

[COMMITTEE PRINT]

AMENDMENTS TO H. R. 6635

TITLE I. AMENDMENTS TO TITLE I OF SOCIAL SECURITY ACT

The following compilation shows amendments proposed at the hearings before the Finance Committee or by Senators in the form of formal notice to the Senate. It also shows some amendments from other sources.

AMENDMENTS TO SECTION 101, PAGE 1

(Requirements for State old-age assistance plans)

1. *State personnel*.—Senator Green (printed amendment intended to be offered): Substitute for the parenthetical language of clause (5) the following:

(including methods relating to the selection and number of personnel and the establishment and maintenance of personnel standards on a merit basis)

The same amendment would be made to corresponding provisions in titles III, IV, V, and VIII of the bill. The amendment is the same as that included in the Byrnes bill (S. 2203).

2. *Property liens to State by old-age assistance recipients*.—Senator McNary (printed amendment intended to be offered): Add the following to amend subsection (a):

and (9) effective July 1, 1941, provide that no individual shall be required, in order to be eligible for old-age assistance, to convey or give any lien upon any property such individual may own

AMENDMENTS TO SECTION 102, PAGE 3

(Grants to States for old-age assistance)

1. The Byrnes bill (S. 2203) contains the following variable grant formula:

Provided, That in any case in which the average per capita income in any State is less than the average per capita income of the United States, as found by the Board, the amount to be paid by the Secretary of the Treasury to such State for old-age assistance for each of the eight quarters during a period of twenty-four months, beginning with the quarter commencing on July 1 of the year in which such finding is made, shall be an amount which bears the same ratio to that part of the total of the sums so expended which is derived from State sources as such average per capita income of the United States bears to such average per capita income of such State, but in no event shall the amount paid under this provision to any State for any quarter be more than two-thirds of the total of the sums so expended in such State for such quarter.

OTHER PENDING PROPOSALS

2. S. 750 (Bilbo): Authorizes flat Federal grant of \$30 a month per recipient provided State contributes an amount equal to or greater than amount contributed by it first quarter of 1939.

3. S. 895 (Russell): Same as above except amount is \$15 per recipient.

4. S. 1800 (Caraway): Federal grant of \$15 a month per recipient if more than \$15 is paid to the recipient counting both Federal and State contributions.

5. S. 327 (Johnson of Colorado): Increases total to \$45 a month and reduces qualifying age to 60.

6. Mr. Epstein recommended \$4 Federal contribution to \$1 State, coupled with requirement that State should not reduce old-age assistance contributions below level of some selected, recent period.

7. Several suggestions of Federal contribution of two-thirds of first \$15, with equal matching thereafter.

TITLE II. AMENDMENTS TO TITLE II OF SOCIAL SECURITY ACT

DISABILITY INSURANCE

Senator Wagner has given notice of intention to offer an amendment to include disability insurance in title II. The amendment is printed.

AMENDMENTS TO SECTION 209, PAGE 34

1. The Texas Co. has proposed an amendment to clause 2 of section 209 (a) so as specifically to exempt from wages payments toward life insurance or annuities, as follows:

Page 35, line 6, following word "insurance", insert "or annuities".

Page 35, line 10, add the following:

or (D) death, provided the employee has not (i) the option to receive, instead of provision for such death benefit, any part of such payment or, if such death benefit is insured, any part of the premiums (or contributions to premiums) paid by his employer, and (ii) the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer.

See pages 360-361 of hearings. Same changes would be made in old-age and unemployment tax provisions.

2. Mr. Pillen, representing Shopping News, Inc., recommended exemption of delivery employees of Shopping News because employment intermittent and remuneration inconsequential in amount. See page 37, hearings.

3. *Employer-employee relationship*.—Insurance solicitors, salesmen, etc.: Proposals on this subject are deferred until the matter is first reached under the bill, page 63.

4. General Ansell, representing American Federation of Musicians, recommends following provision (p. 217, hearings):

That any person who for remuneration plays instrumental music or otherwise performs in or with an orchestra or other group of musicians, including the leader thereof, shall be deemed an employee of the purchaser as such term is used in the ruling of the Commissioner of Internal Revenue dated August 31, 1937.

The same provision would also apply to the old-age and unemployment compensation tax provisions.

5. *Agricultural labor*.—Senator Clark of Idaho (amendment in printed form): Page 45, line 19, before the period, insert a comma and the following:

or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways used exclusively for supplying and storing water for farming purposes

Same provision would also apply to the old-age and unemployment compensation-tax provisions.

TITLE III. AMENDMENTS TO TITLE III OF SOCIAL SECURITY ACT

AMENDMENTS TO SECTION 302, PAGE 48

1. State personnel, amended subsection (a) (1). See supra, page 1, amendments to section 101.

2. Mr. Stump, West Virginia Unemployment Compensation Commission, recommended deletion of paragraphs (8) and (9) of amended section 302, pages 49-50 (hearings, p. 133).

TITLE IV. AMENDMENTS TO TITLE IV OF SOCIAL SECURITY ACT

AMENDMENT TO SECTION 401 (A), PAGE 50

State personnel.—See supra, page 1, amendments to section 101.

AMENDMENT TO SECTION 402 (A), PAGE 51

(Matching basis for aid to dependent children)

Byrnes bill (S. 2203) changes basis from "one-third" to "one-half" and also supplies per capita income formula. See amendments to section 102, page 2 (old-age assistance).

TITLE V. AMENDMENTS TO TITLE V OF SOCIAL SECURITY ACT

AMENDMENTS TO SECTIONS 501 AND 502, PAGE 52

(Maternal and child-welfare services)

1. *State personnel*.—See supra page 1, amendments to section 101.
2. Senator La Follette and Senator Murray have given notice of intention to offer amendments increasing the authorizations of appropriations for maternal and child-welfare services and changing in some particulars the apportionment and payment provisions. The amendments are printed.

AMENDMENT TO SECTION 503, PAGE 53

(Vocational rehabilitation)

National Rehabilitation Association recommends changing in line 3, page 53, \$2,938,000 to read \$5,000,000, and by adding to the basic provision (sec. 531 (a) of Social Security Act) the following proviso:

Provided, That the allotments of funds to any State shall not be less than a minimum of \$30,000 for any fiscal year.

The association also recommends that the allotment for Hawaii be changed from \$5,000 to \$25,000. (See p. 300, hearings.)

TITLE VI. AMENDMENTS TO THE INTERNAL REVENUE CODE

AMENDMENTS TO FEDERAL INSURANCE CONTRIBUTION PROVISIONS

(Formerly title VIII of Social Security Act)

Same coverage recommendations as those made in reference to section 209 in paragraphs 1, 2, 4, and 5 (pp. 4-5, supra).

AMENDMENT TO DEFINITION OF EMPLOYEE, SECTION 1426 (D), PAGE 63

1. Senator Herring (amendment in printed form): Page 63, line 15, beginning with word "It", strike out all down to and including line 7, page 64.

2. Amendment submitted by Senator Herring (p. 351, hearings). Add new paragraph (14) to precede subsection (c), page 62, line 22:

(14) Services performed by an insurance agent or insurance solicitor, to the extent that he is compensated by commissions.

Add introductory phrase to second sentence of subsection (d), page 63, line 15, reading as follows: "Except as provided in subsection (b) hereof,".

3. Counsel for American Newspaper Publishers Association recommends insertion of italicized wording in the second sentence of subsection (p. 63, line 15) as follows:

It also includes any individual *other than a minor, most of whose time is occupied as a student in school*, who, for remuneration

And so forth.

4. Mr. Prettyman recommends insertion of following proviso at end of subsection (d), page 64, line 4:

Provided, however, That the term "employee" shall not include any individual who purchases merchandise for resale whose profit is determined by his resale price.

5. California Perfume Co., Inc., recommends insertion of following wording to precede the period at the end of subsection (d), page 64, line 4 (p. 365, hearings):

, or do not of themselves have the characteristics (including time consumed, regularity of performance and extent of profit) customarily associated with the phrase "principal trade, business or occupation."

6. Massachusetts trusts. See S. 2860 (Walsh).

AMENDMENTS TO UNEMPLOYMENT COMPENSATION PROVISIONS

(Formerly title IX of Social Security Act)

AMENDMENT TO SECTION 608, PAGE 66

American Institute of Laundering recommends the following to be added to this section:

, except that where the total wages paid by any employer are in excess of 30 per centum of his gross sales the rate on such excess shall be 1 per centum

AMENDMENT TO SECTION 609, PAGE 66

Texas Co. recommends in connection with amended section 1601 (a) that taxpayers be given 4 years in which to pay contributions to State and secure credit against Federal tax. Amendment would apply to 1936 and thereafter. The proposed amendments are printed in the hearings at page 359.

AMENDMENTS TO AMENDED SECTION 1602, PAGE 70

1. Senator Wiley (printed amendment intended to be offered): Page 70, strike out lines 7 to 10, inclusive. Page 72, beginning with line 10, strike out down to and including line 24 on page 74.

NOTE.—Amendment probably inadvertently omits striking out subsection (b), lines 11 to 16, inclusive, on page 80.

2. Senator Johnson of Colorado (printed amendment intended to be offered): On page 70 strike out lines 7 to 10, inclusive; on page 72 beginning in line 10 strike out everything down to and including line 24 on page 74; on page 80 strike out lines 11 to 16, inclusive; redesignate subsections and references accordingly.

NOTE.—This amendment also eliminates on page 70, line 17, the words “the three consecutive years” and substitutes therefor the words “a one-year period”, and adds in line 18 following the word “date” the phrase “throughout which compensation has been payable under such law”. The provision proposed to be amended is not a part of the so-called McCormack amendment.

3. Mr. Doesburg, Chicago, Ill., suggests a redraft of amended sections 1602 (a) and (b), if the McCormack amendment is retained. The redraft is printed beginning on page 123 of the hearings.

AMENDMENT TO PARAGRAPH (6), PAGE 79

Mr. W. C. Fraser, Omaha, Nebr., suggests changing the dates in lines 19–20 and 25 from “January 1, 1939” to “June 30, 1939”. Or a proviso reading as follows:

Provided, however, That such exception shall not apply to moneys appropriated to a State fund by the Congress and credited by Act of the Legislature of any State to the reserve accounts or guaranteed employment accounts.

The purpose of the proposal is to avoid this provision interfering with the disposition made in May 1939 by the Nebraska Legislature of the money appropriated to the Nebraska unemployment fund because of not having a law in effect in 1936. A proportionate part of the amount appropriated was authorized by act of the Legislature in May 1939, to be credited to reserve accounts.

AMENDMENTS TO SECTION 614, PAGE 84

1. Senator Wiley (amendment in printed form): Page 84, line 19, strike out the words “who were in his employ” and insert in lieu thereof “who were employed by him in employment”.

2. The same exclusions as listed in paragraphs 1, 2, 4, and 5 (pp. 4–5, supra, under amendments to section 209).

3. Mr. Estes, representing Industrial Insurance Conference, recommended exemption of industrial insurance agents.

4. Massachusetts trusts. See S. 2860 (Walsh).

TITLE VIII. AMENDMENTS TO TITLE X OF SOCIAL SECURITY ACT

AMENDMENT TO SECTION 701, PAGE 94

(Requirements of State plans for aid to the blind)

State personnel, amended clause (5). See supra, page 1, amendments to section 101.

AMENDMENT TO SECTION 702, PAGE 95

(Matching basis for aid to blind)

Byrnes bill (S. 2203) proposes same variable grant formula as proposed for old-age assistance. See page 2 above for formula.

TITLE VII. AMENDMENTS TO TITLE XI OF SOCIAL SECURITY ACT**AMENDMENTS TO SECTION 801 (B) (6), PAGE 98**

(Definition of employee)

Same as in connection with Federal insurance contributions. See page 10, above.

TITLE IX. MISCELLANEOUS PROVISIONS**NEW SECTION ADDED, PAGE 105**

Senator Hayden has given notice of intention to offer an amendment to become section 904 postponing in certain cases the operation of section 13 (d) of the Railroad Unemployment Insurance Act. This provision requires withholding grants for unemployment compensation administration in the case of States which have not by a certain date authorized transfer of certain funds to the railroad unemployment insurance account. The amendment is in printed form.

NEW TITLE ADDED

Senator Hayden has given notice of intention to offer an amendment setting up a new title providing 100 percent grants to States for Indians. This amendment is in printed form.

