To require the Secretary of Labor to establish a pilot program for providing portable benefits to eligible workers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 25, 2017

Mr. WARNER introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To require the Secretary of Labor to establish a pilot program for providing portable benefits to eligible workers, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Portable Benefits for Independent Workers Pilot Program Act".

SECTION 2. FINDINGS.

Congress finds the following:

(1) Many independent workers, constituting a growing percentage of the workforce in the United States, do not have access to benefits and protec-
tions typically provided through traditional full-time employment.

(2) These independent workers are independent contractors, temporary workers, self-employed, or work pursuant to other contingent or alternative work arrangements.

(3) According to a 2015 study by the Comptroller General of the United States, the size of the contingent workforce grew from 35 percent of employed workers in 2006 to 40 percent of employed workers in 2010.

(4) According to a 2016 study by economists Lawrence Katz and Alan Krueger, 94 percent of net employment growth in the United States economy from 2005 to 2015 occurred in alternative work arrangements.

(5) As the population of independent workers grows, it is increasingly important that workers are provided portable benefits.

SEC. 3. DEFINITIONS.

In this Act:

(1) ELIGIBLE ORGANIZATION.—The term “eligible organization” means any State or local government or any nonprofit organization.
(2) ELIGIBLE WORK.—The term “eligible work” means any work performed that is not in connection with traditional full-time employment.

(3) ELIGIBLE WORKER.—The term “eligible worker” means any worker who is not a traditional full-time employee of the entity hiring the worker for the eligible work, including any independent contractor, contract worker, self-employed individual, freelance worker, temporary worker, or contingent worker.

(4) PORTABLE BENEFITS.—The term “portable benefits”—

(A) means work-related benefits that are provided to eligible workers for eligible work in a manner that allows the worker to maintain the benefits upon changing jobs; and

(B) includes—

(i) contributions on behalf of the eligible worker made by an entity (including multiple entities, if applicable) in connection with eligible work performed by the worker for the entity, including entities that facilitate the sale of such work;

(ii) contributions made by the eligible worker; or
(iii) a combination of the contributions described in clauses (i) and (ii).

(5) SECRETARY.—The term “Secretary” means the Secretary of Labor.

(6) WORK-RELATED BENEFITS.—The term “work-related benefits” means benefits, including protections, of a type that are commonly provided to traditional full-time employees, such as workers’ compensation, skills training, disability coverage, health insurance coverage, retirement saving, income security, and short-term saving.

SEC. 4. ESTABLISHMENT OF PORTABLE BENEFITS PILOT PROGRAM.

(a) IN GENERAL.—The Secretary, in consultation with the head of any other relevant Federal agency, shall award grants for fiscal year 2018, on a competitive basis, to eligible organizations to support broad innovation and experimentation with respect to portable benefits.

(b) USES OF FUNDS.—

(1) TYPES OF GRANTS.—The grants awarded under subsection (a) shall be grants for—

(A) the evaluation, or improvement to the design or implementation, of existing models or approaches for providing portable benefits; or
(B) the design, implementation, and evaluation of new models or approaches for providing such benefits.

(2) **Requirement regarding retirement-related benefits.**—An eligible organization that receives a grant under subsection (a) may not use the grant to fund a model or approach described in paragraph (1) that provides only retirement-related benefits.

(c) **Potential for National Applicability.**—In awarding grants under subsection (a), the Secretary shall consider the potential of the model or approach described in subsection (b)(1) to be replicated on a large scale or at the national level.

(d) **Applications.**—Each eligible organization that desires to receive a grant under subsection (a) shall submit an application to the Secretary, at such time, in such manner, and accompanied by such information as the Secretary may require.

**SEC. 5. REPORT TO CONGRESS.**

Not later than September 30, 2020, the Comptroller General of the United States shall evaluate the outcome of the grants awarded under section 4(a) and provide a report on such evaluation to Congress. Such report shall include an assessment of the impact of such grants on the...
compensation of workers receiving portable benefits under section 4.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated for fiscal year 2018—

(1) $5,000,000 to carry out the grants described in section 4(b)(1)(A); and

(2) $15,000,000 to carry out the grants described in section 4(b)(1)(B).

(b) AVAILABILITY.—Amounts appropriated under subsection (a) shall remain available until expended.