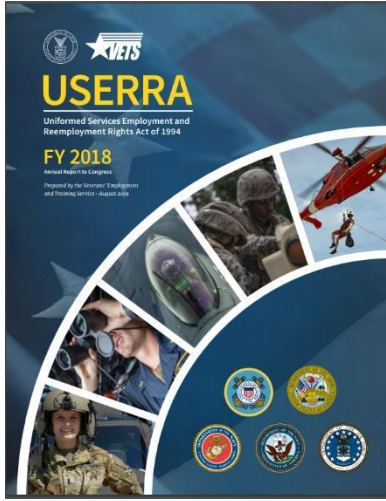




### Reserve Employers Comprehensive Relief and Uniform Incentives on Taxes Act of 2021

Guard and Reserve servicemembers continue to experience problems maintaining employment because of the demands for meeting the steady operational support provided to the Active Component as well as an increase in Domestic Response mobilizations. In February 2017, the Department of Labor found Gulf War-era II veterans continue to have higher unemployment rates than their civilian counterparts.



In the FY2018 annual report on the Uniformed Services Employment and Reemployment Rights Act of 1994, the Department of Labor reported they had reviewed 1,095 cases on USERRA, and “During FY 2018, ESGR received 17,568 contacts by telephone and email. Of those contacts, 1,655 resulted in actual USERRA cases which were reviewed by ESGR Ombudsmen.”

62%	of reviewed complaints under USERRA contained allegations of discrimination on the basis of past, present or future military service or status
15%	of the complaints involved allegations of improper reinstatement into civilian jobs following military service
917	unique USERRA complaint cases in FY 2018

In the 116<sup>th</sup>, 1<sup>st</sup> Session of Congress **H.R. 801, the Reserve Component Employer Incentive, Compensation, and Relief Act of 2019** was introduced to provide an employer tax credit to help ease the strain employers felt from multiple deployments and activation:

The tax credit provides a scalable benefit for each employee based on the number of days missed for uniformed service. It covers Reservist employed and equals \$1,000 plus an amount depending on the day of service in uniform during the year:

- 30-89 days of service à \$3,000
- 90-179 days of service à \$5,000
- 180+ days of service à \$10,000

During this 1<sup>st</sup> session of the 117<sup>th</sup> Congress, Rep Ryan and Rep. Palazzo have introduced the “Reserve Employers Comprehensive Relief and Uniform Incentives on Taxes Act of 2021” or as the “RECRUIT Act of 2021”. This bill offers two changes from the 116<sup>th</sup> bill.



## ENLISTED ASSOCIATION OF THE NATIONAL GUARD OF THE UNITED STATES

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1 Massachusetts Avenue N.W., Suite 880 | Washington D.C., 20001 | 800-234-EANG (3264) | Fax 703-519-3849  
www.eangus.org | www.eangusconference.org | eangus@eangus.org

- 1) To calculate qualifying days of service, we exempted regularly scheduled weekend drills and annual training (39 days/year).
- 2) We limited employer eligibility to only small business concerns as defined by the Small Business Administration.

EANGUS believes these two changes focus on the employers who need relief from multiple activations and deployment.

While employers have tried to support national security, it would be naïve to think they are not encountering problems during these times. Companies absorb the cost of replacing servicemembers with temporary employees or increasing overtime to fill the vacancy of mobilizations. Servicemembers have told EANGUS that they are seeing fewer and fewer Guard and Reserve employees because of the cost and disruption to companies. That is exacerbated in high-demand specialties. Because the purpose of tax credits is to promote a specific behavior, EANGUS believes offering tax credits to companies will encourage them to hire Guard and Reserve members.

For further information, please contact the EANGUS legislative director Kevin Hollinger at (202) 670-1826 or email at [kevin@eangus.org](mailto:kevin@eangus.org).