

“SUPERACHIEVER” CREDIT

H.R. 4 Would Help States With Large Past Caseload Declines Satisfy Rising Work Rates

The “Superachiever” Credit would provide States with significant past caseload declines a continued partial credit for those declines toward rising future work participation rates (in addition to the revised net caseload reduction credit provision elsewhere in the bill).

- The superachiever credit will be available to States that achieved 60% or greater caseload declines between 1995 and 2001.
- The amount of the superachiever credit is determined based on the degree to which a State’s caseload decline exceeds 60%. Wisconsin, which experienced a 76% decline, would receive a maximum credit of 16%.
- There is a ceiling on the superachiever credit so it may not reduce a State’s effective work participation rate (prior to additional credits for future caseload reduction) below 50%.
- As a result, the maximum superachiever credit in any year is as follows:

| Year | Work Participation Rate | Maximum Superachiever Credit | Minimum Effective Work Participation Rate (Before Any Credit for Future Caseload Reduction) |
|------|-------------------------|------------------------------|---|
| 2004 | 50 | -- | 50 |
| 2005 | 55 | 5 | 50 |
| 2006 | 60 | 10 | 50 |
| 2007 | 65 | 15 | 50 |
| 2008 | 70 | 20 | 50 |

Example

Wisconsin experienced a 76% caseload decline between 1995 and 2001. After the superachiever credit, its effective work participation rate in each of FYs 2004 through 2007 would remain at the current level – 50%, before additional reductions for continued net caseload decline provided elsewhere in H.R. 4. In FY2008 Wisconsin’s rate would rise to only 54% (the 70% rate that year minus Wisconsin’s 16% superachiever credit).

Other States Benefiting (Maximum Superachiever Credit)

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|---------|---------|---------|---------|---------|--------|
| CO (12) | FL (15) | GA (4) | ID (20) | IL (14) | LA (9) |
| MD (5) | MI (4) | MS (10) | NJ (2) | NC (6) | OH (3) |
| OK (9) | SC (5) | WV (2) | WI (16) | WY (20) | |