

Unmarried tenants can't look to federal law for protection from marital status bias in housing



Legislatures in some 23 states have passed laws against housing discrimination on the basis of marital status.

Congress has enacted the Fair Housing Act which gives the federal Dept. of Housing and Urban Development the authority to receive complaints and remedy acts of housing discrimination "because of race color, religion, sex, familial status, marital status, or national origin."

Familial status is narrowly defined by federal law to prohibit discrimination because tenants have children under 18 living with them. Other family forms are not protected.

So, because federal law does not protect unmarried individuals, couples, or families without minor children from housing discrimination, landlords in 27 states are free to reject unmarried applicants or evict unmarried tenants because of their unmarried status.

The effects of this legal gap are not inconsequential. There have been many reports from local fair housing agencies and numerous reported court cases documenting that marital status discrimination in housing is a significant problem throughout the nation. It is one that Congress should address.

Unmarried workers pay the same taxes into, but get fewer benefits out of, Social Security



The Social Security system gives a one-time benefit of \$255 payable at the time of death of a qualifying worker. But for a person who does not have minor children at home, the benefit is only available to a surviving spouse.

A surviving adult child, parent, or domestic partner will get no money to help with burial expenses. There is no "means testing" here. A rich fourth spouse gets the benefit but a low-income adult child of an unmarried worker gets nothing!

And that's just the tip of the problematic iceberg since marital status discrimination is hard-wired into the current system.

Everyone pays the same rate of employment tax into Social Security. We are told to look at it as an investment. But if an unmarried worker dies one month prior to retirement, everything that has been paid into the system is forfeited.

A surviving adult child who is destitute, or a surviving domestic partner who is left without the primary source of income, receives no benefit. However, on the death of a married worker at the same age, a surviving spouse can collect a survivor's benefit for years.

Of four different inequities addressed in a report from the Cato

Institute, (marital status, gender, age, and income), the authors concluded that marital status is the most significant.

"Rates of return for one-earner couples are up to 40 percent higher than for two-earner couples and up to 85 percent higher than for single males." (Philip Harmelink & Janet Speyer, "Social Security: Rates of return and the fairness of benefits," 14 *Cato Journal* 37 (1994).)

A report issued by the President's Commission to Strengthen Social Security in Aug. 2001 noted that the current system is geared to redistribute money from single individuals and dual earner married couples to one-income married couples.

With these inequities in mind, it is not surprising that many unmarried workers are interested in proposals to allow a portion of what would be paid into the Social Security system to be placed in private investment accounts instead. These accounts would be owned by workers and therefore, when they die, the funds could be left to a beneficiary of their choice.

So rather than forfeiting everything they have paid in, as can now happen, unmarried workers could leave a death benefit to an adult child, sibling, parent, or domestic partner. If private investment accounts are not a good idea, as some critics claim, then how can the system be made more fair to unmarried workers? That's a challenge for Congress.

A related problem is marital status discrimination built into traditional pension plans. In such programs, the contributions of the employer are forfeited by an unmarried employee if he or she dies prior to retirement age. But a surviving spouse of a married worker who dies before retiring will receive benefits. ERISA and other federal laws allow for such marital status discrimination. This harms unmarried employees who would like to leave these benefits to a beneficiary.

Income tax system gives rewards and imposes penalties based on marital status

The current income tax codes are riddled with rewards and penalties on the basis of marital status and family structure. The code shows no respect for family diversity.



Senator Orrin Hatch (R-UT) and Senator Joe Lieberman (D-CT) both agree that tax codes should be marital status neutral. Lieberman has proposed a "marriage neutral" tax system.

In an interview with PBS News Hour with Jim Lehr, Ray Suarez pointed out to Hatch that the tax law imposes penalties on some married couples and gives bonuses to others. When asked if he favored the bonuses and opposed the penalties, Hatch replied: "I would repeal the marriage tax penalty and have married people treated like everybody else."

But that's not what is happening under the current phase-out of the so-called "marriage penalty" relief laws. Instead, those with penalties are seeing them reduced or eliminated, while those with "marriage bonuses" are keeping them or seeing them increased. That's not marital status neutrality.

A story in the New York Times on June 1, 2003, reported that according to studies released by the Urban Institute and the