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Senate. Committee on Finance

Cash benefits for persons age 72 or over
who do not qualify for social security

United States Senate

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CASH BENEFITS FOR PERSONS AGE 72 OR OVER WHO DO NOT QUALIFY FOR SOCIAL SECURITY

Background

On March 8, 1966, the Senate added an amendment to H.R. 12752, the Tax Adjustment Act of 1966, to provide for payment of social security cash benefits to all persons age 70 or over. The House-approved version of H.R. 12752 contained no provision regarding social security benefits. After settlement of the differences in the two versions of the bill by the Conference Committee, the agreed-upon compromise was approved by both Houses and signed by the President on March 15. (Public Law 89-368)

Benefits

Under the new law, monthly benefits of \$35 will be made under the social security system to certain persons who are or will attain age 72 before 1968 without any requirement of social security coverage. A woman otherwise eligible who is married to a man who qualifies will receive a benefit of \$17.50. Qualifying individuals age 72 and over who receive less than \$35 a month from Federal, State, or local government retirement systems will have their benefits built up to \$35 per month. Similarly, married couples age 72 and over who receive less than \$52.50 per month under Government retirement systems will have their aggregate benefit built up to \$52.50. The objective of the buildup is to guarantee monthly retirement payments of, at least, \$35 for a single person and \$52.50 for a married couple.

Eligibility

Social Security Coverage After 1968.—Under the new program, only those persons 72 and over or reaching age 72 in 1966 and 1967 will not need social security coverage. After this 2-year period, persons reaching age 72 in 1968 will need three quarters of coverage for each year after 1966 and up to the year in which they attain age 72. The following table illustrates the quarters-of-coverage requirements under the provision:

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| Year in which Person Attains Age 72 | Required Quarters | | | |
|-------------------------------------|-------------------|---------------|-------------------|---------------|
| | Men | | Women | |
| | Regular Provision | New Provision | Regular Provision | New Provision |
| 1966 or earlier | 3-8 | none | 3-5 | none |
| 1967 | 9 | none | 6 | none |
| 1968 | 10 | 3 | 7 | 3 |
| 1969 | 11 | 6 | 8 | 6 |
| 1970 | 12 | 9 | 9 | |
| 1971 | 13 | 12 | 10 | |
| 1972 | 14 | | 11 | |

After 1968 for women and 1971 for men, coverage requirements under the new program merge with the regular social security provisions. Thus, this new program will eventually phase out.

Public Assistance.—Persons who receive old-age cash assistance under any Federal-State aid program will be ineligible for the \$35 payment while they are receiving the assistance. However, they may receive the \$35 in the event cash assistance should be terminated.

Veterans.—Veterans receiving compensation payments from the Veterans' Administration for service-connected disabilities, as well as their surviving widows and parents, will be eligible for benefits without regard to these VA payments. However, veterans and widows receiving VA pension payments which are not for service-connected disabilities will have these amounts counted for benefit purposes. For example, an eligible widow of a World War I veteran receiving a monthly non-service-connected pension of \$27 will be eligible to receive an additional \$8 monthly under this new law.

Workmen's Compensation.—Persons receiving compensation for injuries arising out of their employment will be eligible for the monthly \$35, without regard to the amounts received as workmen's compensation.

Residence.—Payments can be made only to persons residing in the 50 States or the District of Columbia. Hence, U.S. citizens residing in foreign countries, are not eligible. Similarly, U.S. citizens residing in U.S. possessions such as Guam, Puerto Rico, and the Virgin Islands, are also ineligible.

Effective

Benefits are payable under this new law beginning October 1966.

Application

Eligible persons may apply beginning July 1966, with their local social security office. Applications filed prior to July to establish eligibility for hospital insurance under the medicare program will also be valid for the new monthly cash payment. These prior applications were filed by persons who were not covered under social security and railroad retirement and who will comprise, in great part, those eligible for the new program. This method will relieve the unnecessary filing of duplicate applications.

Costs

The cost of making payments to persons who have less than three quarters of coverage will be met by general revenue. The cost of making payments to person with three or more quarters of coverage will be met by the social security trust fund. The cost will be about \$95 million for fiscal year 1967, and about \$115 million for fiscal year 1968, but then will decline over the years as the size of the covered group diminishes.

Number of Persons Affected

It is estimated that 370,000 persons will receive payments under this new provision. Approximately 200,000 of them are widows.