

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE.

The meeting was called to order by Chairman Donald Dahl at 9:00 a.m. on February 21, 2003 in Room 243-N of the Capitol.

All members were present except: Representative Mary Kauffman, Excused

Committee staff present: Jerry Ann Donaldson, Kansas Legislative Research Department
Rena Jefferies, Revisor of Statutes
Mitch Rice, Revisor of Statutes
June Evans, Secretary

Conferees appearing before the committee: Representative David Huff
Wayne Miller
A. J. Kotich, Human Resources
Jim DeHoff, Executive Secretary, AFL-CIO
Carol Ball, Let's Help

Others attending: See attached sheet

The Chairman called the meeting to order at 9:00 a.m. The Chairman introduced and welcomed Mitchell Rice, Revisor of Statutes Office to the committee.

The Chairman opened the hearing on **HB 2332 - Employment security benefits for retired persons receiving social security.**

Staff gave a briefing on **HB 2332** concerning social security stating that federal social security payments shall not disqualify or affect an individual's receipt of unemployment benefits.

Representative David Huff testified as a proponent to **HB 2332**. There are more and more senior citizens going back to work either full or part time. Seniors who work face the same economical factors as any other worker. They pay taxes and all other authorized deductions from their salary. These workers, as any other workers in a slow economy, are prone to lay-offs and loss of job. Regardless of age, a person earns the right for unemployment after being laid off. **HB 2332** would stop the discrimination of reducing the amount of unemployment compensation by 50% just because the senior worker draws social security (Attachment 1).

Wayne Miller, a concerned citizen and proponent of **HB 2332**, stated the law is not only unfair but possibly discriminates against Kansas senior citizens. The State of Kansas is currently administering unemployment benefits as directed by the U.S. Department of Labor's (USDOL) Directive, Letter No. 22-87, dated April 30, 1988. The USDOL has since modified this directive allowing the states more discretion in the offsets for social security benefits. Kansas has not modified its administration to be more in line with the current USDOL's directives (Attachment 2).

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A. J. Kotich, Chief Counsel, Kansas Department of Human Resources (KDHR), testified supporting **HB 2332**. This bill would discontinue the present practice of reducing unemployment benefit payments by 50% of any social security pension benefits received. KDHR recommends the bill be amended to include discontinuance of reducing unemployment benefit payments by 50% of any railroad retirement benefits received. The Employment Security Advisory Council has considered such a proposal and has expressed support of such legislation (Attachment 3).

Carol Ball, Older Kansan Employment Program, testified as a proponent to **HB 2332**. A grant was received from KDHR to assist people 55 years and older in finding employment. Many elderly need a job to survive. In the last five years trends have been changing. Widows are having more difficulty surviving on only social security benefits. Many seniors are raising their grandchildren. Several clients have needed jobs to help with medical bills for sick adult children, grandchildren in school, and the basics such as food, clothes, utilities, etc. These seniors have paid 100% into the fund when they worked. Because they are on Social Security they only receive 50% (Attachment 4).

Darrell Donahue, Congressional District Coordinator, AARP, a proponent to **HB 2332**, stated Kansas is one of 20 states, plus the District of Columbia, that reduces unemployment benefits for workers collecting Social Security, even though they have become unemployed through no fault of their own and intend to return to work when that becomes possible. Kansas has the authority to stop the reductions of unemployment insurance benefits of retired workers receiving Social Security and certain other retirement benefits. Legislation should be passed to eliminate reductions in unemployment benefits due to the receipt of Social Security benefits. Therefore, AARP supports language in **HB 2332** that would eliminate the Social Security/Unemployment Insurance offset for Kansans (Attachment 5).

Jim DeHoff, Executive Secretary, AFL-CIO, testified as a proponent to **HB 2332**. This bill would affect approximately 750 unemployment claims and cost the Trust Fund an estimated 1.2 million dollars. The Employment Security Council voted to support this important change that has been an unfair offset against people who have had benefit taxes paid in on them and had to endure a reduction in unemployment benefits (Attachment 6).

Representative Grant moved and Representative Ruff seconded to amend by adding "Railroad Retirement Act of 1974". The motion carried.

Representative Yoder moved and Representative Sharp seconded to move **HB 2332** out favorably as amended. The motion carried.

Representative Patterson gave a report and asked to reconsider **HB 2064 - Filing times on certain liens extended for property other than residential property**.

Representative Patterson proposed a balloon that the balloon would provide for a lien for the furnishing of labor, equipment, materials, or supplies of property other than residential property; may be claimed pursuant to this section within five months only if the claimant has filed a notice of extension within four months since last furnishing labor, equipment, materials or supplies to the job site. Such notice shall be filed in the office of the district court of the county where such property is located and shall be mailed by certified and regular

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mail to the owner. The filing of such notice extends the time for filing a lien to five months for a contractor, supplier or other person providing materials or labor on property. Filing of such notice extends the time for filing a lien to five months for a subcontractor, supplier, or other providing materials and labor on property.

Representative Grant moved and Representative Rehorn seconded to reconsider action on **HB 2064**. The motion carried.

The Chairman stated the bill would be back up for debate on Monday, February 24. If the balloon is not in writing and everyone understands it, the bill would not be worked any further.

Representative Grant moved and Representative Carlin seconded approval of the minutes of Jan 28, 31, February 3, 4, 5, 6, and 12. The motion carried.

The meeting adjourned at 10:05 a.m. The next meeting will be February 24.