

BRIEF SUMMARY OF PRINCIPAL PROVISIONS OF THE

SOCIAL SECURITY BILL H. R. 7800

AS APPROVED BY THE SENATE FINANCE COMMITTEE, JUNE 20, 1952.

1. Raises benefits for retired persons now on the rolls by \$5 or 12 1/2%, whichever is larger. Section 2 (a).

2. Increases the benefit formula from 50% to 55% of the first \$100 of the average monthly wage. The remainder of the formula, 15% of the next \$200, would remain unchanged. This higher benefit formula will apply to those who retire in the future. Section 2 (b).

3. Increases proportionately the benefits for wives, widows, children and the other categories of beneficiaries. Section 2.

4. Raises from \$20 to \$25 the minimum benefit payable to a retired person and from \$150 to \$168.75 the largest possible amount payable to a family. Section 2 (b)(2).

5. Increases the amount which old-age and survivors insurance beneficiaries can earn and still receive benefits from \$50 to \$100 a month. As in present law, people 75 and older may earn any amount and still receive benefits. Section 4. (House bill provided \$70 per month.)

6. The five changes noted above would be effective beginning with the month of September, 1952. Section 2 (c).

7. Credits of \$160 per month are provided members of the armed forces serving since the close of World War II through 1953. These credits are the same as those provided in the Social Security Act Amendments of 1950 for servicemen of World War II. This section was amended to provide that such credits be paid out of the Trust Fund rather than be financed by general revenues as provided in the House bill. Section 5.

8. Makes technical changes that will simplify the administration of insurance payments and correct certain inequities in the 1950 amendments. Section 7.

9. Provides that States may disregard the first \$50 of earned income of needy blind recipients in determining the need of other members of his family receiving old-age assistance or aid to dependent children or aid to the disabled. The Committee amendment makes this provision mandatory upon the States after June 30, 1954. Section 8.

10. Makes necessary corresponding and non-controversial changes in the Railroad Retirement Act. Section 7 (d).

SPECIAL NOTE: FINANCE COMMITTEE DELETED SECTION 3, RELATING TO FREEZING OF BENEFIT RIGHTS IN CASE OF PERMANENT AND TOTAL DISABILITY, AND SECTION 6, LIBERALIZING THE COVERAGE OF PUBLIC EMPLOYEES.