

Unemployment Benefits for Domestic Violence Survivors: What Are Its Costs?

National Employment Law Project

Click here for a table outlining costs of state DVUI programs

Introduction

As of late 2004, twenty-six states and the District of Columbia had enacted unemployment insurance for domestic violence victims. Most states cover both those forced to leave work to ensure safety of themselves or family members as well as those discharged due to the consequences of domestic violence. These states have recognized that domestic violence survivors are often workers, that they are often forced out of their jobs involuntarily, and that they continue to be attached to the labor force and searching for work. States with domestic violence unemployment insurance laws include AZ, CA, CO, CT, DC, DE, KS, IL, IN, ME, MA, MN, MT, NE, NH, NJ, NM, NY, NC, OK, OR, RI, SD, TX, WA, WI, WY.

Costs Much Lower Than Predicted Prior to Passage

States have found that the cost of providing unemployment insurance to victims of domestic violence has been insignificant (and much lower than opponents have frequently feared). In 2001, advocates in Washington State telephoned state unemployment agencies throughout the country to get data on numbers of domestic violence unemployment claims in each state. At that time, most states described the number of domestic violence unemployment insurance (DVUI) claims as "a handful," or "a few." Minnesota had 21 claims over four years, Nebraska had five in 2000, and Oregon had about 20 claims per year.

In June 2001, the National Association of Unemployment Insurance Appeals Boards (NAUIAB) conducted a survey of states with regard to domestic violence and unemployment insurance. This survey showed that only one state, Connecticut, formally tracked its domestic violence unemployment cases. Statistics on the usage of the domestic violence unemployment legislation in Connecticut have been kept since the October 1999 effective date of the legislation. In calendar year 2004, Connecticut reported 36 paid domestic violence unemployment claims for a total amount of \$144,211. In calendar year 2003, Connecticut awarded DVUI benefits to 47 claimants in a total amount of \$194,000. Between October 1, 1999, and April 1, 2001, 47 domestic violence cases were handled by the Connecticut Department of Labor with an average weekly benefit amount of \$397.00 and an approximate total cost of \$169,850 over that time period.

Recent Cost Findings on Domestic Violence UI

Some cost information has been updated for nine of the 27 states with DVUI laws through telephone interviews or electronic mail contact with staff at the state unemployment insurance agencies. In Colorado, from October 2002 through September 2003 there were 37 allowed DVUI claims, out of a total of about 180,000 total UI claims during that same 12-month period. Massachusetts does not track total costs of DVUI claims. In the calendar year 2003, the state had 189 DV claims, compared with over 320,000 regular unemployment insurance claims.

In Minnesota, for the twelve months from March 1, 2003 through February 19, 2004, there were 31 DVUI cases covered by its domestic violence law with a total cost of \$77,000. Total state benefits paid during that time were \$851 million. In New Hampshire in 2002, there were 13 DV claimants who received about \$20,000 in UI benefits. Through mid-December 2003, New Hampshire had 10 DV claimants who received \$43,000 in benefits. In an average recent year, the state overall has at least 25,000 claimants and pays out over \$100 million in benefits.

North Carolina had 63 claims in 2002 (as of June, 2002), for a six-month cost of \$101,088 for domestic violence unemployment benefits. For comparison purposes, North Carolina spent \$961,869,000 on total claims in the year 2001. South Dakota just enacted DVUI in 2003. From July to December of that year, South Dakota had 4 claimants qualified for benefits under its law. Costs totaled \$5400. South Dakota's total claims that year were about 7000 total UI claims, for a cost of \$11,745,000. In 2003, there were 219 DVUI claims in Washington State, compared with 267,000 "first payments" of claims in those years. In New Jersey, for the program year ending June 30, 2004, there were 84 domestic violence claims paid. Delaware reported in October 2004 that it had only a few cases under its domestic violence benefits law but does not keep separate statistics for this type of claim.

In short, updated information on actual costs in states with DVUI laws are consistent with the surveys made in 2001. States have not experienced excessive claims or high costs from these measures, although when they are applied to individual survivors of domestic violence they can result in great assistance in those cases. The attached table summarizes comparative information about costs of DVUI, demographic information on states that have reported costs, and descriptions of the statutes

The modest costs of DVUI go a long way toward explaining its popularity, with twenty-six states and the District of Columbia passing these laws in just 8 rounds of legislative sessions since Maine passed its DVUI law in 1996.

Non-Charging of DVUI Benefits

Non-charging means that individual employers experience-rated UI taxes are not impacted by payment of a particular UI claim. Most states have non-charging provisions. Many states also explicitly spread the cost of DVUI among all employers through non-charging of DVUI benefits. Our research shows that at least the following states non-charge DVUI benefits: CA, CO, CT, DE, IN, KS, MT, NJ, NM, NC, OK, TX, WA, WI.

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