

**Testimony of Madge Bush, AARP Virginia Director of
Advocacy before the
Virginia Unemployment Compensation Commission
RE: SB 128 Fiscal Impact Study the Unemployment
Compensation Pension Offset Reduction
Monday, July 19, 2004
10 a.m.
Senate Room B General Assembly Building**

**Chairman Watkins and members of the Virginia
Unemployment Compensation Commission, my name is
Madge Bush and I am Director of Advocacy for AARP
Virginia. Joining me today is our state advocacy
volunteer, Dr. Warren Stewart, representing more than
930,000 AARP members in our Commonwealth. His
presence signifies the importance AARP Virginia has
placed on the passage of SB 128, which I am speaking
about today. This bill will fully eliminate the Social**

Security Offset to Unemployment Compensation in Virginia.

We urge you to follow the recommendations of the House of Delegates and study the cost that this change will have on the Unemployment Trust Fund prior to the 2005 Session. As you know, SB 128 does address the issue of the solvency of the Trust Fund.

AARP Virginia will continue to pursue the elimination of this 50% offset in the 2005 Session. The offset of unemployment benefits due to the receipt of Social Security retirement benefits results in jobless Virginians having unemployment benefits denied or reduced simply because they have reached the age 62 or better, and are receiving Social Security benefits to which they are entitled. Being jobless at 62 and older is tough in today's labor market. These individuals need

the protection of unemployment insurance when they are involuntarily separated from work while receiving Social Security retirement benefits. These benefits are decidedly not enough to live on!

These older workers are not so-called “double dippers.” These are people struggling to pay for the cost of raising their grandchildren, the costs of caregiving for a parent or spouse, their own health care cost, their long term care insurance costs or simply trying to survive in today’s economy. They have contributed to the unemployment compensation system via unemployment taxes required of their employers; and thus they have earned that benefit. Similarly, workers who collect Social Security also have earned these benefits, too. There is no basis for subtracting one benefit from the other.

Providing unemployment benefits to involuntarily unemployed older workers despite their receipt of Social Security benefits is consistent with our tradition in Virginia of rewarding work and disfavoring discrimination based upon age. It is just good public policy for Virginia State Government and the business community to support older workers who are seeking to work and pay for their cost of living.

As you study SB 128, I want you to know where Virginia stands with regard to the offset. We have the distinction of being one of only two states on the East Coast that has an offset for Social Security. Connecticut eliminated their offset earlier this year, and last week, the DC City Council introduced emergency, retroactive legislation to fully eliminate their 100-percent offset. Only Rhode Island on the East Coast now shares

Virginia's offset policy; another dozen states in the rest of the country do so as well, compared to 20 states a mere three years ago.

AARP Virginia will ask the 2005 General Assembly to finish the job begun in 2003--when the offset was reduced from 100 percent to 50 percent--and give older workers equal standing to receive the protection of unemployment benefits. We offer the full resources of AARP's economist, Dr. Clare Hushbeck, and her consultants, to help you study this important issue.

Thank you.