

GIVING CERTAIN SOCIAL SECURITY BENEFITS TO SURVIVORS OF WORLD WAR II VETERANS

JUNE 10 (legislative day, MARCH 5), 1946.—Ordered to be printed

Mr. GEORGE, from the Committee on Finance, submitted the following

REPORT

[To accompany S. 2204]

The Committee on Finance, to whom was referred the bill (S. 2204) to amend title II of the Social Security Act, as amended, by giving insurance benefits under the Federal old-age and survivors insurance provisions of that act to survivors of veterans of World War II, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

Ever since the enactment of the Selective Training and Service Act of 1940 there has been concern, both within Congress and without, over the fact that, because service in the armed forces is not covered by the old-age and survivors insurance system, men and women entering such forces, and their dependents, have, through the passage of time, had impaired or lost such rights as they had under that system prior to such entry, and have been deprived of opportunity to acquire or reacquire any rights thereunder. Many bills designed to prevent this loss of protection have been introduced. These bills have proposed a number of different solutions of the problem.

After consideration of all these proposals and holding hearings at which representatives of the Government agencies concerned and of various veterans' organizations testified, the committee has determined that the wisest course is to enact a measure which will supplement, but will not duplicate, the protection afforded by the pension laws. At the present time those laws protect the dependents of a serviceman while he is in the armed forces and protect them even after he leaves the service against his death resulting from service-connected causes or, under certain conditions, resulting from causes not due to his service. After the discharged serviceman has spent a certain amount of time in employment covered by the social-security system, his family will have acquired or reacquired the protection afforded by the old-age and survivors insurance system. The situa-

tion in which protection is now lacking, therefore, is that in which death occurs within a relatively short period after separation from service in the armed forces, and occurs under such circumstances that pensions are not payable.

The bill seeks to close this gap. In general, it provides that, in case of the death of a serviceman within 3 years after separation from the service, he shall be deemed to have had an insured status under the old-age and survivors insurance system and an average monthly wage of not less than \$160. Payments would be made to eligible survivors based upon such guaranties. It excludes from the benefit of these guaranties any case in which pensions are payable. The bill provides for retroactive payments in those cases in which death has occurred after separation from the service but before the enactment of the bill. The period of 3 years after discharge is considered as a reasonable period, following separation from active military or naval service, during which a veteran may enter covered employment and earn an insured status. This period also corresponds to the present provision of the Social Security Act which determines the "currently insured" status of a worker on the basis of his work in covered employment within the 12 calendar quarters preceding his death.

Any proposal for giving old-age and survivors insurance rights to servicemen is complicated by the need to take into account not only the benefits to be provided by that system but also pensions payable under laws administered by the Veterans' Administration. Such pensions are, of course, paid for entirely by the Government, and the same must necessarily be true of any protection to be afforded at this time under old-age and survivors insurance on account of past service in the armed forces. There appears to be no justification for providing, wholly at Government expense, two overlapping systems which simultaneously pay benefits to the same surviving dependents of the same serviceman, based on the same military or naval service. The attempts to avoid this anomaly have led to highly complex "offset" provisions in some of the bills which have been introduced, and even these provisions would fall short of doing precise equity in all of the varied situations that arise.

The committee is of opinion that if the protection now afforded to survivors who are entitled to the benefits of the pension laws is deemed inadequate, the remedy should be by amendment of those laws and not by giving those same persons rights under old-age and survivors insurance. The eligibility and other conditions of the two systems differ so widely that it would be difficult, if not impossible, to achieve an equitable and consistent benefit pattern by paying gratuitous benefits under both systems to the same persons.

The present bill, as indicated above, excludes from its benefits the survivors of any veteran if by reason of his death any pension is payable under laws administered by the Veterans' Administration, whether such death occurred in service or after separation therefrom. Thus the bill is designed to afford social-security protection, beginning when the protection of the pension laws terminates and ending when the veteran has had a reasonable opportunity to acquire or reacquire insured status by employment covered by old-age and survivors insurance. A more detailed statement of the content and effect of the bill is contained in a letter from the Administrator of Veterans' Affairs to the President of the Senate transmitting a draft of the proposed

legislation. That letter, which has the concurrence of the Federal Security Administrator and clearance by the Bureau of the Budget, is as follows:

MAY 15, 1946.

The PRESIDENT OF THE SENATE,
The Capitol, Washington, D. C.

SIR: There is enclosed a draft of a proposed bill to amend title II of the Social Security Act, as amended, by giving insurance benefits under the Federal old-age and survivors insurance provisions of that act to survivors of veterans of World War II, and for other purposes, which is recommended for consideration and enactment by the Congress.

The draft bill has been prepared jointly by the Federal Security Agency and the Veterans' Administration and its enactment is recommended by both agencies.

The purpose of the proposed measure, in general, is to give insurance protection under title II of the Social Security Act, as amended, for a period of 3 years following discharge from the armed forces, to the survivors of certain persons who served on or after September 16, 1940, and prior to the termination of World War II, in the active military or naval service of the United States.

The proposed bill would add a new section, No. 210, to title II of the Social Security Act. Subsection (a) of the proposed section 210 provides that any individual meeting its service requirements (which, in general, are similar to those of the Servicemen's Readjustment Act of 1944, as amended) and who dies or died within 3 years after his separation from active military or naval service shall be deemed to have died a "fully insured" individual and to have an average monthly wage, for benefit computation purposes, of not less than \$160. Subsection (a) also provides for an increase in benefit amounts by so-called increment years which, ordinarily, will have the effect of increasing the basic primary insurance benefit amount on which benefits to survivors are computed by 1 percent for each year in which the veteran had 30 days or more of active service after September 16, 1940. The benefits provided by subsection (a) are not available in the case where death occurs in active military or naval service or in the case of the death of any individual who is discharged or released from the active military or naval service of the United States after the expiration of 4 years and 1 day following the termination of World War II.

Subsection (b) of the proposed section 210 provides a further limitation on entitlement to benefits based on the guaranteed insured status conferred by the bill. This subsection bars any individual from receiving benefits under the bill for any month with respect to which it is determined by the Veterans' Administration that pension or compensation is payable by reason of the death of the veteran under any law administered by the Veterans' Administration. (This provision would not, however, deprive any one of old-age and survivors insurance benefits based on covered employment before or after the period of military or naval service.) This provision is believed to be essential to prevent dependents of certain veterans, who survived the hazards of war but die within 3 years after their discharge, from receiving benefits for which the dependents of servicemen who died in service in line of duty are ineligible.

Subsection (c) of the proposed section 210 specifies the periods in which applications for the payment of the proposed benefits shall be filed with respect to those individuals who died prior to enactment. The subsection also provides for certain adjustments to be made in the case of benefits previously paid without regard to the proposed bill as well as those which shall be made in the event an individual entitled to benefits dies prior to their payment. Subsection (d) authorizes appropriation to the trust fund created under section 201 (a) of the Social Security Act, as amended, of such sums as may be required to meet the payments contemplated by the bill.

If enacted, this bill would afford valuable protection for a stated period to certain persons who served on or after September 16, 1940, and prior to the termination of World War II, in the active military or naval service of the United States. The 3-year limitation is proposed as a reasonable period, following separation from active military or naval service, during which a veteran may enter covered employment and earn an insured status.

Furthermore, the draft bill, if enacted, would provide monetary benefits, herein-after explained, for dependents of such persons who die within the stated period of 3 years. The minimum average monthly wage of \$160 specified in the bill guarantees a primary insurance benefit amount of \$31 a month for benefit computation purposes. In addition, this amount would be increased by 1 percent for

each year in which the veteran served 30 days or more in the armed forces after September 16, 1940. The primary benefit insurance amount for a veteran who served, for example, 4 years in the armed forces, and had no other covered employment, would be \$32.24 a month. In the event of his death within 3 years after his discharge, if no pension or compensation has been determined by the Veterans' Administration to be payable by reason of his death, his widow if she has a child of the veteran in her care, or upon attainment of age 65, will be eligible to receive a monthly benefit of three-fourths of such amount, or \$24.18 a month. His child or children, under age 18, will each be eligible for one-half of the primary insurance benefit amount, of \$16.12 a month; and his dependent parents, in the absence of a wife or child surviving the veteran, will each likewise be eligible to receive one-half of the primary insurance benefit amount, or \$16.12 a month. The maximum amount of benefits payable on the basis of any one veteran's death in any month by reason of the limitations in section 203 (a) of the Social Security Act, as amended, would be twice his primary benefit insurance amount which, in the illustration mentioned above, would be \$64.48 a month.

The Federal Security Agency has advised me that the preliminary estimate of the cost of the proposed program, through the year 1959, is \$175,000,000 and that the program will probably affect the survivors of approximately 105,000 veterans who served on or after September 16, 1940, and prior to the termination of World War II.

Advice has been received from the Bureau of the Budget that while there would be no objection to the submission of the proposed legislation to the Congress for its consideration, it should be made clear that duplicate benefits should not be paid under the social security system and the railroad retirement system. It is the view of the Veterans' Administration and the Federal Security Agency that such duplicate benefits would not result from the enactment of the proposed legislation by reason of the provisions of section 7 of "An act to extend the crediting of military service under the Railroad Retirement Acts, and for other purposes," approved April 8, 1942 (56 Stat. 206; 45 U. S. C., Supp. IV, 228c-1 (m)). However, it appears that this is a question within the province of the Railroad Retirement Board.

Respectfully,

OMAR N. BRADLEY,
General, United States Army,
Administrator.

Subsequent to the introduction of the bill, certain minor revisions of language were suggested by the Federal Security Administrator, with the approval of the Veterans' Administration, in the interest of greater clarity. The amendments of the bill recommended by the committee are in accord with the revisions suggested, and are explained in the letter from the Federal Security Administrator which follows:

FEDERAL SECURITY AGENCY,
Washington 25, June 4, 1946.

HON. WALTER F. GEORGE,
Chairman, Committee on Finance,
United States Senate,
Washington, D. C.

DEAR MR. CHAIRMAN: This is with reference to S. 2204, a bill to amend title II of the Social Security Act, as amended, by giving insurance benefits under the Federal old-age and survivors insurance provisions of that act to survivors of veterans of World War II, and for other purposes, which is pending before your committee and which has been recommended for enactment by the Congress by the Administrator of Veterans' Affairs and this Agency.

Further study of the provisions of this bill since the draft was transmitted to the President of the Senate indicates that certain technical revisions in its language might be desirable in order to avoid any possible misconstruction concerning its terms in the event it is enacted into law. The changes suggested do not affect the substantive features of the bill, but are merely clarifying, and meet with the approval of the Veterans' Administration and this Agency. Accordingly, the following revisions are offered for consideration by your committee should it determine to report the bill for favorable consideration by the Congress.

1. On page 3, line 9, it is recommended that the word "death" be substituted for the word "wages". This change, if made, would clarify the meaning of the introductory phrase of paragraph (2) of subsection (b) and leave no doubt that the

application for benefits referred to in the subsection is an application based on the death of a veteran covered by the bill.

2. In the interests of clarity it is also suggested that the phrase, "this subsection" in line 11, page 3, be changed to read, "paragraph (1) of this subsection."

3. It is further suggested that the antecedent of the phrase "such individual" in line 14, page 4, be spelled out more clearly. Accordingly, it is recommended that line 14, page 4, be changed to read "(c) In the event any individual referred to in subsection (a) has died during * * *"

4. On page 5, line 14, the word "month" should read, "months".

5. Paragraph (4) of subsection (c), page 5, line 16, makes provision for retroactive filing of applications for recomputation of lump-sum death payments based on the death of veterans covered by the bill who may have died prior to its enactment. It is believed that similar provision should be made for the retroactive filing of initial applications. It is suggested, therefore, that after the word "for" in line 16, page 5, there be inserted the following phrase, "a lump sum death payment or."

6. Subsection (d) on page 6, line 11, refers to "trust fund" in lower case. Capitalization of the initial letters would conform to the style of the Social Security Act, as amended.

7. Finally, it should be noted that throughout subsection (b), beginning on line 1, page 3, and subsection (c), beginning on line 14, page 4, reference is made to "payments made" by the Social Security Board. Under present provisions of the Social Security Act, as amended, the Board, however, makes no payments; it is merely authorized to certify claims for payment by the Treasury. To conform, therefore, the language of this bill with that in the Social Security Act, amended, the following changes are recommended:

(a) On page 3, line 23, the phrase, "shall pay no further benefits", should be changed to read, "shall certify no further benefits for payment".

(b) On page 4, line 1, the word "made" should be deleted and the word "certified" substituted.

(c) On page 4, line 8, the word "made" should also be deleted and the word "certified" substituted; and, again, on page 4, line 9, the word "made" should be replaced by the word "certified".

(d) On page 5, line 18, the word "made" should likewise be deleted and the phrase, "certified by the Board for payment" substituted.

I hope that the foregoing suggested revisions will meet with the approval of your committee. I am enclosing a copy of the bill with the changes indicated.

Sincerely yours,

MAURICE COLLINS, *Acting Administrator.*

