



Payroll Tax Holiday Agreement

Protecting Americans from a Tax Increase, Reforming Unemployment and Welfare Programs, and Preventing Cut to Medicare Doctors

Payroll Tax Holiday Extended Through 2012

- The payroll tax holiday is extended through December 31, 2012.
- The amount of revenue that is foregone to the Social Security Trust Funds as a result of the payroll tax reduction is fully replaced with savings from Treasury's General Fund.
- Over the course of the year, a typical middle-class worker earning \$50,000 would see his or her take-home pay increase by \$1,000 as a result of this tax holiday.

Reforms & Extends the Unemployment Program

Reforms to the unemployment program

- **Job Search Requirements:** Requires those receiving unemployment benefits at both the state and federal level actually look for a job.
- **Drug Screening & Testing:** Overturns a 1960s-era Department of Labor ban on States' screening and testing UI applicants for illegal drugs. Specifically, the agreement allows every state to drug screen and test anyone who (1) lost their job because they failed or refused an employer drug test, or (2) is seeking a job that generally requires a drug test.
- **Re-employment Programs:** Allows waivers for up to 10 states for innovative re-employment programs like Georgia Works.

Reduces the number of weeks to levels typically seen in a recession

- **Eliminates 20 Weeks of EB:** Effectively eliminates the "Extended Benefits" program, which allowed states to receive an additional 20 weeks of federal benefits.
- **63 weeks vs. 93 Weeks:** In states with the current 8.3% average unemployment rate, individuals can collect 93 total weeks of UI benefits today. Under the conference agreement that would fall to a maximum of 63 weeks, starting in September.

No More Welfare Benefits At Strip Clubs & Liquor Stores

- **Extends Welfare Benefits:** The agreement extends the nation's primary welfare program, Temporary Assistance for Needy Families, through Fiscal Year 2012.
- **Closes the "Strip Club" Loophole:** The legislation ensures that welfare funds cannot be accessed at ATMs in strip clubs, liquor stores, and casinos.
- **Data Standardization:** Improves data matching and program integrity by requiring standardized data and Health and Human Services coordination of exchanges across State TANF programs.

Protects Seniors & Reforms Certain Medicare Programs

- **Eliminates 27.4% Cut to Doctors:** The agreement averts a 27.4 percent cut to physician payment rates and ensures seniors and the disabled have continued access to the physicians serving our Medicare beneficiaries.
- **Doc Fix Through End of 2012:** The agreement extends through the end of the year payment rates for Medicare doctors.
- **Eliminates & Reforms Certain Medicare Programs:** The Senate had sought to blindly extend all Medicare extenders. The agreement eliminates two of those programs (mental health add-on payments and an ObamaCare provision that increased payments for bone density scans). The agreement phases-out two programs: Section 508 hospitals and special pathology payments, while providing time for these providers to adapt to these changes. Extends and reforms the therapy cap exception process by requiring greater accountability, which will eliminate wasteful spending.
- **Extends Certain Medicare Programs with Greater Oversight:** Ambulance add-on payments, physician work floor, and outpatient hospital hold harmless payments are all extended, but the agreement requires GAO, MedPAC and CMS to report to Congress on their effectiveness and ways to better protect taxpayer dollars.

No Tax Increases & Government Spending Is Fully Offset

Rejects Senate's insistence on higher taxes for higher spending

- No job-killing tax hikes to pay for more government spending.
- All government spending is fully offset with spending cuts and government reforms.

Unemployment benefits are fully paid for

- Firmly establishes that extensions of unemployment benefits must be paid for. Democrats added nearly \$200 billion to our nation's debt by extending an unprecedented level of unemployment benefits.
- The agreement offsets all unemployment program spending through:
 - Spectrum Auctions, which spur innovation, investment and job creation in the high-tech field.
 - Requiring new civilian federal employees and Members of Congress to contribute more towards their defined benefit pension programs.

Repeals key parts of ObamaCare and includes other health savings

- Cuts to ObamaCare pay for more than half (\$11.6 billion) of the health spending in the agreement.
- Cuts an ObamaCare slush fund (the Harkin Prevention Fund) by \$5 billion.
- Eliminates an ObamaCare giveaway to Louisiana saving \$2.5 billion.
- Reduces Medicaid spending (DSH rebase) by more than \$4 billion.
- Other health savings total \$9.6 billion and include reductions to Medicare "bad debt" (\$6.9 billion) and clinical laboratory payments (\$2.7 billion).

Maximum Weeks of Unemployment Benefits

Unemployment Rate (States)	Current Law	Conference Agreement (September 2012)	Conference Agreement vs. Current Law
Under 6%	60	40	-20 weeks
6.0-6.4%	73	54	-19 weeks
6.5-6.9%	86	54	-32 weeks
7.0-7.9%	86	63	-23 weeks
8.0-8.4% (U.S. AVERAGE)	93	63	-30 weeks
8.5-8.9%	99	63	-36 weeks
9% and above	99	73	-26 weeks