

EMPLOYMENT SECURITY AMENDMENTS OF 1970

MAY 5, 1970.—Ordered to be printed

Mr. MILLS, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany H.R. 14705]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14705) to extend and improve the Federal-State unemployment compensation program, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, 5, 6, 7, 8, 9, and 42.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 10, 11, 13, 14, 15, 16, 17, 19, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, and 41, and agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with the following amendments:

Restore the matter proposed to be stricken out.

Page 2, line 5, of the House engrossed bill strike out "\$800" and insert \$1,500

Page 2, line 17, of the House engrossed bill strike out "\$800" and insert \$1,500

And the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

“(4) in a facility conducted for the purpose of carrying out a program of—

“(A) rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury, or

“(B) providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market,
by an individual receiving such rehabilitation or remunerative work;
And the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

Sec. 108. Coverage of employees of hospitals and institutions of higher education operated by political subdivisions of States

(a) Section 3304(a) of the Internal Revenue Code of 1954 (as amended by sections 104, 121(a), and 206 of this Act) is further amended by adding after paragraph (11) (as added by section 206 of this Act) the following new paragraph:

“(12) each political subdivision of the State shall have the right to elect to have compensation payable to employees thereof (whose services are not otherwise subject to such law) based on service performed by such employees in the hospitals and institutions of higher education (as defined in section 3309(d)) operated by such political subdivision; and, if any such political subdivision does elect to have compensation payable to such employees thereof (A) the political subdivision shall pay into the State unemployment fund, with respect to the service of such employees, payments (in lieu of contributions), and (B) such employees will be entitled to receive, on the basis of such service, compensation payable on the same basis, in the same amount, on the same terms, and subject to the same conditions as compensation which is payable on the basis of similar service for the State which is subject to such law;”.

(b) The amendment made by subsection (a) shall apply with respect to certification of State laws for 1972 and subsequent years: except that section 3304(a)(12) of the Internal Revenue Code of 1954 (as added by subsection (a)) shall not be a requirement for the State law of any State prior to July 1, 1972, if the legislature of such State does not meet in a regular session which closes during the calendar year 1971, or prior to January 1, 1975, if compliance with such requirement would necessitate a change in the constitution of such State.

And the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of Senate numbered 21, and agree to the same with an amendment, as follows:

Strike out the matter proposed to be stricken out by the Senate amendment and insert the following: *with first attention to agricultural labor*; and the Senate agree to the same.

Amendment numbered 43:

That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SEC. 401. EXEMPTION OF CERTAIN INDUSTRIAL DEVELOPMENT BONDS FROM REGISTRATION, ETC., REQUIREMENTS.

(a) Section 3(a) of the Securities Act of 1933 (15 U.S.C. 77c) (relating to exempted securities) is amended by adding at the end of paragraph (2) the following: "or any security which is an industrial development bond (as defined in section 103(c)(2) of the Internal Revenue Code of 1954) the interest on which is excludable from gross income under section 103(a)(1) of such Code if, by reason of the application of paragraph (4) or (6) of section 103(c) of such Code (determined as if paragraphs (4)(A), (5), and (7) were not included in such section 103(c)), paragraph (1) of such section 103(c) does not apply to such security."

(b) Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c) (relating to exempted securities) is amended by inserting after "any municipal corporate instrumentality of one or more States:" in paragraph (12) the following: "or any security which is an industrial development bond (as defined in section 103(c)(2) of the Internal Revenue Code of 1954) the interest on which is excludable from gross income under section 103(a)(1) of such Code if, by reason of the application of paragraph (4) or (6) of section 103(c) of such Code (determined as if paragraphs (4)(A), (5), and (7) were not included in such section 103(c)), paragraph (1) of such section 103(c) does not apply to such security:".

(c) The amendments made by this section shall apply with respect to securities sold after January 1, 1970.

And the Senate agree to the same.

W. D. MILLS,
HALE BOGGS,
JOHN C. WATTS,
JOHN W. BYRNES,
JACKSON E. BETTS,

Managers on the Part of the House.

RUSSELL LONG,
ALBERT GORE,
HERMAN E. TALMADGE,
WALLACE F. BENNETT,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14705) to extend and improve the Federal-State unemployment compensation program, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendments Nos. 1, 2, 4, 5, 6, 7, 8, 10, 13, 14, 15, 19, 26, 27, 28, 30, 32, 33, 34, 35, 36, 37, 38, 39, 40, and 41: These amendments make technical, clerical, clarifying, or conforming changes. With respect to each of these amendments, either the House recedes or the Senate recedes in conformity with other action of the committee of conference.

Amendment No. 3: Under existing law the Federal Unemployment Tax Act applies to employers who employ 4 or more individuals on each of some 20 days during the taxable year or the preceding taxable year, each day being in a different calendar week. Under the bill as passed the House, the 4 or more employee requirement is reduced to at least one employee on each of some 20 days during the taxable year or the preceding taxable year, each day being in a different calendar week, and the Act would also apply if the employer paid wages of \$800 or more during any calendar quarter in the taxable year or the preceding taxable year. The Senate amendment retains existing law. The conference agreement accepts the House provisions except that the \$800 amount is increased to \$1,500.

Amendment No. 9: Existing law excludes agricultural labor from coverage under the Federal Unemployment Tax Act. Under the Senate amendment, coverage would be extended to agricultural labor if performed by individuals (other than certain aliens) in the employ of a person who during the calendar year or preceding calendar year had 8 or more individuals in his employ to perform agricultural labor during each of at least 26 calendar weeks. The Senate recedes.

Amendment No. 11: The bill as passed the House and Senate provides coverage of certain services for nonprofit organizations and institutions of higher education. Under the bill as passed the House, the State law may provide the extent to which unemployment compensation based on service for an institution of higher education shall not be payable for the period from the end of the regular spring semester, quarter, or other term until the beginning of the next regular full semester, quarter, or other term. The Senate amendment substitutes for this provision a requirement that with respect to service in an instructional, research, or principal administrative capacity for an institution of higher education, unemployment compensation shall not be payable based on such service for any week between successive academic years (or between two regular but not

successive terms) if the individual has a contract to perform services in any such capacity for both of such years or terms. The House recedes.

Amendment No. 12: In extending coverage to service for an institution of higher education, the bill as passed the House excludes service performed by an individual employed in an instructional, research, or principal administrative capacity. Under the Senate amendment and the conference agreement, such service is covered.

In extending coverage to certain services for nonprofit organizations, the bill as passed the House excludes service performed in a facility ("sheltered workshop") conducted for the purpose of carrying out a program of providing remunerative work for individuals who because of their impaired physical or mental capacity cannot be readily absorbed in the competitive labor market if the service is performed by an individual receiving such remunerative work. Under the Senate amendment, such service would be covered. The conference agreement restores the exclusion provided by the bill as passed the House.

Amendments Nos. 16, 20, and 29: In general, amendments made by the bill which relate to requirements for certification of State law apply for 1972 and subsequent years. Senate amendments numbered 16, 20, and 29 provide that the new provisions shall not be requirements for the State law of any State prior to July 1, 1972, if the legislature of such State does not meet in a regular session which closes during the calendar year 1971. The House recedes.

Amendment No. 17: The bill as passed the House and Senate would extend coverage to service performed outside the United States by a citizen of the United States for an American employer, other than service performed in a contiguous country with which the United States has an agreement relating to unemployment compensation. The Senate amendment also excludes from this extension of coverage service performed in the Virgin Islands. The House recedes.

Amendment No. 18: This amendment would require States to permit political subdivisions to elect coverage for employees in hospitals and institutions of higher education operated by them under an agreement to make payments in lieu of taxes. This provision would apply after 1971 except that it would not apply before January 1, 1975, if compliance with the requirement would necessitate a change in the constitution of the State. The House recedes with an amendment which makes clarifying and conforming changes.

Amendment No. 21: This amendment eliminates a requirement that the program of research, to be established by the Secretary of Labor to develop information as to the effect and impact of extending unemployment compensation coverage to excluded groups, give first attention to domestic workers in private households. Under the conference agreement, first attention under the research program is to be given to agricultural labor.

Amendments Nos. 22, 24, and 25: The bill as passed by the House and Senate provides for programs for research and personnel training and for a Federal Advisory Council to review the Federal-State program of unemployment compensation. The bill as passed the House authorizes appropriations for these purposes beginning with the fiscal year ending June 30, 1970. The Senate amendments authorize appropriations for these purposes beginning with the fiscal year ending June 30, 1971. The House recedes.

Amendment No. 23: The bill as passed the House requires the Secretary of Labor to provide training programs and courses for persons occupying or preparing to occupy positions in the administration of the unemployment compensation program. Under the Senate amendment the Secretary is to provide programs and courses designed to train individuals to prepare them, or improve their qualifications, for service in the administration of the unemployment compensation program.

The House recedes. Under the conference agreement, the programs and courses may include programs and courses designed to train individuals who are not employees but who are preparing to occupy positions in the administration of the unemployment compensation program. However, this provision is not intended to cover programs and courses of a kind designed to raise the general educational level of individuals not employed in the unemployment compensation program.

Amendment No. 31: The bill as passed the House and Senate in effect increases the net Federal unemployment tax from 0.4 percent to 0.5 percent of wages effective with respect to wages paid after December 31, 1969. Senate amendment numbered 31 adds a new provision under which the 0.4 percent rate is to continue to apply for purposes of determining the amount payable under section 6157 of the Internal Revenue Code of 1954 (relating to payment of tax on quarterly or other time period basis) with respect to wages paid in any quarter in 1970 ending before the date of the enactment of the bill. The House recedes.

Amendment No. 42: This amendment relates to the maturity and investment yield of retirement and savings bonds issued under the Second Liberty Bond Act and the maximum in maturity value of such bonds issued in any one year which may be held by any one person at any one time. The Senate recedes.

Amendment No. 43: This amendment adds a new section to the bill amending section 3(a)(2) of the Securities Act of 1933 and section 3(a)(12) of the Securities Exchange Act of 1934 to provide, in effect, that industrial development bonds the interest on which is excluded from gross income under section 103 of the Internal Revenue Code of 1954 are to be exempted securities. Under the conference agreement, the House recedes with an amendment which makes technical and clarifying changes and excludes from the application of the amendment any industrial development bond issued as part of an issue substantially all of the proceeds of which are to be used to provide residential real property for family units or for the acquisition or development of land as the site for an industrial park, unless such bond would qualify under section 103(c)(6) of the Code (relating to exemption for certain small issues) if section 103(c) of such Code did not include paragraphs (4)(A), (5), and (7) thereof.

W. D. MILLS,
HALE BOGGS,
JOHN C. WATTS,
JOHN W. BYRNES,
JACKSON E. BETTS,

Managers on the Part of the House.

