

# **ATTACHMENT H**

## **MATERIALS FROM THE SECOND TASK FORCE MEETING**

# Social Security Retirement Pay Task Force Agenda

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When:

Thursday June 20th 1:00 PM

Location:

James R. Thompson Center  
100 W Randolph St., Room 2-025  
Chicago, IL 60601

Agenda:

- 1) Prior Task Force Requests
  - 2009-2012 SSR Offset Cost Estimates
  - How other states treat retirement pay
  - Virginia Legislation and projections
  - State Comparison
- 2) Pending Illinois Social Security Related Legislation
  - HB2772 (Rep. Moffitt)
  - HB3042 (Rep. Cassidy)
- 3) Public Comments
- 4) Task Force Discussion

This agenda conforms to the requirements of Section 2.02 of the Illinois Open Meetings Act (5 ILCS 120/02).

Any individual planning to attend who will need an accommodation under the Americans with Disabilities Act should notify Caroline Alamillo at 312-793-9290

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Pat Quinn  
Governor

Jay Rowell  
Director

**Social Security Retirement Pay Task Force**  
**Tuesday, May 7, 2013**  
**Minutes**

**Attendees/Members:**

**Monica Brar**  
**Tim Drea**  
**Ryan Gruenenfelder**  
**Kim Maisch**  
**Jay Rowell**  
**Dave Vite**  
**Representative Kelly Cassidy (via telephone)**

**Agenda:**

**Agreed Bill Process Background and Overview (Jay Rowell)**

Changes to the state's Unemployment Insurance Act have typically been subject to the agreed bill process. Under that process, legislation to amend the Act must be agreed to by the state's business and labor communities in order to pass the General Assembly and be signed into law. Reaching agreement typically requires that the legislation contain a combination of concessions and/or benefits for workers and compensating concessions/and or benefits for employers. The agreed bill process can make difficult legislation easier to pass. A recent case in point is PA 97-621, which addressed a \$2-billion shortfall in the state's account in the Unemployment Trust Fund. That legislation also established the Social Security Retirement Pay Task Force.

**UI 101 (Joe Mueller)**

The unemployment insurance system is a federal-state system intended to provide temporary benefits to unemployed workers. It is supported in large part by two taxes paid by employers: a state tax that will vary by employer, depending on the employer's past experience with unemployment, and a flat federal tax.

An individual's weekly unemployment benefit will be the sum of a basic "weekly benefit amount," less "disqualifying income," plus an additional allowance for claimants with a dependent spouse or one or more dependent children. The weekly benefit amount and dependent allowance are based on a claimant's prior earnings. The Act identifies payments that constitute disqualifying income, which includes all or a portion of certain types of privately funded retirement pay and 50 percent of social security retirement pay attributable to a week. If a claimant qualifies for a dependent allowance for a week but also has disqualifying income for the week, as long as the disqualifying income does not reduce the weekly benefit amount to zero, he/she will be entitled to the full dependent allowance.

Assuming no disqualifying income, weekly benefits can currently range from \$51/week to \$562/week.

The maximum amount of regular state unemployment a benefit claimant can receive over a one-year period is typically 26 times his/her weekly benefit amount, plus any weekly dependent allowances to which he/she is entitled. Individuals who exhaust their rights to regular state benefits may currently qualify for federally funded emergency unemployment compensation, which is generally subject to the same rules as regular benefits.

The state unemployment tax that employers pay funds regular state unemployment benefits and is calculated as a percentage of the wages that are paid by the employer and subject to the tax. For 2013, the first \$12,900 in wages paid to each employee is subject to the tax; for the next several years, the first \$12,960 is subject to the tax. For 2013, tax rates range from 0.55 percent to 8.95 percent, including a 0.55-percent surcharge paid by virtually all taxable employers.

A major component of an employer's past experience with unemployment is the amount of regular benefits paid to its former employees, divided by its taxable payroll. In general, the greater the amount of benefits that are charged to an employer, the higher its state tax rate is apt to be; the smaller the employer's taxable payroll, the more likely it is that benefits for which the employer is charged will increase its tax rate.

#### **UI 101 (Linda DeMore)**

Including \$1.5 billion in proceeds from a 2012 bond issuance, the state's account in the Unemployment Trust Fund is projected to end calendar year 2013 with a positive balance of \$830 million, with year-end balances increasing to \$2.47 billion through 2019 – the extent of the forecast horizon.

#### **Master Bond Fund (Linda DeMore)**

The Master Bond is the depository for proceeds of bonds issued to cover shortfalls in the state's Unemployment Trust Fund account, as well as revenues from a surcharge paid by Illinois employers and dedicated to the repayment of bond obligations. When bonds are not outstanding, revenues from the surcharge are deposited into the Unemployment Trust Fund account. On 7/31/2012, \$1.6 billion in bond proceeds, net of premium and underwriters' discount, were deposited into the Master Bond Fund upon closing of the Series 2012 Bonds. A little over \$1.5 billion was used to repay outstanding federal advances to the Unemployment Trust Fund account and build a surplus, thereby avoiding federal tax increases for the state's employers for 2012 and beyond and locking in lower interest rates than would have been payable on the federal advances. A little over \$48 million in proceeds was used to pay interest on outstanding federal advances from 2011. On 12/15/2012, \$24.7 million in interest was paid on the bonds.

#### **Comparison of State Laws (Joe Mueller)**

According to the United States Department of Labor's Comparison of State Unemployment Laws, four other jurisdictions besides Illinois still reduce unemployment benefits by at least some portion of social security retirement pay the claimant receives: Louisiana, Minnesota, South Dakota and the Virgin Islands.

Mr. Gruenenfelder indicated it was his understanding that Louisiana was the only other jurisdiction that still reduced unemployment benefits due to the receipt of social security retirement pay.

Mr. Vite inquired as to how other jurisdictions' laws treat retirement pay in general.

## **Estimate of Impact of Eliminating Illinois' Social Security Retirement Deduction (Joe Mueller)**

To gauge the potential impact of eliminating Illinois' social security retirement deduction, the Department examined potential outlays for 2011 and 2012 had the deduction not been in effect, by focusing on individuals who claimed benefits during those years and who, because of the deduction, either had their benefits reduced or were totally disqualified. For 2011, potential outlays totaled a little over \$70 million. For 2012, potential outlays totaled just over \$53 million. The methodology did not attempt quantify the amount of benefits potentially payable to individuals who would have been subject to the deduction but did not attempt to claim benefits (e.g., because they knew they would be totally disqualified).

Mr. Gruenenfelder inquired into the financial impact of eliminating the social security retirement deduction in other states and noted that Virginia had amended its law in 2011 to eliminate the deduction. The Department planned to follow up with Virginia.

### **Task Force Discussion/Public Comments**

As part of a general discussion among Task Force members, Mr. Gruenenfelder expressed a desire to hear from individuals whose benefits had been reduced or denied altogether as a result of Illinois' social security retirement deduction.



## Social Security Cost Estimate

### Estimate of removal of the Social Security offset from the UI Act

<b>2009</b>	
Claimants with Totally Ineligibility	1371
Total Number of Claimants Partial Deductions	15236
<b>Total Claimants in 2009</b>	<b>16607</b>
<b>Total AMOUNT in DEDUCTIONS in 2009</b>	<b>\$ 58,575,763.74</b>
<b>Totally ineligible with WBA&lt;TOTAL DEDUCTIONS in 2009</b>	<b>\$ 4,102,722.00</b>
<b>NET TOTAL in 2009</b>	<b>\$ 62,678,485.74</b>

<b>2010</b>	
Claimants with Totally Ineligibility	2727
Total Number of Claimants Partial Deductions	17528
<b>Total Claimants in 2010</b>	<b>20255</b>
<b>Total AMOUNT DEDUCTIONS in 2010</b>	<b>\$ 66,772,984.98</b>
<b>Totally ineligible with WBA&lt;TOTAL DEDUCTIONS in 2010</b>	<b>\$ 7,940,712.00</b>
<b>NET TOTAL in 2010</b>	<b>\$ 74,713,696.98</b>

<b>2011</b>	
Claimants with Totally Ineligibility	3776
Total Number of Claimants Partial Deductions	15770
<b>Total Claimants in 2011</b>	<b>19546</b>
<b>Total AMOUNT in DEDUCTIONS in 2011</b>	<b>\$ 59,940,152.22</b>
<b>Totally ineligible with WBA&lt;TOTAL DEDUCTIONS in 2011</b>	<b>\$ 10,554,284.00</b>
<b>NET TOTAL in 2011</b>	<b>\$ 70,494,436.22</b>

<b>2012</b>	
Claimants with Totally Ineligibility	2870
Total Number of Claimants Partial Deductions	12052
<b>Total Claimants in 2012</b>	<b>14922</b>
<b>Total AMOUNT DEDUCTIONS in 2012</b>	<b>\$ 45,304,802.75</b>
<b>Totally ineligible with WBA&lt;TOTAL DEDUCTIONS in 2012</b>	<b>\$ 7,713,825.00</b>
<b>NET TOTAL in 2012</b>	<b>\$ 53,018,627.75</b>

#### Estimate limitations:

No reliable estimate as to how many individuals subject to offset do not file.

## How Other States Generally Treat Retirement Payments

FUTA requires states to reduce the weekly benefit amount of any individual by the amount, allocated weekly, of any “governmental or other pension, retirement or retired pay, annuity, or any other similar periodic payment which is based on the previous work of such individual...” This requirement applies only to payments made under a plan maintained or contributed to by a base-period or chargeable employer which affected eligibility for or increased the amount of the retirement pay. States are permitted to reduce benefits on less than a dollar-for-dollar basis by taking into account the contributions made by the individual to the plan in question. (This effectively means the FUTA requirement is limited to 100 percent employer-financed pensions.) Also, the requirement applies only to those payments made on a periodic (as opposed to lump-sum) basis. As a result, the states may choose from a variety of options in creating a retirement pay provision. In 2008, FUTA was amended to prohibit reductions for pensions, retirement or retired pay, annuity, or other similar payment which is not includible in the gross income of the individual because it was a part of a rollover distribution.

<b>Table 5-21: EFFECT OF RETIREMENT PAYMENTS</b>							
State	Deducts All BP Employer Pensions (51 States)	Considers Employee Contributions To Pensions	Excludes Pensions Not Affected By BP Work	State	Deducts All Pensions BP Employer (51 States)	Considers Employee Contributions To Pensions	Excludes Pensions Not Affected By BP Work
AL	X		X	AK	X	X	X
AZ	X	X	X	AR	X	X	
CA	X	X	X	CO	X		
CT	X	X	X	DE	X	X	
DC	X	X		FL	X	X	X
GA	X	X	X	HI	X	X	X
ID	X <sub>1</sub>	X		IL	X <sub>2</sub>	X	
IN	X <sub>3</sub>			IA	X	X	X
KS	X	X	X	KY	X	X	X
LA	X			ME	X	X	X
MD	X <sub>4</sub>	X		MA	X	X	X

MI	X	X	X	MN	X		
MS	X			MO	X		X
MT	X	X	X	NE	X	X <sup>5</sup>	
NV	X	X	X	NH	X	X	X
NJ	X	X	X	NM	X	X	
NY	X	X	X	NC	X		
ND	X	X	X	OH			
OK	X		X	OR	X	X	
PA	X	X	X	PR	X	X	X
RI	X	X	X	SC	X	X	
SD	X	X		TN	X	X	X
TX	X	X		UT	X		X
VT		X		VI	X		
VA	X <sup>2</sup>			WA	X	X	X
WV	X		X	WI	X	X	X
WY	X	X					

1 Only reportable if 100 percent funded by employer.

2 Deducted if BP or chargeable employer.

3 No deduction if individual uses distribution from pension, retirement or annuity plan to satisfy a severe financial hardship resulting from an unforeseeable emergency that is due to events beyond individual's control.

4 Excludes lump sums paid at time of layoff or shutdown of operations.

5 By regulation.

Source: Comparison of State Unemployment Laws. (2012) U.S. Department of Labor Employment and Training Administration.

[www.doleta.gov](http://www.doleta.gov) Retrieved from <http://workforcesecurity.doleta.gov/unemploy/pdf/uilawcompar/2012/nonmonetary.pdf>

## Department of Planning and Budget 2011 Fiscal Impact Statement

**1. Bill Number:** SB1113

**House of Origin**     Introduced       Substitute       Engrossed  
**Second House**     In Committee     Substitute       Enrolled

**2. Patron:**      Watkins

**3. Committee:** Passed Both Houses

**4. Title:**      Unemployment compensation; Social Security offset.

**5. Summary:** This bill eliminates the requirement that unemployment compensation benefits be reduced by 50 percent of the amount of the claimant's Social Security Act or Railroad Retirement Act retirement benefits in years when the solvency level of the unemployment trust fund is less than 50 percent. Currently, such a reduction in unemployment benefits is not required in years when the solvency level of the unemployment trust fund exceeds 50 percent. The bill contains an enactment clause that estimates the annual net revenue loss resulting from this bill at \$7,286.

**6. Budget Amendment Necessary:** No. Any necessary changes to the agency's nongeneral fund appropriation may be made administratively.

**7. Fiscal Impact Estimates:** Final.

**7a. Expenditure Impact: Unemployment Trust Fund**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011	\$0	n/a
2012	\$5.9 million	Nongeneral
2013	\$5.1 million	Nongeneral
2014	\$4.4 million	Nongeneral
2015	\$1.8 million	Nongeneral
2016	\$0	n/a
2017	\$0	n/a

**7b. Revenue Impact: Unemployment Taxes**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011	\$0	n/a
2012	\$0	n/a
2013	\$1.5 million	Nongeneral
2014	\$1.8 million	Nongeneral
2015	\$3.4 million	Nongeneral
2016	\$12.6 million	Nongeneral
2017	\$10.7 million	Nongeneral

**7c. Revenue Impact: General fund**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011	\$0	n/a
2012	\$0	n/a
2013	(\$4,500)	General
2014	(\$5,400)	General
2015	(\$10,200)	General
2016	(\$37,800)	General
2017	(\$32,100)	General

- 8. Fiscal Implications:** The Virginia Employment Commission (VEC) estimates that eliminating the social security offset to restore full unemployment insurance benefit payments for individuals who simultaneously qualify for social security benefits and unemployment insurance benefits will increase the unemployment tax cost per employee by an average of **\$0.69** over the next eight years.

Payment of unemployment taxes lowers corporations' taxable income. According to VEC, the impact on general fund revenues as a result of this bill is estimated at an average reduction of **\$9,488** annually. Note that this is higher than the estimated annual net revenue loss of \$7,286 listed in the enactment clause of this bill.

Finally, this bill would require VEC to borrow additional monies from the federal government in order to make benefit payments as needed. These borrowed monies are anticipated to result in an additional \$300,000 in interest owed to the federal government by September 30, 2011, (\$100,000), and September 30, 2012, (\$200,000). These interest payments must be made with non-federal monies, and therefore would need to come from agency's special funds, a general fund appropriation, or increased taxes on employers. At this time, there is no appropriation for the additional interest.

- 9. Specific Agency or Political Subdivisions Affected:** Virginia Employment Commission.

- 10. Technical Amendment Necessary:** Yes, line 32, after "revenue loss is" strike "\$".

- 11. Other Comments:** This bill is identical to HB2357.

**Date:** February 15, 2011

c: Secretary of Commerce and Trade

# Current and Past Legislation

HB3042 (Rep. Cassidy)

HB2772 (Rep. Moffitt)

SB0144 97<sup>th</sup> G.A. (Sen. Steans)

All three bills contain identical language:

ILGA Summary

Amends the Unemployment Insurance Act. Provides that none of the amount received by an individual as primary social security old age and disability retirement benefits shall constitute disqualifying income.

Language added to (820 ILCS 405/611)

“2.1. Notwithstanding paragraphs 1 and 2 above, because the individual contributed to the cost of the benefits, none of the amount which an individual has received or will receive with respect to a week in the form of primary social security old age and disability retirement benefits, including those based on self-employment, shall constitute disqualifying income.”

Retrieved from [www.IGLA.gov](http://www.IGLA.gov)

# HB3042



## 98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3042

by Rep. Kelly M. Cassidy

### SYNOPSIS AS INTRODUCED:

820 ILCS 405/611

from Ch. 48, par. 441

Amends the Unemployment Insurance Act. Provides that none of the amount received by an individual as primary social security old age and disability retirement benefits shall constitute disqualifying income.

LRB098 10813 JLS 41274 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning employment.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Unemployment Insurance Act is amended by  
5 changing Section 611 as follows:

6 (820 ILCS 405/611) (from Ch. 48, par. 441)

7 Sec. 611. Retirement pay. A. For the purposes of this  
8 Section "disqualifying income" means:

9 1. The entire amount which an individual has received or  
10 will receive with respect to a week in the form of a retirement  
11 payment (a) from an individual or organization (i) for which he  
12 performed services during his base period or which is liable  
13 for benefit charges or payments in lieu of contributions as a  
14 result of the payment of benefits to such individual and (ii)  
15 which pays all of the cost of such retirement payment, or (b)  
16 from a trust, annuity or insurance fund or under an annuity or  
17 insurance contract, to or under which an individual or  
18 organization for which he performed services during his base  
19 period or which is liable for benefit charges or payments in  
20 lieu of contributions as a result of the payment of benefits to  
21 such individual pays or has paid all of the premiums or  
22 contributions; and

23 2. One-half the amount which an individual has received or

1 will receive with respect to a week in the form of a retirement  
2 payment (a) from an individual or organization (i) for which he  
3 performed services during his base period or which is liable  
4 for benefit charges or payments in lieu of contributions as a  
5 result of the payment of benefits to such individual and (ii)  
6 which pays some, but not all, of the cost of such retirement  
7 payment, or (b) from a trust, annuity or insurance fund  
8 ~~(including primary social security old age and disability~~  
9 ~~retirement benefits, including those based on self employment)~~  
10 or under an annuity or insurance contract, to or under which an  
11 individual or organization for which he performed services  
12 during his base period or which is liable for benefit charges  
13 or payments in lieu of contributions as a result of the payment  
14 of benefits to such individual pays or has paid some, but not  
15 all, of the premiums or contributions.

16 2.1. Notwithstanding paragraphs 1 and 2 above, none of the  
17 amount that an individual has received or will receive with  
18 respect to a week in the form of social security old age,  
19 survivors, and disability benefits under 42 U.S.C. Section 401  
20 et seq., including those based on self-employment, shall  
21 constitute disqualifying income.

22 3. Notwithstanding ~~paragraphs paragraph 1, and 2,~~ and 2.1  
23 above, the entire amount which an individual has received or  
24 will receive, with respect to any week which begins after March  
25 31, 1980, of any governmental or other pension, retirement, or  
26 retired pay, annuity or any other similar periodic payment

1 which is based on any previous work of such individual during  
2 his base period or which is liable for benefit charges or  
3 payments in lieu of contributions as a result of the payment of  
4 benefits to such individual. This paragraph shall be in effect  
5 only if it is required as a condition for full tax credit  
6 against the tax imposed by the Federal Unemployment Tax Act.

7 B. Whenever an individual has received or will receive a  
8 retirement payment for a month, an amount shall be deemed to  
9 have been paid him for each day equal to one-thirtieth of such  
10 retirement payment. If the retirement payment is for a  
11 half-month, an amount shall be deemed to have been paid the  
12 individual for each day equal to one-fifteenth of such  
13 retirement payment. If the retirement payment is for any other  
14 period, an amount shall be deemed to have been paid the  
15 individual for each day in such period equal to the retirement  
16 payment divided by the number of days in the period.

17 C. An individual shall be ineligible for benefits for any  
18 week with respect to which his disqualifying income equals or  
19 exceeds his weekly benefit amount. If such disqualifying income  
20 with respect to a week totals less than the benefits for which  
21 he would otherwise be eligible under this Act, he shall be  
22 paid, with respect to such week, benefits reduced by the amount  
23 of such disqualifying income.

24 D. To assure full tax credit to the employers of this State  
25 against the tax imposed by the Federal Unemployment Tax Act,  
26 the Director shall take any action as may be necessary in the

1 administration of paragraph 3 of subsection A of this Section  
2 to insure that the application of its provisions conform to the  
3 requirements of such Federal Act as interpreted by the United  
4 States Secretary of Labor or other appropriate Federal agency.  
5 (Source: P.A. 86-3.)

# HB2772



## 98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB2772

Introduced 2/21/2013, by Rep. Donald L. Moffitt

### SYNOPSIS AS INTRODUCED:

820 ILCS 405/611

from Ch. 48, par. 441

Amends the Unemployment Insurance Act. Provides that none of the amount received by an individual as primary social security old age and disability retirement benefits shall constitute disqualifying income.

LRB098 08128 JLS 38219 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning unemployment insurance.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Unemployment Insurance Act is amended by  
5 changing Section 611 as follows:

6 (820 ILCS 405/611) (from Ch. 48, par. 441)

7 Sec. 611. Retirement pay. A. For the purposes of this  
8 Section "disqualifying income" means:

9 1. The entire amount which an individual has received or  
10 will receive with respect to a week in the form of a retirement  
11 payment (a) from an individual or organization (i) for which he  
12 performed services during his base period or which is liable  
13 for benefit charges or payments in lieu of contributions as a  
14 result of the payment of benefits to such individual and (ii)  
15 which pays all of the cost of such retirement payment, or (b)  
16 from a trust, annuity or insurance fund or under an annuity or  
17 insurance contract, to or under which an individual or  
18 organization for which he performed services during his base  
19 period or which is liable for benefit charges or payments in  
20 lieu of contributions as a result of the payment of benefits to  
21 such individual pays or has paid all of the premiums or  
22 contributions; and

23 2. One-half the amount which an individual has received or

1 will receive with respect to a week in the form of a retirement  
2 payment (a) from an individual or organization (i) for which he  
3 performed services during his base period or which is liable  
4 for benefit charges or payments in lieu of contributions as a  
5 result of the payment of benefits to such individual and (ii)  
6 which pays some, but not all, of the cost of such retirement  
7 payment, or (b) from a trust, annuity or insurance fund  
8 ~~(including primary social security old age and disability~~  
9 ~~retirement benefits, including those based on self employment)~~  
10 or under an annuity or insurance contract, to or under which an  
11 individual or organization for which he performed services  
12 during his base period or which is liable for benefit charges  
13 or payments in lieu of contributions as a result of the payment  
14 of benefits to such individual pays or has paid some, but not  
15 all, of the premiums or contributions.

16 2.1. Notwithstanding paragraphs 1 and 2 above, because the  
17 individual contributed to the cost of the benefits, none of the  
18 amount which an individual has received or will receive with  
19 respect to a week in the form of primary social security old  
20 age and disability retirement benefits, including those based  
21 on self-employment, shall constitute disqualifying income.

22 3. Notwithstanding ~~paragraphs~~ paragraph 1, 2 and 2.1 ~~2~~  
23 above, the entire amount which an individual has received or  
24 will receive, with respect to any week which begins after March  
25 31, 1980, of any governmental or other pension, retirement, or  
26 retired pay, annuity or any other similar periodic payment

1 which is based on any previous work of such individual during  
2 his base period or which is liable for benefit charges or  
3 payments in lieu of contributions as a result of the payment of  
4 benefits to such individual. This paragraph shall be in effect  
5 only if it is required as a condition for full tax credit  
6 against the tax imposed by the Federal Unemployment Tax Act.

7 B. Whenever an individual has received or will receive a  
8 retirement payment for a month, an amount shall be deemed to  
9 have been paid him for each day equal to one-thirtieth of such  
10 retirement payment. If the retirement payment is for a  
11 half-month, an amount shall be deemed to have been paid the  
12 individual for each day equal to one-fifteenth of such  
13 retirement payment. If the retirement payment is for any other  
14 period, an amount shall be deemed to have been paid the  
15 individual for each day in such period equal to the retirement  
16 payment divided by the number of days in the period.

17 C. An individual shall be ineligible for benefits for any  
18 week with respect to which his disqualifying income equals or  
19 exceeds his weekly benefit amount. If such disqualifying income  
20 with respect to a week totals less than the benefits for which  
21 he would otherwise be eligible under this Act, he shall be  
22 paid, with respect to such week, benefits reduced by the amount  
23 of such disqualifying income.

24 D. To assure full tax credit to the employers of this State  
25 against the tax imposed by the Federal Unemployment Tax Act,  
26 the Director shall take any action as may be necessary in the

1 administration of paragraph 3 of subsection A of this Section  
2 to insure that the application of its provisions conform to the  
3 requirements of such Federal Act as interpreted by the United  
4 States Secretary of Labor or other appropriate Federal agency.

5 (Source: P.A. 86-3.)

# SB0144



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

SB0144

Introduced 1/27/2011, by Sen. Heather Steans

#### SYNOPSIS AS INTRODUCED:

820 ILCS 405/611

from Ch. 48, par. 441

Amends the Unemployment Insurance Act. Provides that none of the amount received by an individual as primary social security old age and disability retirement benefits shall constitute disqualifying income.

LRB097 06430 AEK 46512 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning unemployment insurance.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Unemployment Insurance Act is amended by  
5 changing Section 611 as follows:

6 (820 ILCS 405/611) (from Ch. 48, par. 441)

7 Sec. 611. Retirement pay. A. For the purposes of this  
8 Section "disqualifying income" means:

9 1. The entire amount which an individual has received or  
10 will receive with respect to a week in the form of a retirement  
11 payment (a) from an individual or organization (i) for which he  
12 performed services during his base period or which is liable  
13 for benefit charges or payments in lieu of contributions as a  
14 result of the payment of benefits to such individual and (ii)  
15 which pays all of the cost of such retirement payment, or (b)  
16 from a trust, annuity or insurance fund or under an annuity or  
17 insurance contract, to or under which an individual or  
18 organization for which he performed services during his base  
19 period or which is liable for benefit charges or payments in  
20 lieu of contributions as a result of the payment of benefits to  
21 such individual pays or has paid all of the premiums or  
22 contributions; and

23 2. One-half the amount which an individual has received or

1 will receive with respect to a week in the form of a retirement  
2 payment (a) from an individual or organization (i) for which he  
3 performed services during his base period or which is liable  
4 for benefit charges or payments in lieu of contributions as a  
5 result of the payment of benefits to such individual and (ii)  
6 which pays some, but not all, of the cost of such retirement  
7 payment, or (b) from a trust, annuity or insurance fund  
8 ~~(including primary social security old age and disability~~  
9 ~~retirement benefits, including those based on self employment)~~  
10 or under an annuity or insurance contract, to or under which an  
11 individual or organization for which he performed services  
12 during his base period or which is liable for benefit charges  
13 or payments in lieu of contributions as a result of the payment  
14 of benefits to such individual pays or has paid some, but not  
15 all, of the premiums or contributions.

16 2.1. Notwithstanding paragraphs 1 and 2 above, because the  
17 individual contributed to the cost of the benefits, none of the  
18 amount which an individual has received or will receive with  
19 respect to a week in the form of primary social security old  
20 age and disability retirement benefits, including those based  
21 on self-employment, shall constitute disqualifying income.

22 3. Notwithstanding ~~paragraphs~~ paragraph 1, 2 and 2.1 ~~2~~  
23 above, the entire amount which an individual has received or  
24 will receive, with respect to any week which begins after March  
25 31, 1980, of any governmental or other pension, retirement, or  
26 retired pay, annuity or any other similar periodic payment

1 which is based on any previous work of such individual during  
2 his base period or which is liable for benefit charges or  
3 payments in lieu of contributions as a result of the payment of  
4 benefits to such individual. This paragraph shall be in effect  
5 only if it is required as a condition for full tax credit  
6 against the tax imposed by the Federal Unemployment Tax Act.

7 B. Whenever an individual has received or will receive a  
8 retirement payment for a month, an amount shall be deemed to  
9 have been paid him for each day equal to one-thirtieth of such  
10 retirement payment. If the retirement payment is for a  
11 half-month, an amount shall be deemed to have been paid the  
12 individual for each day equal to one-fifteenth of such  
13 retirement payment. If the retirement payment is for any other  
14 period, an amount shall be deemed to have been paid the  
15 individual for each day in such period equal to the retirement  
16 payment divided by the number of days in the period.

17 C. An individual shall be ineligible for benefits for any  
18 week with respect to which his disqualifying income equals or  
19 exceeds his weekly benefit amount. If such disqualifying income  
20 with respect to a week totals less than the benefits for which  
21 he would otherwise be eligible under this Act, he shall be  
22 paid, with respect to such week, benefits reduced by the amount  
23 of such disqualifying income.

24 D. To assure full tax credit to the employers of this State  
25 against the tax imposed by the Federal Unemployment Tax Act,  
26 the Director shall take any action as may be necessary in the

1 administration of paragraph 3 of subsection A of this Section  
2 to insure that the application of its provisions conform to the  
3 requirements of such Federal Act as interpreted by the United  
4 States Secretary of Labor or other appropriate Federal agency.  
5 (Source: P.A. 86-3.)

Written Testimony Submitted

At the 06/20/2013 Social Security Retirement Pay Task Force Hearing

**TO: Social Security Retirement Pay Task Force**

**FROM: Michael Breen**

**DATE: June 20, 2013**

**RE: Written Testimony – S.S. Unemployment Offset**

**Hello, my name is Michael Breen, and I live in Palatine Illinois. I have been an Illinois resident since 1973 and I have been in Sales, Sales Management and Marketing my entire career. As the result of some financial reversals within the last several years, I returned to work full time in the summer of 2010, after being offered full-time employment as a result of a consulting project for a company in the construction related industry. I was hired as Director of Sales at a below market rate to accommodate the Company's own economic downturn.**

**Because of my personal financial losses, I needed to continue working and still do, as social security and a modest pension are my only sources of income. My retirement savings were lost in the financial debacle of September 2008.**

**I enjoyed 2 years of employment, was getting my feet back on the ground but was laid off in October of 2012 because of the Construction industry slow recovery that my employer was experiencing.**

**I was not surprised to learn that I qualified for full unemployment benefits, but was shocked beyond belief to be advised by IDES that those benefits would be reduced only because I was receiving social security. Under the Illinois Unemployment guidelines, I was entitled to \$421 per week, but, as the result of the so-called Illinois offset law, I am receiving \$173 per week or roughly \$1000 per month less than the IDES payment tables.**

**Upon doing my own research, I was also surprised to discover that Illinois and Louisiana are the only 2 states in our nation that have such a policy. Upon further research, I discovered that various business associations such as the Illinois Chamber of Commerce and the Illinois Retailers Association oppose a repeal of this onerous thread in Illinois Policy. After having a lengthy conversation with one of my State representatives (the other one never replied to several emails and phone messages) I also discovered that the majority of both houses favor a repeal of the legislation, but it can't get out of Committee (whatever that is) because of the aforesaid opposition of the various Trade Associations and other**

**political pressures.**

**I have been unable to secure employment, even on a part time basis, but am still trying to find something. I will be moving to a smaller less expensive apartment and have cut expenses to the bone, and have been forced to borrow money from relatives to currently make ends meet until I find employment. A recruiter told me recently "off the record" that it is just hard to find something when you are a senior. And this offset law does not encourage Seniors to remain hopeful while in transition.**

**As a voting citizen, I see no economic reason why this law exists. Perhaps the Illinois legislature should consider giving a "credit" back to employers who have paid into the Unemployment Insurance fund for all the Social Security people they employ when those folks are laid off. What about Illinois which receives full unemployment insurance payments for seniors when they are working and contributing, but gives nothing back when those seniors become unemployed??**

**I also believe that this current policy has the strong aroma of age discrimination, which is why many of the other States repealed their version of the "offset law", thereby acknowledging that unemployed workers are entitled to unemployment benefits, regardless of age, color, or creed.**

**Perhaps someday, Illinois will see that a repeal of this law would be good public policy, but in spite of my "one man" pleading" in this forum as well as the plight of other Seniors in the same situation, I have no confidence that this policy will ever be repealed, as it is more clear than ever to me that the State of Illinois is led by politics, and not by people of principle.**

**I have not only lost money, I simply no longer believe in this State government as a body for the people.**

**Thank you!**

**Michael Breen  
Michaelbreen1011@hotmail.com  
847-814-3660**

TO: Social Security Retirement Pay Task Force  
FROM: Walt Bowlby  
DATE: June 20, 2013  
RE: Written Testimony – SS Unemployment Offset

Sirs, as a result of the SS offsetting my weekly pay (which includes spouse payment) was only \$58.. That's only \$116 every two weeks. Try paying bills on that!  
It's time we get the money we worked for. Vote out the Offsetting now. Thanks

Walt Bowlby  
cave in rock ,illinois 62919

Material Accompanying Testimony

Submitted by Nancy Solomon

At the 06/20/2013 Social Security Retirement Pay Task Force Hearing

Judith in Chicago

I have worked full time consistently for over 30 years. I have paid taxes to the federal government, the State of Illinois, Social Security and my Illinois Department of Employment Insurance was paid and in good standing. Now, when I most need the unemployment benefits, I am being penalized for collecting Social Security.

I am still very actively seeking employment and have been fortunate enough to have several interviews. One interviewer disclosed there were 700 resumes received for a single position. This is challenging, but I am not deterred. I expect to work and to continue working, but until I am able to secure a position, I would be most appreciative if I could rightfully collect the full amount of my unemployment benefits.

There are 48 other states allowing its residents on Social Security to collect the full benefit amount of unemployment, if entitled. I find it astounding that Illinois has decided its senior citizens are not entitled to unemployment insurance even though they have dutifully worked and contributed.

I am not requesting a gratuity. I am requesting my full benefit amount of unemployment insurance until I can locate another position. I am not attempting to take advantage of the system. I very simply need the full \$388 per week I feel I am entitled to collect.

I have a mortgage on my condominium; I must continue to pay the fees to the condominium association, property taxes, utilities, insurance on home, car, life and supplemental medical and dental insurance. I do not live extravagantly, and the loss of income greatly impacts my life. The loss of my full unemployment benefit amount is not insignificant to me. I absolutely need the full \$388 per week, not an abbreviated amount allotted to me because I am a senior citizen.

Carol in Elgin

I'm asking not only as a senior unemployed citizen but as an unemployed citizen. I feel this offset law is age discrimination. Our former employers paid the same unemployment insurance for us as for any other employee, and in this economy or most any other time, our chance of finding another job is diminished. I believe that all of us, 62 and over, were planning to work longer and now we have come to the end of the road.

I have been trying to sell my house for 8 months because the mortgage is too high for me to pay on retirement income. Therefore my plan was to continue to work until it was sold. I have been planning to move out of state to share a home with a friend at a lot lower cost. In addition I am upside down in equity so I am looking into the other options without going through foreclosure.

With the difficult housing market and the loss of my job plus the unexpected decreased amount in the unemployment benefit it is very scary. My job was in a very specialized medical field and it is very difficult to find another job. There are a lot of other people in my field from the place that I worked that have been laid off who are also looking for jobs in this area. Much of it is related to new technology so any future in this is diminished.

I also have a 36-year-old son with a learning disability living with me who has only been working part time at minimum wage. He has a college education but certain aspects of this learning disability make it difficult for him to find and keep a job. We find it difficult to get services for him too. I probably will have to help him all my life.

Although I am 66 years of age, seniors citizens as 62 to 65 years who were waiting to reach 66 to receive Social Security, have had to apply for it earlier at a reduced amount because of job loss. To add to this, they still receive only about 1/3 of their unemployment benefit, which makes it even harder for them to pay living expenses and to survive. The fact is that we have a lot harder time finding jobs. With Louisiana and Illinois being the only two states to have this law, it seems more unfair. In my case, I was to receive \$388 weekly but only receive \$125 weekly, which is even less than 1/3 of the original benefit. I hope you will give us your support and I thank you for your consideration.

Walt in Cave in Rock

IDES has deducted \$120 per week off of my IDES Benefits Since I started my Social Security. This is over \$480 per month in some months.

My wife and I have had to borrow from friends and family, and we have taken out 3 loans since I have had offsetting started in order to pay for food, medicines and our monthly utilities. This has been embarrassing to us.

A lady at the IDES office once told me that she wished they didn't have an offsetting rule; it was "a pain in the back" for them to deal with too!

I can't find work. Everyone I have contacted is either not hiring, going out of business or whatever.

I feel the offsetting has been discriminating. I have worked many years for my Social Security benefits, and just because I am on unemployment at the same time, they (Illinois) wish to punish me because I signed up and got SS started to help make ends meet. NOT FAIR!

I signed up for Social Security early because of the lack of jobs. I don't feel Illinois citizens should be penalized because they sign up for Social Security (I have worked and paid in on this too!). All the other states have abolished the rule of offsetting. I ask that you do the same – for your citizens' well-being.

Linnette King  
1614 Grove Avenue  
Unit C  
Schaumburg, IL 60193  
Home Phone # 847-301-1763

June 18, 2013

Re: Social Security Offset Repeal

Hi Nancy,

I was given the information concerning "Social Security Offset Repeal" from Monica Kraus who contacted you concerning a co-worker who is collecting Social Security and became un-employed due to job lay-off. I am that person Monica wrote to you about. I was informed by my ex-employer that I was entitled to unemployment benefit. I applied for unemployment benefit I was given a total of \$413.00 weekly benefit.

I received a letter from Illinois Department of Employment Security informing me the weekly amount of \$413.00 is disqualified and my weekly benefit will be reduced to \$188.40, under Section 800 of the Illinois Unemployment Insurance Act as is applicable to 20 CFR617.51 (a) implementing the Trade Act of 1974. I was not given an explanation as to why I was disqualified. I discovered the reason after I went back to the Illinois Department of Employment Security. I must admit the information was not told to me in a pleasant manner.

I wanted to point out that I am single and the extra would have been a great help to me with mortgage payment, monthly health supplementary insurance, monthly prescriptions and basic living. I have worked at this company for a number of years and cut my hours from 40-hours to 32-hours a week a year ago.

Nancy, I thank you for what you are trying to do for seniors. I am sorry I cannot be there for the support at this time.

Sincerely,

Linnette King

## Statement for the Social Security Offset Hearing

I cannot believe that Illinois and Louisiana are the only two states that still subtract a person's social security benefits from the amount of unemployment that they are eligible to receive.

I was recently laid off from my job at a non-profit organization because the funds were not there to pay me. Since the organization had paid into the IDES at the full amount (even though I am drawing social security), I was eligible to sign up for unemployment.

Now because of the laws in Illinois, my social security is subtracted from the amount I can draw.

Is this fair? **NO**

I receive \$430 for 2 weeks, half of the \$860 I should receive. I was working to be able to buy supplemental health insurance and to keep paying our bills. Getting reduced unemployment is a hardship.

Charles Greer  
3708 Wolverine Rd  
Pinckneyville, IL 62274

Jerry Costello, II is our Representative and Dave Luechtefeld is our Senator.

Gloria Walters <gloria\_walters@hotmail.com> wrote:

OMG, I just got my first unemployment check since I went into the federal extension program and my check went from 520 to 174 for two weeks because I collect Social Security. Can this be right?

I cannot find a job because no one will hire someone my age. I have to count every penny. I was making \$57,000 a year for 35 hours a week. Now I don't even get half that.

Thanks for your help.

Gloria Walters  
502 Jordon Way  
Bollingbrook IL 60440

**Written testimony presented to the State of Illinois House Labor Committee**

Thank you, Mr. Chairman and members of the committee. My name is Nancy Solomon and I live in Rogers Park in Chicago, Representative Osterman's district. Thank you for allowing me to talk with you about the social security offset law, explain how it punishes older citizens of Illinois and urge you to repeal this punitive law that discriminates against older workers.

The offset law reduces unemployment payments to people who receive social security. It is simply unfair. Illinois and Louisiana are the only states left in the United States that have not repealed this cruel law.

This session, Representative May introduced House Bill 5047 to repeal the offset law. Senator Steans introduced Senate Bill 2640 to repeal the offset law. The bills have gathered remarkable support in both houses.

However, I now know that every representative and every senator could sign on as a sponsor and the bills will never be voted on because of the agreed bill process. Lobbyists from business and labor control decide if these bills will be heard, voted upon and signed. That's not right. I didn't elect those people. I elected you. They are lobbyists. You represent the people of Illinois.

I lost my job on May 11, 2009, and applied for unemployment immediately. I was supposed to receive \$385 a week in benefits. After a long, convoluted and discouraging process, my benefit was reduced to \$240 a week. Because I receive social security, I lost \$145 a week.

My previous employer paid the full amount of employment tax into the fund for me. He didn't get to pay less because I get social security.

If I were 35 or 60, I'd receive the full amount of unemployment. But because I'm 70, I don't. That feels like age discrimination to me.

\$145 a week may not seem like a lot of money to most people, but to me, it's the difference between making it through a rough patch or having to apply for food stamps and sell my home.

I need the money – so I decided to try to do something. I did research. I found out that state legislatures are responsible for repealing the offset law. So, I contacted my legislators. Representative Osterman was one of the first to respond.

I found out that Representative Black and then Representative Mathias have been introducing bills to repeal the offset law for years. Their bills have never gotten anywhere. I was told it was because they are Republicans in a legislature dominated by Democrats, but now I know that may be the least important reason. I reached out to the people of Illinois. I started a blog. I respond to articles and questions on the Internet. I ask my Facebook, LinkedIn and e-mail contacts to spread the word. I contacted AARP, which took on offset repeal as a priority, for which I am very grateful.

People from all over the state contact me. I pass on whatever I know. I send them the names, addresses, phone numbers and e-mail addresses of their state representatives and senators, and a sample letter they can send. We stay in touch. Many legislators have agreed to support repeal after they've heard from their constituents.

Here are examples of how the offset law affects some older workers:

(Over...)

Written testimony presented to the State of Illinois House Labor Committee

- One man has taken out two high-interest loans to help pay utility and other day-to-day bills.
- Another man uses his unemployment payments to help pay for his medicine. But his medical bills are about to go up and he has no idea how he's going to pay them.
- A man was receiving his full unemployment payment until he got old enough to apply for social security. He applied – because he needed the money -- and his unemployment benefit was reduced to \$4 a week – which IDES keeps for taxes.
- Soon after a couple moved to Illinois from Indiana, the husband lost his job. If they had stayed in Indiana, he would receive his full unemployment benefit. Although they live frugally, they are having a tough time paying their bills.
- A man was supposed to receive \$157 in unemployment. Half of his weekly social security payment is \$160. Therefore, he cannot receive any unemployment benefits at all.
- A woman who has worked for 16 years was laid off and has gone through her savings and sold family heirlooms to stay afloat.
- A widow has had her unemployment payment reduced because she receives social security survivor benefits.
- A 75-year-old laid-off metal worker was told – incorrectly -- by a poorly informed IDES worker that he's not eligible for any unemployment benefits because he receives social security. He's become profoundly depressed. His son is very worried about him.
- And -- in addition to applying for food stamps, I've had to take out a loan to pay \$1,200 for emergency dental work.

This is just plain wrong. We are good, solid middle-class people who work because we have to. We don't take advantage of the system. We're trying to stretch our savings so we can take care of ourselves when we're finally unable to work anymore. We are diligently looking for work, but because we're older, it takes us longer to find new jobs.

We need the full amount of our unemployment benefit. And we need your help. And your courage.

The offset repeal is opposed by business. That's not a surprise. Employer groups have opposed repeal in every other state. But none of the dire consequences they warned about have ever happened -- employment taxes didn't go up and businesses didn't leave the state. Labor appears willing to sacrifice older workers in exchange for the support of business on other bills labor feels are higher priority.

All of this gets played out behind the scenes in the agreed bill process and the offset repeal bill dies every time.

I'm not saying this is what happens – but here's what it looks like – the agreed bill process means you can support offset repeal and look like champions of older workers, but because you never have to vote on offset repeal, you protect your contributions from business and labor.

Bottom line -- The offset law is unfair and discriminates against older workers in Illinois. You have the power – and responsibility -- to allow the offset repeal bill to be heard, voted on and passed. I ask you to do the right thing and stand up for the older citizens of Illinois.

Thank you.

From: Jack Shah <jshah32946@aol.com>  
Subject: Re: Social Security Offset public hearing Thursday, 1 p.m., June 20,  
Thompson Center, Chicago  
Date: June 15, 2013 9:34:53 AM CDT  
To: nancy@nancysolomon.net

Hi Nancy:

You are fighting for a great cause and we all appreciate the work you do.

As you may remember, I got unemployed after I started receiving Social Security Benefits. My unemployment would have been \$326 per week. Because of Social Security benefits, it was cut down by \$239.91 per week with Net payment per week of only \$87 weekly.

Not only this is unfair but also put tremendous burden on senior citizens like us. *We are singled out unfairly* and the reason provided is Illinois State does not have monies available.

Thanks and Regards,  
Jack (Jagat) Shah  
384 Fountain Ave  
Elgin IL 60124  
Cell: 630-561-0490

**Information about the Social Security Offset Provision in Illinois**  
*Prepared by Nancy Solomon, nancy@nancysolomon.net 773-262-8070. June 20, 2013*

**What is the Social Security Offset?**

- In 1980 the U.S. Dept. of Labor gave individual states, the District of Columbia and the U.S. territories the OPTION of taking social security benefits into account when computing unemployment payments.
- More than 20 states, DC and the U.S. territories chose the offset. All have repealed it --- except Illinois and Louisiana.

**The Illinois 50% Offset Formula**

- In Illinois, one-half of an older worker's weekly social security payment is deducted from his or her weekly unemployment payment.

**How the Offset Affects Older Workers in Illinois**

- More than 17,000 workers in Illinois are affected by the social security offset.
- Some receive ZERO unemployment payments.
- Reduced unemployment payments create a financial hardship during an already difficult time.
- It usually takes older workers at least two times longer than younger workers to find new employment.

**The Social Security Offset is State-Supported Age Discrimination**

- Employers pay into the employment fund for every eligible worker regardless of the worker's age.
- Employers don't get a discount for older workers.
- Older workers should receive their full unemployment payments regardless of their age.

**Information for the Social Security Retirement Pay Task Force**

- The information from the U.S. Dept. of Labor task force members received on May 7 stated – incorrectly -- that the Virgin Islands, South Dakota and Minnesota had not repealed the offset. They had; Minnesota's repeal has conditions. The Dept. of Labor has been notified.
- Legislation to repeal the offset has been introduced to the Illinois General Assembly every year since 2002. None of them made it through the agreed bill process to the legislature floor for debate and decision.
- There were more than 40 co-signers on the bipartisan offset repeal legislation in the Illinois House and Senate in 2011. Instead of allowing the legislation to move forward, the Social Security Retirement Pay Task Force was formed – delaying offset repeal legislation for at least one more year.
- Because the task force didn't meet until 2012 as instructed, action on offset repeal legislation has been delayed yet another year.

**Lobbyists Control the Agreed Bill Process**

- The agreed bill process is an Illinois invention that controls which unemployment and workers compensation bills will be allowed to be presented to the legislature for debate and decision.
- Over time, lobbyists from labor and business have come to dominate the agreed bill process, often meeting privately without any legislators present.
- Labor decided to withdraw its opposition to offset repeal in 2011.
- Business continues to oppose offset repeal, insisting that it will cause an increase in employment taxes.
- Offset repeal has NEVER caused an increase in employment taxes.

**Offset Task Force Meetings Concerns**

- The members of the Social Security Retirement Pay Task Force were supposed to be appointed in 2012, hold at least three public hearings and submit recommendations to the legislature in December 2012.
- The last task force members were finally appointed in 2013, delaying action for another year.
- The May 7, 2013, meeting was surprisingly labeled the first public hearing. There were no public comments.
- Only state legislators can repeal the offset. However, the only state legislator able to attend the May 7 meeting was Representative Kelly Cassidy, the sponsor of the offset repeal bill, HB3042.
- The second meeting for June 20 was posted June 18 under News and Announcements on the IDES website. It was not posted on the IDES Events and Workshops calendar.

# Help for Unemployed South Dakotans 65+

from: AARP South Dakota, November 8, 2011

Unemployed South Dakotans who also receive Social Security benefits are now seeing bigger unemployment checks thanks to a measure which passed during South Dakota's 2006 legislative session.

HB 1197 passed in 2006 eliminating the Social Security Unemployment Offset which ended the discriminatory practice of providing reduced unemployment benefits to laid-off workers age 65 and older who also receive Social Security. However, the measure didn't take effect until the state's Unemployment Trust Fund reached \$30 million. The fund reached \$30 million at the end of the third quarter just this year, and unemployed workers who also receive Social Security started seeing an increase in their unemployment benefits October 1.

"This has been a long time coming," said Sam Wilson, associate state director for advocacy for AARP South Dakota. "AARP strongly supported this measure in 2006, and we're pleased it's now in place and helping older workers in South Dakota facing unemployment in a tough job market."

Until the measure passed in 2006, South Dakota was one of just a handful of states in which older workers received unemployment benefits at a lower rate simply because they also received Social Security.

"We know older workers experience the same financial hardships that younger workers do. AARP supported eliminating the offset to ensure that both older and younger workers receive equal benefits for work on the job," said Wilson.

"Employers pay the exact same amount of taxes for a worker over the age of 65 as they do for a worker younger than 65. Older employees work side by side younger workers all throughout our workplaces and they should have the same benefits as younger workers if they are laid off the job involuntarily."

"Older workers are becoming an increasingly important segment of our workforce. As the population ages, older workers will have to assume many traditional roles and responsibilities in the workplace that were often occupied by younger workers," says Wilson. "As they fill these jobs and perform the same tasks as their younger counterparts, it is important to recognize their contributions and assist them in transitioning between jobs in the same we do for younger workers."

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More and more, seniors are working full-time well beyond when they had originally planned to retire. Wilson says with the average Social Security beneficiary receiving approximately \$1100 a month, older workers are staying in the work force because they want to, but in many cases, because they need to in order to supplement their income.

“People are working well past 65, 70, or even 75 years of age just to cover basic needs. In these challenging economic conditions older workers are subject to the same job losses younger workers experience every day in the workforce,” he said.

According a recent report by the AARP Public Policy Institute, nationwide nearly 2.1 million people age 55 and older were unemployed in August. And the average duration of unemployment for job seekers aged 55 and older was about one year.

## A little-known, but very powerful process

Wednesday, Aug 17, 2011

Rich Miller, Capital Fax

\* Eric Zorn had never heard of the Statehouse's agreed bill process until he read a letter to the editor. So, he checked into it...

Q. Is it truly "little-known"?

A. Not in Springfield's halls of power or among the business and labor interests that participate in it. When I ran portions of Gallo's letter by an assortment of legislators, aides and interest-group officials, many took issue with the characterization. After all, they pointed out, the process has been used routinely for some 30 years, mostly to mediate unemployment, worker's compensation and other issues in which business and labor interests are in conflict.

On the other hand, the term "agreed-bill process" has only appeared in five Tribune news stories about state government in the last quarter century. And when I asked my sources where and when these stakeholder meetings take place and who, exactly, is invited to participate, the answer was usually vague.

Five times in twenty-five years? Wow. I checked my subscriber archives and found 14 exact phrase matches in the past 18 months. But, that's my thing, writing about stuff that everybody else in the media ignores.

The process has been used for decades to make sure that neither side gets an unfair advantage in any changes to unemployment insurance and workers' compensation laws. Labor, business and other stakeholders like local governments and doctors and hospitals (in the case of workers' comp) all effectively have veto power over everybody else's proposals.

People once thought the process worked well, until the last workers' comp agreed bill process produced a badly flawed law that skyrocketed costs here. The system was abandoned this year and a bill was run that was hotly opposed by the docs and hospitals and had lukewarm backing by some business and most of labor. But the system is still in place for unemployment insurance. Whether that'll last is anybody's guess. The state's UI system is deep in the red and a fix is gonna be painful.

\* The subject came up for Eric because of an effort by AARP to repeal a state law that reduces Social Security and disability retirement checks by half when seniors collect unemployment benefits. Illinois is just one of two states with such a law on the books. But because the item is subject to the agreed bill process, it can't move on its own...

Repeal advocates say the offset reduces benefits each year for more than 17,000 Illinois residents over age 62. Opponents say that repeal would cost the strapped state unemployment insurance trust fund some \$55 million annually and argue that hike would increase costs to business.

The proposed repeal has been introduced in Springfield every year since 2002, but despite bipartisan sponsorship, has never even gotten a vote in committee, much less a full floor debate. Repeal supporters contend that it dies at the whim of unelected advocates operating in the shadowy recesses of the agreed-bill process.

# Social Security offset to unemployment insurance unfair to elderly

By MARK BROWN mbrown@suntimes.com December 14, 2011 7:10PM

Ellen J. Levine lost her job last month.

The circumstances were unremarkable.

Her boss told her business was bad, and they had to let her go — after thanking her for the good job she'd done during her three years with the company. There's been a lot of that going around. Levine talked her supervisor into paying one week's severance.

All that was upsetting, of course, but it wasn't until Levine went to apply for unemployment insurance that she got mad.

That's when the Illinois Department of Employment Security informed Levine that instead of the normal unemployment compensation benefit of \$234 per week she was expecting to receive, she was entitled to only \$70 weekly.

Under Illinois law, she learned, unemployment benefits are reduced when the recipient collects Social Security, a Catch-22 that takes thousands of working seniors in this state by surprise every year.

Levine, 71, of Niles, has been drawing Social Security for about six years now, benefits to which she was entitled after a lifetime in the work force.

Like many older Americans, Levine can't pay the bills on her \$1,200 per month from Social Security, and the low-wage jobs she held her entire life never allowed her to save anything, let alone produce a pension.

She needs to keep working as long as she can. And while she's looking for the next job, she needs her unemployment benefits.

Receiving \$70 a week — \$60 after withholding — isn't going to keep the wolf from the door of her studio apartment.

Mark, I have to tell you I am feisty," Levine told me by way of introduction Wednesday to her budding personal crusade to repeal the law that makes this so.

I am planning a campaign as aggressive as it possibly can be," she said.

While this was the first time we had spoken, I think it's only fair to warn all the legislators who have wrestled with this issue over the past decade — and the business groups that have worked to block any changes — that Levine could be a game changer.

You see, she worked most of her life in health care billing and collections, and my quick appraisal is that she's exactly the type of junkyard dog that occupation breeds — the kind who won't take no for an answer.

She demands to know why Illinois is one of only two states in the nation that haven't already taken steps to repeal the Social Security offset against unemployment benefits. Louisiana is the other.

The short answer is that it would cost money to pay the additional benefit — an estimated \$50 million for this year — money that our severely underfunded unemployment insurance trust fund does not have. Paying a full benefit to unemployed seniors on Social Security would require either an increase in the taxes paid into the fund by employers or a reduction in benefits elsewhere.

But Ryan Gruenenfelder of AARP Illinois, which has worked this issue for years, said business groups opposed repealing the Social Security offset even when the unemployment trust fund was healthy before the recession. So there is no short answer.

I say the real answer is that the 17,500 people in Illinois who were affected by this wrinkle are unable to holler nearly as loud in Springfield as the big companies who this week wrangled hundreds of millions of dollars in tax breaks out of the Legislature.

Maybe Ellen Levine can change that. Her voice is still quite strong.

Levine, who was never married and therefore "never got anybody's life insurance," said she's also never been out of work longer than six months. But she said she's finding it tough out there right now. "It's such a recession out there, no matter what the newspapers say," she said. "It's fierce. It's brutal."

Sen. Heather Steans (D-Chicago), who sponsored a bill to repeal the Social Security offset, calls the current law "highly discriminatory" against the elderly.

Levine her bill failed to advance, she said she was heartened that business and labor negotiators agreed to create a task force to study how to pay for giving individuals like Levine a full benefit. The task force is supposed to report back by Dec. 31, 2012.

Fair warning: that's not going to satisfy Ellen Levine. Time to pay up.

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# The Change For Social Justice

WHY ARE WE STILL DENYING ILLINOIS WORKERS THEIR MAXIMUM UNEMPLOYMENT BENEFITS WHEN THEY ARE LAID OFF ONLY BECAUSE THEY ARE ELIGIBLE FOR OR COLLECTING SOCIAL SECURITY? THIS IS FOR ONE THING ANOTHER FORM OF AGE DISCRIMINATION. LOUISIANA AND ILLINOIS ARE THE ONLY STATES NEVER TO REPEAL THIS LAW? REMEMBER, AT THIS PERIOD IN TIME, THE "BOOMERS" ARE RETIRING AND UNEXPECTEDLY LOSING THEIR JOBS. WE CONTINUE TO MARGINALIZE AND DEGRADE THE WORKING CLASS IN THIS COUNTRY.

## SETTING THE RECORD STRAIGHT!

### NEWS YOU CAN USE FROM THE FRONT

- [BILL STATUS OF HB 96 97TH IL GENERAL ASSEMBLY](#)
- [BILL STATUS OF SB 444 97TH IL GENERAL ASSEMBLY](#)
- [TEST YOUR SOCIAL STUDY SKILLS!](#)
- [WHAT THEY DIDN'T TEACH YOU IN CIVICS CLASS](#)

### IT DOESN'T PAY TO GET OLD IN ILLINOIS

AT 11:24 AM NO COMMENTS

### Social Security Offset to Unemployment Insurance Unfair to Elderly

[HTTP://WWW.SUNTIMES.COM/NEWS/BROWN/INDEX.HTML](http://www.suntimes.com/news/brown/index.html)

AT 11:25 AM NO COMMENTS

### BILL KNIGHT: Social Security Should Not Count Against Jobless Benefits

[HTTP://WWW.PEKINTIMES.COM/OPINIONS/COLUMNISTS/X462562493/SS-SHOULDN'T-COUNT-AGAINST-JOBLESS-BENEFITS](http://www.pekintimes.com/opinions/columnists/x462562493/SS-SHOULDN'T-COUNT-AGAINST-JOBLESS-BENEFITS)

Thank you Bill for your article on the repeal of this Bill.

AT 11:37 AM 1 COMMENT

ALTHOUGH STUNNED TO FIND WHEN I APPLIED FOR UNEMPLOYMENT COMPENSATION AFTER BEING LAID OFF (PRACTICAL THING TO DO, RIGHT?) I FOUND THROUGH THE

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### And What All This Means To Us

IF THE GENERAL ASSEMBLY FOLLOWED THE RULES, YES THIS CHART DESCRIBES THE OFFICIAL PROCESS AS REQUIRED BY STATE STATUTE FOR HOW A BILL BECOMES A LAW. THIS CHART DESCRIBES HOW A BILL BECOMES A LAW IN IT THE MOST BASIC FORM. UNLESS A BILL IS NOT THE LEAST BIT CONTROVERSIAL, THERE IS ALWAYS A LOT MORE TO THE PROCESS THAT THE GENERAL PUBLIC DOESN'T KNOW ABOUT AND THAT IS NOT WRITTEN IN STATUTE OR RULE. PEOPLE ONLY SEE THESE OTHER THINGS IF THEY ARE IN THE CAPITOL ACTUALLY TRYING TO GET A BILL PASSED.

THE AGREED BILL PROCESS IS ONE OF THOSE THAT IS NOT PART OF THE OFFICIAL PROCESS AND DOES NOT BELONG ON THIS CHART. IF IT WOULD GO ANYWHERE, IT WOULD BE PLACED RIGHT AFTER THE "READ 1ST TIME" BUBBLE.

YES, I THINK IT WOULD BE PERFECTLY FINE TO PUT A LINK TO THIS CHART ON THE BLOG.

YES, I BELIEVE I EXPLAINED IN MY LAST EMAIL HOW THE AGREED BILL PROCESS WORKS. THE GOVERNOR, SPEAKER AND SENATE PRESIDENT ALL FOLLOW THE PROCESS AND ENSURE UNEMPLOYMENT AND WORKER'S COMP BILLS GO TO THE AGREED BILL PROCESS BEFORE THEY ALLOW THEM TO MOVE FORWARD IN THEIR RESPECTIVE

APPLICATION PROCESS, IF I RECEIVED OR WOULD RECEIVE SOCIAL SECURITY, THE UNEMPLOYMENT AMOUNT I WAS ELIGIBLE TO RECEIVE WOULD BE REDUCED BY OVER HALF BECAUSE I ALSO QUALIFIED FOR SOCIAL SECURITY BENEFITS.

WHY WOULD SUCH A CONNECTION NEED TO BE JUSTIFIED AND MADE LAW? ARE THE CITIZENS OF ILLINOIS AWARE!

THIS IS CLEARLY AGE DISCRIMINATION. THIS IS GOING TO BE A SERIOUS BURDEN ON THE ELDERLY; OR IS THIS ABOUT THE "BABY BOOMERS" LAY OFF/RETIREMENT DURING THIS PERIOD IN TIME. MY OUTRAGE AS BEING WORKING CLASS IS NOT ONLY FOR MYSELF, I HAVE FAIRED WELL OVER THE YEARS, BUT FOR THE MANY WORKING POOR AND MIDDLE CLASS WHO HAVE WORKED ALL THEIR LIVES AT OR ABOVE MINIMUM WAGE AND ARE FACED WITH UNEXPECTED LAY OFFS IN THE MIDDLE OF AN ECONOMY WHERE THEY ARE TRYING TO HOLD ON TO THEIR REAL ESTATE. UNEMPLOYMENT COMPENSATION CAN BE THE BRIDGE TO HELP MANY WORKERS FROM GOING UNDER.

CONTACT YOUR ILLINOIS SENATORS AND REPRESENTATIVES AND LET'S GET THE WORD OUT!!

AT 1:13 PM 4 COMMENTS



### Illinois Social Security/Unemployment Insurance Offset HB096 & SB144

IN THIS RECORDING, AARP VOLUNTEER NANCY FUNK, ILLINOIS SEN. HEATHER STEANS, REPRESENTATIVES KAREN MAY, MICHAEL MCAULIFFE AND NANCY SULLIVAN DISCUSS THEIR OPPOSITION TO THE ILLINOIS SOCIAL SECURITY OFFSET LAW.

AT 11:00 AM 2 COMMENTS



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- [It's Never Too Late!](#)
- [IS THIS AGE DISCRIMINATION?](#)

CHAMBERS.

YES, WE NEED TO GET AS MANY CO-SPONSORS AS WE CAN TO KEEP THE PRESSURE UP ON LEADERSHIP AND ON BUSINESS AND LABOR GROUPS TO MAKE THIS BILL PASS. EVEN THE GOVERNOR, SPEAKER AND SENATE PRESIDENT CANNOT IGNORE SUCH THINGS AS BI-PARTISAN GROUPS OF 40% OF MEMBERS IN EACH CHAMBER SIGNED ON IN SUPPORT OF A BILL. THE PRESSURE IS MEANT TO GET THE BILLS ON THE AGREED BILL LIST. I DONT LIKE OR FEEL COMFORTABLE GUIDING IT THAT WAY, BUT THAT'S THE WAY THINGS ARE FOR US IF WE WANT THE BILL TO PASS. YES, WHEN I SAY "LEADERSHIP", I AM REFERRING TO CULLERTON AND MADIGAN.

RYAN GRUENENFELDER AARP ILLINOIS ASSOCIATE STATE DIRECTOR - ADVOCACY & OUTREACH

...And Justice For All!!



SWIMMING THROUGH IT ALL

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HUFFPOST CHICAGO

## Illinois Inmates Unemployment Benefits Claimed Despite Likely Ineligibility, Audit Reveals

Posted: 07/12/2012 1:55 pm Updated: 07/12/2012 2:07 pm



Are Illinois inmates receiving unemployment checks while behind bars?

The Illinois Department of Employment Security has begun comparing the names of unemployment beneficiaries against inmate records from the state's jails and penitentiaries, and the results were jarring.

Preliminary results from a two-week audit suggest that hundreds of ineligible residents may still be receiving checks, costing the program hundreds of thousands of dollars.

The investigation began after [State Rep. John Cavaletto raised concerns about potential fraud at the Marion County Jail](#), NBC Chicago reports.

Cavaletto says constituents reported that [inmates were calling the Department of Employment from jail](#) and saying they were unable to find work, according to WGN.

Department spokesman Greg Rivara says that of about 253,000 people currently receiving unemployment benefits statewide, a spot-check found that [during a two-week period, 420 people receiving benefits were behind bars at some point](#), ABC Chicago reports. Depending on the lengths of their sentences, many of those recipients may no longer be eligible for unemployment money, which requires recipients to be available for and actively seeking job opportunities.

People jailed temporarily, particularly on nights and weekends, can still legally receive unemployment benefits, but the agency is concerned that [friends or relatives could be collecting checks for people behind bars](#) who shouldn't legally be eligible, Newsmax reports.

Unemployment payments [average about \\$320 per week, according to the Illinois employment department](#). If all 420 inmates listed as benefit recipients are currently receiving checks, that could cost the state \$134,400 in fraudulent payouts in a single week, draining almost \$7 million in the course of a year.

Cavaletto told the *Chicago Tribune* [he hopes the fraud investigation will help curb unemployment spending](#), giving some much-needed relief to struggling Illinois businesses that contribute to the fund.

"These small businesses that have to pay this unemployment insurance, their insurance should be lesser now," Cavaletto said. "Can you imagine how many dollars we've lost through the years? It's in the millions."

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## Change of Subject

OBSERVATIONS, REPORTS, TIPS, REFERRALS AND TRADES

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Wednesday, August 17, 2011

## What they didn't teach you in civics class about how some bills become law

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**Q. Is there really "a little-known process" in Illinois government "in which the legislative leadership and special-interest groups determine which bills are debated and which ones aren't"?**

A. Kinda, yeah.

The allegation comes from [a recent Voice of the People letter](#) by Bob Gallo, the senior state director of AARP, and it refers to the "agreed-bill process," an unofficial, informal negotiation among interested parties that shapes or sometimes kills proposals before they actually reach the General Assembly.

**Q. Is it truly "little-known"?**

A. Not in Springfield's halls of power or among the business and labor interests that participate in it. When I ran portions of Gallo's letter by an assortment of legislators, aides and interest-group officials, many took issue with the characterization. After all, they pointed out, the process has been used routinely for some 30 years, mostly to mediate unemployment, worker's compensation and other issues in which business and labor interests are in conflict.

On the other hand, the term "agreed-bill process" has only appeared in five Tribune news stories about state government in the last quarter century. And when I asked my sources where and when these stakeholder meetings take place and who, exactly, is invited to participate, the answer was usually vague.

**Q. Are the meetings open to the public?**

A. No.

**Q. How and where do they happen?**

A. Gov. Pat Quinn's office sometimes coordinates the meetings. State Sen. Terry Link, D-Waukegan, who is participating in the current round of agreed-bill conversations, said the last gathering took place earlier this month in Chicago, and the next one will be in Springfield Aug. 30.

**Q. Isn't private, back-room legislative dealing an offense against the ideals of an openly operating republic?**

A. That was the implication in Gallo's letter. He was writing about an effort AARP supports to repeal a state law that says senior citizens collecting unemployment benefits must have those benefits reduced by half the amount of their Social Security or disability retirement checks.

Only Illinois and Louisiana still have the so-called Social Security offset provision, which opponents contend is discriminatory and creates a hardship for those trying to supplement funds to which they've already contributed.

**Q. That's an interesting issue.**

A. I thought so. Repeal advocates say the offset reduces benefits each year for more than 17,000 Illinois residents over age 62. Opponents say that repeal would cost the strapped state unemployment insurance trust fund some \$55 million annually and argue that hike would increase costs to business. (*See links below for further analysis of the proposal*)

The proposed repeal has been introduced in Springfield every year since 2002, but despite bipartisan sponsorship, has never even gotten a vote in committee, much less a full floor debate. Repeal supporters contend that it dies at the whim of unelected advocates operating in the shadowy recesses of the agreed-bill process.

**Q. Is it an affront, then, to democracy itself?**

A. Maybe in this case. But in general, many Springfield veterans say, these candid, off-the-record negotiations end up reducing the partisan gridlock and "gotcha!" legislation that kills compromise, thwarts consensus and otherwise gums up the gears.

And, let's be real, it's not like our legislative leaders need some little-known tool to bury legislation. The committee system gives them all the tools they need to stall or kill bills they fear will generate more heat than light and result in awkward roll calls. Further, since the agreed-bill process has no statutory authority, leaders can always go around it and bring forth proposals on which the interested parties have been unable to reach accord.

**Q. Seems like it's time for that to happen with the repeal of the Social Security offset.**

A. I agree

*Update:* — In a Capitol Fax post headlined [A little-known, but very powerful process](#), Rich Miller sheds more light on agreed-bills. In his comment thread I correct him on one thing: Gallo's letter (below) didn't alert me to the issue with agreed bills; the AARP has been talking to me about the bill and the process since the spring.

can follow this conversation by subscribing to the comment feed for this post.

course they teach you the theory and not necessarily the practice in school. Old hat.

s buried in committee or sabotaged by attaching provisions that render it ineffective? Also old hat.

course, Illinois's government coffers are mighty empty right now. One reason people don't want to repeal this law. How will the state pay the benefits?

ated by: Thomas Radigan | Wednesday, August 17, 2011 at 06:15 AM

This is awful! What can I do about it?

Support candidates the support responsible, open government.

Which candidates are those?

In Illinois we have two parties: the party in power that claims they are all for reforms, control all the levers of government to make it happen, but only pass superficial reforms that are chock full of loopholes, they are ineffective.

The second party is the party of extremists.

So I should vote for the extremists?

Do you really want candidates in office that favor conceal carry, oppose a woman's right to chose, and want to remove safety nets? Please.

So I shouldn't vote?

Then you will be seen as a cowardly pariah abdicating your civic responsibility.

How about a third party candidate?

Then you are throwing your vote away.

Now I am confused...WHAT SHOULD I DO ABOUT THIS PROBLEM?

Stop worrying about the system and learn to love it.

ated by: Q and A | Wednesday, August 17, 2011 at 06:30 AM

ow will the state pay the benefits?

unemployment benefits come from a fund paid into by employers. If the state doesn't have enough of that money, then there's something fishy going on again.

ated by: JimW | Wednesday, August 17, 2011 at 08:55 AM

ur Illinois legislators agree that it's ok to discriminate against older workers: Senators Terry Link and John Jones and Representatives Frank Mautino and Ed Sullivan. We need your help to change their minds and be fair. These men have been appointed to the agreed bill process this year. They tell everyone who contacts them and asks them to support repeal of the Social Security offset law that "the state is broke." It's ok, therefore, for Illinois to continue to steal money from older people. Illinois and Louisiana are the ONLY states in the union have not repealed this unfair law. Every other state and territory has repealed it because it clearly discriminates against senior workers. Under the provision, unemployment payments are severely reduced if the recipient also receives Social Security. I'll be happy to provide the contact information for these four legislators. Contact me at nancy dot solomon at att dot net. Tell these men that's it's wrong to discriminate against people simply because they're old. Our employers paid the full amount of employment tax for each of us. They didn't get a deduction because we collect Social Security. This is the first time since repeal was first introduced in 2002 that legislators have even been included in the agreed bill process discussions about repeal. Previously, business lobbyists -- with agreement from labor lobbyists -- killed it privately. The Social Security offset provision is just plain wrong.

ated by: Nancy Solomon | Wednesday, August 17, 2011 at 11:57 AM

set up another email account if you want contact information for the four legislators or want more information about the Social Security offset provision: repeal@att.net

[I don't know the answer, I'll get it for you.

nancy

ated by: Nancy Solomon | Wednesday, August 17, 2011 at 01:46 PM

o how much does it cost to be part of this "agreed-bill process"? Oh no, I said that wrong. How generous are the members of this secret process with political donations to our outstanding legislators? We all know that there is no "pay to play" in Illinois.

ated by: Tired of Politics | Wednesday, August 17, 2011 at 03:56 PM

n a nation where we've spent the last year arguing about not taxing Americans and corporations to death - I find it hard to believe that the Illinois legislature did not hear this bill and pass it. The Unemployment Offset is a silent tax on senior citizens and a shameful attack on a population left most vulnerable by our ongoing economic recession. To sit behind closed doors and determine that democracy cannot see the light of day is an assault on the people of Illinois for which the Illinois Assembly should be held accountable (at the polis) for not allowing this critical bill to be heard and openly debated. Pastor Martin Niemöller is famous for his poem, And then they came for me ... we all need to speak up regardless of our ages - the truth is, if you don't, eventually they'll come for you.

ated by: Sunshine | Thursday, August 18, 2011 at 09:24 AM

--My unemployment benefits would be \$850/month .... except for social security offset ... cutting me to \$490. This ... after being laid off as employment counselor for seniors in Rockford. Previously, the Republican Congress had cut our wages 35% (July 1). Why are seniors being singled out for punishment in a brutal economy? Why is Illinois one of three states which subtracts our social security from our unemployment benefits?

ated by: Charles Worboys | Thursday, August 18, 2011 at 11:26 AM

uring a social injustice at the comparatively small cost of this issue should never be an issue for even momentary consideration by any legislator. When something is unjust, you fix it. Legislators....just call your mother and ask her if it's right or wrong and then go fix it.

learly, the legislature has recognized that this principal is very wrong. In 2009 the legislature passed Public Act 095-1043 to relieve retired state workers from this very Social Security Offset. Why was only one class of people properly treated?

The inequity of this situation is no less than startling.

ated by: hecash | Thursday, August 18, 2011 at 07:52 PM

f a person has paid into Social Security, their benefit should not be reduced for any reason - disability payment, unemployment, working to make ends meet!

ocial Security is not a privilege or right. A person has been contributing all their working life. It is their "due".

Thank you for getting this off the books in IL.

ated by: Pat | Friday, August 19, 2011 at 10:15 AM

The Illinois Offsetting of my Social Security (in calculating and payment of my Unemployment benefits) has greatly affected my family's well being). I can not belief they are even offsetting my benefits! I worked hard for almost 50 years and paid into social security. I don't belief we the unemployed should suffer any loss of UI benefits as a result of having paid in

ing Whitley Illinois Chamber of Commerce President and CEO responded to my query about the Social Security offset repeal proposal:

**I passed your inquiry to the Chamber's staff expert on employment law issues for his insight. He said, "The issue is all about whether a retiree is attached to the workforce. I believe other retirement income is also disqualifying income. There is a cost to the Trust Fund which is already over \$2 billion in the hole. This is not the time to expand benefit payouts."**

l analysis provided by state Sen. Heather Steans, D-Chicago, sponsor of [SB 0144](#) (*The companion bill in the House is Karen May's [HB 1115](#)*)

cial Security Offset recap (.pdf)

cial Security Offset white paper report (.doc)

velopment of State Laws Regarding Social Security Retirement Offsets From Unemployment Compensation Benefits-2003 to Spring, 2011 (.doc)

ate Majority Staff Bill Analysis, Feb. 7, 2011

**Fig. 3, 2011 letter to Voice of the People from Bob Gallo, senior state director, AARP Illinois:**

reaking an impasse that went on for months, Congress finally voted to allow millions of jobless Americans to receive unemployment benefits.

Unfortunately thousands of Illinoisans will not be able to fully benefit from this opportunity because our state is one of only three in the nation that still has a discriminatory law on its books.

is called the Social Security unemployment offset law.

works like this: If you are a jobless Illinoisan 62 years old or older, and are receiving Social Security benefits, you will see your unemployment benefits denied or reduced by an amount equal to half of your Social Security benefits.

about 16,000 older Illinoisans are the victims of this form of discrimination.

Older individuals on Social Security work because they can't get by just on those benefits. They are struggling to survive in today's economy and pay for basic, everyday costs.

Older unemployed workers also have a much harder time finding a new job than younger workers.

Besides Illinois only Louisiana and Utah have this law, and the Utah General Assembly recently passed a bill repealing it.

The Illinois House of Representatives introduced legislation, sponsored by Rep. Karen May, D-Highland Park, to repeal the law.

But it didn't even get into a committee because of the "agreed bill process," a little-known process in which the legislative leadership and special-interest groups determine which bills are debated and which ones aren't.

As a consequence of this process, thousands of Illinoisans are discriminated against by an outdated law that has been repealed by the immense majority of states.

AARP is calling on older Illinoisans who have been affected by this law to join us in pushing for this issue in Springfield, and to reach out to their state legislators so this outdated and discriminatory law can finally be repealed in the state.

— Bob Gallo, senior state director, AARP Illinois, Chicago

Posted at 12:14:00 AM in COLUMNS

#### RECOMMENDED FOR YOU

To all husbands: 8 simple ways to get into your wife's pants ([ChicagoNow](#))

I'd prefer that Jewel get rid of the Preferred Card, but... ([Change of Subject](#))

The cost of cheap stuff ([Change of Subject](#))

A heartbreaking image on Father's Day ([Change of Subject](#))

'I noticed that all your friends have a certain "up yours" attitude ... I like that.' ([Change of Subject](#))

#### FROM AROUND THE WEB

Your family's past may include some strange causes of death ([Ancestry.com](#))

Sandra Bullock's Turning up The Heat at Age 48 ([Yahoo!](#))

New law puts Yorkville Sky lantern Festival in jeopardy ([Fox Valley](#))

Erin Brockovich-Ellis Issues Apology for Alleged Boating DUI, Mug Shot Gets Released ([E! Online](#))

Flesh-Eating Bacteria Kills Killer ([Web2Carz](#))

EXECUTIVE SUMMARY: SB 144 removes social security and disability retirement benefits from the definition of “disqualifying income” for purposes of determining the amount of unemployment benefits a person will receive. Under current law, if a person applying for unemployment receives either social security or disability retirement benefits, half of the amount of those benefits is deducted from the unemployment compensation.

PROPONENTS: AARP, AFL-CIO

Staff Analysis of SB 0144

OPPONENTS: None at this time.

NEUTRAL: None at this time.

BACKGROUND: Senate Bill 144 is identical to Senate Bill 2640 (Steans) of the 96th GA, which was never called for a vote in the Senate Labor Committee. Like SB 2640, SB 144 is an initiative of AARP. According to AARP, current Illinois law which offsets social security from unemployment benefits is discriminatory against older adults. AARP claims that unemployment benefits should not be reduced simply because a person is receiving the social security benefits that they are entitled to. In addition, those older adults are typically working because they cannot survive on only social security benefits.

Last year, the Department of Employment Security reported that removing these offsets from the unemployment benefit calculation would have a yearly impact of \$56 million on the Unemployment Insurance Trust Fund. Senate Bill 2640 was opposed by the following organizations: IL Chamber of Commerce, IL Retail Merchants Assn., NFIB, AFL-CIO, and the IL Manufacturing Association.

Bills affecting the unemployment insurance system traditionally advance through the agreed bills process. Last year, Senate Bill 2460 was not chosen to advance through the agreed bills process.