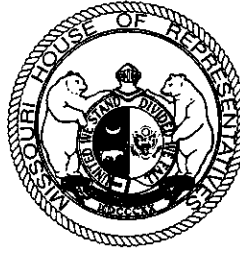


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MISSOURI HOUSE OF REPRESENTATIVES
Bill Lant
State Representative
District 159

February 19, 2013



Joint Committee on Child Abuse and
Neglect - Vice Chairman

Professional Registration
and Licensing

Transportation

The Honorable Bill Lant, Chairman
Committee on Workforce Development and Workplace Safety
State Capitol, Room 235BA
201 West Capitol Avenue
Jefferson City, MO 65101

Re: Federal Mandate

Dear Mr. Chairman:

I am writing to request that House Bill 611 be heard in the Standing Committee on Workforce Development and Workplace Safety as a federal mandate bill. House Bill 611 changes the laws regarding unemployment compensation. The state must comply with federal requirements for state participation by October 21, 2013 or Missouri's Unemployment Insurance program is out of conformity with federal law. If the U.S. Department of Labor determines Missouri's Unemployment Insurance program is out of conformity with federal law, Missouri employers may lose up to \$859 million in federal unemployment tax act credits if the state fails to take action by such date.

A copy of the federal statutes and regulations mandating such action is attached.

Sincerely,

A handwritten signature in cursive script that reads "Bill Lant".

Bill Lant
State Representative
District 159

Attachment

U.S. Department of Labor

Employment and Training Administration
200 Constitution Avenue N.W.
Washington, D.C. 20210



CC: Gracia + Chas

NOV 28 2012

Mr. Lawrence Rebman
Director
Department of Labor and Industrial Relations
421 E. Dunklin Street
P.O. Box 504
Jefferson City, Missouri 65102

Dear Director Rebman:

The purpose of this letter is to remind you of the deadlines for implementation of the new unemployment compensation (UC) integrity provisions contained in the Trade Adjustment Assistance Extension Act of 2011 (TAAEA), which the President signed into law on October 21, 2012. These provisions will require most states to enact conforming state legislation.

Subtitle C of the TAAEA establishes three new provisions related to UC integrity in Federal law. Specifically, Subtitle C requires states to: 1) assess a penalty of at least 15 percent of the amount of overpaid UC due to claimant fraud and deposit such penalty amounts in the state's account in the unemployment trust fund; 2) prohibit noncharging of overpaid UC when the overpayment is the result of an employer's (or an agent of an employer's) failure to timely and/or adequately respond to an agency's request for information under certain circumstances; and 3) report rehire of employees after a separation of at least 60 days to its state directory of new hires. These provisions are discussed in depth in Unemployment Insurance Program Letter (UIPL) 2-12 and UIPL 2-12, Change 1.

The mandatory penalty assessment and the prohibition on noncharging must apply to erroneous payments established after October 21, 2013 (2 years after enactment of the TAAEA). The change to state directory of new hire reporting became effective on April 22, 2012 (6 months after enactment of the TAAEA). However, if the Secretary of Health and Human Services (HHS) determines that enactment of state legislation is required for the state to report these rehires, this requirement becomes effective "the first day of the second calendar quarter beginning after the close of the first regular session of the State legislature that begins after the effective date of such amendment...."

We note that several states' UC laws were in conformity with one or more of these provisions before enactment of the TAAEA and some states have already enacted legislation to conform to one or more of them subsequent to enactment of the TAAEA. However, based on our informal review, states' UC laws do not generally conform to all of these provisions. Thus, in order for states to comply with these provisions, they generally must enact conforming legislation during the 2013 session of their state legislatures.

However, if you interpret current provisions of your state's UC law in a manner that conforms to these Federal provisions, or if state regulations satisfy them under your state law, please provide

us with a copy of the relevant law or regulation, and an official interpretation of how they satisfy these Federal provisions, in order that we may review them to ensure that no issues exist.

Given that failure to implement these integrity provisions would create a Federal conformity issue, our goal is to ensure states are successful in taking the necessary steps to implement them. My staff is available to provide technical assistance as your staff drafts legislative packages concerning these provisions or to help determine whether your state law or regulation already conforms to any or all of these requirements. Please do not hesitate to contact Robert Johnston, Supervisor of the State Conformity and Compliance Team, at (202) 693-3005, or by e-mail at johnston.robert@dol.gov, if you have questions about the new requirements.

Sincerely,



Gay M. Gilbert
Administrator
Office of Unemployment Insurance

cc: Byron Zuidema
Regional Administrator
Chicago

Public Law 112-40
112th Congress

An Act

To extend the Generalized System of Preferences, and for other purposes.

Oct. 21, 2011

[H.R. 2832]

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. EXTENSION OF GENERALIZED SYSTEM OF PREFERENCES.

(a) **EXTENSION.**—Section 505 of the Trade Act of 1974 (19 U.S.C. 2465) is amended by striking “December 31, 2010” and inserting “July 31, 2013”.

(b) **EFFECTIVE DATE.**—

19 USC 2465
note.

(1) **IN GENERAL.**—The amendment made by subsection (a) shall apply to articles entered on or after the 15th day after the date of the enactment of this Act.

(2) **RETROACTIVE APPLICATION FOR CERTAIN LIQUIDATIONS AND RELIQUIDATIONS.**—

Deadlines.

(A) **IN GENERAL.**—Notwithstanding section 514 of the Tariff Act of 1930 (19 U.S.C. 1514) or any other provision of law and subject to subparagraph (B), any entry of an article to which duty-free treatment or other preferential treatment under title V of the Trade Act of 1974 would have applied if the entry had been made on December 31, 2010, that was made—

(i) after December 31, 2010; and

(ii) before the 15th day after the date of the enactment of this Act,

shall be liquidated or reliquidated as though such entry occurred on the 15th day after the date of the enactment of this Act.

(B) **REQUESTS.**—A liquidation or reliquidation may be made under subparagraph (A) with respect to an entry only if a request therefor is filed with U.S. Customs and Border Protection not later than 180 days after the date of the enactment of this Act that contains sufficient information to enable U.S. Customs and Border Protection—

(i) to locate the entry; or

(ii) to reconstruct the entry if it cannot be located.

(C) **PAYMENT OF AMOUNTS OWED.**—Any amounts owed by the United States pursuant to the liquidation or reliquidation of an entry of an article under subparagraph (A) shall be paid, without interest, not later than 90 days after the date of the liquidation or reliquidation (as the case may be).

(3) DEFINITION.—As used in this subsection, the terms “enter” and “entry” include a withdrawal from warehouse for consumption.

19 USC 58c note.

SEC. 2. MERCHANDISE PROCESSING FEES.

Time period.
Applicability.

For the period beginning on October 1, 2011, and ending on June 30, 2014, section 13031(a)(9) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (19 U.S.C. 58c(a)(9)) shall be applied and administered—

(1) in subparagraph (A), by substituting “0.3464” for “0.21”; and

(2) in subparagraph (B)(i), by substituting “0.3464” for “0.21”.

Trade
Adjustment
Assistance
Extension Act
of 2011.
19 USC 2101
note.

TITLE II—TRADE ADJUSTMENT ASSISTANCE

SEC. 200. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the “Trade Adjustment Assistance Extension Act of 2011”.

(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:

TITLE II—TRADE ADJUSTMENT ASSISTANCE

Sec. 200. Short title; table of contents.

Subtitle A—Extension of Trade Adjustment Assistance

PART I—APPLICATION OF PROVISIONS RELATING TO TRADE ADJUSTMENT ASSISTANCE

Sec. 201. Application of provisions relating to trade adjustment assistance.

PART II—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

Sec. 211. Group eligibility requirements.

Sec. 212. Reductions in waivers from training.

Sec. 213. Limitations on trade readjustment allowances.

Sec. 214. Funding of training, employment and case management services, and job search and relocation allowances.

Sec. 215. Reemployment trade adjustment assistance.

Sec. 216. Program accountability.

Sec. 217. Extension.

PART III—OTHER ADJUSTMENT ASSISTANCE

Sec. 221. Trade adjustment assistance for firms.

Sec. 222. Trade adjustment assistance for communities.

Sec. 223. Trade adjustment assistance for farmers.

PART IV—GENERAL PROVISIONS

Sec. 231. Applicability of trade adjustment assistance provisions.

Sec. 232. Termination provisions.

Sec. 233. Sunset provisions.

Subtitle B—Health Coverage Improvement

Sec. 241. Health care tax credit.

Sec. 242. TAA pre-certification period rule for purposes of determining whether there is a 63-day lapse in creditable coverage.

Sec. 243. Extension of COBRA benefits for certain TAA-eligible individuals and PBGC recipients.

Subtitle C—Offsets

PART I—UNEMPLOYMENT COMPENSATION PROGRAM INTEGRITY

Sec. 251. Mandatory penalty assessment on fraud claims.

Sec. 252. Prohibition on noncharging due to employer fault.

Sec. 253. Reporting of rehired employees to the directory of new hires.

PART II—ADDITIONAL OFFSETS

Sec. 261. Improvements to contracts with Medicare quality improvement organizations (QIOs) in order to improve the quality of care furnished to Medicare beneficiaries.

Sec. 262. Rates for merchandise processing fees.

Sec. 263. Time for remitting certain merchandise processing fees.

Subtitle A—Extension of Trade Adjustment Assistance

PART I—APPLICATION OF PROVISIONS RELATING TO TRADE ADJUSTMENT ASSISTANCE

SEC. 201. APPLICATION OF PROVISIONS RELATING TO TRADE ADJUSTMENT ASSISTANCE.

(a) REPEAL OF SNAPBACK.—Section 1893 of the Trade and Globalization Adjustment Assistance Act of 2009 (Public Law 111-5; 123 Stat. 422) is repealed.

(b) APPLICABILITY OF CERTAIN PROVISIONS.—Except as otherwise provided in this subtitle, the provisions of chapters 2 through 6 of title II of the Trade Act of 1974, as in effect on February 12, 2011, and as amended by this subtitle, shall—

(1) take effect on the date of the enactment of this Act; and

(2) apply to petitions for certification filed under chapter 2, 3, or 6 of title II of the Trade Act of 1974 on or after such date of enactment.

(c) REFERENCES.—Except as otherwise provided in this subtitle, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a provision of chapters 2 through 6 of title II of the Trade Act of 1974, the reference shall be considered to be made to a provision of any such chapter, as in effect on February 12, 2011.

19 USC 2271
note prec.
19 USC 2271 and
note prec.,
2272-2275,
2291-2298, 2311,
2315-2323, 2341,
2343-2352,
2354-2356,
2371-2374, 2393,
2395, 2397a,
2401-2401b,
2401e-2401g.
Effective date.
19 USC 2271 and
note prec.,
2272-2275,
2291-2298, 2311,
2315-2323, 2341,
2343-2352,
2354-2356,
2371-2374, 2393,
2395, 2397a,
2401-2401b,
2401e-2401g.

PART II—TRADE ADJUSTMENT ASSISTANCE FOR WORKERS

SEC. 211. GROUP ELIGIBILITY REQUIREMENTS.

(a) IN GENERAL.—Section 222 of the Trade Act of 1974 (19 U.S.C. 2272) is amended—

(1) by striking subsection (b);

(2) by redesignating subsections (c) through (f) as subsections (b) through (e), respectively;

(3) in paragraph (2) of subsection (b), as redesignated, by striking “(d)” and inserting “(c)”;

(4) in subsection (c), as redesignated, by striking paragraph (5); and

(5) in paragraph (2) of subsection (d), as redesignated, by striking “, (b), or (c)” and inserting “or (b)”.

(b) CONFORMING AMENDMENTS.—Section 247 of the Trade Act of 1974 (19 U.S.C. 2319) is amended—

(1) in paragraph (3)—

(A) in the matter preceding subparagraph (A), by striking “Subject to section 222(d)(5), the term” and inserting “The term”; and

February 13, 2011, and ending 30 days after the date of the enactment of this Act, but a plan shall not fail to be qualified health insurance within the meaning of section 35(e) of the Internal Revenue Code of 1986 during this period merely due to such failure to modify benefit determinations.

(B) **GUIDANCE CONCERNING PERIODS BEFORE 30 DAYS AFTER ENACTMENT.**—Except as provided in subparagraph (A), the Secretary of the Treasury (or his designee), in consultation with the Secretary of Health and Human Services and the Secretary of Labor, may issue regulations or other guidance regarding the scope of the application of the amendments made by this section to periods before the date which is 30 days after the date of the enactment of this Act.

Time period.

(C) **SPECIAL RULE RELATING TO CERTAIN LOSS OF COVERAGE.**—In the case of a TAA-related loss of coverage (as defined in section 4980B(f)(5)(C)(iv) of the Internal Revenue Code of 1986) that occurs during the period beginning on February 13, 2011, and ending 30 days after the date of the enactment of this Act, the 7-day period described in section 9801(c)(2)(D) of the Internal Revenue Code of 1986, section 701(c)(2)(C) of the Employee Retirement Income Security Act of 1974, and section 2701(c)(2)(C) of the Public Health Service Act shall be extended until 30 days after such date of enactment.

SEC. 243. EXTENSION OF COBRA BENEFITS FOR CERTAIN TAA-ELIGIBLE INDIVIDUALS AND PBGC RECIPIENTS.

(a) **IN GENERAL.**—The following provisions are each amended by striking “February 12, 2011” and inserting “January 1, 2014”:

(1) Section 602(2)(A)(v) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1162(2)(A)(v)).

(2) Section 602(2)(A)(vi) of such Act (29 U.S.C. 1162(2)(A)(vi)).

26 USC 4980B.

(3) Section 4980B(f)(2)(B)(i)(V) of the Internal Revenue Code of 1986.

(4) Section 4980B(f)(2)(B)(i)(VI) of such Code.

(5) Section 2202(2)(A)(iv) of the Public Health Service Act (42 U.S.C. 300bb-2(2)(A)(iv)).

26 USC 4980B
note.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to periods of coverage which would (without regard to the amendments made by this section) end on or after the date which is 30 days after the date of the enactment of this Act.

Subtitle C—Offsets

PART I—UNEMPLOYMENT COMPENSATION PROGRAM INTEGRITY

SEC. 251. MANDATORY PENALTY ASSESSMENT ON FRAUD CLAIMS.

(a) **IN GENERAL.**—Section 303(a) of the Social Security Act (42 U.S.C. 503(a)) is amended—

(1) in paragraph (10), by striking the period at the end of subparagraph (B) and inserting “; and”; and

(2) by adding at the end the following new paragraph:

“(11)(A) At the time the State agency determines an erroneous payment from its unemployment fund was made to an individual due to fraud committed by such individual, the assessment of a penalty on the individual in an amount of not less than 15 percent of the amount of the erroneous payment; and

“(B) The immediate deposit of all assessments paid pursuant to subparagraph (A) into the unemployment fund of the State.”.

(b) APPLICATION TO FEDERAL PAYMENTS.—

42 USC 503 note.

(1) IN GENERAL.—As a condition for administering any unemployment compensation program of the United States (as defined in paragraph (2)) as an agent of the United States, if the State determines that an erroneous payment was made by the State to an individual under any such program due to fraud committed by such individual, the State shall assess a penalty on such individual and deposit any such penalty received in the same manner as the State assesses and deposits such penalties under provisions of State law implementing section 303(a)(11) of the Social Security Act, as added by subsection (a).

(2) DEFINITION.—For purposes of this subsection, the term “unemployment compensation program of the United States” means—

(A) unemployment compensation for Federal civilian employees under subchapter I of chapter 85 of title 5, United States Code;

(B) unemployment compensation for ex-servicemembers under subchapter II of chapter 85 of title 5, United States Code;

(C) trade readjustment allowances under sections 231 through 234 of the Trade Act of 1974 (19 U.S.C. 2291–2294);

(D) disaster unemployment assistance under section 410(a) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5177(a));

(E) any Federal temporary extension of unemployment compensation;

(F) any Federal program which increases the weekly amount of unemployment compensation payable to individuals; and

(G) any other Federal program providing for the payment of unemployment compensation.

(c) EFFECTIVE DATE.—

42 USC 503 note.

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to erroneous payments established after the end of the 2-year period beginning on the date of the enactment of this Act.

(2) AUTHORITY.—A State may amend its State law to apply such amendments to erroneous payments established prior to the end of the period described in paragraph (1).

SEC. 252. PROHIBITION ON NONCHARGING DUE TO EMPLOYER FAULT.

(a) IN GENERAL.—Section 3303 of the Internal Revenue Code of 1986 is amended—

26 USC 3303.

(1) by striking subsections (f) and (g); and

(2) by inserting after subsection (e) the following new subsection:

“(f) PROHIBITION ON NONCHARGING DUE TO EMPLOYER FAULT.—

“(1) IN GENERAL.—A State law shall be treated as meeting the requirements of subsection (a)(1) only if such law provides that an employer’s account shall not be relieved of charges relating to a payment from the State unemployment fund if the State agency determines that—

“(A) the payment was made because the employer, or an agent of the employer, was at fault for failing to respond timely or adequately to the request of the agency for information relating to the claim for compensation; and

“(B) the employer or agent has established a pattern of failing to respond timely or adequately to such requests.

“(2) STATE AUTHORITY TO IMPOSE STRICTER STANDARDS.—Nothing in paragraph (1) shall limit the authority of a State to provide that an employer’s account not be relieved of charges relating to a payment from the State unemployment fund for reasons other than the reasons described in subparagraphs (A) and (B) of such paragraph, such as after the first instance of a failure to respond timely or adequately to requests described in paragraph (1)(A).”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to erroneous payments established after the end of the 2-year period beginning on the date of the enactment of this Act.

(2) AUTHORITY.—A State may amend its State law to apply such amendments to erroneous payments established prior to the end of the period described in paragraph (1).

26 USC 3303
note.

SEC. 253. REPORTING OF REHIRED EMPLOYEES TO THE DIRECTORY OF NEW HIRES.

(a) DEFINITION OF NEWLY HIRED EMPLOYEE.—Section 453A(a)(2) of the Social Security Act (42 U.S.C. 653a(a)(2)) is amended by adding at the end the following:

“(C) NEWLY HIRED EMPLOYEE.—The term ‘newly hired employee’ means an employee who—

“(i) has not previously been employed by the employer; or

“(ii) was previously employed by the employer but has been separated from such prior employment for at least 60 consecutive days.”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by this section shall take effect 6 months after the date of the enactment of this Act.

(2) COMPLIANCE TRANSITION PERIOD.—If the Secretary of Health and Human Services determines that State legislation (other than legislation appropriating funds) is required in order for a State plan under part D of title IV of the Social Security Act to meet the additional requirement imposed by the amendment made by subsection (a), the plan shall not be regarded as failing to meet such requirement before the first day of the second calendar quarter beginning after the close of the first regular session of the State legislature that begins after

42 USC 653a
note.

the effective date of such amendment. If the State has a 2-year legislative session, each year of the session is deemed to be a separate regular session of the State legislature.

PART II—ADDITIONAL OFFSETS

SEC. 261. IMPROVEMENTS TO CONTRACTS WITH MEDICARE QUALITY IMPROVEMENT ORGANIZATIONS (QIOS) IN ORDER TO IMPROVE THE QUALITY OF CARE FURNISHED TO MEDICARE BENEFICIARIES.

(a) AUTHORITY TO CONTRACT WITH A BROAD RANGE OF ENTITIES.—

(1) DEFINITION.—Section 1152 of the Social Security Act (42 U.S.C. 1320c-1) is amended by striking paragraphs (1) and (2) and inserting the following new paragraphs:

“(1) is able, as determined by the Secretary, to perform its functions under this part in a manner consistent with the efficient and effective administration of this part and title XVIII;

“(2) has at least one individual who is a representative of health care providers on its governing body; and”.

(2) NAME CHANGE.—Part B of title XI of the Social Security Act (42 U.S.C. 1320c et seq.) is amended—

(A) in the headings for sections 1152 and 1153, by striking “UTILIZATION AND QUALITY CONTROL PEER REVIEW” and inserting “QUALITY IMPROVEMENT”; 42 USC 1320c-1, 1320c-2.

(B) in the heading for section 1154, by striking “PEER REVIEW” and inserting “QUALITY IMPROVEMENT”; and 42 USC 1320c-3.

(C) by striking “utilization and quality control peer review” and “peer review” each place it appears before “organization” or “organizations” and inserting “quality improvement”. 42 USC 1320c-1320c-7, 1320c-9, 1320c-10.

(3) CONFORMING AMENDMENTS TO THE MEDICARE PROGRAM.—Title XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) is amended—

(A) by striking “utilization and quality control peer review” and inserting “quality improvement” each place it appears; 42 USC 1395y, 1395cc, 1395dd, 1395ff, 1395mm, 1395pp, 1395ww.

(B) by striking “quality control and peer review” and inserting “quality improvement” each place it appears; 42 USC 1395g, 1395k, 1395x, 1395pp.

(C) in paragraphs (1)(A)(iii)(I) and (2) of section 1842(l), by striking “peer review organization” and inserting “quality improvement organization”; 42 USC 1395u.

(D) in subparagraphs (A) and (B) of section 1866(a)(3), by striking “peer review” and inserting “quality improvement”; 42 USC 1395cc.

(E) in section 1867(d)(3), in the heading, by striking “PEER REVIEW” and inserting “QUALITY IMPROVEMENT”; and 42 USC 1395dd.

(F) in section 1869(c)(3)(G), by striking “peer review organizations” and inserting “quality improvement organizations”. 42 USC 1395ff.

(b) IMPROVEMENTS WITH RESPECT TO THE CONTRACT.—

(1) FLEXIBILITY WITH RESPECT TO THE GEOGRAPHIC SCOPE OF CONTRACTS.—Section 1153 of the Social Security Act (42 U.S.C. 1320c-2) is amended—

(A) by striking subsection (a) and inserting the following new subsection:

