in at least 1 year during the period 1955–69. More than one-fourth of this group were in covered employment in only 1 year, and thus there was little likelihood of their achieving permanently insured status for retirement and survivor benefits under the Social Security Act.

Emergency Unemployment Compensation Act of 1971*

On December 29, 1971, President Nixon signed Public Law 92–224, which includes a provision extending unemployment insurance benefits under the Federal-State program to workers whose existing benefits have been exhausted and who live in States where the unemployment rate is high. This provision of the law is known as the Emergency Unemployment Compensation Act of 1971. It was added in conference committee to a bill making technical changes with respect to the use of certain Federal unemployment insurance moneys by State governments.

The program is of a temporary nature as no emergency payments will be made after September 30, 1972. Benefits from July 1 to September 30, 1972, will be payable only to qualified individuals who were entitled to a benefit for at least one compensable week before July 1.

The emergency benefits will be payable to individuals who have exhausted all rights to both regular and extended unemployment compensation. A permanent program of extended benefits had been authorized by the Employment Security Amendments of 1970, which included an overall limitation of 39 weeks for regular and extended benefits. The new legislation allows up to 13 additional weeks.

Starting the week of January 30, 1972, emergency unemployment compensation benefits may be paid (in States agreeing to participate in the program) when the rate of unemployment in an individual State equals or exceeds 6.5 percent for a 13-week period. The "trigger" point takes into account both the rate of insured unemployment (not seasonally adjusted) and the rate of exhaustion of regular benefits—calculated by dividing one-fourth of all exhaustions in the most recent 12-month period by average monthly covered employment in the State. When the law was enacted, 14 jurisdictions could meet the trigger point of 6.5 percent.

The emergency extended benefit payable to a qualified worker is an amount equal to his regular weekly benefit (including dependents' allowances) under the State program. In all, he may receive emergency benefits up to one-half the amount of his total regular compensation but not more than 13 times his weekly benefit.

These emergency benefits are to be paid from the Federal extended unemployment compensation account established by the 1970 legislation. No taxes are earmarked to cover the cost of the benefits. Instead, appropriations are authorized from the general revenues of the Treasury as repayable advances (without interest) to the extended unemployment compensation account. The advances are to be repaid only if and when there is a distribution of excess Federal tax collections to the State accounts from the loan funds established under 1954 legislation (the Reed Act) to aid States with depleted reserves. Such distributions are authorized when all Federal accounts in the unemployment trust funds are at a statutory ceiling.

The law directs the Secretary of Labor to make a comprehensive study of the operation of the new program and to submit a report before May 1, 1972, that includes recommendations on the program's operating and funding and on the desirability of extending it beyond June 30, 1972.

The technical provisions in the law extend for 10 years the period during which States must obligate the "Reed Act" funds transferred in the past to the States from excess Federal unemployment tax collections, if such are to be used for administrative purposes. The previous law required that, in such instances, the amount credited to the individual State accounts in the unemployment trust fund were to be expended within 15 years of the transfer. Under the new law, the period is 25 years.

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