

The Shutdown Stabilizer Act

Draft Legislative Language for Payroll Continuity During Federal Shutdowns

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SEC. 1. SHORT TITLE.

This Act may be cited as the “Shutdown Stabilizer Act”.

SEC. 2. PURPOSE.

The purpose of this Act is to ensure continuity of payroll for essential Federal employees during a lapse in appropriations by authorizing the issuance of covered compensation as temporary advances, to be reconciled upon the restoration of appropriations.

SEC. 3. DEFINITIONS.

In this Act:

(1) ESSENTIAL EMPLOYEE. — The term “essential employee” means a Federal employee designated as excepted or otherwise required to continue performing duties during a lapse in appropriations under applicable law and guidance.

(2) SHUTDOWN PERIOD. — The term “shutdown period” means any period during which a lapse in appropriations results in a partial or full suspension of Federal funding operations.

(3) COVERED COMPENSATION. — The term “covered compensation” means salary, wages, and standard payroll obligations owed to essential employees for work performed during a shutdown period, excluding bonuses, discretionary payments, or newly authorized compensation.

SEC. 4. ESTABLISHMENT OF TREASURY PAYROLL CONTINUITY AUTHORITY.

(a) IN GENERAL. — There is established within the Department of the Treasury a Treasury Payroll Continuity Authority.

(b) AUTHORITY. — During a shutdown period, the Secretary of the Treasury shall issue payments of covered compensation to essential employees notwithstanding a lapse in appropriations.

(c) LIMITATION. — The authority under this section shall be limited to covered compensation for essential employees and shall not extend to new hiring, expanded compensation, or non-essential personnel.

SEC. 5. ACTIVATION.

The authority under section 4 shall activate automatically upon the commencement of a shutdown period and shall remain in effect for the duration of such period, terminating upon the restoration of appropriations.

SEC. 6. PAYMENT AUTHORITY.

(a) CONTINUITY OF PAYROLL. — During a shutdown period, the Secretary of the Treasury shall continue issuing covered compensation to essential employees in accordance with existing payroll schedules and administrative processes.

(b) NATURE OF PAYMENTS. — Payments issued under this section—

- (1) shall be limited to compensation for work performed during the shutdown period;
- (2) shall follow existing payroll systems, schedules, and administrative processes;
- (3) shall not alter underlying compensation structures or entitlements; and
- (4) shall be recorded as temporary advances against future appropriations.

SEC. 7. RECONCILIATION.

(a) IN GENERAL. — Upon the restoration of appropriations, all payments issued under this Act shall be reconciled against the applicable agency appropriations.

(b) TREATMENT. — Such payments shall be treated as obligations against the appropriations covering the affected agencies.

(c) NO ADDITIONAL COMPENSATION. — Nothing in this Act shall be construed to authorize additional compensation beyond amounts otherwise owed for work performed.

SEC. 8. SAFEGUARDS.

(a) TIME LIMITATION. — The authority under this Act shall remain in effect only during a shutdown period.

(b) SCOPE LIMITATION. — The authority shall apply exclusively to covered compensation for essential employees.

(c) REPORTING. — Following each shutdown period, the Secretary of the Treasury shall submit a report detailing the total payments issued under this Act and the timeline of reconciliation.

SEC. 9. AUTHORIZATION OF CAPACITY.

The Secretary of the Treasury shall maintain sufficient capacity to carry out this Act during a multi-month shutdown period.

Such capacity shall be calibrated based on expected payroll obligations for essential employees, consistent with historical contingency planning assumptions.