117TH CONGRESS  
1ST SESSION

S. ______

To modernize unemployment compensation benefits.

IN THE SENATE OF THE UNITED STATES

introduced the following bill; which was read twice and referred to the Committee on ____________

A BILL

To modernize unemployment compensation benefits.

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the “Unemployment Insurance Modernization Act”.

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

Sec. 1. Short title; table of contents.

TITLE I—MODERNIZATION OF EXTENDED BENEFITS

Sec. 101. Full Federal funding of extended unemployment compensation.
Sec. 102. Improving the extended benefit triggers.
Sec. 103. Increase in the number of weeks of extended benefits during high unemployment periods.
Sec. 104. Improved calculation of amounts in an individual’s extended benefit account.
Sec. 105. Transition for amounts remaining in extended benefit accounts when a State is no longer in an extended benefit period.
Sec. 106. Coordination of extended benefits with regular compensation.
Sec. 107. Portability of extended benefits.
Sec. 108. Exemption of extended benefits from sequestration.
Sec. 109. Effective date.

TITLE II—MODERNIZATION OF REGULAR UNEMPLOYMENT

Sec. 201. Floor on the number of weeks.
Sec. 202. Floor on the minimum replacement of wages.
Sec. 203. Floor on the maximum benefit.
Sec. 204. Part-time work.
Sec. 205. Use of an alternative base period.
Sec. 206. Expansion of good cause quits.
Sec. 207. Elimination of waiting weeks.
Sec. 208. Temporary work assignment.
Sec. 209. Waiver of nonfraud overpayments.
Sec. 211. Minimum level of prior employment.
Sec. 212. Employee status.
Sec. 213. Eligibility of certain student-workers for unemployment compensation.
Sec. 214. Access to benefits.
Sec. 215. Jobseeker allowance.
Sec. 216. Dependents’ allowance.
Sec. 217. Emergency enhanced unemployment compensation.

TITLE III—MODERNIZATION OF UNEMPLOYMENT INSURANCE TECHNOLOGY

Sec. 301. Modernization of technology for delivering unemployment compensation.

TITLE I—MODERNIZATION OF EXTENDED BENEFITS

SEC. 101. FULL FEDERAL FUNDING OF EXTENDED UNEMPLOYMENT COMPENSATION.

(a) In General.—Section 204 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended—

(1) in subsection (a), by striking “(1) There shall be paid” and all that follows through the period at the end of paragraph (3) and inserting the
following: “(1) There shall be paid to each State an amount equal to 100 percent of the extended compensation (including allowances for dependents) paid to individuals under State law.

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

“(A) assesses payments due in lieu of contributions from the employer for such benefits; or

“(B) charges the employer for purposes of employer experience rating for such benefits.”;

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

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

(b) Conforming Amendment.—Section 202(a)(6) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended by striking “or shareable regular compensation”.

Sec. 102. Improving the Extended Benefit Triggers.

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

“(f) State TUR Trigger.—

“(1) In General.—For purposes of this sec-
“(A) **ON INDICATOR.**—There is a State ‘on’ indicator for a week if the average rate of total unemployment in such State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published before the close of such week equals or exceeds 5.5 percent.

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

“(2) **APPLICATION.**—Notwithstanding the provision of any State law, any week for which there would otherwise be a State ‘on’ indicator shall continue to be such a week and shall not be determined to be a week for which there is a State ‘off’ indicator.

“(3) **DETERMINATIONS OF THE RATE OF TOTAL UNEMPLOYMENT.**—For purposes of this subsection, determinations of the rate of total unemployment in any State for any period (and of any seasonal adjustment) shall be made by the Secretary.

“(g) **NATIONAL TUR TRIGGER.**—

“(1) **IN GENERAL.**—For purposes of this section:
“(A) ON INDICATOR.—There is a State ‘on’ indicator for a week if the average rate of total unemployment for all States (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published before the close of such week equals or exceeds 5.5 percent.

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

“(2) APPLICATION.—Notwithstanding the provision of any State law, any week for which there would otherwise be a State ‘on’ indicator shall continue to be such a week and shall not be determined to be a week for which there is a State ‘off’ indicator.

“(3) DETERMINATIONS OF THE RATE OF TOTAL UNEMPLOYMENT.—For purposes of this subsection, determinations of the rate of total unemployment for all States for any period (and of any seasonal adjustment) shall be made by the Secretary.”.

(b) AUGMENTED TRIGGERS.—Section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note), as amended by subsection
(a), is amended by adding at the end the following new subsections:

“(h) AUGMENTED STATE TRIGGER.—

“(1) IN GENERAL.—For purposes of this section:

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

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

“(2) AUGMENTED AVERAGE RATE OF TOTAL UNEMPLOYMENT.—For purposes of paragraph (1)(A), the term ‘augmented average rate of total unemployment’ means, with respect to a State, the sum of—

“(A) the average rate of total unemployment in such State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published before the close of such week; and
“(B) the excess (if any) of—

“(i) the average rate of total unemployment in such State (seasonally adjusted) for the period referred to in sub-
paragraph (A); over

“(ii) the average rate of total unemployment in such State (seasonally adjusted) for any continuous 3-month period
ending in any of the 3 preceding years.

“(3) APPLICATION.—Notwithstanding the prov-
ision of any State law, any week for which there
would otherwise be a State ‘on’ indicator shall con-
tinue to be such a week and shall not be determined
to be a week for which there is a State ‘off’ indi-
cator.

“(4) DETERMINATIONS OF THE RATE OF TOTAL
UNEMPLOYMENT.—For purposes of this subsection,

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

“(i) AUGMENTED NATIONAL TRIGGER.—

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

“(A) ON INDICATOR.—There is a State
‘on’ indicator for a week if the augmented aver-
age rate of total unemployment for all States (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published before the close of such week equals or exceeds 5.5 percent; and

“(B) Off indicator.—There is a State ‘off’ indicator for a week if the requirement under subparagraph (A) is not satisfied.

“(2) Augmented average rate of total unemployment.—For purposes of paragraph (1)(A), the term ‘augmented average rate of total unemployment’ means the sum of—

“(A) the average rate of total unemployment for all States (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published before the close of such week; and

“(B) the excess (if any) of—

“(i) the average rate of total unemployment for all States (seasonally adjusted) for the period referred to in subparagraph (A); over

“(ii) the average rate of total unemployment for all States (seasonally ad-
justed) for any continuous 3-month period ending in any of the 3 preceding years.

“(3) Application.—Notwithstanding the provision of any State law, any week for which there would otherwise be a State ‘on’ indicator shall continue to be such a week and shall not be determined to be a week for which there is a State ‘off’ indicator.

“(4) Determinations of the rate of total unemployment.—For purposes of this subsection, determinations of the rate of total unemployment for all States for any period (and of any seasonal adjustment) shall be made by the Secretary.”.

(c) Elevated Unemployment Triggers.—

(1) In general.—Section 203 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note), as amended by subsections (a) and (b), is amended by adding at the end the following new subsections:

“(j) Elevated State Unemployment Trigger.—

“(1) In general.—For purposes of this section:

“(A) On indicator.—There is a State ‘on’ indicator for a week if the average rate of total unemployment in the State (seasonally ad-
justed) for the period consisting of the most recent 3 months for which data for the State published before the close of such week is at least 0.5 percentage points higher than the lowest average rate of total unemployment in such State (seasonally adjusted) for any continuous 3-month period in the preceding 12 months.

“(B) Off indicator.—There is a State ‘off’ indicator for a week if the average rate of total unemployment in the State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for the State is published before the close of such week—

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

“(ii) is less than 5.5 percent; and

“(iii) is less than 1.5 percentage points above the average rate of total unemployment in the State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for the State is published before the close of the first week for which there is an ‘on’ indicator under subparagraph (A).
“(2) Application.—Notwithstanding the provision of any State law, any week for which there would otherwise be a State ‘on’ indicator shall continue to be such a week and shall not be determined to be a week for which there is a State ‘off’ indicator.

“(3) Determinations of the Rate of Total Unemployment.—For purposes of this subsection, determinations of the rate of total unemployment in any State for any period (and of any seasonal adjustment) shall be made by the Secretary.

“(4) Inclusion of Determination in Monthly Employment Situation Reports.—Notwithstanding any other provision of law, the Secretary, acting through the Commissioner of the Bureau of Labor Statistics, shall include in each monthly employment situation report published by the Commissioner a specific determination of whether or not there is an ‘on’ indicator under paragraph (1)(A) for each State.

“(k) Elevated National Unemployment Trigger.—

“(1) In General.—For purposes of this section:
“(A) ON INDICATOR.—There is a State ‘on’ indicator for a week if the average rate of total unemployment for all States (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published before the close of such week is at least 0.5 percentage points higher than the lowest average rate of total unemployment for all States (seasonally adjusted) for any continuous 3-month period in the preceding 12 months.

“(B) OFF INDICATOR.—There is a State ‘off’ indicator for a week if the average rate of total unemployment for all States (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States is published before the close of such week—

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

“(ii) is less than 5.5 percent; and

“(iii) is less than 1.5 percentage points above the average rate of total unemployment for all States (seasonally adjusted) for the period consisting of the most recent 3 months for which data for
all States is published before the close of
the first week for which there is an ‘on’ in-
dicator under subparagraph (A).

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

“(3) DETERMINATIONS OF THE RATE OF TOTAL
UNEMPLOYMENT.—For purposes of this subsection,
determinations of the rate of total unemployment for
all States for any period (and of any seasonal ad-
justment) shall be made by the Secretary.

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

(2) COORDINATION BETWEEN ELEVATED STATE
AND NATIONAL UNEMPLOYMENT TRIGGERS AND
OTHER TRIGGERS.—Section 203(b) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended by adding at the end the following new paragraph:

“(3)(A) In the case of a State for which there is an ‘on’ indicator for a week under subsection (j) or (k) and at least one of subsections (f) through (i), section 202(b)(1) shall be applied by substituting—

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

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

“(B) The increase in amounts in an account by reason of subparagraph (A) shall be in addition to any increases in amounts in an account by reason of paragraph (3) of section 202(b).”.

SEC. 103. INCREASE IN THE NUMBER OF WEEKS OF EXTENDED BENEFITS DURING HIGH UNEMPLOYMENT PERIODS.

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

(1) in paragraph (1)—

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

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

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

(D) by striking subparagraph (C); and

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

“(3) INCREASE IN AMOUNT IN ACCOUNT DURING HIGH UNEMPLOYMENT PERIODS.—

“(A) Tiers.—Effective with respect to weeks beginning in a high unemployment period, paragraph (1) shall be applied as follows:

“(i) Second tier.—In the case of weeks in a tier 2 high unemployment period described in subparagraph (B)(i), by substituting—

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

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

“(ii) Third tier.—In the case of weeks in a tier 3 high unemployment pe-
period described in subparagraph (B)(ii), by substituting—

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

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

“(iii) FOURTH TIER.—In the case of weeks in a tier 4 high unemployment period described in subparagraph (B)(iii), by substituting—

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

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

“(B) HIGH UNEMPLOYMENT PERIODS.—

“(i) SECOND TIER.—For purposes of subparagraph (A)(i), a second tier high unemployment period described in this clause is any period during which an extended benefit period would be in effect if subsection (f)(1)(A), (g)(1)(A), (h)(1)(A), or (i)(1)(A) of section 203 were applied by substituting ‘6.5 percent but is less than 7.5 percent’ for ‘5.5 percent’.
“(ii) THIRD TIER.—For purposes of subparagraph (A)(ii), a third tier high unemployment period described in this clause is any period during which an extended benefit period would be in effect if subsection (f)(1)(A), (g)(1)(A), (h)(1)(A), or (i)(1)(A) of section 203 were applied by substituting ‘7.5 percent but is less than 8.5 percent’ for ‘5.5 percent’.

“(iii) FOURTH TIER.—For purposes of subparagraph (A)(iii), a fourth tier high unemployment period described in this clause is any period during which an extended benefit period would be in effect if subsection (f)(1)(A), (g)(1)(A), (h)(1)(A), or (i)(1)(A) of section 203 were applied by substituting ‘8.5 percent’ for ‘5.5 percent’.

“(C) INDIVIDUALS REMAIN ELIGIBLE FOR AUGMENTED AMOUNT EVEN IF TIER THRESHOLD NO LONGER MET.—If an individual’s account is augmented under subparagraph (B) because a State triggers on to a tier described in clause (i), (ii), or (iii) of subparagraph (B), the augmented amount shall remain in such account for the duration of the individual’s ben-
efit year even if the requirements for such tier are no longer met.

“(D) CLARIFICATION.—The triggers under subsections (d), (j) and (k) of section 203 shall not apply for purposes of determining high unemployment periods under this paragraph.”.

SEC. 104. IMPROVED CALCULATION OF AMOUNTS IN AN INDIVIDUAL’S EXTENDED BENEFIT ACCOUNT.

Section 202(b)(1) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) is amended, in the matter preceding subparagraph (A), by striking “the least” and inserting “the greatest”.

SEC. 105. TRANSITION FOR AMOUNTS REMAINING IN EXTENDED BENEFIT ACCOUNTS WHEN A STATE IS NO LONGER IN AN EXTENDED BENEFIT PERIOD.

Section 203(b) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note), as amended by section 102(c)(2), is amended by adding at the end the following new paragraph:

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

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

“(B) for which the individual meets the eligibility requirements under this title.”.

SEC. 106. COORDINATION OF EXTENDED BENEFITS WITH REGULAR COMPENSATION.

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

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

“(1) If—

“(A) an individual has been determined to be entitled to extended compensation with respect to a benefit year;

“(B) such benefit year has expired;

“(C) such individual has remaining entitlement to extended compensation with respect to such benefit year; and

“(D) such individual would qualify for a new benefit year in which the weekly benefit amount of regular compensation is at least $25
less than the individual’s weekly benefit amount in the benefit year referred to in subparagraph (A);
then the State shall determine eligibility for compensation as provided in paragraph (2).

“(2) For individuals described in paragraph (1), the State shall determine whether the individual is to be paid extended compensation or regular compensation for a week of unemployment using one of the following methods:

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

“(B) The State shall, if permitted by State law, defer the establishment of a new benefit year (which uses all the wages and employment which would have been used to establish a benefit year but for the application of this paragraph) until exhaustion of all extended compensation payable with respect to the benefit year referred to in paragraph (1)(A).
“(C) The State shall pay, if permitted by State law—

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

“(ii) extended compensation equal to the difference between that weekly benefit amount and the weekly benefit amount for the expired benefit year.

“(D) The State shall determine rights to extended compensation without regard to any rights to regular compensation if the individual elects to not file a claim for regular compensation under the new benefit year.”.

SEC. 107. PORTABILITY OF EXTENDED BENEFITS.

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

“(8) The provisions under section 3304(a)(9)(A) of the Internal Revenue Code of 1986 shall apply to benefits under this title in the same manner as such provisions apply to regular compensation under State law.”.
SEC. 108. EXEMPTION OF EXTENDED BENEFITS FROM SEQUESTRATION.

(a) In General.—Section 255(g)(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)(A)) is amended by inserting after “Payments to Social Security Trust Funds (28–0404–0–1–651).” the following:


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

SEC. 109. EFFECTIVE DATE.

The amendments made by this title (other than section 108) shall apply to weeks of unemployment beginning on or after January 1, 2023 (or earlier if established by State law (but in no case earlier than 60 days after the date of enactment of this Act)).

TITLE II—MODERNIZATION OF REGULAR UNEMPLOYMENT

SEC. 201. FLOOR ON THE NUMBER OF WEEKS.

(a) In General.—Section 3304(a) of the Internal Revenue Code of 1986 is amended—
(1) in paragraph (18), by striking “and” at the end;
(2) by redesignating paragraph (19) as paragraph (20); and
(3) by inserting after paragraph (18) the following new paragraph:

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

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to weeks of unemployment beginning on or after the earlier of—

(1) the date the State changes its statutes, regulations, or policies in order to comply with such amendments; or
(2) January 1, 2023.
SEC. 202. FLOOR ON THE MINIMUM REPLACEMENT OF WAGES.

(a) In General.—Section 3304(a) of the Internal Revenue Code of 1986, as previously amended by this title, is amended—

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

(2) by redesignating paragraph (20) as paragraph (21); and

(3) by inserting after paragraph (19) the following new paragraph:

“(20) an individual’s weekly benefit amount is at least equal to 75 percent of the average weekly earnings in the quarter of the individual’s base period with the highest earnings (not to exceed the maximum weekly benefit amount under the State law); and”.

(b) Effective Date.—The amendments made by subsection (a) shall apply to weeks of unemployment beginning on or after the earlier of—

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

(2) January 1, 2023.
SEC. 203. FLOOR ON THE MAXIMUM BENEFIT.

(a) In General.—Section 3304(a) of the Internal Revenue Code of 1986, as previously amended by this title, is amended—

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

(2) by redesignating paragraph (21) as paragraph (22); and

(3) by inserting after paragraph (20) the following new paragraph:

“(21) the maximum weekly benefit amount may not be less than \( \frac{2}{3} \) of the State’s average weekly wage (as determined by the Secretary of Labor); and”.

(b) Effective Date.—The amendments made by subsection (a) shall apply to weeks of unemployment beginning on or after the earlier of—

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

(2) January 1, 2023.

SEC. 204. PART-TIME WORK.

(a) In General.—Section 3304(a) of the Internal Revenue Code of 1986, as previously amended by this title, is amended—
(1) in paragraph (21), by striking “and” at the end;

(2) by redesignating paragraph (22) as paragraph (25); and

(3) by inserting after paragraph (21) the following new paragraphs:

“(22) an individual is not denied unemployment compensation on the basis that the work in such individual’s base period includes part-time work (as defined by the Secretary of Labor);

“(23) an individual is not denied unemployment compensation under any State law provisions relating to ability to work, availability for work, active search for work, or refusal to accept work, solely because such individual is seeking only part-time work (as defined by the Secretary of Labor);

“(24) when determining the weekly benefit amount for individuals claiming partial unemployment, including an individual who accepts part-time work (as defined by the Secretary of Labor) but continues to search for full-time work or additional part-time work, the State disregards, at a minimum, earnings equal to \( \frac{1}{4} \) of the individual’s weekly benefit amount, but the State may reduce the individual’s weekly benefit amount by up to 75 cents for
each dollar the individual earns beyond an amount equal to \( \frac{1}{4} \) of the individual’s weekly benefit amount; and”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to weeks of unemployment beginning on or after the earlier of—

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

(2) January 1, 2023.

SEC. 205. USE OF AN ALTERNATIVE BASE PERIOD.

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

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

(2) by redesignating paragraph (25) as paragraph (27); and

(3) by inserting after paragraph (24) the following new paragraphs:

“(25) the State law—

“(A) uses a base period that includes the most recently completed calendar quarter before the start of the benefit year for purposes of de-
terminating eligibility for unemployment compensation; or

“(B) provides that, in the case of an individual who would not otherwise be eligible for unemployment compensation under the State law because of the use of a base period that does not include the most recently completed calendar quarter before the start of the benefit year, eligibility is determined using a base period that includes the most recently completed calendar quarter before the start of the benefit year;

“(26) in the case of an individual who would not otherwise be eligible for unemployment compensation under State law because the individual took unpaid leave or reduced pay for medical, parental, or caregiving purposes during the base period, or because the individual was incapable of work due to illness, injury, or disability during the base period, eligibility shall be determined using a base period that includes the State’s standard or alternative base period and at least 4 additional quarters immediately before or after the base period or alternative base period; and”.
(b) **Effective Date.**—The amendments made by subsection (a) shall apply to weeks of unemployment beginning on or after the earlier of—

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

(2) January 1, 2023.

**SEC. 206. Expansion of Good Cause Quit.**

(a) **In General.**—Section 3304 of the Internal Revenue Code of 1986, as previously amended by this title, is amended—

(1) in subsection (a)—

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

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

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

“(27) an individual shall not be disqualified from unemployment compensation for separating from employment if that separation is for any compelling reason (as defined in subsection (g)); and”;

and

(2) by adding at the end the following new subsection:
“(g) DEFINITION OF COMPELLING REASON.—

“(1) IN GENERAL.—For purposes of subsection (a)(27), the Secretary of Labor shall establish a definition for the term ‘compelling reason’.

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

“(A) SEXUAL OR OTHER HARASSMENT, DOMESTIC VIOLENCE, SEXUAL ASSAULT, OR STALKING.—

“(i) IN GENERAL.—The individual is a survivor or victim of sexual or other harassment or a survivor of domestic violence, sexual assault, or stalking.

“(ii) EVIDENCE.—For purposes of clause (i) and paragraph (a)(27), a separation of an individual shall be considered to be attributable to such individual being a survivor or victim of sexual or other harassment or a survivor of domestic violence, sexual assault, or stalking if such individual submits such evidence as the State deems sufficient.
“(iii) SUFFICIENT DOCUMENTATION.—For purposes of clause (ii), a State shall deem sufficient, at a minimum—

“(I) evidence of such harassment, violence, assault, or stalking in the form of—

“(aa) a sworn statement and a form of identification;

“(bb) a police or court record;

“(cc) documentation from a victim service provider, an attorney, a police officer, a medical professional, a social worker, an antiviolence counselor, a member of the clergy, or another professional; or

“(dd) any other documentation determined appropriate by the Secretary of Labor; and

“(iv) an attestation that the separation is attributable to such harassment, violence, assault, or stalking.

“(v) DEFINITIONS.—In this subparagraph:
“(I) DOMESTIC VIOLENCE, SEXUAL ASSAULT, STALKING, VICTIM OF SEXUAL OR OTHER HARASSMENT, AND SURVIVOR OF DOMESTIC VIOLENCE, SEXUAL ASSAULT, OR STALKING.— The terms ‘domestic violence’, ‘sexual assault’, ‘stalking’, ‘survivor or victim of sexual or other harassment’, and ‘survivor of domestic violence, sexual assault, or stalking’ have the meanings given such terms under State law, regulation, or policy.

“(II) VICTIM SERVICE PROVIDER.—The term ‘victim service provider’ has the meaning given such term in section 40002 of the Violence Against Women Act of 1994.

“(B) ILLNESS OR DISABILITY OF A FAMILY MEMBER.—The illness or disability of a member of the individual’s immediate family (as those terms are defined by the Secretary of Labor).

“(C) ACCOMPANY THE INDIVIDUAL’S SPOUSE.—The need for the individual to accompany such individual’s spouse—
“(i) to a place from which it is impractical for such individual to commute; and

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

“(D) Relocation of workplace.—The relocation of the workplace of the individual such that it becomes impractical for the individual to commute.

“(E) Care for a child.—The need to care for a child when child care has been lost and an alternative arrangement cannot be reasonably secured.

“(F) Unusual risk.—The individual’s job presents any unusual risk to the health or safety of the individual.

“(G) Irregular work schedules or unpredictable hours and pay.—Irregular work schedules or unpredictable hours and pay.

“(H) Other reasons.—Other reasons determined appropriate by the State.”.

(b) Effective date.—The amendments made by subsection (a) shall apply to weeks of unemployment beginning on or after the earlier of—
(1) the date the State changes its statutes, regulations, or policies in order to comply with such amendments; or

(2) January 1, 2023.

SEC. 207. ELIMINATION OF WAITING WEEKS.

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

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

(2) by redesignating paragraph (28) as paragraph (29); and

(3) by inserting after paragraph (27) the following new paragraph:

“(28) compensation is immediately paid to an individual for their first week of otherwise compensable unemployment without a waiting week; and”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to weeks of unemployment beginning on or after the earlier of—

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

(2) January 1, 2023.
SEC. 208. TEMPORARY WORK ASSIGNMENT.

(a) In General.—Section 3304(a) of the Internal Revenue Code of 1986, as previously amended by this title, is amended—

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

(2) by redesignating paragraph (29) as paragraph (30); and

(3) by inserting after paragraph (28) the following new paragraph:

“(29) an individual’s completion of a temporary employment assignment is considered to be an involuntary layoff for the purposes of claiming unemployment compensation, regardless of whether or not the individual has contacted the employer after a temporary assignment has ended; and”.

(b) Effective Date.—The amendments made by subsection (a) shall apply to weeks of unemployment beginning on or after the earlier of—

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

(2) January 1, 2023.

SEC. 209. WAIVER OF NONFRAUD OVERPAYMENTS.

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

(A) in paragraph (29), by striking “and” at the end;

(B) by redesignating paragraph (30) as paragraph (31); and

(C) by inserting after paragraph (29) the following new paragraph:

“(30) in the case of an individual who has received amounts of unemployment compensation to which they were not entitled, the State agency shall waive repayment of such amounts to the State agency if it determines that—

“(A) the payment of such unemployment compensation was without fault (as defined by the Secretary of Labor) on the part of such individual; and

“(B) such repayment would be contrary to equity and good conscience (as defined by the Secretary of Labor); and”.

(2) STATE MAY ESTABLISH OTHER CIRCUMSTANCES.—Nothing in the paragraph (30) of section 3304(a) of the Internal Revenue Code of 1986, as added by paragraph (1), shall preclude a
State from waiving repayments of unemployment compensation in circumstances that are in addition to the circumstances described in such paragraph (30).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to weeks of unemployment beginning on or after the earlier of—

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

(2) January 1, 2023.

SEC. 210. SHORT-TIME COMPENSATION PROGRAM.

(a) REQUIREMENT.—

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

(A) in paragraph (4)(E), by inserting “, as required under paragraph (31)” after “3306(v))”;

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

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

(D) by inserting after paragraph (30) the following new paragraph:
“(31) payment of short-time compensation is made under a short-time compensation program (as defined in section 3306(v)) under the State law; and”.

(2) CONFORMING AMENDMENT.—Section 303(a)(5) of the Social Security Act (42 U.S.C. 503(a)(5)), is amended, in the fifth proviso, by inserting “, as required under section 3304(a)(31) of such Code” after “1986”).

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to weeks of unemployment beginning on or after the earlier of—

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

(B) January 1, 2023.

(b) FLEXIBILITY.—Section 3306(v)(3) of the Internal Revenue Code of 1986 (relating to the definition of a short-time compensation program) is amended by striking “60 percent” and inserting “80 percent”.

SEC. 211. MINIMUM LEVEL OF PRIOR EMPLOYMENT.

(a) REQUIREMENT.—

(1) IN GENERAL.—Section 3304(a) of the Internal Revenue Code of 1986, as previously amended by this title, is amended—
(A) in paragraph (31), by striking “and” at the end;

(B) by redesignating paragraph (32) as paragraph (33); and

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

“(32) compensation is not denied to an otherwise eligible individual if the individual earned at least $1,000 in covered wages during the highest quarter of the base period and at least $1,500 covered wages during the base period; and”.

(2) STATE MAY REDUCE MINIMUM THRESHOLDS.—Nothing in the paragraph (32) of section 3304(a) of the Internal Revenue Code of 1986, as added by paragraph (1), shall preclude a State from reducing the dollar thresholds described in such paragraph (32).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to weeks of unemployment beginning on or after the earlier of—

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

(2) January 1, 2023.
SEC. 212. EMPLOYEE STATUS.

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

(1) in paragraph (32), by striking “and” at the end;

(2) by redesignating paragraph (33) as paragraph (34); and

(3) by inserting after paragraph (32) the following new paragraph:

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

“(A) the individual is free from control and direction in connection with the performance of the service, both under the contract for the performance of service and in fact;

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

“(C) the individual is customarily engaged in an independently established trade, occupation, profession, or business of the same nature as that involved in the service performed; and”.

(b) **EFFECTIVE DATE.**—The amendments made by subsection (a) shall apply to weeks of unemployment beginning on or after the earlier of—

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

(2) January 1, 2023.

**SEC. 213. ELIGIBILITY OF CERTAIN STUDENT-WORKERS FOR UNEMPLOYMENT COMPENSATION.**

(a) **IN GENERAL.**—Section 3306(c)(10) of the Internal Revenue Code of 1986 is amended—

(1) by striking subparagraphs (B) and (C); and

(2) by redesignating subparagraph (D) as subparagraph (B).

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to service performed on or after January 1, 2023.

**SEC. 214. ACCESS TO BENEFITS.**

Section 303 of the Social Security Act (42 U.S.C. 503) is amended by adding at the end the following new subsection:

“(n) **ACCESS TO BENEFITS.**—

“(1) **IN GENERAL.**—Not later than January 1, 2023, the State agency charged with administration
of the State law shall, in accordance with standards established by the Secretary—

“(A) require that employers in the State provide information regarding claim-filing for unemployment compensation to employees upon separation from employment;

“(B) have in place methods for employers to notify the State workforce agency of employees who may apply for unemployment compensation due to short-term layoffs, business shutdowns, partial unemployment, and short-time compensation;

“(C) ensure that any online claim-filing system used by the State meets the technology capabilities described in section 912(b)(2) of the Social Security Act; and

“(D) ensure that alternate means of claim filing are available for individuals who are unable to file through the State’s online claim-filing system.

“(2) ENFORCEMENT.—Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of
paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until the Secretary of Labor is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, such Secretary shall make no future certification to the Secretary of the Treasury with respect to the State.”.

SEC. 215. JOBSEEKER ALLOWANCE.

(a) IN GENERAL.—Chapter 23 of the Internal Revenue Code of 1986 is amended—

(1) in section 3304(a), as previously amended by this Act—

(A) in paragraph (33), by striking “and” at the end;

(B) by redesignating paragraph (34) as paragraph (35); and

(C) by inserting after paragraph (33) the following new paragraph:

“(34) payment of jobseeker allowances shall be paid pursuant to section 3304A; and”; and

(2) by inserting after section 3304 the following new section:

“SEC. 3304A. JOBSEEKER ALLOWANCE.

“(a) ALLOWANCE.—
“(1) In General.—Subject to the succeeding provisions of this section, for purposes of section 3304(a)(34), a State shall provide for a weekly job-seeker allowance to any eligible individual in accordance with standards established by the Secretary of Labor.

“(2) Eligible Individual.—In this section, the term ‘eligible individual’ means an individual who, for any week—

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

“(B) is—

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

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

“(C)(i) is at least 19 years of age (or at least 18 years of age in the case of an individual in foster care under the responsibility of the State); or

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

“(D) subject to paragraph (3), has an adjusted gross income for the most recently completed tax year that does not exceed the con-
tribution and benefit base as determined under section 230 of the Social Security Act.

“(3) EXCEPTION TO AGI LIMITATION.—The requirement under paragraph (2)(D) shall not apply to an individual in a household if, in the past 6 months—

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

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

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

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

“(A) IN GENERAL.—For purposes of paragraph (2)(B)(i), subject to subparagraph (B), an individual shall be considered to be able to work and available to work as long as any limit on the individual’s ability to work or availability to work does not constitute a withdrawal from the labor market. For purposes of the preceding sentence, an individual shall not be considered to have withdrawn from the labor market if the individual able to work and available to work for 8 or more hours per week.
“(B) EXCEPTIONS.—A jobseeker allowance shall not be denied to an otherwise eligible individual for any week during which the individual is not able to work and available for work because the individual—

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

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

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

“(iv) is appearing for jury duty before any court under a lawfully issued summons;

“(v) has been temporarily laid off and is available to work only for the employer that has temporarily laid off the individual; or

“(vi) is temporarily unable to work due to illness or injury.

“(5) ACTIVELY SEEKING WORK.—
“(A) IN GENERAL.—For purposes of paragraph (2)(B)(ii), subject to subparagraphs (B) and (C), an individual shall be considered to be actively seeking work if the individual—

“(i) engages in an active search for employment that is appropriate in light of the employment available in the labor market and the individual’s skills and capabilities, including a number of employer contacts that is consistent with the standards developed by the Secretary of Labor and communicated to the individual;

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

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

“(iv) is registered for employment services in such a manner and to such extent as prescribed by the Secretary of Labor.

“(B) SPECIAL RULE FOR SELF-EMPLOYMENT.—In the case of an individual with a work history that includes self-employment, the
individual may be considered actively seeking work if the individual—

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

“(ii) maintains a record of such activities; and

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

“(C) EXCEPTIONS.—A jobseeker allowance shall not be denied to an otherwise eligible individual for any week during which the individual is not actively seeking work because the individual—

“(i) is attending a training course with the approval of the State agency and the Secretary of Labor;

“(ii) has been temporarily laid off with a reasonable expectation they will return to work soon;

“(iii) has a specified start date for new employment;
“(iv) is appearing for jury duty before any court under a lawfully issued summons; or
“(v) has a compelling reason (as defined in section 3304(g)).
“(6) MAY NOT REFUSE OFFER OF SUITABLE WORK.—
“(A) IN GENERAL.—Subject to subparagraphs (B) and (C), an individual shall not be eligible for a jobseeker allowance if the individual refuses an offer of suitable work.
“(B) NONSUITABLE WORK.—Work shall not be considered suitable work for an individual if the work—
“(i) poses an unreasonable risk to the individual’s health, safety, or morals;
“(ii) is not within the individual’s experience, training, or physical capability to perform;
“(iii) is outside of the locality of the individual’s residence or an unreasonable distance from such residence; or
“(iv) meets other criteria established by the Secretary of Labor.
“(C) EXCEPTIONS.—A jobseeker allowance shall not be denied to an otherwise eligible individual for any week for refusing an offer of suitable work if—

“(i) the position offered is vacant due directly to a strike, lockout, or other labor dispute;

“(ii) the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality;

“(iii) the position pays wages less than the higher of—

“(I) the minimum wage provided by section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)), without regard to any exemption;

“(II) any applicable State or local minimum wage;

“(iv) if as a condition of being employed the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization;
“(v) the position was not offered to such individual in writing; or

“(vi) the work meets other criteria established by the Secretary.

“(b) AMOUNT OF JOBSEEKER ALLOWANCE.—

“(1) AMOUNT.—

“(A) IN GENERAL.—Subject to the succeeding provisions of this subsection, the weekly amount of a jobseeker allowance shall be an amount equal to—

“(i) for 2021 and 2022, $250; and

“(ii) for 2023 or a subsequent year, the dollar amount specified in this subparagraph for the preceding year increased by the percentage change in the Consumer Price Index for All Urban Consumers for the 12-month period ending with June of such preceding year.

“(B) ROUNDING.—If any amount determined under subparagraph (A)(ii) is not a multiple of $1, such amount shall be rounded to the nearest multiple of $1.

“(2) REDUCED AMOUNT FOR INDIVIDUALS EXCLUSIVELY SEEKING PART-TIME WORK.—In the case of an eligible individual who is available to work for
less than 20 hours per week, the amount of the jobseeker allowance for such individual for a week shall be equal to 50 percent of the jobseeker allowance that would otherwise apply under paragraph (1) for such week.

“(3) Reduced Amount for Individuals Receiving Unemployment Benefits.—In the case of an eligible individual who is receiving unemployment compensation under any State or Federal law for a week, the amount of the jobseeker allowance for such individual for such week (determined after application of paragraph (2)) shall be reduced by the amount of such regular compensation or extended compensation for such week.

“(4) Increased Amount for Certain Individuals in States with Elevated Unemployment.—

“(A) In General.—For weeks beginning in an elevated unemployment period, in the case of an eligible individual that meets the prior income threshold described in subparagraph (C), the amount of the jobseeker allowance for such individual for the week (determined after the application of paragraphs (2) and (3)) shall be increased by an amount equal to—
“(i) the lesser of—

“(I) an amount equal to 1.4 percent of the amount of the individual’s earned income for the most recently completed tax year (or the immediately preceding tax year, if the individual has not filed a return of tax for the most recently completed tax year)”; or

“(II) two-thirds of the State’s average weekly wage (as determined by the Secretary of Labor); reduced by

“(ii) the amount of the jobseeker allowance for such individual for such week (determined after application of paragraphs (2) and (3)); reduced by

“(iii) the amount of any reduction of the jobseeker allowance for such individual for such week pursuant to paragraph (3).

“(B) Elevated unemployment period.—For purposes of subparagraph (A), the term ‘elevated unemployment period’ means any period during which an extended benefit period would be in effect under subsection (f), (g), (h), or (i) of section 203 of the Federal-State Ex-
tended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note) if such subsection was applied by substituting ‘7.5 percent’ for ‘5.5 percent’.

“(C) PRIOR INCOME THRESHOLD.—

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

“(I) the individual’s earned income for the most recently completed tax year was equal to or greater than $10,000; and

“(II) the individual provides such documentation of prior earned income as the Secretary determines appropriate, such as, but not limited to, tax returns, Form W-2s, Form 1099s, and pay stubs.

“(ii) INFLATION ADJUSTMENT.—

“(I) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 2023, the dollar amount in clause (i)(I) shall be increased by an amount equal to—
“(aa) such dollar amount;

multiplied by

“(bb) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting ‘calendar year 2020’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

“(II) Rounding.—Any increase determined under subclause (I) shall be rounded to the nearest multiple of $100 in the case of an adjustment of the amount in subsection (a)(1).

“(D) Earned income.—In this paragraph, the term ‘earned income’ has the meaning given that term in section 32(c)(2) of the Internal Revenue Code of 1986.

“(5) Earnings disregard.—

“(A) In general.—Subject to subparagraph (B), an individual may earn up to 100 percent of the amount of the individual’s weekly jobseeker allowance without losing eligibility for the weekly jobseeker allowance.
“(B) REDUCTION.—In the case of an individual who is not receiving regular compensation or extended compensation under any State of Federal law with respect to a week, if the individual’s earnings are greater than \( \frac{1}{4} \) of the amount of the individual’s weekly jobseeker allowance (determined after application of paragraphs (2), (3), and (4)) for the week, the amount of the individual’s weekly jobseeker allowance (as so determined) for the week shall be reduced by 75 cents for each dollar earned above \( \frac{1}{4} \) of the amount of the individual’s weekly jobseeker allowance (as so determined).

“(c) JOBSEEKER ALLOWANCE ACCOUNT.—

“(1) IN GENERAL.—A State shall establish, for each eligible individual who files an application for a jobseeker allowance, a jobseeker allowance account.

“(2) MAXIMUM AMOUNT.—The maximum amount of a jobseeker allowance payable to any individual for whom a jobseeker allowance account is established under paragraph (1) may not exceed the amount established in such account for such individual.
“(3) Base-tier Jobseeker Allowance.—The amount established in an account under paragraph (1) shall be equal to 26 times the amount of the weekly jobseeker allowance (as determined under subsection (b), taking into account the application of paragraph (4) of such subsection but not taking into account the application of paragraphs (2), (3), and (5) of such subsection). Such amount shall be referred to in this section as the ‘base-tier jobseeker allowance’.

“(4) First-tier Jobseeker Allowance.—

“(A) In General.—If, at the time that the amount added to an individual’s account under paragraph (3) is exhausted, or at any time during the individual’s benefit year, such individual’s State is in an extended benefit period under section 203(d) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note), such account shall be augmented by an amount (in this section referred to as ‘first tier jobseeker allowance’) equal to 13 times the amount of the weekly jobseeker allowance (as determined under subsection (b), taking into account the application of paragraph (4) of such subsection but not
taking into account the application of paragraphs (2), (3), and (5) of such subsection).

“(B) LIMITATION.—The account of an individual may be augmented not more than once under this paragraph.

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

“(A) IN GENERAL.—If, at the time that the amount added to an individual’s account under paragraph (4) is exhausted, or at any time during the individual’s benefit year, such individual’s State is in a second-tier high unemployment period under section 202(b)(3)(B)(i) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note), such account shall be augmented by an amount (in this section referred to as ‘second-tier jobseeker allowance’) equal to 13 times the amount of the weekly jobseeker allowance (as determined under subsection (b), taking into account the application of paragraph (4) of such subsection but not taking into account the application of paragraphs (2), (3), and (5) of such subsection).
“(B) LIMITATION.—The account of an individual may be augmented not more than once under this paragraph.

“(6) THIRD-TIER ADDITIONAL JOBSEEKER ALLOWANCE.—

“(A) IN GENERAL.—If, at the time that the amount added to an individual’s account under paragraph (5) is exhausted, or at any time during the individual’s benefit year, such individual’s State is in a third-tier high unemployment period under section 202(b)(3)(B)(ii) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note), such account shall be augmented by an amount (in this section referred to as ‘third-tier jobseeker allowance’) equal to 13 times the amount of the weekly jobseeker allowance (as determined under subsection (b), taking into account the application of paragraph (4) of such subsection but not taking into account the application of paragraphs (2), (3), and (5) of such subsection).

“(B) LIMITATION.—The account of an individual may be augmented not more than once under this paragraph.
(7) Fourth-tier Additional Jobseeker Allowance.—

(A) In General.—If, at the time that the amount added to an individual’s account under paragraph (6) is exhausted, or at any time during the individual’s benefit year, such individual’s State is in a fourth-tier high unemployment period under section 202(b)(3)(B)(iii) of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. 3304 note), such account shall be augmented by an amount (in this section referred to as “fourth-tier jobseeker allowance”) equal to 13 times the amount of the weekly jobseeker allowance (as determined under subsection (b), taking into account the application of paragraph (4) of such subsection but not taking into account the application of paragraphs (2), (3), and (5) of such subsection).

(B) Limitation.—The account of an individual may be augmented not more than once under this paragraph.

(d) Payments to States.—

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

“(i) the total amount of jobseeker allowances paid to individuals by the State pursuant to this section; and

“(ii) any additional administrative expenses incurred by the State by reason of making such payments (as determined by the Secretary of Labor).

“(B) TERMS OF PAYMENTS.—Sums payable to any State under this section shall be payable, either in advance or by way of reimbursement (as determined by the Secretary of Labor), in such amounts as the Secretary of Labor estimates the State will be entitled to receive under this section for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary of Labor finds that the Secretary’s estimates for any prior calendar month were greater or less than the amounts that should 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
of Labor and the State agency of the State involved.

“(2) CERTIFICATIONS.—The Secretary of Labor 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.

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

“(4) FUNDING.—There are appropriated from the general fund of the Treasury, without fiscal year limitation, such sums as may be necessary for purposes of this section.

“(e) FRAUD AND OVERPAYMENTS.—

“(1) IN GENERAL.—If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of jobseeker
allowances to which such individual was not entitled, such individual—

“(A) shall be ineligible for further job-seeker allowances in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation; and

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

“(2) REPAYMENT.—In the case of individuals who have received amounts of jobseeker allowances to which they were not entitled, the State shall require such individuals to repay the amounts of such jobseeker allowances to the State agency, except that the State agency shall waive such repayment if it determines that—

“(A) the payment of such jobseeker allowance was without fault on the part of any such individual; and

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

“(3) RECOVERY BY STATE AGENCY.—

“(A) IN GENERAL.—The State agency may recover the amount to be repaid, or any part
thereof, by deductions from any jobseeker allowance payable to such individual or from any unemployment compensation payable to such individual under any State or Federal unemployment compensation law administered by the State agency or under any other State or Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the 3-year period after the date such individual received the payment of the jobseeker allowance to which they were not entitled, in accordance with the same procedures as apply to the recovery of overpayments of regular unemployment benefits paid by the State.

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

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

“(5) Deposit in state unemployment
fund.—Any amount recovered by a State agency
pursuant to this section shall be deposited in the ac-
count of such State in the Unemployment Trust
Fund. Amounts deposited under preceding sentence
may only be used by the State for the payment of
jobseeker allowances under this section.

“(f) Payment to be disregarded for purposes
of all Federal and federally assisted pro-
grams.—A jobseeker allowance payment shall not be re-
garded as income and shall not be regarded as a resource
for the month of receipt and the following 12 months, for
purposes of determining the eligibility of the recipient (or
the recipient’s spouse or family) for benefits or assistance,
or the amount or extent of benefits or assistance, under
any Federal program or under any State or local program
financed in whole or in part with Federal funds.

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

(b) Permissible use of funds.—
(1) Internal Revenue Code of 1986.—Section 3304(a)(4) of the Internal Revenue Code of 1986 is amended—

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

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

(C) by adding at the end the following:

“(H) amounts may be withdrawn for the payment of jobseeker allowances under section 3304A;”.

(2) Social Security Act.—Section 303(a)(5) of the Social Security Act is amended by striking “; and” at the end and inserting “: Provided further, That amounts may be withdrawn for the payment of jobseeker allowances under section 3304A; and”.

(c) Conforming Amendment.—The table of sections for chapter 23 of the Internal Revenue Code of 1986 is amended inserting after the item relating to section 3304 the following new item:

“Sec. 3304A. Jobseeker allowance.”.

(d) Effective Date.—The amendments made by this section shall apply to weeks of unemployment beginning on or after the earlier of—
(1) the date the State changes its statutes, regulations, or policies in order to comply with such amendments; or

(2) January 1, 2023.

SEC. 216. DEPENDENTS’ ALLOWANCE.

(a) In General.—Chapter 23 of the Internal Revenue Code of 1986 is amended—

(1) in section 3304(a), as previously amended by this Act—

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

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

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

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

(2) by inserting after section 3304A, as added by section 215, the following new section:

“SEC. 3304B. DEPENDENTS’ ALLOWANCE.

“(a) DEPENDENTS’ ALLOWANCE.—

“(1) ALLOWANCE.—

“(A) IN GENERAL.—Subject to the succeeding provisions of this section, for purposes of section 3304(a)(35), a State shall provide,
the case of any individual who is entitled to receive unemployment compensation and who has any dependents, a dependents’ allowance in an amount equal to the amount specified in subparagraph (B) per dependent per week.

“(B) AMOUNT SPECIFIED.—

“(i) IN GENERAL.—The amount specified in this subparagraph is an amount equal to—

“(I) for 2021 and 2022, $25;

and

“(II) for 2023 or a subsequent year, the dollar amount specified in this subparagraph for the preceding year increased by the percentage change in the Consumer Price Index for All Urban Consumers for the 12-month period ending with June of such preceding year.

“(ii) ROUNDING.—If any amount determined under clause (i)(II) is not a multiple of $1, such amount shall be rounded to the nearest multiple of $1.

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

“(A) any child in the care of the individual who is under the age of 18, including natural a child, an adopted child, and a step-child;

“(B) any child, including stepchild, natural child, or adopted child, who, prior to enrollment as full-time student, was in the care of the individual seeking benefits, so long as the child remain enrolled as a full-time student and is under the age of 24;

“(C) an immediate family member with a disability who is in the care of the individual or their household, regardless of whether or not the family member resides in the individual’s household;

“(D) a nonworking senior family member living in the household of the individual;

“(E) a nonworking spouse who is not receiving unemployment compensation; and

“(F) other individuals determined appropriate by the Secretary of Labor.

“(b) PAYMENTS TO STATES.—

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

“(i) the total amount of dependents’ allowances paid to individuals by the State pursuant to this section; and

“(ii) any additional administrative expenses incurred by the State by reason of making such payments (as determined by the Secretary of Labor).

“(B) TERMS OF PAYMENTS.—Sums payable to any State under this section shall be payable, either in advance or by way of reimbursement (as determined by the Secretary of Labor), in such amounts as the Secretary of Labor estimates the State will be entitled to receive under this section for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary of Labor finds that the Secretary’s estimates for any prior calendar month were greater or less than the amounts that should 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
of Labor and the State agency of the State involved.

“(2) CERTIFICATIONS.—The Secretary of Labor 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.

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

“(4) FUNDING.—There are appropriated from the general fund of the Treasury, without fiscal year limitation, such sums as may be necessary for purposes of this section.

“(c) FRAUD AND OVERPAYMENTS.—

“(1) IN GENERAL.—If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of depend-
ents’ allowances to which such individual was not ent-
titled, such individual—

“(A) shall be ineligible for further depend-
ents’ allowances in accordance with the provi-
sions of the applicable State unemployment
compensation law relating to fraud in connec-
tion with a claim for unemployment compensa-
tion; and

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

“(2) Repayment.—In the case of individuals
who have received amounts of dependents’ allow-
ances to which they were not entitled, the State shall
require such individuals to repay the amounts of
such dependents’ allowances to the State agency, ex-
cept that the State agency shall waive such repay-
ment if it determines that—

“(A) the payment of such dependents’ al-
lowances was without fault on the part of any
such individual; and

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

“(3) Recovery by State agency.—

“(A) In general.—The State agency may
recover the amount to be repaid, or any part
thereof, by deductions from any dependents’ allowances payable to such individual or from any unemployment compensation payable to such individual under any State or Federal unemployment compensation law administered by the State agency or under any other State or Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the 3-year period after the date such individual received the payment of the dependents’ allowances to which they were not entitled, in accordance with the same procedures as apply to the recovery of overpayments of regular unemployment benefits paid by the State.

“(B) Opportunity for hearing.—No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

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

“(5) **Deposit in state unemployment fund.**—Any amount recovered by a State agency pursuant to this section shall be deposited in the account of such State in the Unemployment Trust Fund. Amounts deposited under preceding sentence may only be used by the State for the payment of dependents’ allowances under this section.

“(d) **Payment to be disregarded for purposes of all Federal and Federally assisted programs.**—A dependents’ allowance payment shall not be regarded as income and shall not be regarded as a resource for the month of receipt and the following 12 months, for purposes of determining the eligibility of the recipient (or the recipient’s spouse or family) for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds.

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

(b) **Permissible use of funds.**—
(1) **INTERNAL REVENUE CODE OF 1986**.—Section 3304(a)(4) of the Internal Revenue Code of 1986, as amended by section 215, is amended—

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

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

(C) by adding at the end the following:

“(I) amounts may be withdrawn for the payment of dependents’ allowances under section 3304B;”.

(2) **SOCIAL SECURITY ACT**.—Section 303(a)(5) of the Social Security Act, as amended by section 215, is amended by striking “; and” at the end and inserting “: Provided further, That amounts may be withdrawn for the payment of dependents’ allowances under section 3304B; and”.

(c) **CONFORMING AMENDMENT**.—The table of sections for chapter 23 of the Internal Revenue Code of 1986, as amended by section 215, is amended inserting after the item relating to section 3304A the following new item:

“Sec. 3304B. Dependents’ allowance.”.

(d) **EFFECTIVE DATE**.—The amendments made by this section shall apply to weeks of unemployment beginning on or after the earlier of—
(1) the date the State changes its statutes, regulations, or policies in order to comply with such amendments; or

(2) January 1, 2023.

SEC. 217. EMERGENCY ENHANCED UNEMPLOYMENT COMPENSATION.

(a) IN GENERAL.—Chapter 23 of the Internal Revenue Code of 1986 is amended—

(1) in section 3304(a), as previously amended by this Act—

(A) in paragraph (20), by inserting “, subject to paragraph (36) and section 3304C,” after “benefit amount is”; 

(B) in paragraph (35), by striking “and” at the end; 

(C) by redesignating paragraph (36) as paragraph (37); and 

(D) by inserting after paragraph (35) the following new paragraph:

“(36) payment of emergency enhanced unemployment compensation shall be paid pursuant to section 3304C; and”; and

(2) by inserting after section 3304B, as added by section 216, the following new section:
"SEC. 3304C. EMERGENCY ENHANCED UNEMPLOYMENT COMPENSATION.

“(a) Compensation.—

“(1) In general.—Subject to the succeeding provisions of this section, for purposes of section 3304(a)(36), during an emergency period with respect to a State, section 3304(a)(20) shall be applied with respect to the State by substituting ‘equal to 100 percent’ for ‘at least equal to 75 percent’. The additional amount an individual receives pursuant to the application of the preceding sentence shall be referred to as ‘emergency enhanced unemployment compensation’.

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

“(A) a public health emergency has been declared under section 319 of the Public Health Service Act with respect to the State (including a nationwide emergency); or

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

“(b) Payments to States.—
“(1) IN GENERAL.—

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

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

“(ii) any additional administrative expenses incurred by the State by reason of making such payments (as determined by the Secretary of Labor).

“(B) TERMS OF PAYMENTS.—Sums payable to any State under this section shall be payable, either in advance or by way of reimbursement (as determined by the Secretary of Labor), in such amounts as the Secretary of Labor estimates the State will be entitled to receive under this section for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary of Labor finds that the Secretary’s estimates for any prior calendar month were greater or less than the amounts that should 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 of Labor and the State agency of the State involved.

“(2) CERTIFICATIONS.—The Secretary of Labor 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.

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

“(4) FUNDING.—There are appropriated from the general fund of the Treasury, without fiscal year limitation, such sums as may be necessary for purposes of this section.

“(c) FRAUD AND OVERPAYMENTS.—

“(1) IN GENERAL.—If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false
statement or representation or of such nondisclosure
such individual has received an amount of emer-
gency enhanced unemployment compensation to
which such individual was not entitled, such indi-
vidual—

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

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

“(2) Repayment.—In the case of individuals
who have received amounts of emergency enhanced
unemployment compensation to which they were not
entitled, the State shall require such individuals to
repay the amounts of such emergency enhanced un-
employment compensation to the State agency, ex-
cept that the State agency shall waive such repay-
ment if it determines that—

“(A) the payment of such emergency en-
hanced unemployment compensation was with-
out fault on the part of any such individual; and
“(B) such repayment would be contrary to equity and good conscience.

“(3) Recovery by state agency.—

“(A) In general.—The State agency may recover the amount to be repaid, or any part thereof, by deductions from any emergency enhanced unemployment compensation payable to such individual or from any unemployment compensation payable to such individual under any State or Federal unemployment compensation law administered by the State agency or under any other State or Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the 3-year period after the date such individual received the payment of the emergency enhanced unemployment compensation to which they were not entitled, in accordance with the same procedures as apply to the recovery of overpayments of regular unemployment benefits paid by the State.

“(B) Opportunity for hearing.—No repayment shall be required, and no deduction shall be made, until a determination has been
made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

“(4) REVIEW.—Any determination by a State agency under this section shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

“(5) DEPOSIT IN STATE UNEMPLOYMENT FUND.—Any amount recovered by a State agency pursuant to this section shall be deposited in the account of such State in the Unemployment Trust Fund. Amounts deposited under preceding sentence may only be used by the State for the payment of emergency enhanced unemployment compensation under this section.

“(d) PAYMENT TO BE DISREGARDED FOR PURPOSES OF ALL FEDERAL AND FEDERALLY ASSISTED PROGRAMS.—A emergency enhanced unemployment compensation payment shall not be regarded as income and shall not be regarded as a resource for the month of receipt and the following 12 months, for purposes of determining the eligibility of the recipient (or the recipient’s spouse or family) for benefits or assistance, or the amount
or extent of benefits or assistance, under any Federal pro-
gram or under any State or local program financed in
whole or in part with Federal funds.

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

(b) CONFORMING AMENDMENT.—The table of sec-
tions for chapter 23 of the Internal Revenue Code of 1986,
as amended by section 216, is amended inserting after the
item relating to section 3304B the following new item:

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

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

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

(2) January 1, 2023.

TITLE III—MODERNIZATION OF
UNEMPLOYMENT INSURANCE
TECHNOLOGY

SEC. 301. MODERNIZATION OF TECHNOLOGY FOR DELIV-
ERING UNEMPLOYMENT COMPENSATION.

Title IX of the Social Security Act is amended by
adding at the end the following:
SEC. 912. MODERNIZATION OF TECHNOLOGY FOR DELIVERING UNEMPLOYMENT COMPENSATION.

“(a) Establishment.—

“(1) In general.—Not later than 2 years after the date of enactment of this section, the Secretary shall develop, operate, and maintain a modular set of technology capabilities to modernize the delivery of unemployment compensation, including the delivery of jobseeker allowances under section 3304A of the Internal Revenue Code of 1986, (in this section referred to as the ‘technology capabilities’).

“(2) Purposes.—The purposes of developing the technology capabilities are the following:

“(A) For such capabilities to be utilized for any Federal administrative function associated with the provision of unemployment compensation.

“(B) To provide States with modular, open system technology capabilities and shared services to administer their unemployment compensation programs.

“(3) Consultation.—In developing, operating, and maintaining the technology capabilities under paragraph (1), the Secretary shall—
“(A) coordinate with the Administrator;

and

“(B) consult, design, and conduct usability testing with—

“(i) current and former claimants;

“(ii) employers that participate in unemployment compensation programs;

“(iii) employees of State workforce agencies;

“(iv) experts in technology and user experience;

“(v) Federal administrators of unemployment compensation;

“(vi) any other potential user of the technology capabilities; and

“(vii) subject matter experts as deemed appropriate by the Secretary.

“(b) REQUIREMENTS.—

“(1) IN GENERAL.—The technology capabilities shall—

“(A) incorporate a modular open systems approach and include modular components for each function necessary to administer an unemployment compensation program, including—
“(i) receiving, processing, and paying claims for unemployment compensation, including disaster benefits;
“(ii) online claim filing;
“(iii) the determination of claimant eligibility;
“(iv) the collection of unemployment taxes;
“(v) the submission of employer wage records;
“(vi) the appeals and adjudication processes for claimants and employers;
“(vii) sharing relevant data among States and the Secretary; and
“(viii) any other functionality that addresses the issues and goals identified during the pre-development study described in subsection (c)(1);
“(B) comply with best practices and standards for privacy and cybersecurity, including digital identity proofing services, identified in consultation with the Director of the National Institute of Standards and Technology (NIST) and the Director of the Cybersecurity and Infrastructure Security Agency (CISA);
“(C) prioritize end-to-end user experience for claimants, employers, and administrators of unemployment compensation programs;

“(D) include centralized Federal technology capabilities that allow for the storage, exposure, and exchange of data required by States to administer their unemployment compensation programs (with the respective States retaining possession of such data without regard to the storage, exposure, or exchange of such data in the Federal technology capabilities);

“(E) provide States with the option to use only some of the modular components of the Federal technology capabilities while continuing to utilize State technology capabilities to store any data required to administer their unemployment compensation program in a State database, provided that the State database meets any guidelines established by the Secretary that enable machine-to-machine interfaces to facilitate communication among States and between such State and the Federal Government;

“(F) allow States to easily adapt the modular components of the Federal technology ca-
pabilities to meet the requirements of their unique unemployment compensation programs;

“(G) ensure the timely and accurate payment of benefits, including measures to minimize susceptibility to attacks by organized criminal networks seeking to defraud State or Federal unemployment compensation programs; and

“(H) to the extent practicable, be made available (along with any associated data produced under this section) to support other interagency and intergovernmental activities as appropriate.

“(2) ACCESSIBILITY REQUIREMENTS FOR ONLINE CLAIM FILING.—With respect to the online claim filing component described in paragraph (1)(A)(ii), such component shall—

“(A) ensure that the process of filing initial and continuing claims for unemployment compensation can be readily understood and accomplished by the vast majority of claimants, including individuals with limited English proficiency, individuals with disabilities (in compliance with section 508 of the Rehabilitation Act
of 1973 (29 U.S.C. 794d)), older individuals,
and individuals with literacy challenges;

“(B) be available in any language spoken
by more than 1 percent of the national popu-
lation or any State’s population (with such
translations completed by human translators
rather than translation software) and comply
with the requirements of the Plain Writing Act
of 2010 (5 U.S.C. 301 note);

“(C) be accessible and optimized for all
commonly used desktop computers, tablets, and
mobile devices and operating systems such that
any features of the online claim filing compo-
nent (such as the ability to upload documenta-
tion) that are available in the desktop version
of the online claim filing component are also
available in the tablet and mobile versions;

“(D) allow for electronic submission of
documentation required to support a claim, in-
cluding the ability of claimants to scan or pho-
tograph and submit documentation using a tab-
let or mobile device;

“(E) be available 24 hours a day, 7 days
a week, with the exception of scheduled and
emergency maintenance that the State con-
ducts, to the extent practicable, at nonpeak hours;

“(F) provide self-service account recovery that can be completed online; and

“(G) deploy multiple methods of communication with claimants, such as short message service (SMS) message, email, postal mail, live chat, or chatbots.

“(3) REQUIREMENTS REGARDING HIGH-RISK AUTOMATED DECISION SYSTEMS.—

“(A) IN GENERAL.—The technology capabilities shall not rely solely on a high-risk automated decision system to deny a claim for unemployment compensation, reduce the amount of unemployment compensation for which a claimant is eligible, or deny the right of a claimant to appeal an unemployment compensation decision.

“(B) PARTIAL RELIANCE.—

“(i) IN GENERAL.—If any of the technology capabilities rely on a high-risk automated decision system to determine that a claimant is ineligible for unemployment compensation, to reduce the amount of unemployment compensation for which a
claimant is eligible, or to deny the right of a claimant to appeal an unemployment compensation decision, the Secretary shall—

“(I) require that an employee of a State workforce agency review the determination before—

“(aa) the claim for unemployment compensation of such claimant may be denied;

“(bb) the amount of unemployment compensation for which such claimant is eligible may be reduced; or

“(cc) the right of such claimant to appeal an unemployment compensation decision may be denied;

“(II) consult with experts in the Federal Government (including the Director of the National Institute of Standards and Technology and the Director of the National Science Foundation), regarding the potential benefits and risks of partial reliance
on a high-risk automated decision system;

“(III) prior to utilizing such part of the technology capabilities that relies on a high-risk automated decision system—

“(aa) establish clear methods to measure the accuracy of such part of the technology capabilities; and

“(bb) ensure that such part of the technology capabilities minimizes the occurrence of biased results based on race, gender, ethnicity, disability status, income, occupation, or other personal characteristics as determined by the Secretary, and prevents any increase in such bias;

“(IV) develop algorithmic impact assessments, incorporating public feedback and expert agency review, to proactively assess the necessity of additional formal policies and safeguards to mitigate risks; and
“(V) establish transparency requirements that include an annual public disclosure of any use of a high-risk automated decision system, a plain language explanation of the decision making structure of such high-risk automated decision system, and the details regarding such use and related outcomes.

“(ii) TRAINING.—The Secretary shall establish best practices for training any relevant employee of the Department or a State workforce agency to reduce the impact of automation bias.

“(C) MONITORING.—The Secretary shall continuously monitor claim determinations that rely, in part, on the use of a high-risk automated decision system to ensure that biased results based on the characteristics described in subparagraph (B)(i)(III)(bb) do not occur.

“(c) PRE-DEVELOPMENT STUDY AND REPORT.—

“(1) STUDY.—Prior to the development of the technology capabilities under subsection (a) or the procurement of such technology capabilities under subsection (g), the Secretary, in coordination with
the Administrator, shall conduct a study assessing
the technology needs of Federal and State unem-
ployment compensation programs. Such study shall
consider the following:

“(A) The Federal and State capabilities
that need to be upgraded or replaced to ensure
the smooth administration of their respective
unemployment compensation programs.

“(B) How to design and develop a Feder-
ally-maintained system that serves the needs of
both the Federal Government and each of the
State unemployment compensation programs.

“(C) The features necessary to effectively
respond to rapid changes in volume in times of
emergency, including features that enable easy
adaptation of, and updates to, such technology
capabilities in order to implement new rules or
benefits.

“(D) The features necessary to ensure the
technology capabilities have the capacity to han-
dle an increased number of claims during peri-
ods of high unemployment.

“(E) How the technology capabilities can
prioritize claimant experience and ensure acces-
sibility, including by soliciting feedback from
claimants and claimant representatives during
the development process.

“(F) How the technology capabilities can
ensure effective and equitable benefit delivery,
including the following:

“(i) The standardization of data col-
lection and reporting across States to fa-
cilitate administration and interoperability.

“(ii) The features that will facilitate
accurate and timely delivery of benefits
and reduce the time from successful unem-
ployment compensation claim to benefit de-
ivery.

“(iii) The features that will help to
identify and prevent organized fraud
schemes without causing unreasonable
delays for legitimate claimants or penal-
izing mistakes.

“(iv) The appropriate level of ongoing
audit and analysis needed to evaluate the
effectiveness and equitability of benefit de-
livery.

“(v) How privacy-protective data ex-
posure and exchange between government
entities and privacy-protective public re-
porting could be utilized to improve and
ensure effective and equitable benefit deliv-
ery.

“(G) How the technology capabilities can
improve the employer experience, including tax
payment, the submission of wage information,
and the verification of claim information.

“(H) How the technology capabilities can
improve processes for employees of State work-
force agencies.

“(I) The information security measures
necessary to protect claimants’ personal data
while enabling auditing and research, including
recommendations for privacy-protective tech-
nologies, such as secure multi-party computa-
tion, that can enable such auditing and re-
search in a manner that does not involve shar-
ing data on individual claimants.

“(J) How the technology capabilities can
improve data sharing among States and the
Federal Government with respect to recipiency,
benefit levels, timeliness, and accuracy.

“(K) How the technology capabilities can
minimize disparities in unemployment com-
pensation recipiency by race, gender, ethnicity,
disability status, income, or occupation, and
prevent any increase in such disparities.

“(L) Potential approaches for development
or procurement of the technology capabilities,
including, for each approach presented, range
estimates for development, implementation, and
operational costs, and range estimates of capa-
bility delivery schedules.

“(2) REPORT.—Not later than 4 months after
the date of enactment of this section, the Secretary,
in coordination with the Administrator, shall submit
to Congress a report containing the results of the
study conducted under paragraph (1), together with
the Department’s strategy for development and pro-
curement of the technology capabilities, including
any recommendations for such legislation and ad-
ministrative action as the Secretary determines ap-
propriate.

“(d) DIGITAL SERVICES TEAM.—

“(1) ESTABLISHMENT.—The Secretary, in co-
ordination with the Administrator, shall establish in
the Department a Digital Services Team (in this
section referred to as the ‘Team’).

“(2) MEMBERSHIP.—The Team shall include—

“(A) technology experts;
“(B) user experience experts;

“(C) an experienced technical team leader with experience in human-centered design and modern software development practices; and

“(D) any other member deemed appropriate by the Secretary.

“(3) DUTIES.—The Team shall carry out the following duties:

“(A) Assist the Secretary in the development, operation, and maintenance of the technology capabilities under subsection (a).

“(B) After the development and deployment of the technology capabilities under subsection (a) is complete, assist the Secretary in operating and overseeing the maintenance and continued improvement of the technology capabilities, including by providing technological assistance—

“(i) to State workforce agencies; and

“(ii) to States seeking to adapt their State databases to interface with the Federally provided modular and open systems technology capabilities described in subsection (b)(1)(E).
“(C) Ensure the Department has sufficient in-house technical expertise and procurement support.

“(D) Assist the Department with technology needs.

“(E) Engage in such other activities deemed appropriate by the Secretary.

“(4) STAFF AND RESOURCES.—The Secretary shall ensure that the Team has such staff, resources, and access to information as may be necessary to carry out the duties of the Team.

“(5) DIGITAL SERVICES TEAM FUNDING.—Out of any money in the Treasury not otherwise appropriated, there are appropriated to the Secretary $5,000,000 to carry out this subsection. Amounts appropriated under the preceding sentence shall remain available until expended.

“(e) PILOT PROGRAM.—Prior to the deployment of the technology capabilities to all States, the Secretary shall select not fewer than 4 States to participate in a pilot program to test the technology capabilities and demonstrate that such technology capabilities meet the requirements and end-to-end user experience needs established by this Act, including those identified in the pre-development study described in subsection (c)(1).
“(f) DATA SHARING.—To enable the storage, exposure, and exchange of data required by States to administer their unemployment compensation programs, the Secretary shall—

“(1) establish Computer Matching Agreements in accordance with the Computer Matching and Privacy Protection Act of 1988 (5 U.S.C. 552a note) to obtain information necessary to verify a claimant’s eligibility for unemployment compensation;

“(2) determine appropriate aggregate data to share on a regular basis with the public through the Data.gov internet website pursuant to the Foundations for Evidence-Based Policy Making Act of 2018 (5 U.S.C. 101 note);

“(3) establish appropriate controls and monitoring to make available only the data necessary for States to administer their unemployment compensation programs; and

“(4) establish a data retention policy for retaining or archiving historical unemployment compensation program data as deemed appropriate.

“(g) PROCUREMENT AND CONTRACTS WITH PRIVATE VENDORS.—If the Secretary contracts with a private vendor to procure or develop or assist with the devel-
opment of the technology capabilities under subsection (a), the Secretary shall—

“(1) ensure that any agreement with such private vendor stipulates that the resulting technology capabilities and associated research, applications, automated processes, and associated metadata shall be the proprietary information of the Federal Government;

“(2) follow best practices for Government IT procurement to de-risk projects; and

“(3) provide funding based on program outcomes rather than volume.

“(h) OVERSIGHT.—

“(1) OVERSIGHT.—During and after the development of the technology capabilities under subsection (a), the Secretary shall—

“(A) respond to requests from Congress for updates on the development of the technology capabilities; and

“(B) participate in oversight hearings and demonstrations of the technology capabilities as requested by Congress.

“(2) PUBLICLY AVAILABLE STATUS.—Not later than 6 months after the date of enactment of this section, the Secretary shall establish and maintain
publicly available content, available on the internet website of the Department, that provides the status of—

“(A) the technology capabilities being developed under this section;

“(B) the metrics of success for such development;

“(C) the results from piloting and testing of such technology capabilities; and

“(D) deployment of such technology capabilities in each of the States and the Federal Government.

“(i) Technology Capabilities Modernization Funding.—Out of any money in the Treasury not otherwise appropriated, there are appropriated to the Secretary $500,000,000 to carry out this section (other than subsection (d)). Amounts appropriated under the preceding sentence shall remain available until expended.

“(j) Definitions.—In this section:

“(1) Administrator.—The term ‘Administrator’ means the Administrator of the United States Digital Service.

“(2) Automated Decision System.—The term ‘automated decision system’ means a computational process, including one derived from machine
learning, statistics, or other data processing or artificial intelligence techniques, that makes a decision or facilitates human decision making that impacts claimants.

“(3) AUTOMATION BIAS.—The term ‘automation bias’ means the tendency for humans to overly rely on the recommendation of an automated decision system, to place overconfidence in such recommendation based on perceived superiority to analog or human processes, or to ignore evidence that would indicate the automated decision system has made an error.

“(4) CLAIMANT.—The term ‘claimant’ means a claimant for unemployment compensation.

“(5) DEPARTMENT.—The term ‘Department’ means the Department of Labor.

“(6) HIGH-RISK AUTOMATED DECISION SYSTEM.—The term ‘high-risk automated decision system’ means an automated decision system that—

“(A) poses a significant risk—

“(i) to the privacy or security of personal information of claimants; or

“(ii) of resulting in or contributing to inaccurate, unfair, biased, or discriminatory decisions impacting claimants;
“(B) makes decisions, or facilitates human decision making, based on systematic evaluations of current and historical claimant data, including attempts to analyze or predict sensitive aspects of claimants’ lives or characteristics or activities that may affect their eligibility for unemployment compensation, such as their reason for separation from employment, availability for work, work search activities, work performance, economic situation, health, personal preferences, interests, behavior, location, or movements, that—

“(i) alter legal rights of the claimants;

or

“(ii) otherwise significantly impact the claimants;

“(C) involves the personal information of a significant number of claimants regarding race, color, national origin, political opinions, religion, trade union membership, genetic data, biometric data, health, gender, gender identity, sexuality, sexual orientation, disability status, criminal convictions, or arrests; or

“(D) meets any other criteria deemed appropriate by the Secretary.
“(7) MODULAR OPEN SYSTEMS APPROACH.—

The term ‘modular open systems approach’ means an integrated business and technical strategy that—

“(A) employs a modular design that uses system interfaces between a system platform and a system component, between system components, or between system platforms;

“(B) is subjected to verification to ensure system interfaces comply with, if available and suitable, widely supported and consensus-based standards; and

“(C) uses a system architecture that allows severable system platforms or components at the appropriate level to be incrementally added, removed, or replaced throughout the life cycle of a system platform or component while yielding—

“(i) significant cost savings or avoidance;

“(ii) schedule reduction;

“(iii) opportunities for technical upgrades;

“(iv) increased interoperability; or

“(v) other benefits during the sustainment phase.
“(8) Secretary.—The term ‘Secretary’ means the Secretary of Labor.

“(9) Secure multi-party computation.—The term ‘secure multi-party computation’ means a computerized system that enables different participating entities in possession of private sets of data to link and aggregate their data sets for the exclusive purpose of performing a finite number of pre-approved computations without transferring or otherwise revealing any private data to each other or anyone else.

“(10) State.—The term ‘State’ means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the United States Virgin Islands.”.