



## **Back to Work Bonus Act**

*Replacing the Federal Pandemic Unemployment Compensation (FPUC) benefits with back to work bonuses to incentivize American workers to return to work and aid in the economic recovery.*

*Strengthening work search requirements for remaining federal pandemic unemployment programs to make sure that people who can re-enter the workforce search for work.*

**Background:** The April jobs report massively missed expectations and seemed to portend a worrying trend where unemployment benefits may be depressing labor markets thus prolonging our economic recovery. While the FPUC served its purpose during the height of the economic disruption caused by the COVID-19 pandemic, the time to fully reopen our economy and nation has long since passed. Analysis has shown that the \$300 a week unemployment benefit replaces 74% of pre-layoff wages, and according to the U.S. Chamber of Commerce one in four recipients are receiving more in unemployment than they earned working pre-pandemic.

There were a record 8.1 million open jobs in the U.S. at the end of March. With COVID-19 case rates falling to March 2020 levels across the country, Congress has a responsibility to tailor its response to present and not past circumstances to make sure federal aid does not hinder recovery.

**Solution:** The *Back to Bonus Work Act* would reverse flawed incentives by rewarding Americans who go back to work. Any American who was qualifying for FPUC benefits on the date of the bill's enactment would be eligible for a **Back to Work Bonuses**.

- Upon certification from an individual's new employer that a worker has been in the job for four weeks, formerly FPUC qualified Americans would receive a one-time \$900 payment, which is equal to three weeks of current FPUC benefits.
- The Back to Work Bonuses would be available to any qualified American who gets a job before August 14, 2021 and would be retroactive applied to individuals who got jobs four weeks *prior* to enactment.
- The bill ends remaining FPUC payments on the date of enactment.
- The **Back to Work Bonus** program will be a net cost-saver since the one-time lump sum payment will be less expensive than continuing FPUC benefits through September 6, 2021.

The *Back to Work Bonus Act* also makes important updates to the Pandemic Unemployment Assistance (PUA) and Pandemic Emergency Unemployment Compensation (PEUC) programs. PUA makes gig workers, self-employed persons, and other individuals who do not qualify for regular unemployment eligible through September 6. PEUC provides 29 weeks of additional, federally funded unemployment benefits for recipients who reach their state's time limit. Currently, individuals who are eligible for these two programs have loose work search requirements written for the early days of pandemic-induced shutdowns.

For instance, a worker can receive PUA benefits if they certify that they have “had to quit his or her job as a direct result of COVID-19,” or “the individual does not have a job . . . as a direct result of the COVID-19 public health emergency.”

The *Back to Work Bonus Act* would require individuals who want to receive PUA or PEUC to:

- Have an active infection with COVID-19;
- Receive an order from a physician to quarantine due to exposure to COVID-19; or
- Be actively caring for a family member or a member of the individual’s household who is either infected or is adhering to a physician ordered quarantine.

**Rationale:** Our nation’s economy cannot recover without a healthy labor market. There is evidence that government unemployment programs are disincentivizing Americans from going back to work. The overwhelming success of Operation Warp Speed has helped us combat and significantly lessen the disruption caused by the COVID-19 pandemic. It is time for Congress to recognize these improving economic and public health circumstances by incentivizing people to get back to work.