

[COMMITTEE PRINT]

**COMMITTEE ON FINANCE
UNITED STATES SENATE**

Harry Flood Byrd, *Chairman*

**OLD-AGE, SURVIVORS, AND DISABILITY
INSURANCE AND PUBLIC ASSISTANCE**

**SHOWING CHANGES MADE BY THE
SOCIAL SECURITY AMENDMENTS
OF 1956**

(PUBLIC LAW 880—84TH CONGRESS)

(Compiled by Helen Livingston, Government Division, Fred Arner, American Law Division, Legislative Reference Service, Library of Congress, at the Direction of the Chairman and Printed for the Use of the Committee on Finance)

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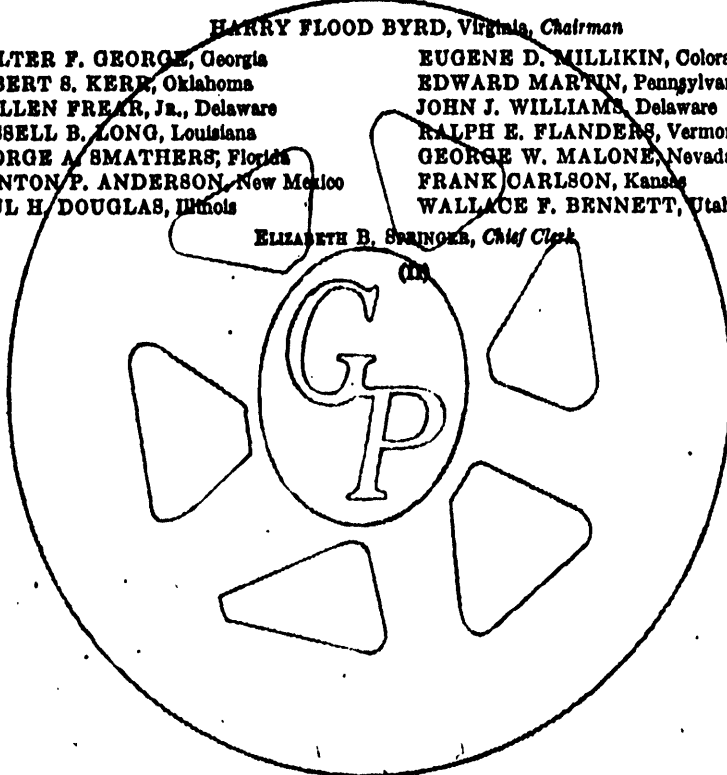
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OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE

[Effective date of the amendments is Aug. 1, 1956, unless otherwise noted]

I. COVERAGE

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>A. Self-employed.....</p> <p style="padding-left: 20px;">1. Professional groups..</p> <p style="padding-left: 20px;">2. Ministers.....</p> <p style="padding-left: 20px;">3. Farm operators and share farmers.</p>	<p><i>Covers</i> all self-employed if they have net earnings from self-employment of \$400 a year except that certain types of income including dividends, interest, sale of capital assets, and rentals from real estate (including rentals paid in crop shares) are not covered unless received by dealers in real estate and securities in the course of business dealings.</p> <p><i>Excludes</i> specific professional groups: physicians, lawyers, dentists, osteopaths, veterinarians, naturopaths, chiropractors, and optometrists.</p> <p><i>Covers</i> ministers (including Christian Science practitioners) and members of religious orders, other than those who have taken a vow of poverty, and those serving outside the United States who are citizens and working for United States employers on a voluntary self-employed basis regardless of whether they are employees or self-employed.</p> <p>Allows a period of 2 taxable years after coverage became available (Jan. 1, 1955), or after becoming a minister or a member of a religious order in which to elect coverage. An election of coverage once made is irrevocable.</p> <p><i>Covers</i> farm operators on the same basis as other self-employed persons except for a special provision for farmers who report on a cash basis. Such farmers whose annual gross earnings are \$1,800 or less may report either their actual net earnings or 50 percent of their gross earnings. Farmers who report on a cash basis and whose annual gross earnings are over \$1,800 may report either their actual net earnings or, if these net earnings are less than \$900, may report \$900.</p> <p>Rentals cannot be included as self-employment income.</p>	<p>No change other than to make an exception so as to include rentals as self-employment income in certain situations. See A 3, Farm operators and share farmers.</p> <p><i>Covers</i> all professional groups now excluded except physicians.</p> <p>Effective date: Taxable years ending after 1955.</p> <p>Also covers ministers outside the United States if they serve a congregation predominantly made up of United States citizens even though their employer may not be a United States employer. Effective date: Applicable generally to taxable years ending after 1956 but may apply, upon election, to 1955 and 1956.</p> <p>No change.</p> <p>Permits farm operators whose annual gross earnings are \$1,800 or less to report either their actual net earnings or 66$\frac{2}{3}$ percent of their gross earnings. Farmers whose annual gross earnings are over \$1,800 may report either their actual net earnings or, if these net earnings are less than \$1,200 may report \$1,200.</p> <p>Makes optional reporting method applicable to members of farm partnerships and farmers reporting on an accrual basis. Effective date: Applicable to taxable years ending on or after Dec. 31, 1956 (which includes calendar year 1956).</p> <p>Rentals will be credited as self-employment income in the situation in which the owner or tenant of the land participates materially with the individual working the land in the production or the management of the production of the agricultural or horticultural commodity. Effective date: Taxable years ending after 1955.</p>

I. COVERAGE—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
A. Self-employed—Continued 3. Farm operators and share farmers—Continued	<i>Covers</i> share farmers as self-employed under current interpretation.	The language of the bill confirms the present interpretation of the law on this point by defining the services of a share farmer as self-employment rather than employment. Effective date: Applicable to service performed in 1955 and subsequent years.
4. Public officials.....	<i>Excludes</i> individuals performing functions of public officials.	No change.
Newspaper vendors..	<i>Covers</i> individuals over 18 who buy newspapers and magazines at one price and sell them at another regardless of whether they are guaranteed minimum compensation or may return unsold papers and magazines.	No change.
B. Employees.....	<i>Covers</i> employees including certain agent or commission drivers, life-insurance salesmen, homeworkers, traveling salesmen, and officers of corporations regardless of the common-law definition of employee.	No change.
1. Agricultural workers..	<i>Covers</i> agricultural workers who are paid \$100 or more in cash wages by 1 employer in a calendar year.	<i>Covers</i> agricultural workers who either (1) are paid \$150 or more in cash wages in a calendar year by an employer or (2) perform agricultural labor for an employer on 20 days or more during the calendar year for cash wages computed on a time basis. Farm workers who are recruited and paid by a crew leader shall be deemed to be employees of the crew leader if such crew leader is not, by written agreement, designated to be an employee of the owner or tenant and if such crew leader is customarily engaged in recruiting and supplying individuals to perform agricultural labor; under such circumstances the crew leader shall be deemed to be self-employed. Effective date: 1957 and subsequent years.
	<i>And excludes:</i>	
	a. Mexican contract workers.....	a. No change.
	b. Workers lawfully admitted to the United States from the Bahamas, Jamaica, and other British West Indies on a temporary basis to perform agricultural labor.	b. Provision broadened to exclude from coverage temporary agricultural workers from any other foreign country. Effective date: 1957 and subsequent years.
	c. Persons producing or harvesting gum resin products (turpentine and gum naval stores).	c. No change.
2. Domestic workers.....	<i>Covers</i> persons performing domestic service in private nonfarm homes if they receive \$50 or more during a calendar quarter from 1 employer. Noncash remuneration is excluded. Also specifically.	No change.
	<i>Excludes</i> students performing domestic service in clubs or fraternities if enrolled and regularly attending classes at a school, college, or university.	No change.
3. Casual labor.....	<i>Covers</i> cash remuneration for service not in the course of the employer's trade or business if the remuneration is \$50 or more from 1 employer during a calendar quarter.	No change.

I. COVERAGE—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>B. Employees—Continued</p> <p>4. State and local government employees.</p>	<p><i>Covers employees of State and local governments provided the individual State enters into an agreement with the Federal Government to provide such coverage, with the following special provisions:</i></p> <p><i>a. Employees who are in positions covered under an existing State or local retirement system (except policemen and firemen) may be covered under State agreements only if a referendum is held by a secret written ballot, after not less than 90 days' notice, and if the majority of eligible employees under the retirement system vote in favor of coverage. All members of a retirement system (with minor exceptions) must be covered if any members are covered.</i></p> <p><i>Employees of any institution of higher learning (including a junior college or a teachers' college) under a retirement system can, if the State so desires, be covered as a separate coverage group, and 1 or more political subdivisions may be considered as a separate coverage group even though its employees are under a statewide retirement system.</i></p> <p><i>In addition employees whose positions are covered by a retirement system but who are not themselves eligible for membership in the system could be covered without a referendum. Employees in positions which were covered by a retirement system on the date the agreement was made applicable to the coverage group but which, by reason of action taken prior to Sept. 1, 1954, are no longer covered by a retirement system on the date when the agreement is made applicable to such services, may also be covered without a referendum at any time prior to Jan. 1, 1958.</i></p>	<p>No change.</p> <p>a. No change in general law but special provisions were made to allow the coverage of employees in the following States as exceptions to existing law.</p> <p>(1) Authorizes Florida, Georgia, New York, North Dakota, Pennsylvania, Tennessee, Washington, Wisconsin, and Hawaii, at their option, to extend coverage to the members of a State retirement system by dividing such a system into 2 divisions, 1 to be composed of those persons who desire coverage and the other of those persons who do not wish coverage, provided that new employees are covered compulsorily. Also authorizes similar treatment of political subdivision retirement systems of these States.</p> <p>(2) Authorizes Florida, Georgia, Minnesota, North Dakota, Pennsylvania, Washington, and Hawaii, at their option, to cover their employees who are paid wholly or partly from Federal funds under the unemployment compensation provisions of the Social Security Act—either by themselves or with the other employees of the department of the State in which they are employed—after complying with the referendum provisions.</p> <p>(3) Authorizes Florida, Minnesota, Nevada, New Mexico, Oklahoma, Pennsylvania, Texas, Washington, and Hawaii, at their option up until July 1, 1957, to include employees of public school districts who are under teachers' retirement system; but who are not required to have teachers' or school administrators' certificates (for example, school custodians), in the State's OASI agreement without a referendum and without including the certificated employees who are under the teachers' retirement system.</p> <p>(4) Allows the States of Florida, North Carolina, Oregon, South Carolina, and South Dakota to make coverage available to policemen and firemen in those States, subject to the same conditions that apply to coverage of other employees who are under State and local retirement systems, except that where the policemen and firemen are in a retirement system with other classes of employees the policemen and firemen may, at the option of the State, hold a separate referendum and be covered as a separate group.</p>

I. COVERAGE—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>B. Employees—Continued 4. State and local government employees—Con.</p>	<p><i>Covers—Continued</i></p> <p>b. <i>States have the option of covering or excluding employees in any class of elective position, part-time position, fee-basis position, or performing emergency services.</i></p> <p>c. <i>Excludes the services of the following persons, specifying that they cannot be included in a State agreement and cannot, therefore, be covered:</i></p> <ol style="list-style-type: none"> (1) employees on work relief projects; (2) patients and inmates of institutions who are employed by such institutions; (3) policemen and firemen having their own retirement system; and (4) services of the types which would be excluded by the general coverage provisions of the law if they were performed for a private employer, <i>except</i> that agricultural and student services in this category may be covered at the option of the State. <p>d. Coverage on a compulsory basis is provided for employees of certain publicly owned transportation systems as shown below:</p> <ol style="list-style-type: none"> (1) <i>A transportation system that acquired a private system prior to 1951.—All employees of a transportation system, owned by a State or local unit of government, any part of which is acquired from a private company after 1936 and before 1951, are covered by old-age and survivors insurance unless the employees are covered as of Dec. 31, 1950, by a general retirement system (applicable on a citywide or statewide basis) under which the benefits are protected from diminution or impairment by express provision of the State constitution. If the transportation system owned by a State or local unit of government has a retirement system applicable to its employees and acquires a private transportation system after 1950, the employees taken over with such acquisition are covered by old-age and survivors insurance if the employer has provided for integration of the general retirement system with old-age and survivors insurance.</i> (2) <i>A transportation system no part of which was acquired from a private company prior to 1951.—As to a transportation system owned by a State or local unit of government, no part of which was acquired from a private company after 1936 and before 1951, but which</i> 	<p>b. No change.</p> <p>c. No change except:</p> <ol style="list-style-type: none"> (3) See a (4), p. 3 for exception for enumerated States. <p>d. No change.</p>

I. COVERAGE—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>B. Employees—Continued 4. State and local government employees—Con.</p>	<p><i>Covers—Continued</i> acquires a private transportation company after 1950, the employees taken over with the acquisition are covered by old-age and survivors insurance unless they are covered by a general retirement system which does not provide for integration with old-age and survivors insurance.</p> <p>(3) <i>A transportation system beginning operation after December 1950.—If a State or local unit of government does not operate a transportation system on Dec. 31, 1950, but acquires a system after such date, all employees of the transportation system are covered by old-age and survivors insurance unless at the time the first part of the transportation system is acquired from private ownership the State or local unit of government has a general retirement system that covers the employees of the transportation system.</i></p>	
<p>5. Employees of nonprofit organizations.</p>	<p><i>Covers employees of religious, charitable, educational, and other nonprofit organizations (which are exempt from income tax and are described in sec. 501 (c) (3) of the Internal Revenue Code) on a voluntary basis if—</i></p> <p>a. the employer organization certifies that it desires to extend coverage to its employees, and,</p> <p>b. at least $\frac{2}{3}$ of the organization's employees concur in the filing of the certificate. Employees who do not concur in the filing of the certificate are not covered <i>except</i> that all employees hired after a certificate becomes effective are covered.</p> <p>Allows employees who do not concur in initial coverage certificate of a nonprofit organization to be covered by supplemental lists filed within 2 years of the first quarter in which the certificate is in effect.</p> <p>An individual employed, after 1950 and before enactment date of the 1954 Social Security Amendments (Sept. 1, 1954), by a nonprofit organization which failed to file a valid waiver certificate but believed that it had done so can get credit for his employment by filing a request with Internal Revenue if at least part of his taxes were paid and not refunded prior to enactment date.</p>	<p>No change.</p> <p>Provides an alternative cutoff date for coverage by supplemental list of Jan. 1, 1959.</p> <p>Extends this provision to the enactment date of the 1956 Social Security Amendments (Aug. 1, 1956).</p>

I. COVERAGE—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>B. Employees—Continued 5. Employees of nonprofit organizations—Continued</p>	<p><i>Covers—Continued</i> If an organization filed a valid waiver but an employee's name was not on the accompanying list he can get credit for employment on which taxes were paid and not refunded prior to enactment date of the 1954 Social Security Amendments (Sept. 1, 1954) upon request to Internal Revenue. He is deemed to have signed the waiver and is covered for the future. <i>Covers</i> employees of other nonprofit organizations (exempt from income tax under the other subsections of 501 (c)) on a <i>compulsory basis</i> if the employees earn \$50 a quarter from such an employer and they are not specifically excluded by another provision of the law.</p>	<p>Extends this provision to the enactment date of the 1956 Social Security Amendments (Aug. 1, 1956).</p>
<p>6. Federal employees-----</p>	<p><i>Excludes</i> employees of the United States or its instrumentalities if—</p> <ul style="list-style-type: none"> a. they are covered by a retirement system established by Federal law; or b. they perform services— <ul style="list-style-type: none"> (1) as the President, Vice President, or a Member of Congress; (2) in the legislative branch; (3) in a penal institution as an inmate; (4) as certain internes, student nurses, and other student employees of Federal hospitals; (5) as employees on a temporary basis in disaster situations; (6) as employees not covered by the Civil Service Retirement Act because they are subject to another retirement system; or c. the instrumentality has been specifically exempted by statute from the OASI employer tax; or d. the instrumentality was exempt from the employer tax on Dec. 31, 1950, and its employees are covered by its retirement system. <p><i>Covers</i> the following Federal employees excepted from the exclusion in 6-d unless they are excluded on the basis of one of the other provisions:</p> <ul style="list-style-type: none"> a. employees of a corporation which is wholly owned by the United States: 	<p>No change.</p> <p>b. No change, except—</p> <p>(6) Covers employees subject to the retirement system of the Tennessee Valley Authority by excepting them from this provision but provides that coverage shall not be effective unless the Board of Directors of TVA submits to the Secretary of Health, Education, and Welfare, and the Secretary approves before July 1, 1957, a plan for the coordination, on an equitable basis, of the 2 systems. The plan shall specify an effective date of July 1, 1957, or the 1st day of a prior quarter beginning not earlier than Jan. 1, 1956.</p> <p>c. No change.</p> <p>d. No change.</p> <p>a. No change.</p>

I. COVERAGE—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>B. Employees—Continued</p> <p>6. Federal employees—Continued</p>	<p><i>Covers—Continued</i></p> <p>b. employees of a national farm loan association, a production credit association, a Federal Reserve bank, or a Federal credit union:</p> <p>c. employees (not compensated by funds appropriated by Congress) of the post exchanges of the various armed services (including the Coast Guard) and other similar organizations at military installations;</p> <p>d. employees of a State, county, or community committee under the Production and Marketing Administration.</p>	<p>b. Covers employees of Federal Home Loan Banks under a retirement system by adding them to these specific exceptions but provides that coverage shall not be effective unless the Home Loan Bank Board submits a plan in the same manner as the TVA. The plan shall specify an effective date of July 1, 1957, or the first day of a prior quarter beginning not earlier than Jan. 1, 1956.</p> <p>c. No change.</p> <p>d. No change.</p>
<p>7. Students, internes, and nurses in schools and hospitals.</p>	<p><i>Excludes:</i></p> <p>a. students in the employ of a school, college, or university if enrolled and regularly attending classes.</p> <p>b. student nurses employed by a hospital or nurses training school if enrolled and regularly attending classes.</p> <p>c. Internes in the employ of a hospital if they have completed a 4-year course in an approved medical school. (Students may be covered as employees of State or local governments at option of the State under State agreements. See 4 o (4), p. 4.)</p>	<p>No change.</p>
<p>8. Newsboys.....</p>	<p><i>Covers</i> individuals 18 and over who deliver and distribute newspapers or shopping news, but covers individuals under 18 only if they deliver or distribute such publications to points for subsequent delivery or distribution.</p>	<p>No change.</p>
<p>9. Members of the Armed Forces.</p>	<p>Not covered under the regular contributory provisions of the program but granted social-security wage credits of \$160 per month for active service in the Armed Forces during the World War II period (Sept. 16, 1940–July 24, 1947) and for the postwar emergency period (July 25, 1947–Mar. 31, 1956). These wage credits are not given if benefits on the basis of the same service are payable to a veteran under a Federal program other than those administered by the Veterans' Administration.</p>	<p>Covered under the regular contributory provisions of the program by another enactment in the 84th Cong. (Public Law 881) effective Jan. 1, 1957. Public Law 881 (Servicemen's and Veterans' Survivor Benefits Act) also extended the gratuitous wage credits for all persons in military service between Apr. 1, 1956, and Dec. 31, 1956.</p>

I. COVERAGE—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>B. Employees—Continued</p> <p>10. Railroad employees...</p> <p>11. Family employment...</p> <p>12. Employees of certain Communist organizations.</p>	<p><i>Covers—Continued</i></p> <p>Under coordination provisions contained in the Railroad Retirement Act: (1) employment under both the railroad system and the old-age and survivors insurance system is counted for purposes of survivor benefits under either system; (2) railroad employment of workers with less than 10 years of railroad service is credited under the Social Security Act and the benefits based on such employment are payable under this act; and (3) provision is made for mutual reimbursement between the 2 systems in order to place the old-age and survivors insurance trust fund in the same position in which it would have been if railroad service after 1936 had been counted as social-security employment.</p> <p><i>Excludes</i> persons in the employ of a son, daughter, or spouse; or child under 21, if in the employ of a parent.</p> <p>No specific exclusion.....</p>	<p>Amendments made to the Railroad Retirement Act to preserve the present relationship between the 2 programs; otherwise no change.</p> <p>No change.</p> <p>Denies coverage to employees of any organization which is registered, or against which there is a final order of the Subversive Activities Control Board to register, under the Internal Security Act as a Communist-action, a Communist-front, or Communist-infiltrated organization. Effective: June 30, 1956.</p>
<p>C. Geographical scope.....</p>	<p><i>Excludes</i> the following from coverage within the United States (which includes Alaska, Hawaii, Puerto Rico, and the Virgin Islands):</p> <ul style="list-style-type: none"> a. Nonresident aliens engaged in self-employment. b. Employees of foreign governments and their instrumentalities. c. Employees of international organizations entitled to certain privileges under the International Organizations Immunities Act. d. Employees on foreign registered aircraft or ships who also perform services while the plane or ship is outside of the United States, if the employee is not a citizen of the United States or the employer is not an American employer. <p><i>Coverage outside of the United States is limited to—</i></p> <ul style="list-style-type: none"> a. American citizens either self-employed or employed by an American employer. 	<p>No change.</p> <p>No change except:</p> <ul style="list-style-type: none"> a. Covers ministers (on a self-employed basis) outside the United States if they serve a congregation predominantly made up of United States citizens even though their employer may not be a United States employer. (See A-2, p. 2).

I. COVERAGE—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>C. Geographical scope—Con.</p>	<p><i>Coverage outside of the United States is limited to—Continued</i></p> <p>b. Citizens of the United States employed by foreign subsidiaries of American corporations are covered by voluntary agreements between the Federal Government and the parent American company. Defines a foreign subsidiary of a domestic corporation as a foreign corporation more than 50 percent of the voting stock of which is owned by such domestic corporation. The domestic corporation can include some or all of its foreign subsidiaries in the agreement and must agree to pay the equivalent of both employer and employee taxes on behalf of the subsidiaries included.</p> <p>c. Individuals, regardless of citizenship, who are employed on American registered ships and aircraft if either the contract of service was entered into in the United States or the plane or vessel touches a port in the United States.</p>	<p>b. Makes coverage available to more United States citizens employed by foreign subsidiaries by redefining a foreign subsidiary of a domestic corporation as a foreign corporation not less than 20 percent of the voting stock of which is owned by such domestic corporation.</p>

II. PROVISIONS RELATING TO PERMANENT AND TOTAL DISABILITY

<p>A. Covered workers:</p> <p>1. Disability "freeze"....</p> <p>2. Benefits.....</p> <p>3. Eligibility requirements.</p>	<p>Provides that when an individual for whom a period of disability has been established dies or retires his period of disability will be disregarded in determining his eligibility for benefits and his average monthly wage for benefit purposes.</p> <p>No provision.....</p> <p>a. For disability "freeze" an individual must be precluded from engaging in any substantial gainful activity by reason of a physical or mental impairment. The impairment must be medically determinable and one which can be expected to be of long-continued and indefinite duration or to result in death. An individual is disabled, within the meaning of the law, if he is blind, as that term is defined.</p>	<p>No change.</p> <p>(The disability "freeze" will be in effect during the period when a disability insurance benefit is being paid. Thus, it will apply to retirement and dependent's benefits or, in the case of death, to survivors' benefits.)</p> <p>Provides an insurance benefit prior to retirement (computed in the same way as retirement benefits) for disabled workers meeting eligibility requirements. Benefits payable from the Federal Disability Insurance Trust Fund. No benefits for dependents.</p> <p>Effective date: Disability insurance payments beginning July 1957.</p> <p>Same for benefits as for disability "freeze" except blindness is neither specified nor defined and is, therefore, not necessarily a disability.</p>
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II. PROVISIONS RELATING TO PERMANENT AND TOTAL DISABILITY—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>A. Covered workers—Con. 3. Eligibility requirements—Continued</p>	<p>Provides—</p> <p>b. For disability "freeze" a period of disability cannot be established unless it has lasted at least 6 full calendar months.</p> <p>c. To be eligible for the disability "freeze," an individual must—</p> <p>(1) Have acquired at least 20 quarters of coverage out of the last 40 quarters ending with the quarter in which the period of disability begins;</p> <p>(2) Have acquired 6 quarters of coverage out of the last 13 calendar quarters ending with the quarter in which the period of disability begins; and</p> <p>(3) must be alive and still disabled at the time application is filed.</p>	<p>b. A 6 months' "waiting period" is required before disability insurance benefits can begin. No "waiting period" can begin before Jan. 1, 1957, nor more than 6 months before age 50.</p> <p>c. To be eligible for disability insurance benefits an individual must:</p> <p>(1) Same as disability "freeze" in present law.</p> <p>(2) Same as disability "freeze" in present law.</p> <p>(3) Same as disability "freeze" in present law.</p> <p>(4) <i>And must also be:</i></p> <p>(a) fully insured, and</p> <p>(b) aged 50 or over.</p>
<p>4. Disability determinations.</p>	<p>In administering the disability "freeze"—</p> <p>a. the Secretary enters into contractual agreements under which State vocational rehabilitation agencies, or other appropriate State agencies, make determinations of disability.</p> <p>b. the Secretary is authorized to make determinations of disability for individuals who are not covered by State agreements.</p> <p>c. the Secretary may, on his own motion, review a State agency determination that a disability exists and may, as a result of such review, find that no disability exists or that the disability began later than determined by the State agency.</p> <p>d. Any individual who is dissatisfied with a determination, whether made by a State agency or by the Secretary, has the right to a hearing and to judicial review as provided in the law.</p>	<p>In administration of disability benefits uses the same administrative structure for disability determinations as that established for disability "freeze."</p>
<p>5. Administrative expenses.</p>	<p>Appropriations are authorized from the Old-Age and Survivors Insurance Trust Fund to reimburse State agencies for necessary costs incurred in making disability determinations for disability "freeze" purposes.</p>	<p>Appropriations are also authorized from the Federal Disability Insurance Trust Fund to reimburse State agencies for necessary costs incurred in making disability determinations for benefit purposes.</p>
<p>6. Adjustment of duplicate benefits.</p>	<p>No provision-----</p>	<p>Reduces the disability insurance benefit by the amount of any benefit payable—</p> <p>(a) by any agency of the United States (including wholly-owned instrumentalities) under another Federal law or under a system established by such an agency where the payment is based in whole or in part on a physical or mental impairment; or</p> <p>(b) under a workmen's compensation law or plan of a State on account of physical or mental impairment.</p>

II. PROVISIONS RELATING TO PERMANENT AND TOTAL DISABILITY—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>A. Covered workers—Con. 7. Rehabilitation-----</p> <p>8. Suspension of benefits based on disability.</p>	<p>The policy of Congress is stated that disabled persons applying for a determination of disability be promptly referred to State vocational rehabilitation agencies for necessary rehabilitation services.</p> <p>No provision-----</p>	<p>Extends existing provision to a person receiving disability benefits and provides for deduction of benefits for refusal, without good cause, to accept rehabilitation services available under a State plan approved under the Vocational Rehabilitation Act in such amounts as the Secretary shall determine.</p> <p>A member of the Christian Science Church or other church that relies on spiritual healing who refuses rehabilitation services is deemed to have done so with good cause.</p> <p>A disabled person who is receiving rehabilitation services and returns to work shall not, for at least 1 year after his work first started, be regarded as able to engage in substantial gainful activity solely by reason of such work.</p> <p>If the Secretary believes that the disability no longer exists, he may suspend benefits pending his disability determination or that of the appropriate State agency.</p>
<p>B. Disabled children-----</p> <p>1. Benefits.</p> <p>2. Disability determinations.</p> <p>3. Administrative expenses.</p> <p>4. Adjustment of duplicate benefits.</p>	<p>No provision-----</p> <p>No provision-----</p> <p>No provision-----</p> <p>No provision-----</p>	<p>Pays benefits (from Federal Old-Age and Survivors Insurance Trust Fund) to dependent disabled child of a deceased or retired insured worker if the child is permanently and totally disabled and has been so disabled since before he reached age 18.</p> <p>If the disabled child was not entitled to child's benefits before he reached age 18, it will be necessary to show that the child was receiving at least half his support from the worker at the time the child applied for benefits or when the worker died. Effective date: Payable beginning January 1957.</p> <p>Uses same definition of disability as is used for covered workers (A 3) and same structure for disability determinations (A 4, p. 10).</p> <p>Appropriations are authorized from the Federal Old-Age and Survivors Insurance Trust Fund to reimburse State agencies for necessary costs incurred in making children's disability determination.</p> <p>Reduces disabled child's benefit by the amount of the benefit payable—</p> <p>a. by any agency of the United States (including wholly owned instrumentalities) under another Federal law or under a system established by such an agency where the payment is based in whole or in part on a physical or mental impairment; or</p> <p>b. under a workmen's compensation law or plan of a State on account of physical or mental impairment.</p>

II. PROVISIONS RELATING TO PERMANENT AND TOTAL DISABILITY—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>B. Disabled children—Con.</p> <p>4. Adjustment of duplicate benefits—Con.</p> <p>5. Rehabilitation.....</p> <p>6. Suspension of benefits based on disability.</p>	<p>No provision.....</p> <p>No provision.....</p>	<p>Also reduces mother's or wife's benefit deriving from such child's benefit where the other Federal or State disability payment exceeds the child's benefit. However, if such a wife or mother is entitled to her benefit because of another child in her care, the reduction will not take place.</p> <p>Same as for covered worker (A 7 p. 11).</p> <p>Same as for covered worker (A 8 p. 11).</p>

III. BENEFIT CATEGORIES

<p>A. Retired workers and their dependents:</p> <p>1. Old age.....</p>	<p>Payable at age 65 and over to fully insured men and women workers.</p>	<p>No change for men but retirement age for women reduced to age 62 with a reduced annuity upon retirement between 62 and 65 (80 percent at 62 plus $\frac{1}{2}$ of 1 percent for each month's delay of retirement up to age 65).</p> <p>A woman who is entitled to an old-age benefit prior to 65 and is eligible for a wife's benefit at the same time will be deemed to have filed application for both benefits. The appropriate reduction factor would be applied to each benefit separately, and the reduced benefits would be adjusted against each other so that, in effect, the larger of the 2 benefits would be paid. In the case where a woman is entitled to a reduced old age benefit and subsequently becomes entitled to a wife's benefit, the latter benefit would be reduced to take into account the fact that benefits were already drawn at an earlier age.</p> <p>No reduction in benefits for dependents and survivors of women workers who elect reduced annuities.</p> <p>Effective date: Payable beginning November 1956.</p>
<p>2. Wife.....</p>	<p>When a worker receives old-age benefits, wife's insurance benefits are payable upon filing application if the wife of the retired worker has been married to him for not less than 3 years, or she is the mother of his son or daughter, and</p> <p>a. has reached age 65 or, if under 65, has in her care (individually or jointly with her husband) at the time of filing the application, a child entitled to a child's insurance benefit on the basis of the wages and self-employment income of her husband;</p>	<p>No change except:</p> <p>Retirement age for wives reduced to 62 with reduced annuities between 62 and 65 (75 percent at 62 plus $\frac{2}{3}$ of 1 percent for each month's delay of retirement up to age 65).</p> <p>A woman who is entitled to a wife's benefit prior to 65 and is eligible for an old-age benefit at the same time will be deemed to have filed application for both benefits. The appropriate reduction factor would be applied to each benefit separately, and the reduced benefits would be adjusted against</p>

III. BENEFIT CATEGORIES—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>A. Retired workers and their dependents—Continued 2. Wife—Continued</p>	<p>b. is not entitled to an old-age benefit based on her own earnings equal to or greater than the amount she would be entitled to as the wife of the worker; and c. has been living with the husband at the time the application is filed. (Wife is deemed to be living with her husband if they are both members of the same household, or she is receiving regular contributions from him for her support, or he has been ordered by a court to contribute to her support.)</p>	<p>each other so that, in effect, the larger of the 2 benefits would be paid. In the case where a woman is entitled to a reduced wife's benefit and subsequently becomes entitled to her own old age benefit, the latter benefit would be reduced to take into account the fact that benefits were already drawn at an earlier age. A woman who has a child in her care entitled to a child's insurance benefit will continue to receive an unreduced wife's benefit. Effective date: Payable beginning November 1956.</p>
<p>3. Dependent husband.</p>	<p>When a woman worker receives old-age benefits and in addition <i>is currently insured</i>, husband's insurance benefits are payable upon filing application if the husband of the retired woman worker is the father of her son or daughter, or has been married to her for not less than 3 years, and a. has reached age 65; b. has been receiving at least $\frac{1}{2}$ of his support from his wife at the time she became entitled to old-age benefits and filed proof of such support within 2 years after she became so entitled; c. is not entitled to an old-age benefit based on his own earnings equal to or greater than the amount he would be entitled to as the dependent husband of the worker; and d. has been living with the wife at the time the application is filed. (Husband is deemed to be living with his wife if they are both members of the same household, or he is receiving regular contributions from her for his support, or she has been ordered by a court to contribute to his support.)</p>	<p>No change. a. No change. b. No change except extends for 2 years the period within which proof of support must be filed if there was failure to file proof within the initial period. The 2-year extension would start at the expiration of the initial 2-year period or after August 1956 if that was later. Effective as to benefits after August 1956, based on applications filed after that date. c. No change. d. No change.</p>
<p>4. Child.....</p>	<p>When a worker receives old-age benefits, child insurance benefits are payable to the child of the retired worker (including stepchild or adopted child as defined below) upon filing application if— (a) the child is unmarried and under age 18; and (b) the child is dependent (as defined on p. 14) on the retired worker.</p>	<p>No change except: Provides that benefits will also be paid to retired workers' dependent unmarried children age 18 or over if they are permanently and totally disabled and have been so since before the age of 18. Effective date: Payable beginning January 1957.</p>

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>A. Retired workers and their dependents—Continued 4. Child—Continued</p>		
<p><i>Stepchild or adopted child—of retired worker</i></p>	<p>The term "child" includes a stepchild or adopted child who has been such for at least 3 years immediately preceding the day on which the application for child benefits is filed (if a stepchild of the worker is later adopted by the worker, the child is considered to be an adopted child during the period the stepchild relationship existed).</p>	<p>No change.</p>
<p><i>Definition of dependency on father, adopting father, stepfather, mother, adopting mother, and stepmother</i></p>	<p>A child (under 18) is considered dependent upon the <i>father</i> if the father is living with or contributing to the support of the child. However, even if the father is not living with the child or contributing to his support, the child, if legitimate, is considered dependent upon the father unless the child—</p> <ul style="list-style-type: none"> a. Has been adopted by some other individual, or b. Is living with and receiving more than ½ of his support from his stepfather. 	<p>No change.</p>
	<p>An adopted child (under 18) is considered dependent upon his <i>adopting father</i> under the same conditions as those which apply to a father and his natural child.</p>	
	<p>A child (under 18) is considered dependent upon his <i>stepfather</i> at the time of filing application for child benefits if the child was—</p> <ul style="list-style-type: none"> a. living with his stepfather; or b. receiving at least ½ his support from his stepfather. 	<p>No change.</p>
	<p>A child (under 18) is considered dependent upon his <i>natural mother</i> or <i>adopting mother</i> at the time of filing application for child benefits if such mother was <i>currently insured</i> when she became entitled to old-age benefits regardless of presence of or support furnished the child by the father.</p>	<p>No change.</p>
	<p>Also a child (under 18) is considered dependent upon his <i>natural, adopting or stepmother</i> at the time of filing application for child benefits if—</p> <ul style="list-style-type: none"> a. she was living with the child or contributing to the support of the child and provided the child was— <ul style="list-style-type: none"> (1) neither living with, nor receiving contributions from, his father or adopting father, or (2) receiving at least ½ of his support from her. 	<p>No change.</p>

III. BENEFIT CATEGORIES—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>A. Retired workers and their dependents—Continued 4. Child—Continued</p> <p><i>Definition of dependency—Con.</i></p>	<p>No provision-----</p>	<p>A child who has attained 18 and is under a permanent and total disability which began before 18 will be deemed dependent upon his natural or adopting father, his natural or adopting mother, his stepfather, or his stepmother for a child's benefit if—</p> <p>a. he was entitled to a child's benefit before 18 on the wage record of such parent, or</p> <p>b. he was receiving at least ½ of his support from the deceased parent at his death.</p>
<p>B. Survivors of deceased workers:</p> <p>1. Surviving widow-----</p>	<p>Widow's insurance benefits are payable, upon filing application (no application required if widow was receiving a mother's insurance benefit when she becomes eligible for widow's benefit) at age 65 if the deceased worker was fully insured at the time of his death and the widow (as defined below)—</p> <p>a. has not remarried;</p> <p>b. is not entitled to an old-age benefit based on her own earnings equal to or greater than the amount she would be entitled to as the widow of the deceased worker; and</p> <p>c. was living with the husband at the time of his death. Widow is deemed to have been living with her husband at the time of his death if they were both members of the same household on the date of his death, or she was receiving regular contributions from him toward her support on such date, or he had been ordered by a court to contribute to her support.</p>	<p>Retirement age for widows reduced to 62 with full annuity payable. Effective date: Payable beginning November 1956.</p> <p>a. a widow who remarries but whose husband dies before she is eligible for a benefit on his wage record (1 year) will be deemed not to have remarried for benefit purposes. Generally effective November 1956.</p> <p>b. No change.</p> <p>c. No change.</p>
<p><i>Widow defined</i></p>	<p>The term "widow" means the surviving wife of a deceased worker, but only if she meets one of the following conditions:</p> <p>a. was married to him for not less than 1 year immediately prior to the day on which he died; or</p> <p>b. is the mother of his son or daughter; or</p> <p>c. legally adopted his son or daughter while married to him and while such son or daughter was under age 18; or</p> <p>d. was married to him at the time both of them legally adopted a child under the age of 18.</p>	<p>No change other than the remarriage qualification noted above.</p>

III. BENEFIT CATEGORIES—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>B. Survivors of deceased workers—Continued 3. Surviving former wife divorced (mother's benefit)—Continued</p>		
<p><i>Former wife divorced defined</i></p>	<p>The term "former wife divorced" means a woman divorced from a deceased worker, but only if she meets 1 of the following conditions:</p> <ul style="list-style-type: none"> (a) is the mother of his son or daughter; (b) legally adopted his son or daughter while married to him and while such son or daughter was under age 18; or (c) was married to him at the time both of them legally adopted a child under the age of 18. 	<p>No change.</p>
<p>4. Surviving child.....</p>	<p><i>Child insurance benefits</i> are payable upon filing application, to the child (including stepchild or adopted child as defined below) of a deceased worker if he or she was <i>currently or fully insured</i> and the child—</p> <ul style="list-style-type: none"> a. is unmarried and under age 18; and b. was dependent (as defined below) upon the worker at the time of his or her death. 	<p>Provides that benefits will also be paid to deceased workers' dependent unmarried children age 18 or over if they are permanently and totally disabled and have been so since before the age of 18. Effective date: Payable beginning January 1957.</p>
<p><i>Stepchild or adopted child of the deceased worker defined</i></p>	<p>The term "child" includes a stepchild of a deceased worker who has been such a stepchild for at least 1 year immediately preceding the day on which the worker died; the term "child" also includes an adopted child of a deceased worker without regard to the length of time the child has been adopted.</p>	
<p><i>Definition of dependency on father, adopting father, stepfather, mother, adopting mother, and stepmother</i></p>	<p>A child (under 18) is considered dependent upon the <i>father</i> if the father at the time of his death was living with or contributing to the support of the child. However, even if the father at the time of his death was not living with the child or contributing to his support, the child, if legitimate, is considered dependent upon the father unless the child—</p> <ul style="list-style-type: none"> a. had been adopted by some other individual; or b. was living with and receiving more than one-half of his support from his stepfather. <p>An adopted child (under 18) is considered dependent upon his <i>adopting father</i> under the same conditions as those which apply to a father and his natural child.</p>	<p>No change.</p> <p>No change.</p>

III. BENEFIT CATEGORIES—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>B. Survivors of deceased workers—Continued 4. Surviving child—Con.</p>		
<p><i>Definition of dependency—Con.</i></p>	<p>A child (under 18) is considered dependent upon his <i>stepfather</i> at the time of the <i>stepfather's</i> death if the child was—</p> <ul style="list-style-type: none"> a. Living with his <i>stepfather</i>; or b. Receiving at least $\frac{1}{2}$ of his support from his <i>stepfather</i>. <p>A child (under 18) is considered dependent upon his <i>natural mother</i> or <i>adopting mother</i> at the time of her death if such mother was currently insured when she died regardless of presence of or support furnished the child by the father.</p> <p>Also a child (under 18) is considered dependent upon his <i>natural, adopting, or stepmother</i> at the time of death of such mother if she was living with or contributing to the support of the child and provided the child—</p> <ul style="list-style-type: none"> a. Was neither living with nor receiving contributions from his father or adopting father; or b. Was receiving at least $\frac{1}{2}$ of his support from her. 	<p>No change.</p> <p>No change.</p> <p>No change.</p>
<p>5. Surviving dependent widower.</p>	<p><i>Widower's insurance benefits</i> are payable, upon filing application, to the widower of a deceased woman worker who was <i>currently</i> and <i>fully insured</i> at the time of death and the widower (as defined below)—</p> <ul style="list-style-type: none"> a. has reached age 65; b. has not remarried; c. is not entitled to an old-age benefit based on his own earnings equal to or greater than the amount he would be entitled to as the dependent widower of the deceased wife; d. was living with the wife at the time of her death (widower is deemed to have been living with his wife at the time of her death if they were both members of the same household on the date of her death, or he was receiving regular contributions from her toward his support on such date, or she had been ordered by a court to contribute to his support); and 	<p>A child who has attained 18 and is under a permanent and total disability which began before 18 will be deemed dependent upon his natural or adopting father, his natural or adopting mother, his <i>stepfather</i>, or <i>stepmother</i> if the child—</p> <ul style="list-style-type: none"> a. was entitled to a child's benefit before 18 on the wage record of such deceased parent, or b. was receiving at least $\frac{1}{2}$ his support from the deceased parent at his death. <p>No change.</p>

III. BENEFIT CATEGORIES—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>B. Survivors of deceased workers—Continued</p> <p>5. Surviving dependent widower—Continued</p> <p align="center"><i>Widower defined</i></p>	<p><i>Widower's insurance benefits—Continued</i></p> <p>e. either—</p> <p>(1) was receiving at least ½ of his support from the wife at the time of her death and filed proof of such support within 2 years of the date of death; or</p> <p>(2) was receiving at least ½ of his support from the wife and she was currently insured at the time she became entitled to old-age benefits and filed proof of such support within 2 years after the month in which she became so entitled.</p> <p>The term "widower" means the surviving husband of a deceased woman worker, but only if he meets one of the following conditions:</p> <p>a. was married to her for not less than 1 year immediately prior to the date on which she died; or</p> <p>b. is the father of her son or daughter; or</p> <p>c. legally adopted her son or daughter while married to her and while such son or daughter was under age 18; or</p> <p>d. was married to her at the time both of them legally adopted a child under the age of 18.</p>	<p>e. No change except extends for 2 years the period within which proof of support must be filed if there was failure to file proof within the initial period. The 2 year extension would start at the expiration of the initial 2 year period or after August 1956 if that was later. Effective as to benefits after August 1956, based on applications filed after that date.</p> <p>No change</p>
<p>6. Surviving dependent parent.</p>	<p><i>Parent's insurance benefits</i> are payable, upon filing application, to the parent or parents (as defined below) of a deceased worker who was fully insured at the time of death if the worker did not leave a widow, widower, or child who could ever qualify for monthly insurance benefits on the worker's wages and self-employment income and the parent—</p> <p>a. has reached age 65;</p> <p>b. has not remarried after the death of the worker;</p> <p>c. was receiving at least ½ of his or her support from the worker at the time of the worker's death and filed proof of such support within 2 years of the date of death; and</p> <p>d. is not entitled to an old-age benefit based on his or her own earnings equal to or greater than the amount he or she would be entitled to as the dependent parent of the deceased worker.</p>	<p>No change.</p> <p>a. Retirement age for deceased worker's mother is reduced to 62 with full annuity payable. No change for fathers. Effective date: Payable beginning November 1956.</p> <p>b. No change.</p> <p>c. No change except extends for 2 years the period within which proof of support must be filed if there was failure to file proof within the initial period. The 2-year extension would start at the expiration of the initial 2-year period or after August 1956 if that was later. Effective as to benefits after August 1956, based on applications filed after that date.</p> <p>d. No change.</p>

III. BENEFIT CATEGORIES—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>B. Survivors of deceased workers—Continued 6. Surviving dependent parent—Continued</p> <p><i>Parent defined</i></p> <p>7. Lump-sum death payments.</p>	<p>The term "parent" means—</p> <p>a. the mother or father of a deceased worker;</p> <p>b. a stepparent of the deceased worker by a marriage contracted before the worker attained the age of 16; or</p> <p>c. an adopting parent who adopted the deceased worker before he or she reached age 16.</p> <p>Upon the death of a worker who died <i>currently</i> or <i>fully insured</i> a lump-sum death payment is payable to the person whom the Secretary of Health, Education, and Welfare determines to be the widow or widower of the deceased and to have been living with the deceased at the time of death. If there is no such person, an amount is payable to any person or persons to the extent and in the proportion that he or they have paid the burial expenses for the deceased insured individual. No payment is made, however, unless application is filed within 2 years after the date of death.</p>	<p>No change.</p> <p>No change except that, for deaths after 1946, extends for 2 years the period within which an application must be filed after the worker's death if good cause can be shown why the application was not filed within initial period. The 2-year extension would start at the expiration of the initial 2-year period or after August 1956 if that was later.</p>
<p>C. Disabled workers-----</p>	<p>No provision-----</p>	<p>Provides benefits for permanently and totally disabled workers age 50 to 65 who are fully insured and have 6 of the last 13 quarters and 20 out of the last 40 quarters prior to the quarter of disability. No benefits payable to their dependents. A woman who, before age 65, received a widow's benefit, a parent's benefit, a reduced worker's benefit, or a reduced wife's benefit would be precluded from receiving a disability insurance benefit upon subsequent entitlement. Effective date: Payable beginning July 1957. See sec. II. (P. 9-12.)</p>

IV. BENEFIT AMOUNTS

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>A. Average monthly wage-----</p>	<p>In general, an individual's average monthly wage for computing his monthly old-age insurance benefit amount is determined by dividing the total of his creditable earnings after the applicable starting date and up to the applicable closing date, by the number of months involved, excluding any month in any quarter any part of which was included in a period of disability under the disability "freeze." Starting dates may be 1936, 1950, or if later, the year of attainment of age 21. The closing date may be either (1) the 1st day of the year the individual died or became entitled to benefits or (2) the 1st day of the year in which he was fully insured and attained retirement age, whichever results in a higher benefit.</p> <p>Applicable starting and closing dates are those which yield the highest benefit amount. The minimum divisor is 18 months.</p> <p>Generally, persons who first qualify for benefits after August 1954, can "drop out" up to 4 years of lowest or no earnings; and those with at least 20 quarters of coverage (acquired at any time) can use an additional year for a total "drop out" of 5 years of lowest or no earnings.</p> <p>Special provision intended primarily for persons first covered in 1955: Individual who became entitled to old-age insurance benefits or died in 1956, and had at least 6 quarters of coverage after 1954, can have starting date of Dec. 31, 1954, and closing date of July 1, 1956, if that will yield a larger benefit amount.</p>	<p>No change, except:</p> <p>Excludes <i>all months</i> in any year which are included in a period of disability under the disability "freeze" from the elapsed time in computing the average monthly wage, with the exception of the months in the year when the disability began if their inclusion (with the earnings for such months) would result in a larger benefit.</p> <p>Effective date: Applicable to persons becoming entitled to benefits or applying for disability determinations after date of enactment (Aug. 1, 1956).</p> <p>Eliminates the requirement of 20 quarters of coverage for the "drop out" of a 5th year of lowest or no earnings.</p> <p>Effective generally for entitlement after enactment date (Aug. 1, 1956).</p> <p>Similar special provisions primarily for persons first covered in 1956: Individual who becomes entitled or dies in 1957, and has at least 6 quarters of coverage after 1955, can have a starting date of Dec. 31, 1955 and closing date of July 1, 1957, if that will yield a larger benefit amount.</p>
<p>B. Benefit formula-----</p>	<p>An individual may have his benefit computed under 1 of the 3 following methods provided he meets the conditions therein prescribed. If more than 1 method is applicable, the one yielding the highest benefit amount will be used:</p> <p>(1) 55 percent of the first \$110 of average monthly wage plus 20 percent of the next \$240, based on average monthly wage after 1950, or after age 21, if later.</p> <p><i>Conditions:</i></p> <p>(a) 6 quarters of coverage after June 1953, or</p> <p>(b) First eligible for old-age insurance benefits after August 1954, or dies after August 1954 and before eligible for old-age insurance benefits, provided he has 6 quarters of coverage after 1950.</p> <p>(2) 1952 benefit formula with benefit amount increased through conversion table in the law.</p>	<p>No change.</p>

IV. BENEFIT AMOUNTS—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
<p>B. Benefit formula—Con.</p>	<p><i>Conditions:</i> 6 quarters of coverage after 1950.</p> <p>(3) 1939 benefit formula with benefit amount increased through conversion table in the law.</p>	
<p>C. Minimum primary insurance amount.</p>	<p>\$30.</p>	<p>No change.</p>
<p>D. Maximum family benefits.</p>	<p>The maximum amount payable on a single wage record is the lesser of \$200 or 80 percent of the insured person's average monthly wage. The 80-percent limitation, however, cannot reduce total family benefits below the larger of \$50 or 1½ times the primary amount.</p>	<p>No change.</p>
<p>E. Dependents' and survivors' benefits.</p>	<p>(Subject to maximum limitations on total family benefits.)</p>	
<p>1. Wife or husband of old-age beneficiary.</p>	<p>½ of primary insurance amount.</p>	<p>No change.</p>
<p>2. Child of living old-age beneficiary.</p>	<p>½ of primary insurance amount.</p>	<p>No change.</p>
<p>3. Widow, widower, former wife divorced, or parent of deceased insured person.</p>	<p>¾ of primary insurance amount except minimum benefit is \$30 if individual is sole beneficiary entitled.</p>	<p>No change.</p>
<p>4. Child of deceased insured person.</p>	<p>If only 1 child is entitled, ¼ of primary insurance amount, except minimum is \$30 if the child is the sole beneficiary entitled.</p> <p>If more than 1 child entitled, each child gets ½ of primary insurance amount plus an equal share in an additional ¼ of primary insurance amount.</p>	<p>No change.</p>
<p>5. Lump-sum death payment.</p>	<p>3 times the primary insurance amount with a statutory maximum of \$255.</p>	<p>No change.</p>

IV. BENEFIT AMOUNTS—Continued

F. Illustrative monthly benefits based on earnings after 1950.
 1. Benefits for disabled workers and disabled children.

The 1956 amendments make no change in the existing benefit structure, other than to add disability benefits and to provide actuarially reduced benefits for wives and women workers who retire between age 62 and 65.

The benefits for disabled workers are the same as for retired workers, except that no benefits are paid to dependents, as noted below.

Similarly, benefits paid to permanently and totally disabled children are the same as those paid for children under 18. The illustrative column shows the amount which would be paid to a widow and 1 disabled child beyond the age of 18 under the 1956 amendments. If there is more than 1 child in the family the amount would increase in line with the increases indicated under "survivors benefits." Disabled children over 18 of living retired workers are also entitled to a benefit equal to 1/2 of the worker's monthly benefit.

Benefit amounts are computed after drop-out of up to 5 years of lowest (or no) earnings.

Under Social Security Act prior to 1956 amendments						Additional benefit categories under Social Security Act amendments of 1956			
Average monthly earnings	Old-age benefits		Survivors benefits			Average monthly earnings	Disability insurance		Survivors benefits, widow and 1 disabled child over 18
	Worker's monthly benefit	Worker and wife	Widow, widower, child, or parent	Widow and 1 child under 18	Widow and 2 children under 18		Worker's monthly benefit	Worker and wife	
\$45.....	\$30.00	\$45.00	\$30.00	\$45.00	\$40.20	\$45.....	\$30.00		\$45.00
\$100.....	55.00	82.50	41.30	82.60	82.60	\$100.....	55.00		82.60
\$110.....	60.50	90.80	45.40	90.80	90.90	\$110.....	60.50		90.80
\$120.....	62.50	93.80	46.90	93.80	96.00	\$120.....	62.50		93.80
\$130.....	64.50	96.80	48.40	96.80	104.00	\$130.....	64.50		96.80
\$140.....	66.50	99.80	49.90	99.80	112.00	\$140.....	66.50		99.80
\$150.....	68.50	102.80	51.40	102.80	120.00	\$150.....	68.50		102.80
\$160.....	70.50	105.80	52.90	105.80	128.00	\$160.....	70.50		105.80
\$170.....	72.50	108.80	54.40	108.80	136.00	\$170.....	72.50		108.80
\$180.....	74.50	111.80	55.90	111.80	144.00	\$180.....	74.50		111.80
\$190.....	76.50	114.80	57.40	114.80	152.00	\$190.....	76.50		114.80
\$200.....	78.50	117.80	58.90	117.80	157.10	\$200.....	78.50		117.80
\$210.....	80.50	120.80	60.40	120.80	161.20	\$210.....	80.50		120.80
\$220.....	82.50	123.80	61.90	123.80	165.10	\$220.....	82.50		123.80
\$230.....	84.50	126.80	63.40	126.80	169.20	\$230.....	84.50		126.80
\$240.....	86.50	129.80	64.90	129.80	173.10	\$240.....	86.50		129.80
\$250.....	88.50	132.80	66.40	132.80	177.20	\$250.....	88.50		132.80
\$260.....	90.50	135.80	67.90	135.80	181.10	\$260.....	90.50		135.80
\$270.....	92.50	138.80	69.40	138.80	185.20	\$270.....	92.50		138.80
\$280.....	94.50	141.80	70.90	141.80	189.10	\$280.....	94.50		141.80
\$290.....	96.50	144.80	72.40	144.80	193.20	\$290.....	96.50		144.80
\$300.....	98.50	147.80	73.90	147.80	197.10	\$300.....	98.50		147.80
\$310.....	100.50	150.80	75.40	150.80	200.00	\$310.....	100.50		150.80
\$320.....	102.50	153.80	76.90	153.80	200.00	\$320.....	102.50		153.80
\$330.....	104.50	156.80	78.40	156.80	200.00	\$330.....	104.50		156.80
\$340.....	106.50	159.80	79.90	159.80	200.00	\$340.....	106.50		159.80
\$350.....	108.50	162.80	81.40	162.80	200.00	\$350.....	108.50		162.80

2. Actuarially reduced benefits for retired women workers.

For women workers who retire between the ages of 62 and 65 the old-age insurance benefit is reduced by 1/2 of 1 percent times the number of months in the period beginning with the 1st day of the 1st month for which she is entitled to an old-age insurance benefit and ending with the last day of the month before the month in which she would attain the age of 65.

The following table shows the benefit amounts for women workers at various retirement ages between 62 and 65.

AMOUNT OF BENEFIT AS REDUCED

Average monthly wage	Retirement age												Full benefit 65 and over
	62	62 and 3 months	62 and 6 months	62 and 9 months	63	63 and 3 months	63 and 6 months	63 and 9 months	64	64 and 3 months	64 and 6 months	64 and 9 months	
\$350.....	\$86.80	\$88.70	\$90.50	\$92.30	\$94.10	\$95.90	\$97.70	\$99.50	\$101.30	\$103.10	\$104.90	\$106.70	\$108.50
\$300.....	78.80	80.50	82.10	83.80	85.40	87.10	88.70	90.30	92.00	93.60	95.30	96.90	98.50
\$250.....	70.80	72.30	73.80	75.30	76.70	78.20	79.70	81.20	82.60	84.10	85.60	87.10	88.50
\$200.....	62.80	64.20	65.50	66.80	68.10	69.40	70.70	72.00	73.30	74.60	75.90	77.20	78.50
\$150.....	54.80	56.00	57.10	58.30	59.40	60.60	61.70	62.80	64.00	65.10	66.30	67.40	68.70
\$100.....	44.00	45.00	45.90	46.80	47.70	48.60	49.50	50.50	51.40	52.30	53.20	54.10	55.00
\$50.....	24.00	24.50	25.00	25.50	26.00	26.50	27.00	27.50	28.00	28.50	29.00	29.50	30.00

IV. BENEFIT AMOUNTS—Continued

3. Actuarially reduced benefits for wives of retired workers.

For wives who retire between the ages of 62 and 65 the average old-age insurance benefit is reduced by $\frac{2}{3}\%$ of 1 percent times the number of months in the period beginning with the 1st day of the 1st month for which she is entitled to wife's insurance benefits and ending with the last day of the month before the month in which she would attain the age of 65.

The reduction provision does not apply to any case where the wife has in her care a child of her husband entitled to child's insurance benefits based on his earnings.

The following table shows the benefit amount for wives at various retirement ages between 62 and 65. Since a wife's benefit is payable only if the husband is retired and receiving his full benefit, the effect on the combined benefit of the husband and wife (herein referred to as the family benefit) is also shown.

AMOUNT OF BENEFIT AS REDUCED

Average monthly wage	Retirement age											
	62		62 and 3 months		62 and 6 months		62 and 9 months		63		63 and 3 months	
	Wife	Family	Wife	Family	Wife	Family	Wife	Family	Wife	Family	Wife	Family
\$350.....	\$40.80	\$149.30	\$41.90	\$150.40	\$43.00	\$151.60	\$44.20	\$152.70	\$45.30	\$153.80	\$46.40	\$154.90
\$300.....	37.00	135.50	38.00	136.50	39.10	137.60	40.10	138.60	41.10	139.60	42.20	140.70
\$250.....	33.30	121.80	34.20	122.70	35.10	123.60	36.00	124.50	37.00	125.50	37.90	126.40
\$200.....	29.50	108.00	30.30	108.80	31.20	109.70	32.00	110.50	32.80	111.30	33.60	112.10
\$150.....	25.80	94.30	26.50	95.00	27.20	95.70	27.90	96.40	28.60	97.10	29.30	97.80
\$100.....	20.70	75.70	21.20	76.20	21.80	76.80	22.40	77.40	23.00	78.00	23.50	78.50
\$50.....	11.30	41.30	11.60	41.60	11.90	41.90	12.20	42.20	12.50	42.50	12.90	42.90

Average monthly wage	Retirement age													
	63 and 6 months		63 and 9 months		64		64 and 3 months		64 and 6 months		64 and 9 months		Full benefit 65	
	Wife	Family	Wife	Family	Wife	Family	Wife	Family	Wife	Family	Wife	Family	Wife	Family
\$350.....	\$47.60	\$156.10	\$48.70	\$157.20	\$49.80	\$158.30	\$51.00	\$159.50	\$52.10	\$160.60	\$53.20	\$161.70	\$54.30	\$162.80
\$300.....	43.20	141.70	44.20	142.70	45.20	143.70	46.30	144.80	47.30	145.80	48.30	146.80	49.30	147.80
\$250.....	38.80	127.30	39.70	128.20	40.70	129.20	41.60	130.10	42.50	131.00	43.40	131.90	44.30	132.80
\$200.....	34.40	112.90	35.30	113.80	36.10	114.60	36.90	115.40	37.70	116.20	38.50	117.00	39.30	117.80
\$150.....	30.10	98.60	30.80	99.30	31.50	100.00	32.20	100.70	32.90	101.40	33.60	102.10	34.30	102.80
\$100.....	24.10	79.10	24.70	79.70	25.30	80.30	25.80	80.80	26.40	81.40	27.00	82.00	27.50	82.50
\$50.....	13.20	43.20	13.50	43.50	13.80	43.80	14.10	44.10	14.40	44.40	14.70	44.70	15.00	45.00

V. CREDITABLE EARNINGS

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
	<p>All remuneration for services in covered work is covered except—</p> <ol style="list-style-type: none"> Earnings in excess of \$4,200 (after Jan. 1, 1955). Certain types of payments for retirement and payments under a plan or system providing benefits on account of sickness or accident disability, etc. Sick pay under certain circumstances. Payment by the employer of the employee tax under the Federal Insurance Contributions Act or under a State unemployment compensation law. 	<ol style="list-style-type: none"> No change. No change. No change. No change.

VI. INSURED STATUS

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
Fully insured.....	<p>1 quarter of coverage (acquired at any time after 1936) for every 2 calendar quarters elapsing after 1950 (or after quarter in which age 21 was attained, if later) and before quarter of death or attainment of age 65 (retirement age) whichever first occurs.</p> <p>No person can be fully insured unless he has at least 6 quarters of coverage.</p> <p>Persons who died before Sept. 1, 1950, and after 1939 with at least 6 quarters of coverage are considered fully insured for purposes of survivors' benefits (other than for widower or former wife divorced).</p> <p>Fully insured status qualifies for old-age, dependents, and survivors' benefits; both fully and currently insured status required for dependent husband's and dependent widowers' benefits.</p> <p>Special provision primarily for persons newly covered in 1955: Fully insured if all the quarters (but not less than 6) after 1954 and prior to later of (1) July 1, 1956, or (2) quarter of death or attainment of retirement age (whichever first occurs), are quarters of coverage.</p>	<p>Same except retirement age for women is lowered to age 62.</p> <p>Revised to make special provision applicable to persons covered in 1956: Fully insured if all but 4 (but not less than 6) of the quarters after 1954 and prior to later of (1) July 1, 1957, or (2) quarter of death or attainment of retirement age (whichever first occurs) are quarters of coverage.</p>
2. Currently insured.....	<p>6 quarters of coverage within 13 quarters ending with quarter of death or entitlement to old-age insurance benefits.</p> <p>Currently insured status qualifies for child's, widowed mother's, and lump-sum benefits.</p>	<p>No change.</p>
3. Quarter of coverage defined.	<p>Quarter in which individual received at least \$50 in wages (other than for agricultural work) or was credited with at least \$100 in self-employment income.</p> <p>Every quarter in any calendar year in which wages are \$4,200 or more, and every quarter in a taxable year in which combined wages and self-employment income equal at least \$4,200.</p> <p>In the case of wages computed on an annual basis for agricultural workers, 4 quarters of coverage are credited for a minimum of \$400; 3 quarters for income of \$300 to \$399.99; 2 quarters for income of \$200 to \$299.99, and 1 quarter for \$100 to \$199.99 for a year.</p>	<p>No change.</p> <p>No change.</p> <p>No change.</p>

VII. RETIREMENT TEST

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
1. Scope-----	Applies to covered as well as noncovered work.	No change.
2. Test of earnings-----	<p>Annual test of earnings under which 1 month's benefit is withheld from the beneficiary under age 72 (and from any dependent drawing on his record) for each unit of \$80 (or fraction thereof) by which annual earnings from covered or noncovered employment and self-employment exceed \$1,200. However, benefits not withheld for any month during which the individual neither rendered services for wages in excess of \$80 nor rendered substantial services in a trade or business.</p> <p>Where the taxable year is less than 12 months, the basic exempt amount is reduced in proportion to the number of months in the taxable year.</p> <p>Beneficiaries required to file annual reports of earnings in excess of \$1,200, or the proportionate amount for taxable years of less than 12 months. Penalties imposed for failure to file timely reports of earnings, unless the failure to file on time was for "good cause."</p> <p>Estimates of earnings (and other information) may be requested from the beneficiary during the course of the year.</p> <p>Temporary suspensions of benefits, may be made during the course of a year until it is determined whether deductions apply.</p>	No change.
3. Test for noncovered work outside the United States.	<p>Deductions made from the benefits for any month in which a beneficiary under age 72 engages in a noncovered remunerative activity (whether employment or self-employment) outside the United States on 7 or more calendar days. If deductions are made for any month for this reason, deductions also made from the benefits of any dependent drawing benefits on the basis of the individual's wage record.</p>	Modified so as not to apply to members of the Armed Forces of the United States serving outside the country. The annual \$1,200 retirement test will apply to United States servicemen regardless of where they are stationed. This provision would be only applicable for taxable year 1956 inasmuch as members of the Armed Forces will be in covered employment on Jan. 1, 1957, and under the annual test.
4. Age exemption-----	Benefits are not suspended because of work or earnings if beneficiary is age 72 or over.	No change.

VIII. FINANCING

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
1. Administration of the trust funds.	<p>The Federal Old-Age and Survivors Insurance Trust Fund receives all tax contributions for the existing program, from which benefits and administrative expenses are paid.</p> <p>This fund is administered by a Board of Trustees consisting of the Secretary of the Treasury, as managing trustee, and the Secretaries of Labor and Health, Education, and Welfare, all ex officio (with the Commissioner of Social Security as Secretary).</p>	<p>Creates a Federal Disability Insurance Trust Fund for the disability benefits program to receive a specified share of tax collections to be used exclusively for financing the cash disability program and its administrative costs.</p> <p>For the purpose of financing disability benefits, tax rates are increased $\frac{1}{4}$ of 1 percent each for employers and employees, and $\frac{1}{2}$ of 1 percent for the self-employed.</p> <p>Provides that the existing board of trustees shall perform the same functions for the disability fund as they are required to do for the old-age and survivors insurance fund.</p>
2. Investment of the trust funds.	<p>Provides that the managing trustee (Secretary of the Treasury) shall invest such portion of the trust fund as is not, in his judgment, needed to met current withdrawals. Investments must be made in interest-bearing obligations of the United States or in obligations guaranteed both as to interest and principal by the United States. Special obligations issued exclusively to the fund are required to bear an interest equal to the average rate borne by all interest-bearing obligations of the United States. This interest rate, if it is not a multiple of $\frac{1}{8}$ of 1 percent, is reduced to the next lower multiple of $\frac{1}{8}$ of 1 percent.</p>	<p>Increases interest rate on public debt obligations for purchase by the trust funds by using average rate of interest-bearing obligations not due or callable until after the expiration of 5 years from the date of original issue. This interest rate, if not a multiple of $\frac{1}{8}$ of 1 percent, is rounded to the nearest multiple of $\frac{1}{8}$ of 1 percent.</p>
3. Review of status of trust funds.	<p>Among the duties of the Board of Trustees of the Old-Age and Survivors Trust Fund is the requirement that it must report to Congress in March of each year on the operation and status of the fund during the preceding fiscal year, and its expected operation and status during the next 5 fiscal years. The Board must also report immediately to Congress whenever it is of the opinion that the trust fund will exceed 3 times the highest annual expenditures anticipated, or if the amount in the fund is unduly small. The annual report must include estimates of present and future expenditures and income and a statement of the actuarial status of the fund.</p>	<p>No change, but also:</p> <p>Provides for the periodic establishment of an Advisory Council on Social Security Financing whose function will be to review the status of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund in relation to the long-term commitments of the program.</p> <p>The first such Council will be appointed by the Secretary after February 1957 and before January 1958 and will consist of the Commissioner of Social Security, as Chairman, and 12 other persons representing employers and employees, in equal numbers, self-employed persons and the public.</p> <p>The Council shall make its report, including recommendations for changes in the tax rate, to the Board of Trustees of the Trust Funds before Jan. 1, 1959. The Board shall submit the recommendations to Congress before Mar. 1, 1959, in its annual report.</p>

VIII. FINANCING—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956																																																								
3. Review of status of trust funds—Continued		<p>Other advisory councils with the same functions and constituted in the same manner will be appointed by the Secretary not earlier than 3 years nor later than 2 years prior to Jan. 1 of the years in which the tax rates are scheduled to be increased. These advisory councils will report to the Board on Jan. 1 of the year before the tax increase will occur and the Board will report to Congress not later than Mar. 1 of the same year.</p>																																																								
4. Maximum taxable amount..	\$4,200 a year.	No change.																																																								
5. Tax rates.....	<table border="0"> <thead> <tr> <th></th> <th>Employee</th> <th>Employer</th> <th>Self-employed</th> </tr> <tr> <th></th> <th>2 %</th> <th>2 %</th> <th>3 %</th> </tr> </thead> <tbody> <tr> <td>1954-59.....</td> <td>2 ½</td> <td>2 ½</td> <td>3 ¼</td> </tr> <tr> <td>1960-64.....</td> <td>3</td> <td>3</td> <td>4 ½</td> </tr> <tr> <td>1965-69.....</td> <td>3 ½</td> <td>3 ½</td> <td>5 ¼</td> </tr> <tr> <td>1970-74.....</td> <td>4</td> <td>4</td> <td>6</td> </tr> <tr> <td>1975 and there- after.....</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Employee	Employer	Self-employed		2 %	2 %	3 %	1954-59.....	2 ½	2 ½	3 ¼	1960-64.....	3	3	4 ½	1965-69.....	3 ½	3 ½	5 ¼	1970-74.....	4	4	6	1975 and there- after.....				<table border="0"> <thead> <tr> <th></th> <th>Employee</th> <th>Employer</th> <th>Self-employed</th> </tr> <tr> <th></th> <th>2 ¼ %</th> <th>2 ¼ %</th> <th>3 ¾ %</th> </tr> </thead> <tbody> <tr> <td>1957-59.....</td> <td>2 ¼</td> <td>2 ¼</td> <td>3 ¾</td> </tr> <tr> <td>1960-64.....</td> <td>3 ¼</td> <td>3 ¼</td> <td>4 ¾</td> </tr> <tr> <td>1965-69.....</td> <td>3 ¼</td> <td>3 ¼</td> <td>5 ¾</td> </tr> <tr> <td>1970-74.....</td> <td>4 ¼</td> <td>4 ¼</td> <td>6 ¾</td> </tr> <tr> <td>1975 and there- after.....</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Employee	Employer	Self-employed		2 ¼ %	2 ¼ %	3 ¾ %	1957-59.....	2 ¼	2 ¼	3 ¾	1960-64.....	3 ¼	3 ¼	4 ¾	1965-69.....	3 ¼	3 ¼	5 ¾	1970-74.....	4 ¼	4 ¼	6 ¾	1975 and there- after.....			
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IX. MISCELLANEOUS

1. Termination of benefits upon deportation.	Benefits will be terminated upon the deportation of the primary beneficiary under any 1 of 14 specified paragraphs of the Immigration and Nationality Act. Benefits of dependents and survivors who are not citizens will not be paid if they are out of the country.	No change.
2. Suspension of benefits for certain aliens who leave the United States.	No provision.....	<p>Suspends the payments to any individual not a citizen or national of the United States who first becomes eligible for benefits after December 1956 if such an individual remains out of the country for 6 consecutive months. The payments would be resumed if he returns and remains in this country. However, payment of benefits to such an individual would <i>not</i> be suspended if either—</p> <p>(1) he is a citizen of a foreign country which has in effect a social insurance or pension system of general application which would permit benefit payments to United States citizens in the event they left such foreign country without regard to the duration of their absence; or</p> <p>(2) he has 40 quarters of coverage (10 years); or</p> <p>(3) he has resided in the United States for 10 years; or</p> <p>(4) he is serving outside the country in the Armed Forces of the United States; or</p> <p>(5) application of the provision would violate a treaty obligation of the United States.</p>

IX. MISCELLANEOUS—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
3. Loss of benefits upon conviction of certain subversive crimes.	No provision.....	If an individual is convicted of treason, espionage, or certain other offenses of a subversive nature including a number of offenses under the Internal Security Act and the offense was committed after the enactment date of this provision (Aug. 1, 1956), the court in its discretion may provide as an additional penalty that none of the individual's wages or self-employment income (or the earnings of any other individual upon which his benefit is based) credited before his conviction shall be used in computing his benefit. The provision applies only to the individual convicted of the offense and does not affect the rights of his dependents or survivors.

PUBLIC ASSISTANCE

[Effective date of the amendments is Aug. 1, 1956 unless otherwise noted]

I. Matching formulas.	<p>Temporary increase in Federal matching shares for State public assistance programs expires September 30, 1956.</p> <p>Under such temporary increases, formula for old-age assistance, aid to the blind, and aid to the permanently and total disabled is $\frac{1}{4}$ of the 1st \$25 of a State's average monthly payment plus $\frac{1}{2}$ of the remainder up to a maximum of \$55.</p> <p>Under such temporary increase, formula for aid to dependent children is $\frac{1}{4}$ of the 1st \$15 of a State's average monthly payment plus $\frac{1}{2}$ of the remainder within individual maximums of \$30 for the adult, \$30 for the 1st child, and \$21 for each additional child in a family.</p>	<p>Temporary increase in Federal share for old-age assistance, aid to the blind and aid to the totally and permanently disabled to $\frac{1}{4}$ of the 1st \$30 plus half of the remainder up to \$60.</p> <p>Increases Federal share for aid to dependent children to $\frac{1}{4}$ of the 1st \$17 and half of the remainder up to \$32 for the adult caretaker and the 1st child and \$23 for each additional child.</p> <p>Limited to money payments after July 1, 1957. Effective date: Oct. 1, 1956 and will cease to be effective after June 30, 1959.</p>
II. Separate medical care financing.	<p>No separate formula for medical expenditures under public assistance programs. Recipients may receive payments for medical expenses directly or vendor payments on their behalf may be made to doctors, hospitals, etc. which supply medical or remedial care.</p>	<p>Separate 50-50 Federal sharing in matching State expenditures on vendor payments in behalf of recipients needing medical care in all four programs up to a maximum determined by multiplying \$6 per month times the number of adults and \$3 per month times the number of children on the rolls. Effective date July 1, 1957.</p>
III. Administrative costs.....	<p>Separate dollar-for-dollar matching in costs for administration.</p>	<p>Clarifies that the amount in which the Federal Government will share in administrative costs for public assistance programs shall include provision not only for financial assistance but also the furnishing of services by State agencies designed to help needy individuals to attain self-support (except for old-age assistance program) and self care and for maintaining and strengthening family life under aid-to-dependent-children program.</p>

PUBLIC ASSISTANCE—Continued

Item	Under Social Security Act prior to 1956 amendments	Under Social Security Act amendments of 1956
IV. Requirements for approval of a State plan.	Various requirements including those for financial participation by the State; a single State agency; plans effective in all parts of the State; efficient administrative and personnel standards; opportunity to apply and receive assistance promptly; etc.	Adds requirement that if State decides to provide self-support or self-care services or services to strengthen family life, a description of the services, <i>if any</i> , must be furnished to the Secretary including steps taken to assure use of other agency resources. Effective July 1, 1957.
V. Research and demonstration projects.	No provision.	Authorizes \$5 million for fiscal year 1957 (and such sums as Congress may authorize for later years) for grants to States, public and other nonprofit organizations for paying part of the cost of research or demonstration projects on prevention and reduction of dependency.
VI. Training grants for public assistance personnel.	No provision.	Authorizes \$5 million for fiscal year 1958 and for the next 4 fiscal years such sums as Congress may determine for allotment to States on a variable basis to pay Federal percentage of grants to institutions of higher learning for training public welfare personnel, special courses of study, traineeship and fellowship programs, etc. Federal share to be 80 percent.
VII. Aid to dependent children program: A. Definition of dependent child. B. Definition of eligible relative.	A dependent child is a needy child under 16 or under 18 if attending school, deprived of parental care or support by death, absence, incapacity of parent. Eligible relative includes father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, step-sister, uncle, or aunt. Not applicable to Virgin Islands and Puerto Rico.	Deletes requirement of school attendance for children between 16 and 18. Effective date: July 1, 1957. Adds first cousin, nephew, or niece to specified relatives. Effective date: July 1, 1957. Adds parent and other relatives for Federal matching purposes for Puerto Rico and the Virgin Islands. Effective beginning in fiscal year 1957.
VIII. Federal ceiling on grants to Puerto Rico and the Virgin Islands.	Federal ceiling is \$160,000 for Virgin Islands and \$4,250,000 for Puerto Rico.	Increases dollar limitation on Federal matching to \$200,000 for Virgin Islands and to \$5,312,500 for Puerto Rico. Effective beginning in fiscal year 1957.