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# COMMISSION ON THE ECONOMIC STATUS OF WOMEN

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NEWSLETTER #102

MAY 1986

## IN THIS ISSUE

**LEGISLATIVE SUMMARY**, summarizing action on Commission endorsed legislative proposals and other legislation relating to the economic status of women during the 1986 legislative session.

**WOMEN AND PENSIONS**, with information on how many women receive private pensions and how much they earn from them. Information compiled from data from the U.S. Department of Labor, U.S. Census Bureau and the Older Women's League.

## ANNOUNCEMENTS

The Commission is planning to hold a public hearing this summer in Fergus Falls. This will be an open hearing on the economic status of women.

The Commission is also planning to hold two additional public hearing this summer at the state capitol. One hearing will be on issues relating to older women, including pensions, economic security and the needs of caregivers. The other hearing will address the issues of parental leave. Times, locations and dates for these hearings will be announced in future newsletters if they are available prior to publication. This information can also be obtained by contacting the Commission office.

## **COMMISSION ENDORSED LEGISLATION WHICH PASSED**

### **Child Care Insurance:**

Creates a joint underwriting association to provide insurance coverage for persons or entities unable to obtain insurance through ordinary means if the insurance is required by law or is necessary to earn a livelihood or conduct a business. Authorizes the joint underwriting association to provide insurance to day care providers after the Commissioner of Commerce has attempted to find insurance coverage from among a pool of insurers called the market assistance plan. (Chapter 455. Effective March 1986.)

### **Child Support:**

Clarifies that the income of the obligor's spouse is not included in the net income of the obligor. Prohibits consideration of the financial circumstances of each party's spouse on a motion for modification of support.

Allows reductions of net income for current child support or maintenance payments, as well as for reasonable, as opposed to mandatory, pension deductions. (Chapter 406. Effective August 1, 1986.) (See next page for additional child support provisions.)

### **Aid to Families with Dependent Children:**

AFDC payments were maintained at current level.

### **Women, Infants and Children Supplemental Food Program (WIC):**

Requires the Commissioner of Health to spend at least 99% of the federal funds available for the WIC program to improve outreach by aggressively marketing the program and to determine whether the delivery of each WIC program increases the participation of pregnant women by at least ten percent annually. (Chapter 404. Effective August 1, 1986.)

### **Pay Equity:**

Local government pay equity was maintained. (See next page for additional pay equity provisions.)

### **Child Care Resource and Referral:**

Gives the Commissioner of Jobs and Training the authority to make grants to public or private non-profit agencies for child care resource and referral programs and child care services. Requires the commissioner to apply for federal matching funds. (Chapter 404. Effective August 1, 1986.)

### **Auto Insurance:**

Prohibits discrimination in auto insurance on account of marital dissolution and requires an insurer to provide coverage to a former spouse. Application for insurance must be made within 60 days of the entry of the dissolution decree and the individual must have been an insured driver under a policy for the past 12 months. The insurer must issue a policy based on the individual's driving record. The premium must be based on the driving record of the insured individual. (Chapter 455. Effective March 1986.)

## OTHER LEGISLATION RELATED TO THE ECONOMIC STATUS OF WOMEN

### Child Care Licensing and Rules:

Excludes non-family after school child care from licensing requirements. Sets criteria for writing and enforcing child care rules. Prohibits the adoption of additional child care rules before July 1, 1987. Requires the Commissioner of Human Services to report to the legislature by January 1, 1987, on the progress of writing and enforcing day care rules. Establishes a task force to study child care services, food programs, safety standards, child/staff ratios, availability of liability insurance and alternative methods of regulations. (Chapter 395. Effective March 1986.)

### Child Support:

Creates a presumption that the court will award joint legal custody at the request of either or both divorcing parents unless either party can demonstrate why joint custody is not in the best interest of the child. An award of joint legal custody cannot be a reason for departure from the child support guidelines.

Authorizes the court to order either or both parents to pay child support. Requires the court to approve a child support agreement of the parties if each party has legal representation, unless the agreement is not in the interest of justice.

Requires the court to consider earnings, income and resources of both parents, the educational and financial needs and resources of the child and the standard of living which the child would have enjoyed if the marriage had not been dissolved when setting or modifying child support orders. Reduces the income that can be considered in computing child support from \$6,000 net monthly income to \$4,000. Debts which the court may consider now include debts incurred for the support of either parent, not just the obligor. Allows the court to set support on an annual basis for an obligor with seasonal income to allow for variations in monthly income. (Chapter 406. Effective August 1, 1986.)

### Country Club Discrimination:

Eliminates the open space property tax benefit available to private clubs if they discriminate on the basis of sex. (Chapter 412. Effective October 1, 1986.)

### Medical and Dental Support:

Requires the court to order an obligor (a noncustodial parent who is ordered to pay child support) to name a minor child as beneficiary on any health and dental insurance plan available on a group basis or through an employer or a union, unless the obligee (custodial parent to whom child support is owed) has coverage available at a more reasonable cost. If insurance coverage is not available a court may require that the obligor obtain it or be liable for the child's reasonable and necessary medical or dental expenses. The obligor is also required to provide coverage for the obligee if there is no additional cost. The court order can be forwarded to the employer or the union if the obligor does not provide the coverage and the employer or union must enroll the child and withhold the premium from the obligor's income or wages. (Chapter 404. Effective August 1, 1986.)

**Pay Equity:**

Requires an arbitrator, in interest arbitration, to consider the results of a job evaluation study as well as any employee objections to the study. Allows a political subdivision to set aside funds for pay equity as well as for general salary increases. (Chapter 459. Effective August 1, 1986.)

**COMMISSION ENDORSED LEGISLATION WHICH DID NOT PASS**

**Unemployment Insurance:**

A provision that provides an alternative method for low paid part-time workers who are permanently attached to the labor force to qualify for unemployment insurance was included in the unemployment insurance reform plan, S.F. 2114 which passed both houses and was then vetoed.

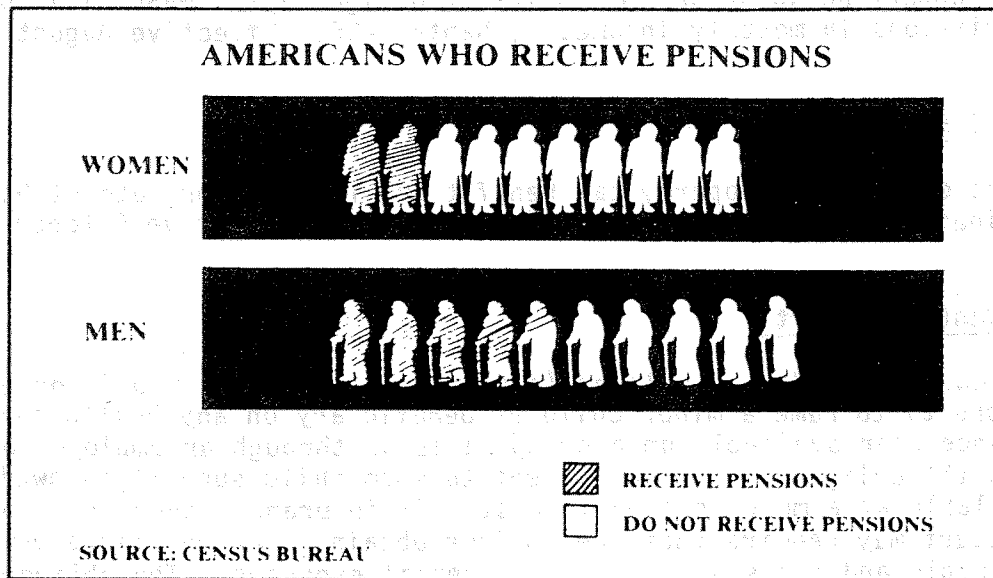
**Taxes:**

Ensures equity for single heads of households in the Minnesota income tax laws by bringing Minnesota's tax categories into conformity with the federal law. H.F. 1855 introduced, no further action this session.

**Women and Small Business Development - Commercial Credit:**

Applies the consumer credit provisions of the Minnesota Human Rights Act to commercial credit. H.F. 2299 no action. S.F. 2019 passed committee.

**WOMEN AND PENSIONS**



## WOMEN AND PENSIONS

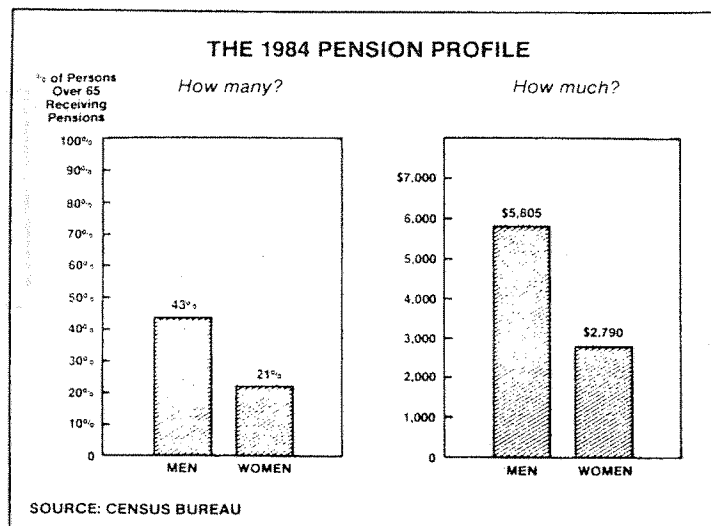
There are several different kinds of pensions, based on the employer providing the pension plan. Pension plans are provided by private employers, and by city, county, state and federal governments for such public employees as teachers, public health workers, postal workers and retired military personnel.

Relatively few persons have a pension to count on when they retire. In 1984, only 30 percent of those over 65 received a pension. This includes those who worked for federal, state or local government, as well as those who worked in the private sector.

Of women currently receiving pensions, more than half receive private pensions, a fourth receive public pensions from state and local governments and the remainder receive federal pensions based on federal employment or military service. Data in this newsletter are for private pension plans.

Neither working women nor homemakers have a good chance of receiving a pension. Only 11 percent of Black women and 21 percent of White women over age 65 received a pension in 1984, based either on their own employment or their spouses'. For men those figures are twice as high: 30 percent of Black men and 44 percent of White men received a pension in that year.

Older women in the U.S. often have very low incomes. In 1984, the median income of women over age 65 was about \$6,000, only 1,000 above the official poverty level. This compares with a median income for older men of over \$10,000. The lowest incomes are for older women who are no longer married, accounting for three out of five older women.



The only source of income for most older women is Social Security. Currently, only one woman in five receives any type of pension to supplement her social security. The median income for women from pensions in 1984 was \$233 per month, about half of what men receive.

The one Black woman in ten who received a pension in 1984, received a median amount of \$273 each month. White women received a median amount of \$229 each month from pensions. Women's benefits replaced, on average, 18 percent of their pre-retirement wages compared to a 22 percent replacement rate for men.

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LEGISLATIVE SUMMARY

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