Model Resolution

WHEREAS the tax burden on American workers is at a record high and surplus unemployment tax revenue continues to be used for purposes totally unrelated to the unemployment system; and

WHEREAS the plain meaning of the term “unemployment” as used in the FUTA requires all unemployment compensation claimants to meet a 3-pronged test; under this test, UI claimants must be without a job, involuntarily unemployed, and able and available for work; and

WHEREAS these federal requirements are the cornerstone of UI policy, confirmed by consistent administrative interpretation, FUTA legislative history, and congressional action; and

WHEREAS the proposed rule undermines the original intent of the UI program because it significantly changes the involuntarily unemployed and able and available for work requirements by allowing the payment of UI benefits to workers who are voluntarily on leave of absence; and

WHEREAS because Baby-UI benefits would be socialized and not charged to the specific employer the overall level of experience rating in the system will decline as non-parental employers (those that typically hire single young workers) subsidize employers that hire greater numbers of married workers of childbearing age; and

WHEREAS the absence of any requirement in the proposed rule to show contact and interaction with a new child while collecting Baby-UI benefits could lead to large scale abuses and increase the number of improper UI payments; and

WHEREAS if it becomes permissible to pay UI benefits to new parents, then federal law will effectively permit states to use UI trust funds to compensate workers who take leave for other reasons; and

WHEREAS there is no need for the federal government to intervene because many workers already have paid parental leave programs from their employers that pay more than what they would get from the UI system; and

WHEREAS it is not clear that given a choice of benefits low-wage workers would choose paid paternity leave over other kinds of benefits or higher wages; and

WHEREAS the proposed rule would create a massive new entitlement for all workers to try and address a very small problem;

NOW THEREFORE BE IT RESOLVED, that the State/Commonwealth of (insert state) affirms the historical intent of the UI program: that UI benefits should be paid only to individuals who are involuntarily out of work;

BE IT FURTHER RESOLVED, that Congress should repeal the federal unemployment surtax on workers’ wages and not allow the President to unilaterally convert the Unemployment Insurance program into a huge new government entitlement program unrelated to unemployment.

BE IT FURTHER RESOLVED, that the Clerk (of the House or Senate) transmit copies of this Resolution to the President and Vice President of the United States and to each

Summary

On December 3, 1999, the U.S. Department of Labor (DoL) published a proposed Birth and Adoption Unemployment Compensation Rule (Baby-UI) in the Federal Register to reverse long-standing Federal Unemployment Tax Act (FUTA) standards and permit workers with newborn or newly adopted children to collect unemployment insurance (UI) benefits while on leave. The proposed rule also contains model state legislation to promote this objective. The Resolution Opposing the Federal Regulation to Extend Unemployment Insurance Benefits to New Parents identifies serious problems with the proposed rule, affirms the historical intent of the UI system, and recognizes that such a significant expansion of the system should be made by Congress.
member of Congress of the United States.


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