



Honoring the Promise of Timely Payment of UI Benefits

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Unemployment Insurance Conference
Washington, D.C.
December 8, 2009

Origins of Timeliness Standards

- Section 303 (a)(1) SSA – requires that state UI programs utilize “such methods of administration...as are found by the Secretary of Labor to be reasonably calculated to insure *full payment of benefits when due*”
- “When due” historically cited as requiring timely payments but also administrative processes that insured payments were not improper

Defining What Process is Due in the UI System

- 1960's: California law stops UI payments to otherwise eligible claimants when appeal filed
- Possibility of reversal sufficient basis to suspend payments
- Law challenged under SSA “methods of administration” section

Supreme Court Weighs In

- **Java v. California Department of Human Resources Development** 402 U.S. 121 (1971)
 - “Due” means “the time when payments are first administratively allowed as a result of a hearing at which both parties are permitted to present their respective positions”
 - “When due” clause exists to accomplish “Congressional purposes of avoiding resort to welfare and stabilizing consumer demands; delaying compensation until months have elapsed defeats these purposes”

Response to Java

- Numerous federal lawsuits challenging delays in state UI payments and appeals
- Federal regulations establish timeliness standards for first payments and appeals decisions (20 CFR 640)
- ETA to States: State law that does nothing but delay benefit payment is an method of administration inconsistent with federal law.



Detailed Timeliness Standards

- First Payments: 87% of first payments must be made within 14/21 states of when claim first filed
- Lower Authority Appeals:
 - 60% decided within 30 days of appeal
 - 80% decided within 45 days of appeal



Not Making the Grade

- In 2008, US misses first payment standard for first time (86%)
- In 2009, first payment timeliness has fallen to 82% with 32 states on track to fall below 87% standard
- 13 states below 80% and 5 states below 70%



Appeals: Backlogs and Delays Chronic in Some States

- 26 states currently failing to meet federal standards for issuing timely decisions
- Half of these states have failed to meet federal standards for most of this decade
- Six states (including CA) regularly falling below 25% compliance

Identifying Causes and Finding Solutions

- Unprecedented workloads
- Recession tests call center and web technologies
- State budget & personnel actions
- Corrective Action Process (CAP)
- Distinguishing recession challenges from chronic performance problems