

Ends unemployment payments to jobless millionaires

This bill would save nearly \$100 million by stopping federal unemployment payments to those earning more than \$1 million.

While millions of Americans put out of work during this difficult economy 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 2,840 households that reported income of \$1 million or more on their tax returns were paid a total of \$18.6 million in unemployment benefits in 2008, according to the U.S. Internal Revenue Service. This included more than 800 earning over \$2 million and 17 with incomes exceeding \$10 million. In all, multimillionaires were paid \$5.2 million in jobless benefits.^[1]

Unemployment insurance is intended to provide a financial safety net for laid-off workers who are seeking re-employment. If an individual is earning \$1 million a year without a job, they probably do not need a safety net afforded by taxing low-income and middle class workers.

With our national debt now exceeding \$14 trillion and more than \$1 trillion in red ink being added every year, we can no longer afford to provide unemployment payments to jobless millionaires.

This legislation would stop payments those earning at least \$1 million. States could still pay unemployment benefits to millionaires using state funds if they so choose, but no federal funds could be spent for those payments.

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

This amendment would save more than \$20 million every year and more than \$100 million over the next five years.

^[1] Ryan J. Donmoyer, "Almost 3,000 millionaires claim jobless benefits, IRS data show," Bloomberg News October 1, 2010; <http://www.washingtonpost.com/wp-dyn/content/article/2010/10/01/AR2010100104189.html> .