

**EMPLOY Act – Encouraging More Productive and Lasting Opportunity**  
Rep. Jim Renacci (OH-16)

**Overview of Bill:**

The goals of the bill are clear, concise, and limited:

- Increase employment
- Grow business
- Reduce the federal deficit and costs to states

The legislation would give states the flexibility to create optional programs for direct disbursements to qualifying employers as an alternative to unemployment benefits. If a business hires an eligible individual, a direct disbursement is paid to the business at a rate of no more than 90% (exact percentage determined by the individual states) of what would have been received by the unemployed individual. In return for this incentive, the employing business must agree to pay the individual at least 110% (again, exact percentage determined by the states) of what they would normally receive by collecting unemployment insurance (UI). The company must pay at least minimum wage.

The benefits achieved through the bill's implementation are equally simple and targeted:

- Individuals take home more money through new employment than they would by simply collecting unemployment
- Business is able to grow with a significantly diminished cost of employment
- Government spends less money on incentives to businesses than it would on the same individual's unemployment check.
- Government also collects additional revenue from payroll tax and individual income tax

**Additional Content:**

The bill requires a yearly report from each state with a voucher program to the Department of Labor. A report on the effectiveness of the program from the Department of Labor must be submitted to Congress after 4 years.

The law will automatically sunset after 5 years unless extended at that time.

The bill exempts those employed via the program from typically required job search and work availability requirements.

The employer will receive their disbursement on the same schedule as would the unemployed individual.

In order to be eligible to participate in the program, an individual must be identified via a state worker profiling system as a person likely to exhaust their unemployment insurance benefits. This helps prevent overpayment and is already in place in states using the Self Employment Assistance Program (SEAP).

The bill contains specific language limiting the cost of the program to no more than would otherwise be expended for UI.