

LABOR

The President's 2008 Budget will support America's workers and their communities by:

- Protecting workers;
- Reforming the job training system and training workers for high-growth jobs as part of the American Competitiveness Initiative;
- Safeguarding workers' pensions; and
- Reducing improper unemployment insurance benefit payments.

Since the President's tax relief took effect in mid-2003, the economy has created more than 7 million new jobs. The President's 2008 Budget provides additional resources to protect workers and proposes reforms to train more workers, strengthen the pension system, and reduce improper payments in the unemployment insurance system.

Protecting workers:

- The Budget includes \$1.5 billion to enforce labor laws that protect workers' wages, benefits, and working conditions, including:
 - Miner Act: \$36 million increase for the Mine Safety and Health Administration, to ensure safe conditions in the Nation's mines.
 - Paycheck Protection: \$11 million increase for the Office of Labor Management Standards to ensure the proper, legal, and transparent use of union members' dues and assets

Reforming the job training system and training workers for high-growth jobs as part of the American Competitiveness Initiative:

- The 2008 Budget proposes significant reforms to the Department of Labor's major job training grant programs that will give States more flexibility, reduce bureaucracy, and increase individual choice through Career Advancement Accounts.
 - These reforms will save almost half a billion dollars while significantly increasing the training opportunities available to workers to over 600,000.
- The Budget includes \$150 million to continue the Community-Based Job Training Grants program, which helps community and technical colleges train more workers for jobs in demand in local and regional economies.

Safeguarding workers' benefits:

- The 2008 Budget reflects the President's continued commitment to restoring the solvency of the pension insurance system and avoiding a future taxpayer bailout by proposing to adjust premiums paid by companies under funded pension plans.

Reducing improper unemployment insurance benefit payments and enhancing unemployment tax integrity:

The Budget proposes a package of legislative changes that would reduce Unemployment Insurance (UI) improper payments by \$4.8 billion and reduce employer tax evasion by almost \$400 million over 10 years. The legislative proposal would:

- Impose a penalty for UI benefit overpayments resulting from fraud;
- Enlist private collection agencies in the recovery of fraud overpayments;
- Penalize employers when their repeated inaction leads to overpayments to former employees;

- Collect delinquent benefit overpayments and unemployment taxes through garnishment of Federal income tax refunds;
- Allow States to use a portion of recovered funds on fraud and error reduction; and
- Decrease benefit overpayments by providing more accurate date-of-hire information in State and national new hire directories so that States can quickly stop unemployment benefit payments to those people who have gone back to work.