MISHPACHAH
The Modern Jewish Family

Women's League for Conservative Judaism

Mishpachah: The Modern Jewish Family

THE NOAH SYNDROME

How Singles Experience Civil Inequalities

Health Care

There are many reasons why health care coverage is inequitable in the United States. Here are some ways in which unmarried people receive lesser benefit from the industry:

- Employers are free to define families as they choose, and to allocate insurance coverage accordingly, often unequally.
- Unmarried people pay higher premiums, and are responsible for higher deductibles, than are the individual members of a marriage or married family.
- Greater numbers of unmarried people cannot afford health insurance. This is especially true for unmarried women who live at or below poverty level.
- There are no discounts offered to the unmarried, as there are for legally married couples and families.
- Unmarried partners are not recognized as health care decision makers without the preparation of specific legal directives.
- Employers may exclude unmarried partners from any coverage at all.
- Employers often pay the tax associated with adding spouses to medical plans; this benefit is rarely offered to same-sex married couples or unmarried partners.

This discrimination is deeply entrenched. Even though Congress passed Hospital Visitation Regulations in January 2011, individual hospitals may not recognize unmarried partners as legal representatives. For these reasons, and because of all of the stories we've heard over the years, Unmarried Equality is fighting to end discrimination and unfair practices in the healthcare system. [www.unmarried.org/health-care]

US Federal Income Taxes

Marital status unquestionably determines taxation rates.

- The tax structure favors upper-income married provider-dependent households, a minority among American household types.
- The tax system uses marital status to represent both economic unity and family. But in fact being married does not necessarily equate with economic unity, nor is being married the only way to be a family.

Two factors create inequalities between the amount of tax paid on the same total amount of income earned by a single person, two (or more) unmarried people, and a married couple. First, the current

U.S. income tax structure is progressive: higher incomes are taxed at higher rates than lower incomes. Second, the current system assigns single and married taxpayers to different tax brackets (the income levels at which tax rates change). Wider brackets allow married people to employ "income splitting."

Marriage bonuses can occur when only one spouse earns income and her/his income is taxed as though it is split between both spouses, or when a high-income spouse and a low-income spouse are taxed as though they both earn moderate incomes. In these scenarios a married couple's taxes are lower than they would be if the two people were unmarried and taxed individually.

[To see how marriage bonuses are unfair to unmarried people, imagine two employees. Each earns the same salary. One is unmarried; the other has a spouse who is an unpaid caretaker or earns a very low income. The married employee pays lower taxes, ending up with more take-home pay than the unmarried employee.]

According to a recent Treasury Department study nearly 30 million couples enjoyed marriage bonuses totaling $49 billion; their average bonus that year was $1,691.

Marriage penalties do exist, and the worst are suffered by low-income couples. When two low-income people marry, their combined income – though still modest by any standard – can disqualify them from benefiting from programs such as the Earned Income Tax Credit (EITC). It is ironic that some welfare policies promote marriage for low-income families, while income tax policies and welfare benefit formulas penalize many low-income families for marrying.

Marriage penalties also affect couples where both spouses earn significant incomes. They are taxed as though they represent one very-high-income taxpayer. In this scenario the total taxes are more than they would be if the two people were unmarried and taxed individually

According to the same Treasury Department study, nearly 18 million couples suffered marriage penalties totaling $19.1 billion; their average penalty that year was $1,056.

While penalties do exist in the basic tax structure and in welfare policies, they probably do not affect the majority of tax filers. About 57% of people who file tax returns are in the 10% and 15% tax brackets, meaning their taxable incomes are between $7,550-$30,650 for each single or between $15,100 – $61,300 for a married couple in 2006. In these brackets, a couple will not pay higher income taxes as a result of being married (unless marrying lowers their EITC).

In sum, bonuses benefit married couples with so-called 'provider/dependent' marriages. Penalties hurt low-income couples, and well-off married couples with balanced incomes.

SOURCE: www.unmarried.org/federal-income-taxes/