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# Personal Reemployment Accounts

# President's Growth and Jobs Plan – January 7<sup>th</sup>, 2003

- Encourage consumer spending to boost economy
- Promote job creation through individual and business investment
- Deliver critical help to unemployed workers

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# Personal Reemployment Accounts – One Part of Plan

- \$3.6 billion in new resources
- In addition to the \$6.2 billion proposed for Adults in 03 and 04 budget
- To states by formula and locals by Governor's sub-state allocation
- To support job growth and quick return to the labor market

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# Introduced January 29<sup>th</sup> – Back to Work Incentive Act

- HR 444
- By Congressman John Porter (R-Nev.)
- House Education and Workforce Committee

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## Accounts Set Up in FY 2003 and FY 2004.

- \$1.6 billion available in FY 2003
- \$2.0 billion available in FY 2004
- 2% for state operational costs to administer/5% for local
- Individuals have 1 year to use
- At least 1.2 million to be served

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# Pool of Eligible Unemployed Workers

- UI recipients profiled as “likely to exhaust”
- Those who have recently exhausted
- Plus other criteria chosen by states
- Not an entitlement – Selected by state from pool

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## Level of Account

- Up to \$3,000 per person
- State can choose lesser amount
- Must be consistent statewide

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# Accounts Can Be Used For

- Training, child care, transportation, relocation, etc.
- Purchased from inside or outside One-Stop System
- If a UI exhaustee, for income support
- Tax-exempt (unless received as bonus or used for income support)

- Flexibility and choice
- Non-transferable; can only get once
- Will not interfere with or replace UI benefits
- One-Stop administers the account
- Pays account holder invoices up front or with documentation
- Reemployment Plan recommended but not mandatory
- One-Stop cannot overrule customer choice

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## Bonus Available

- If job found by 13<sup>th</sup> UI-compensated week, or
- If job found by 13<sup>th</sup> week if exhaustee
- Keep cash balance of account as bonus (60% at job/40% after 6 months retention)

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## No Double-Dipping

- During year of account no free WIA intensive/training services
- Must use your account to purchase intensive/training services.
- Core One-Stop services still free
- After year of account, all WIA services are free

- Mostly determined by states themselves
- Feds will set broad parameters and monitor
- Accountability - locals to state; state to feds

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# Charts New Territory in Employment and Training

- Less than a voucher
- More than an Individual Training Account
- Equivalent of a “personal block grant”
- Will build upon current workforce investment system

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Full implementation at local  
level 90 days after law  
enacted

- Provides assistance to 1.2 million more unemployed workers than the 726,000 adults and dislocated workers registered and served by WIA funding.
- Provides additional tools and resources to the One-Stop system to serve workers.