

AMENDING TITLE II OF THE SOCIAL SECURITY ACT, AS AMENDED

JUNE 17, 1957.—Ordered to be printed

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

REPORT

[To accompany H. R. 6191]

The Committee on Finance, to whom was referred the bill (H. R. 6191) to amend title II of the Social Security Act, as amended, to extend the period during which an application for a disability determination is granted full retroactivity, and for other purposes, having considered the bill, report favorably thereon with an amendment and recommend that the bill as amended do pass.

I. PURPOSE OF BILL

H. R. 6191 would amend title II of the Social Security Act, as amended, to extend for 1 year (through June 30, 1958) the time within which disabled workers can file applications which would permit the beginning of a period of disability to be established as early as the actual onset of disablement (provided the other requirements of the law are met). Under present law if an application to establish a period of disability is filed by a disabled worker after June 30, 1957, any period of disability that is established for him cannot begin earlier than 1 year before the application is filed.

II. GENERAL EXPLANATION OF COMMITTEE BILL

1. *Postponement of deadline for filing applications for the preservation of benefit rights of disabled persons*

Under a provision enacted in 1954 to preserve the old-age and survivors insurance rights of disabled persons, an individual's social security earnings record can be frozen during a period of extended total disability so that his inability to work during such period of disability will not result in a reduction in, or a loss of, his old-age, survivors, and disability insurance benefit rights. In its report on the bill that became the Social Security Amendments of 1954 (S. Rept.

1987, 83d Cong.) your committee expressed the view that the advantages of this disability freeze provision should be made available to persons totally disabled for some time before the enactment of the amendments as well as to persons who become disabled in the future. To this end, a provision was included in the 1954 amendments under which an individual who has been continuously disabled for a number of years could preserve his rights under the old-age and survivors insurance program if he filed an application for the disability freeze before July 1, 1957. Under this provision, rights can be reserved for an individual who became disabled as long ago as October 1941.

It is now clear that many people who have been disabled for some time and who would be eligible for the freeze will not make the necessary application before July of this year because they are not aware of the existence of the freeze provisions. While this is understandable in view of the newness of the disability features of the old-age and survivors insurance program, your committee is concerned that many persons who became disabled some time ago will, if they fail to file applications before July 1, 1957, lose all their protection under the old-age and survivors insurance program—retirement and survivor, as well as disability protection. Your committee believes that it is only fair to give workers now disabled a further opportunity to avoid loss of these valuable rights by extending through June 30, 1958, the period for filing an application which will make the freeze effective for eligible workers for the entire period of their total disability.

2. Reduction of social security disability benefit amount on account of disability payments from certain other programs

Your committee has not included in its bill the provision of the House-approved bill under which the disability benefit offset provision of the Social Security Act would be modified so that an individual's disability insurance benefit under old-age and survivors insurance would not be reduced because of disability compensation he receives from the Veterans' Administration. This action was without prejudice as to the merit of the proposal.

The offset provision has the desirable objective of preventing duplication between disability benefits payable under OASI and those payable under any other Federal program or under State workmen's compensation laws. Your committee is in complete sympathy with the objectives of the disability payments provided under the veterans' compensation program, and recognizes that considerations underlying this program may suggest that these payments be given special treatment insofar as the social security disability offset provision is concerned. Your committee is also aware that at the time this offset provision was enacted service in the Armed Forces could count toward social-security benefits without any contribution on the part of servicemen; since then, service in the Armed Forces has been covered under social security on a regular contributory basis.

Nevertheless your committee believes that this change proposed in the House-approved bill should be deferred until the Department of Health, Education, and Welfare is able to complete its study of the provision, including an analysis of experience in operating under it after social security disability benefits become payable. The committee will take up this legislation promptly upon receipt of the information from the Department of Health, Education, and Welfare.

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 216 (i) OF THE SOCIAL SECURITY ACT

DISABILITY; PERIOD OF DISABILITY

(i) (1) * * *

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(4) If an individual files an application for a disability determination after December 1954, and before July ~~1957~~ 1958, with respect to a disability which began before July ~~1956~~ 1957, and continued without interruption until such application was filed, then the beginning day for the period of disability, if such individual does not die prior to July 1, 1955, shall be—

(A) the day such disability began, but only if he satisfies the requirements of paragraph (3) on such day;

(B) if he does not satisfy such requirements on such day, the first day of the first quarter thereafter in which he satisfies such requirements.

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