

Benefits are Payable when Due

Cal. Dep't of Human Res. Dev. v. Java, 402 U.S. 212 (1971)

History: Claimant (and others similarly situated) filed a class action suit in U.S. District Court for declaration that California's law was unconstitutional and a violation of the Social Security Act. District Court agreed. California appealed to the U.S. Supreme Court. The U.S. Supreme Court affirmed.

Facts:

1. The Social Security Act "requires that state methods of administration be found 'to be reasonably calculated to insure full payment of unemployment compensation when due.'"
2. California's law required that unemployment benefit payments be suspended while an employer's appeal to the award was pending.
3. Appeals took approximately seven to ten weeks to process.
4. Payments were immediately reinstated if claimant won at appeal.

Issue: Does suspending a claimant's benefit payments while the employer's appeal is pending violate the Social Security Act's requirement to pay benefits "when due"?

Holding: Yes. "[T]he congressional objective of [the Social Security Act is] getting money into the pocket of the unemployed worker at the earliest point that is administratively feasible." California's procedure, "which suspends payments for a median period of seven weeks pending appeal, appeal after an initial determination of eligibility has been made, is not 'reasonably calculated to insure full payment of unemployment compensation when due.'"