

## **Amendment #2606 – Ending unemployment payments to jobless millionaires and billionaires**

This amendment would end federal unemployment payments to individuals earning \$1 million or more a year.

While millions of out-of-work Americans are relying on unemployment insurance payments to make ends meet as they search for a new job, thousands of Americans earning more than \$1 million annually are also receiving federal unemployment payments.

**As many as 3,229 households that reported income of \$1 million or more on their tax returns were paid a total of \$29.8 million in unemployment benefits in 2011, according to the Internal Revenue Service.**<sup>1</sup>

In fact, 117 households reporting an adjusted gross income of \$5 million or more received an average of \$10,034 in unemployment benefits in 2011. This includes 32 households earning more than \$10 million.

Unemployment insurance is intended to provide a financial safety net for laid-off workers who are seeking re-employment. While jobless millionaires may not report to an office every day to earn their paycheck, their income is significantly greater than most Americans who do.

Despite this, the Department of Labor has interpreted federal law as prohibiting means-testing of unemployment benefits.<sup>2</sup>

**With our national debt now exceeding \$17 trillion and nearly \$700 billion in red ink being added every year, we can no longer afford to provide unemployment payments to jobless millionaires.**

This amendment would simply require those seeking unemployment insurance payments to sign a form certifying the applicant did not earn \$1 million or more in the previous year. The individual's adjusted gross income reported on an income tax form would be the basis for the certification.

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<sup>1</sup> Internal Revenue Service, Statistics of Income, Individual Income Tax Returns Publication 1304 (Complete Report), Table 1.4, Tax Years 2011, [http://www.irs.gov/taxstats/indtaxstats/article/0,,id=96981,00.html#\\_grp1](http://www.irs.gov/taxstats/indtaxstats/article/0,,id=96981,00.html#_grp1).

<sup>2</sup> Congressional Research Service, "Receipt of Unemployment Insurance by Higher-Income Unemployed Workers ("Millionaires")," January 23, 2013, <http://www.crs.gov/pages/Reports.aspx?PRODCODE=R42643>.

The U.S. Department of Labor and the U.S. Government Accountability Office would be permitted to audit the applicants to ensure applicants meet these income eligibility requirements.

**In April 2011, the Senate approved in a vote of 100 to zero an amendment to end unemployment payments to those earning \$1 million or more, but the underlying bill containing the provision did not become law.**

Congress should complete the work begun by the Senate and end unemployment benefits to jobless millionaires and billionaires without delay.

We simply cannot justify or afford borrowing more money or taxing low-income, middle-class, and even well-off workers to provide unemployment benefits to jobless millionaires and billionaires.

**Ending these payments would save roughly \$30 million every year and roughly \$150 million over the next five years.**

This bipartisan amendment is cosponsored by Senators Mark Udall, Jon Tester, John McCain, Mark Begich, and Angus King.