

**2001 DRAFTING REQUEST**

**Senate Joint Resolution**

Received: 05/25/2001

Received By: **shoveme**

Wanted: **As time permits**

Identical to LRB:

For: **Legislative Council - JLC 6-2298**

By/Representing: **Bob Conlin**

This file may be shown to any legislator: **NO**

Drafter: **shoveme**

May Contact:

Addl. Drafters:

Subject: **Tax - individual income  
Employ Pub - retirement  
Employ Priv - miscellaneous**

Extra Copies: **all editors**

Submit via email: **NO**

**Pre Topic:**

No specific pre topic given

**Topic:**

Memorialize Congress about the social security earnings limit

**Instructions:**

See Attached

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	shoveme 06/04/2001	jdyer 06/05/2001		_____			
/1			pgreensl 06/06/2001	_____	lrb_docadmin 06/06/2001		
/2	shoveme 09/21/2001	wjackson 09/21/2001	jfrantze 09/24/2001	_____	lrb_docadmin 09/24/2001	lrb_docadmin 09/24/2001	

FE Sent For:

Phone needed

<END>

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06/06/2001 11:44:40 AM

Page 2

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1?	shoveme	1 6/5 JLA	6/6 PJG	4/6 P8 Kch			
11 MES	6/1/01						

FE Sent For:

<END>

MES.....

JLD  
RMNR

~~PRELIMINARY DRAFT NOT READY FOR INTRODUCTION~~

**2001 SENATE JOINT RESOLUTION**

1

Relating to:

*memorializing Congress to study and modify the Social Security earnings limit.*

*Analysis by the Legislative Reference Bureau*

2

*Resolved by the senate, the assembly concurring, That:*

3

*(END)*





-3368

04/10/2001

### 2001 JOINT RESOLUTION

1 **Relating to:** memorializing Congress to study and modify the Social Security earnings  
2 limit

**JOINT LEGISLATIVE COUNCIL PREFATORY NOTE:** This draft was prepared for the joint legislative council's special committee on labor shortage.

This draft creates a joint resolution calling upon Congress to study and modify the Social Security earnings limit for recipients between the ages of 62 and ~~64~~ 64

3 **Whereas**, under current law, ~~Social Security~~ recipients who are aged 62 to ~~64~~ 64 have their  
4 benefits reduced by \$1 for every \$2 that they earn above \$10,080 annually; and

5 **Whereas**, in 2000, Congress repealed the earnings limit applicable to ~~Social Security~~  
6 recipients between the ages of 65 and 70; and

7 **Whereas**, Wisconsin and many other states face looming labor shortages in the coming  
8 years due to the impending retirements of thousands of baby boomers; and

9 **Whereas**, in a limited labor market with only <sup>✓</sup>4% unemployment, we must encourage  
10 our trained, skilled older workers to continue to be productive members of society through  
11 continued employment; now, therefore, be it

12 *Resolved by the ~~Wisconsin~~ senate, the ~~Wisconsin~~ assembly concurring, That* the  
13 members of the Wisconsin legislature urge Congress to study and modify the ~~Social Security~~  
14 earnings limit for recipients between the ages of 62<sup>✓</sup> and ~~64~~ 64, and *be it further*

15 *Be it further resolved, That* the ~~Wisconsin~~ senate chief clerk shall provide a copy of  
16 this joint resolution to the president and secretary of the U.S. senate, to the speaker and clerk  
17 of the U.S. house of representatives and to each member of the congressional delegation from

1 this state attesting the adoption of this joint resolution by the 2001<sup>✓</sup> legislature of the state of  
2 Wisconsin.

3 (END)

**Shovers, Marc**

---

**From:** Conlin, Robert  
**Sent:** Tuesday, May 15, 2001 2:36 PM  
**To:** Shovers, Marc  
**Subject:** RE: Jt. Legislative Council Committee on Labor Shortage: Drafting Request

Oh, you and your infernal questions!

The education tax credit is based on LRB 0103/3 from this session. JK

The apprenticeship tax credit and marketing activities and preapprenticeship grants, etc, are from LRB 2911/1 which I don't believe has been introduced yet. JK

The productivity enhancement tax credit, the job skills advancement program and the development zone tax credit transfer are from last session's SB 394 (LRB 3778/2) — PG

Finally, there is a provision on expanding the W-2 based employment skills grant program which was taken from the budget, but I don't have the spill draft number handy. I think Ivy drafted it.

I think the rest we concocted on our own (and will undoubtedly need the most work).

Bob

-----Original Message-----

**From:** Shovers, Marc  
**Sent:** Tuesday, May 15, 2001 2:22 PM  
**To:** Conlin, Robert  
**Subject:** RE: Jt. Legislative Council Committee on Labor Shortage: Drafting Request

Hi Bob:

Could you tell me what the LRB numbers are of the drafts on which your draft is based? Thanks.

Marc

-----Original Message-----

**From:** Conlin, Robert  
**Sent:** Tuesday, May 15, 2001 12:20 PM  
**To:** Shovers, Marc  
**Cc:** Zavos, Nicholas; Ulrich, Wendy  
**Subject:** Jt. Legislative Council Committee on Labor Shortage: Drafting Request

Marc:

As we discussed earlier, here are the copies of the two drafts introduced by the Joint Legislative Council. Now that I think about it, you may not be involved in the drafting of any of these, but I thank you for your willingness to parcel them out to the appropriate people at the LRB anyway. Much of WLC:0150/1 are based on current or prior drafts from the LRB so hopefully they should be in good shape. They should be introduced as companion bills/resolutions in each house, by the Joint Legislative Council. Nick Zavos and I are the lead people over here on the bills and can be contacted about any questions you may have. These are, of course, superpriority drafts that we can't live without for more than a couple of weeks.....Seriously, though, your prompt attention would be appreciated. I have a feeling some of this may be showing up as budget amendments over the summer.

Again, thanks for your help. Let me know if you need hard copies. If you have questions, please let me know.

<< File: 01351 (2).pdf >> << File: 01501 (2).pdf >>

**Bob Conlin**  
Sr. Staff Attorney  
Wisconsin Legislative Council Staff  
(608) 266-2298

**Shovers, Marc**

---

**From:** Conlin, Robert  
**Sent:** Monday, June 04, 2001 9:22 AM  
**To:** Shovers, Marc  
**Subject:** Social Security Reductions

Marc

In case you haven't already found it, I think the appropriate federal cite for the social security reduction on account of work is generally in 42 USC 403 (f). I think (f) (8) was amended in the 106th Congress by PL 106-182 to eliminate the earnings penalty for those who have reached retirement age (65).

**Bob Conlin**

Sr. Staff Attorney  
Wisconsin Legislative Council Staff  
(608) 266-2298



# Social Security Retirement Planner

Learn more about your Social Security Retirement Benefits

## Calculators

Calculate your own benefit estimate

## Eligibility Issues

Factors affecting retirement benefits

## Near Retirement?

Check here for your retirement options

## FAQ's / Feedback

Find answers & let us know your concerns

## You can work and get Social Security at the same time

You can work while you receive Social Security benefits. And when you do, it could mean a higher benefit for you. That can be important to you later in life. It also could increase the future benefit amounts your family and your survivors could receive.

In April 2000, the law that determines what happens when you work and get benefits at the same time was changed. While you're working, your benefit amount will now be reduced only until you reach **your full retirement age**, not up to age 70. We will use this formula to determine how much your benefit must be reduced:

- If you are **under full retirement age** (currently age 65) when you start getting your Social Security payments, \$1 in benefits will be deducted for each \$2 you earn above the annual limit. For 2000, that limit is \$10,080.
- **In the year you turn full retirement age**, \$1 in benefits will be deducted for each \$3 you earn above a different limit, **but only counting earnings before the month you reach the full benefit retirement age**. For 2000, this other limit is \$17,000.
- **Starting with the month you reach full retirement age, you will get your benefits with no limit on your earnings.** These new rules apply for the entire year of 2000, starting back in January.

[See here for examples of how these tests work.](#)

---

[Planner Home](#) || [Calculators](#) || [Eligibility Issues](#) || [Near Retirement?](#) || [FAQ's & Feedback](#) || [SSA Home](#) || [Search](#)

**2000 Earnings Limits**

◦ If you're under **age 65**, you can earn up to \$10,080 with no reduction in benefits; for every \$2 you earn over \$10,080, \$1 is withheld from benefits

10024.fm Page 36 Tuesday, March 7, 2000 3: 29 PM

~

37

◦ If you're **65- 69**, you can earn up to \$17,000 with no reduction in benefits; for every \$3 you earn over \$17,000, \$1 is withheld from benefits

◦ If you're 70 or older, there is no **limit** on your **earnings**

**2000 SSI Payment Rates**

(does not include state supplement, if any)

◦ \$512 for an individual

◦ \$769 for a couple

10024.fm Page 37 Tuesday, March 7, 2000 3: 29 PM

## Normal Retirement Age for Social Security and the Effects of Early or Delayed Retirement

The normal retirement age (NRA) is the age at which benefits (before rounding) are equal to the "primary insurance amount." The table at right shows how NRA varies by year of birth.

Benefits can be significantly higher or lower than the primary insurance amount, depending on age at retirement. With delayed retirement credits, a person can receive his or her largest benefit by retiring at age 70. A worker can choose to retire as early as age 62. If such early retirement is chosen, we will reduce the worker's benefit by a certain percentage.

In the case of *early retirement*, a benefit is reduced 5/9 of one percent for each month before NRA, up to 36 months. If the number of months exceeds 36, then the benefit is further reduced 5/12 of one percent per month. For example, if your NRA is exactly age 66 and if you retire at exactly age 62, there are a total of 48 months of reduction. The reduction for the first 36 months is 5/9 of 36 percent, or 20 percent. The reduction for the remaining 12 months is 5/12 of 12 percent, or 5 percent. Thus, in this example, the total benefit reduction is 25 percent.

Year of birth	Normal retirement age
1937 and prior	65
1938	65 and 2 months
1939	65 and 4 months
1940	65 and 6 months
1941	65 and 8 months
1942	65 and 10 months
1943-54	66
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 and later	67

Note: Persons born on January 1 of any year should refer to the normal retirement age for the previous year.

*Delayed retirement credit* is generally given for retirement after the normal retirement age. No credit is given after age 69. Delayed retirement credits increase a retiree's benefits. The table at right shows the delayed retirement credit by year of birth.

For example, if you were born in 1940 and you retire at age 68, you first find that your NRA is 65 1/2 in the first table, above. From the table at right, you see that your credit is 7 percent per year. The difference between your retirement age and NRA is 2.5 years, so your benefit would be 7 percent times 2.5, or 17.5 percent, higher than your primary insurance amount.

A table illustrates the complex interaction among normal retirement age, actuarial reduction, and delayed retirement credit.

Year of birth	Delayed retirement credit Credit per year
1924	3.0%
1925-26	3.5%
1927-28	4.0%
1929-30	4.5%
1931-32	5.0%
1933-34	5.5%
1935-36	6.0%
1937-38	6.5%
1939-40	7.0%
1941-42	7.5%
1943 and later	8.0%

Note: Persons born on January 1 of any year should refer to the credit percentage for the previous year.

# MEMORANDUM

*from* ROBERT J. CONLIN  
Legislative Council Staff  
(608) 266-2298  
robert.conlin@legis.state.wi.us

Marc:

Am sending this back to you for jacketing. We need one for each house. If you would be so kind as to check the "rule" on including a Leg. Council Pref. Note, I would appreciate it.

Thanks.

Bob





# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET  
5TH FLOOR  
MADISON, WI 53701-2037

STEPHEN R. MILLER  
CHIEF

LEGAL SECTION: (608) 266-3561  
LEGAL FAX: (608) 264-6948

June 6, 2001

### MEMORANDUM

To: Legislative Council - LRC

From: Marc E. Shovers, Senior Legislative Attorney

Re: LRB-3368/1 Memorialize Congress about the social security earnings limit

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

JACKET FOR ASSEMBLY  JACKET FOR SENATE

If you have any questions concerning the attached draft, or would like to have it redrafted, please contact me at (608) 266-0129 or at the address indicated at the top of this memorandum.

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will request that it be prepared after the draft is introduced. You may obtain a fiscal estimate on the attached draft before it is introduced by calling our program assistants at 266-3561. Please note that if you have previously requested that a fiscal estimate be prepared on an earlier version of this draft, you will need to call our program assistants in order to obtain a fiscal estimate on this version before it is introduced.

Please call our program assistants at 266-3561 if you have any questions regarding this memorandum.



## 2001 SENATE JOINT RESOLUTION

1       **Relating to:** memorializing Congress to study and modify the social security  
2           earnings limit.

3           Whereas, under current law, social security recipients who are aged 62 to 64  
4       have their benefits reduced by \$1 for every \$2 that they earn above \$10,080 annually;  
5       and

6           Whereas, in 2000, Congress repealed the earnings limit applicable to social  
7       security recipients between the ages of 65 and 70; and

8           Whereas, Wisconsin and many other states face looming labor shortages in the  
9       coming years due to the impending retirements of thousands of baby boomers; and

10          Whereas, in a limited labor market with only 4% unemployment, we must  
11       encourage our trained, skilled older workers to continue to be productive members  
12       of society through continued employment; now, therefore, be it

13           *Resolved by the senate, the assembly concurring, That* the members of the  
14       Wisconsin legislature urge Congress to study and modify the social security earnings  
15       limit for recipients between the ages of 62 and 64; and, be it further





RMP

# 2001 SENATE JOINT RESOLUTION

SOON

Ed  
wpo:  
Add  
this

~~JOINT LEGISLATIVE COUNCIL~~ PREFATORY NOTE: This ~~draft~~ <sup>joint resolution</sup> was prepared for the joint legislative council's special committee on labor shortage.

This ~~draft~~ <sup>calls</sup> creates a joint resolution calling upon Congress to study and modify the Social Security earnings limit for recipients between the ages of 62 and ~~64~~ 64

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12 of society through continued employment; now, therefore, be it

13 **Resolved by the senate, the assembly concurring, That** the members of the  
14 Wisconsin legislature urge Congress to study and modify the social security earnings  
15 limit for recipients between the ages of 62 and 64; and, be it further

1           ***Be it further resolved, That*** the senate chief clerk shall provide a copy of this  
2 joint resolution to the president and secretary of the U.S. Senate, to the speaker and  
3 clerk of the U.S. House of Representatives and to each member of the congressional  
4 delegation from this state attesting the adoption of this joint resolution by the 2001  
5 legislature of the state of Wisconsin.

6

**(END)**



# State of Wisconsin

## LEGISLATIVE REFERENCE BUREAU

100 NORTH HAMILTON STREET  
5TH FLOOR  
MADISON, WI 53701-2037

STEPHEN R. MILLER  
CHIEF

LEGAL SECTION: (608) 266-3561  
LEGAL FAX: (608) 264-6948

September 24, 2001

### MEMORANDUM

To: Legislative Council - JLC

From: Marc E. Shovers, Senior Legislative Attorney

Re: LRB-3368/2 Memorialize Congress about the social security earnings limit

The attached draft was prepared at your request. Please review it carefully to ensure that it is accurate and satisfies your intent. If it does and you would like it jacketed for introduction, please indicate below for which house you would like the draft jacketed and return this memorandum to our office. If you have any questions about jacketing, please call our program assistants at 266-3561. Please allow one day for jacketing.

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