL OF PRIOR EMPLOYMENT.**

13 (a) REQUIREMENT.—

14 (1) IN GENERAL.—Section 3304(a) of the In-
15 ternal Revenue Code of 1986, as previously amended
16 by this title, is amended—

17 (A) in paragraph (32), by striking “and”
18 at the end;

19 (B) by redesignating paragraph (33) as
20 paragraph (34); and

21 (C) by inserting after paragraph (31) the
22 following new paragraph:

23 “(33) compensation is not denied to an other-
24 wise eligible individual if the individual earned at
25 least \$1,000 in covered wages during the highest

1 quarter of the base period and at least \$1,500 cov-
2 ered wages during the base period; and”.

3 (2) STATE MAY REDUCE MINIMUM THRESH-
4 OLDS.—Nothing in paragraph (33) of section
5 3304(a) of the Internal Revenue Code of 1986, as
6 added by paragraph (1), shall preclude a State from
7 reducing the dollar thresholds described in such
8 paragraph (33).

9 (b) EFFECTIVE DATE.—The amendments made by
10 subsection (a) shall apply to weeks of unemployment be-
11 ginning on or after the earlier of—

12 (1) the date the State changes its statutes, reg-
13 ulations, or policies in order to comply with such
14 amendments; or

15 (2) January 1, 2028.

16 **SEC. 113. EMPLOYEE STATUS.**

17 (a) IN GENERAL.—Section 3304(a) of the Internal
18 Revenue Code of 1986, as previously amended by this title,
19 is amended—

20 (1) in paragraph (33), by striking “and” at the
21 end;

22 (2) by redesignating paragraph (34) as para-
23 graph (35); and

24 (3) by inserting after paragraph (33) the fol-
25 lowing new paragraph:

1 “(34) an individual performing any service shall
2 be considered an employee and not an independent
3 contractor for the purpose of the State law, unless—

4 “(A) the individual is free from control and
5 direction in connection with the performance of
6 the service, both under the contract for the per-
7 formance of the service and in fact;

8 “(B) the service is performed outside the
9 usual course of the business of the employer;
10 and

11 “(C) the individual is customarily engaged
12 in an independently established trade, occupa-
13 tion, profession, or business of the same nature
14 as that involved in the service performed; and”.

15 (b) EFFECTIVE DATE.—The amendments made by
16 subsection (a) shall apply to weeks of unemployment be-
17 ginning on or after the earlier of—

18 (1) the date the State changes its statutes, reg-
19 ulations, or policies in order to comply with such
20 amendments; or

21 (2) January 1, 2028.

22 **SEC. 114. ELIGIBILITY OF CERTAIN STUDENT-WORKERS**
23 **FOR UNEMPLOYMENT COMPENSATION.**

24 (a) IN GENERAL.—Section 3306(c)(10) of the Inter-
25 nal Revenue Code of 1986 is amended—

1 (1) by striking subparagraphs (B) and (C); and
2 (2) by redesignating subparagraph (D) as sub-
3 paragraph (B).

4 (b) EFFECTIVE DATE.—The amendment made by
5 this section shall apply to service performed on or after
6 January 1, 2028.

7 **SEC. 115. DEPENDENTS' ALLOWANCE.**

8 (a) IN GENERAL.—Chapter 23 of the Internal Rev-
9 enue Code of 1986 is amended—

10 (1) in section 3304(a), as previously amended
11 by this title—

12 (A) in paragraph (34), by striking “and”
13 at the end;

14 (B) by redesignating paragraph (35) as
15 paragraph (36); and

16 (C) by inserting after paragraph (34) the
17 following new paragraph:

18 “(35) payment of dependents’ allowances shall
19 be paid pursuant to section 3304A; and”; and

20 (2) by inserting after section 3304, the fol-
21 lowing new section:

22 **“SEC. 3304A. DEPENDENTS' ALLOWANCE.**

23 “(a) IN GENERAL.—Subject to the succeeding provi-
24 sions of this section, for purposes of section 3304(a)(35),
25 a State shall provide, in the case of any individual who

1 is entitled to receive unemployment compensation and who
2 has any dependents, a dependents' allowance in an amount
3 equal to the amount specified in subsection (b) per de-
4 pendent per week.

5 “(b) AMOUNT SPECIFIED.—

6 “(1) IN GENERAL.—The amount specified in
7 this subsection is an amount equal to—

8 “(A) for 2027 and 2028, \$25; and

9 “(B) for 2029 or a subsequent year, the
10 dollar amount specified in this subsection for
11 the preceding year increased by the percentage
12 change in the Consumer Price Index for All
13 Urban Consumers for the 12-month period end-
14 ing with June of such preceding year.

15 “(2) ROUNDING.—If any amount determined
16 under paragraph (1)(B) is not a multiple of \$1, such
17 amount shall be rounded to the nearest multiple of
18 \$1.

19 “(c) DEPENDENT DEFINED.—In this section, the
20 term ‘dependent’ shall have the meaning given that term
21 under State law, except that such term shall include—

22 “(1) any child in the care of the individual who
23 is under the age of 18, including a natural child, an
24 adopted child, and a stepchild;

1 “(2) any child, including a stepchild, natural
2 child, or adopted child, who, prior to enrollment as
3 a full-time student, was in the care of the individual
4 seeking benefits, so long as the child remains en-
5 rolled as a full-time student and is under the age of
6 24;

7 “(3) any eligible foster child (as defined in sec-
8 tion 152(f)(1)(C)) placed with the individual;

9 “(4) an immediate family member with a dis-
10 ability who is in the care of the individual or their
11 household, regardless of whether or not the family
12 member resides in the individual’s household;

13 “(5) a nonworking senior family member living
14 in the household of the individual;

15 “(6) a nonworking spouse who is not receiving
16 unemployment compensation; and

17 “(7) other individuals determined appropriate
18 by the Secretary of Labor.

19 “(d) REGULATIONS.—Not later than 3 months after
20 the date of enactment of this section, the Secretary of
21 Labor shall issue regulations to carry out this section.”.

22 (b) PERMISSIBLE USE OF FUNDS.—

23 (1) INTERNAL REVENUE CODE OF 1986.—Sec-
24 tion 3304(a)(4) of the Internal Revenue Code of
25 1986 is amended—

1 (A) in subparagraph (F), by striking
2 “and” at the end;

3 (B) in subparagraph (G)(ii), by inserting
4 “and” at the end; and

5 (C) by adding at the end the following:

6 “(H) amounts may be withdrawn for the
7 payment of dependents’ allowances under sec-
8 tion 3304A;”.

9 (2) SOCIAL SECURITY ACT.—Section 303(a)(5)
10 of the Social Security Act is amended by striking “;
11 and” at the end and inserting “: *Provided further*,
12 That amounts may be withdrawn for the payment of
13 dependents’ allowances under section 3304A of the
14 Internal Revenue Code of 1986; and”.

15 (c) CONFORMING AMENDMENT.—The table of sec-
16 tions for chapter 23 of the Internal Revenue Code of 1986
17 is amended by inserting after the item relating to section
18 3304 the following new item:

“Sec. 3304A. Dependents’ allowance.”.

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to weeks of unemployment begin-
21 ning on or after the earlier of—

22 (1) the date the State changes its statutes, reg-
23 ulations, or policies in order to comply with such
24 amendments; or

25 (2) January 1, 2028.

1 **SEC. 116. LABOR DISPUTES.**

2 (a) IN GENERAL.—Section 3304(a) of the Internal
3 Revenue Code of 1986, as previously amended by this title,
4 is amended—

5 (1) in paragraph (35), by striking “and” at the
6 end;

7 (2) by redesignating paragraph (36) as para-
8 graph (37); and

9 (3) by inserting after paragraph (35) the fol-
10 lowing new paragraph:

11 “(36) compensation is not denied to an other-
12 wise eligible individual if the separation is due to a
13 labor dispute if—

14 “(A) the individual has been locked out by
15 their employer;

16 “(B) the dispute is the result of the em-
17 ployer’s failure to conform to the provisions of
18 a labor contract;

19 “(C) the dispute is the result of the em-
20 ployer’s failure to conform to any State or Fed-
21 eral law relating to wages, hours, working con-
22 ditions, or collective bargaining; or

23 “(D) the individual and others of the same
24 grade or class are not participating in the dis-
25 pute, financing it, or directly interested in it;
26 and”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to weeks of unemployment begin-
3 ning on or after the earlier of—

4 (1) the date the State changes its statutes, reg-
5 ulations, or policies in order to comply with such
6 amendments; or

7 (2) January 1, 2028.

8 **SEC. 117. EDUCATIONAL EMPLOYEES.**

9 (a) IN GENERAL.—Section 3304(a)(6)(A)(i) of the
10 Internal Revenue Code of 1986 is amended—

11 (1) by striking “applies, compensation shall”
12 and inserting the following: “applies—

13 “(I) compensation shall”;

14 (2) in subclause (I), as added by paragraph (1),
15 by inserting “except that” at the end; and

16 (3) by adding at the end the following new sub-
17 clause:

18 “(II) if compensation is denied to any
19 individual for any week under subclause (I)
20 and such individual was not offered an op-
21 portunity to perform such services for the
22 educational institution for the second of
23 such academic years or terms, such indi-
24 vidual shall be entitled to a retroactive
25 payment of the compensation for each

1 week for which the individual filed a timely
2 claim for compensation and for which com-
3 pensation was denied solely by reason of
4 subclause (I),”.

5 (b) **EFFECTIVE DATE.**—The amendments made by
6 this section shall apply to weeks of unemployment begin-
7 ning on or after the earlier of—

8 (1) the date the State changes its statutes, reg-
9 ulations, or policies in order to comply with such
10 amendments; or

11 (2) January 1, 2028.

12 **SEC. 118. EMERGENCY ENHANCED UNEMPLOYMENT COM-**
13 **PENSATION.**

14 (a) **IN GENERAL.**—Chapter 23 of the Internal Rev-
15 enue Code of 1986 is amended—

16 (1) in section 3304(a), as previously amended
17 by this title—

18 (A) in paragraph (20), in the matter pre-
19 ceding clause (i), by inserting “, subject to
20 paragraph (37) and section 3304B,” after
21 “benefit amount is”;

22 (B) in paragraph (36), by striking “and”
23 at the end;

24 (C) by redesignating paragraph (37) as
25 paragraph (38); and

1 (D) by inserting after paragraph (36) the
2 following new paragraph:

3 “(37) payment of emergency enhanced unem-
4 ployment compensation shall be paid pursuant to
5 section 3304B; and”; and

6 (2) by inserting after section 3304A, as added
7 by section 115, the following new section:

8 **“SEC. 3304B. EMERGENCY ENHANCED UNEMPLOYMENT**
9 **COMPENSATION.**

10 “(a) COMPENSATION.—

11 “(1) IN GENERAL.—Subject to the succeeding
12 provisions of this section, for purposes of section
13 3304(a)(37), during an emergency period with re-
14 spect to a State, section 3304(a)(20)(B)(i) shall be
15 applied with respect to the State by substituting
16 ‘100 percent’ for ‘at least 75 percent’. The addi-
17 tional amount an individual receives pursuant to the
18 application of the preceding sentence shall be re-
19 ferred to as ‘emergency enhanced unemployment
20 compensation’.

21 “(2) EMERGENCY PERIOD.—For purposes of
22 paragraph (1), the term ‘emergency period’ means,
23 with respect to a State, any period during which—

24 “(A) a public health emergency has been
25 declared under section 319 of the Public Health

1 Service Act with respect to the State (including
2 a nationwide emergency); or

3 “(B) a major disaster or emergency has
4 been declared by the President under section
5 401 or 501, respectively, of the Robert T. Staf-
6 ford Disaster Relief and Emergency Assistance
7 Act (42 U.S.C. 5170, 5191).

8 “(b) PAYMENTS TO STATES.—

9 “(1) IN GENERAL.—

10 “(A) FULL REIMBURSEMENT.—There shall
11 be paid to each State an amount equal to 100
12 percent of—

13 “(i) the total amount of emergency
14 enhanced unemployment compensation
15 paid to individuals by the State pursuant
16 to this section; and

17 “(ii) any additional administrative ex-
18 penses incurred by the State by reason of
19 making such payments (as determined by
20 the Secretary of Labor).

21 “(B) TERMS OF PAYMENTS.—Sums pay-
22 able to any State under this section shall be
23 payable, either in advance or by way of reim-
24 bursement (as determined by the Secretary of
25 Labor), in such amounts as the Secretary of

1 Labor estimates the State will be entitled to re-
2 ceive under this section for each calendar
3 month, reduced or increased, as the case may
4 be, by any amount by which the Secretary of
5 Labor finds that the Secretary's estimates for
6 any prior calendar month were greater or less
7 than the amounts that should have been paid to
8 the State. Such estimates may be made on the
9 basis of such statistical, sampling, or other
10 method as may be agreed upon by the Secretary
11 of Labor and the State agency of the State in-
12 volved.

13 “(2) CERTIFICATIONS.—The Secretary of
14 Labor shall from time to time certify to the Sec-
15 retary of the Treasury for payment to each State the
16 sums payable to such State under this section.

17 “(3) DEPOSIT.—Sums payable to any State
18 under this section shall be deposited in the account
19 of such State in the Unemployment Trust Fund.
20 Amounts deposited under the preceding sentence
21 may only be used by the State for the payment of
22 emergency enhanced unemployment compensation
23 under this section.

24 “(4) FUNDING.—There are appropriated from
25 the general fund of the Treasury, without fiscal year

1 limitation, such sums as may be necessary for pur-
2 poses of this section.

3 “(c) FRAUD AND OVERPAYMENTS.—

4 “(1) IN GENERAL.—If an individual knowingly
5 has made, or caused to be made by another, a false
6 statement or representation of a material fact, or
7 knowingly has failed, or caused another to fail, to
8 disclose a material fact, and as a result of such false
9 statement or representation or of such nondisclo-
10 sure, such individual has received an amount of
11 emergency enhanced unemployment compensation to
12 which such individual was not entitled, such indi-
13 vidual—

14 “(A) shall be ineligible for further emer-
15 gency enhanced unemployment compensation in
16 accordance with the provisions of the applicable
17 State unemployment compensation law relating
18 to fraud in connection with a claim for unem-
19 ployment compensation; and

20 “(B) shall be subject to prosecution under
21 section 1001 of title 18, United States Code.

22 “(2) REPAYMENT.—In the case of individuals
23 who have received amounts of emergency enhanced
24 unemployment compensation to which they were not
25 entitled, the State shall require such individuals to

1 repay the amounts of such emergency enhanced un-
2 employment compensation to the State agency, ex-
3 cept that the State agency shall waive such repay-
4 ment if it determines that—

5 “(A) the payment of such emergency en-
6 hanced unemployment compensation was not
7 based on fraud on the part of any such indi-
8 vidual; and

9 “(B) such repayment would be contrary to
10 equity and good conscience.

11 “(3) RECOVERY BY STATE AGENCY.—

12 “(A) IN GENERAL.—The State agency may
13 recover the amount to be repaid, or any part
14 thereof, by deductions from any emergency en-
15 hanced unemployment compensation payable to
16 such individual or from any unemployment
17 compensation payable to such individual under
18 any State or Federal unemployment compensa-
19 tion law administered by the State agency or
20 under any other State or Federal law adminis-
21 tered by the State agency that provides for the
22 payment of any assistance or allowance with re-
23 spect to any week of unemployment, during the
24 3-year period after the date such individual re-
25 ceived the payment of the emergency enhanced

1 unemployment compensation to which they were
2 not entitled, in accordance with the same proce-
3 dures as apply to the recovery of overpayments
4 of regular unemployment benefits paid by the
5 State.

6 “(B) OPPORTUNITY FOR HEARING.—No
7 repayment shall be required, and no deduction
8 shall be made, until a determination has been
9 made, notice thereof and an opportunity for a
10 fair hearing has been given to the individual,
11 and the determination has become final.

12 “(4) REVIEW.—Any determination by a State
13 agency under this section shall be subject to review
14 in the same manner and to the same extent as deter-
15 minations under the State unemployment compensa-
16 tion law, and only in that manner and to that ex-
17 tent.

18 “(5) DEPOSIT IN STATE UNEMPLOYMENT
19 FUND.—Any amount recovered by a State agency
20 pursuant to this section shall be deposited in the ac-
21 count of such State in the Unemployment Trust
22 Fund. Amounts deposited under the preceding sen-
23 tence may only be used by the State for the payment
24 of emergency enhanced unemployment compensation
25 under this section.

1 “(d) PAYMENT TO BE DISREGARDED FOR PURPOSES
2 OF ALL FEDERAL AND FEDERALLY ASSISTED PRO-
3 GRAMS.—A emergency enhanced unemployment com-
4 pensation payment shall not be regarded as income and
5 shall not be regarded as a resource for the month of re-
6 ceipt and the following 12 months, for purposes of deter-
7 mining the eligibility of the recipient (or the recipient’s
8 spouse or family) for benefits or assistance, or the amount
9 or extent of benefits or assistance, under any Federal pro-
10 gram or under any State or local program financed in
11 whole or in part with Federal funds.

12 “(e) REGULATIONS.—Not later than 3 months after
13 the date of enactment of this section, the Secretary of
14 Labor shall issue regulations to carry out this section.”.

15 (b) CONFORMING AMENDMENT.—The table of sec-
16 tions for chapter 23 of the Internal Revenue Code of 1986,
17 as amended by section 115, is amended by inserting after
18 the item relating to section 3304A the following new item:

“Sec. 3304B. Emergency enhanced unemployment compensation.”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to weeks of unemployment begin-
21 ning on or after the earlier of—

22 (1) the date the State changes its statutes, reg-
23 ulations, or policies in order to comply with such
24 amendments; or

25 (2) January 1, 2028.

1 **SEC. 119. SUITABLE WORK.**

2 (a) IN GENERAL.—Section 3304(a)(5) of the Internal
3 Revenue Code of 1986 is amended by adding at the end
4 the following new subparagraphs:

5 “(D) the position pays a wage rate less
6 than the greater of—

7 “(i) the wage rate specified in section
8 6(a)(1) of the Fair Labor Standards Act
9 of 1938 (29 U.S.C. 206(a)(1));

10 “(ii) the wage rate specified in any
11 applicable State or local minimum wage; or

12 “(iii) the lesser of—

13 “(I) 75 percent of the individ-
14 ual’s rate of pay in the quarter of the
15 individual’s base period with the high-
16 est earnings; or

17 “(II) the State’s average weekly
18 wage (as determined by the Secretary
19 of Labor);

20 “(E) the position was not offered to such
21 individual in writing;

22 “(F) the position poses an unreasonable
23 risk to the individual’s health, safety, or morals;

24 “(G) the position is not within the individ-
25 ual’s experience, training, or physical capability
26 to perform;

1 “(H) the position is an unreasonable dis-
2 tance from the individual’s residence or would
3 require an unreasonable commute time from
4 such residence;

5 “(I) the position meets other criteria estab-
6 lished by the Secretary of Labor or the State
7 law or regulation.”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 subsection (a) shall apply to weeks of unemployment be-
10 ginning on or after the earlier of—

11 (1) the date the State changes its statutes, reg-
12 ulations, or policies in order to comply with such
13 amendments; or

14 (2) January 1, 2028.

15 **TITLE II—MODERNIZATION OF**
16 **EXTENDED BENEFITS**

17 **SEC. 201. FULL FEDERAL FUNDING OF EXTENDED UNEM-**
18 **PLOYMENT COMPENSATION.**

19 (a) IN GENERAL.—Section 204 of the Federal-State
20 Extended Unemployment Compensation Act of 1970 (26
21 U.S.C. 3304 note) is amended—

22 (1) in subsection (a)—

23 (A) by striking “(1) There shall be paid”
24 and all that follows through the period at the
25 end of paragraph (2) and inserting the fol-

1 lowing: “(1) There shall be paid to each State
2 an amount equal to 100 percent of the extended
3 compensation (including allowances for depend-
4 ents) paid to individuals under State law.

5 “(2) No payment shall be made to any State under
6 this subsection with respect to benefits paid if the State—

7 “(A) assesses payments due in lieu of contribu-
8 tions from the employer for such benefits; or

9 “(B) charges the employer for purposes of em-
10 ployer experience rating for such benefits.”; and

11 (B) in paragraph (3), by striking “section
12 3306(c)(7) of the Internal Revenue” and all
13 that follows through “reduced by an amount”
14 and inserting “paragraph (7) or (8) of section
15 3306(c) of the Internal Revenue Code of 1986
16 applies shall be reduced by an amount equal to
17 50 percent of the amount”;

18 (2) by striking subsections (b) and (c); and

19 (3) by redesignating subsections (d) and (e) as
20 subsections (b) and (c), respectively.

21 (b) CONFORMING AMENDMENT.—Section 202(a)(6)
22 of the Federal-State Extended Unemployment Compensa-
23 tion Act of 1970 (26 U.S.C. 3304 note) is amended by
24 striking “or shareable regular compensation”.

1 **SEC. 202. IMPROVING THE EXTENDED BENEFIT TRIGGERS.**

2 (a) **TUR TRIGGERS.**—Section 203 of the Federal-
3 State Extended Unemployment Compensation Act of 1970
4 (26 U.S.C. 3304 note) is amended by striking subsection
5 (f) and inserting the following new subsections:

6 “(f) **STATE TUR TRIGGER.**—

7 “(1) **IN GENERAL.**—For purposes of this sec-
8 tion:

9 “(A) **ON INDICATOR.**—There is a State
10 ‘on’ indicator for a week if the average rate of
11 total unemployment in such State (seasonally
12 adjusted) for the period consisting of the most
13 recent 3 months for which data for all States
14 is published before the close of such week
15 equals or exceeds 5.5 percent.

16 “(B) **OFF INDICATOR.**—There is a State
17 ‘off’ indicator for a week if the requirement of
18 subparagraph (A) is not satisfied.

19 “(2) **APPLICATION.**—Notwithstanding the pro-
20 vision of any State law, any week for which there
21 would otherwise be a State ‘on’ indicator shall con-
22 tinue to be such a week and shall not be determined
23 to be a week for which there is a State ‘off’ indi-
24 cator.

25 “(3) **DETERMINATIONS OF THE RATE OF TOTAL**
26 **UNEMPLOYMENT.**—For purposes of this subsection,

1 determinations of the rate of total unemployment in
2 any State for any period (and of any seasonal ad-
3 justment) shall be made by the Secretary.

4 “(g) NATIONAL TUR TRIGGER.—

5 “(1) IN GENERAL.—For purposes of this sec-
6 tion:

7 “(A) ON INDICATOR.—There is a State
8 ‘on’ indicator for a week if the average rate of
9 total unemployment for all States (seasonally
10 adjusted) for the period consisting of the most
11 recent 3 months for which data for all States
12 is published before the close of such week
13 equals or exceeds 5.5 percent.

14 “(B) OFF INDICATOR.—There is a State
15 ‘off’ indicator for a week if the requirement of
16 subparagraph (A) is not satisfied.

17 “(2) APPLICATION.—Notwithstanding the pro-
18 vision of any State law, any week for which there
19 would otherwise be a State ‘on’ indicator shall con-
20 tinue to be such a week and shall not be determined
21 to be a week for which there is a State ‘off’ indi-
22 cator.

23 “(3) DETERMINATIONS OF THE RATE OF TOTAL
24 UNEMPLOYMENT.—For purposes of this subsection,
25 determinations of the rate of total unemployment for

1 all States for any period (and of any seasonal ad-
2 justment) shall be made by the Secretary.”.

3 (b) ELEVATED NATIONAL UNEMPLOYMENT TRIG-
4 GER.—

5 (1) IN GENERAL.—Section 203 of the Federal-
6 State Extended Unemployment Compensation Act of
7 1970 (26 U.S.C. 3304 note), as amended by sub-
8 section (a), is amended by adding at the end the fol-
9 lowing new subsection:

10 “(h) ELEVATED NATIONAL UNEMPLOYMENT TRIG-
11 GER.—

12 “(1) IN GENERAL.—For purposes of this sec-
13 tion:

14 “(A) ON INDICATOR.—There is a State
15 ‘on’ indicator for a week if the average rate of
16 total unemployment for all States (seasonally
17 adjusted) for the period consisting of the most
18 recent 3 months for which data for all States
19 is published before the close of such week is at
20 least 0.5 percentage points higher than the low-
21 est average rate of total unemployment for all
22 States (seasonally adjusted) for any continuous
23 3-month period in the preceding 12 months.

24 “(B) OFF INDICATOR.—There is a State
25 ‘off’ indicator for a week if the average rate of

1 total unemployment for all States (seasonally
2 adjusted) for the period consisting of the most
3 recent 3 months for which data for all States
4 is published before the close of such week—

5 “(i) has decreased for not less than 2
6 consecutive months;

7 “(ii) is less than 5.5 percent; and

8 “(iii) is less than 1.5 percentage
9 points above the average rate of total un-
10 employment for all States (seasonally ad-
11 justed) for the period consisting of the
12 most recent 3 months for which data for
13 all States is published before the close of
14 the first week for which there is an ‘on’ in-
15 dicator under subparagraph (A).

16 “(2) APPLICATION.—Notwithstanding the pro-
17 vision of any State law, any week for which there
18 would otherwise be a State ‘on’ indicator shall con-
19 tinue to be such a week and shall not be determined
20 to be a week for which there is a State ‘off’ indi-
21 cator.

22 “(3) DETERMINATIONS OF THE RATE OF TOTAL
23 UNEMPLOYMENT.—For purposes of this subsection,
24 determinations of the rate of total unemployment for

1 all States for any period (and of any seasonal ad-
2 justment) shall be made by the Secretary.

3 “(4) INCLUSION OF DETERMINATION IN
4 MONTHLY EMPLOYMENT SITUATION REPORTS.—Not-
5 withstanding any other provision of law, the Sec-
6 retary, acting through the Commissioner of the Bu-
7 reau of Labor Statistics, shall include in each
8 monthly employment situation report published by
9 the Commissioner a specific determination of wheth-
10 er or not there is an ‘on’ indicator under paragraph
11 (1)(A) in the United States.”.

12 (2) COORDINATION BETWEEN ELEVATED NA-
13 TIONAL UNEMPLOYMENT TRIGGER AND OTHER TRIG-
14 GERS.—Section 203(b) of the Federal-State Ex-
15 tended Unemployment Compensation Act of 1970
16 (26 U.S.C. 3304 note) is amended by adding at the
17 end the following new paragraph:

18 “(3)(A) In the case of a State for which there is an
19 ‘on’ indicator for a week under subsection (h) and an ‘on’
20 indicator for such week under subsection (f) or (g), section
21 202(b)(1) shall be applied by substituting—

22 “(i) ‘100 per centum’ for ‘50 per centum’ in
23 subparagraph (A); and

24 “(ii) ‘twenty-six’ for ‘thirteen’ in subparagraph
25 (B).

1 “(B) The increase in amounts in an account by rea-
2 son of subparagraph (A) shall be in addition to any in-
3 creases in amounts in an account by reason of paragraph
4 (3) of section 202(b).”.

5 **SEC. 203. INCREASE IN THE NUMBER OF WEEKS OF EX-**
6 **TENDED BENEFITS DURING HIGH UNEM-**
7 **PLOYMENT PERIODS.**

8 Section 202(b) of the Federal-State Extended Unem-
9 ployment Compensation Act of 1970 (26 U.S.C. 3304
10 note) is amended—

11 (1) in paragraph (1)—

12 (A) in the matter preceding subparagraph
13 (A), by striking “The State law” and inserting
14 “Subject to paragraph (3) and section
15 203(b)(3), the State law”;

16 (B) in subparagraph (A), by inserting “or”
17 at the end;

18 (C) in subparagraph (B), by striking “,
19 or” at the end and inserting a period; and

20 (D) by striking subparagraph (C); and

21 (2) by striking paragraph (3) and inserting the
22 following new paragraph:

23 “(3) INCREASE IN AMOUNT IN ACCOUNT DUR-
24 ING HIGH UNEMPLOYMENT PERIODS.—

1 “(A) TIERS.—Effective with respect to
2 weeks beginning in a high unemployment pe-
3 riod, paragraph (1) shall be applied as follows:

4 “(i) SECOND TIER.—In the case of
5 weeks in a tier 2 high unemployment pe-
6 riod described in subparagraph (B)(i), by
7 substituting—

8 “(I) ‘100 per centum’ for ‘50 per
9 centum’ in subparagraph (A); and

10 “(II) ‘twenty-six’ for ‘thirteen’ in
11 subparagraph (B).

12 “(ii) THIRD TIER.—In the case of
13 weeks in a tier 3 high unemployment pe-
14 riod described in subparagraph (B)(ii), by
15 substituting—

16 “(I) ‘150 per centum’ for ‘50 per
17 centum’ in subparagraph (A); and

18 “(II) ‘thirty-nine’ for ‘thirteen’ in
19 subparagraph (B).

20 “(iii) FOURTH TIER.—In the case of
21 weeks in a tier 4 high unemployment pe-
22 riod described in subparagraph (B)(iii), by
23 substituting—

24 “(I) ‘200 per centum’ for ‘50 per
25 centum’ in subparagraph (A); and

1 “(II) ‘fifty-two’ for ‘thirteen’ in
2 subparagraph (B).

3 “(B) HIGH UNEMPLOYMENT PERIODS.—

4 “(i) SECOND TIER.—For purposes of
5 subparagraph (A)(i), a second tier high un-
6 employment period described in this clause
7 is any period during which an extended
8 benefit period would be in effect if sub-
9 section (f)(1)(A) or (g)(1)(A) of section
10 203 were applied by substituting ‘6.5 per-
11 cent but is less than 7.5 percent’ for ‘5.5
12 percent’.

13 “(ii) THIRD TIER.—For purposes of
14 subparagraph (A)(ii), a third tier high un-
15 employment period described in this clause
16 is any period during which an extended
17 benefit period would be in effect if sub-
18 section (f)(1)(A) or (g)(1)(A) of section
19 203 were applied by substituting ‘7.5 per-
20 cent but is less than 8.5 percent’ for ‘5.5
21 percent’.

22 “(iii) FOURTH TIER.—For purposes of
23 subparagraph (A)(iii), a fourth tier high
24 unemployment period described in this
25 clause is any period during which an ex-

1 tended benefit period would be in effect if
2 subsection (f)(1)(A) or (g)(1)(A) of section
3 203 were applied by substituting ‘8.5 per-
4 cent’ for ‘5.5 percent’.

5 “(C) INDIVIDUALS REMAIN ELIGIBLE FOR
6 AUGMENTED AMOUNT EVEN IF TIER THRESH-
7 OLD NO LONGER MET.—If an individual’s ac-
8 count is augmented under subparagraph (B)
9 because a State triggers ‘on’ to a tier described
10 in clause (i), (ii), or (iii) of subparagraph (B),
11 the augmented amount shall remain in such ac-
12 count for the duration of the individual’s ben-
13 efit year even if the requirements for such tier
14 are no longer met.

15 “(D) CLARIFICATION.—The triggers under
16 subsections (d) and (h) of section 203 shall not
17 apply for purposes of determining high unem-
18 ployment periods under this paragraph.”.

19 **SEC. 204. IMPROVED CALCULATION OF AMOUNTS IN AN IN-**
20 **DIVIDUAL’S EXTENDED BENEFIT ACCOUNT.**

21 (a) IN GENERAL.—Section 202(b)(1) of the Federal-
22 State Extended Unemployment Compensation Act of 1970
23 (26 U.S.C. 3304 note) is amended, in the matter pre-
24 ceding subparagraph (A), by striking “the least” and in-
25 serting “the greatest”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply to extended compensation ac-
3 counts established on or after the earlier of—

4 (1) the date the State changes its statutes, reg-
5 ulations, or policies in order to comply with such
6 amendment; or

7 (2) January 1, 2028.

8 **SEC. 205. TRANSITION FOR AMOUNTS REMAINING IN EX-**
9 **TENDED BENEFIT ACCOUNTS WHEN A STATE**
10 **IS NO LONGER IN AN EXTENDED BENEFIT PE-**
11 **RIOD.**

12 Section 203(b) of the Federal-State Extended Unem-
13 ployment Compensation Act of 1970 (26 U.S.C. 3304
14 note), as amended by section 202(b)(2), is amended by
15 adding at the end the following new paragraph:

16 “(4) In the case of an individual who has amounts
17 remaining in an account established under section 202(b)
18 as of the date that extended benefits would otherwise not
19 be payable to the individual because there is a State ‘off’
20 indicator, extended compensation shall continue to be pay-
21 able to such individual from such amounts for any week—

22 “(A) that begins on or after such date and ends
23 on or before 6 months after such date; and

24 “(B) for which the individual meets the eligi-
25 bility requirements under this title.”.

1 **SEC. 206. COORDINATION OF EXTENDED BENEFITS WITH**
2 **REGULAR COMPENSATION.**

3 Section 202 of the Federal-State Extended Unem-
4 ployment Compensation Act of 1970 (26 U.S.C. 3304
5 note) is amended by adding at the end the following new
6 subsection:

7 “(d) COORDINATION OF EXTENDED COMPENSATION
8 WITH REGULAR COMPENSATION.—

9 “(1) If—

10 “(A) an individual has been determined to
11 be entitled to extended compensation with re-
12 spect to a benefit year;

13 “(B) such benefit year has expired;

14 “(C) such individual has remaining entitle-
15 ment to extended compensation with respect to
16 such benefit year; and

17 “(D) such individual would qualify for a
18 new benefit year in which the weekly benefit
19 amount of regular compensation is at least \$25
20 less than the individual’s weekly benefit amount
21 in the benefit year referred to in subparagraph
22 (A);

23 then the State shall determine eligibility for com-
24 pensation as provided in paragraph (2).

25 “(2) For individuals described in paragraph (1),
26 the State shall determine whether the individual is

1 to be paid extended compensation or regular com-
2 pensation for a week of unemployment using one of
3 the following methods:

4 “(A) The State shall, if permitted by State
5 law, establish a new benefit year, but defer the
6 payment of regular compensation with respect
7 to that new benefit year until exhaustion of all
8 extended compensation payable with respect to
9 the benefit year referred to in paragraph
10 (1)(A).

11 “(B) The State shall, if permitted by State
12 law, defer the establishment of a new benefit
13 year (which uses all the wages and employment
14 which would have been used to establish a ben-
15 efit year but for the application of this para-
16 graph) until exhaustion of all extended com-
17 pensation payable with respect to the benefit
18 year referred to in paragraph (1)(A).

19 “(C) The State shall pay, if permitted by
20 State law—

21 “(i) regular compensation equal to the
22 weekly benefit amount established under
23 the new benefit year; and

24 “(ii) extended compensation equal to
25 the difference between that weekly benefit

1 amount and the weekly benefit amount for
2 the expired benefit year.

3 “(D) The State shall determine rights to
4 extended compensation without regard to any
5 rights to regular compensation if the individual
6 elects to not file a claim for regular compensa-
7 tion under the new benefit year.”.

8 **SEC. 207. PORTABILITY OF EXTENDED BENEFITS.**

9 Section 202(a) of the Federal-State Extended Unem-
10 ployment Compensation Act of 1970 (26 U.S.C. 3304
11 note) is amended by adding at the end the following new
12 paragraph:

13 “(8) The provisions under section 3304(a)(9)(A) of
14 the Internal Revenue Code of 1986 shall apply to benefits
15 under this title in the same manner as such provisions
16 apply to regular compensation under State law.”.

17 **SEC. 208. ADDITIONAL EXTENDED BENEFIT PROGRAM IM-**
18 **PROVEMENTS.**

19 (a) STATE LAW REQUIREMENTS.—Section 202(a) of
20 the Federal-State Extended Unemployment Compensation
21 Act of 1970 (26 U.S.C. 3304 note) is amended—

22 (1) in paragraph (3)—

23 (A) in subparagraph (D)(iii), by striking
24 “subparagraphs (C) and (E)” and inserting
25 “subparagraph (C)”; and

1 (B) by striking subparagraph (E) and re-
2 designating subparagraph (F) as subparagraph
3 (E);

4 (2) by striking paragraphs (4), (5), and (7) and
5 redesignating paragraph (6) as paragraph (4); and
6 (3) in paragraph (4), as so redesignated, by
7 striking “paragraphs (3), (4), and (5)” and insert-
8 ing “paragraph (3)”.

9 (b) ELIMINATION OF MANDATORY 13-WEEK “OFF”
10 PERIOD.—Section 203(b)(1) of the Federal-State Ex-
11 tended Unemployment Compensation Act of 1970 (26
12 U.S.C. 3304 note) is amended by striking “any State” and
13 all that follows before the period at the end and inserting
14 “any State, no extended benefit period shall last for a pe-
15 riod of less than 13 consecutive weeks”.

16 (c) ELIMINATION OF LOOK BACK UNDER THE IN-
17 SURED UNEMPLOYMENT RATE TRIGGER.—Section 203(d)
18 of the Federal-State Extended Unemployment Compensa-
19 tion Act of 1970 (26 U.S.C. 3304 note) is amended—

20 (1) in paragraph (1), by striking “twelve
21 weeks—” and all that follows through “5 per cen-
22 tum” and inserting “twelve weeks equal or exceeded
23 5 percent”;

24 (2) in paragraph (2), by striking “either sub-
25 paragraph (A) or subparagraph (B) of”; and

1 (3) by striking the second and third sentences.

2 (d) DETERMINATION OF INSURED UNEMPLOYMENT
3 RATE.—Section 203(e)(1)(A) of the Federal-State Ex-
4 tended Unemployment Compensation Act of 1970 (26
5 U.S.C. 3304 note) is amended by inserting “, extended
6 compensation, unemployment compensation for Federal
7 civilian employees under subchapter I of chapter 85 of title
8 5, United States Code, or unemployment compensation for
9 ex-servicemembers under subchapter II of such chapter
10 85” after “regular compensation”.

11 **SEC. 209. EXEMPTION OF EXTENDED BENEFITS FROM SE-**
12 **QUESTRATION.**

13 (a) IN GENERAL.—Section 255(g)(1)(A) of the Bal-
14 anced Budget and Emergency Deficit Control Act of 1985
15 (2 U.S.C. 905(g)(1)(A)) is amended by inserting after
16 “Payments to Social Security Trust Funds (28–0404–0–
17 1–651).” the following:

18 “Payments to a State under the Federal-State Ex-
19 tended Unemployment Compensation Act of 1970 (26
20 U.S.C. 3304 note).”.

21 (b) APPLICABILITY.—The amendment made by this
22 section shall apply to any sequestration order issued under
23 the Balanced Budget and Emergency Deficit Control Act
24 of 1985 (2 U.S.C. 900 et seq.) on or after the date of
25 enactment of this Act.

1 **SEC. 210. EFFECTIVE DATE.**

2 The amendments made by this title (other than sec-
3 tions 204 and 209) shall apply to weeks of unemployment
4 beginning on or after January 1, 2028 (or earlier if estab-
5 lished by State law (but in no case earlier than 60 days
6 after the date of enactment of this Act)).

7 **TITLE III—TRANSITION WAGES**
8 **FOR RETRAINING**

9 **SEC. 301. TRANSITION WAGE PROGRAM.**

10 (a) IN GENERAL.—Chapter 23 of the Internal Rev-
11 enue Code of 1986 is amended—

12 (1) in section 3304(a), as previously amended
13 by title I—

14 (A) in paragraph (37), by striking “and”
15 at the end;

16 (B) by redesignating paragraph (38) as
17 paragraph (39); and

18 (C) by inserting after paragraph (37) the
19 following new paragraph:

20 “(38) payment of transition wages shall be paid
21 pursuant to section 3304C; and”; and

22 (2) by inserting after section 3304B, as added
23 by section 118, the following new section:

24 **“SEC. 3304C. TRANSITION WAGE PROGRAM.**

25 **“(a) PROGRAM.—**

1 “(1) IN GENERAL.—Subject to the succeeding
2 provisions of this section, for purposes of section
3 3304(a)(38), a State shall operate a transition wage
4 program under which payment of transition wages
5 are paid to eligible individuals who—

6 “(A) subject to subsection (g), are enrolled
7 full time, and making satisfactory progress, in
8 an approved training program; or

9 “(B) subject to paragraph (2), have suc-
10 cessfully completed such an approved training
11 program.

12 “(2) FULL TIME DEFINED.—

13 “(A) IN GENERAL.—For purposes of para-
14 graph (1)(A), except as provided in subpara-
15 graph (B), the term ‘full time’ means, with re-
16 spect to an approved training program, attend-
17 ance in the program in accordance with the
18 program provider’s established full-time hours
19 in a day (or credit hours) and days in a week.

20 “(B) EXCEPTION.—In the case of an eligi-
21 ble individual who is enrolled in the last semes-
22 ter of an approved training program, if the re-
23 maining course or courses to complete the pro-
24 gram do not meet the program provider’s usual
25 definition of full time, the eligible individual

1 shall be considered enrolled in the program full
2 time as long as no additional training or
3 coursework will be required to complete the pro-
4 gram.

5 “(3) LIMITATION.—Paragraph (1)(B) shall only
6 apply with respect to an individual for the 4 weeks
7 immediately following the successful completion of
8 the approved training program by the individual and
9 only if the individual meets State law requirements
10 applicable to the State’s regular unemployment com-
11 pensation program relating to availability for work,
12 active search for work, and refusal to accept work
13 for any such week.

14 “(b) AMOUNT OF TRANSITION WAGES.—

15 “(1) IN GENERAL.—The amount of transition
16 wages that shall be payable to any individual for any
17 week of total unemployment under a State transition
18 wage program under this section shall be equal to
19 the amount of the regular compensation (including
20 dependents’ allowances) payable to such individual
21 during such individual’s benefit year under the State
22 law for a week of total unemployment.

23 “(2) TERMS AND CONDITIONS.—The terms and
24 conditions of the State law that apply to claims for
25 regular compensation and to the payment thereof

1 (subject to subsection (a)(2), other than terms and
2 conditions relating to availability for work, active
3 search for work, and refusal to accept work) shall
4 apply to claims for transition wages and the pay-
5 ment thereof, except where otherwise inconsistent
6 with the provisions of this section or with the regula-
7 tions or operating instructions of the Secretary pro-
8 mulgated to carry out this section.

9 “(c) TRANSITION WAGE ACCOUNT.—

10 “(1) IN GENERAL.—A State shall establish, for
11 each eligible individual who files an application for
12 transition wages, a transition wage account.

13 “(2) AMOUNT.—

14 “(A) IN GENERAL.—Subject to subpara-
15 graph (B), the amount established in an ac-
16 count under paragraph (1) shall be equal to 26
17 times the amount of the weekly transition wage
18 amount (as determined under subsection
19 (b)(1)).

20 “(B) SUBSEQUENT ACCOUNT.—In the case
21 where a transition wage account has been es-
22 tablished for an individual and a new transition
23 wage account is subsequently established for
24 such individual, the amount in the new transi-
25 tion wage account under subparagraph (A)

1 shall be reduced by the total amount of any
2 transition wages received by such individual in
3 the 5-year period immediately preceding the
4 date of the establishment of the new transition
5 wage account.

6 “(3) MAXIMUM AMOUNT.—The maximum
7 amount of transition wages payable to any individual
8 for whom a transition wage account is established
9 under paragraph (1) may not exceed the amount es-
10 tablished in such account for such individual under
11 paragraph (2).

12 “(d) PAYMENTS TO STATES.—

13 “(1) IN GENERAL.—

14 “(A) FULL REIMBURSEMENT.—There shall
15 be paid to each State an amount equal to 100
16 percent of—

17 “(i) the total amount of transition
18 wages paid to eligible individuals by the
19 State pursuant to this section; and

20 “(ii) any additional administrative ex-
21 penses incurred by the State by reason of
22 making such payments (as determined by
23 the Secretary of Labor), including ex-
24 penses associated with designating ap-

1 proved training programs and providing
2 career guidance to eligible individuals.

3 “(B) TERMS OF PAYMENTS.—Sums pay-
4 able to any State under this section shall be
5 payable, either in advance or by way of reim-
6 bursement (as determined by the Secretary of
7 Labor), in such amounts as the Secretary of
8 Labor estimates the State will be entitled to re-
9 ceive under this section for each calendar
10 month, reduced or increased, as the case may
11 be, by any amount by which the Secretary of
12 Labor finds that the Secretary’s estimates for
13 any prior calendar month were greater or less
14 than the amounts that should have been paid to
15 the State. Such estimates may be made on the
16 basis of such statistical, sampling, or other
17 method as may be agreed upon by the Secretary
18 of Labor and the State agency of the State in-
19 volved.

20 “(2) CERTIFICATIONS.—The Secretary of
21 Labor shall from time to time certify to the Sec-
22 retary of the Treasury for payment to each State the
23 sums payable to such State under this section.

24 “(3) DEPOSIT.—Sums payable to any State
25 under this section shall be deposited in the account

1 of such State in the Unemployment Trust Fund.
2 Amounts deposited under the preceding sentence
3 may only be used by the State for the payment of
4 transition wages under this section.

5 “(4) FUNDING.—There are appropriated from
6 the general fund of the Treasury, without fiscal year
7 limitation, such sums as may be necessary for pur-
8 poses of this section.

9 “(e) FRAUD AND OVERPAYMENTS.—

10 “(1) IN GENERAL.—If an individual knowingly
11 has made, or caused to be made by another, a false
12 statement or representation of a material fact, or
13 knowingly has failed, or caused another to fail, to
14 disclose a material fact, and as a result of such false
15 statement or representation or of such nondisclosure
16 such individual has received an amount of transition
17 wages to which such individual was not entitled,
18 such individual—

19 “(A) shall be ineligible for further transi-
20 tion wages in accordance with the provisions of
21 the applicable State unemployment compensa-
22 tion law relating to fraud in connection with a
23 claim for unemployment compensation; and

24 “(B) shall be subject to prosecution under
25 section 1001 of title 18, United States Code.

1 “(2) REPAYMENT.—

2 “(A) IN GENERAL.—In the case of individ-
3 uals who have received amounts of transition
4 wages to which they were not entitled, the State
5 shall require such individuals to repay the
6 amounts of such transition wages to the State
7 agency, except that the State agency shall waive
8 such repayment if it determines that—

9 “(i) the payment of such transition
10 wages was not based on fraud on the part
11 of any such individual; and

12 “(ii) such repayment would be con-
13 trary to equity and good conscience.

14 “(B) CONTRARY TO EQUITY AND GOOD
15 CONSCIENCE.—For purposes of subparagraph
16 (A)(ii), a repayment shall be considered con-
17 trary to equity and good conscience if—

18 “(i) recovery would cause financial
19 hardship to the person from whom it is
20 sought;

21 “(ii) the recipient of the overpayment
22 can show (regardless of their financial situ-
23 ation) that due to the notice that such pay-
24 ment would be made or because of the in-
25 correct payment, either they have relin-

1 quished a valuable right or changed posi-
2 tions for the worse;

3 “(iii) recovery would be unconscion-
4 able under the circumstances; or

5 “(iv) recovery would be contrary to
6 equity and good conscience under the State
7 law or guidance established by the Sec-
8 retary.

9 “(3) RECOVERY BY STATE AGENCY.—

10 “(A) IN GENERAL.—The State agency may
11 recover the amount to be repaid, or any part
12 thereof, by deductions from any transition
13 wages payable to such individual or from any
14 unemployment compensation payable to such
15 individual under any State or Federal unem-
16 ployment compensation law administered by the
17 State agency or under any other State or Fed-
18 eral law administered by the State agency that
19 provides for the payment of any assistance or
20 allowance with respect to any week of unem-
21 ployment, during the 3-year period after the
22 date such individual received the payment of
23 the transition wages to which they were not en-
24 titled, in accordance with the same procedures

1 as apply to the recovery of overpayments of reg-
2 ular unemployment benefits paid by the State.

3 “(B) OPPORTUNITY FOR HEARING.—No
4 repayment shall be required, and no deduction
5 shall be made, until a determination has been
6 made, notice thereof and an opportunity for a
7 fair hearing has been given to the individual,
8 and the determination has become final.

9 “(4) REVIEW.—Any determination by a State
10 agency under this section shall be subject to review
11 in the same manner and to the same extent as deter-
12 minations under the State unemployment compensa-
13 tion law, and only in that manner and to that ex-
14 tent.

15 “(5) DEPOSIT IN STATE UNEMPLOYMENT
16 FUND.—Any amount recovered by a State agency
17 pursuant to this section shall be deposited in the ac-
18 count of such State in the Unemployment Trust
19 Fund. Amounts deposited under the preceding sen-
20 tence may only be used by the State for the payment
21 of transition wages under this section.

22 “(f) PAYMENT TO BE DISREGARDED FOR PURPOSES
23 OF ALL FEDERAL AND FEDERALLY ASSISTED PRO-
24 GRAMS.—A payment of transition wages shall not be re-
25 garded as income and shall not be regarded as a resource

1 for the month of receipt and the following 12 months, for
2 purposes of determining the eligibility of the recipient (or
3 the recipient's spouse or family) for benefits or assistance,
4 or the amount or extent of benefits or assistance, under
5 any Federal program or under any State or local program
6 financed in whole or in part with Federal funds.

7 “(g) SPECIAL RULES REGARDING TRAINING PRO-
8 GRAM.—

9 “(1) BREAK IN PROGRAM.—For purposes of
10 this section, an eligible individual shall be treated as
11 participating in an approved training program dur-
12 ing any week which is part of a break in training
13 that does not exceed 30 days if—

14 “(A) the eligible individual was partici-
15 pating in such program before the beginning of
16 such break in training; and

17 “(B) the break is provided under such pro-
18 gram.

19 “(2) ENROLLED BUT PROGRAM NOT START-
20 ED.—For purposes of this section, an eligible indi-
21 vidual shall be treated as participating in an ap-
22 proved training program even though such program
23 has not started if—

24 “(A) the eligible individual is enrolled in
25 such program; and

1 “(B) such program is expected to start
2 within 4 weeks.

3 “(h) COORDINATION RULES.—

4 “(1) COORDINATION OF TRANSITION WAGES
5 WITH REGULAR COMPENSATION.—

6 “(A) If—

7 “(i) an individual has been determined
8 to be entitled to transition wages with re-
9 spect to a benefit year;

10 “(ii) such benefit year has expired;

11 “(iii) such individual has remaining
12 entitlement to transition wages with re-
13 spect to such benefit year; and

14 “(iv) such individual would qualify for
15 a new benefit year in which the weekly
16 benefit amount of regular compensation is
17 at least \$25 less than the individual’s
18 weekly benefit amount in the benefit year
19 referred to in clause (i);

20 then the State shall determine eligibility for
21 compensation as provided in subparagraph (B).

22 “(B) For individuals described in subpara-
23 graph (A), the State shall determine whether
24 the individual is to be paid transition wages or

1 regular compensation for a week of unemploy-
2 ment using one of the following methods:

3 “(i) The State shall, if permitted by
4 State law, establish a new benefit year, but
5 defer the payment of regular compensation
6 with respect to that new benefit year until
7 exhaustion of all transition wages payable
8 with respect to the benefit year referred to
9 in subparagraph (A)(i).

10 “(ii) The State shall, if permitted by
11 State law, defer the establishment of a new
12 benefit year (which uses all the wages and
13 employment which would have been used to
14 establish a benefit year but for the applica-
15 tion of this subparagraph) until exhaustion
16 of all transition wages payable with respect
17 to the benefit year referred to in subpara-
18 graph (A)(i).

19 “(iii) The State shall pay, if permitted
20 by State law—

21 “(I) regular compensation equal
22 to the weekly benefit amount estab-
23 lished under the new benefit year; and

24 “(II) transition wages equal to
25 the difference between that weekly

1 benefit amount and the weekly benefit
2 amount for the expired benefit year.

3 “(iv) The State shall determine rights
4 to transition wages without regard to any
5 rights to regular compensation if the indi-
6 vidual elects to not file a claim for regular
7 compensation under the new benefit year.

8 “(2) COORDINATION OF TRANSITION WAGES
9 WITH EXTENDED COMPENSATION.—If an eligible in-
10 dividual who is receiving transition wages becomes
11 eligible for extended compensation, such extended
12 compensation shall be deferred until after the pay-
13 ment of any transition wages for which the eligible
14 individual is concurrently eligible.

15 “(i) REGULATIONS.—Not later than 3 months after
16 the date of enactment of this section, the Secretary of
17 Labor shall issue regulations to carry out this section.

18 “(j) DEFINITIONS.—In this section:

19 “(1) APPROVED TRAINING PROGRAM.—In this
20 section, the term ‘approved training program’ means
21 a program of training that—

22 “(A) is designed to be completed within
23 the greater of—

24 “(i) 1 year; or

1 “(ii) the total number of weeks of
2 benefits, including regular compensation,
3 extended benefits, and transition wages,
4 the eligible individual has remaining at the
5 time of enrollment in such program of
6 training; and

7 “(B) meets at least 1 of the following cri-
8 teria:

9 “(i) Is a program of training services
10 provided by an entity that is eligible to
11 provide that program under section 122 of
12 the Workforce Innovation and Opportunity
13 Act (29 U.S.C. 3152).

14 “(ii) Is an eligible workforce program
15 for the purpose of Workforce Pell Grants
16 provided under section 401(k) of the High-
17 er Education Act of 1965 (20 U.S.C.
18 1070a(k)).

19 “(iii) Prepares the worker receiving
20 training for employment in an in-demand
21 industry sector or occupation (as defined
22 in section 3 of the Workforce Innovation
23 and Opportunity Act (29 U.S.C. 3102)).

1 “(iv) Is a course to assist in obtaining
2 the recognized equivalent of a secondary
3 school diploma.

4 “(v) Consists of any training program,
5 or coursework, at an accredited institution
6 of higher education (as defined in section
7 102 of the Higher Education Act of 1965
8 (20 U.S.C. 1002))—

9 “(I) that leads to a recognized
10 postsecondary credential (as defined
11 in section 3 of the Workforce Innova-
12 tion and Opportunity Act (29 U.S.C.
13 3102)); and

14 “(II) for which there is a reason-
15 able expectation of employment in the
16 field of study following completion of
17 such training program or coursework.

18 “(vi) Meets other criteria established
19 by the Secretary of Labor and is approved
20 by the Secretary or the State agency.

21 “(2) ELIGIBLE INDIVIDUAL.—

22 “(A) IN GENERAL.—In this section, the
23 term ‘eligible individual’ means an individual
24 who—

1 “(i) has exhausted all rights to reg-
2 ular compensation or a jobseeker allowance
3 (as described in section 3304D) under the
4 State law or under Federal law with re-
5 spect to a benefit year (excluding any ben-
6 efit year that ended before the date of en-
7 actment of this section);

8 “(ii) has no rights to regular com-
9 pensation, extended compensation, or a
10 jobseeker allowance with respect to a week
11 under such law or any other State unem-
12 ployment compensation law or to com-
13 pensation under any other Federal law;
14 and

15 “(iii) is not receiving compensation
16 with respect to such week under the unem-
17 ployment compensation law of Canada.

18 “(B) EXHAUSTION OF BENEFITS.—For
19 purposes of subparagraph (A)(i), an individual
20 shall be deemed to have exhausted such individ-
21 ual’s rights to regular compensation under a
22 State law when—

23 “(i) no payments of regular com-
24 pensation or jobseeker allowance can be
25 made under such law because such indi-

1 vidual has received all regular compensa-
2 tion available to such individual based on
3 employment or wages during such individ-
4 ual's base period; or

5 “(ii) such individual's rights to such
6 compensation or jobseeker allowance have
7 been terminated by reason of the expira-
8 tion of the benefit year with respect to
9 which such rights existed.

10 “(3) OTHER TERMS.—The terms ‘compensa-
11 tion’, ‘regular compensation’, ‘extended compensa-
12 tion’, ‘benefit year’, ‘base period’, ‘State’, ‘State
13 agency’, ‘State law’, and ‘week’ have the respective
14 meanings given such terms under section 205 of the
15 Federal-State Extended Unemployment Compensation
16 Act of 1970 (26 U.S.C. 3304 note).”.

17 (b) PERMISSIBLE USE OF FUNDS.—

18 (1) INTERNAL REVENUE CODE OF 1986.—Sec-
19 tion 3304(a)(4) of the Internal Revenue Code of
20 1986, as amended by sections 115, is amended—

21 (A) in subparagraph (G)(ii), by striking
22 “and” at the end;

23 (B) in subparagraph (H), by inserting
24 “and” at the end; and

25 (C) by adding at the end the following:

1 “(I) amounts may be withdrawn for the
2 payment of transition wages under section
3 3304C;”.

4 (2) SOCIAL SECURITY ACT.—Section 303(a)(5)
5 of the Social Security Act, as amended by section
6 115, is amended by striking “; and” at the end and
7 inserting “: *Provided further*, That amounts may be
8 withdrawn for the payment of transition wages
9 under section 3304C of the Internal Revenue Code
10 of 1986; and”.

11 (c) ENSURING CONTINUITY REGARDING APPROVED
12 TRAINING PROGRAMS UNDER THE TRANSITION WAGE
13 PROGRAM.—Section 3304 of the Internal Revenue Code
14 of 1986, as amended by sections 106 and 107, is amend-
15 ed—

16 (1) in subsection (a)(8), by striking “compensa-
17 tion shall” and inserting “subject to subsection (i),
18 compensation shall”; and

19 (2) by adding at the end the following new sub-
20 section:

21 “(i) ENSURING CONTINUITY REGARDING APPROVED
22 TRAINING PROGRAMS UNDER THE TRANSITION WAGE
23 PROGRAM.—

24 “(1) DEEMED APPROVAL.—An approved train-
25 ing program under a State’s transition wage pro-

1 gram under section 3304C shall be deemed to have
2 received the approval of the State agency of such
3 State for purposes of subsection (a)(8).

4 “(2) SPECIAL RULES REGARDING PARTICIPA-
5 TION.—The special rules under section 3304C(g)
6 shall apply in the determination of whether an indi-
7 vidual is in training for a week under subsection
8 (a)(8) in the same manner as such rules apply in the
9 determination of whether an eligible individual is
10 participating in an approved training program under
11 section 3304C.”.

12 (d) CONFORMING AMENDMENT.—The table of sec-
13 tions for chapter 23 of the Internal Revenue Code of 1986,
14 as amended by sections 115 and 118, is amended by in-
15 serting after the item relating to section 3304B the fol-
16 lowing new item:

 “Sec. 3304C. Transition wage program.”.

17 (e) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to weeks of unemployment begin-
19 ning on or after the earlier of—

20 (1) the date the State changes its statutes, reg-
21 ulations, or policies in order to comply with such
22 amendments; or

23 (2) January 1, 2028.

1 **SEC. 302. TRANSITION SCHOLARSHIP PILOT PROGRAM.**

2 Title IX of the Social Security Act (42 U.S.C. 1101
3 et seq.) is amended by adding at the end the following
4 new section:

5 **“SEC. 912. TRANSITION SCHOLARSHIP PILOT PROGRAM.**

6 “(a) ESTABLISHMENT.—The Secretary of Labor
7 shall establish a program under which grants are made
8 to States to provide scholarships, with respect to eligible
9 individuals, for the tuition and fees associated with such
10 individual’s enrollment in an approved training program.

11 “(b) PAYMENTS TO PROGRAMS.—Under the pilot
12 program, States shall make payments directly to the ap-
13 proved training program rather than to the eligible indi-
14 vidual.

15 “(c) GUIDANCE.—The Secretary of Labor may estab-
16 lish guidance and promulgate regulations necessary for
17 implementation of the pilot program, including on how to
18 determine demonstrated financial need and whether an in-
19 dividual is able to obtain financial assistance from other
20 sources.

21 “(d) FUNDING.—There is appropriated to the Sec-
22 retary of Labor for fiscal year 2027, out of any money
23 in the Treasury not otherwise appropriated,
24 \$100,000,000, to remain available until expended, to make
25 payments to States under this section.

1 “(e) ALLOCATION.—The amount of a grant under the
2 pilot program with respect to a State shall, as determined
3 by the Secretary of Labor, be equal to the amount ob-
4 tained by multiplying \$100,000,000 by the same ratio as
5 would apply under section 903(a)(2)(B) for purposes of
6 determining such State’s share of any excess amount (as
7 described in section 903(a)(1)) that would have been sub-
8 ject to transfer to State accounts, as of October 1, 2026,
9 under the provisions of section 903(a).

10 “(f) ADMINISTRATIVE EXPENSES.—A State may re-
11 serve up to 10 percent of the amount of a grant awarded
12 to the State under the pilot program for administrative
13 expenses associated with providing scholarships under this
14 section.

15 “(g) DEFINITIONS.—In this section:

16 “(1) APPROVED TRAINING PROGRAM.—The
17 term ‘approved training program’ has the meaning
18 given such term in section 3304C(j) of the Internal
19 Revenue Code of 1986.

20 “(2) ELIGIBLE INDIVIDUAL.—The term ‘eligible
21 individual’ means an individual who—

22 “(A) is currently receiving—

23 “(i) regular compensation (as defined
24 in section 205 of the Federal-State Ex-

1 tended Unemployment Compensation Act
2 of 1970 (26 U.S.C. 3304 note));

3 “(ii) extended compensation (as so de-
4 fined); or

5 “(iii) transition wages under section
6 3304C of the Internal Revenue Code of
7 1986;

8 “(B) is enrolled in an approved training
9 program;

10 “(C) demonstrates a financial need for as-
11 sistance in paying the tuition and fees associ-
12 ated with the approved training program; and

13 “(D)(i) is unable to obtain grant assistance
14 from other sources to pay such tuition and fees,
15 including from such sources as State-provided
16 training funds, the trade adjustment assistance
17 program under chapter 2 of title II of the
18 Trade Act of 1974 (19 U.S.C. 2271 et seq.),
19 Federal Pell Grants under section 401 of the
20 Higher Education Act of 1965 (20 U.S.C.
21 1070a), or under subtitle B of title I of the
22 Workforce Innovation and Opportunity Act (29
23 U.S.C. 3151 et seq); or

24 “(ii) requires financial assistance in addi-
25 tion to the financial assistance from the other

1 sources described in clause (i) in order to pay
2 such tuition and fees.”.

3 **TITLE IV—JOBSEEKER**
4 **ALLOWANCE**

5 **SEC. 401. JOBSEEKER ALLOWANCE.**

6 (a) IN GENERAL.—Chapter 23 of the Internal Rev-
7 enue Code of 1986 is amended—

8 (1) in section 3304(a), as previously amended
9 by title I and section 301—

10 (A) in paragraph (38), by striking “and”
11 at the end;

12 (B) by redesignating paragraph (39) as
13 paragraph (40); and

14 (C) by inserting after paragraph (38) the
15 following new paragraph:

16 “(39) payment of jobseeker allowances shall be
17 paid pursuant to section 3304D; and”; and

18 (2) by inserting after section 3304C, as added
19 by section 301, the following new section:

20 **“SEC. 3304D. JOBSEEKER ALLOWANCE.**

21 **“(a) ALLOWANCE.—**

22 **“(1) IN GENERAL.—**Subject to the succeeding
23 provisions of this section, for purposes of section
24 3304(a)(39), a State shall provide for a weekly job-
25 seeker allowance to any eligible individual in accord-

1 ance with standards established by the Secretary of
2 Labor.

3 “(2) ELIGIBLE INDIVIDUAL.—In this section,
4 the term ‘eligible individual’ means an individual
5 who, for any week—

6 “(A) is unemployed or partially employed,
7 including self-employment;

8 “(B) is not eligible for regular compensa-
9 tion or extended benefits under State or Fed-
10 eral law, including an individual who has ex-
11 hausted all rights to regular unemployment or
12 extended benefits under State or Federal law;

13 “(C) is—

14 “(i) subject to paragraph (4), able to
15 work and available to work; and

16 “(ii) subject to paragraph (5), actively
17 seeking work;

18 “(D)(i) is at least 19 years of age (or at
19 least 18 years of age in the case of an indi-
20 vidual in foster care under the responsibility of
21 the State); or

22 “(ii) has earned a high school diploma or
23 its recognized equivalent;

24 “(E) subject to paragraph (3), has an ad-
25 justed gross income for the most recently com-

1 pleted tax year that does not exceed the con-
2 tribution and benefit base as determined under
3 section 230 of the Social Security Act; and

4 “(F) is participating in or has completed
5 the reemployment services and eligibility assess-
6 ments program of the State (as described in
7 section 306 of the Social Security Act).

8 “(3) EXCEPTION TO AGI LIMITATION.—The re-
9 quirement under paragraph (2)(D) shall not apply to
10 an individual in a household if, in the past 6
11 months—

12 “(A) another member of such household
13 has been separated from employment;

14 “(B) the individual has become separated
15 or divorced from their spouse; or

16 “(C) another member of the individual’s
17 household has died.

18 “(4) ABLE TO WORK AND AVAILABLE TO
19 WORK.—

20 “(A) IN GENERAL.—For purposes of para-
21 graph (2)(B)(i), subject to subparagraph (B),
22 an individual shall be considered to be able to
23 work and available to work as long as any limit
24 on the individual’s ability to work or availability
25 to work does not constitute a withdrawal from

1 the labor market. For purposes of the preceding
2 sentence, an individual shall not be considered
3 to have withdrawn from the labor market if the
4 individual is able to work and available to work
5 for 40 or more hours per week.

6 “(B) EXCEPTIONS.—A jobseeker allowance
7 shall not be denied to an otherwise eligible indi-
8 vidual for any week during which the individual
9 is not able to work and not available for work
10 because the individual—

11 “(i) is not available for work outside
12 of the locality of the individual’s residence;

13 “(ii) is not available for work during
14 hours when they are the primary caregiver
15 for a child or dependent;

16 “(iii) is attending a training course
17 with the approval of the State agency in
18 compliance with any regulations issued by
19 the Secretary of Labor;

20 “(iv) is appearing for jury duty before
21 any court under a lawfully issued sum-
22 mons;

23 “(v) has been temporarily laid off and
24 is available to work only for the employer

1 that has temporarily laid off the individual;

2 or

3 “(vi) is temporarily ill or injured.

4 “(5) ACTIVELY SEEKING WORK.—

5 “(A) IN GENERAL.—For purposes of para-
6 graph (2)(B)(ii), subject to subparagraphs (B)
7 and (C), an individual shall be considered to be
8 actively seeking work if the individual—

9 “(i) engages in an active search for
10 employment that is appropriate in light of
11 the employment available in the labor mar-
12 ket and the individual’s skills and capabili-
13 ties, including a number of employer con-
14 tacts that is consistent with the standards
15 developed by the Secretary of Labor and
16 communicated to the individual;

17 “(ii) maintains a record of such work
18 search, including employers contacted,
19 method of contact, and date contacted;

20 “(iii) when requested, provides such
21 record to the State agency; and

22 “(iv) is registered for employment
23 services in such a manner and to such ex-
24 tent as prescribed by the Secretary of
25 Labor.

1 “(B) SPECIAL RULE FOR SELF-EMPLOY-
2 MENT.—In the case of an individual with a
3 work history that includes self-employment, the
4 individual may be considered to be actively
5 seeking work if the individual—

6 “(i) is engaged in activities (which
7 may include State-approved entrepre-
8 neurial training, business counseling, and
9 technical assistance) relating to resuming
10 self-employment that meet requirements
11 established by the Secretary of Labor;

12 “(ii) maintains a record of such activi-
13 ties; and

14 “(iii) when requested, provides such
15 record to the State agency.

16 “(C) EXCEPTIONS.—A jobseeker allowance
17 shall not be denied to an otherwise eligible indi-
18 vidual for any week during which the individual
19 is not actively seeking work because the indi-
20 vidual—

21 “(i) is enrolled full time (as defined in
22 section 3304C(a)(2)), and making satisfac-
23 tory progress, in an approved training pro-
24 gram (as defined in section 3304C(j)) but
25 only if the State agency has identified such

1 individual as likely to exhaust the job-
2 seeker allowance and needing additional
3 training to make a successful transition to
4 new employment;

5 “(ii) has been temporarily laid off
6 with a reasonable expectation that the indi-
7 vidual will return to work soon;

8 “(iii) has a specified start date for
9 new employment;

10 “(iv) is appearing for jury duty before
11 any court under a lawfully issued sum-
12 mons; or

13 “(v) has a compelling reason (as de-
14 fined in section 3304(g)) or is a victim of
15 a qualifying act of violence or harassment
16 (as determined pursuant to section
17 3304(h)).

18 “(6) NEW WORK.—An individual shall not be
19 eligible for a jobseeker allowance if the individual re-
20 fuses an offer of new work unless the refusal of the
21 new work meets any of the conditions described in
22 subparagraphs (A) through (I) of section
23 3304(a)(5).

24 “(b) AMOUNT OF JOBSEEKER ALLOWANCE.—

25 “(1) AMOUNT.—

1 “(A) IN GENERAL.—Subject to the para-
2 graphs (2) and (3), the weekly amount of a job-
3 seeker allowance shall be an amount equal to—

4 “(i) for 2027 and 2028, \$250; and

5 “(ii) for 2029 or a subsequent year,
6 the dollar amount specified in this sub-
7 paragraph for the preceding year increased
8 by the percentage change in the Consumer
9 Price Index for All Urban Consumers for
10 the 12-month period ending with June of
11 such preceding year.

12 “(B) ROUNDING.—If any amount deter-
13 mined under subparagraph (A)(ii) is not a mul-
14 tiple of \$1, such amount shall be rounded to the
15 nearest multiple of \$1.

16 “(2) INCREASED AMOUNT FOR CERTAIN INDIVIDUALS IN STATES WITH ELEVATED UNEMPLOYMENT.—

19 “(A) IN GENERAL.—For weeks beginning
20 in an elevated unemployment period, in the case
21 of an eligible individual that meets the prior in-
22 come threshold described in subparagraph (C),
23 the amount of the jobseeker allowance for such
24 individual for the week shall be increased by an
25 amount equal to—

1 “(i) the lesser of—

2 “(I) an amount equal to 1.4 per-
3 cent of the amount of the individual’s
4 earned income for the most recently
5 completed tax year (or the imme-
6 diately preceding tax year, if the indi-
7 vidual has not filed a return of tax for
8 the most recently completed tax year);
9 or

10 “(II) two-thirds of the State’s av-
11 erage weekly wage (as determined by
12 the Secretary of Labor); reduced by

13 “(ii) the amount of the jobseeker al-
14 lowance for such individual for such week.

15 “(B) ELEVATED UNEMPLOYMENT PE-
16 RIOD.—For purposes of subparagraph (A), the
17 term ‘elevated unemployment period’ means any
18 period during which an extended benefit period
19 would be in effect under subsection (f) or (g) of
20 section 203 of the Federal-State Extended Un-
21 employment Compensation Act of 1970 (26
22 U.S.C. 3304 note) if such subsection was ap-
23 plied by substituting ‘7.5 percent’ for ‘5.5 per-
24 cent’.

25 “(C) PRIOR INCOME THRESHOLD.—

1 “(i) IN GENERAL.—For purposes of
2 subparagraph (A), an eligible individual
3 meets the prior income threshold described
4 in this subparagraph for a week if—

5 “(I) the individual’s earned in-
6 come for the most recently completed
7 tax year was equal to or greater than
8 \$10,000; and

9 “(II) the individual provides such
10 documentation of prior earned income
11 as the Secretary determines appro-
12 priate, such as, but not limited to, tax
13 returns, Form W-2s, Form 1099s,
14 and pay stubs.

15 “(ii) INFLATION ADJUSTMENT.—

16 “(I) IN GENERAL.—In the case
17 of any taxable year beginning in a cal-
18 endar year after 2028, the dollar
19 amount in clause (i)(I) shall be in-
20 creased by an amount equal to—

21 “(aa) such dollar amount;
22 multiplied by

23 “(bb) the cost-of-living ad-
24 justment determined under sec-
25 tion 1(f)(3) for the calendar year

1 in which the taxable year begins,
2 determined by substituting ‘cal-
3 endar year 2026’ for ‘calendar
4 year 2016’ in subparagraph
5 (A)(ii) thereof.

6 “(II) ROUNDING.—Any increase
7 determined under subclause (I) shall
8 be rounded to the nearest multiple of
9 \$100 in the case of an adjustment of
10 the amount in subsection (a)(1).

11 “(D) EARNED INCOME.—In this para-
12 graph, the term ‘earned income’ has the mean-
13 ing given that term in section 32(c)(2) of the
14 Internal Revenue Code of 1986.

15 “(3) EARNINGS DISREGARD.—

16 “(A) IN GENERAL.—Subject to subpara-
17 graph (B), an individual may earn up to 100
18 percent of the amount of the individual’s weekly
19 jobseeker allowance without losing eligibility for
20 the weekly jobseeker allowance.

21 “(B) REDUCTION.—In the case of an indi-
22 vidual whose earnings are greater than $\frac{1}{4}$ of
23 the amount of the individual’s weekly jobseeker
24 allowance (determined after application of para-
25 graph (2)) for the week, the amount of the indi-

1 vidual's weekly jobseeker allowance (as so deter-
2 mined) for the week shall be reduced by 75
3 cents for each dollar earned above $\frac{1}{4}$ of the
4 amount of the individual's weekly jobseeker al-
5 lowance (as so determined).

6 “(c) JOBSEEKER ALLOWANCE ACCOUNT.—

7 “(1) IN GENERAL.—A State shall establish, for
8 each eligible individual who files an application for
9 a jobseeker allowance, a jobseeker allowance ac-
10 count.

11 “(2) MAXIMUM AMOUNT.—The maximum
12 amount of a jobseeker allowance payable to any indi-
13 vidual for whom a jobseeker allowance account is es-
14 tablished under paragraph (1) may not exceed the
15 amount established in such account for such indi-
16 vidual.

17 “(3) BASE-TIER JOBSEEKER ALLOWANCE.—

18 “(A) IN GENERAL.—Subject to subpara-
19 graph (B), the amount established in an ac-
20 count under paragraph (1) shall be equal to 26
21 times the amount of the weekly jobseeker allow-
22 ance (as determined under subsection (b), tak-
23 ing into account the application of paragraph
24 (2) of such subsection but not taking into ac-
25 count the application of paragraph (3) of such

1 subsection). Such amount shall be referred to in
2 this section as the ‘base-tier jobseeker allow-
3 ance’.

4 “(B) REDUCTIONS.—

5 “(i) SUBSEQUENT ACCOUNT.—In the
6 case where a jobseeker allowance account
7 has been established for an individual and
8 a new jobseeker allowance account is sub-
9 sequently established for such individual,
10 the amount in the new jobseeker allowance
11 account under subparagraph (A) shall be
12 reduced by the total amount of any job-
13 seeker allowance received by such indi-
14 vidual in the 5-year period immediately
15 preceding the date of the establishment of
16 the new jobseeker allowance account.

17 “(ii) AMOUNT OF REGULAR COM-
18 PENSATION AND EXTENDED BENEFITS.—

19 The amount in the jobseeker allowance ac-
20 count under subparagraph (A) for an indi-
21 vidual (after application of any reduction
22 under clause (i)) shall be reduced by the
23 total amount of any regular compensation
24 or extended benefits received by such indi-

1 vidual during such individual's benefit
2 year.

3 “(4) FIRST-TIER JOBSEEKER ALLOWANCE.—

4 “(A) IN GENERAL.—Subject to subpara-
5 graphs (B) and (C), If, at the time that the
6 amount added to an individual's account under
7 paragraph (3) is exhausted, or at any time dur-
8 ing the individual's benefit year, such individ-
9 ual's State is in an extended benefit period
10 under section 203(d) of the Federal-State Ex-
11 tended Unemployment Compensation Act of
12 1970 (26 U.S.C. 3304 note), such account shall
13 be augmented by an amount (in this section re-
14 ferred to as ‘first-tier jobseeker allowance’)
15 equal to 13 times the amount of the weekly job-
16 seeker allowance (as determined under sub-
17 section (b) of this section, taking into account
18 the application of paragraph (2) of such sub-
19 section but not taking into account the applica-
20 tion of paragraph (3) of such subsection).

21 “(B) REDUCTION.—The amount to be
22 augmented under subparagraph (A) for an indi-
23 vidual shall be reduced by the total amount of
24 any regular compensation or extended benefits

1 received by such individual during such individ-
2 ual's benefit year.

3 “(C) LIMITATION.—The jobseeker allow-
4 ance account of an individual may be aug-
5 mented not more than once under this para-
6 graph.

7 “(5) SECOND-TIER ADDITIONAL JOBSEEKER
8 ALLOWANCE.—

9 “(A) IN GENERAL.—Subject to subpara-
10 graphs (B) and (C), if, at the time that the
11 amount added to an individual's account under
12 paragraph (4) is exhausted, or at any time dur-
13 ing the individual's benefit year, such individ-
14 ual's State is in a second-tier high unemploy-
15 ment period under section 202(b)(3)(B)(i) of
16 the Federal-State Extended Unemployment
17 Compensation Act of 1970 (26 U.S.C. 3304
18 note), such account shall be augmented by an
19 amount (in this section referred to as ‘second-
20 tier jobseeker allowance’) equal to 13 times the
21 amount of the weekly jobseeker allowance (as
22 determined under subsection (b) of this section,
23 taking into account the application of para-
24 graph (2) of such subsection but not taking into

1 account the application of paragraph (3) of
2 such subsection).

3 “(B) REDUCTION.—The amount to be
4 augmented under subparagraph (A) for an indi-
5 vidual shall be reduced by the total amount of
6 any regular compensation or extended benefits
7 received by such individual during such individ-
8 ual’s benefit year.

9 “(C) LIMITATION.—The jobseeker allow-
10 ance account of an individual may be aug-
11 mented not more than once under this para-
12 graph.

13 “(6) THIRD-TIER ADDITIONAL JOBSEEKER AL-
14 LOWANCE.—

15 “(A) IN GENERAL.—Subject to subpara-
16 graphs (B) and (C), if, at the time that the
17 amount added to an individual’s account under
18 paragraph (5) is exhausted, or at any time dur-
19 ing the individual’s benefit year, such individ-
20 ual’s State is in a third-tier high unemployment
21 period under section 202(b)(3)(B)(ii) of the
22 Federal-State Extended Unemployment Com-
23 pensation Act of 1970 (26 U.S.C. 3304 note),
24 such account shall be augmented by an amount
25 (in this section referred to as ‘third-tier job-

1 seeker allowance’) equal to 13 times the amount
2 of the weekly jobseeker allowance (as deter-
3 mined under subsection (b) of this section, tak-
4 ing into account the application of paragraph
5 (2) of such subsection but not taking into ac-
6 count the application of paragraph (3) of such
7 subsection).

8 “(B) REDUCTION.—The amount to be
9 augmented under subparagraph (A) for an indi-
10 vidual shall be reduced by the total amount of
11 any regular compensation or extended benefits
12 received by such individual during such individ-
13 ual’s benefit year.

14 “(C) LIMITATION.—The jobseeker allow-
15 ance account of an individual may be aug-
16 mented not more than once under this para-
17 graph.

18 “(7) FOURTH-TIER ADDITIONAL JOBSEEKER
19 ALLOWANCE.—

20 “(A) IN GENERAL.—Subject to subpara-
21 graphs (B) and (C), if, at the time that the
22 amount added to an individual’s account under
23 paragraph (6) is exhausted, or at any time dur-
24 ing the individual’s benefit year, such individ-
25 ual’s State is in a fourth-tier high unemploy-

1 ment period under section 202(b)(3)(B)(iii) of
2 the Federal-State Extended Unemployment
3 Compensation Act of 1970 (26 U.S.C. 3304
4 note), such account shall be augmented by an
5 amount (in this section referred to as ‘fourth-
6 tier jobseeker allowance’) equal to 13 times the
7 amount of the weekly jobseeker allowance (as
8 determined under subsection (b) of this section,
9 taking into account the application of para-
10 graph (2) of such subsection but not taking into
11 account the application of paragraph (3) of
12 such subsection).

13 “(B) REDUCTION.—The amount to be
14 augmented under subparagraph (A) for an indi-
15 vidual shall be reduced by the total amount of
16 any regular compensation or extended benefits
17 received by such individual during such individ-
18 ual’s benefit year.

19 “(C) LIMITATION.—The jobseeker allow-
20 ance account of an individual may be aug-
21 mented not more than once under this para-
22 graph.

23 “(d) PAYMENTS TO STATES.—

24 “(1) IN GENERAL.—

1 “(A) FULL REIMBURSEMENT.—There shall
2 be paid to each State an amount equal to 100
3 percent of—

4 “(i) the total amount of jobseeker al-
5 lowances paid to individuals by the State
6 pursuant to this section; and

7 “(ii) any additional administrative ex-
8 penses incurred by the State by reason of
9 making such payments (as determined by
10 the Secretary of Labor).

11 “(B) TERMS OF PAYMENTS.—Sums pay-
12 able to any State under this section shall be
13 payable, either in advance or by way of reim-
14 bursement (as determined by the Secretary of
15 Labor), in such amounts as the Secretary of
16 Labor estimates the State will be entitled to re-
17 ceive under this section for each calendar
18 month, reduced or increased, as the case may
19 be, by any amount by which the Secretary of
20 Labor finds that the Secretary’s estimates for
21 any prior calendar month were greater or less
22 than the amounts that should have been paid to
23 the State. Such estimates may be made on the
24 basis of such statistical, sampling, or other
25 method as may be agreed upon by the Secretary

1 of Labor and the State agency of the State in-
2 volved.

3 “(2) CERTIFICATIONS.—The Secretary of
4 Labor shall from time to time certify to the Sec-
5 retary of the Treasury for payment to each State the
6 sums payable to such State under this section.

7 “(3) DEPOSIT.—Sums payable to any State
8 under this section shall be deposited in the account
9 of such State in the Unemployment Trust Fund.
10 Amounts deposited under the preceding sentence
11 may only be used by the State for the payment of
12 jobseeker allowances under this section.

13 “(4) FUNDING.—There are appropriated from
14 the general fund of the Treasury, without fiscal year
15 limitation, such sums as may be necessary for pur-
16 poses of this section.

17 “(e) FRAUD AND OVERPAYMENTS.—

18 “(1) IN GENERAL.—If an individual knowingly
19 has made, or caused to be made by another, a false
20 statement or representation of a material fact, or
21 knowingly has failed, or caused another to fail, to
22 disclose a material fact, and as a result of such false
23 statement or representation or of such nondisclosure
24 such individual has received an amount of jobseeker

1 allowances to which such individual was not entitled,
2 such individual—

3 “(A) shall be ineligible for further job-
4 seeker allowances in accordance with the provi-
5 sions of the applicable State unemployment
6 compensation law relating to fraud in connec-
7 tion with a claim for unemployment compensa-
8 tion; and

9 “(B) shall be subject to prosecution under
10 section 1001 of title 18, United States Code.

11 “(2) REPAYMENT.—In the case of individuals
12 who have received amounts of jobseeker allowances
13 to which they were not entitled, the State shall re-
14 quire such individuals to repay the amounts of such
15 jobseeker allowances to the State agency, except that
16 the State agency shall waive such repayment if it de-
17 termines that—

18 “(A) the payment of such jobseeker allow-
19 ance was not based on fraud on the part of any
20 such individual; and

21 “(B) such repayment would be contrary to
22 equity and good conscience.

23 “(3) RECOVERY BY STATE AGENCY.—

24 “(A) IN GENERAL.—The State agency may
25 recover the amount to be repaid, or any part

1 thereof, by deductions from any jobseeker al-
2 lowance payable to such individual or from any
3 unemployment compensation payable to such
4 individual under any State or Federal unem-
5 ployment compensation law administered by the
6 State agency or under any other State or Fed-
7 eral law administered by the State agency that
8 provides for the payment of any assistance or
9 allowance with respect to any week of unem-
10 ployment, during the 3-year period after the
11 date such individual received the payment of
12 the jobseeker allowance to which they were not
13 entitled, in accordance with the same proce-
14 dures as apply to the recovery of overpayments
15 of regular unemployment benefits paid by the
16 State.

17 “(B) OPPORTUNITY FOR HEARING.—No
18 repayment shall be required, and no deduction
19 shall be made, until a determination has been
20 made, notice thereof and an opportunity for a
21 fair hearing has been given to the individual,
22 and the determination has become final.

23 “(4) REVIEW.—Any determination by a State
24 agency under this section shall be subject to review
25 in the same manner and to the same extent as deter-

1 minations under the State unemployment compensa-
2 tion law, and only in that manner and to that ex-
3 tent.

4 “(5) DEPOSIT IN STATE UNEMPLOYMENT
5 FUND.—Any amount recovered by a State agency
6 pursuant to this section shall be deposited in the ac-
7 count of such State in the Unemployment Trust
8 Fund. Amounts deposited under the preceding sen-
9 tence may only be used by the State for the payment
10 of jobseeker allowances under this section.

11 “(f) PAYMENT TO BE DISREGARDED FOR PURPOSES
12 OF ALL FEDERAL AND FEDERALLY ASSISTED PRO-
13 GRAMS.—A jobseeker allowance payment shall not be re-
14 garded as income and shall not be regarded as a resource
15 for the month of receipt and the following 12 months, for
16 purposes of determining the eligibility of the recipient (or
17 the recipient’s spouse or family) for benefits or assistance,
18 or the amount or extent of benefits or assistance, under
19 any Federal program or under any State or local program
20 financed in whole or in part with Federal funds.

21 “(g) REGULATIONS.—Not later than 3 months after
22 the date of enactment of this section, the Secretary of
23 Labor shall issue regulations to carry out this section.

24 “(h) DEFINITIONS.—In this section, the terms ‘com-
25 pensation’, ‘regular compensation’, ‘extended compensa-

1 tion’, ‘benefit year’, ‘State’, ‘State agency’, ‘State law’,
2 and ‘week’ have the respective meanings given such terms
3 under section 205 of the Federal-State Extended Unem-
4 ployment Compensation Act of 1970 (26 U.S.C. 3304
5 note).”.

6 (b) PERMISSIBLE USE OF FUNDS.—

7 (1) INTERNAL REVENUE CODE OF 1986.—Sec-
8 tion 3304(a)(4) of the Internal Revenue Code of
9 1986, as amended by section 115, is amended—

10 (A) in subparagraph (H), by striking
11 “and” at the end;

12 (B) in subparagraph (I), by inserting
13 “and” at the end; and

14 (C) by adding at the end the following:

15 “(J) amounts may be withdrawn for the
16 payment of jobseeker allowances under section
17 3304D;”.

18 (2) SOCIAL SECURITY ACT.—Section 303(a)(5)
19 of the Social Security Act, as amended by sections
20 115 and 301, is amended by striking “; and” at the
21 end and inserting “: *Provided further*, That amounts
22 may be withdrawn for the payment of jobseeker al-
23 lowances under section 3304D of the Internal Rev-
24 enue Code of 1986; and”.

1 (c) USE OF RESEA GRANT FUNDS FOR JOBSEEKER
2 APPLICANTS.—Section 306 of the Social Security Act (42
3 U.S.C. 506) is amended by adding at the end the following
4 new subsection:

5 “(j) USE OF RESEA GRANT FUNDS FOR JOB-
6 SEEKER APPLICANTS.—For purposes of this section, the
7 terms ‘regular compensation’ and ‘unemployment com-
8 pensation’ shall include a jobseeker allowance under sec-
9 tion 3304D of the Internal Revenue Code of 1986.”.

10 (d) CONFORMING AMENDMENT.—The table of sec-
11 tions for chapter 23 of the Internal Revenue Code of 1986,
12 as amended by sections 115, 18, and 301, is amended by
13 inserting after the item relating to section 3304C the fol-
14 lowing new item:

“Sec. 3304D. Jobseeker allowance.”.

15 (e) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to weeks of unemployment begin-
17 ning on or after the earlier of—

18 (1) the date the State changes its statutes, reg-
19 ulations, or policies in order to comply with such
20 amendments; or

21 (2) January 1, 2028.

1 **TITLE V—TAX FAIRNESS FOR**
2 **DISPLACED WORKERS**

3 **SEC. 501. TREATMENT OF UNEMPLOYMENT COMPENSA-**
4 **TION FOR PURPOSES OF EARNED INCOME**
5 **CREDIT.**

6 (a) IN GENERAL.—Subparagraph (A) of section
7 32(c)(2) of the Internal Revenue Code of 1986 is amend-
8 ed—

9 (1) by striking “means—” and inserting
10 “means the sum of—”,

11 (2) by striking “plus” at the end of clause (i),

12 (3) by striking the period at the end of clause
13 (ii) and inserting “, and”, and

14 (4) by adding at the end the following new
15 clause:

16 “(iii) the amount of any unemploy-
17 ment compensation (as defined in section
18 85(b)) includible in gross income for the
19 taxable year.”.

20 (b) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 December 31, 2026.