

94th Congress }
1st Session }

COMMITTEE PRINT

STAFF DATA AND MATERIALS ON UNEMPLOYMENT COMPENSATION

COMMITTEE ON FINANCE
UNITED STATES SENATE

RUSSELL B. LONG, *Chairman*



JUNE 6, 1975

U.S. GOVERNMENT PRINTING OFFICE

53-060 0

WASHINGTON : 1975

5362-11

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UNEMPLOYMENT COMPENSATION

Introduction

State unemployment compensation programs generally provide up to 26 weeks of benefits in a year to unemployed workers who are covered under these programs. A few State programs provide for a somewhat longer maximum benefit duration, and most State programs limit the duration of benefits to less than 26 weeks in the case of certain workers who do not have a history of recent steady employment.

Provisions have been made for extending the duration of benefits in times of high unemployment, beyond what is provided under the regular provisions of State programs to take account of the fact that, during such times, it is more difficult for unemployed workers to find new jobs. These programs were temporary until 1970, when a program to provide such extended benefits was made a permanent part of Federal law through the enactment of the Federal-State Extended Unemployment Compensation Act.

Provision has also been made from time to time to take account of unemployment arising from certain specific unusual circumstances. Examples of this type of legislation are the unemployment assistance provisions of the Disaster Relief Act and the trade readjustment allowances under the Trade Act. These provisions make special types of unemployment benefits available to persons whose jobs are adversely affected by natural disasters or by increased imports which result from Federal Trade policy.

Until this year, the mechanisms in permanent law for triggering extended unemployment benefits have not operated to make these extended benefits available in many States which have experienced continuing high unemployment. As a result, Congress has found it necessary six times since the extended benefit program was enacted to pass temporary legislation permitting extended benefits to be paid even though the triggering requirements of permanent law were not met.

This pamphlet outlines the provisions of the Federal-State Extended Unemployment Compensation Act as enacted in 1970, and the subsequent enactments which have been passed to supplement or make more readily available the benefits provided under that Act. The pamphlet also includes selected background materials and statistical data relating to the unemployment compensation programs.

The major features of the unemployment compensation programs which are now in effect are summarized in the chart below. More detailed descriptions of the provisions of these programs are presented in the text which follows.

MAJOR CHARACTERISTICS OF EXISTING UNEMPLOYMENT COMPENSATION PROGRAMS

Program	Benefit duration ¹	Funding ²	When in effect
Regular State programs.....	1st to 26th week of unemployment.	100 percent from State unemployment accounts.	No special requirements.
Federal-State extended benefits.	27th to 39th week of unemployment.	50 percent from State/50 percent from Federal unemployment accounts.	High level of insured unemployment—nationally or in specific State.
Emergency unemployment benefits.	(a) 40th to 52d week of unemployment.	(a) 100 percent from Federal unemployment accounts.	(a) Temporary program: expires Dec. 31, 1976; effective only when extended program in effect.
	(b) 53d to 65th week of unemployment.	(b) 100 percent from Federal unemployment accounts.	(b) Same as (a) but effective only through June 30, 1975.

¹ Based on maximum duration of benefits (26 weeks in most States for regular program). Persons with less substantial work history may qualify for shorter durations.

² Repayable loans from general revenues are available to cover shortages in these accounts.

Federal-State Extended Unemployment Compensation Act of 1970

The Employment Security Amendments of 1970 (Public Law 91-373) established a permanent program to pay extended benefits during periods of high unemployment to workers who exhaust their basic entitlement to regular State unemployment compensation. As a condition of Federal approval of the State's unemployment insurance program, States were required to establish the new program by January 1, 1972, and all States have done so. The Federal Government and the States each pay 50 percent of the cost of benefits under this program.

These extended benefits are paid to workers only during an "extended benefit" period. Such a period can exist either on a national or State basis by the triggering of either the national or the State "on" indicator.

National "On" Indicator.—There is a national "on" indicator when the seasonally adjusted rate of insured unemployment for the whole Nation equals or exceeds 4.5 percent in each of the three most recent calendar months.

State "On" Indicator.—There is a State "on" indicator when the rate of insured unemployment for the State is at least 4 percent but only if it equals or exceeds, during a moving 13-week period, 120 percent of the average rate for the corresponding 13-week period in the preceding two calendar years.

Extended Benefit Period.—An extended benefit period in a State begins after there is either a State or national "on" indicator, and continues, until the trigger conditions are no longer met, but the minimum period is 13 weeks.

Benefits.—During either a national or State extended benefit period, the State is required to provide each eligible claimant with extended compensation at the individual's regular weekly benefit amount. Benefits under the Federal-State program are limited to not more than 13 weeks per individual.

Results of the Trigger Requirements of the 1970 Act

Before extended unemployment benefits are payable under the permanent provisions of the 1970 act, either a single national trigger requirement must be met or else, for benefits to be payable to unemployed people in a specific State, two State trigger requirements must both be met. After the program was enacted, the national trigger requirement was in effect for only 3 months, and the State trigger requirements were frequently not met by a number of States with relatively high levels of unemployment. Although the unemployment rate in these States was high, it was not 120 percent higher than the rate for the corresponding periods in the two preceding years. As a result, Congress acted several times to permit States to waive the 120 percent requirement in the State trigger.

National Trigger.—Public Law 91-373 provided that extended benefits on the basis of the national trigger requirement—4.5 percent insured unemployment—could be payable no earlier than January 1, 1972, and the national trigger was, in fact, "on" as of that date since the national rate of insured unemployment had reached 4.5 percent

in the months September, October, and November of 1971. An extended benefit period based on the national trigger ends, however, when the national insured unemployment rate is less than 4.5 percent for three consecutive months. Since the national rate dropped to 4.3 percent in December 1971 and remained below 4.5 percent in January and February of 1972, the national trigger was "off" beginning with the week of March 5. The national trigger was "on" with respect to the week beginning February 2, 1975, (and was "on" earlier—for the week beginning January 5, 1975,—for those States which elected to change the national trigger from 4.5 percent to 4.0 percent, as permitted under legislation described in the following section of this print) and has remained "on" since that date.

The table below shows the national insured unemployment rates for purposes of the national trigger under the Federal-State Extended Unemployment Compensation Act of 1970.

NATIONAL INSURED UNEMPLOYMENT RATE

(In percent)

Month	1971	1972	1973	1974	1975
January.....		4.09	2.87	3.18	5.96
February.....		4.25	2.91	3.38	6.68
March.....		4.32	2.94	3.59	7.30
April.....		3.98	2.79	3.69	7.83
May.....		4.00	2.81	3.69	
June.....		3.92	2.81	3.65	
July.....		3.91	2.72	3.58	
August.....		3.52	2.75	3.51	
September.....	4.85	3.54	2.78	3.72	
October.....	4.85	3.37	2.74	4.00	
November.....	4.64	3.34	2.83	4.52	
December.....	4.30	3.23	2.95	5.26	

State Trigger.—Extended benefits are payable in any State, under the permanent provisions of the extended benefits program, if the 13-week insured unemployment rate in the State is at least 4 percent and if that rate is equal to 120 percent of the rate in the comparable 13-week period of the 2 prior years. In most States, it is the second part of the State trigger which has proven most difficult to meet.

If a State has a sustained high rate of unemployment, it will eventually trigger "off," and not be able to provide extended benefits which qualify for 50 percent Federal funding unless its insured unemployment rate is not only high but is actually continuing to rise so that it remains 20 percent higher than it was in the 2 previous years. When unemployment in a State remains at a high level for more than a year, this requirement becomes difficult to meet since the high unemployment level then becomes a part of the base to which the 20 percent increase measure is applied. In Alaska, for example, extended benefits were payable on the basis of the State trigger starting at the

end of January, 1971. Alaska, however, had to stop paying extended benefits at the end of November 1971 even though it had a 6.8 percent rate of insured unemployment. This was well above the required 4.0 rate of insured unemployment but did not meet the requirement of a 20 percent increase over the 2 prior years. In the first three months of 1972, the national trigger was "on" so that extended benefits were again payable in Alaska as in other States. When the national extended benefit period ended after March, 1972, thirty-eight States had insured unemployment rates in excess of 4 percent but nine of these States (including Alaska with a 14.46 percent rate) could not meet the requirement of a 20 percent increase over the prior 2 years. As is shown below, all of these 9 States had insured unemployment rates above 6.5 percent.

STATE INDICATORS FOR EXTENDED BENEFITS (APR. 1, 1972)

State	Insured unemployment rate	
	13-week rate	As percent of 2 prior years
Alaska.....	14.46	106
California.....	6.65	99
Idaho.....	6.73	112
Michigan.....	6.74	104
Montana.....	7.79	116
North Dakota.....	7.65	118
Oregon.....	7.07	96
Rhode Island.....	7.81	117
Washington.....	11.46	98

Under legislation described in the following section of this print, the mandatory application of the 120-percent trigger has been suspended under various temporary enactments since October of 1972. The most recent "trigger report" which is reproduced as table 4 on page 21 shows that there are only two States (Texas and Wyoming) which do not meet the 4-percent trigger and only 3 States (Alaska, Hawaii, and North Dakota) which do not meet the requirement of having an insured unemployment rate equal to at least 120 percent of the rate prevailing in the two prior years.

Legislation Suspending Trigger Requirements

Starting with Public Law 92-599 (enacted October 27, 1972), Congress has acted 6 times to modify the trigger requirements of the permanent extended benefits act for temporary periods. Under Public Law 92-599, the 120-percent requirement in the State "off" trigger could be disregarded by a State provided the State law permitted it to do so. This provision was to expire in June, 1973. However, Public Law 93-53 (enacted July 1, 1973) extended the expiration date through December, 1973 and in addition permitted a State to

ignore the 120-percent requirement for the "on" trigger as well as for the "off" trigger. However, under these 2 temporary provisions an extended benefit period could begin only if the rate of insured unemployment in the State was 4.5 percent, rather than 4 percent as required under permanent law.

On December 31, 1973, a temporary provision was enacted as part of Public Law 93-233 permitting a State to pay benefits on the basis of a 4 percent insured unemployment rate without regard to the 120 percent requirement. This provision was scheduled to expire on March 31, 1974. However, it was extended through June 1974 under Public Law 93-256 (enacted March 28, 1974). The permission to waive the 120 percent requirement was subsequently extended by Public Laws 93-329, 93-368, and 93-572. This provision is scheduled to expire on December 31, 1976.

Emergency Unemployment Compensation Act of 1971

In December, 1971, the Congress enacted Public Law 92-224 which established a program to pay "emergency unemployment compensation benefits" for up to 13 weeks to persons who had exhausted their entitlement to regular and (if applicable) extended unemployment compensation benefits. The program was temporary, with no persons eligible to receive benefits for the first time after June 30, 1972.

State "Emergency On" Indicator.—The additional 13 weeks of benefits were payable beginning the third week after there was an "emergency on" indicator in the State. An "emergency on" indicator occurred in any State when the insured unemployment rate for the State plus the average rate of those exhausting regular benefits exceeded 6.5 percent over a 13-week period and when one of the following criteria was met:

(1) There was a State or national "on" indicator for extended benefits (that is, the national rate of insured unemployment exceeded 4.5 percent in the 3 most recent months, or the State insured unemployment rate exceeded 4 percent in the previous 13 weeks and was at least 120 percent of the insured unemployment rate during the corresponding periods of the previous 2 years), or

(2) There had been such an indicator at some time during the previous year and the State met all the criteria of the State "on" indicator for extended benefits except for the 120-percent requirement.

State "Emergency Off" Indicator.—When the rate of insured unemployment plus the average rate of those exhausting regular benefits in a State dropped below 6.5 percent for a 13-week period, there was a State "emergency off" indicator. An emergency extended benefit period in a State ended with the third week after the "emergency off" indicator except that the benefit period could not have been less than at least 26 weeks.

The original legislation, which was to be in effect only during the first six months of 1972, provided for 100 percent Federal financing with payments being made out of the Federal extended benefit account. Under this legislation, repayable advances could be made to the account, as needed, from general funds. Advances to the extended

benefit account were to be repaid only if and when there was an excess of funds in the Federal Unemployment Trust Fund. On June 30, 1972, the Emergency Unemployment Compensation Act was extended (P.L. 92-329) through December 31, 1972. Along with extending the life of the emergency program, the law changed the financing by providing an increase in the Federal unemployment tax equal to 0.08 percent of taxable payrolls in 1973. This additional income was used to finance the benefits paid under the Emergency Unemployment Compensation Act for weeks ending after June 30, 1972. However, no provision was made for financing the benefits payable earlier.

Emergency Unemployment Compensation Act of 1974

Public Law 93-572 (The Emergency Unemployment Compensation Act of 1974) created a new temporary Emergency Unemployment Compensation Program modeled after the Emergency Unemployment Compensation Act of 1971.

The emergency unemployment compensation program augments existing unemployment compensation programs by providing additional weeks of benefits in a period of high unemployment to people who exhausted their benefit rights under the unemployment compensation laws, including the Federal-State Extended Unemployment Compensation program.

The new program provides a third tier of protection for workers in States that are paying benefits under the permanent extended benefit program, provided the State entered into an agreement with the Secretary of Labor to participate in the temporary emergency benefit program.

Compensation under the program is payable in a State having an agreement with the Secretary and experiencing the required unemployment levels, for weeks of unemployment beginning in 1975. Once triggered, the emergency benefit period (the period during which emergency compensation can be paid in the State) will remain in effect for at least 26 weeks, but no new claim may be filed after 1976. The cost of the emergency benefits payments will be met by repayable advances from Federal general revenues to the extended unemployment compensation account in the Federal Unemployment Trust Fund.

To be eligible for compensation under the new Emergency Unemployment Compensation Act, an individual must have exhausted all rights to regular unemployment insurance benefits and to extended benefits. An eligible individual is entitled potentially to emergency benefits for up to one-half of the number of weeks of his total regular benefit entitlement, but not more than 13 weeks (26 weeks through June 1975). The weekly benefit amount is the same as for State regular and Federal-State extended compensation.

The emergency unemployment compensation program goes into effect in a State only when extended unemployment benefits are also payable in the State. Under the Federal-State Extended Unemployment Compensation Act of 1970, States must pay extended benefits when the insured unemployment rate in the State is 4 percent and at least 120 percent of the rate for the corresponding period in the preceding two years. Under the new law a State is given the option of

paying extended benefits (and emergency benefits) when the insured unemployment rate is 4 percent, without regard to the 120 percent factor for the two year period ending December 1976.

Under prior law, extended benefits are payable in all States after the seasonally adjusted National insured unemployment rate for three consecutive months is 4.5 percent. P.L. 93-572 permits the States to pay extended benefits when the National rate of insured unemployment is 4 percent, rather than 4.5 percent. Therefore, both the extended unemployment compensation program and the emergency unemployment compensation program went into effect in those States that elected the 4 percent figure when the National seasonally adjusted insured unemployment rate reached 4 percent and stayed at least that high for three consecutive months. The national optional 4 percent trigger went "on" for the week beginning January 5, 1975 and the national mandatory 4.5 trigger went "on" for the week beginning February 2, 1975. It is anticipated that the rate will continue to increase for some months. Thus, both the extended benefits programs and the new emergency program will be in effect in all States for most of 1975 without regard to the provisions of the new law permitting the States to pay extended benefits when the national trigger is 4 percent but below 4.5 percent. Any additional extended benefits that were payable as the result of a State electing to put the extended unemployment compensation program into effect when the national rate is 4 percent rather than 4.5 percent are paid in full (rather than 50 percent) out of the Federal unemployment account.

In effect, P.L. 93-572 provides the States with the following options as to the time when an extended benefit period and an emergency benefits period would go into effect:

- (1) when the insured unemployment rate in the State under the State extended benefit trigger is 4.0 percent; or
- (2) when the national insured unemployment rate under the national extended benefit trigger is 4.0 percent.

And the States would be required to start an extended benefit period and an emergency benefit period:

- (1) when the insured unemployment rate in the State under the State extended benefit trigger is 4.0 percent and 120 percent of the rate for the comparable period in the preceding two years; and
- (2) when the national insured unemployment rate under the national extended benefit trigger is 4.5 percent.

Tax Reduction Act of 1975

As part of the Tax Reduction Act of 1975 (Public Law 94-12) Congress increased the maximum period for which Emergency Unemployment Compensation could be paid from 13 weeks (as provided by Public Law 93-572) to 26 weeks. The provision is temporary and is in effect through June 30, 1975 only.

House-Passed Legislation (H.R. 6900)

Title I of the bill would extend through June 30, 1976 the amendment to the Emergency Unemployment Program which was added by Public Law 94-12. As a result a total of 65 weeks of unemployment compensation would be possible through June 30, 1976 and the 52 week maximum which would otherwise go into effect in July 1975 will be delayed until July 1976.

This change would have an estimated cost of \$850 million—\$400 million in 1975 and \$450 million in 1976.

Title II of the bill would extend through June 30, 1976 the time in which Special Unemployment Assistance payments (payable to unemployed people who do qualify for unemployment compensation) may be paid for 39 weeks, and provides for the payment of up to 26 weeks of such assistance through the last 6 months of 1976. The cost of this title is estimated at \$5.1 billion.

In addition, title III of the bill would authorize the Secretary of Labor to make loans to the Virgin Islands, similar to the loans made to the States, to enable the Virgin Islands to continue payments under its unemployment compensation program when regular unemployment compensation funds are exhausted.

While the Virgin Islands has an unemployment compensation program, it is not part of the Federal-State system because the Virgin Islands, unlike Puerto Rico, is not included in the definition of "State" in the law.

The Department of Labor estimates that in the 12-month period ending June 30, 1976, the Virgin Islands program will have an operating deficit of between \$600,000 and \$3.1 million. In order to enable the program to continue paying benefits, H.R. 6900 would authorize the Secretary of Labor to advance to the island's government the amounts necessary to continue operation of its unemployment compensation program for the period July 1975-June 1976. The total amount of the loans could not exceed \$5 million and would have to be repaid (without interest) not later than January 1, 1978.

In its report on H.R. 6900, the House committee indicates that if subsequent legislation should include the Virgin Islands in the Federal-State system, any outstanding loans under title III of the bill, should be considered as loans from the Federal unemployment account. (In 1972 the Virgin Islands government requested that the Federal-State program be extended to the Islands.)

Tables and Statistical Material

Employment Covered Under State Unemployment Compensation Programs

General Rule.—In general, persons working for private employers meeting certain minimum requirements are covered under State unemployment compensation programs. In 34 States, any employer with one employee in 20 or more weeks of the year is subject to the program. Eight States require coverage in the case of employers with at least one employee at any time, and the remaining States base coverage on either a different duration of employment or on the amount of wages paid by the employer.

Special Categories.—Federal employees and members of the armed services, while excluded from coverage under State unemployment insurance programs, are covered under a special Federal program. Federal law does require coverage of individuals who work for non-profit organizations which have 4 or more employees in 20 or more weeks, and 19 States require coverage in the case of non-profit organizations with 1 or more employees.

State and Local.—Except in certain limited cases (e.g. State hospitals), Federal law does not require State coverage of State or local government employees. However, most States provide some form of coverage for at least some State or local government employees. About half of the States provide mandatory coverage for State employees and either require or permit election of coverage by local government subdivisions.

Major Exclusions.—There are certain types of employment which are generally (although not universally) excluded from unemployment insurance coverage. Some of the major exclusions are:

Agricultural employment (covered in D.C., Hawaii, Minnesota, and Puerto Rico);

Domestic service (covered under certain conditions, in Arkansas, D.C., Hawaii, and New York);

Self-employment (partially covered in California).

TABLE 1.—EMPLOYMENT COVERED UNDER STATE UNEMPLOYMENT COMPENSATION PROGRAMS (DEFINITION OF EMPLOYER)

State	1 employee			Alternative payroll conditions (4 States) ¹	Nonprofit employers 1 or more ² (19 States)
	In 20 weeks ¹ (34 States)	At any time (8 States)	Other (10 States)		
Alabama.....	X				
Alaska.....		X			
Arizona.....	X				
Arkansas.....			10 days.		X
California.....			Over \$100 in qtr.		X
Colorado.....	X				
Connecticut.....	X				X
Delaware.....	X				
District of Columbia.....		X			X
Florida.....	X				
Georgia.....	X				
Hawaii.....		X ³			X
Idaho.....	X			\$300 in qtr.	X
Illinois.....	X				
Indiana.....	X				
Iowa.....	X				X
Kansas.....	X				
Kentucky.....	X				
Louisiana.....	X				
Maine.....	X				
Maryland.....		X			X
Massachusetts.....			13 weeks ¹		X
Michigan.....	X			\$1,000 in yr.	X
Minnesota.....	X ³				X
Mississippi.....	X				
Missouri.....	X				
Montana.....			Over \$500 in yr.		X
Nebraska.....	X				
Nevada.....			\$225 in qtr.		
New Hampshire.....	X				X
New Jersey.....			\$1,000 in yr.		X

See footnotes at end of table.

TABLE 1.—EMPLOYMENT COVERED UNDER STATE UNEMPLOYMENT COMPENSATION PROGRAMS (DEFINITION OF EMPLOYER)—Continued

State	1 employee			Alternative payroll conditions (4 States) ¹	Nonprofit employers 1 or more ² (19 States)
	In 20 weeks ¹ (34 States)	At any time (8 States)	Other (10 States)		
New Mexico.....	X			\$450 in qtr.	X
New York.....			\$300 in qtr.		
North Carolina..	X				
North Dakota....	X				
Ohio.....	X				
Oklahoma.....	X				
Oregon.....			18 wks.	\$225 in qtr.	X
Pennsylvania.....		X			
Puerto Rico.....		X			X
Rhode Island.....		X			X
South Carolina..	X				
South Dakota....	X				
Tennessee.....	X				
Texas.....	X				
Utah.....			\$140 in qtr.		
Vermont.....	X				
Virginia.....	X				
Washington.....		X			X
West Virginia....	X				
Wisconsin.....	X				
Wyoming.....			\$500 in yr.		

¹ Or a quarterly payroll of \$1,500 during a calendar year or preceding calendar year, except in Idaho, Michigan, New Mexico, Oregon.

² All other States cover nonprofit organizations that employ 4 or more in 20 weeks as required by Federal law.

³ Also covers employers of 20, Hawaii, and 4, Minnesota, or more agricultural workers in 20 weeks.

Note: Data in table correct as of June 1975.

Unemployment Compensation Benefits

Eligibility.—In order to be eligible to receive any unemployment insurance benefits, unemployed workers must have met certain qualifying requirements during a base year which precedes their benefit year. In some States the qualifying requirement is a certain amount of wages; in other States the requirement is in terms of work during a certain number of weeks or during a certain number of quarters.

And, some States impose both types of requirement. In all but 9 States, the qualifying requirements can be satisfied only by persons with some employment during at least 2 quarters of the base year.

Benefit Amounts.—The amount of benefits paid to an unemployed worker each week varies according to the level of his earnings during the base year or, in most States, during that quarter of the base year in which his earnings were highest. Formulas vary from State to State but the largest number of States pay a benefit equal to about 50 percent of average weekly wages. In 11 States benefits include special allowances based on the number of dependents. For about 40 percent of all beneficiaries, the amount of the weekly benefit is determined by the maximum limit which the State places on weekly benefit amounts rather than by the formula.

Maximum Benefits.—The limit on the maximum amount payable per week in the various States ranges from \$50 to \$156. In 31 States, the maximum weekly benefit payable under the unemployment insurance program is determined as a percentage of average weekly wages in employment covered by that program in the State. The percentage varies from 50 to 66% depending on the State. In Ohio, the maximum is adjusted annually by any percentage increase in the average weekly wage and in the remaining States the maximum is a fixed dollar amount.

Partial Unemployment.—Persons who work less than full-time during a week may qualify for partial unemployment benefits if their earnings are below an amount specified by each State. Benefits are determined in the regular manner but are reduced by the amount of earnings in excess of a specified earnings disregard. (Montana does not provide benefits for partial unemployment, although some partially employed persons can qualify for full benefits in that State.)

TABLE 2—WEEKLY STATE UNEMPLOYMENT COMPENSATION BENEFITS FOR TOTAL UNEMPLOYMENT

State	Weekly benefit amount ¹		Average (calendar year 1974)	Required total earnings in base year ²		Minimum work in base year (weeks) ³
	Minimum	Maximum		For minimum benefit	For maximum benefit	
Alabama.....	\$15	\$90	\$52	\$525	\$2,905	20
Alaska.....	23	120	70	750	8,500	20
Arizona.....	15	78	57	562	2,906	20
Arkansas.....	15	84	54	450	2,520	20
California.....	25	90	65	750	2,748	—
Colorado.....	25	102	74	750	10,504	—
Connecticut.....	20	156	74	600	4,160	20
Delaware.....	10	85	71	360	3,060	—
District of Columbia.....	13	127	84	450	4,347	20
Florida.....	10	74	68	400	2,920	20

See footnotes at end of table.

TABLE 2—WEEKLY STATE UNEMPLOYMENT COMPENSATION BENEFITS FOR TOTAL UNEMPLOYMENT—Continued

State	Weekly benefit amount ¹			Required total earnings in base year ²		Minimum work in base year (weeks) ³
	Minimum	Maximum	Average (calendar year 1974)	For minimum benefit	For maximum benefit	
Georgia.....	12	\$ 70	56	432	2,520	20
Hawaii.....	5	104	72	150	3,120	14
Idaho.....	17	83	61	520	2,665	20
Illinois.....	13	\$ 118	66	1,000	1,991	20
Indiana.....	30	\$ 100	53	500	1,843	20
Iowa.....	10	80	65	300	1,690	20
Kansas.....	19	79	62	570	2,370	20
Kentucky.....	12	74	60	344	2,324	20
Louisiana.....	10	80	56	300	2,400	—
Maine.....	12	65	54	600	1,485	—
Maryland.....	\$ 13	89	64	360	3,204	20
Massachusetts..	\$ 20	\$ 143	69	1,200	2,444	—
Michigan.....	\$ 18	\$ 106	67	350	1,680	14
Minnesota.....	15	85	66	540	3,042	18
Mississippi.....	10	60	41	360	2,160	20
Missouri.....	15	85	56	450	2,550	20
Montana.....	12	\$ 68	54	455	2,639	20
Nebraska.....	12	\$ 74	59	600	1,950	20
Nevada.....	16	85	68	528	2,805	—
New Hampshire..	14	80	59	600	6,600	20
New Jersey.....	20	90	72	600	2,670	20
New Mexico.....	15	71	51	455	2,275	20
New York.....	20	95	66	600	3,780	20
North Carolina..	15	90	47	565	3,490	20
North Dakota....	15	\$ 72	57	600	2,880	20
Ohio.....	\$ 16	\$ 121	73	400	3,240	20
Oklahoma.....	16	78	48	500	3,003	20
Oregon.....	24	88	58	700	7,000	18
Pennsylvania....	\$ 18	\$ 119	72	440	4,360	20
Rhode Island....	\$ 17	\$ 107	66	400	3,163	20
South Carolina..	10	88	55	300	3,393	20
South Dakota....	19	\$ 67	52	590	2,122	20
Tennessee.....	14	\$ 70	51	504	2,520	20
Texas.....	15	63	52	500	2,325	20
Utah.....	10	93	63	700	2,512	19

See footnotes at end of table.

TABLE 2—WEEKLY STATE UNEMPLOYMENT COMPENSATION BENEFITS FOR TOTAL UNEMPLOYMENT—Continued

State	Weekly benefit amount ¹			Required total earnings in base year ²		Minimum work in base year (weeks) ³
	Minimum	Maximum	Average (calendar year 1974)	For minimum benefit	For maximum benefit	
Vermont.....	15	86	63	600	3,420	20
Virginia.....	20	87	59	720	3,132	20
Washington.....	17	86	65	1,300	2,137	16
West Virginia....	14	107	48	700	11,000	—
Wisconsin.....	20	108	71	646	3,638	17
Wyoming.....	10	73	57	800	1,800	20
Puerto Rico.....	7	50	37	150	1,500	20

¹ Amounts include dependents' allowances in 11 States which provide such allowances (in the case of minimum benefits the table assumes 1 dependent).

For a worker with no dependents, the maximum weekly benefits in these States are: Alaska: \$90; Connecticut: \$104; Illinois: \$67; Indiana: \$60; Massachusetts: \$95; Michigan: \$67; Ohio: \$82; Pennsylvania: \$111; and Rhode Island: \$87.

² In some States larger total earnings may be required in order for the benefits to be paid for the maximum number of weeks. See table 3.

³ Number of weeks of work in base year required to qualify for minimum benefits. "20" denotes that State directly or indirectly requires work in at least 2 quarters of the base year.

⁴ Alternative requirement is 600 hours of employment.

⁵ Increases from 50% to 55% of State average weekly wage on July 1, 1975, Montana; to \$80, June 1, 1975, Nebraska; from 55% to 60% effective July 1, 1975 and to 67% effective July 1, 1976, North Dakota; from 56% to 60% effective July 1, 1975, South Dakota; effective July 1, 1975, to \$85, Tennessee.

Note. Data in table correct as of May 1975.

Duration of Regular Unemployment Benefits

Maximum Potential Duration.—In all States, regular unemployment benefits for total unemployment may be paid for no more than a specified number of weeks in an individual's benefit year. This maximum duration is 26 weeks in 42 States. Puerto Rico with a 20 week limit is the only jurisdiction with a smaller maximum. Eight States and the District of Columbia provide more than 26 weeks. Utah has the largest number of weeks allowable—36.

Minimum Potential Duration.—In 9 jurisdictions, any worker who is eligible for any unemployment benefits may, if he continues to be unemployed, receive benefits for up to the maximum number of weeks. In the remaining States, however, individual workers may be subject to an additional restriction which will limit the number of weeks during which they can draw benefits to something less than the maximum. Typically, these restrictions provide that the total amount of benefits paid to a worker cannot exceed some percentage (for example, 33½ percent) of his wages during his base year. Alternatively, some States provide that unemployment benefits cannot be paid for a number of weeks which exceeds some percentage of the number of weeks in which the individual was employed during his base year.

**TABLE 3.—DURATION (IN WEEKS) OF REGULAR
UNEMPLOYMENT BENEFITS ¹**

State	Minimum potential duration	Maximum potential duration	Earnings in base year required for maximum benefits ²
Alabama.....	11	26	\$5,848
Alaska.....	14	28	8,500
Arizona.....	12	26	6,082
Arkansas.....	10	26	6,549
California.....	12	26	4,678
Colorado.....	7	26	10,504
Connecticut.....	26	26	3,605
Delaware.....	17	26	4,700
District of Columbia.....	17	34	8,634
Florida.....	10	26	7,592
Georgia.....	9	26	7,038
Hawaii.....	26	26	3,120
Idaho.....	10	26	6,929
Illinois.....	10	26	2,975
Indiana.....	4	26	6,240
Iowa.....	10	26	6,240
Kansas.....	10	26	6,159
Kentucky.....	15	26	5,770
Louisiana.....	12	28	5,597
Maine.....	11	26	5,302
Maryland.....	26	26	3,204
Massachusetts.....	9	30	7,913
Michigan.....	11	26	4,200
Minnesota.....	13	26	6,253
Mississippi.....	12	26	4,677
Missouri.....	8	26	5,226
Montana.....	13	26	2,939
Nebraska.....	17	26	5,716
Nevada.....	11	26	6,627
New Hampshire.....	26	26	6,600
New Jersey.....	15	26	4,672
New Mexico.....	18	30	3,548
New York.....	26	26	3,780
North Carolina.....	13	26	6,844
North Dakota.....	18	26	5,040

See footnotes at end of table.

**TABLE 3.—DURATION (IN WEEKS) OF REGULAR
UNEMPLOYMENT BENEFITS ¹—Continued**

State	Minimum potential duration	Maximum potential duration	Earnings in base year required for maximum benefits ²
Ohio.....	20	26	4,212
Oklahoma.....	10	26	6,081
Oregon.....	10	26	7,000
Pennsylvania.....	30	30	4,360
Rhode Island.....	12	26	6,643
South Carolina.....	10	26	6,861
South Dakota.....	10	26	5,223
Tennessee.....	12	26	5,457
Texas.....	9	26	6,063
Utah.....	10	36	7,893
Vermont.....	26	26	3,420
Virginia.....	12	26	6,786
Washington.....	8	30	7,738
West Virginia.....	26	26	11,000
Wisconsin.....	1	34	9,202
Wyoming.....	11	26	6,083
Puerto Rico.....	20	20	1,500

¹ Based on benefits for total unemployment. Amounts payable can be stretched out over a longer period in the case of partial unemployment.

² Based on maximum weekly benefit amount paid for maximum number of weeks.

Note: Data in table correct as of May 1975.

State Indicators for Federal-State Extended Unemployment Compensation

An additional 13 weeks of extended unemployment benefits with 50 percent Federal funding are payable to those who have exhausted their regular benefits under State unemployment compensation programs under the provisions of the Federal-State Extended Unemployment Compensation Act if certain trigger requirements are met. The State trigger is met if the State insured unemployment rate over a 13 week period is 4 percent and if that rate also equals 120 percent of the insured unemployment rate in the comparable period of the 2 prior years. Table 4 shows that all but two States meet the first part of the requirement as of May 10, 1975 and all but three States meet the second part of the requirement.

TABLE 4.—STATE INDICATORS FOR FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION ACT (AS OF MAY 17, 1975)

National Indicator Insured Unemployment Rate for Most Recent Available 3 Months: (Seasonally Adjusted) February 6.68 Percent, March 7.30 Percent, April 7.83 Percent

	Public Law 91-373 extended benefit indicators ¹	
	13-week IUR	Percent of prior 2 years
Alabama.....	8.67	368
Alaska.....	10.71	94
Arizona.....	8.80	329
Arkansas.....	11.10	359
California ²	(8.73)	(178)
Colorado ³	(4.68)	(290)
Connecticut.....	9.16	250
Delaware ³	(8.19)	(291)
District of Columbia ²	(4.06)	(194)
Florida.....	6.79	435
Georgia.....	7.59	514
Hawaii ²	(4.97)	(117)
Idaho.....	7.54	182
Illinois.....	6.81	184
Indiana.....	8.37	375
Iowa.....	5.04	275
Kansas.....	4.59	214
Kentucky ²	(8.16)	(266)
Louisiana.....	5.03	151
Maine.....	12.07	208
Maryland.....	7.26	272
Massachusetts.....	10.41	175
Michigan ⁴	(14.52)	(252)
Minnesota.....	6.90	180
Mississippi.....	7.59	433
Missouri.....	8.08	267
Montana.....	9.01	189
Nebraska.....	5.33	260
Nevada.....	9.79	194
New Hampshire ²	(8.43)	(345)

See footnotes at end of table.

TABLE 4.—STATE INDICATORS FOR FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION ACT (AS OF MAY 17, 1975)

National Indicator Insured Unemployment Rate for Most Recent Available 3 Months: (Seasonally Adjusted) February 6.68 Percent, March 7.30 Percent, April 7.83 Percent—Continued

	Public Law 91-373 extended benefit indicators ¹	
	13-week IUR	Percent of prior 2 years
New Jersey ²	(11.39)	(171)
New Mexico.....	7.50	187
New York.....	8.82	195
North Carolina.....	9.99	696
North Dakota.....	5.24	117
Ohio.....	7.05	327
Oklahoma.....	5.20	207
Oregon.....	9.72	193
Pennsylvania.....	9.03	230
Puerto Rico.....	17.70	172
Rhode Island.....	13.53	232
South Carolina.....	10.98	665
South Dakota.....	4.34	189
Tennessee.....	8.47	370
Texas.....	3.16	278
Utah ²	(6.54)	(179)
Vermont.....	10.54	184
Virginia.....	5.52	546
Washington.....	11.09	139
West Virginia.....	7.26	198
Wisconsin.....	7.92	260
Wyoming.....	3.30	184

¹ All States currently paying extended benefits under Public Law 91-373. National 4.5 percent trigger began for unemployment for week beginning Feb. 23, 1975.

² Trigger indicator as of May 10, 1975.

³ Trigger indicator as of May 3, 1975.

⁴ Trigger indicator as of Apr. 19, 1975.

TABLE 5.—UNEMPLOYMENT: 1960-74

[Rates in percent]

Year	National unemployment rate		Number of States ¹ with insured unemployment of at least—	
	Total	Insured	4 percent	4.5 percent
1960.....	5.5	4.7	33	26
1961.....	6.7	5.7	43	39
1962.....	5.5	4.3	29	24
1963.....	5.7	4.3	27	24
1964.....	5.2	3.7	20	13
1965.....	4.5	2.9	7	5
1966.....	3.8	2.2	4	2
1967.....	3.8	2.5	5	3
1968.....	3.6	2.2	2	2
1969.....	3.5	2.1	3	2
1970.....	4.9	3.5	12	9
1971.....	5.9	4.1	19	16
1972.....	5.6	3.3	18	14
1973.....	4.9	2.8	10	6
1974.....	5.6	3.6	(²)	(²)

¹ Includes Puerto Rico for years 1961-72; Puerto Rico's rate of insured unemployment exceeded 4.5 percent in each of these years.

² Not available.

Note: The insured unemployment rate represents the average weekly number of insured unemployed as a percentage of the average number of persons in covered employment.

**TABLE 6.—EXHAUSTION OF REGULAR UNEMPLOYMENT
BENEFITS: 1960-74**

Year	Total exhaustions ¹ (millions)	Exhaustions as percent of all beneficiaries
1960.....	1.6	26.1
1961.....	2.4	30.4
1962.....	1.6	27.4
1963.....	1.6	25.3
1964.....	1.4	23.8
1965.....	1.1	21.5
1966.....	.8	18.0
1967.....	.9	19.3
1968.....	.8	19.6
1969.....	.8	19.8
1970.....	1.3	24.4
1971.....	2.0	30.5
1972.....	1.8	28.9
1973.....	1.5	27.6
1974.....	1.9	30.9

¹ Number of persons who were unemployed for a sufficiently long period that they received all of the benefits for which they were eligible under the regular State unemployment program.

**TABLE 7.—EXPERIENCE UNDER THE FEDERAL-STATE EXTENDED
UNEMPLOYMENT COMPENSATION ACT (STATE UI)**

	IUR ¹ (percent)	Beneficiaries ² (thousands)	Benefits ³ (millions)
1970:			
August.....	3.74		
September.....	4.07		
October.....	4.44	24.7	\$3.3
November.....	4.58	40.1	12.2
December.....	4.22	33.3	18.8
1971:			
January.....	4.12	160.4	32.8
February.....	4.29	116.3	55.1
March.....	4.49	149.5	76.9
April.....	4.54	136.9	72.5
May.....	4.77	109.5	58.7
June.....	4.86	118.1	68.0
July.....	4.50	109.5	60.3
August.....	4.63	108.8	57.7
September.....	4.85	104.3	58.7
October.....	4.85	98.4	53.8
November.....	4.64	104.9	53.0
December.....	4.30	103.2	54.9
1972:			
January.....	4.09	178.2	64.8
February.....	4.25	194.6	81.4
March.....	4.32	193.0	97.1
April.....	3.98	146.1	67.1
May.....	4.00	96.8	49.3
June.....	3.92	75.9	38.5
July.....	3.91	54.0	27.1
August.....	3.52	26.9	14.2
September.....	3.54	13.7	6.5
October.....	3.37	10.9	6.0
November.....	3.34	54.0	12.6
December.....	3.23	44.8	21.2

¹ See footnotes at end of table.

**TABLE 7.—EXPERIENCE UNDER THE FEDERAL-STATE EXTENDED
UNEMPLOYMENT COMPENSATION ACT (STATE UI)—Continued**

	IUR ¹ (percent)	Beneficiaries ² (thousands)	Benefits ³ (millions)
1973:			
January.....	2.87	27.9	18.5
February.....	2.91	23.0	12.8
March.....	2.94	22.8	13.6
April.....	2.79	22.2	12.3
May.....	2.81	22.8	13.0
June.....	2.81	20.6	11.6
July.....	2.72	13.0	11.6
August.....	2.75	13.2	11.9
September.....	2.78	19.1	11.4
October.....	2.74	19.5	12.9
November.....	2.83	20.5	13.8
• December.....	2.95	19.9	13.6
1974:			
January.....	3.18	25.1	14.5
February.....	3.38	34.9	14.1
March.....	3.59	66.1	24.9
April.....	3.69	145.3	53.0
May.....	3.69	99.6	65.1
June.....	3.65	94.3	59.5
July.....	3.58	85.8	49.1
August.....	3.51	85.1	49.9
September.....	3.72	75.1	50.4
October.....	4.00	63.8	53.1
November.....	4.52	64.9	50.7
December.....	5.26	75.3	59.2
		915.3	543.5
1975:			
January.....	5.96	⁴ 119.3	⁴ 64.5
February.....	6.68	⁴ 196.6	⁴ 91.4
March.....	7.30	NA	NA
April.....	7.83	NA	NA
Total benefits paid through 1974.....			1,923.4

¹ National insured unemployment rates (seasonally adjusted).

² Beneficiaries (1st checks paid).

³ Gross amount benefits paid.

⁴ Preliminary.

TABLE 8.—EXHAUSTIONS OF BENEFITS UNDER REGULAR UNEMPLOYMENT INSURANCE (UI) PROGRAMS AND UNDER THE EMERGENCY UNEMPLOYMENT COMPENSATION ACT OF 1974

	Regular UI	Extended benefits	Emergency benefits ¹	Emergency benefits ²
ACTUAL				
January-March 1973	428,000	69,000	.....	.....
April-June.....	398,000	40,000	.....	.....
July-September.....	343,000	32,000	.....	.....
October-December..	340,000	37,000	.....	.....
January-March 1974.....	426,000	36,000	.....	.....
April-June.....	504,000	149,000	.....	.....
July-September.....	507,000	143,000	.....	.....
October-December..	496,000	138,000	.....	.....
ESTIMATED²				
January-March 1975	700,000	300,000	100,000	.....
April-June.....	900,000	400,000	300,000	50,000
July-September.....	1,000,000	550,000	350,000	150,000
October-December..	1,000,000	600,000	400,000	200,000
January-March 1976	1,100,000	600,000	400,000	200,000
April-June.....	1,000,000	600,000	400,000	200,000
July-September.....	900,000	550,000	350,000	200,000
October-December..	900,000	450,000	250,000	200,000

¹ Emergency benefits 1 & 2 refer to exhaustion of emergency unemployment compensation benefits for covered workers, weeks 40-52 and 53-65, respectively.

² Estimated exhaustion for calendar year 1976 based on assumption of no change in emergency benefits trigger mechanisms from present law.

TABLE 9.—UNEMPLOYMENT INSURANCE: SELECTED DATA ON BENEFIT DURATION OF CLAIMANTS AND EXHAUSTEES (PRELIMINARY DATA)

State	Statutory provisions maximum number of weeks of duration January 1974	Percent insured claimants eligible for 26 or more weeks 1974	Percent of beneficiaries who exhausted their benefit rights 1974	Percent of exhaustees who received 26 or more weeks of benefits 1974 ¹	Percent of exhaustees who received less than 20 weeks of benefits 1974 ¹
Total.....		71	31	54	27
Alabama.....	26	67	26	43	36
Alaska.....	28	93	24	87	5
Arizona.....	26	65	34	36	38
Arkansas.....	26	56	27	36	45
California.....	26	72	31	59	27
Colorado.....	26	48	30	34	46
Connecticut.....	26	100	22	98	0
Delaware.....	26	80	23	71	11
District of Columbia.....	34	80	42	71	10
Florida.....	26	27	48	14	64
Georgia.....	26	25	41	17	54
Hawaii.....	26	100	33	100	0
Idaho.....	26	26	23	12	70
Illinois.....	26	81	30	49	31
Indiana.....	26	40	35	13	76
Iowa.....	26	42	25	16	65
Kansas.....	26	59	25	53	32
Kentucky.....	26	58	21	33	47
Louisiana.....	28	62	38	49	33
Maine.....	26	43	32	20	63
Maryland.....	26	100	21	100	0
Massachusetts.....	30	72	42	60	20
Michigan.....	26	73	33	34	44
Minnesota.....	26	60	38	26	38
Mississippi.....	26	65	21	49	33
Missouri.....	26	64	24	49	32
Montana.....	26	61	33	44	31
Nebraska.....	26	57	35	26	49
Nevada.....	26	53	34	42	39
New Hampshire...	26	100	4	93	6

See footnotes at end of table.

TABLE 9.—UNEMPLOYMENT INSURANCE: SELECTED DATA ON BENEFIT DURATION OF CLAIMANTS AND EXHAUSTEES (PRELIMINARY DATA)—Continued

State	Statutory provisions maximum number of weeks of duration January 1974	Percent insured claimants eligible for 26 or more weeks 1974	Percent of beneficiaries who exhausted their benefit rights 1974	Percent of exhaustees who received 26 or more weeks of benefits 1974 ¹	Percent of exhaustees who received less than 20 weeks of benefits 1974 ¹
New Jersey.....	26	67	41	56	31
New Mexico.....	30	91	30	72	4
New York.....	² 26	100	33	100	0
North Carolina....	² 26	87	15	70	11
North Dakota.....	26	61	26	43	33
Ohio.....	26	90	19	81	0
Oklahoma.....	26	38	39	34	34
Oregon.....	26	96	23	88	6
Pennsylvania.....	³ 30	100	19	100	0
Puerto Rico.....	^{2,3} 20-52	0	54	0	0
Rhode Island.....	26	55	37	42	41
South Carolina....	26	66	34	36	37
South Dakota.....	26	47	23	29	48
Tennessee.....	26	66	24	46	32
Texas.....	26	38	40	17	56
Utah.....	36	41	28	23	57
Vermont.....	² 26	100	28	100	0
Virginia.....	26	59	25	39	43
Washington.....	30	60	39	39	41
West Virginia.....	² 26	100	16	74	0
Wisconsin.....	34	63	22	41	35
Wyoming.....	26	52	20	29	43

¹ Data in some States reflect reduction in weeks allowed due to disqualification.

² States where additional weeks of benefits may be paid when special unemployment conditions exist as specified by State law.

³ States that have uniform duration of regular benefits for all claimants.

Source: Department of Labor.

**TABLE 10.—ADVANCES TO STATES FROM THE FEDERAL
UNEMPLOYMENT ACCOUNT**

(In millions)

State	1972	1973	1974	Through May 15, 1975	Total
Connecticut.....	\$31.8	\$21.7	\$8.5	\$106.0	\$168.0
Washington.....	34.7	6.0	3.4	42.4	86.5
Vermont.....			5.3	14.2	19.5
New Jersey.....				235.1	235.1
Rhode Island.....				34.3	34.3
Michigan.....				30.0	30.0
Massachusetts.....				25.0	25.0
Puerto Rico.....				10.0	10.0
Total.....	66.5	27.7	17.2	497.0	608.4

¹ Not reduced for any additional Federal taxes collected in 1975 on 1974 wages because of reduction of the 2.7 percent credit due to the loans outstanding as of Nov. 10, 1974.

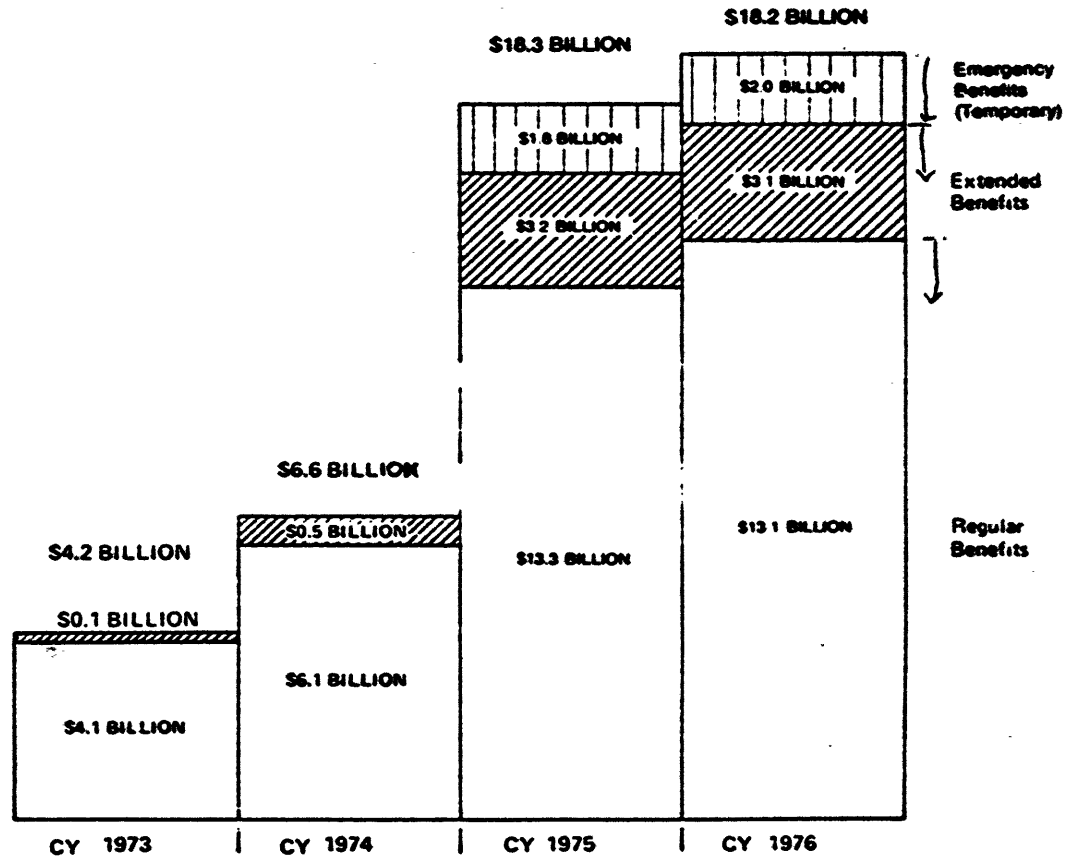
Note.—Balance remaining in Federal unemployment account \$48,000,000 as of May 15, 1975.

Projections for June:

Income to Federal Unemployment Account:

Federal tax increase collected from Connecticut to be transferred to account.....	\$12.1
1st quarter interest.....	6.7
Balance in account after income.....	66.8
Requests received for advances for June:	
Connecticut.....	12.0
Michigan.....	51.0
Total.....	63.0
Balance in account after advances now requested..	3.8

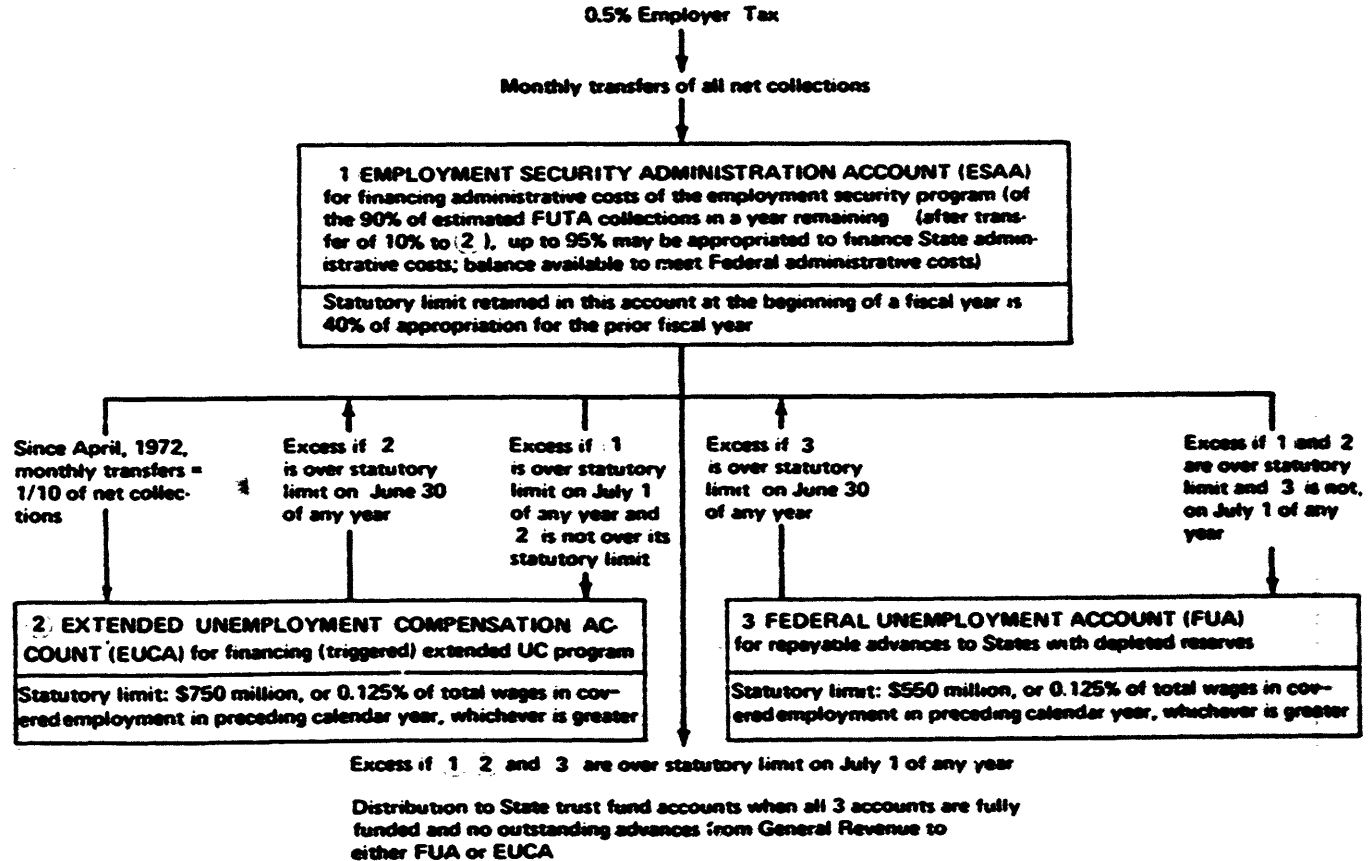
UNEMPLOYMENT BENEFITS PAID—OR PROJECTED TO BE PAID (Current Law)



Based on 6/1/75 Unemployment Assumptions.

U. S. Department of Labor
Manpower Administration
May 28, 1975

Flow of FUTA Funds Under Existing Federal Statutes



Appendix A

Federal-State Extended Unemployment Compensation Act and Amendments

Federal-State Extended Unemployment Compensation Act and Amendments

EXCERPT FROM PUBLIC LAW 91-373, AUGUST 10, 1970

* * * * *

TITLE II—FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION PROGRAM

SHORT TITLE

SEC. 201. This title may be cited as the "Federal-State Extended Unemployment Compensation Act of 1970".

PAYMENT OF EXTENDED COMPENSATION

State Law Requirements

SEC. 202. (a)(1) For purposes of section 3304(a)(11) of the Internal Revenue Code of 1954, a State law shall provide that payment of extended compensation shall be made, for any week of unemployment which begins in the individual's eligibility period, to individuals who have exhausted all rights to regular compensation under the State law and who have no rights to regular compensation with respect to such week under such law or any other State unemployment compensation law or to compensation under any other Federal law and are not receiving compensation with respect to such week under the unemployment compensation law of the Virgin Islands or Canada. For purposes of the preceding sentence, an individual shall have exhausted his rights to regular compensation under a State law (A) when no payments of regular compensation can be made under such law because such individual has received all regular compensation available to him based on employment or wages during his base period, or (B) when his rights to such compensation have terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(2) Except where inconsistent with the provisions of this title, the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof shall apply to claims for extended compensation and to the payment thereof.

Individuals' Compensation Accounts

(b)(1) The State law shall provide that the State will establish, for each eligible individual who files an application therefor, an extended compensation account with respect to such individual's benefit year. The amount established in such account shall be not less than whichever of the following is the least:

(A) 50 per centum of the total amount of regular compensation (including dependents' allowances) payable to him during such benefit year under such law,

(B) thirteen times his average weekly benefit amount, or

(C) thirty-nine times his average weekly benefit amount, reduced by the regular compensation paid (or deemed paid) to him during such benefit year under such law;

except that the amount so determined shall (if the State law so provides) be reduced by the aggregate amount of additional compensation paid (or deemed paid) to him under such law for prior weeks of unemployment in such benefit year which did not begin in an extended benefit period.

(2) For purposes of paragraph (1), an individual's weekly benefit amount for a week is the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for such week for total unemployment.

EXTENDED BENEFIT PERIOD

Beginning and Ending

SEC. 203. (a) For purposes of this title, in the case of any State, an extended benefit period—

(1) shall begin with the third week after whichever of the following weeks first occurs:

(A) a week for which there is a national "on" indicator, or

(B) a week for which there is a State "on" indicator; and

(2) shall end with the third week after the first week for which there is both a national "off" indicator and a State "off" indicator.

Special Rules

(b) In the case of any State—

(A) no extended benefit period shall last for a period of less than thirteen consecutive weeks, and

(B) no extended benefit period may begin by reason of a State "on" indicator before the fourteenth week after the close of a prior extended benefit period with respect to such State.

(2) When a determination has been made that an extended benefit period is beginning or ending with respect to a State (or all the States), the Secretary shall cause notice of such determination to be published in the Federal Register.

Eligibility Period

(c) For purposes of this title, an individual's eligibility period under the State law shall consist of the weeks in his benefit year which begin in an extended benefit period and, if his benefit year ends within such extended benefit period, any weeks thereafter which begin in such extended benefit period.

National "On" and "Off" Indicators

(d) For purposes of this section—

(1) There is a national "on" indicator for a week if for each of the three most recent calendar months ending before such week, the rate of insured unemployment (seasonally adjusted) for all States equaled or exceeded 4.5 per centum (determined by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the month in question).

(2) There is a national "off" indicator for a week if for each of the three most recent calendar months ending before such week, the rate of insured unemployment (seasonally adjusted) for all States was less than 4.5 per centum (determined by reference to the average monthly covered employment for the first four of the most recent six calendar quarters ending before the month in question).

State "On" and "Off" Indicators

(e) For purposes of this section—

(1) There is a State "on" indicator for a week if the rate of insured unemployment under the State law for the period consisting of such week and the immediately preceding twelve weeks—

(A) equaled or exceeded 120 per centum of the average of such rates for the corresponding thirteen-week period ending in each of the preceding two calendar years, and

(B) equaled or exceeded 4 per centum.

(2) There is a State "off" indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, either subparagraph (A) or subparagraph (B) of paragraph (1) was not satisfied.

For purposes of this subsection, the rate of insured unemployment for any 13-week period shall be determined by reference to the average monthly covered employment under the State law for the first four of the most recent six calendar quarters ending before the close of such period.

Rate of Insured Unemployment; Covered Employment

(f)(1) For purposes of subsections (d) and (e), the term "rate of insured unemployment" means the percentage arrived at by dividing—

(A) the average weekly number of individuals filing claims for weeks of unemployment with respect to the specified period, as determined on the basis of the reports made by all State agencies (or, in the case of subsection (e), by the State agency) to the Secretary, by

(B) the average monthly covered employment for the specified period.

(2) Determinations under subsection (d) shall be made by the Secretary in accordance with regulations prescribed by him.

(3) Determinations under subsection (e) shall be made by the State agency in accordance with regulations prescribed by the Secretary.

PAYMENTS TO STATES

Amount Payable

Sec. 204. (a)(1) There shall be paid to each State an amount equal to one-half of the sum of—

(A) the sharable extended compensation, and

(B) the sharable regular compensation,
paid to individuals under the State law.

(2) No payment shall be made to any State under this subsection in respect to compensation for which the State is entitled to reimbursement under the provisions of any Federal law other than this Act.

Sharable Extended Compensation

(b) For purposes of subsection (a)(1)(A), extended compensation paid to an individual for weeks of unemployment in such individual's eligibility period is sharable extended compensation to the extent that the aggregate extended compensation paid to such individual with respect to any benefit year does not exceed the smallest of the amounts referred to in subparagraphs (A), (B), and (C) of section 202(b)(1).

Sharable Regular Compensation

(c) For purposes of subsection (a)(1)(B), regular compensation paid to an individual for a week of unemployment is sharable regular compensation—

(1) if such week is in such individual's eligibility period (determined under section 203(e)), and

(2) to the extent that the sum of such compensation, plus the regular compensation paid (or deemed paid) to him with respect to prior weeks of unemployment in the benefit year, exceeds twenty-six times (and does not exceed thirty-nine times) the average weekly benefit amount (including allowances for dependents) for weeks of total unemployment payable to such individual under the State law in such benefit year.

Payment on Calendar Month Basis

(d) There shall be paid to each State either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this title for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made upon the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency.

Certification

(e) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this section. The Secretary of the Treasury, prior to audit

or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, by transfers from the extended unemployment compensation account to the account of such State in the Unemployment Trust Fund.

DEFINITIONS

Sec. 205. For purposes of this title—

(1) The term "compensation" means cash benefits payable to individuals with respect to their unemployment.

(2) The term "regular compensation" means compensation payable to an individual under any State unemployment compensation law (including compensation payable pursuant to 5 U.S.C. chapter 85), other than extended compensation and additional compensation.

(3) The term "extended compensation" means compensation (including additional compensation and compensation payable pursuant to 5 U.S.C. chapter 85) payable for weeks of unemployment beginning in an extended benefit period to an individual under those provisions of the State law which satisfy the requirements of this title with respect to the payment of extended compensation.

(4) The term "additional compensation" means compensation payable to exhaustees by reason of conditions of high unemployment or by reason of other special factors.

(5) The term "benefit year" means the benefit year as defined in the applicable State law.

(6) The term "base period" means the base period as determined under applicable State law for the benefit year.

(7) The term "Secretary" means the Secretary of Labor of the United States.

(8) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico.

(9) The term "State agency" means the agency of the State which administers its State law.

(10) The term "State law" means the unemployment compensation law of the State, approved by the Secretary under section 3304 of the Internal Revenue Code of 1954.

(11) The term "week" means a week as defined in the applicable State law.

APPROVAL OF STATE LAWS

Sec. 206. Section 3304(a) of the Internal Revenue Code of 1954 is amended by inserting after paragraph (10) (added by section 121(a) of this Act) the following new paragraph:

"(11) extended compensation shall be payable as provided by the Federal-State Extended Unemployment Compensation Act of 1970;".

EFFECTIVE DATES

Sec. 207. (a) Except as provided in subsection (b)—

(1) in applying section 203, no extended benefit period may begin with a week beginning before January 1, 1972; and

(2) section 204 shall apply only with respect to weeks of unemployment beginning after December 31, 1971.

(b)(1) In the case of a State law approved under section 3304(a)(11) of the Internal Revenue Code of 1954, such State law may also provide that an extended benefit period may begin with a week established pursuant to such law which begins earlier than January 1, 1972, but not earlier than 60 days after the date of the enactment of this Act.

(2) For purposes of paragraph (1) with respect to weeks beginning before January 1, 1972, the extended benefit period for the State shall be determined under section 203(a) solely by reference to the State "on" indicator and the State "off" indicator.

(3) In the case of a State law containing a provision described in paragraph (1), section 204 shall also apply with respect to weeks of unemployment in extended benefit periods determined pursuant to paragraph (1).

(c) Section 3304(a)(11) of the Internal Revenue Code of 1954 (as added by section 206) shall not be a requirement for the State law of any State—

(1) in the case of any State the legislature of which does not meet in a regular session which closes during the calendar year 1971, with respect to any week of unemployment which begins prior to July 1, 1972; or

(2) in the case of any other State, with respect to any week of unemployment which begins prior to January 1, 1972.

* * * * *

SEC. 303. EXTENDED UNEMPLOYMENT COMPENSATION ACCOUNT

(a) Title IX of the Social Security Act is amended by striking out section 905 and inserting in lieu thereof the following new section:

"EXTENDED UNEMPLOYMENT COMPENSATION ACCOUNT

"ESTABLISHMENT OF ACCOUNT

"SEC. 905. (a) There is hereby established in the Unemployment Trust Fund an extended unemployment compensation account. For the purposes provided for in section 904(e), such account shall be maintained as a separate book account.

"TRANSFERS TO ACCOUNT

"(b)(1) Except as provided by paragraph (3), the Secretary of the Treasury shall transfer (as of the close of July 1970, and each month thereafter), from the employment security administration account to the extended unemployment compensation account established by subsection (a), an amount determined by him to be equal, in the case of any month before April 1972, to one-fifth, and in the case of any month after March 1972, to one-tenth, of the amount by which—

"(A) transfers to the employment security administration account pursuant to section 901(b)(2) during such month, exceed

"(B) payments during such month from the employment security administration account pursuant to section 901 (b)(3) and (d).

If for any such month the payments referred to in subparagraph (B) exceed the transfers referred to in subparagraph (A), proper adjustments shall be made in the amounts subsequently transferred.

"(2) Whenever the Secretary of the Treasury determines pursuant to section 901(f) that there is an excess in the employment security administration account as of the close of any fiscal year beginning after June 30, 1972, there shall be transferred (as of the beginning of the succeeding fiscal year) to the extended unemployment compensation account the total amount of such excess or so much thereof as is required to increase the amount in the extended unemployment compensation account to whichever of the following is the greater:

"(A) \$750,000,000, or

"(B) the amount (determined by the Secretary of Labor and certified by him to the Secretary of the Treasury) equal to one-eighth of 1 percent of the total wages subject (determined without any limitation on amount) to contributions under all State unemployment compensation laws for the calendar year ending during the fiscal year for which the excess is determined.

"(3) The Secretary of the Treasury shall make no transfer pursuant to paragraph (1) as of the close of any month if he determines that the amount in the extended unemployment compensation account is equal to (or in excess of) the limitation provided in paragraph (2).

"TRANSFERS TO STATE ACCOUNTS

"(c) Amounts in the extended unemployment compensation account shall be available for transfer to the accounts of the States in the Unemployment Trust Fund as provided in section 204(c) of the Federal-State Extended Unemployment Compensation Act of 1970.

"ADVANCES TO EXTENDED UNEMPLOYMENT COMPENSATION ACCOUNT AND REPAYMENT

"(d) There are hereby authorized to be appropriated, without fiscal year limitation, to the extended unemployment compensation account, as repayable advances (without interest), such sums as may be necessary to carry out the purposes of the Federal-State Extended Unemployment Compensation Act of 1970. Amounts appropriated as repayable advances shall be repaid, without interest, by transfers from the extended unemployment compensation account to the general fund of the Treasury, at such times as the amount in the extended unemployment compensation account is determined by the Secretary of the Treasury, in consultation with the Secretary of Labor, to be adequate for such purpose. Any amount transferred as a repayment under this subsection shall be credited against, and shall operate to reduce, any balance of advances repayable under this subsection."

(b) Section 903(a)(1) of the Social Security Act is amended to read as follows: "(1) If as of the close of any fiscal year after the fiscal year ending June 30, 1972, the amount in the extended unemployment compensation account has reached the limit provided in section 905 (b)(2) and the amount in the Federal unemployment account has reached the limit provided in section 902(a) and all advances pursuant

to section 905(d) and section 1203 have been repaid, and there remains in the employment security administration account any amount over the amount provided in section 901(f)(3)(A), such excess amount, except as provided in subsection (b), shall be transferred (as of the beginning of the succeeding fiscal year) to the accounts of the States in the Unemployment Trust Fund."

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EXCERPT FROM PUBLIC LAW 92-599, OCTOBER 27, 1972

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AMENDMENT TO FEDERAL-STATE EXTENDED UNEMPLOYMENT
COMPENSATION ACT OF 1970

SEC. 501. Section 203(c)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following new sentence: "Effective with respect to compensation for weeks of unemployment beginning before July 1, 1973, and beginning after the date of the enactment of this sentence (or, if later, the date established pursuant to State law), the State may by law provide that the determination of whether there has been a State 'off' indicator ending any extended benefit period shall be made under this subsection as if paragraph (1) did not contain subparagraph (A) thereof."

EXCERPT FROM PUBLIC LAW 93-53, JULY 1, 1973

* * * * *

SEC. 5. Section 203(c)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following: "Effective with respect to compensation for weeks of unemployment beginning before January 1, 1974, and beginning after the date of the enactment of this sentence (or, if later, the date established pursuant to State law), the State by law may provide that the determination of whether there has been a State 'off' indicator ending any extended benefit period shall be made under this subsection as if paragraph (1) did not contain subparagraph (A) thereof and may provide that the determination of whether there has been a State 'on' indicator beginning any extended benefit period shall be made under this subsection as if (i) paragraph (1) did not contain subparagraph (A) thereof, (ii) the 4 per centum contained in subparagraph (B) thereof were 4.5 per centum, and (iii) paragraph (1) of subsection (b) did not contain subparagraph (B) thereof. In the case of any individual who has a week with respect to which extended compensation was payable pursuant to a State law referred to in the preceding sentence, if the extended benefit period under such law does not expire before January 1, 1974, the eligibility period of such individual for purposes of such law shall end with the thirteenth week which begins after December 31, 1973."

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EXCERPT FROM PUBLIC LAW 93-233, DECEMBER 31, 1973

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PROVISIONS RELATING TO UNEMPLOYMENT COMPENSATION

SEC. 20. Section 203(2) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following new sentence: "Effective with respect to compensation for weeks of unemployment beginning before April 1, 1974, and beginning after December 31, 1973 (or, if later, the date established pursuant to State law), the State may by law provide that the determination of whether there has been a State 'on' or 'off' indicator beginning or ending any extended benefit period shall be made under this subsection as if paragraph (1) did not contain subparagraph (A) thereof."

EXCERPT FROM PUBLIC LAW 93-256, MARCH 28, 1974

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SEC. 2. The last sentence of section 203(e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 (as added by section 20 of Public Law 93-233) is amended by striking out "April" and inserting in lieu thereof "July".

Appendix B

Emergency Unemployment Compensation Act of 1974

Emergency Unemployment Compensation Act of 1974

(Public Law 93-572)

AN ACT To provide a program of emergency unemployment compensation

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Short Title

Section 101. This Act may be cited as the "Emergency Unemployment Compensation Act of 1974".

Federal-State Agreements

Sec. 102. (a) Any State, the State unemployment compensation law of which is approved by the Secretary of Labor (hereinafter in this Act referred to as the "Secretary") under section 3304 of the Internal Revenue Code of 1954 which desires to do so, may enter into and participate in an agreement with the Secretary under this Act, if such State law contains (as of the date such agreement is entered into) a requirement that extended compensation be payable thereunder as provided by the Federal-State Extended Unemployment Compensation Act of 1970. Any State which is a party to an agreement under this Act may, upon providing thirty days' written notice to the Secretary, terminate such agreement.

(b) Any such agreement shall provide that the State agency of the State will make payments of emergency compensation—

(1) to individuals who—

(A) (i) have exhausted all rights to regular compensation under the State law;

(ii) have exhausted all rights to extended compensation, or are not entitled thereto, because of the ending of their eligibility period for extended compensation, in such State;

(B) have no rights to compensation (including both regular compensation and extended compensation) with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law; and

(C) are not receiving compensation with respect to such week under the unemployment compensation law of the Virgin Islands or Canada,

(2) for any week of unemployment which begins in—

(A) an emergency benefit period (as defined in subsection (c) (3)); and

(B) the individual's period of eligibility (as defined in section 105(b)).

(c)(1) For purposes of subsection (b)(1)(A), an individual shall be deemed to have exhausted his rights to regular compensation under a State law when—

(A) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to him based on employment or wages during his base period; or

(B) his rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(2) For purposes of subsection (b)(1)(B), an individual shall be deemed to have exhausted his rights to extended compensation under a State law when no payments of extended compensation under a State law can be made under such law because such individual has received all the extended compensation available to him from his ~~extended compensation account~~ (as established under State law in accordance with section 202(b)(1) of the Federal-State Extended Unemployment Compensation Act of 1970).

(3)(A)(i) For purposes of subsection (b)(2)(A), in the case of any State, an emergency benefit period—

(I) shall begin with the third week after a week for which there is a State “emergency on” indicator; and

(II) shall end with the third week after the first week for which there is a State “emergency off” indicator.

(ii) In the case of any State, no emergency benefit period shall last for a period of less than 26 consecutive weeks.

(iii) When a determination has been made that an emergency benefit period is beginning or ending with respect to any State, the Secretary shall cause notice of such determination to be published in the Federal Register.

(B)(i) For purposes of subparagraph (A), there is a State “emergency on” indicator for a week if there is a State or National “on” indicator for such week (as determined under subsections (d) and (e) of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970).

(ii) For purposes of subparagraph (A), there is a State "emergency off" indicator for a week if there is both a State and a National "off" indicator for such week (as determined under subsections (d) and (e) of the Federal-State Extended Unemployment Compensation Act of 1970).

(d) For purposes of any agreement under this Act—

(1) the amount of the emergency compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependents' allowances) payable to him during his benefit year under the State law; and

(2) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof shall (except where inconsistent with the provisions of this Act or regulations of the Secretary promulgated to carry out this Act) apply to claims for emergency compensation and the payment thereof.

(e) (1) Any agreement under this Act with a State shall provide that the State will establish, for each eligible individual who files an application for emergency compensation, an emergency compensation account.

(2) Except as provided in paragraph (3), the amount established in such account for any individual shall be equal to the lesser of—

(A) 50 per centum of the total amount of regular compensation (including dependents' allowances) payable to him with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation; or

(B) thirteen times his average weekly benefit amount (as determined for purposes of section 202(b)(1)(C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year.¹

(3) Effective only with respect to benefits for weeks of unemployment ending before July 1, 1975, the amount established in such account for any individual shall be equal to the lesser of—

(A) 100 per centum of the total amount of regular compensation (including dependents' allowances) payable to him with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation; or

(B) twenty-six times his average weekly benefit amount (as determined for purposes of section 202(b)(1)(C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year.²

¹ Paragraph (2) was amended by Public Law 94-12.

² Paragraph (3) was added by Public Law 94-12.

(f) (1) No emergency compensation shall be payable to any individual under an agreement entered into under this Act for any week beginning before whichever of the following is the latest :

(A) the first week which begins after December 31, 1974,

(B) the week following the week in which such agreement is entered into, or

(C) the first week which begins after the date of the enactment of this Act.

(2) No emergency compensation shall be payable to any individual under an agreement entered into under this Act for any week ending after—

(A) December 31, 1976, or

(B) March 31, 1977, in the case of an individual who (for a week ending before January 1, 1977) had a week with respect to which emergency compensation was payable under such agreement.

Payments to States Having Agreements for the Payment of Emergency Compensation

Sec. 103. (a) There shall be paid to each State which has entered into an agreement under this Act an amount equal to 100 per centum of the emergency compensation paid to individuals by the State pursuant to such agreement.

(b) No payment shall be made to any State under this section in respect of compensation for which the State is entitled to reimbursement under the provisions of any Federal law other than this Act.

(c) Sums payable to any State by reason of such State's having an agreement under this Act shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this Act for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which would have been paid to the State. Such estimates may be made on the basis of such statistical, sampling, or other method as may be agreed upon by the Secretary and the State agency of the State involved.

Financing Provisions

Sec. 104 (a) (1) Funds in the extended unemployment compensation account (as established by section 905 of the Social Security Act) of the Unemployment Trust Fund shall be used for the making of payments to States having agreements entered into under this Act.

(2) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this Act. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as established by section 905 of the Social Security Act) to the account of such State in the Unemployment Trust Fund.

(b) There are hereby authorized to be appropriated, without fiscal year limitation, to the extended unemployment compensation account, as repayable advances (without interest), such sums as may be necessary to carry out the purposes of this Act. Amounts appropriated as repayable advances and paid to the States under section 103 shall be repaid, without interest, as provided in section 905(d) of the Social Security Act.

Definitions

Sec. 105. For purposes of this Act—

(1) the terms "compensation", "regular compensation", "extended compensation", "base period", "benefit year", "State", "State agency", "State law", and "week" shall have the meanings assigned to them under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970;

(2) the term "period of eligibility" means, in the case of any individual, the weeks in his benefit year which begin in an extended benefit period or an emergency benefit period, and, if his benefit year ends within such extended benefit period, any weeks thereafter which begin in such extended benefit period or in such emergency benefit period; and

(3) the term "extended benefit period" shall have the meaning assigned to such term under section 203 of the Federal-State Extended Unemployment Compensation Act of 1970.

For purposes of any State law which refers to an extension under Federal law of the duration of benefits under the Federal-State Extended Unemployment Compensation Act of 1970, this Act shall be treated as amendatory of such Act.

Extension of Waiver of 120-Percent Requirement for Purposes of Extended Compensation Program

Sec. 106. The last sentence of section 203(e) (2) of the Federal-State Extended Unemployment Compensation Act of 1970, as amended, is amended by striking out "April 30, 1975" and inserting in lieu thereof "December 31, 1976".

Temporary Reduction in National Trigger

Sec. 107. Section 203(d) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following new sentence: "Effective with respect to compensation for weeks of unemployment beginning before December 31, 1976, and beginning after December 31, 1974 (or, if later, the date established pursuant to State law), the State may by law provide that the determination of whether there has been a national 'on' or 'off' indicator beginning or ending any extended benefit period shall be made under this subsection as if the phrase '4.5 per centum', contained in paragraphs (1) and (2), read '4 per centum'."

Provision for Financing Temporary Reduction in National Trigger

Sec. 108. Section 204(a) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by adding at the end thereof the following new paragraph:

"(8) In the case of compensation which is sharable extended compensation or sharable regular compensation by reason of the provision contained in the last sentence of section 203(d), the first paragraph of this subsection shall be applied as if the words 'one-half of' read '100 per centum of' but only with respect to compensation that would not have been payable if the State law's provisions as to the State 'on' and 'off' indicators omitted the 120 percent factor as provided for by Public Law 93-368 and by section 106 of this Act."