

Amendment #406 – Ends unemployment payments to jobless millionaires and billionaires

Establishes a deficit-reduction reserve fund to end unemployment payments to jobless millionaires and billionaires by requiring that no federal funds be used to make payments of unemployment compensation to an individual whose adjusted gross income in the preceding year was equal to or greater than \$1,000,000.

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.

This amendment calls upon Congress and the President to enact legislation to save more than \$100 million over the next five years by stopping federal unemployment payments to those earning more than \$1 million.

As many as 2,362 households that reported income of \$1 million or more on their tax returns were paid a total of \$20.8 million in unemployment benefits in 2009, according to the Internal Revenue Service.¹

Eighteen individuals reporting an adjusted gross income of \$10 million or more received an average of \$12,333 in unemployment benefits in 2009. Yet, the Department of Labor has interpreted federal law as prohibiting means-testing of unemployment benefits.²

Unemployment insurance is intended to provide a financial safety net for laid-off workers who are seeking re-employment. Millionaires and billionaires probably do not need a safety net afforded by taxing low-income and middle class workers.

With our national debt now exceeding \$16.7 trillion and nearly \$1 trillion in red ink being added every year, we can no longer afford to provide unemployment payments to jobless millionaires.

¹ Internal Revenue Service, Statistics of Income, Individual Income Tax Returns Publication 1304 (Complete Report), Table 1.4, Tax Years 2008 and 2009, http://www.irs.gov/taxstats/indtaxstats/article/0,,id=96981,00.html#_grp1.

² 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>.

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.

Ending these payments would save more than \$20 million every year and more than \$100 million over the next five years.