

Dependency Study



Iowa Department of Employment Services
Division of Job Service
Bureau of Job Insurance
Quality Control Unit
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EXECUTIVE SUMMARY

Data generated by Quality Control has consistently identified dependency determinations as an unemployment insurance problem area. Iowa QC, therefore, initiated this special study to analyze the causes of improper dependency determinations and to identify system controls to improve administration of this law.

As a result of this study, 263 dependency errors were identified and examined for possible program improvement ideas. Evaluation sources included questionnaires mailed to claimants, Iowa Department of Revenue tax records, agency files, and verification of wages forms mailed to spouse's employers. A ten question survey that detailed sample descriptions of claimants' dependency information was also developed for claimstakers to show how the dependency section of UI law was being interpreted.

Underscored in study findings was the difficulty inherent in administering and monitoring any type of UI dependency benefit provision. As evidenced repeatedly throughout the report, Iowa's current method is extremely difficult, if not impossible, to accurately administer. Both claimants and claimstakers were frustrated by the complexity of the law. Data gathered here indicated this provision invited errors, created administrative work, impacted the trust fund, and was difficult to monitor. More importantly, it failed to meet the intended goal of providing more money to claimants who have dependents to support while laid off work.

As a result of this study, several administrative rule and law changes were considered to improve administration of dependency. It was discovered, however, making such changes would merely result in the creation of different problems rather than solving the existing ones. The same held true for changes in forms and procedures.

It was found that the reason there was so much difficulty in administering this law was the multitude of variables possible in income tax filing situations and types of spouse's income, which the provision is based on. This allowed for a large number of interpretive loopholes in determining eligible dependents. Also revealed as a major error cause factor was the claimants' feelings that they relied on interviewers to guide them in making correct dependency determinations. Again, because of the complexity of the law, it followed that the agency had difficulty designing "user friendly" application materials, resource materials for claimstakers and guidance that encompassed all of the mandates and variables in the provision.

Program improvement ideas incorporated the statistical data uncovered, surveying other states for ideas, consulting with other Iowa UI administrators and staff, researching current materials available and surveying local office staff. The primary recommendation presented to the Department of Employment Services' Bureau of Field Operations and Unemployment Insurance management teams supported the formal recommendation to the Iowa legislature by the Job Service Advisory Council to repeal the dependency law. The council is composed of nine members representing employers, labor and the general

public, appointed by the Governor with Senate approval. An attempt was also made to offer suggestions for improving the provision's administration in the interim. Program improvement ideas developed as a result of the study included:

1. Eliminating the requirement that unemployment insurance benefits be calculated based on the number of dependents supported by the claimant.
2. Revising the unemployment application for benefits, the claims procedures manual, and the benefit rights and responsibilities booklet given to the claimant to allow for clearer and more concise directions in determining dependent eligibility. Also developed for consideration was a desk and training aide for claimstakers.
3. Training commentary encouraging the development of computer assisted training and continued usage of the "Train the Trainer" concept now in place. Peer review of any new implementations was also promoted.
4. Clarification of Administrative Rule 345-4.2(96), 4.2(1)b(8), which deals with dependency and spouse's wage definitions to make it more easily understood and better defined.
5. Requiring the interviewer to check for a spouse's concurrent claim on DBRO (claimant data base) and add identifier codes for the types of dependents used on the DBRO screen.