

EXPERIENCE WAVE

Federal Legislative Proposals on Civic Engagement of Older Adults

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Congress should take action in the following areas:

Part I - Engaging Older People in Charitable Work

Advocate for federal policies that recognize the value and benefits of engaging older people in purposeful paid, charitable or pro bono work, and remove barriers to full participation in such activities.

1. Tax policy related to charitable services and unpaid or "pro bono" work.

Amend the federal tax code and treat the gift of time or charitable services by older volunteers to community based not-for-profit organizations or government agencies the same as monetary gifts or donations of goods. A change in tax policy that allows people to deduct from their tax liability the value of their charitable services would promote philanthropy and engagement of older people in community and civic life.

Similar programs in states have allowed older people to reduce their property tax liability by up to \$1000. In Michigan, older volunteers who participate in the Senior Tax Exchange Program" or STEP, can reduce their property tax burden by \$600 to \$1000 if they meet a minimum threshold and provide charitable services to a community-based not-for-profit organization.

The tax code should allow older people who provide charitable services to deduct from their taxable income an amount equal to the federal minimum wage (currently \$5.15) times the number of hours per year they engage in charitable services, up to a maximum of 500 hours annually. This would be a maximum deduction of \$2,575.

For low-income older people who have no federal tax liability but who engage in charitable work, this amount should be refundable up to \$1,000. Any refund should not be treated as income for purposes of determining eligibility for income-related federal programs such as Medicaid, SSI or food stamps.

In all charitable work, stipends or reimbursement for expenses such as transportation, meals, and work supplies should not be treated as income for tax purposes, nor should such funds be considered when determining eligibility for income-related federal programs, as stated above.

These policies recognize that the not-for-profit and government sectors rely heavily on unpaid or charitable services to achieve their mission and that the provision of these services has a cost to the worker (transportation and opportunity costs of forgoing paid work).

2. Assist community-based not-for-profits and federal, state and local governments with training and management of an older unpaid work force.

As the potential supply of older people who could engage in charitable work increases, so too will the demand for purposeful work that provides advanced training, educational

opportunities, and professional development programs. Federal programs need to be developed that help prepare these sectors to fully utilize unpaid older workers.

A competitive grant program managed by the Department of Labor Older Worker Division or the U.S. Administration on Aging would provide seed money to organizations that seek to enhance the use of older unpaid workers who provide charitable services. The grants would allow organizations to develop state-of-the-art unpaid worker management, retention and time tracking programs. Grantees would develop programs that could be replicated by other organizations, and would mentor or coach other organizations with similar mission and scope.

A well-designed time tracking system developed under a competitive grant could become the basis for state or local "time banking" systems that have been used successfully in local communities to provide credits to charitable workers who need services in return at some point in the future. Time banking can be used to support or supplement caregiver support programs or other in-home services and supports.

Federal proposals to develop and fund a nationwide "2-1-1" information system for community and social services would greatly enhance the ability of older people to access information about where charitable services are most needed in the community and how they can become involved in local efforts to improve social services and supports. A 2-1-1 information line should seek to serve those that are looking for services as well as those that want to donate their time, talents and skills in community service.

3. Competitive Fellowship Demonstration Program for community service.

A new Competitive Fellowship Demonstration Program would provide an opportunity for people in mid-life to pursue training for a second career. The U.S. Department of Education would manage the fellowship program, and successful applicants would be required to obtain local support from a host not-for-profit or government agency.

The program would provide a "living wage" stipend for one year, tuition for education at an accredited college or university, health insurance (possibly COBRA coverage through the worker's former employer), and social security credits. Program costs would be divided between the Department of Education and the host agency, and in return, the fellow would agree to work as a paid employee at the host agency following the year-long training for a period of time set forth in advance by the host agency.

4. National strategy for mobilizing older people to provide charitable services.

Under the Older Americans Act Amendments of 2006, the Assistant Secretary for Aging is charged with developing a "comprehensive strategy for utilizing older individuals to address critical local needs of national concern, including the engagement of older individuals in the activities of public and nonprofit organizations such as community-based organizations, including faith-based organizations". To this end, the coalition will work with the assistant secretary to guide this process and ensure that the result is a feasible blueprint for capturing the time, talent, skills and values of the present and future generation of older people.

Part II: Wider Opportunities for Older Workers

Advocate for federal policies that recognize the unique needs and preferences of mature and older workers and help older workers stay in the workforce or re-enter the workforce following retirement. Support policies related to health care, income

security, including employer-sponsored pensions and Social Security that facilitate the continued employment of mature and older workers with flexible schedules and benefits and opportunities for retraining.

1. Make health care coverage for mature and older workers accessible and affordable.

- Amend Medicare eligibility rules to permit older workers (age 55 and older) to buy in to the program. This would allow older workers to choose more flexible or part-time work and still enable them to have access to health insurance coverage.
- Allow older workers (age 55 and older) to buy COBRA coverage through their employer if they voluntarily change their employment status to less than full time work.

2. Allow older workers to choose phased retirement as an option to continue employment with their current employer while reducing work load or hours to begin retirement activities or to care for an aging spouse, partner or other family member.

- Amend ERISA and IRS code to allow mature and older workers to receive partial distributions from defined benefit or defined contribution plans without having to separate from the current employer.
- Allow employers who offer phased retirement as a benefit to place a limit on the length of the phase during which employees reduce work hours before they eventually retire.
- Allow employers to calculate a worker's retirement benefit based on the five highest paid years of service to the employer as opposed to the last five years so as not to penalize workers who choose phased retirement in their last years of service.
- Allow individuals covered by the Civil Service Retirement System to work part-time in the later stages of their careers without facing a reduction in their final retirement benefits.
- Amend Social Security rules to increase the benefit differential for people who delay the receipt of benefits beyond their normal retirement age.
- Amend rules regarding calculation of Social Security benefit to include all years of work rather than past 35 years.

3. Improve access to employment and training services for which mature and older workers are eligible under the Workforce Investment Act. Ensure that Workforce Investment Boards seek input from business and employers in determining how to utilize the WIA state allotment.

4. Create a federal task force on older workers that would review all federal policies that create barriers to the continued employment of mature and older workers near or beyond retirement age and make recommendations to Congress on removing those barriers, including a timetable for implementation of new policies.

Part III: Lifelong Learning for Older People

Advocate for federal policies that improve educational opportunities for older people in job training and skills development that may improve their prospects in work and civic life. Enhance federal resources for community based organizations such as community colleges that provide comprehensive lifelong learning opportunities for older people.

1. Promote established community based organizations such as community colleges, libraries, senior centers, and agricultural extension service agencies as lead partners in creating initiatives and opportunities for mid life and older people to create and execute a comprehensive plan for meaningful engagement through work and charitable service.

- Implement a federal competitive grant program to provide seed money for community-based organizations to develop programs, curricula and services that will:
 - Increase the active involvement of midlife adults in community education programs, campuses, and centers
 - Use non-credit and peer-led adult learning programs to target the emerging needs and interests of mid life and older people
 - Align training and education programs with local public, private and government agencies to address sector-specific workforce shortages in the community
 - Promote charitable services among mid life and older people by linking education programs with community needs.

2. Establish federal programs that allow older people to set aside pretax income for the purpose of financing "lifelong learning accounts".

3. Allow older workers to make pre-retirement withdrawals from 401(k) plans in order to finance continuing education or retraining.

4. Establish a Silver Scholarship Program in the U.S. Administration on Aging that would to make grants to community-based organizations that have a proven track record administering effective volunteer programs. Grant recipients would to provide \$1,000 scholarships to older people who perform at least 600 hours of volunteer service with such agencies or organizations within a 12-month period.

5. Increase levels of federal Adult Education Act funding to states.