

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 2432

To amend the Internal Revenue Code of 1986 to require State unemployment insurance laws to establish a system under which workers may purchase insurance to cover the costs of health insurance during periods of unemployment.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 29, 1995

Mr. FRANKS of Connecticut introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to require State unemployment insurance laws to establish a system under which workers may purchase insurance to cover the costs of health insurance during periods of unemployment.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That (a) subsection (a) of section 3304 of the Internal  
4       Revenue Code of 1986 (relating to approval of State un-  
5       employment compensation laws) is amended by striking  
6       “and” at the end of paragraph (17), by redesignating

1 paragraph (18) as paragraph (19), and by inserting after  
2 paragraph (17) the following new paragraph:

3 “(18) optional health insurance continuation  
4 benefits shall be available as required by subsection  
5 (g); and”

6 (b) Section 3304 of such Code is amended by adding  
7 at the end thereof the following new subsection:

8 “(g) OPTIONAL HEALTH INSURANCE CONTINUATION  
9 BENEFITS.—

10 “(1) IN GENERAL.—For purposes of subsection  
11 (a)(18), a State law meets the requirements of this  
12 subsection if—

13 “(A) the State law establishes a program  
14 under which individuals performing services  
15 covered under such State law may elect to pur-  
16 chase health insurance continuation benefits by  
17 having premiums deducted by their employer  
18 from their wages,

19 “(B) such program offers several options  
20 as to the period for which such benefits are  
21 available and as to the level of such benefits,

22 “(C) such program specifies the periodic  
23 premium to be deducted for each of such op-  
24 tions and the maximum total premium payable  
25 for any such option, and

1           “(D) any premiums collected pursuant to  
2           such program are to be deposited in a special  
3           fund established under such State law which is  
4           to be used solely for purposes of providing  
5           health insurance continuation benefits (exclu-  
6           sive of costs of administration).

7           “(2) HEALTH INSURANCE CONTINUATION BEN-  
8           EFITS.—For purposes of this subsection, the term  
9           ‘health insurance continuation benefits’ means pay-  
10          ments to or on behalf of an individual who is receiv-  
11          ing compensation under the State law to assist in  
12          covering the cost of health insurance for such indi-  
13          vidual and his spouse and dependents.

14          “(3) ADMINISTRATIVE FUNDS MADE AVAIL-  
15          ABLE.—For purposes of title III of the Social Secu-  
16          rity Act, the costs of administering the program re-  
17          ferred to in paragraph (1) shall be treated as costs  
18          of administering the State unemployment compensa-  
19          tion law.”.

20          (c)(1) Except as provided by paragraph (2), the  
21          amendments made by this section shall take effect on  
22          November 1, 1996.

23          (2) In the case of any State the legislature of which  
24          has not been in session for at least 30 calendar days  
25          (whether or not successive) between the date of the enact-

1 ment of this Act and November 1, 1996, the amendments  
2 made by this section shall take effect 30 calendar days  
3 after the first day on which such legislature is in session  
4 on or after November 1, 1996.

