

## SOCIAL-SECURITY WAGE CREDITS FOR MILITARY SERVICE

JULY 26, 1955.—Ordered to be printed

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

### R E P O R T

[To accompany H. R. 5936]

The Committee on Finance, to whom was referred the bill (H. R. 5936) to provide wage credits under title II of the Social Security Act for military service before April 1956, and to permit application for lump-sum benefits under such title to be made within 2 years after interment or reinterment in the case of servicemen dying overseas before April 1956, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

By virtue of this act, the Committee on Finance accepts that part of the report of the Committee on Ways and Means, which follows:

#### PURPOSE

H. R. 5936, as amended, would provide a continuation for 9 months, through March 31, 1956, of the existing provisions of title II of the Social Security Act, relating to (1) old-age and survivors insurance wage credits for military service, and (2) the payment of lump-sum death benefits where a serviceman dying overseas is reburied in this country.

Under existing law these provisions would not apply to service or deaths after June 30, 1955.

#### GENERAL STATEMENT

Under the old-age and survivors insurance system, individuals who have served in the active military or naval service of the United States at any time since September 14, 1940, are, under certain circumstances, provided wage credits under the system of \$160 per month for each month (or part thereof) of such service. Present law provides for these credits without any payment of taxes or the appropriation of funds to the old-age and survivors insurance trust fund. Under the existing provisions of law these wage credits will be provided only for service performed prior to July 1, 1955. H. R. 5936, as amended, extends this provision so that it will apply to service performed prior to April 1, 1956.

Your committee's bill also extends the provision of the old-age and survivors insurance system under which the 2-year period, for filing claims for lump-sum death payments in the case of reburial in this country of servicemen dying overseas begins to run from the date of reburial in this country instead of from the date of death overseas. This provision, which under existing law applies only in

## 2 SOCIAL-SECURITY WAGE CREDITS FOR MILITARY SERVICE

the case of deaths prior to July 1, 1955, would be extended to cases of deaths occurring before April 1, 1956.

In view of the anticipated legislative recommendations of the House Select Committee on Survivors Benefits established pursuant to the authority of House Resolution 35 of the 84th Congress, it is your committee's view that the extension of these provisions is desirable as a temporary measure pending the formulation of a long-range solution to the problem of retirement and related benefits for military personnel and their survivors based upon the recommendations of this select committee.

The enactment of this legislation was recommended by the Department of Defense.

Your committee is unanimous in urging the favorable consideration of H. R. 5936, as amended.

### CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italics; existing law in which no change is proposed is shown in roman):

#### SECTION 217 (e) OF THE SOCIAL SECURITY ACT

(e) (1) For purposes of determining entitlement to and the amount of any monthly benefit or lump-sum death payment payable under this title on the basis of the wages and self-employment income of any veteran (as defined in paragraph (4)), such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him) of \$160 in each month during any part of which he served in the active military or naval service of the United States on or after July 25, 1947, and prior to **[July 1, 1955]** *April 1, 1956*. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

(B) a benefit (other than a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or naval service of such veteran on or after July 25, 1947, and prior to **[July 1, 1955]** *April 1, 1956*, is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by \$0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based.

(2) Upon application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any veteran, the Federal Security Administrator shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other agency or instrumentality of the United States that, on the basis of the military or naval service of such veteran on or after July 25, 1947, and prior to **[July 1, 1955]** *April 1, 1956*, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Federal Security Administrator shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Federal Security Administrator, and the Administrator shall certify no further benefits for payment or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of

benefits which are based, in whole or in part, on military or naval service on or after July 25, 1947, and prior to [July 1, 1955] *April 1, 1956*, shall, at the request of the Federal Security Administrator, certify to him, with respect to any veteran, such information as the Administrator deems necessary to carry out his functions under paragraph (2) of this subsection.

(4) For the purposes of this subsection, the term "veteran" means any individual who served in the active military or naval service of the United States at any time on or after July 25, 1947, and prior to [July 1, 1955] *April 1, 1956*, and who, if discharged or released therefrom, was so discharged or released under conditions other than dishonorable after active service of ninety days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual who died while in the active military or naval service of the United States if his death was inflicted (other than by an enemy of the United States) as lawful punishment for a military or naval offense.

#### LAST SENTENCE OF SECTION 202 (i) OF THE SOCIAL SECURITY ACT

In the case of any individual who died outside the forty-eight States and the District of Columbia after December 1953 and before [July 1955] *April 1956*, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the provisions of the preceding sentence shall not prevent payment to any person under the second sentence of this subsection if application for a lump-sum death payment with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment.

