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WOMEN'S ECONOMIC EQUITY ACT

The Women's Economic Equity Act, which has moved to center-stage on Capitol Hill, is presented as a panacea to solve women's economic problems. Actually, it is a mixed bag of pluses and minuses for women, and of shifting economic costs for political reasons.

The most positive section of the EEA would give home-wives (that is, wives not in the paid labor force) their equal rights in IRAs (Individual Retirement Accounts). It would allow a home-wife to put $2,000 into an IRA, the same amount allowed to all other working women and men. Home-wives have been savagely discriminated against in the federal tax code by being denied the generous tax benefits of IRAs. This is such an obviously needed reform that no women's group of any ideology opposes it.

The most negative section of the EEA is Title III, the unisex insurance bill, which would prohibit difference of treatment on account of sex in all insurance premiums and benefits. In the name of "sex equality," this bill would wipe out the tremendously preferential treatment women now receive in automobile accident insurance (because they have fewer accidents) and in life insurance (because they live longer).

Rates on young women drivers would rise as high as $800 per year in some parts of the country (for which the women would get no additional benefits). Sponsors of unisex insurance admit the harmful effects but claim that this is a trade-off in order to get unisex pensions, under which some women would benefit.

The recent Supreme Court decision in the Arizona pension case shows why the entire notion of unisex insurance should be completely shelved. The high Court's ruling gave women the unisex pension benefits in employer-sponsored plans without imposing the hurtful unisex results on young women in their purchase of auto accident insurance and life insurance. After the changes mandated by the Arizona pension decision, the unisex insurance sections of EEA contain NO benefit to women at all but are designed solely to impose the gender-neutral ideology at the financial expense of women.

Title I contains some pension reforms which would be helpful to women. The EEA would

require the written consent of both an employee and his spouse in order to waive survivor annuity option rights (so that a wife's pension rights could not be signed away without her knowledge and consent). The EEA would allow courts to include pension benefits in divorce settlements involving alimony, child support, or marital property.

The EEA would require payment of survivor annuity benefits to the spouse of a worker who was fully vested even if that worker dies before the annuity starting date. This would be good for the surviving spouse, but it could be costly to existing pension plans based on actuarial tables.

The EEA would lower the minimum age for participation in a pension plan from 25 to 21 in order to help the women who are in the labor force during those age years but drop out later for homemaking duties. The EEA would modify the break-in-service rule to give 20 hours per week credit for up to one year of employer-approved maternity or paternity leave, provided the worker returns to his or her job.

The EEA would add displaced homemakers to the list of "disadvantaged" workers whom employees get a tax credit for hiring. The practicality of this proposal is highly dubious, and so is its fairness unless it gives a similar economic advantage to disadvantaged breadwinners.

Title IV of the EEA would require all federal departments and agencies to identify rules, regulations, guidelines, programs and policies with sex-based differences and then to make them sex-neutral. Six years ago, the U.S. Civil Rights Commission did a massive study of federal laws called "Sex Bias in the U.S. Code." Among the "sex dicriminatory" laws identified in this report are those which exempt women from the draft and from military combat; the allowable separation of the sexes in fraternities, sororities, schools, colleges, prisons, etc.; and the separate Congressional charters for the Boy Scouts and the Girl Scouts. Do we really want these "sex discriminations" eliminated?

Title V would amend the child support program under Title IV-D of the Social Security Act so that the federal Office of Child Support Enforcement, which now helps states in locating AFDC parents and charging them with child support payment violations, would expand its scope to include non-AFDC parents. EEO would also allow states to withhold federal income tax refunds from absent parents who owe past-due child support.