

AARP Fights Discriminatory Illinois Unemployment Law

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In the current economy, with significantly reduced retirement savings, many older individuals on fixed incomes are facing a particularly dire financial situation. To make matters worse, a state law in Illinois unfairly penalizes older adults who are on Social Security by denying or reducing their unemployment benefits. It's called the Social Security unemployment "offset" and AARP is supporting a bill that would repeal law in Illinois.

House Bill #96, sponsored by Representative Karen May, would repeal an unemployment law in Illinois that classifies one-half of an older adult's Social Security payment as disqualifying income for purposes of unemployment benefits. The bill will allow eligible older workers the ability to receive the full unemployment benefits they are due. AARP is actively lobbying for passage of the bill.

Older adults receive the Social Security benefits to which they are entitled because they have paid into the Social Security system – unfortunately, many older adults who receive Social Security must continue to work because they cannot financially survive on Social Security alone. For these individuals, losing a job can be devastating. In Illinois, this joblessness is made even more devastating by the fact that these workers receive reduced unemployment benefits simply because they are receiving Social Security.

Employers pay unemployment taxes for all of their workers, regardless of the worker's age. All workers should receive their full unemployment benefit, regardless of their age.

The Social Security "offset" rule as it relates to unemployment benefits was originally established by federal law. However, nearly all states have taken action to repeal the Social Security offset. Illinois and Louisiana are the only states in the nation that have not taken action to repeal this unfair and discriminatory law.

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