

DRAFT LANGUAGE TO IMPLEMENT A SELF-EMPLOYMENT  
ASSISTANCE PROGRAM

States wishing to amend their UC law to add the optional SEA program provisions may use the following draft language. A Commentary is provided in Attachment III.

Section \_\_\_\_ . SELF-EMPLOYMENT ASSISTANCE PROGRAM

(a) Definitions. As used in this section--

- (1) "Self-employment assistance activities" means activities (including entrepreneurial training, business counseling, and technical assistance) approved by the commissioner in which an individual identified through a worker profiling system as likely to exhaust regular benefits participates for the purpose of establishing a business and becoming self-employed.
- (2) "Self-employment assistance allowance" means an allowance, payable in lieu of regular benefits and from the unemployment fund established under section \_\_\_\_\_ [enter relevant section], to an individual participating in self-employment assistance activities who meets the requirements of this section.
- (3) "Regular benefits" means benefits payable to an individual under this Act (including benefits payable to Federal civilian employees and to ex-servicemembers pursuant to 5 U.S.C. chapter 85) other than additional and extended benefits.
- (4) "Full-time basis" shall have the meaning contained in regulations prescribed by the commissioner.

(b) Amount of self-employment assistance allowance. The weekly allowance payable under this section to an individual will be equal to the weekly benefit amount for regular benefits otherwise payable under section \_\_\_\_\_ of this Act. The sum of (1) the allowance paid under this section and (2) regular benefits paid under this Act with respect to any benefit year shall not exceed the maximum benefit amount as established by section \_\_\_\_\_ with respect to such benefit year.

(c) Eligibility for self-employment assistance allowance. The allowance described in subsection (a) shall be payable to an individual at the same interval, on the same terms, and subject to the same conditions as regular benefits under this Act, except that--

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- (1) the requirements of sections \_\_\_\_\_ [enter relevant sections] relating to availability for work, active search for work, and refusal to accept work are not applicable to such individual;
- (2) the requirements of section \_\_\_\_\_ [enter relevant section] relating to self-employment income are not applicable to income earned from self-employment by such individual;
- (3) an individual who meets the requirements of this section shall be considered to be unemployed under section \_\_\_\_\_ [enter relevant section]; and
- (4) an individual who fails to participate in self-employment assistance activities or who fails to actively engage on a full-time basis in activities (which may include training) relating to the establishment of a business and becoming self-employed shall be disqualified for the week such failure occurs.

(d) Limitation on receipt of self-employment assistance allowances. The aggregate number of individuals receiving the allowance under this section at any time shall not exceed 5 percent of the number of individuals receiving regular benefits. The commissioner shall, through regulations, prescribe such actions as are necessary to assure the requirements of this subsection are met.

(e) Financing costs of self-employment assistance allowances. Allowances paid under this section shall be charged to employers as provided under provisions of this Act relating to the charging of regular benefits.

(f) Effective date and termination date. The provisions of this section will apply to weeks beginning after the date of enactment or weeks beginning after any plan required by the United States Department of Labor is approved by such Department, whichever date is later. The authority provided by this section shall terminate as of the end of the week preceding the date when Federal law no longer authorizes the provisions of this section, unless such date is a Saturday in which case the authority shall terminate as of such date.

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