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Latest unemployment benefits bill fails to satisfy critics

Claim accounting gimmicks in reforms

By Jacqueline Klimas
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The new [Senate](#) bill to extend [unemployment benefits](#) for another five months includes several reforms to the job relief system, but conservative critics say the measure remains a bad trade for Republicans because it doesn't make enough changes to justify the new spending.

The new measure, unveiled late last week as [Congress](#) was wrapping up ahead of a 10-day vacation, includes a five-month extension of federal [benefits](#) for the long-term jobless, but also includes some incentives to push those claiming benefits to look for work and to confirm their eligibility. And the measure closes a major loophole by banning the ultra-wealthy from claiming unemployment.

[Senate](#) Democrats, who wrote the bill to attract the five Republican votes needed to defeat a threatened filibuster, also made sure the bill doesn't add to the deficit according to the [Congressional Budget Office](#)'s scorecard — though conservative critics objected again, saying that's only because of accounting gimmicks.

To [account](#) for the \$10 billion in new spending right now, the bill would raise customs fees in 2024 and would extend a practice known as “pension smoothing,” which allows companies to pay less into their pension plans — and thus face higher tax bills — over the next six years. But over the long run, that savings gets erased as companies eventually have to make good on their pension obligations, which will cost the government money in the years beyond the time period analyzed by the [CBO](#).

“This is classic congressional irresponsibility,” said [Chris Edwards](#), editor of [DownsizingGovernment.org](#). “They'll get the spending now. What prevents [Congress](#) next year from simply reversing the offsets and stopping them?”

[Mr. Edwards](#) also dismissed the bill's changes that would increase job-assistance services available to recipients of the benefits, such as referrals for job-training and requiring beneficiaries to come up with a re-employment plan.

“Federal attempts at [job training](#) go back to [John F. Kennedy](#) and they have never worked and they continue not to work,” [Mr. Edwards](#) said. “The idea that [Congress](#) is going to create some sort of new job subsidy that is really going to help people, that's nonsense.”

But backers said the deal is a first step in the right direction to get people long out of the labor force back to work.

“I look forward to [Senate](#) passage of this legislation and to building on this bipartisan proposal by working with my colleagues to support policies that help create new jobs and expand opportunity,” said Sen. Cory Booker, New Jersey Democrat.

The proposal would make some small changes to the benefits system, including ending unemployment payments to millionaires — a reform championed by Sen. Tom Coburn, Oklahoma Republican, and supported unanimously by the [Senate](#) in 2011.

Under the change, those who earned more than \$1 million the previous year would not be eligible for unemployment benefits if they lost their job.

Democrats rejected other changes the GOP wanted, including preventing people from “double-dipping,” or receiving disability benefits and unemployment checks at the same time.

Federal emergency unemployment benefits for the long-term unemployed expired Dec. 28. More than 2 million people are now without the benefits, which average about \$300 a week and kick in when state benefits expire. The Obama administration has strongly supported renewing the payments, but has had repeated rebuffs trying to get [Congress](#) to go along.

The [Senate](#) has tried — and failed — three times so far in 2014 to renew the federal unemployment benefits. On its latest attempt in early February, Democrats fell just one GOP vote shy of moving the legislation forward.