

## At a Glance

### Reconciliation Recommendations of the House Committee on Ways and Means

As ordered reported on February 10 and 11, 2021

By Fiscal Year, Millions of Dollars	2021	2021-2030	2021-2031
Direct Spending (Outlays)	654,581	877,761	878,022
Revenues	-33,809	-49,588	-45,638
Increase or Decrease (-) in the Deficit	688,390	927,349	923,660

  

Statutory pay-as-you-go procedures apply?	Yes	<b>Mandate Effects</b>	
Increases on-budget deficits in any year after 2030?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	Yes, Over Threshold

CBO has not reviewed the legislation for effects on spending subject to appropriation.

#### The legislation would

- Extend until August 29, 2021, many of the enhanced unemployment compensation benefits created under the CARES Act and the Families First Coronavirus Relief Act
- Increase and expand the subsidies for health insurance coverage through the marketplaces for calendar years 2021 and 2022, increase marketplace subsidies for people receiving unemployment benefits in 2021, and subsidize COBRA premiums at 85 percent for people through September 2021
- Provide additional recovery rebates to eligible people, expand the child tax credit, Earned Income Tax Credit, and the child and dependent care credit in 2021, and extend and modify tax credits for paid sick and family leave and for employee retention
- Provide additional assistance to some multiemployer defined benefit pension plans that are financially troubled and reduce funding requirements for single-employer pension plans
- Impose private sector mandates by requiring COBRA notifications and amending the Internal Revenue Code

#### Estimated budgetary effects would mainly stem from

- An increase in spending on unemployment benefits
- An increase in premium tax credits for health insurance purchased through the marketplaces and federal subsidies for COBRA premiums
- Additional recovery rebates and expanded tax credits
- Increased assistance to private pension plans

#### Areas of significant uncertainty include

- General economic conditions that would affect the number of people eligible for and receiving benefits like unemployment insurance and expanded tax credits

**Detailed estimate begins on the next page.**

## Legislation Summary

S. Con. Res. 5, the Concurrent Resolution on the Budget for Fiscal Year 2021, instructed several committees of the House of Representatives to recommend legislative changes that would increase deficits up to a specified amount over the 2021-2030 period. As part of this reconciliation process, the House Committee on Ways and Means approved legislation on February 10 and 11, 2021, with a number of provisions that would increase deficits.

The legislation would extend unemployment benefits, establish a pandemic emergency fund, increase subsidies for health insurance, provide cash payments to eligible people, expand several tax credits, and modify rules for pensions, among other provisions designed to mitigate the impact of the COVID-19 pandemic caused by the coronavirus.

## Estimated Federal Cost

CBO and the staff of the Joint Committee on Taxation (JCT) estimate that the reconciliation recommendations of the Committee on Ways and Means would increase deficits by \$927 billion over the 2021-2030 period. The estimated budgetary effects of the legislation are shown in Table 1. The changes in outlays from the legislation fall within budget functions 500 (education, training, employment, and social services), 550 (health), 570 (Medicare), 600 (income security), 800 (general government), and 900 (net interest).

## Basis of Estimate

For this estimate, CBO and JCT assume that the legislation will be enacted by the end of March 2021.

### Subtitle A. Crisis Support for Unemployed Workers

Subtitle A would expand and extend until August 29, 2021, many of the enhanced unemployment compensation benefits created under the CARES Act and the Families First Coronavirus Relief Act (FFCRA), including pandemic unemployment assistance (PUA), pandemic emergency unemployment compensation (PEUC), and federal pandemic unemployment compensation (FPUC). In total, added support for the unemployed would increase the deficit by \$246 billion.

The expansion and extension of unemployment insurance benefits could increase the unemployment rate as well as decrease labor force participation throughout the period for which those benefits would be in place. The estimated costs incorporate some behavioral changes from FPUC and the PUA but do not incorporate any behavioral effects on the unemployment or labor force participation rates primarily because CBO has not estimated those effects.

**Federal Pandemic Unemployment Compensation.** Under this legislation, people who receive regular or extended unemployment compensation benefits, trade readjustment allowances, short-time compensation, PUA benefits, or PEUC from March 15, 2021, through August 29, 2021, would receive their regular weekly benefits plus an additional \$400 each week. Under current law, people in these programs are receiving \$300 each week for weeks of unemployment from December 27, 2020, through March 14, 2021. Additionally, people who received at least \$5,000 in self-employment income in the most recent tax year and receive an unemployment benefit other than PUA receive an additional \$100 each week; this legislation would extend that add-on through August 29, 2021. Enacting this provision would increase direct spending by a total of \$163 billion in 2021 and 2022.

**Pandemic Unemployment Assistance.** This legislation would extend the time in which people can apply for PUA and increase the duration of benefits from 50 to 74 weeks. PUA provides weekly cash benefits to people who are unemployed, partially unemployed, or otherwise unable to work because of the coronavirus, but who are not eligible for regular unemployment compensation, extended unemployment benefits, or the PEUC program. CBO estimates that the extension would increase direct spending by \$44 billion in 2021 and 2022.

**Pandemic Emergency Unemployment Compensation.** The PEUC program provides additional weeks of benefits for people who have exhausted regular state unemployment compensation benefits. The legislation would extend the time period in which people can receive PEUC benefits, and increase the duration of benefits from 24 to 48 weeks. CBO estimates that PEUC benefits would increase direct spending by \$35 billion in 2021 and 2022.

**Regular Unemployment Compensation.** The extension of FPUC and the PUA program would increase the costs of regular unemployment compensation relative to CBO's baseline. Although not every eligible person claims benefits, CBO expects that more people would apply for and receive regular unemployment compensation benefits because weekly benefit amounts would temporarily increase under FPUC. However, CBO also expects that fewer people would challenge their denial of regular unemployment benefit payments, because they could apply and receive benefits more quickly through the PUA program (a person cannot collect benefits from both programs). Some people who are initially denied regular benefits later receive those benefits after they appeal to their state workforce agency, so that decrease in appeals would decrease regular unemployment compensation relative to CBO's baseline. CBO estimates the net effect would be to increase regular unemployment insurance outlays by \$0.4 billion in 2021.

**Extended Unemployment Compensation.** This legislation would extend the temporary full federal financing of extended unemployment benefits through August 29, 2021. States are normally required to pay half the cost of those benefits. However, because this legislation

also would extend the number of weeks available under the PEUC program, CBO expects that most people who would have received extended benefits in 2021 would receive PEUC benefits instead. CBO estimates the net effect would be to decrease extended unemployment compensation outlays by \$3 billion in 2021.

**Other Unemployment Provisions.** Subtitle A contains additional unemployment insurance provisions that would increase outlays by about \$3 billion over the 2021-2030 period. These provisions would:

- Extend increased federal funding for short-time compensation programs (\$0.3 billion);
- Temporarily waive the accrual of interest on federal loans to state unemployment trust funds (\$0.7 billion);
- Allow the Department of Labor (DOL) to continue providing funds to states for administration of FPUC and the PUA and PEUC programs (\$0.1 billion); and
- Directly appropriate funds to DOL for administrative and program integrity activities associated with unemployment compensation programs (\$2 billion).

As a result of the provisions in subtitle A, CBO estimates that revenues would decrease, on net, by about \$3.4 billion over the 2021-2030 period, mostly in 2021. The unemployment insurance system is a federal-and-state partnership: unemployment compensation benefits paid by states are recorded as federal outlays and the taxes levied by states to pay for certain benefits are recorded as federal revenues. CBO expects that any change in outlays would be partially offset by a change in revenues so that state unemployment insurance trust funds remained in balance. The legislation contains several provisions that would shift the funding of certain unemployment benefits from the states to the federal government. As a result, states' unemployment taxes would be lower and federal revenues would decline.

Specifically, the legislation would shift funding from the states to the federal government for a portion of the regular unemployment compensation benefits paid between March 15, 2021, and August 29, 2021, for people who worked for public-sector entities and nonprofit organizations. That provision would decrease revenues by a total of \$1.8 billion in 2021 and 2022. Under the legislation, if states waive the current one-week waiting period, the federal government would fully reimburse them for the first week of regular unemployment benefits through August 29, 2021. This provision would decrease revenue by about \$2.0 billion over 2021 and 2022.

CBO estimates that those decreases in federal revenues would be partially offset by a \$0.3 billion increase over the 2021-2030 period as states respond to smaller balances in their

unemployment trust fund accounts by increasing their future collections of unemployment taxes.

**Subtitle B. Emergency Assistance to Families through Home Visiting Programs**

Section 9101 would appropriate an additional \$150 million through the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program and establish rules for use of that funding. To be eligible for funding, entities must meet specified criteria, including maintenance of staffing levels and coordination with local diaper banks. Entities may use the funding to serve additional families; to cover ongoing staffing, training, and administrative costs (including the costs associated with conducting virtual home visits); and to pay for emergency supplies. CBO estimates that subtitle B would increase direct spending by \$149 million over the 2021-2030 period.

**Subtitle C. Emergency Assistance to Children and Families**

Section 9201 would appropriate \$1 billion for a newly established fund, the Pandemic Emergency Fund. Through grants to states and tribes, this fund would provide nonrecurring short-term benefits, like cash and vouchers, to eligible families with low incomes. CBO expects that the fund would increase direct spending by \$1 billion over the 2021-2030 period.

**Subtitle D. Elder Justice and Support Guarantee**

Section 9301 would provide additional funding for programs authorized by the Elder Justice Act, including long-term care ombudsman programs, elder abuse forensic centers, and grants to states for adult protective services. CBO estimates that subtitle D would increase direct spending by \$276 million over the 2021-2030 period.

**Subtitle E. Support to Skilled Nursing Facilities in Response to COVID-19**

Section 9401 would appropriate \$200 million to support COVID-19 infection control in skilled nursing facilities (SNFs). The funding would be used to develop and disseminate COVID-19 prevention protocols through contracted quality improvement organizations (QIOs). Based on historical spending patterns, CBO estimates that this section would increase direct spending by \$200 million over the 2021-2030 period.

Section 9402 would appropriate funding to create strike teams in SNFs. Under this section, \$250 million would be provided to states, including the District of Columbia and U.S. territories, to establish strike teams in SNFs with suspected or diagnosed cases of COVID-19. The strike teams would assist SNFs with clinical care, infection control, or staffing for the duration of the pandemic public health emergency. Based on historical spending patterns, CBO estimates that this section would increase direct spending by \$250 million over the 2021-2030 period.

**Subtitle F. Preserving Health Benefits for Workers**

Under current law, people who lose their job or experience another qualifying event that results in a termination of their employment-based health insurance are eligible to continue health insurance coverage through the Consolidated Omnibus Budget Reconciliation Act (COBRA). If an individual chooses to enroll in COBRA coverage, he or she may be required to pay up to 102 percent of the total premium and can maintain the coverage for 18 months. Under section 9501, qualifying COBRA enrollees would be required to pay 15 percent of the total COBRA premium from the first of the month following the date of enactment through September 30, 2021. The federal government would provide a subsidy on behalf of the individual for the remainder. People would be eligible for premiums to be paid on their behalf if they are enrolled in, or are eligible to enroll in, COBRA coverage because of an involuntary termination or reduction of hours at the time of enactment. Section 9501 would permit eligible people who did not previously elect COBRA coverage and eligible people who discontinued COBRA coverage prior to enactment to enroll within 60 days of being notified about the availability of these subsidies.

CBO and JCT estimate that enacting section 9501 would increase federal deficits by \$7.8 billion over the 2021-2030 period, after accounting for interactions with sections 9661 and 9663 in subtitle G. That increase in deficits would consist of a decrease in direct spending of \$6.5 billion and a decrease in revenues of \$14.3 billion over the period. Those effects would primarily stem from federal subsidies for COBRA premiums, partially offset by a reduction in federal subsidies for other sources of health insurance coverage.

Under current law, after adjusting for the effects of sections 9661 and 9663 (described below), CBO and JCT project that about 800,000 people would be enrolled in COBRA coverage on a full year equivalent basis (FYE), representing less than 10 percent of the eligible population. The estimated take-up of COBRA coverage is low because premiums are not typically subsidized by employers as they are when people are actively employed. The remaining estimated 12 million eligible people who do not enroll in COBRA coverage would enroll in another form of insurance coverage or be uninsured.

In response to the availability of those subsidies, CBO and JCT estimate that an additional 2.2 million people, on a FYE basis, would enroll in COBRA coverage, resulting in a total of about 3 million FYE COBRA enrollees in 2021. In total, the agencies estimate that subsidies for COBRA—for existing and new enrollees—would increase deficits by \$14.8 billion over the 2021-2030 period.

CBO and JCT estimate there would be offsetting effects as people who would newly enroll in COBRA coverage would no longer enroll in other sources of health insurance coverage that are subsidized by the federal government. Of the 2.2 million FYEs that CBO and JCT estimate would newly enroll in COBRA coverage, an estimated 1.1 million would have



otherwise been enrolled in Medicaid or CHIP and about 600,000 would have forgone insurance coverage and been uninsured. About 300,000 FYEs would otherwise have enrolled in subsidized nongroup coverage, and the remainder, about 200,000, would have been enrolled in employment-based coverage. CBO and JCT estimate that those changes in health insurance coverage would offset the cost of the new COBRA subsidy by \$7 billion over the 2021-2030 period. On net, the COBRA provisions in the legislation would increase deficits by \$7.8 billion over the 2021-2030 period.

### **Subtitle G. Promoting Economic Security**

Subtitle G includes provisions that would modify or extend various tax rules. Those changes include the provision of an additional round of direct payments to people (“recovery rebates”) and changes to the child tax credit, Earned Income Tax Credit (EITC), child and dependent care tax credit, credits for paid sick and family leave, the employee retention credit, and the premium tax credit (or marketplace subsidies).

**2021 Recovery Rebates for Individuals.** For tax year 2021, section 9601 would create a refundable tax credit of \$1,400 (\$2,800 for joint filers) plus \$1,400 per dependent.<sup>1</sup> The credit would phase out for taxpayers with adjusted gross income (AGI) between \$75,000 and \$100,000 (between \$150,000 and \$200,000 for joint filers; between \$112,500 and \$150,000 for head-of-household filers).<sup>2</sup> A similar benefit would be available to residents of U.S. possessions. Advance payments of the credit would be made “as rapidly as possible.”

Eligibility for the advance payments would be based on information reported on 2019 or 2020 (if available) tax returns. Tax year 2020 returns are due to the Internal Revenue Service (IRS) by April 15, 2021. If a 2019 or 2020 return has not been filed by the date of determination of eligibility, other information available to the Treasury could be used to determine eligibility.

Any taxpayers eligible for a larger credit based on tax year 2021 information could claim the additional amount when they file a 2021 tax return, most likely in the spring of 2022. Taxpayers who are eligible for tax year 2021 credits that are less than their advance payments would not be required to repay the difference. Dependent filers would not be eligible, and a Social Security number would be required for eligibility for filers and their

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1. Refundable tax credits reduce a taxpayer’s overall income tax liability; if those credits exceed other tax liabilities, the taxpayer may receive the excess in a refund. Such refunds are classified as outlays in the federal budget.

2. AGI refers to total income for the tax year that is not specifically excluded by the tax code minus certain deductions, including contributions to individual retirement accounts, alimony paid, and student loan interest.

dependents. JCT estimates that the provision would increase outlays by \$413.6 billion and reduce revenues by \$8.7 billion over the 2021-2022 period.<sup>3</sup>

**Child Tax Credit.** Section 9611 would expand the child tax credit for 2021 and allow taxpayers to receive the credit in advance of filing tax returns. The credit amount would increase from \$2,000 to \$3,000 for each qualifying child aged 6 and older (or \$3,600 for each child under the age of 6), 17-year-old children would be eligible, and the credit would be fully refundable. The expanded portion of the credit would start to phase out when a taxpayer's income exceeds \$150,000 for joint filers (\$112,500 for head of household filers and \$75,000 for other filers). The phase out reduces the expanded portion of the credit by \$50 for each additional \$1,000 in income. The Secretary of the Treasury would be directed, as feasible, to issue monthly advance payments of the credit based on information from 2019 or 2020 tax returns beginning in July 2021.

Section 9612 would provide for payments to U.S. territories for the cost of the expanded child tax credit, although the advance payments would not apply. For tax years after 2021, residents of Puerto Rico would be able to claim the refundable portion of the child tax credit. JCT estimates that, together, the changes to the child tax credit would increase outlays by \$88 billion and reduce revenues by \$21 billion over the 2021-2030 period.

**Earned Income Tax Credit (EITC).** Sections 9621 through 9626 would expand the EITC in several ways. Some of those changes would apply only to tax year 2021, while others would be permanent.

For tax year 2021, the amount of the credit would be increased for taxpayers with no qualifying children and eligibility for the credit would be expanded to higher-income taxpayers and to certain childless taxpayers who are younger than 25 or older than 65. Taxpayers would also be allowed to use their 2019 earned income to calculate their credit for taxable year 2021, if their earned income in 2021 is less than it was in 2019.

For tax year 2021 and all future years, taxpayers whose children fail to meet certain identification requirements could still claim the EITC for taxpayers with no qualifying children. Separated spouses would also be allowed to claim the EITC, and the amount of investment income that would disqualify a taxpayer from receiving the EITC would increase. In addition, the Secretary of the Treasury would make payments to certain U.S. territories related to the cost of each territory's respective earned income tax credit. JCT estimates that

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3. Joint Committee on Taxation, Estimated Budgetary Effects of the Revenue Provisions of the Budget Reconciliation Legislative Recommendations, as Passed by the House Committee on Ways and Means on February 11, 2021, JCX-10-21 (February 15, 2021), <https://www.jct.gov/publications/2021/jcx-10-21/>.



those changes to the EITC would reduce revenues by \$4 billion and increase outlays by \$21 billion over the 2021-2030 period.

**Dependent Care Assistance.** Section 9631 would expand the child and dependent care tax credit available to taxpayers for tax year 2021. The legislation would make the credit refundable, increase the amount of eligible expenses that may be used to calculate the credit, increase the credit rate from 35 to 50 percent, and increase the income levels at which taxpayers' eligibility for the credit begins to phase out. The credit would also be made available to taxpayers who were previously ineligible because they reside outside of the United States, provided they maintain a principal residence in the United States.

Section 9632 would also expand the exclusion for employer-provided assistance for dependent care, increasing the maximum amount of excludable earnings from \$5,000 to \$10,500 for a married couple filing jointly. JCT estimates those provisions would increase outlays by \$4 billion and reduce revenues by \$4 billion over for the 2021-2022 period.

**Credits for Paid Sick and Family Leave.** The Families First Coronavirus Response Act (FFCRA) established fully refundable credits against payroll taxes to compensate employers and self-employed people for coronavirus-related paid sick leave and family and medical leave, which were extended through March 31, 2021, by the Consolidated Appropriations Act, 2021. Section 9641 would extend these credits through September 30, 2021. Sections 9642-9650 would modify the credits for sick or family leave taken after March 31, 2021, (December 31, 2020, for self-employed people) in several ways, including:

- The maximum amount of wages or self-employment income that can be used to calculate the credit would be increased.
- The maximum number of sick days for which an employer may claim the credit would be reset after March 31, 2021.
- The credit would be allowed for leave related to COVID vaccination.
- State and local governments and certain other governmental employers would be allowed to claim the credit.
- The credit would be restructured after March 31, 2021, as a credit against Hospital Insurance (HI) taxes rather than the Old-Age, Survivors, and Disability Insurance (OASDI) taxes.

JCT estimates those changes would increase outlays by \$3.8 billion and reduce revenues by \$1.5 billion over the 2021-2022 period.

**Employee Retention Credit.** The CARES Act, as subsequently modified by the Consolidated Appropriations Act, 2021, allows qualified employers to claim a refundable credit against the employment taxes due from them. Qualified employers are typically those adversely affected by the COVID-19 pandemic, and the amount of credit is equal to

70 percent of up to \$10,000 in qualified wages paid to the eligible employees in any calendar quarter before July 1, 2021, in which the employers were adversely affected. Section 9651 would extend the availability of those employment retention credits by two calendar quarters through December 31, 2021. In addition, after June 30, 2021, the credit would apply against the employer's share of HI taxes rather than OASDI taxes. The credit would continue to be refundable for employers with insufficient tax liability.<sup>4</sup> JCT estimates those changes would increase outlays by \$2 billion and reduce revenues by \$7 billion over the 2021-2022 period.

**Premium tax credit.** Under current law, subsidies for health insurance through the marketplaces established under the Affordable Care Act are primarily provided through premium tax credits, which are available to people with modified adjusted gross income between 100 percent and 400 percent of the federal poverty level (FPL) who are lawfully present in the United States, are not eligible for public coverage (such as Medicaid or the Children's Health Insurance Program (CHIP)), and do not have an affordable offer of employment-based coverage. Eligible people can use those tax credits to lower the out-of-pocket cost of their monthly premiums. The amount of a person's premium tax credit is calculated as the difference between the benchmark premium (that is, the premium for the second-lowest-cost silver plan available in the marketplace in the area of residence) and a specified maximum contribution expressed as a percentage of income. That specified percentage of income varies according to household income.<sup>5</sup>

*Expanding premium assistance for consumers.* Section 9661 would increase premium tax credits for most currently eligible people and expand eligibility to people with incomes greater than 400 percent of the FPL through the end of 2022. For 2021, the legislation would modify the subsidy structure under current law, as detailed in Exhibit 1.

CBO and JCT estimate that section 9661 would increase federal deficits by \$34.2 billion over the 2021-2030 period: an increase in direct spending of \$22.0 billion and a reduction in revenues of \$12.2 billion. Those effects reflect a \$35.5 billion increase in premium tax credits for health insurance purchased through the marketplaces established under the Affordable Care Act, partially offset by other small effects.

Section 9661 would have a twofold effect on people with health insurance coverage through the marketplaces. First, most marketplace enrollees with subsidies under current law would gain access to enhanced subsidies, lowering their out-of-pocket premium costs. Second, marketplace enrollees who are currently ineligible for subsidies because their income is greater than 400 percent of the FPL could gain eligibility for subsidies under the enhanced

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4. See pages 58-71 of JCX-3-21 <https://www.jct.gov/publications/2021/jcx-3-21/> for a detailed description of the Employee Retention Credit provisions of the CARES Act, the Consolidated Appropriations Act, and the budget reconciliation recommendations of the Committee on Ways and Means.

5. A silver plan covers about 70 percent of the costs of covered benefits for most people. Cost-sharing reductions have the effect of increasing that share for people between 100 and 249 percent of the federal poverty level.

subsidy structure. In addition to reducing the costs of marketplace coverage for those currently enrolled, CBO and JCT project that the enhanced subsidies would also attract enrollees who are new to the marketplaces, particularly people who are uninsured under current law. CBO and JCT estimate that new marketplace enrollees would account for \$13.0 billion of the estimated increase in premium tax credits and existing marketplace enrollees would account for the remaining \$22.5 billion.

### Exhibit 1. Maximum Income Contribution Percentage by Household Income for Premium Tax Credits in 2021

Income Range (Percent of FPL)	Range of Maximum Income Contribution Percent of Income) <sup>a</sup>	
	Under Current Law	Under Section 9661
100 – 133	2.07	0
133 – 150	3.10 – 4.14	0
150 – 200	4.14 – 6.52	0 – 2.07
200 – 250	6.52 – 8.33	2.07 – 4.14
250 – 300	8.33 – 9.83	4.14 – 6.21
300 – 400	9.83	6.21 – 8.79
400+	--	8.79

Source: Congressional Budget Office.

FPL = federal poverty level.

a. [irs.gov/pub/irs-drop/rp-20-36.pdf](https://www.irs.gov/pub/irs-drop/rp-20-36.pdf)

In general, the enhanced tax credits under the legislation would be larger than the premium tax credits under current law. In an illustrative example, CBO and JCT estimate that a 21-year-old with income at 150 percent of the FPL in 2021 would be eligible for a premium tax credit of about \$3,500 under current law; the tax credit would increase to about \$4,300 under the legislation (see Exhibit 2). CBO and JCT expect that people with incomes just over 400 percent of the FPL who are older or enrolled in family policies or in insurance rating areas with especially high premiums would experience the greatest reduction in net premiums.

## Exhibit 2: Illustrative Example of Premium Tax Credits under Current Law and under Section 9661 in 2021

	Benchmark Premium <sup>a</sup>	Premium Tax Credit <sup>b</sup>	Net Premium Paid
Single individual with income of <b>\$19,300</b> in 2021 (150% FPL) <sup>c</sup>			
Current Law			
21 years old	\$4,300	\$3,500	\$800
45 years old	\$6,200	\$5,400	\$800
64 years old	\$12,900	\$12,100	\$800
Under Section 9661			
21 years old	\$4,300	\$4,300	\$0
45 years old	\$6,200	\$6,200	\$0
64 years old	\$12,900	\$12,900	\$0
Single individual with income of <b>\$58,000</b> in 2021 (450% FPL) <sup>c</sup>			
Current Law			
21 years old	\$4,300	\$0	\$4,300
45 years old	\$6,200	\$0	\$6,200
64 years old	\$12,900	\$0	\$12,900
Under Section 9661			
21 years old	\$4,300	\$0	\$4,300
45 years old	\$6,200	\$1,100	\$5,100
64 years old	\$12,900	\$7,800	\$5,100
<p>Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.</p> <p>All dollar figures have been rounded to the nearest \$50; FPL = federal poverty level.</p> <p>a. For this illustration, the Congressional Budget Office estimated, for a 21-year-old, national average premiums for nongroup health insurance in 2021 under current law and under section 9961. On the basis of that amount, CBO calculated premiums for a 45-year-old and a 64-year-old, assuming that the person lives in a state that uses the federal default age-rating methodology. Variation of premiums by age is limited to 3-to-1 for adults under current law and under section 9961.</p> <p>b. Under current law, premium tax credits are calculated as the difference between the benchmark premium and a specified percentage of income for a person with income at a given percentage of the FPL.</p> <p>c. Income level refers to modified adjusted gross income, which equals adjusted gross income plus untaxed Social Security benefits, foreign earned income that is excluded from adjusted gross income, tax-exempt interest, and income of dependent filers.</p>			

In 2022, the year for which the provision would be in effect for the entire calendar year, CBO and JCT estimate that enacting the provision would increase the number of people with

coverage through the marketplaces by 1.7 million. The agencies project that roughly 40 percent of the additional marketplace enrollees would be people ineligible for premium tax credits under current law because their income exceeds 400 percent of the FPL.

The estimated increase in marketplace enrollment would consist of 1.3 million fewer uninsured people, 300,000 fewer people with nongroup coverage purchased outside of the marketplaces, and 100,000 fewer people with employment-based coverage. The estimated effect on the number of people with employment-based coverage is limited because CBO and JCT do not anticipate that many employers would change their decision to offer health insurance given the temporary nature of the enhanced subsidy.

CBO and JCT estimate that enacting section 9661 would affect health insurance coverage to a much more limited extent in 2021 and 2023. The effect on health insurance coverage in 2021 would be constrained because the enhanced subsidy structure would take effect midway through the plan year. For 2023, CBO and JCT anticipate that some of the estimated increase in enrollment would persist beyond 2022, when the enhanced subsidy structure prescribed by this legislation would expire, and would gradually return to current law levels by 2024.

*Modification of limits on reconciliation of tax credits.* Under current law, people are entitled to advance payments of their subsidies, which are based on income estimated from tax returns for prior years. If people's circumstances change to the extent that their advanced subsidies exceed the actual subsidies to which they are entitled, they may be required to repay some or all of the credits. Section 9662 would remove this requirement for purposes of plan year 2020.

Section 9662 also would eliminate the requirement that people must repay any overpayments of health insurance subsidies received for plan year 2020. JCT estimates that section 9662 would increase the federal deficit by \$6.3 billion over the 2021-2030 period after accounting for interactions with sections 9661 and 9663 as well as section 9501 in subtitle F. This increase would come from a decrease in revenues.

*Application of premium tax credit for people receiving unemployment compensation in 2021.* Under current law, eligible people may receive a premium tax credit for health insurance through the marketplaces that equals the difference between the benchmark premium and a maximum contribution specified as a percentage of household income. Exhibit 1 shows the maximum income contribution percentages for 2021 under section 9661. (CBO and JCT estimated the effects of section 9663 relative to section 9661, which would increase premium tax credits for all currently eligible income levels and expand eligibility to people with incomes greater than 400 percent of the FPL through the end of 2022.)

Section 9663 would increase the amount of the premium tax credit for people receiving unemployment benefits for any length of time in 2021. People with household incomes greater than 100 percent of the FPL after excluding unemployment benefits—who are otherwise eligible for premium tax credits—would receive a premium tax credit as if their income were 133 percent of the FPL in 2021.

After accounting for the effects of section 9661, CBO and JCT estimate that section 9663 would increase federal deficits by \$4.5 billion over the 2021-2030 period, which would consist of an increase in outlays of \$2.4 billion and a decrease in revenues of \$2.1 billion. Those effects would stem primarily from an increase in premium tax credits for health insurance purchased through the marketplaces.

In 2021, CBO and JCT estimate that about 900,000 people enrolled in subsidized coverage through the marketplaces under current law and after incorporating the effects of section 9661 would receive unemployment benefits and an increased subsidy under section 9663. The average incremental subsidy people would receive is estimated to be \$1,040. An additional 500,000 people, who would otherwise obtain health insurance through COBRA or be uninsured, would newly enroll in coverage through the health insurance marketplaces and newly receive on average a premium tax credit of \$7,040.

Overall, the agencies estimate a total of about 1.4 million people receiving unemployment benefits would be enrolled in subsidized coverage through the marketplaces and receive a premium tax credit. The mid-year enactment of the policy would limit the provision's effect on health insurance coverage. CBO and JCT expect that most of the people newly enrolling in coverage through the marketplaces because of the increased premium tax credit are those who would begin receiving unemployment benefits following enactment of the legislation and would have otherwise enrolled in another form of coverage, such as a spouse's employment-based insurance plan or COBRA continuation coverage. The provision would not affect the incentives of most recipients to take a new job because they would be considering job offers from employers that would not provide them with an offer of health insurance coverage that would disqualify them from receiving the subsidy in 2021. For recipients considering job offers that would disqualify them from receiving the subsidy because the job included an affordable offer of employment-based health insurance, the effect of the provision on the disincentive to take the job would depend on the extent of the subsidy for health insurance provided by the employer.

For 2022, CBO and JCT anticipate that some of the estimated increase in enrollment would persist beyond 2021, when the increase in premium tax credits in this provision would expire, and would return to current law levels by 2023.



**Miscellaneous tax provisions.** Section 9671 would repeal the option for taxpayers to elect to allocate interest expenses on a worldwide basis, effective for tax years beginning after December 31, 2020. Under current law, for the first taxable year beginning after December 31, 2020, U.S. corporations with worldwide operations can make a one-time, irrevocable election to treat the interest expenses of their foreign and domestic affiliates as if they were a single group, instead of being required to consider domestic and foreign affiliates separately in allocating and apportioning interest expense. For some corporations, making that election would result in increased foreign-source income, which would allow them to claim additional foreign tax credits when calculating their U.S. tax liability. Section 9671 would repeal this provision, eliminating the ability of U.S.-based corporations to elect worldwide allocation of interest expense in calculating their foreign-source income for the purposes of determining allowable foreign tax credits. JCT estimates the repeal would increase revenues by \$20 billion over the 2021-2030 period.

Subtitle G also would appropriate funding to the IRS to implement provisions in the legislation. Sec 9601 would appropriate about \$1.5 billion for activities related to Recovery Rebates and taxpayer assistance, and to modernize and secure IRS systems. Sec 9611 would appropriate about \$0.4 billion to facilitate advance payments of child tax credits to taxpayers.

#### **Subtitle H. Pensions**

Subtitle H, the Butch Lewis Emergency Pension Plan Relief Act of 2021, would provide additional assistance to certain multiemployer defined benefit pension plans, reduce funding requirements for single-employer pension plans, with a specific provision for community newspapers, and freeze the cost-of-living indexation of the limits on contributions to pension plans.

**Multiemployer pension plans.** Under current law, the Pension Benefit Guaranty Corporation (PBGC) guarantees the payment of benefits for about 10 million participants in multiemployer pension plans by providing financial assistance to plans that become insolvent. As a condition of receiving assistance, those plans must reduce participants' benefits to a maximum guaranteed amount.

Multiemployer plans are categorized according to how well-funded they are and how long they are projected to remain solvent. Plans have various status categories: not in distress (green zone), endangered (yellow zone), seriously endangered (orange zone), or critical (red zone). As of 2017, more than 300 plans were classified as critical and more than 100 of those were classified as critical and declining. In addition, to avert insolvency, the Multiemployer Pension Reform Act of 2014 (MPRA) allows the most financially troubled of the critical plans—the critical and declining plans—to reduce benefits (referred to as benefit suspension) if the Department of the Treasury approves. Currently, 18 plans have been approved to suspend benefits under MPRA.

Assistance is currently paid from PBGC's multiemployer revolving fund, which is supported by premiums that the plans pay and by interest credited on the fund's balance. CBO projects that under current law the revolving fund will be exhausted in 2027. PBGC will then be required to reduce current-law assistance to amounts that can be supported with premium income; that level of funding will reduce participants' benefit payments substantially below the guaranteed amounts.

Under the legislation, PBGC would provide eligible multiemployer plans with grants, which the legislation calls "special financial assistance." Those grants would come from Treasury's general fund rather than from the existing multiemployer revolving fund. Money would be transferred from the general fund to a new fund within PBGC and then disbursed to plans.

PBGC would be required to publish requirements for the grant applications within 120 days of the date of enactment, and applications would have to be submitted by December 31, 2025. During the first two years after enactment, PBGC could give priority to plans with large expected assistance and plans expected to face insolvency within five years. To qualify for a grant, a plan would have to meet one of the following criteria:

- In any plan year beginning in 2020 through 2022, be in critical and declining status or have an approved suspension of benefits;
- In any plan year beginning in 2020 through 2022, be in critical status, be funded at less than 40 percent, based on current liability measures, and have a ratio of active to inactive participants of less than 2:3;
- Have become insolvent after December 16, 2014, but not yet be terminated; or
- Have had a suspension of benefits approved as of the date of enactment.

Plans would be eligible for a grant projected to be sufficient to pay benefits through 2051 and would not be required to repay the grants.

In general, projections would be based on assumptions used in a plan's most recent status determination filing from before January 1, 2021, unless PBGC determined that an assumption was "clearly erroneous."

A special rule applies to the assumed interest rate: Plans could use the lower of the rate used in its status determination and a measure approximately equal to 2 percentage points above the third segment rate (a rate used in determining funding requirements in the single-employer program under current law). CBO expects that rate to be about 5.5 percent, which is lower than the rate used by most plans. However, Central States, Southeast & Southwest Areas Pension Plan, the largest plan projected to be eligible for a grant, uses a lower rate. (The lower the assumed interest rate, the higher the grant amount.)

Grants would be paid in a lump sum and could be used to make benefit payments and pay plan expenses. Special financial assistance would be required to be invested separately from other plan assets, in investment grade bonds or other investments permitted by PBGC, which CBO assumed would have the same returns as investment grade bonds. However, plans could choose when to spend from the grant account and when from their traditional asset account. CBO expects that plans would spend down the grant account first. PBGC could place additional limits on plans receiving grants, including rules about benefit increases, contribution reductions, and investments. Plans would remain in critical status through 2051. Upon insolvency, current law assistance rules would apply.

The legislation also would increase premium rates for multiemployer pension. Under current law, the rate is \$31 per participant for plan year 2021 and will grow with average economy-wide wages in future years; CBO projects the rate would be \$44 for plan year 2031. Under the legislation, the rates would be \$52 for plan year 2031 and would grow with wages thereafter.

To estimate the effects of the multiemployer provisions of the legislation, CBO used a model that simulates projections of the financial condition of multiemployer pension plans, including benefit amounts, employers' contributions, plan assets and liabilities, and financial assistance claims paid by PBGC. The model's inputs include information from public filings of IRS Forms 5500, primarily for plan year 2018. CBO generated a probability distribution of firms' potential financial outcomes by running 500 simulations in which many factors (such as returns on assets, the 30-year Treasury rate, inflation, and the liability discount rate) were varied, and CBO then used the average of those simulations to produce this estimate.

CBO projects that grants would total \$86 billion; of that, \$82 billion would be spent in 2022, \$2 billion in 2023, and \$0.6 billion in 2024. In CBO's projections, 336 plans would receive grants in at least one of the 500 simulations; on average, about 185 plans would receive grants.

CBO estimates that PBGC will make \$7 billion in assistance payments under current law to multiemployer pension plans that are projected to become insolvent over the 2021-2030 period. CBO also projects that the multiemployer revolving fund will be exhausted in 2027, at which point PBGC will reduce financial assistance to amounts that can be supported with premium income. Consequently, spending under current law will not cover the full guaranty payment of benefits for retirees receiving payments from PBGC. Under the legislation, CBO estimates, fewer plans would draw from the revolving fund because the new grants would allow them to remain solvent for longer, reducing spending on current-law assistance by \$2 billion over the 2021-2030 period. As a result, CBO expects that the multiemployer revolving fund would remain solvent until the mid-2040s.

Under the legislation, PBGC would issue rules for the program, review grant applications, and disburse grants. Under the legislation, such activities would be paid from the general fund. CBO estimates that those administrative costs would total \$0.1 billion over the 2021-2030 period.

The multiemployer pension provisions would increase revenues because retirees would receive retirement benefits under the legislation that they would not receive under current law if the pension plans become insolvent. CBO and JCT estimate that those provisions would increase revenues by \$1.7 billion over the 2021-2030 period.

**Single-employer pension plans.** Current law specifies minimum funding requirements for single-employer private pension plans. In general, employers must contribute an amount that is at least equal to the present value of future benefits expected to be accrued that year (called the normal cost) plus a portion of the plan's funding shortfall.<sup>6</sup> The funding shortfall is the difference between the plan's assets and the funding target—a measure of the present value of future benefits—which generally must be funded over a seven-year period. The funding target and the normal cost are computed using a complex discounting formula in which different interest rates—currently below 5 percent—are used for benefits that are expected to be paid out over different future periods.

The legislation includes three provisions that would affect single-employer plans.

- First, the legislation would set all previous plan funding shortfalls to zero, thereby permitting a fresh calculation of plan funding deficiencies. These newly calculated shortfalls and all future funding shortfalls would be paid off over a period of fifteen years, rather than the current-law period of seven years.
- Second, the interest rate used for calculating minimum plan funding requirements would increase. A higher interest rate reduces the present value of future liabilities, reducing the amount of current funding required. The interest rate would be based on a specified percentage of the corporate bond yields for the segment over the prior 25-year period, known as the 25-year corridor. The Bipartisan Budget Act of 2015 increased those percentages through 2021; the legislation would extend that adjustment through 2026. Additionally, the legislation would institute a 5 percent interest rate floor, so the rate used would be the higher of the formula rate or 5 percent.
- Third, the legislation would allow community newspapers to reduce the amounts they contribute to their pension plans by choosing a higher interest rate of 8 percent. The legislation also would allow plans to fund the shortfall over a period of 30 years.

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6. A present value expresses a flow of future payments as a single amount at a specific time. The value depends on the rate of interest, known as the discount rate, used to translate future cash flows into current dollars

All three provisions would reduce required employer contributions, which would increase the degree to which some plans are underfunded and would over the next decade increase both federal revenue and income from PBGC premiums.

Employers can deduct their pension fund contributions from taxable income, and JCT estimates that the reduction in contributions would result in \$12.6 billion in increased revenues from corporate income tax collections over the 2021-2030 period.

Most single-employer pension plans are underfunded and pay variable-rate premiums to PBGC that are based on the amount by which the plans are underfunded. For 2021, the premium rate is 4.6 percent of a plan's funding shortfall. Smaller contributions would result in greater shortfalls and higher variable-rate premiums. (Variable-rate premiums would be based on the funding shortfall computed using current-law interest rates, not the higher rates that would be used to compute minimum contributions.)

CBO estimates that receipts from variable-rate premiums would increase by \$7.2 billion over the 2021-2030 period because of the increase in underfunding.

**Freeze Cost-of-Living Indexation for Pension Contributions.** Under current law, there are limits on the contributions that people can make to defined contribution retirement plans and on amounts paid by defined benefit pension plans, and those limits are adjusted annually for cost-of-living (COLA) increases. The legislation would stop those COLA adjustments for overall contributions to defined contribution plans and for the maximum annual benefit under a defined benefit plan, freezing those amounts, effective for calendar years beginning after December 31, 2030. The freeze also would apply to the limit on the annual compensation of an employee that may be taken into account under a qualified plan. This measure excludes individual retirement accounts (IRAs), certain deferred compensation plans maintained by state and local governments and tax-exempt organizations (457(b) plans), simplified employee pension (SEP) plans, and union plans; indexation would continue to apply to those programs. JCT estimates that the provision would reduce revenues by \$29 million over the 2021-2030 period.

### **Subtitle I. Child Care for Workers**

Section 9801 would amend title IV of the Social Security Act to permanently increase total funding for the Child Care Entitlement Program to \$3.55 billion. That program, which provides assistance to low-income families who need child care because of work and work-related activities, is currently authorized through September 30, 2021, at an annualized rate of \$2.92 billion. CBO's baseline projections include the assumption that the program will continue at that level of funding, consistent with the rules specified in section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985. Thus, relative to CBO's

baseline, Section 9801 would increase budget authority for the program by \$0.63 billion annually.

### **Net Effects on Health Insurance Coverage**

CBO and JCT estimate that the legislation would reduce the number of people under age 65 in the United States without health insurance coverage by about 800,000 in 2021, 1.3 million in 2022, and 400,000 in 2023. Most of the effect in 2021 would stem from section 9501, as people would enroll in COBRA rather than forgoing insurance coverage. Overall, the greatest reduction in the number of uninsured people would stem from section 9661.

Enacting that section, which would increase premium tax credits for all currently eligible income levels and expand eligibility to people with incomes greater than 400 percent of the FPL, would decrease the number of people without health insurance by 1.3 million in 2022.

### **Uncertainty**

The continuing effects of COVID-19 on the labor markets, an important component of much of this estimate, are difficult to predict. In addition, the interaction between expanded unemployment benefits, the unemployment rate and labor force participation, and the consequent effects on the budget are difficult to estimate. It is also difficult to forecast eligibility for and responses to new subsidies for health insurance. With respect to Subtitle H, there is uncertainty about both the number of pension plans that would qualify for grants and about the amount that each plan would receive.

The revenue estimates provided here are uncertain because they rely on underlying projections and other estimates that are uncertain. Specifically, they are based in part on CBO's economic projections for the next decade under current law, and on estimates of changes in taxpayers' behavior in response to changes in tax rules.

### **Pay-As-You-Go Considerations**

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in Table 1.

### **Increases On-Budget Deficits in any Year after 2030**

Several provisions would have budgetary effects after 2030, but CBO, in consultation with JCT, projects that on net, the legislation would not increase on-budget deficits in any year after 2030.

### **Mandates**

CBO and JCT have determined that the legislation would impose private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). Using information from JCT, CBO



estimates that the aggregate cost of the mandates imposed by the legislation would exceed the annual private-sector threshold established in UMRA (\$170 million in 2021, adjusted annually for inflation).

Specifically, the tax provisions of the bill would impose two private-sector mandates by repealing worldwide interest allocation and extending the amortization period for single employer pension plans.

The nontax provisions of the legislation would impose private sector mandates by requiring group health plans to include additional information about COBRA eligibility and premium assistance in notifications made to beneficiaries. Because group health plans routinely provide information to beneficiaries, CBO estimates that the additional cost of those mandates would be small.

CBO and JCT have determined that the legislation would not impose intergovernmental mandates as defined in UMRA.

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Table 1.

## Estimated Budget Effects of Reconciliation Recommendations

As Reported by the House Committee on Ways &amp; Means on February 10 and 11, 2021

By Fiscal Year, Millions of Dollars													2021-	2021-
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031		2030	2031
Increases or Decreases (-) in Direct Spending Outlays														
<b>Subtitle A – Crisis Support for Unemployed Workers<sup>a</sup></b>														
Federal Pandemic Unemployment Compensation														
<i>Estimated Budget Authority</i>	154,920	8,130	0	0	0	0	0	0	0	0	0	0	163,050	163,050
<i>Estimated Outlays</i>	154,920	8,130	0	0	0	0	0	0	0	0	0	0	163,050	163,050
Pandemic Unemployment Assistance														
<i>Estimated Budget Authority</i>	42,030	2,210	0	0	0	0	0	0	0	0	0	0	44,240	44,240
<i>Estimated Outlays</i>	42,030	2,210	0	0	0	0	0	0	0	0	0	0	44,240	44,240
Pandemic Emergency Unemployment Compensation														
<i>Budget Authority</i>	33,030	1,560	0	0	0	0	0	0	0	0	0	0	34,590	34,590
<i>Estimated Outlays</i>	33,030	1,560	0	0	0	0	0	0	0	0	0	0	34,590	34,590
Regular Unemployment Compensation														
<i>Estimated Budget Authority</i>	385	0	0	0	0	0	0	0	0	0	0	0	385	385
<i>Estimated Outlays</i>	385	0	0	0	0	0	0	0	0	0	0	0	385	385
Extended Unemployment Compensation														
<i>Estimated Budget Authority</i>	-3,030	0	0	0	0	0	0	0	0	0	0	0	-3,030	-3,030
<i>Estimated Outlays</i>	-3,030	0	0	0	0	0	0	0	0	0	0	0	-3,030	-3,030
Short-Time Compensation Programs														
<i>Estimated Budget Authority</i>	295	15	0	0	0	0	0	0	0	0	0	0	310	310
<i>Estimated Outlays</i>	295	15	0	0	0	0	0	0	0	0	0	0	310	310
Interest on Advances to State Unemployment Trust Funds														
<i>Estimated Budget Authority</i>	0	291	117	143	157	0	0	0	0	0	0	0	708	708
<i>Estimated Outlays</i>	0	291	117	143	157	0	0	0	0	0	0	0	708	708
Administrative Funding for States														
<i>Estimated Budget Authority</i>	140	0	0	0	0	0	0	0	0	0	0	0	140	140
<i>Estimated Outlays</i>	140	0	0	0	0	0	0	0	0	0	0	0	140	140
Administrative Funding for the Department of Labor														
<i>Budget Authority</i>	0	2,008	0	0	0	0	0	0	0	0	0	0	2,008	2,008
<i>Estimated Outlays</i>	0	602	1,004	201	201	0	0	0	0	0	0	0	2,008	2,008
<b>Subtitle A, Total</b>														
<i>Estimated Budget Authority</i>	227,770	14,214	117	143	157	0	0	0	0	0	0	0	242,401	242,401
<i>Estimated Outlays</i>	227,770	12,808	1,121	344	358	0	0	0	0	0	0	0	242,401	242,401
<b>Subtitle B – Emergency Assistance to Families through Home Visiting Programs</b>														
Sec. 9101. Home Visiting Programs														
<i>Budget Authority</i>	150	0	0	0	0	0	0	0	0	0	0	0	150	150
<i>Estimated Outlays</i>	5	48	60	36	0	0	0	0	0	0	0	0	149	149
<b>Subtitle C – Emergency Assistance to Children and Families</b>														
Sec. 9201. Pandemic Emergency Fund														
<i>Budget Authority</i>	1,000	0	0	0	0	0	0	0	0	0	0	0	1,000	1,000
<i>Estimated Outlays</i>	375	535	50	40	0	0	0	0	0	0	0	0	1,000	1,000
<b>Subtitle D – Elder Justice and Support Guarantee</b>														
Sec. 9301. Additional Funding for Aging and Disability Services Programs														
<i>Estimated Budget Authority</i>	88	188	0	0	0	0	0	0	0	0	0	0	276	276
<i>Estimated Outlays</i>	40	120	88	28	0	0	0	0	0	0	0	0	276	276
<b>Subtitle E – Support to Skilled Nursing Facilities in Response to COVID-19</b>														
Sec. 9401. Infection Control Support Through Quality Improvement Organizations														
<i>Budget Authority</i>	200	0	0	0	0	0	0	0	0	0	0	0	200	200
<i>Estimated Outlays</i>	22	128	50	0	0	0	0	0	0	0	0	0	200	200
Sec. 9402. Funding for Strike Teams for Resident and Employee Safety														
<i>Budget Authority</i>	250	0	0	0	0	0	0	0	0	0	0	0	250	250
<i>Estimated Outlays</i>	50	175	25	0	0	0	0	0	0	0	0	0	250	250
<b>Subtitle E, Total</b>														
<i>Estimated Budget Authority</i>	450	0	0	0	0	0	0	0	0	0	0	0	450	450
<i>Estimated Outlays</i>	72	303	75	0	0	0	0	0	0	0	0	0	450	450

continued

Table 1. Estimated Budget Effects of Reconciliation Recommendations by the House Committee on Ways & Means on February 10 and 11, 2021  
continued

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2021- 2030	2021- 2031
<b>Subtitle F – Preserving Health Benefits for Workers<sup>a,b</sup></b>													
Sec. 9501. Preserving Health Benefits for Workers													
<i>Estimated Budget Authority</i>	-6,018	-374	-74	0	0	0	0	0	0	0	0	-6,466	-6,466
<i>Estimated Outlays</i>	-6,021	-371	-74	0	0	0	0	0	0	0	0	-6,466	-6,466
<b>Subtitle G – Promoting Economic Security</b>													
<b>Part 1 - 2021 Recovery Rebates to Individuals<sup>a</sup></b>													
Sec. 9601 Recovery Rebates for Individuals													
<i>Estimated Budget Authority</i>	404,937	8,700	0	0	0	0	0	0	0	0	0	413,637	413,637
<i>Estimated Outlays</i>	404,937	8,700	0	0	0	0	0	0	0	0	0	413,637	413,637
Internal Revenue Service													
<i>Budget Authority</i>	1,465	0	0	0	0	0	0	0	0	0	0	1,465	1,465
<i>Estimated Outlays</i>	483	499	483	0	0	0	0	0	0	0	0	1,465	1,465
Fiscal Service													
<i>Budget Authority</i>	7	0	0	0	0	0	0	0	0	0	0	7	7
<i>Estimated Outlays</i>	3	4	0	0	0	0	0	0	0	0	0	7	7
Treasury Inspector General for Tax Administration													
<i>Budget Authority</i>	8	0	0	0	0	0	0	0	0	0	0	8	8
<i>Estimated Outlays</i>	2	3	3	0	0	0	0	0	0	0	0	8	8
<b>Part 2 - Child Tax Credit<sup>a</sup></b>													
Sec. 9611 Child Tax Credit Improvements for 2021 <sup>c</sup>													
<i>Estimated Budget Authority</i>	18,169	66,185	710	721	725	721	307	311	316	320	323	88,485	88,808
<i>Estimated Outlays</i>	18,169	66,185	710	721	725	721	307	311	316	320	323	88,485	88,808
Internal Revenue Service													
<i>Budget Authority</i>	397	0	0	0	0	0	0	0	0	0	0	397	397
<i>Estimated Outlays</i>	199	198	0	0	0	0	0	0	0	0	0	397	397
Fiscal Service													
<i>Budget Authority</i>	16	0	0	0	0	0	0	0	0	0	0	16	16
<i>Estimated Outlays</i>	8	8	0	0	0	0	0	0	0	0	0	16	16
<b>Part 3 - Earned Income Tax Credit</b>													
Sec. 9621. Strengthen the EITC for Individuals With No Qualifying													
<i>Estimated Budget Authority</i>	0	9,278	0	0	0	0	0	0	0	0	0	9,278	9,278
<i>Estimated Outlays</i>	0	9,278	0	0	0	0	0	0	0	0	0	9,278	9,278
Sec. 9622. Eligibility With Qualifying Children Who Fail to Meet Certain Identification Requirements <sup>a</sup>													
<i>Estimated Budget Authority</i>	0	11	2	1	1	1	2	2	2	2	2	24	26
<i>Estimated Outlays</i>	0	11	2	1	1	1	2	2	2	2	2	24	26
Sec. 9623. Credit Allowed in Case of Certain Separated Spouses													
<i>Estimated Budget Authority</i>	0	18	18	19	20	21	21	22	23	24	24	186	210
<i>Estimated Outlays</i>	0	18	18	19	20	21	21	22	23	24	24	186	210
Sec. 9624. Modification of Disqualified Investments Income Test <sup>a</sup>													
<i>Estimated Budget Authority</i>	0	224	141	143	165	164	162	159	159	165	173	1,482	1,655
<i>Estimated Outlays</i>	0	224	141	143	165	164	162	159	159	165	173	1,482	1,655
Sec. 9625. Application of the EITC in													
<i>Estimated Budget Authority</i>	0	738	746	764	781	798	814	831	849	867	885	7,188	8,074
<i>Estimated Outlays</i>	0	738	746	764	781	798	814	831	849	867	885	7,188	8,074
Sec. 9626. Temporary Special Rule for Determining Earned Income for the EITC <sup>a</sup>													
<i>Estimated Budget Authority</i>	0	2,866	0	0	0	0	0	0	0	0	0	2,866	2,866
<i>Estimated Outlays</i>	0	2,866	0	0	0	0	0	0	0	0	0	2,866	2,866
<b>Part 4 - Dependent Care Assistance<sup>a</sup></b>													
<i>Estimated Budget Authority</i>	0	3,752	0	0	0	0	0	0	0	0	0	3,752	3,752
<i>Estimated Outlays</i>	0	3,752	0	0	0	0	0	0	0	0	0	3,752	3,752
<b>Part 5 - Credits for Paid Sick and Family Leave<sup>a</sup></b>													
<i>Estimated Budget Authority</i>	3,323	431	0	0	0	0	0	0	0	0	0	3,754	3,754
<i>Estimated Outlays</i>	3,323	431	0	0	0	0	0	0	0	0	0	3,754	3,754

continued

Table 1. Estimated Budget Effects of Reconciliation Recommendations by the House Committee on Ways & Means on February 10 and 11, 2021  
continued

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2021- 2030	2021- 2031
<b>Part 6 - Employee Retention Credit</b>													
<i>Estimated Budget Authority</i>	1,090	878	0	0	0	0	0	0	0	0	0	1,968	1,968
<i>Estimated Outlays</i>	1,090	878	0	0	0	0	0	0	0	0	0	1,968	1,968
<b>Part 7 - Premium Tax Credit</b>													
Sec. 9661. Expanding Premium Assistance for Consumers <sup>a,b</sup>													
<i>Estimated Budget Authority</i>	2,731	13,945	4,942	404	0	0	0	0	0	0	0	22,022	22,022
<i>Estimated Outlays</i>	2,731	13,945	4,942	404	0	0	0	0	0	0	0	22,022	22,022
Sec. 9663. Application of the Premium Tax Credit for Individuals Receiving Unemployment Compensation in 2021 <sup>a</sup>													
<i>Estimated Budget Authority</i>	1,351	926	149	0	0	0	0	0	0	0	0	2,426	2,426
<i>Estimated Outlays</i>	1,351	926	149	0	0	0	0	0	0	0	0	2,426	2,426
<b>Subtitle G, Total</b>													
<i>Estimated Budget Authority</i>	433,494	107,952	6,708	2,052	1,692	1,705	1,306	1,325	1,349	1,378	1,407	558,961	560,368
<i>Estimated Outlays</i>	432,296	108,664	7,194	2,052	1,692	1,705	1,306	1,325	1,349	1,378	1,407	558,961	560,368
<b>Subtitle H - The Butch Lewis Emergency Pension Plan Relief Act of 2021</b>													
Sec. 9704. Multiemployer Pension Plans <sup>a,d</sup>													
<i>Estimated Budget Authority</i>	13	82,468	2,496	651	25	13	0	0	0	0	0	85,666	85,666
<i>Estimated Outlays</i>	12	82,452	2,379	497	-341	-1,206	-839	102	91	81	75	83,229	83,304
Sec. 9705. Single-Employer Pension Plans <sup>a,e</sup>													
<i>Budget Authority</i>	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Estimated Outlays</i>	-107	-144	-232	-353	-1,124	-93	-917	-1,156	-1,419	-1,643	-1,819	-7,188	-9,007
Sec. 9707. Modification of Special Rules for Minimum Funding Standards for Community Newspaper Plans <sup>a</sup>													
<i>Budget Authority</i>	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Estimated Outlays</i>	-7	-7	-11	-15	-18	-21	-24	-27	-30	-32	-35	-192	-227
<b>Subtitle H, Total</b>													
<i>Estimated Budget Authority</i>	13	82,468	2,496	651	25	13	0	0	0	0	0	85,666	85,666
<i>Estimated Outlays</i>	-102	82,301	2,136	129	-1,483	-1,320	-1,780	-1,081	-1,358	-1,594	-1,779	75,849	74,070
<b>Subtitle I - Childcare for Workers</b>													
Sec. 9801. Child Care Assistance Programs													
<i>Budget Authority</i>	633	633	633	633	633	633	633	633	633	633	633	6,330	6,963
<i>Estimated Outlays</i>	146	317	456	519	570	601	633	633	633	633	633	5,141	5,774
<b>Total Increase in Direct Spending</b>													
<i>Estimated Budget Authority</i>	657,580	205,081	9,880	3,479	2,507	2,351	1,939	1,958	1,982	2,011	2,040	888,768	890,808
<i>Estimated Outlays</i>	654,581	204,725	11,106	3,148	1,137	986	159	877	624	417	261	877,761	878,022
<b>Increases or Decreases (-) in Revenues</b>													
<b>Subtitle A – Crisis Support for Unemployed Workers<sup>a</sup></b>													
<i>On-budget</i>	-3,380	-349	83	83	65	31	25	4	0	0	0	-3,438	-3,438
<b>Subtitle F – Preserving Health Benefits for Workers<sup>a,b</sup></b>													
<i>On-budget</i>	-10,832	-3,488	55	0	0	0	0	0	0	0	0	-14,265	-14,265
<i>Off-budget</i>	4	-32	-13	0	0	0	0	0	0	0	0	-41	-41
<i>Total</i>	-10,828	-3,520	42	0	0	0	0	0	0	0	0	-14,306	-14,306
<b>Subtitle G – Promoting Economic Security</b>													
<b>Part 1 - 2021 Recovery Rebates to Individuals<sup>a</sup></b>													
Sec. 9601. Recovery Rebates for													
<i>On-budget</i>	0	-8,700	0	0	0	0	0	0	0	0	0	-8,700	-8,700
<b>Part 2 - Child Tax Credit<sup>a</sup></b>													
Sec. 9611. Child Tax Credit Improvements for 2021 <sup>c</sup>													
<i>On-budget</i>	-7,657	-13,063	0	0	0	0	0	0	0	0	0	-20,720	-20,720
<b>Part 3 - Earned Income Tax Credit</b>													
Sec. 9621. Strengthen the EITC for Individuals With No Qualifying Children <sup>a</sup>													
<i>On-budget</i>	-521	-2,083	0	0	0	0	0	0	0	0	0	-2,604	-2,604
Sec. 9622. Eligibility With Qualifying Children Who Fail to Meet Certain Identification Requirements <sup>a</sup>													
<i>On-budget</i>	*	-1	0	0	0	0	0	0	0	0	0	0	0

continued

Table 1. Estimated Budget Effects of Reconciliation Recommendations by the House Committee on Ways & Means on February 10 and 11, 2021  
continued

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2021- 2030	2021- 2031
Sec. 9623. Credit Allowed in Case of Certain Separated Spouses <sup>a</sup> <i>On-budget</i>	-1	-2	-3	-3	-3	-4	-4	-5	-5	-6	-7	-36	-42
Sec. 9624. Modification of Disqualified Investments Income Test <sup>a</sup> <i>On-budget</i>	-24	-106	-57	-57	-60	-65	-76	-74	-72	-75	-78	-666	-744
Sec. 9626. Temporary Special Rule for Determining Earned Income for the EITC <sup>a</sup> <i>On-budget</i>	0	-319	0	0	0	0	0	0	0	0	0	-319	-319
<b>Part 4 - Dependent Care Assistance<sup>a</sup></b>													
Sec. 9631. Refundability and Enhancement of the Child and Dependent Care Tax Credit <i>On-budget</i>	-2,127	-2,085	0	0	0	0	0	0	0	0	0	-4,212	-4,212
Sec. 9632. Increase in Exclusion for Employer Provided Dependent Care Assistance <i>On-budget</i>	-27	-14	0	0	0	0	0	0	0	0	0	-41	-41
<i>Off-budget</i>	-51	-25	0	0	0	0	0	0	0	0	0	-76	-76
<i>Total</i>	-78	-39	0	0	0	0	0	0	0	0	0	-117	-117
<b>Part 5 - Credits for Paid Sick and Family Leave<sup>a</sup></b>													
<i>On-budget</i>	-731	-723	0	0	0	0	0	0	0	0	0	-1,454	-1,454
<b>Part 6 - Employee Retention Credit</b>													
<i>On-budget</i>	-1,701	-5,115	0	0	0	0	0	0	0	0	0	-6,816	-6,816
<b>Part 7 - Premium Tax Credit</b>													
Sec. 9661. Expanding Premium Assistance for Consumers <sup>a,b</sup> <i>On-budget</i>	-1,419	-8,004	-2,813	-97	23	0	0	0	0	0	0	-12,310	-12,310
<i>Off-budget</i>	7	76	52	10	0	0	0	0	0	0	0	145	145
<i>Total</i>	-1,412	-7,928	-2,761	-87	23	0	0	0	0	0	0	-12,165	-12,165
Sec. 9662. Modification of Limits on Reconciliation of Tax Credits <i>On-budget</i>	-4,696	-1,565	0	0	0	0	0	0	0	0	0	-6,261	-6,261
Sec. 9663. Application of the Premium Tax Credit for Individuals Receiving Unemployment Compensation in 2021 <sup>a</sup> <i>On-budget</i>	-1,379	-841	-108	0	0	0	0	0	0	0	0	-2,328	-2,328
<i>Off-budget</i>	107	107	25	0	0	0	0	0	0	0	0	239	239
<i>Total</i>	-1,272	-734	-83	0	0	0	0	0	0	0	0	-2,089	-2,089
<b>Part 8 - Miscellaneous Provisions</b>													
Sec. 9671. Repeal of Election to Allocate Interest on a Worldwide Basis <i>On-budget</i>	335	1,277	2,023	2,284	2,383	2,334	2,358	2,385	2,343	2,283	2,327	20,005	22,331
<b>Subtitle G, Total</b>													
<i>On-budget</i>	-19,948	-41,344	-958	2,127	2,343	2,265	2,278	2,306	2,266	2,202	2,242	-46,463	-44,221
<i>Off-budget</i>	63	158	77	10	0	0	0	0	0	0	0	308	308
<i>Total</i>	-19,885	-41,186	-881	2,137	2,343	2,265	2,278	2,306	2,266	2,202	2,242	-46,155	-43,913
<b>Subtitle H - The Butch Lewis Emergency Pension Plan Relief Act of 2021</b>													
Sec. 9704. Multiemployer Pension Plans <sup>a,d</sup> <i>On-budget</i>	12	15	17	25	120	214	257	292	334	377	406	1,663	2,069
Sec. 9705. Single-Employer Pension Plans <sup>a,e</sup> <i>On-budget</i>	229	311	499	688	973	1,273	1,522	1,644	1,611	1,329	976	10,079	11,053
<i>Off-budget</i>	25	53	95	150	238	312	380	434	447	374	273	2,508	2,781
<i>Total</i>	254	364	594	838	1,211	1,585	1,902	2,078	2,058	1,703	1,249	12,587	13,834
Sec. 9707. Modification of Special Rules for Minimum Funding Standards for Community Newspaper Plans <sup>a</sup> <i>On-budget</i>	16	10	10	9	7	7	6	4	1	-3	-5	67	63
<i>Off-budget</i>	2	2	3	3	3	3	3	2	1	1	*	23	21
<i>Total</i>	18	12	13	12	10	10	9	6	2	-2	-5	90	85
Sec. 9708. Freeze Cost-of-Living Indexation for Pension Contributions <i>On-budget</i>	0	0	0	0	0	0	0	-2	-7	-13	38	16	16
<i>Off-budget</i>	0	0	0	0	0	0	0	-1	-2	-4	20	-7	13
<i>Total</i>	0	0	0	0	0	0	0	-3	-9	-17	58	-29	29

continued



Table 1. Estimated Budget Effects of Reconciliation Recommendations by the House Committee on Ways & Means on February 10 and 11, 2021  
continued

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2021- 2030	2021- 2031
<b>Subtitle H, Total</b>													
<i>On-budget</i>	257	336	526	722	1,100	1,494	1,785	1,938	1,939	1,690	1,415	11,787	13,202
<i>Off-budget</i>	27	55	98	153	241	315	383	435	446	371	293	2,524	2,817
<i>Total</i>	284	391	624	875	1,341	1,809	2,168	2,373	2,385	2,061	1,708	14,311	16,019
<b>Total Changes in Revenues</b>													
<i>On-budget</i>	-33,903	-44,845	-294	2,932	3,508	3,790	4,088	4,248	4,205	3,892	3,657	-52,379	-48,722
<i>Off-budget</i>	94	181	162	163	241	315	383	435	446	371	293	2,791	3,084
<i>Total</i>	-33,809	-44,664	-132	3,095	3,749	4,105	4,471	4,683	4,651	4,263	3,950	-49,588	-45,638
<b>Net Increase or Decrease (-) in the Deficit From Changes in Direct Spending and Revenues</b>													
<b>Estimated Effect on the Deficit</b>	<b>688,390</b>	<b>249,389</b>	<b>11,238</b>	<b>53</b>	<b>-2,612</b>	<b>-3,119</b>	<b>-4,312</b>	<b>-3,806</b>	<b>-4,027</b>	<b>-3,846</b>	<b>-3,689</b>	<b>927,349</b>	<b>923,660</b>
<i>Estimated Change in On-Budget Deficit</i>	688,484	249,570	11,400	216	-2,371	-2,804	-3,929	-3,371	-3,581	-3,475	-3,396	930,140	926,744
<i>Off-Budget Deficit</i>	-94	-181	-162	-163	-241	-315	-383	-435	-446	-371	-293	-2,791	-3,084

Components may not sum to totals because of rounding.

CHIP = Children's Health Insurance Program; EITC = earned income tax credit; \* = between zero and \$500 million.

- a. Section would affect direct spending and revenues, which are shown separately.
- b. The estimated budgetary effects differ from estimates published by the staff of the Joint Committee on Taxation (JCT). This estimate includes \$10 million in funding for implementing section 9501 and for changes in outlays under sections 9501 and 9661 for Medicare, Medicaid, and CHIP, whereas JCT's estimates do not. (See Staff of the Joint Committee on Taxation, Estimated Budgetary Effects of the Revenue Provisions of the Budget Reconciliation Legislative Recommendations, as Passed by the House Committee on Ways and Means on February 11, 2021, JCX-10-21 (February 15, 2021), <https://www.jct.gov/publications/2021/jcx-10-21/>.)
- c. Includes the budgetary effects of section 9612.
- d. Includes the budgetary effects of sections 9701, 9702, and 9703.
- e. Includes the budgetary effects of section 9706.