

[COMMITTEE PRINT]

**COMMITTEE ON FINANCE
UNITED STATES SENATE**

Harry Flood Byrd, *Chairman*

**OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE;
MEDICAL ASSISTANCE FOR THE AGED; PUBLIC
ASSISTANCE; ASSISTANCE FOR U.S. CITIZENS
RETURNED FROM FOREIGN COUNTRIES;
AND TEMPORARY EXTENDED UN-
EMPLOYMENT COMPENSATION**

**SHOWING CHANGES MADE BY THE 87TH
CONGRESS DURING 1961**

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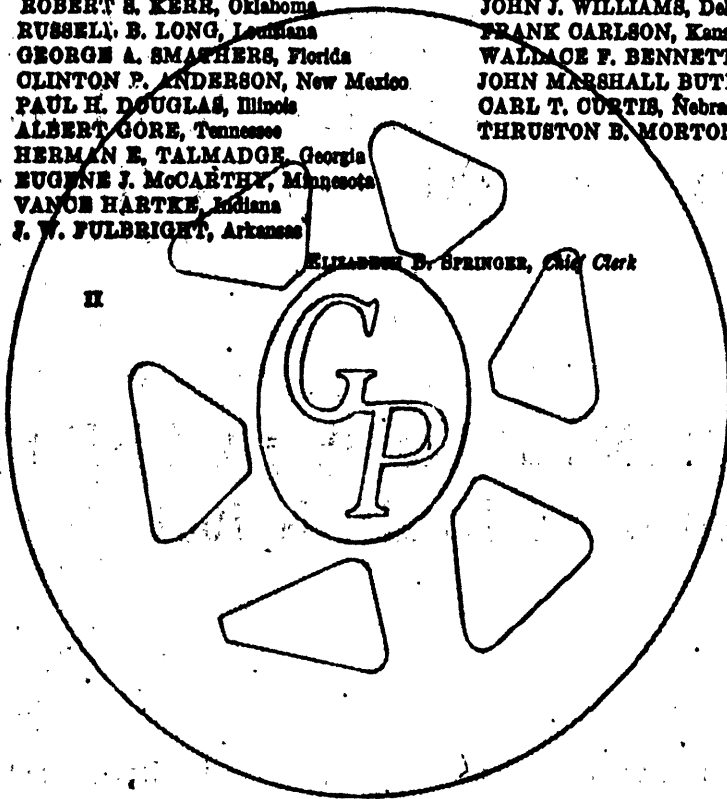
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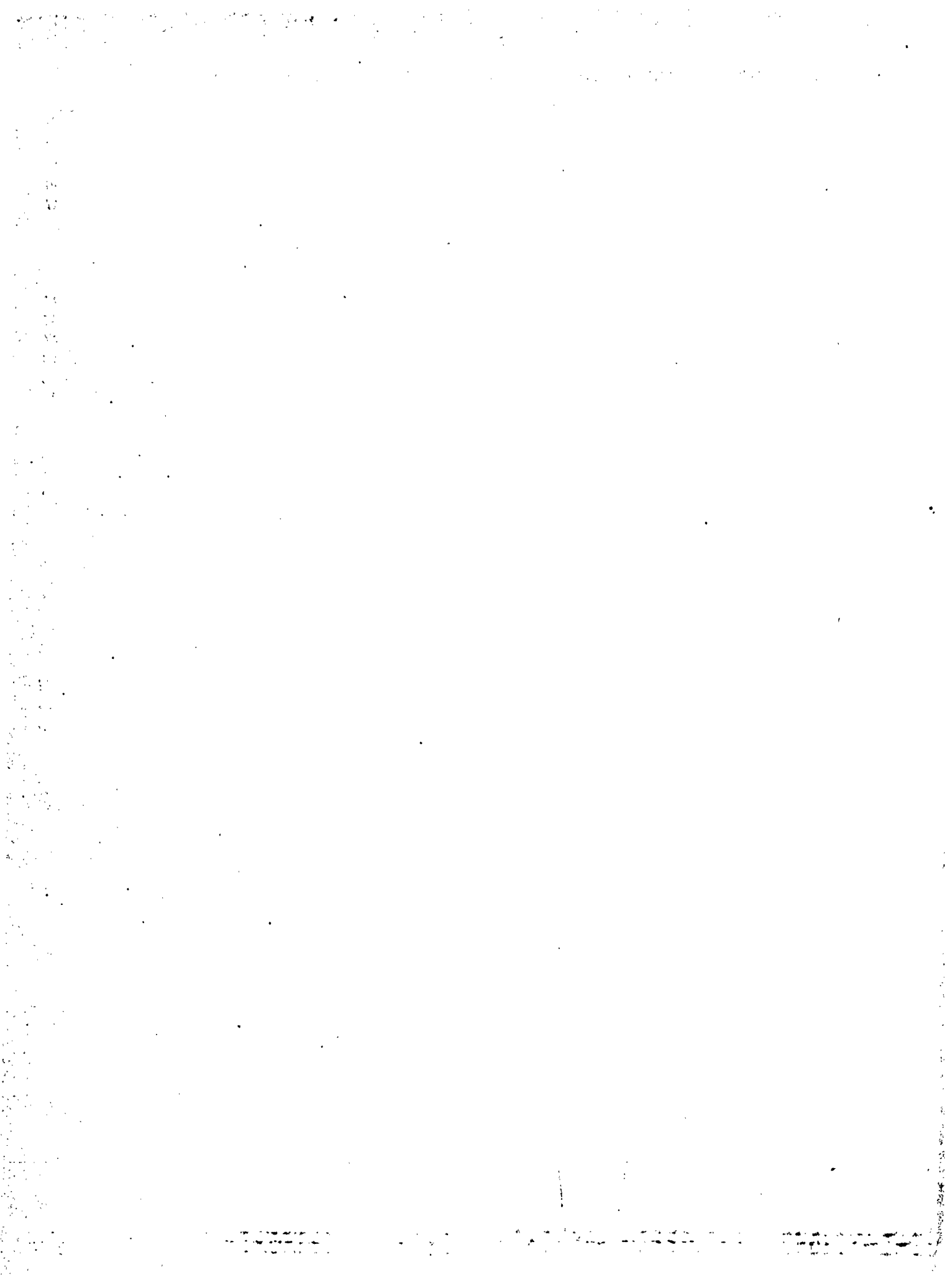
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OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE

I. COVERAGE

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961, unless otherwise indicated)
<p>A. Self-employed.....</p> <p>1. Professional groups.....</p> <p>2. Ministers.....</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 certain rentals paid in crop shares—see item 3, "Farm operators") are not covered unless received by dealers in real estate and securities in the course of business dealings.</p> <p><i>Covers</i> all professional groups except physicians.</p> <p><i>Covers</i> duly ordained, commissioned or licensed ministers, Christian Science practitioners, and members of religious orders (other than those who have taken a vow of poverty) serving in the United States, and those serving outside the country who are citizens and either working for U.S. employers or serving a congregation predominantly made up of U.S. citizens. Coverage is available under the self-employment coverage provisions on an individual voluntary basis regardless of whether they are employees or self-employed.</p> <p>Allows election of coverage for present ministers by filing of certificate generally until Apr. 15, 1962.</p>	<p>No change.</p> <p>No change.</p> <p>No change except:</p> <p>Where ministers and Christian Science practitioners die after Sept. 12, 1960, and before Apr. 16, 1962, without having elected coverage, would allow their survivors or the fiduciaries of their estates to elect coverage for them by filing a certificate of election. Such certificates must be filed on or before Apr. 15, 1962. Such certificates would be effective for the period prescribed in existing law as if filed by the minister or practitioner on the date of his death.</p> <p>Effective date: Coverage resulting will affect only monthly benefits payable for months after June 1961. No lump sums payable in respect to persons dying before June 30, 1961 (Public Law 87-64).</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
A. Self-employed—Continued 3. Farm operators.....	<p><i>Covers farm operators on the same basis as other self-employed persons except that farm operators whose annual gross earnings are \$1,800 or less can report either their actual net earnings or 66½ percent of their gross earnings.</i></p> <p><i>Farmers whose annual gross earnings are over \$1,800 report their actual net earnings if over \$1,200, but if actual net earnings are less than \$1,200, they may report \$1,200.</i></p> <p><i>Rentals from real estate are not creditable as self-employment earnings, but if landlord under arrangements with tenant or share farmer participates materially in the production of, or in the management of the crops or livestock on his land, the income is covered.</i></p>	<p>No change.</p>
4. Public officials.....	<p><i>Excludes individuals performing functions of public officials.</i></p>	<p>No change.</p>
5. Newspaper vendors...	<p><i>Covers 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.</i></p>	<p>No change.</p>
B. Employees.....	<p><i>Covers 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.</i></p>	<p>No change.</p>
1. Agricultural workers.	<p><i>Covers 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.</i></p> <p><i>Farmworkers 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.</i></p> <p><i>And excludes:</i></p> <ul style="list-style-type: none"> <i>a. Mexican contract workers.</i> <i>b. Workers lawfully admitted to the United States from the Bahamas, Jamaica, and other islands in the British West Indies or from any other foreign country or its possessions, on a temporary basis to perform agricultural labor.</i> 	<p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
B. Employees—Continued		
2. Domestic workers.....	<p><i>Covers 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.</i></p> <p><i>Excludes students performing domestic service in clubs or fraternities if enrolled and regularly attending classes at a school, college or university.</i></p>	No change.
3. Casual labor.....	<p><i>Covers 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</i></p>	No change.
4. State and local government employees.	<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. 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><i>b. Excludes the services of the following persons, specifying that they cannot be included in a State agreement and cannot, therefore, be covered:</i></p> <p><i>(1) employees on work relief projects;</i></p> <p><i>(2) patients and inmates of institutions who are employed by such institutions;</i></p> <p><i>(3) services of the types which would be excluded by the general coverage provisions of the law if they were performed for a private employer, except that agricultural and student services in this category may be covered at the option of the State.</i></p> <p><i>c. Employees who are in positions covered under an existing State or local retirement system (except policemen and firemen in most States) 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. The Governor of a State or his delegate must certify that certain Social Security Act requirements under the referendum procedure have been properly carried out. In most States, all members of a retirement system (with minor exceptions) must be covered if any members are covered.</i></p>	<p>No change.</p> <p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>B. Employees—Continued</p> <p>4. State and local government employees—Continued</p>	<p>Employees of any institution of higher learning (including a junior college or a teachers' college and employees of a municipal or county hospital) 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.</p> <p>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 who are members or who have an option to join more than 1 State or local retirement system cannot be covered unless all such retirement systems are covered.</p> <p>Individuals in positions under retirement systems on Sept. 1, 1954, are precluded from obtaining coverage under the nonretirement system coverage provisions.</p> <p><i>Exceptions to general law concerning coverage in named States:</i></p> <p>(1) <i>Split-system provisions.</i>—Authorize California, Connecticut, Florida, Georgia, Hawaii, Massachusetts, Minnesota, New York, North Dakota, Pennsylvania, Rhode Island, Tennessee, Texas, Vermont, Washington, and Wisconsin, and all interstate instrumentalities, 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 members of the retirement system coverage group are covered compulsorily. Also authorize similar treatment of political subdivision retirement systems of these States.</p> <p>Those employees covered by a divided retirement system who did not elect coverage in the original agreement, may, nevertheless elect coverage until 1960, or, if later, until 1 year after the date on which coverage was approved for the group that originally elected coverage.</p> <p>Also provides that where an individual who has chosen not to be covered under the divided retirement system provision</p>	<p>Adds New Mexico to the list. (Public Law 87-64.)</p> <p>Extends the time for making the election to 1963, or, if later, until 2 years after the date on which coverage was approved for the group that originally elected coverage. Also provides that the coverage of persons electing under this amendment would begin on the same date as coverage became effective for the group originally covered. (Public Law 87-64.)</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>B. Employees—Continued</p> <p>4. State and local government employees—Continued</p>	<p>becomes a member of a different retirement system group which has elected coverage because of the annexation of the employing political subdivision by another political subdivision, or through some other action taken by a political subdivision, such individual will continue to be excluded from coverage.</p> <p>(2) <i>Policemen and firemen.</i>—Allows the States of Alabama, California, Florida, Georgia, Hawaii, Kansas, Maryland, New York, North Carolina, North Dakota, Oregon, South Carolina, South Dakota, Tennessee, Vermont, Virginia, and Washington and all interstate instrumentalities 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> <p>(3) <i>Employees of unemployment compensation systems.</i>—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>d. Coverage on a compulsory basis is provided for employees of certain publicly owned transportation systems.</p> <p>e. <i>Effective date of coverage agreement.</i>—Allows agreements or modifications made after 1959 to begin as early as 5 years before the year in which an agreement is made, but no earlier than Jan. 1, 1956. Where a retirement system is covered as a single retirement system coverage group, permits the State to provide different beginning dates for coverage of the employees of different political subdivisions.</p>	<p>No change.</p> <p>No change.</p> <p>No change.</p> <p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>B. Employees—Continued</p> <p>5. Employees of non-profit organizations.</p>	<p><i>Covers</i> 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) <i>on a voluntary basis</i> if the employer organization certifies that it desires to extend coverage to its employees.</p> <p>Employees may concur by signing a list or supplemental list which is filed within 24 months after the quarter in which the certificate is filed. 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>Waiver certificate may be made effective at the option of the organization on the 1st day of the quarter in which the certificate is filed, the 1st day of the succeeding quarter, on the 1st day of any of the 4 quarters preceding the quarter in which the certificate filed.</p> <p>Employees of nonprofit organizations who are in positions covered by State and local retirement systems and are members or eligible to become members of such systems must be treated apart from those not in such positions. Certificates must be filed separately for each group. All new employees who belong to a group for which a certificate has been filed are automatically covered, and new employees who belong to a group for which a certificate has not been filed are not covered.</p>	<p>No change.</p>
<p>6. Federal employees—</p>	<p><i>Excludes</i> employees of the United States or its instrumentalities if—</p> <p>a. they are covered by a retirement system established by Federal law; or</p> <p>b. they perform services—</p> <p>(1) as the President, Vice President, or a Member of Congress;</p> <p>(2) in the legislative branch;</p> <p>(3) in a penal institution as an inmate;</p> <p>(4) as certain interns, student nurses, and other student employees of Federal hospitals;</p> <p>(5) as employees on a temporary basis in disaster situations;</p> <p>(6) as employees not covered by the Civil Service Retirement Act because they are subject to another retirement system (other than the retirement system of the Tennessee Valley Authority); or</p>	<p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>B. Employees—Continued 6. Federal employees—Continued</p>	<p>c. the instrumentality has been specifically exempted by statute from the employer tax; or</p> <p>d. the instrumentality was exempt from the employer tax on Dec. 31, 1950, and its employees are covered by its retirement system.</p> <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> <p>a. employees of a corporation which is wholly owned by the United States;</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>7. Students, interns, 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. interns 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 4b(3), p. 3.</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>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>B. Employees—Continued</p> <p>9. Members of the Armed Forces and Peace Corps.</p>	<p><i>Covers</i> members of the uniformed services, after December 1956, while on active duty, (including active duty for training), with contributions and benefits computed on basic military pay.</p> <p>Noncontributory wage credits of \$160 per month, are granted, in general, for each month of active service in the Armed Forces of the United States during the World War II period (Sept. 16, 1940–July 24, 1947) and during the postwar emergency period (July 25, 1947–Dec. 31, 1956).</p> <p>Extends the noncontributory wage credits to certain American citizens who, prior to Dec. 9, 1941, entered the active military or naval service of countries that, on Sept. 16, 1940, were at war with a country with which the United States was at war during World War II. Wage credits of \$160 would be provided for each month of such service performed after Sept. 15, 1940, and before July 25, 1947. To qualify for such wage credits, an individual must either have been a U.S. citizen throughout the period of his active service or have lost his U.S. citizenship solely because of his entrance into such active service. He must have resided in the United States for at least 4 years during the 5-year period ending on the day of his entrance into such active service and must have been domiciled in the United States on such day.</p>	<p><i>Covers</i> volunteers and volunteer leaders of the Peace Corps with benefits computed on basic monthly rate which is reflected in termination payments (\$75 a month for volunteers and \$125 a month for volunteer leaders). Tax is payable at end of tour when termination payments are made. Effective as to service performed after Sept. 22, 1961, but also applies to services performed by volunteers engaged by contract prior to enactment of the law. (Public Law 87-293, Peace Corps Act.)</p>
<p>10. Railroad employees.</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>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
B. Employees—Continued		
11. Family employment.	<p><i>Excludes services rendered by—</i></p> <ul style="list-style-type: none"> (1) One spouse for another. (2) Child under 21 for his parents. (3) Parents for their children, if such services are domestic services rendered in the home of the child, or such services are not rendered in the course of the child's trade or business. 	No change.
12. Employees of Communist organizations.	<p><i>Excludes from coverage 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.</i></p>	No change.
C. Geographical scope-----	<p><i>Covers the 50 States, Puerto Rico, the Virgin Islands, the District of Columbia, Guam, and American Samoa.</i></p>	<p><i>Excludes services of nonresident alien students, educators, and specialists temporarily present in the United States under 101(a)(15) (F) or (J) of the Immigration and Nationality Act provided the services are related to the educational purposes for which they were admitted. Effective as to service performed after Dec. 31, 1961. (Public Law 87-256. Mutual Educational and Cultural Exchange Act.)</i></p>
	<p><i>Covers, on a self-employment basis, U.S. citizens employed within the United States by foreign governments and their instrumentalities, or by international organizations entitled to certain privileges under the International Organizations Immunities Act.</i></p>	No change.
	<p><i>Excludes nonresident aliens engaged in self employment and 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.</i></p>	No change.
	<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, except ministers outside the United States if they serve a congregation predominantly made up of U.S. citizens even though their employer may not be a U.S. employer. 	No change.

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
C. Geographical scope—Con.	<p>b. Citizens of the United States employed by certain foreign subsidiaries of American corporations are covered by voluntary agreements between the Federal Government and the parent American company. 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>	

II. PROVISIONS RELATING TO DISABILITY

<p>A. Nature of the provisions:</p> <p>1. Benefits.....</p> <p>2. Disability "freeze"....</p>	<p>Provides monthly benefits for disabled workers meeting eligibility requirements. Benefits are computed in the same way as retirement benefits and are payable from the Federal disability insurance trust fund.</p> <p>Provides that when an individual for whom a period of disability has been established dies, or retires, on account of age or disability, his period of disability will be disregarded in determining his eligibility for benefits and his average monthly wage for benefit computation purposes.</p> <p>(See also provisions relating to disabled child's benefits, pp. 16 and 21.)</p>	<p>No change.</p> <p>No change.</p>
<p>B. Eligibility requirements</p> <p>1. Definition.....</p> <p>2. Waiting period.....</p>	<p>For benefits or for the freeze, an individual must be precluded from engaging in any substantial gainful activity by reason of a physical or mental impairment. (For purposes of the freeze only a specified degree of blindness is presumed disabling.) 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.</p> <p>An initial 6 months' "waiting period" is required before disability insurance benefits will be paid. Benefits are payable for 7th month. However, benefits may be paid for the 1st full month of disability to worker who becomes disabled within 60 months (5 years) after termination of disability insurance benefits or a period of disability.</p>	<p>No change.</p> <p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

II. PROVISIONS RELATING TO DISABILITY—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>B. Eligibility requirements—Continued</p> <p>3. Insured status (work requirement).</p> <p>4. Applications.....</p>	<p>To be eligible an individual must—</p> <ul style="list-style-type: none">(1) have at least 20 quarters of coverage in the 40 quarters ending with the quarter in which the period of disability begins;(2) be fully insured. (See p. 30.) <p>Also provides alternative insured status for individuals who have—</p> <ul style="list-style-type: none">(1) 20 quarters of coverage (at least 6 earned after 1950), and(2) quarters of coverage in all calendar quarters elapsing after 1950 and before quarter of disability. <p>Allows persons until July 1961 to file an application for benefit and "freeze" purposes which will establish a period of disability as early as the onset date of the disability. Applications filed July 1, 1961, and thereafter, will allow periods of disability to be established no earlier than 18 months before date of filing.</p>	<p>No change.</p> <p>Extends deadline for 1 year so that application will be fully retroactive if filed before July 1, 1962. (Public Law 87-64.)</p>
<p>C. Disability determinations...</p>	<p>In administering the disability provisions—</p> <ul style="list-style-type: none">a. The Secretary enters into contractual agreements under which State vocational rehabilitation agencies, or other appropriate State agencies, make determinations of disability.b. The Secretary is authorized to make determinations of disability for individuals who are not covered by State agreements.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.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>No change.</p>
<p>D. 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 and from the disability insurance trust fund for determinations for monthly disability benefit purposes.</p>	<p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

II. PROVISIONS RELATING TO DISABILITY—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>E. Rehabilitation-----</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. The act 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 or adherent of a recognized church or religious sect that relies on spiritual healing who refuses rehabilitation services is deemed to have done so with good cause.</p> <p>Allows, in effect, a 12-month trial work period for all disability beneficiaries (including childhood disability beneficiaries) who attempt to work. If, after 9 months of trial work (not necessarily consecutive), the beneficiary has demonstrated that he is able to engage in any substantial gainful activity, he will receive benefits for an additional 3 months. (Only 1 trial work period permitted for each period of disability; no additional trial work period for persons disabled a 2d time within 60 months.)</p> <p>Any beneficiary—whether or not he attempted to work—whose condition has improved so that he is able to engage in substantial gainful activity—will be given an additional 3 months of benefits as above.</p>	<p>No change.</p>
<p>Suspension of benefits based on disability.</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>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>A. Workers and their dependents:</p> <p>1. Worker—old age....</p> <p><i>Reduction where individual is entitled to a wife's benefit and an old-age benefit.</i></p> <p><i>Effect of benefit increase on reduced benefits.</i></p> <p><i>Recomputation of benefits at age 65 (the "round up").</i></p>	<p>Payable at age 65 to fully insured retired male worker. Payable at age 62 to fully insured retired female worker, but on an actuarially reduced basis. Her benefit is reduced by 5/9 of 1 percent for each month she is entitled to receive a benefit before age 65—the total reduction is 20 percent if she begins drawing benefits at age 62. The reduced amount is permanent, continuing after she reaches age 65.</p> <p>A woman who is entitled to an old-age insurance 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. In the case where a woman is entitled to a reduced old-age insurance benefit and at the same time or subsequently becomes entitled to a wife's benefit, the wife's benefit would be reduced by the dollar reduction which was applicable to the old-age benefit, plus the regular reduction amount on the excess of the unreduced wife's benefit over the unreduced old-age benefit.</p> <p>In the case where a woman is entitled to a reduced wife's benefit and subsequently becomes entitled to a reduced old-age benefit, the latter is reduced by the dollar reduction which was applicable to such wife's benefit, plus the regular reduction amount on any excess if the unreduced old-age benefit exceeded the unreduced wife's benefit.</p> <p>A benefit increase from the recomputation of an individual's benefit or one resulting from new legislation (such as the 7-percent benefit increase under the 1958 amendments) is treated as though it was effective at the earlier time when the reduced benefit was elected and is reduced accordingly.</p> <p>If a woman's benefits have been withheld (most common reason would be earnings which caused benefit withholding under the retirement test) for at least 3 months during the period of reduced benefits, she is entitled to a recomputation at age 65, which will readjust her post-65 benefit to take into account the months in which her reduced benefits were withheld.</p>	<p>Benefits are payable to men workers at age 62 on the same actuarially reduced basis as provided for women workers. (Public Law 87-64.)</p> <p>Same as existing law, but provision made applicable to men entitled to reduced old-age and dependent husband's benefits.</p> <p>Provision is eliminated. Thus, for both men and women, in this type of case, the full old-age benefit will be reduced according to the age at which it is claimed, without regard to the previous entitlement to a wife's (or husband's) reduced benefit. (Public Law 87-64.)</p> <p>Provision is amended so that benefit increases will be reduced on the basis of their effective date. If an individual took a reduced benefit at age 62, and he was 64 when the benefit increase became effective, the amount of reduction in the increase would be for 1 year rather than 3 years. Persons who have attained 65 by the effective date of the increase will have the full increase added to their reduced benefit. (Public Law 87-64.)</p> <p>Provision also made applicable to reduced benefits for men. Eliminates the requirement for both men and women that at least 3 monthly reduced benefits must be withheld before recomputation is allowed at age 65. (Public Law 87-64.)</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>A. Workers and their dependents—Continued</p> <p>2. Wife.....</p> <p><i>Definition of wife...</i></p> <p>3. Dependent husband.</p>	<p>When a worker receives old-age or disability insurance benefits, wife's insurance benefits are payable upon filing application if the wife (as defined below) of the retired worker—</p> <p>a. has reached age 62 or, if under 62, 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>b. is not entitled to an old-age or disability insurance benefit based on her own earnings equal to or greater than the amount she would be entitled to as the wife of the worker.</p> <p>Full benefits paid to the wife at age 65, but on an actuarially reduced basis if she claims at age 62. Her benefit is reduced by $\frac{2}{3}$ of 1 percent for each month she is entitled to receive a benefit before age 65—the total reduction is 25 percent if she begins drawing benefits at age 62. The reduced amount is permanent, continuing after she reaches age 65.</p> <p>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.</p> <p><i>Termination of benefits:</i></p> <p>No benefits paid for the month (or subsequent months) that the wife dies, her husband dies, they are divorced a vinculo matrimonii (an absolute divorce), no child of her husband is entitled to a child's benefit and the wife has not attained retirement age, the wife becomes entitled to an old-age insurance benefit which is as much as her wife's benefit, or her husband is no longer entitled to a disability benefit and is not entitled to an old-age insurance benefit.</p> <p>Means the wife of the individual but only if she (1) is the mother of his son or daughter, or (2) was married to him for at least 1 year immediately preceding application or (3) she was actually or potentially entitled to widow's, parent's, or disabled child's benefit in the month prior to month of marriage.</p> <p>When a woman worker receives old-age insurance or disability insurance benefits and in addition is currently insured, husband's insurance benefits are payable upon filing application if the husband—</p> <p>a. has reached age 65;</p>	<p>No change except those noted under old-age benefit A-1 (p. 13) in the case where a woman is entitled to both a wife's and old-age benefit.</p> <p>A dependent husband may elect to receive benefits at age 62 on the same actuarially reduced basis as provided for a wife. (See above.) (Public Law 87-64.)</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>A. Workers and their dependents—Continued</p> <p>8. Dependent husband—Continued</p> <p><i>Definition of husband.</i></p>	<p>b. was receiving at least $\frac{1}{2}$ of his support from his wife at the time she became entitled to benefits and filed proof of such support within 2 years after she became so entitled (an additional period of 2 years is authorized if there was failure to file for good cause);</p> <p>Husband's $\frac{1}{2}$ of support requirement upon wife who had a period of disability in effect at the time she became entitled to old-age or disability insurance benefits could be met either at the time of her entitlement or at the time of the beginning of her period of disability. Proof of such support must be filed within 2 years of either the time the wife (1) applied for the period of disability or (2) became entitled to benefits, whichever was applicable.</p> <p>The support requirement would not be applicable in the case of a husband who was actually or potentially entitled to a widower's, parent's, or disabled child's benefit for the month prior to the month that he married his wife.</p> <p>c. is not entitled to an old-age or disability insurance benefit based on his own earnings equal to or greater than the amount he would be entitled to as the independent husband of the worker.</p> <p>A woman worker would not have to be currently insured if her husband, in the month prior to their marriage, was actually or potentially entitled to a widower's, parent's, or disabled child's benefit.</p> <p><i>Termination of benefits:</i></p> <p>No benefits paid for the month (or subsequent months) that either the husband dies, his wife dies, they are divorced a vinculo matrimonii (an absolute divorce), he becomes entitled to an old-age or disability insurance benefit which is as much as the husband's benefit, or his wife is no longer entitled to a disability benefit and is not entitled to an old-age benefit.</p> <p>Means the husband of an individual but only if he (1) is the father of her son or daughter, or (2) was married to her not less than 1 year immediately preceding the date he applied for benefits, or (3) if, in the month prior to the month of his marriage, he was actually or potentially entitled to a widower's, parent's, or disabled child's benefit.</p>	<p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>A. Workers and their dependents—Continued 4. Child.....</p>	<p>When a worker receives old-age or disability insurance benefits, child's insurance benefits are payable to the child of the worker (including a stepchild or adopted child as defined below) upon filing application if—</p> <p>a. the child is unmarried and either under 18 or is under a disability (as determined under definition and procedures prescribed for disability benefits and "freeze", see pp. 10-12) which began before he attained the age of 18; and</p> <p>b. the child is dependent on the worker at time of application.</p> <p>If the worker had in effect a period of disability at the time he became entitled to old-age or disability insurance benefits, the dependency of the child could be determined either at the beginning of the period of disability or when the worker became entitled to benefits.</p>	<p>No change.</p>
	<p><i>Termination of benefits:</i></p> <p>No benefits paid for the month (and subsequent months) that the child either dies, marries, is adopted (in some cases), or attains the age of 18 unless disabled. A disabled child's benefit is paid for 3 months after his disability ends. No benefit will be paid for month after the worker is no longer entitled to a disability benefit and not entitled to an old-age insurance benefit.</p> <p>There is an exception to the termination provision in the case of a disabled child 18 and over who marries an individual entitled to old-age, disability, widow's, widower's, disabled child's, mother's, or parent's benefit. However, in the case of the marriage of a woman entitled to disabled child's benefits to a man entitled to disability insurance benefits or disabled child's benefits, her benefit will end when her spouse is no longer entitled to his benefits unless he dies or, in case he was entitled to disability benefits, he becomes entitled to an old-age insurance benefit.</p>	<p>No change.</p>
<p><i>Definition of child...</i></p>	<p>The term "child" includes a stepchild who has been such for at least 1 year 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>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>A. Workers and their dependents—Continued</p> <p>4. Child—Continued</p> <p><i>Definition of dependency on father, adopting father, stepfather, mother, adopting mother, and stepmother.</i></p> <p><i>When dependency is determined.</i></p>	<p>A child 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 has been adopted by some other individual.</p> <p>An adopted child 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 is considered dependent upon his <i>stepfather</i> at the time of filing application for child's benefits if the child was—</p> <p>a. living with his stepfather; or</p> <p>b. receiving at least $\frac{1}{2}$ his support from his stepfather.</p> <p>A child 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 <i>was 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>Also a child is considered dependent upon his <i>natural, adopting or stepmother</i> at the time of filing application for child benefits if she was living with the child or contributing to the support of the child and provided the child was—</p> <p>(1) neither living with, nor receiving contributions from, his father or adopting father, or</p> <p>(2) receiving at least $\frac{1}{2}$ of his support from her.</p> <p>Child of retired worker must be dependent at time child applies for benefits.</p> <p>Child of disabled worker must be dependent at beginning of period of disability.</p> <p>Permits payment of benefits to child who is born, becomes the worker's stepchild, or is adopted after worker becomes disabled. An adopted child cannot become entitled unless he was adopted within 2 years after the month in which the worker became entitled to disability benefits and adoption proceedings had begun in or before the month in which the worker became entitled to disability benefits or he was living with the worker in that month.</p>	<p>No change.</p> <p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
B. Survivors of deceased workers:		
1. Surviving widow-----	<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 62 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 (marriage deemed to have not occurred if new husband died within 1 year of marriage and he was not fully insured);</p> <p>b. is not entitled to an old-age insurance 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.</p>	<p>No change.</p>
	<p><i>Termination of benefits:</i></p>	<p>No change.</p>
	<p>No further benefits paid for the month (and subsequent months) in which the widow remarries, dies, or becomes entitled to an old-age insurance benefit in her own right which equals the amount of her widow's benefit.</p> <p>A widow's benefit shall not be terminated because of remarriage if the marriage is to a person entitled to widower's, parent's, or disabled child's benefits. However, in case of her remarriage to an individual entitled to a disabled child's benefit her widow's benefit would be terminated if his entitlement ceases (unless by death).</p> <p>Allows reinstatement of widow's benefit in the situation where the widow remarries but the new husband dies within 1 year after the marriage and was not fully insured.</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>e. her husband legally adopted her son or daughter while married to her and while such son or daughter was under the age of 18; or</p> <p>f. in the month before her marriage, she was actually or potentially entitled to widow's parent's, or disabled child's insurance benefit.</p>	<p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>B. Survivors of deceased workers—Continued</p> <p>2. Surviving widow with children (mother's benefit).</p>	<p><i>Mother's insurance benefits</i> are payable, upon filing application (no application required if mother was receiving a wife's insurance benefit when she becomes eligible for a mother's benefit), to the widow of a deceased worker if he was <i>currently</i> or <i>fully insured</i> at time of death and the widow—</p> <p>a. has in her care a child of the deceased worker entitled to child insurance benefits;</p> <p>b. has not remarried;</p> <p>Exception is made to the no-remarriage requirement where the widow marries another individual who dies but she cannot receive benefits on his earnings record.</p> <p>c. is not entitled to a widow's insurance benefit;</p> <p>d. is not entitled to an old-age insurance benefit based on her own earnings equal to or greater than the amount she would be entitled to as the widow with children of the deceased worker.</p> <p><i>Termination of benefits:</i></p> <p>No further benefits paid to the widow for the month (and subsequent months) that there is no child of the deceased husband entitled to a child's benefit, the widow is entitled to an old-age insurance benefit which is as much as her mother's benefit, she is entitled to widow's benefits, she remarries, or she dies.</p> <p>There is an exception as to the termination provision where the widow marries another individual and then that individual dies but she cannot become entitled to benefits on his earnings.</p> <p>Provision is made for the reinstatement or continuation of benefits upon the widow's marriage to a man entitled to an old-age, disability, widower's, parent's, or disabled child's benefit. However, if she marries a man entitled to disability benefits or a disabled child's benefits her benefit will terminate when he ceases to be entitled to his benefits unless he dies or, in case he was entitled to disability benefits, he becomes entitled to an old-age insurance benefit.</p>	<p>No change.</p> <p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
B. Survivors of deceased workers—Continued		
3. Surviving former wife divorced (mother's benefit).	<p><i>Mother's insurance benefits</i> are payable, upon filing application, to the former wife divorced (as defined below) of a deceased worker if he was <i>currently or fully insured</i> at time of death and the former wife divorced—</p> <p>a. has in her care a child of the deceased worker who is her son, daughter, or legally adopted child entitled to child insurance benefits payable on the basis of the deceased worker's wages or self-employment income;</p> <p>b. was receiving from the deceased worker (pursuant to agreement or court order) at least $\frac{1}{2}$ of her support at the time of his death.</p> <p>Provides alternative time that support requirement can be met where a deceased husband has a period of disability at his death—either at the beginning of the period of disability or at death.</p> <p>c. has not remarried.</p> <p>There is an exception to the remarriage requirement in the same manner as for the surviving widow with children (see 2. b. above).</p> <p>d. is not entitled to a widow's insurance benefit; and</p> <p>e. is not entitled to an old-age insurance benefit based on her own earnings equal to or greater than the amount she would be entitled to as the former wife divorced of the deceased worker.</p>	<p>No change.</p>
<p><i>Former wife divorced defined.</i></p>	<p><i>Termination of benefit:</i></p> <p>No further benefits paid to the surviving wife divorced for the month (or subsequent months) that there is no child of the deceased husband entitled to a child's benefit, the surviving wife divorced is entitled to an old-age insurance benefit which is as much as her mother's benefit, she is entitled to a widow's benefit, she remarries, or she dies. Benefits will also terminate for a surviving wife divorced when no son, daughter, or legally adopted child of hers is entitled to a child's benefit on the basis of the deceased husband's earnings.</p> <p>Same exceptions to termination for remarriage provisions as are applicable to surviving widow with children.</p>	<p>No change.</p>
	<p>The term "former wife divorced" means a woman divorced from a deceased worker but only if she meets one of the following conditions:</p> <p>a. is the mother of his son or daughter;</p>	<p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>B. Survivors of deceased workers—Continued</p> <p>3. Surviving former wife—Con.</p>	<p>b. legally adopted his son or daughter while married to him and while such son or daughter was under age 18; or</p> <p>c. was married to him at the time both of them legally adopted a child under the age of 18; or</p> <p>d. Her deceased former husband legally adopted her son or daughter while she was married to him and while such son or daughter was under the age of 18.</p>	
<p>4. Surviving child-----</p>	<p><i>Child insurance benefits</i> are payable upon filing application to the child (including step-child or adopted child as defined below) of a deceased worker if he or she was <i>currently</i> or <i>fully insured</i> and the child—</p> <p>a. is unmarried and is either under 18 or under a disability (as determined under definition and procedures prescribed for disability benefits and "freeze," see pp. 10-12) which began before the child attained the age of 18;</p> <p>b. was dependent (as defined below) upon the deceased worker at the time of his death.</p> <p>If the deceased worker had a period of disability at the time he died, the dependency of the child could be determined either at the beginning of the period of disability or at the time he died.</p> <p><i>Termination of benefits:</i></p> <p>No benefits paid for the month (and subsequent months) that the child dies, marries, is adopted (except for adoption by a stepparent, grandparent, aunt, or uncle after deceased worker's death), attains the age of 18 unless disabled, or, if disabled, the disability ceases.</p> <p>There is an exception to the termination provision in the case of a disabled child 18 and over who marries an individual entitled to old-age, disability, widow's, widower's, disabled child's, mother's, or parent's benefits. However, in the case of the marriage of a woman entitled to a disabled child's benefit to a man entitled to disability insurance benefit or a disabled child's benefit, her benefit will end when her husband is no longer entitled to his benefit, unless he dies or, in case he was entitled to a disability benefit, he becomes entitled to an old-age insurance benefit.</p>	<p>No change.</p> <p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>B. Survivors of deceased workers—Continued</p> <p>4. Surviving child—Con. <i>Definition of child...</i></p> <p><i>Definition of dependency on father, adopting father, stepfather, mother, adopting mother, and stepmother.</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>A child is deemed a legally adopted child if he was living as a member of deceased worker's household at the date of his death, was not receiving regular contributions toward his support from someone other than worker or his spouse or from a welfare organization furnishing services or assistance for children, and the surviving spouse legally adopts the child within 2 years after the day of the worker's death.</p> <p>A child 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 had been adopted by some other individual.</p> <p>An adopted child 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 is considered dependent upon his <i>stepfather</i> at the time of the stepfather's death if the child was—</p> <ul style="list-style-type: none"> a. living with his stepfather; or b. receiving at least ½ of his support from his stepfather. <p>A child is considered dependent upon his <i>natural mother or 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>A child 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 ½ of his support from her. 	<p>No change.</p> <p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>B. Survivors of deceased workers—Continued 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 insurance 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; and d. either— <ul style="list-style-type: none"> (1) was receiving at least ½ of his support from the wife at the time or her death and filed proof of such support within 2 years of the date of death; or (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>An additional period of 2 years is authorized if there was failure to file for good cause.</p> <p>There is an alternative date for meeting support requirement in both (1) and (2)—the beginning of the wife's period of disability—if the wife has such a period of disability in effect at the time of her entitlement to old-age or disability benefits, or the time she died, whichever was applicable. Proof of support in such instances must be filed within 2 years of her application for a period of disability, her date of entitlement, or her death, depending on the time as of which the support is claimed. For the widower who would not be entitled to benefits except for the enactment of this provision proof of support can be filed by September 1960. Provision is also made so that the support requirement will not be necessary for the widower if in the month prior to his marriage to his deceased wife he was actually or potentially entitled to a widower's, parent's, or disabled child's benefit.</p> <p><i>Termination of benefits:</i></p> <p>No further widower's benefits paid for the month (and subsequent months) that the widower remarries, dies or becomes entitled to an old-age insurance benefit exceeding his widower's benefit.</p>	<p>Provides full benefits for surviving dependent widowers at age 62. (Public Law 87-64.)</p> <p align="center">No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>B. Survivors of deceased workers—Continued</p> <p>5. Surviving dependent widower—Con.</p> <p><i>Widower defined . . .</i></p>	<p>There is also exception to the termination provision where the widower marries a woman entitled to a widow's, mother's, parent's, or disabled child's benefit.</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> <ul style="list-style-type: none"> a. was married to her for not less than 1 year immediately prior to the date on which she died; or b. is the father of her son or daughter; or c. legally adopted her son or daughter while married to her and while such son or daughter was under age 18; or d. was married to her at the time both of them legally adopted a child under the age of 18; or e. his deceased wife legally adopted his son or daughter while he was married to her and while such son or daughter was under the age of 18; or f. the widower was actually or potentially entitled to widower's, parent's, or disabled child's benefits in the month before his marriage to his deceased wife. 	<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 worker who was fully insured at the time of death (or, had 6 quarters of coverage if his death occurred prior to 1940) and the parent—</p> <ul style="list-style-type: none"> a. has reached age 65, if the father, and 62 if the mother; b. has not remarried after the death of the worker; c. was receiving at least $\frac{1}{2}$ 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 (an additional period of 2 years is authorized if there was failure to file for good cause): <p>There is an alternative time at which support requirement can be shown if deceased worker has a period of disability in effect at the time of death—at beginning of period of disability or at death. Proof of such support must be filed within 2 years after the period of disability began or 2 years after the date of such death.</p> <ul style="list-style-type: none"> d. is not entitled to an old-age insurance 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>Provides full benefits for surviving dependent fathers at age 62. (Public Law 87-64.)</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>B. Survivors of deceased workers—Continued</p> <p>6. Surviving dependent parent—Con.</p> <p><i>Parent defined.....</i></p>	<p><i>Termination of benefits:</i></p> <p>No further benefits paid to the surviving parent for the month (or subsequent months) that he or she dies, remarries, or becomes entitled to an old-age insurance benefit which equals or exceeds his or her parent's benefit.</p> <p>Provides exception to the termination provision for parents marrying individuals entitled to widow's, widower's, mother's, parent's, or disabled child's benefit. However, if such parent marries a person entitled to a disabled child's benefit, the parent's benefit will be terminated if the individual loses entitlement otherwise than by death.</p> <p>The term "parent" means—</p> <ul style="list-style-type: none"> a. the mother or father or a deceased worker; b. a stepparent of the deceased worker by a marriage contracted before the worker attained the age of 16; or c. an adopting parent who adopted the deceased worker before he or she reached age 16. 	<p>No change.</p> <p>No change.</p>
<p>7. Lump-sum death payment.</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 in the same household 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.</p> <p>Lump sum payment can be sent directly to funeral director for unpaid funeral-home expenses on application of person who assumes responsibility for the expenses in cases where no eligible spouse survives. If any of the lump sum remains, it is paid to person who paid funeral bill; if any still remains, to persons who paid other burial expenses in a certain order of priority. If no one has assumed responsibility for payment of burial expenses within 90 days after worker's death, lump sum is payable directly to the funeral director.</p>	<p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>B. Survivors of deceased workers—Continued</p> <p style="padding-left: 20px;">7. Lump-sum death payment—Con.</p>	<p>No payment is made, however, unless application is filed within 2 years after the date of death. An additional period of 2 years is authorized if there was failure to file for good cause.</p>	
<p>C. Disabled worker.....</p>	<p>See II, p. 10. Disability benefits.</p>	

IV. BENEFIT AMOUNTS

<p>A. Average monthly wage.....</p>	<p>In general, an individual's "average monthly wage" which determines his old-age insurance benefit amount (before reduction for retirement before age 65) is computed 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. Excluded from this computation are all months and all earnings in any year any part of which was included in a period of disability under the disability "freeze" (except that the months and earnings in the year in which the period of disability begins may be included if the resulting benefit would be higher).</p> <p>The average monthly wage in retirement cases is computed on the basis of a constant number of years, regardless of when, before age 22, the person started to work or when, after retirement age (62 for women, 65 for men) he files application for benefits. The number of years would be equal to 5 less than the number of years (excluding years in periods of disability) elapsing after 1950 or after the year in which the individual attained age 21, whichever is later, and up to the year in which the person was first eligible for old-age insurance benefits (generally the year in which he attained retirement age). In death and disability cases the number of years would be determined by the date of death or disability.</p> <p>In those cases where a larger benefit would result (because the individual's best earnings were in years before 1951) the number of years would be those elapsing after 1936, rather than 1950. This alternative is similar to the 1936 alternative "starting date" available under prior law in such cases. The subtraction of 5 from the number of elapsed years is the equivalent of the drop-out (in prior law) of the 5 years during which the individual's earnings were the lowest.</p>	<p>No change. For a man claiming old-age benefits before age 65, his constant number of years for average monthly wage purposes would be computed upon age 65 rather than 62. (Public Law 87-64.)</p>
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OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

IV. BENEFIT AMOUNTS—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>A. Average monthly wage— Continued</p>	<p>The earnings used in the computation would be earnings in the highest years. Earnings in years prior to attainment of age 22 or after attainment of retirement age could be used if they were higher than earnings in intervening years. The span of years could never be less than 2. Generally, the span of years to be used for the benefit computation in retirement cases could not be less than 5—the number of years that would have to be used under the prior law by people who attain retirement age in 1960.</p>	
<p>B. Recomputations.....</p>	<p>After a person has become entitled to benefits, he may, under certain circumstances, have his "average monthly wage" recomputed if it will increase his monthly benefit:</p> <p>(1) Recalculation to correct errors in original computation.</p> <p>(2) 1954 work recomputation: Where an individual who has 6 quarters of coverage after 1950 returns to work after becoming entitled to benefits and earns more than \$1,200 in a year he may have his average monthly wage recomputed including such earnings. Survivors are also entitled to any increase in benefits which would result from such recomputation.</p> <p>(3) Dropout recomputation: Beneficiary who became entitled to benefits prior to the amendment which allowed a dropout of 5 years of lowest earnings may have a recomputation using the dropout if he has 6 quarters of coverage after June 1953. Survivors are entitled to any increases which would result from such a recomputation.</p> <p>(4) Current year recomputation: An individual becoming entitled to benefits after August 1954 may have a recomputation which will include earnings in the year he retires if such earnings were not included in the original calculation. Survivors are entitled to any increases which would result from such a recomputation.</p> <p>(5) Recomputation of benefits at age 65 (the "round up"): If a woman's reduced benefit has been withheld (most common reason would be earnings which caused benefit withholding under the retirement test) for at least 3 months (during the period of reduced benefit) she is entitled to a recomputation at age 65 which will readjust her post-65 benefit to take into account the months in which her reduced benefit was withheld.</p> <p>(6) Other recomputations: Provides several recomputations of limited application.</p>	<p>No change except:</p> <p>Provision also made applicable to reduced benefits for men at age 62. Eliminates the requirement for both men and women that at least 3 monthly reduced benefits must be withheld before recomputation is allowed at age 65. (Public Law 87-64.)</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

IV. BENEFIT AMOUNTS—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
C. Benefit formula.....	<p>The law provides a consolidated benefit table which is used in determining benefit amounts for both future beneficiaries and those now on the benefit rolls.</p> <p>Though not specifically stated in the law the formula is in effect, 58.85 percent of the 1st \$110 of the average monthly wage, plus 21.40 percent of the next \$290 of such wage (except that in some cases, for average monthly wages under \$85, a slightly higher amount is payable so as to fit in with the minimum benefit).</p>	No change.
D. Minimum primary insurance amount.	\$33 a month.....	Increases minimum benefit to \$40 per month. (Public Law 87-64.)
E. Maximum family benefits..	<p>Family maximum monthly benefits are set by the table and range from \$53 to \$254. Though not specifically stated in the law, the table provides that the maximum amount payable on a single wage record is the lesser of \$254 (twice the maximum possible primary insurance amount) or 80 percent of the individual's average monthly wage. The 80-percent limitation, however, cannot reduce family benefits below the larger of the primary amount plus \$20 or 1½ times the primary amount.</p>	Family maximum will range from \$60 to \$254. Same, except 80-percent limitation cannot reduce benefits below 1½ times the primary amount. (Public Law 87-64.)
F. Dependents' and survivors' benefits:	(Subject to maximum limitations on total family benefits.)	
1. Wife or husband of insured worker.	½ of primary insurance amount.....	No change.
2. Child of insured worker.	½ of primary insurance amount.....	No change.
3. Widow, widower, or parent of deceased insured worker (beneficiaries aged 62 or over).	¾ of primary insurance amount, except minimum is \$33 if individual is the sole beneficiary.	Increased by 82½ percent of primary insurance amount (but only 75 percent each if 2 parents), except minimum is \$40 if individual is the sole beneficiary. (Public Law 87-64.)
4. Widow or former wife divorced of deceased insured worker (beneficiary, regardless of age, with eligible child).	¾ of primary insurance amount, except minimum is \$33 if individual is the sole beneficiary.	No change. Widow can qualify for larger percentage under (3) when she is aged 62 or over.
5. Child of deceased insured worker.	Each child is entitled to ¼ of primary insurance amount, subject to family maximum. Minimum is \$33 if the child is the sole beneficiary.	No change, but increases minimum to \$40 if the child is the sole beneficiary.
6. Lump-sum death payment.	3 times the primary insurance amount with a statutory maximum of \$255. Minimum is \$99 (3 times the primary insurance amount minimum of \$33).	Same but minimum lump-sum payment is \$120 (3 times new primary insurance amount minimum of \$40).

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OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

V. CREDITABLE EARNINGS

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
	<p>All remuneration for services in covered work is covered except—</p> <p>(1) Earnings in excess of \$4,800. Effective for wages paid after 1958 and self-employment income for taxable years ending after 1958.</p> <p>(2) Certain types of payments for retirement and payments under a plan or system providing benefits on account of sickness, accident, or disability, etc.</p> <p>(3) Payments made to an employee who has reached retirement age (62 for women, 65 for men) (other than vacation or sick pay) if he did not work for the employer in the period for which such payments were made.</p> <p>Provides for the coverage of sick leave payments for State and local employees irrespective of whether they have reached retirement age by stating that "sick pay" as used in the parenthetical exemption includes remuneration paid to such employees for periods during which they were absent from work because of sickness.</p> <p>(4) Payment by the employer of the employee tax under the Federal Insurance Contributions Act or under a State unemployment compensation law.</p>	<p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

VI. INSURED STATUS

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)																																							
<p>A. Fully insured.....</p>	<p>To be fully insured an individual must have either:</p> <p>(1) 40 quarters of coverage, or</p> <p>(2) 1 quarter of coverage (acquired at any time after 1936) for every 3 calendar quarters elapsing after 1950 (or after quarter in which age 21 was attained, if later) and before quarter of death or attainment of retirement age, whichever first occurs, but such individual must have at least 6 quarters of coverage, or</p> <p>(3) 6 quarters of coverage if the individual died before 1951.</p>	<p>The insured status requirement is liberalized so that a worker will be fully insured for benefit purposes if he has 1 quarter of coverage for every year elapsing after 1950 (or after the year in which he attained age 21, if that was later) and up to the year of disability, death, or attainment of age 65 for men (62 for women). (Public Law 87-64.)</p>																																							
	<p><i>Number of quarters of coverage required for fully insured status under prior law and under Social Security Amendments of 1961 (Public Law 87-64)</i></p>																																								
	<p>Year of death, disability, or attainment of age 65 for men (62 for women)</p>	<p>Required quarters</p> <table border="1"> <thead> <tr> <th>Prior law</th> <th>1961 amendments</th> </tr> </thead> <tbody> <tr><td>1956 and earlier.....</td><td>6</td><td>6</td></tr> <tr><td>1957.....</td><td>8</td><td>6</td></tr> <tr><td>1958.....</td><td>9</td><td>7</td></tr> <tr><td>1959.....</td><td>10</td><td>8</td></tr> <tr><td>1960.....</td><td>12</td><td>9</td></tr> <tr><td>1961.....</td><td>13</td><td>10</td></tr> <tr><td>1966.....</td><td>20</td><td>15</td></tr> <tr><td>1971.....</td><td>26</td><td>20</td></tr> <tr><td>1976.....</td><td>33</td><td>25</td></tr> <tr><td>1981.....</td><td>40</td><td>30</td></tr> <tr><td>1986.....</td><td>40</td><td>35</td></tr> <tr><td>1991 and after.....</td><td>40</td><td>40</td></tr> </tbody> </table>		Prior law	1961 amendments	1956 and earlier.....	6	6	1957.....	8	6	1958.....	9	7	1959.....	10	8	1960.....	12	9	1961.....	13	10	1966.....	20	15	1971.....	26	20	1976.....	33	25	1981.....	40	30	1986.....	40	35	1991 and after.....	40	40
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<p>Exclusion of periods of disability: No quarter shall be counted as an elapsed quarter, in determining insured status, during which an individual was disabled, unless it was a quarter of coverage.</p> <p>Fully insured status qualifies for old-age, dependent, and survivor benefits; both fully and currently insured status required for dependent husband's and dependent widower's benefits.</p>	<p>No year shall be counted as an elapsed year, in determining insured status, if the individual was disabled during any part of the year.</p>																																								
<p>B. Currently insured.....</p>	<p>6 quarters of coverage within 13 quarters ending with quarter of death or entitlement to old-age insurance or disability benefits.</p> <p>Currently insured status qualifies for child's, widowed mother's, and lump-sum benefits.</p>	<p>No change.</p>																																							

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

VI. INSURED STATUS—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
C. 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>If an individual earns maximum creditable wages in any year, he is credited with 4 quarters of coverage:</p> <p>Maximum creditable earnings: \$3,600, 1951-54; \$4,200, 1955-58; \$4,800, 1959- .</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>	No change.

VII. RETIREMENT TEST

A. Scope.....	Applies to covered as well as noncovered work.	No change.
B. Test of earnings.....	<p>Provides that benefits will be withheld from a beneficiary under age 72 (and from any dependent drawing on his record) at the rate of \$1 in benefits for each \$2 of annual earnings between \$1,200 and \$1,500 and \$1 in benefits for each \$1 of annual earnings above \$1,500.</p> <p>Benefits not withheld for any month during which the individual neither rendered services for wages in excess of \$100 nor rendered substantial services in a trade or business.</p>	Changes provision so that \$1 in benefits will be withheld for each \$2 of annual earnings between \$1,200 and \$1,700, and for each \$1 of annual earnings above \$1,700. (Public Law 87-64.) Effective for taxable years ending after June 30, 1961.
C. 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 are also made from the benefits of any dependent drawing benefits on the basis of the individual's wage record.</p> <p>Beneficiaries are not required to file annual reports but must report when they work on 7 or more calendar days in the month. Penalties imposed for failure to file timely reports of work unless the failure to file on time was for "good cause." Penalties are not imposed on dependents for failure of primary beneficiary to report.</p>	No change.
D. Age exemption.....	Benefits are not suspended because of work or earnings if beneficiary is age 72 or over.	No change.

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

VIII. FINANCING

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>A. Administration of the trust funds.</p>	<p>The Federal old-age and survivors insurance trust fund receives all tax contributions, other than those allocated for the disability benefit program, from which benefits and administrative expenses are paid for the old-age and survivors insurance program.</p> <p>The Federal disability insurance trust fund receives tax contributions at the rate of $\frac{1}{4}$ of 1 percent each for employers and employees, and $\frac{1}{2}$ of 1 percent for the self-employed from which benefit and administrative expenses are paid for the disability insurance program.</p> <p>These funds are administered by a Board of Trustees consisting of the Secretary of the Treasury, as managing trustee, the Secretary of Labor and the Secretary of Health, Education, and Welfare, all ex officio (with the Commissioner of Social Security as Secretary).</p>	<p>No change.</p>
<p>B. Investment of the trust funds.</p>	<p>The managing trustee (Secretary of the Treasury) shall invest such portion of the trust funds as is not, in his judgment, needed to meet 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. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price.</p> <p>Such obligations issued for original purchase by the trust funds shall have maturities fixed with due regard for the needs of the funds, and bear interest at a rate equal to the average market yield (computed by the managing trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of 4 years from the end of such calendar month. This interest rate, if not a multiple of $\frac{1}{2}$ of 1 percent, is rounded to the nearest multiple of $\frac{1}{4}$ of 1 percent.</p> <p>The managing trustee is authorized to make purchases in the open market only when he deems it is within the public interest.</p>	<p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

VIII. FINANCING—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>C. Review of status of the trust funds:</p>		
<p>1. Board of Trustees...</p>	<p>These funds are administered by a Board of Trustees consisting of the Secretary of the Treasury, as managing trustee, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio (with the Commissioner of Social Security as secretary).</p> <p>It shall be the duty of the Board of Trustees to—</p> <ol style="list-style-type: none"> (1) hold the trust funds; (2) report to the Congress not later than the 1st day of March of each year on the operation and status of the trust funds during the preceding fiscal year and on their expected operation and status during the next ensuing 5 fiscal years; (3) report immediately to the Congress whenever it is their opinion that either of the trust funds is unduly small; (4) recommend improvements in administrative procedures and policies designed to effectuate the proper coordination of the old-age and survivors insurance and Federal-State unemployment compensation programs, and review the general policies followed in managing the trust funds, and recommend changes in such policies, including necessary changes in the provisions of the law which govern the way in which the trust funds are to be managed. <p>The Board is also required to meet at least once each 6 months.</p>	<p>No change.</p> <p>No change.</p>
<p>2. Advisory Council...</p>	<p>An Advisory Council on Social Security Financing will periodically 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 programs. 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. 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>	<p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

VIII. FINANCING—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
C. Review of status of the trust funds—Continued 2. Advisory Council—Continued	Other advisory councils with the same functions and constituted in the same manner will be appointed by the Secretary during 1963, 1966, and every 5th year thereafter and will report not later than Jan. 1 of the 2d year after the year in which they are appointed. The advisory council appointed in 1963 shall, in addition to the other findings it is required to make, include its findings and recommendations with respect to extensions of the coverage, benefit adequacy, and all other aspects of the program.	
D. Maximum taxable amount.	\$4,800 a year.	No change.
E. Tax rate for self-employed.	Taxable years beginning in—	Provides increases in tax rates for employers, employees and the self-employed. The rates for employees and employers are each increased $\frac{1}{2}$-percent. The rate for the self-employed is increased by approximately $\frac{1}{6}$ of 1 percent. In addition, the ultimate rate schedule will be reached in 1968, 1 year earlier than under prior law.
F. Tax rate for employees and employers.	Taxable years beginning in— 1961..... 4½ 1962..... 4½ 1963-65..... 5½ 1966-68..... 6 1969 or after..... 6½ Calendar years: 1961..... 3 1962..... 3 1963-65..... 3½ 1966-68..... 4 1969 and after..... 4½	Taxable years beginning in— 1961..... No change 1962..... 4.7 1963-65..... 5.4 1966-67..... 6.2 1968 and after..... 6.9 Calendar years: 1961..... No change 1962..... 3½ 1963-65..... 3½ 1966-67..... 4½ 1968 and after..... 4½ (Public Law 87-64.)

IX. MISCELLANEOUS

A. 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.

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

IX. MISCELLANEOUS—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>B. Suspension of benefits for certain aliens outside the United States.</p>	<p>Suspends the payments to any individual (primary beneficiary or dependent) 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—</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 U.S. citizens in the event they left such foreign country without regard to the duration of their absence; or</p> <p>(2) the individual upon whose earnings the benefit is based has 40 quarters of coverage (10 years); or</p> <p>(3) the individual upon whose earnings the benefit is based 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) the application of the provision would violate a treaty obligation of the United States.</p> <p>Benefits of aliens who are survivors of certain deceased members of the Armed Forces of the United States also will not be suspended.</p> <p>The individual upon whose earnings the benefit is based must have died (1) while on active duty or inactive duty training as a member of a uniformed service, or (2) as a result of a disease or injury which the Administrator of Veterans' Affairs determines was incurred or aggravated in line of duty while on active duty, or (3) as a result of an injury incurred or aggravated on inactive duty training, if the Administrator determines that such individual was released from such service under conditions other than dishonorable.</p> <p>Likewise, benefits of certain aliens whose entitlement is based on service covered by the Railroad Retirement Act which, inasmuch as it was for less than 10 years, was credited under the Social Security Act. (Principally applicable to Canadian residents employed by American railroads conducting a minor portion of their operations in Canada, and Canadian railroads operating in the United States.)</p>	<p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

IX. MISCELLANEOUS—Continued

Item	Prior law	Law as amended during 1961 (effective date Aug. 1, 1961 unless otherwise indicated)
<p>C. Loss of benefits upon conviction of certain subversive crimes.</p>	<p>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.</p>	<p>No change.</p>
<p>D. Criminal offenses.....</p>	<p>Any individual who—</p> <p>(1) for the purpose of receiving an unauthorized benefit or having a benefit increased makes (or causes to be made) a false statement or representation as to the amount of any wages or self-employment income earned or paid, or for the period in which they are earned or paid, or</p> <p>(2) makes (or causes to be made) any false statement of a material fact in any application for any payment, or</p> <p>(3) makes (or causes to be made), at any time, any false statement or representation of a material fact for use in determining rights to payments, or</p> <p>(4) having knowledge of the occurrence of any event affecting his initial or continued right to a payment (or the right of a person upon whose behalf he made application or is receiving a benefit) conceals or fails to disclose such an event with intent to fraudulently receive an unauthorized payment or a greater amount than is due, or</p> <p>(5) converts the benefit he has received on behalf of another person for other than the use and benefit of the other person—</p> <p>shall be guilty of a misdemeanor and upon conviction shall be fined not more than \$1,000 or imprisoned for not more than a year, or both.</p>	<p>No change.</p>

MEDICAL ASSISTANCE FOR THE AGED AND OLD-AGE ASSISTANCE (TITLE I OF SOCIAL SECURITY ACT)

I. MEDICAL ASSISTANCE FOR THE AGED

Item	Prior law	Law as amended during 1961
A. Nature of program-----	Permits the States to include in their plans under title I a program of medical assistance for the aged; that is, to provide medical benefits for aged persons who are not old-age assistance recipients, but whose income and resources are insufficient to meet the costs of necessary medical services.	No change.
B. Eligibility for assistance....	<p>To be eligible an individual—</p> <ul style="list-style-type: none"> (1) must have attained age 65; (2) must not be a recipient of old-age assistance; (3) must have income and resources, as determined by the State, insufficient to meet all of the cost of the medical services outlined below. The State must provide reasonable standards, consistent with the objectives of the program, for determining eligibility and the extent of assistance. 	No change.
C. Scope of benefits-----	<p>The State plan for medical assistance for the aged may specify medical services of any scope and duration, provided that both institutional and noninstitutional services are included. Federal participation is restricted to vendor medical payments: i.e., payments made by the States directly to the doctor, hospital, etc., providing medical services on behalf of the recipient.</p> <p>The Federal Government shares in the expense of providing the following kinds of medical services:</p> <ul style="list-style-type: none"> (1) Inpatient hospital services; (2) Skilled nursing home services; (3) Physicians' services; (4) Outpatient hospital or clinic services; (5) Home health care services; (6) Private duty nursing services; (7) Physical therapy and related services; (8) Dental services; (9) Laboratory and X-ray services; (10) Prescribed drugs, eyeglasses, dentures, and prosthetic devices; (11) Diagnostic, screening, and preventive services; and (12) Any other medical care or remedial care recognized under State law. <p>The Federal Government does not share in the expense of providing medical services to inmates of public institutions (other than medical institutions), to patients in mental or tuberculosis institutions or to patients in medical institutions as a result of a diagnosis of tuberculosis or psychosis after 42 days of care.</p>	No change.

MEDICAL ASSISTANCE FOR THE AGED AND OLD-AGE ASSISTANCE (TITLE I OF SOCIAL SECURITY ACT)—Continued

I. MEDICAL ASSISTANCE FOR THE AGED—Continued

Item	Prior law	Law as amended during 1961																																																																								
D. Matching formula—Federal share.	<p>Federal payments reimburse the States for a portion of their expenditures under approved plans for medical assistance for the aged according to an equalization formula like that used to compute the Federal portion of old-age assistance payments between \$30 and \$65 per month except that the "Federal medical percentage" ranges from 50 to 80 percent depending upon the per capita income of the State as related to the national per capita income. The Federal Government bears half of the administrative expenses under such plans. For "Federal medical percentages" see following:</p> <p align="center"><i>Federal-medical percentages applicable for July 1, 1961, through June 30, 1963</i></p> <table border="0"> <thead> <tr> <th align="left">State:</th> <th align="right">Percentage</th> </tr> </thead> <tbody> <tr><td>Alabama.....</td><td align="right">79.04</td></tr> <tr><td>Alaska.....</td><td align="right">50.00</td></tr> <tr><td>Arizona.....</td><td align="right">58.39</td></tr> <tr><td>Arkansas.....</td><td align="right">80.00</td></tr> <tr><td>California.....</td><td align="right">50.00</td></tr> <tr><td>Colorado.....</td><td align="right">52.78</td></tr> <tr><td>Connecticut.....</td><td align="right">50.00</td></tr> <tr><td>Delaware.....</td><td align="right">50.00</td></tr> <tr><td>District of Columbia.....</td><td align="right">50.00</td></tr> <tr><td>Florida.....</td><td align="right">58.44</td></tr> <tr><td>Georgia.....</td><td align="right">75.04</td></tr> <tr><td>Hawaii.....</td><td align="right">53.38</td></tr> <tr><td>Idaho.....</td><td align="right">66.29</td></tr> <tr><td>Illinois.....</td><td align="right">50.00</td></tr> <tr><td>Indiana.....</td><td align="right">52.03</td></tr> <tr><td>Iowa.....</td><td align="right">58.48</td></tr> <tr><td>Kansas.....</td><td align="right">57.52</td></tr> <tr><td>Kentucky.....</td><td align="right">75.57</td></tr> <tr><td>Louisiana.....</td><td align="right">72.55</td></tr> <tr><td>Maine.....</td><td align="right">66.60</td></tr> <tr><td>Maryland.....</td><td align="right">50.00</td></tr> <tr><td>Massachusetts.....</td><td align="right">50.00</td></tr> <tr><td>Michigan.....</td><td align="right">50.00</td></tr> <tr><td>Minnesota.....</td><td align="right">57.96</td></tr> <tr><td>Mississippi.....</td><td align="right">80.00</td></tr> <tr><td>Missouri.....</td><td align="right">52.91</td></tr> <tr><td>Montana.....</td><td align="right">55.74</td></tr> <tr><td>Nebraska.....</td><td align="right">56.86</td></tr> <tr><td>Nevada.....</td><td align="right">50.00</td></tr> <tr><td>New Hampshire.....</td><td align="right">58.18</td></tr> <tr><td>New Jersey.....</td><td align="right">50.00</td></tr> <tr><td>New Mexico.....</td><td align="right">65.22</td></tr> <tr><td>New York.....</td><td align="right">50.00</td></tr> <tr><td>North Carolina.....</td><td align="right">77.47</td></tr> <tr><td>North Dakota.....</td><td align="right">72.44</td></tr> </tbody> </table>	State:	Percentage	Alabama.....	79.04	Alaska.....	50.00	Arizona.....	58.39	Arkansas.....	80.00	California.....	50.00	Colorado.....	52.78	Connecticut.....	50.00	Delaware.....	50.00	District of Columbia.....	50.00	Florida.....	58.44	Georgia.....	75.04	Hawaii.....	53.38	Idaho.....	66.29	Illinois.....	50.00	Indiana.....	52.03	Iowa.....	58.48	Kansas.....	57.52	Kentucky.....	75.57	Louisiana.....	72.55	Maine.....	66.60	Maryland.....	50.00	Massachusetts.....	50.00	Michigan.....	50.00	Minnesota.....	57.96	Mississippi.....	80.00	Missouri.....	52.91	Montana.....	55.74	Nebraska.....	56.86	Nevada.....	50.00	New Hampshire.....	58.18	New Jersey.....	50.00	New Mexico.....	65.22	New York.....	50.00	North Carolina.....	77.47	North Dakota.....	72.44	No change.
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MEDICAL ASSISTANCE FOR THE AGED AND OLD-AGE ASSISTANCE (TITLE I OF SOCIAL SECURITY ACT)—Continued

I. MEDICAL ASSISTANCE FOR THE AGED—Continued

Item	Prior law	Law as amended during 1961																																								
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E. State plan requirements.....	<p>In order to be eligible for Federal participation, the State must provide medical assistance for the aged according to a plan submitted to the Secretary of Health, Education, and Welfare, and approved by him, which meets the requirements set out in the law. The State plan provisions are generally the same as those required for old age assistance with the following exceptions:</p> <p>A State plan—</p> <p>(1) must not require a premium or enrollment fee as a condition of eligibility;</p> <p>(2) must not impose property liens during the lifetime of the individual receiving benefits (except pursuant to court judgment on account of benefits incorrectly paid) and any recovery provisions under the plan must be limited to the estate of the individual after his death and the death of his surviving spouse;</p> <p>(3) must not impose a citizenship requirement which would exclude a citizen of the United States or a requirement which excludes a resident of the State; and</p> <p>(4) must also provide, to the extent required by the Secretary of Health, Education, and Welfare, for inclusion of residents of the State who are absent therefrom.</p>	No change.																																								

MEDICAL ASSISTANCE FOR THE AGED AND OLD-AGE ASSISTANCE (TITLE I OF SOCIAL SECURITY ACT)—Continued

I. MEDICAL ASSISTANCE FOR THE AGED—Continued

Item	Prior law	Law as amended during 1961
E. State plan requirements—Continued	The use and disclosure of information under this program is limited to purposes directly related to administration. Unlike old-age assistance, the program is not subject to sec. 218 of the Revenue Act of 1951 which permits Federal matching where there is State legislation providing public access to disbursement records (for other than commercial or political purposes).	

II. OLD-AGE ASSISTANCE

A. Eligibility for payments.	<p>Needy individuals who are 65 years or older. A State plan must provide that the State agency shall, in determining need, take into consideration any other income and resources of an individual claiming assistance. The State plan must include reasonable standards, consistent with objectives of the title, for determining the eligibility of individuals and the extent of old-age assistance.</p>	No change.
B. Federal matching.	<p>Federal payments to States are made quarterly. Each State receives an amount equal to part of its total expenditures for old-age assistance. The amount of the Federal payment is computed on the basis of the average expenditure per recipient in each month. There are 2 formulas under which such computations are made. The primary formula covers State expenditures up to \$65 per recipient per month. The secondary formula applies to State expenditures in providing medical or remedial care for recipients of old-age assistance. Total Federal payment is the sum of the amounts produced by each formula.</p>	No change.
1. The primary formula (money payments).	<p>The <i>primary formula</i> is as follows:</p> <ol style="list-style-type: none"> "Federal share" equals the sum of "A" and "B." "A" equals 80 percent of State expenditures up to \$30 per recipient per month. "B" equals the "Federal percentage" of State expenditures between \$30 and \$65 per recipient per month. <p>The "Federal percentage" is determined according to a formula which relates the State's per capita income to the national per capita income. The percentage varies between 50 and 65 percent. States whose</p>	<p>For the period Sept. 30, 1961, to July 1, 1962:</p> <p>Changes "A" to equal 80 percent of State expenditures up to \$31 per recipient per month.</p> <p>Changes "B" to equal the "Federal percentage" of State expenditures between \$31 and \$66 per recipient per month. (Public Law 87-64.)</p>

MEDICAL ASSISTANCE FOR THE AGED AND OLD-AGE ASSISTANCE (TITLE I OF SOCIAL SECURITY ACT)—Continued

II. OLD-AGE ASSISTANCE—Continued

Item	Prior law	Law as amended during 1961																																																																																								
B. Federal matching—Con. 1. The primary formula—Con.	<p>per capita income is equal to or above the per capita income for the United States have 50 percent Federal matching while those below the national average have Federal matching which varies, up to a maximum of 65 percent.</p> <p>The "Federal percentages" as promulgated for the period July 1, 1961, through June 30, 1963, are as follows:</p>	<p align="center">No change.</p>																																																																																								
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MEDICAL ASSISTANCE FOR THE AGED AND OLD-AGE ASSISTANCE (TITLE I OF SOCIAL SECURITY ACT)—Continued

II. OLD-AGE ASSISTANCE—Continued

Item	Prior law	Law as amended during 1961
B. Federal matching—Con.	State—Con. <i>Federal percentage</i>	
1. The primary formula—Con.	Utah..... 63.74 Vermont..... 65.00 Virginia..... 64.91 Washington..... 50.00 West Virginia..... 65.00 Wisconsin..... 53.10 Wyoming..... 50.86 (25 F.R. 8727)	
2. The secondary formula (medical care expenditures).	In addition to matching under the primary formula, the Federal Government will provide, with respect to State expenditures for medical or remedial care, the <i>larger</i> of the following alternatives: "Federal medical percentage" of vendor payment expenditures that are above \$65 per month, up to \$12 per recipient per month, <i>or</i> 15 percent of vendor payment expenditures, up to \$12 per recipient per month.	Increases vendor payment matching maximum from \$12 to \$15 a month above \$65 per recipient per month maximum of primary formula Effective for fiscal 1962 and thereafter (for period Sept. 1, 1961, through June 30, 1962, the \$15 will be on top of the temporary \$66 per month maximum of the primary formula). (Public Law 87-31.)
"Federal medical percentage."	The "Federal medical percentage" is dependent on the relationship between State per capita income and the national per capita income. The percentage ranges from 50 percent for high income States to 80 percent for States with the lowest income. (See p. 38 for State-by-State percentages.)	Increases vendor payment matching maximum from \$12 to \$15 per month. Effective fiscal 1962 and thereafter. (Public Law 87-31.) No change.
Effect of secondary formula.	For States with average monthly payments over \$65, the Federal Government participates in the expenditures over \$65 except that such participation is limited to the amount of the average vendor medical payment up to \$12 per recipient per month. For States with average monthly payments of \$65 per month or less, the Federal share in average vendor medical payments up to \$12 per recipient per month is an additional 15 percentage points over and above the "Federal percentage" used to compute the Federal share under the primary formula. Provision is also made so that a State with an average payment over \$65 per month can never receive less in additional Federal funds in respect to such medical service costs than if it had an average payment of \$65 per month.	Increases the spread of Federal matching for medical vendor payments from \$12 to \$15. (Public Law 87-31.)

MEDICAL ASSISTANCE FOR THE AGED AND OLD-AGE ASSISTANCE (TITLE I OF SOCIAL SECURITY ACT)—Continued

II. OLD-AGE ASSISTANCE—Continued

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B. Federal matching—Con. 3. Total Federal payment. 4. Administrative expenses. 5. Effect of matching formula.	Total Federal payment equals the sum of the amounts computed under each formula. The Federal Government pays $\frac{1}{2}$ of the States' administrative expenses. The following chart shows average assistance payments by States and the portion of such payments paid from Federal funds:			No change. No change.																																																																																																																																																																																																																																																																											
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<tr><td>Delaware.....</td><td>50.25</td><td>50.25</td><td>-----</td><td>34.12</td><td>67.9</td><td>34.42</td><td>68.5</td></tr> <tr><td>District of Columbia.....</td><td>65.61</td><td>56.47</td><td>9.14</td><td>42.87</td><td>65.3</td><td>43.47</td><td>66.3</td></tr> <tr><td>Florida.....</td><td>59.25</td><td>48.09</td><td>11.16</td><td>43.13</td><td>72.8</td><td>43.33</td><td>73.1</td></tr> <tr><td>Georgia.....</td><td>47.09</td><td>47.09</td><td>-----</td><td>35.11</td><td>74.6</td><td>35.26</td><td>74.9</td></tr> <tr><td>Guam.....</td><td>25.20</td><td>25.20</td><td>-----</td><td>12.60</td><td>50.0</td><td>12.60</td><td>50.0</td></tr> <tr><td>Hawaii.....</td><td>73.68</td><td>62.77</td><td>10.91</td><td>47.31</td><td>64.2</td><td>47.58</td><td>64.6</td></tr> <tr><td>Idaho.....</td><td>81.60</td><td>56.92</td><td>24.68</td><td>54.79</td><td>67.1</td><td>57.61</td><td>70.6</td></tr> <tr><td>Illinois.....</td><td>77.98</td><td>43.82</td><td>34.16</td><td>47.50</td><td>60.9</td><td>48.29</td><td>61.9</td></tr> <tr><td>Indiana.....</td><td>65.58</td><td>44.29</td><td>21.29</td><td>43.30</td><td>66.0</td><td>44.34</td><td>67.6</td></tr> <tr><td>Iowa.....</td><td>88.06</td><td>62.82</td><td>25.24</td><td>53.72</td><td>61.0</td><td>56.41</td><td>64.1</td></tr> <tr><td>Kansas.....</td><td>82.13</td><td>68.92</td><td>13.21</td><td>52.56</td><td>64.0</td><td>54.10</td><td>65.9</td></tr> <tr><td>Kentucky.....</td><td>50.12</td><td>50.04</td><td>.08</td><td>37.09</td><td>74.0</td><td>37.24</td><td>74.3</td></tr> <tr><td>Louisiana.....</td><td>70.99</td><td>68.78</td><td>2.21</td><td>48.34</td><td>68.1</td><td>49.14</td><td>69.2</td></tr> <tr><td>Maine.....</td><td>66.02</td><td>47.02</td><td>19.00</td><td>48.55</td><td>73.5</td><td>49.80</td><td>75.4</td></tr> <tr><td>Maryland.....</td><td>62.72</td><td>57.47</td><td>5.25</td><td>41.15</td><td>65.6</td><td>41.45</td><td>66.1</td></tr> <tr><td>Massachusetts.....</td><td>86.54</td><td>69.95</td><td>16.59</td><td>47.50</td><td>54.9</td><td>49.80</td><td>57.5</td></tr> <tr><td>Michigan.....</td><td>78.98</td><td>66.04</td><td>12.94</td><td>47.50</td><td>60.1</td><td>48.77</td><td>61.7</td></tr> <tr><td>Minnesota.....</td><td>95.12</td><td>52.28</td><td>42.84</td><td>51.53</td><td>54.2</td><td>54.09</td><td>56.9</td></tr> <tr><td>Mississippi.....</td><td>34.54</td><td>34.54</td><td>-----</td><td>26.95</td><td>78.0</td><td>27.10</td><td>78.5</td></tr> <tr><td>Missouri.....</td><td>61.27</td><td>59.74</td><td>1.53</td><td>40.93</td><td>66.8</td><td>41.20</td><td>67.2</td></tr> <tr><td>Montana.....</td><td>63.98</td><td>63.61</td><td>.37</td><td>42.43</td><td>66.3</td><td>42.69</td><td>66.7</td></tr> <tr><td>Nebraska.....</td><td>75.80</td><td>49.39</td><td>26.41</td><td>53.04</td><td>70.0</td><td>53.20</td><td>70.2</td></tr> <tr><td>Nevada.....</td><td>80.67</td><td>71.17</td><td>9.50</td><td>46.25</td><td>57.3</td><td>47.05</td><td>58.3</td></tr> <tr><td>New Hampshire.....</td><td>85.42</td><td>67.69</td><td>17.73</td><td>51.22</td><td>60.0</td><td>53.76</td><td>62.9</td></tr> <tr><td>New Jersey.....</td><td>90.76</td><td>54.69</td><td>36.07</td><td>47.50</td><td>52.3</td><td>49.80</td><td>54.9</td></tr> <tr><td>New Mexico.....</td><td>69.73</td><td>59.06</td><td>10.67</td><td>49.97</td><td>71.7</td><td>50.09</td><td>71.8</td></tr> </tbody> </table>								Alabama.....	\$52.72	\$50.91	\$1.81	\$39.04	74.1	\$39.19	74.3	Alaska.....	66.00	66.00	-----	41.50	62.9	42.30	64.1	Arizona.....	61.01	61.01	-----	43.61	71.5	43.78	71.8	Arkansas.....	52.18	45.28	6.90	39.46	75.6	39.61	75.9	California.....	92.88	79.76	13.12	47.50	51.1	48.86	52.6	Colorado.....	99.72	81.34	18.38	49.11	49.2	51.51	51.7	Connecticut.....	111.79	91.70	20.09	47.50	42.5	49.80	44.5	Delaware.....	50.25	50.25	-----	34.12	67.9	34.42	68.5	District of Columbia.....	65.61	56.47	9.14	42.87	65.3	43.47	66.3	Florida.....	59.25	48.09	11.16	43.13	72.8	43.33	73.1	Georgia.....	47.09	47.09	-----	35.11	74.6	35.26	74.9	Guam.....	25.20	25.20	-----	12.60	50.0	12.60	50.0	Hawaii.....	73.68	62.77	10.91	47.31	64.2	47.58	64.6	Idaho.....	81.60	56.92	24.68	54.79	67.1	57.61	70.6	Illinois.....	77.98	43.82	34.16	47.50	60.9	48.29	61.9	Indiana.....	65.58	44.29	21.29	43.30	66.0	44.34	67.6	Iowa.....	88.06	62.82	25.24	53.72	61.0	56.41	64.1	Kansas.....	82.13	68.92	13.21	52.56	64.0	54.10	65.9	Kentucky.....	50.12	50.04	.08	37.09	74.0	37.24	74.3	Louisiana.....	70.99	68.78	2.21	48.34	68.1	49.14	69.2	Maine.....	66.02	47.02	19.00	48.55	73.5	49.80	75.4	Maryland.....	62.72	57.47	5.25	41.15	65.6	41.45	66.1	Massachusetts.....	86.54	69.95	16.59	47.50	54.9	49.80	57.5	Michigan.....	78.98	66.04	12.94	47.50	60.1	48.77	61.7	Minnesota.....	95.12	52.28	42.84	51.53	54.2	54.09	56.9	Mississippi.....	34.54	34.54	-----	26.95	78.0	27.10	78.5	Missouri.....	61.27	59.74	1.53	40.93	66.8	41.20	67.2	Montana.....	63.98	63.61	.37	42.43	66.3	42.69	66.7	Nebraska.....	75.80	49.39	26.41	53.04	70.0	53.20	70.2	Nevada.....	80.67	71.17	9.50	46.25	57.3	47.05	58.3	New Hampshire.....	85.42	67.69	17.73	51.22	60.0	53.76	62.9	New Jersey.....	90.76	54.69	36.07	47.50	52.3	49.80	54.9	New Mexico.....	69.73	59.06	10.67	49.97	71.7	50.09	71.8
Alabama.....	\$52.72	\$50.91	\$1.81	\$39.04	74.1	\$39.19	74.3																																																																																																																																																																																																																																																																								
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Arizona.....	61.01	61.01	-----	43.61	71.5	43.78	71.8																																																																																																																																																																																																																																																																								
Arkansas.....	52.18	45.28	6.90	39.46	75.6	39.61	75.9																																																																																																																																																																																																																																																																								
California.....	92.88	79.76	13.12	47.50	51.1	48.86	52.6																																																																																																																																																																																																																																																																								
Colorado.....	99.72	81.34	18.38	49.11	49.2	51.51	51.7																																																																																																																																																																																																																																																																								
Connecticut.....	111.79	91.70	20.09	47.50	42.5	49.80	44.5																																																																																																																																																																																																																																																																								
Delaware.....	50.25	50.25	-----	34.12	67.9	34.42	68.5																																																																																																																																																																																																																																																																								
District of Columbia.....	65.61	56.47	9.14	42.87	65.3	43.47	66.3																																																																																																																																																																																																																																																																								
Florida.....	59.25	48.09	11.16	43.13	72.8	43.33	73.1																																																																																																																																																																																																																																																																								
Georgia.....	47.09	47.09	-----	35.11	74.6	35.26	74.9																																																																																																																																																																																																																																																																								
Guam.....	25.20	25.20	-----	12.60	50.0	12.60	50.0																																																																																																																																																																																																																																																																								
Hawaii.....	73.68	62.77	10.91	47.31	64.2	47.58	64.6																																																																																																																																																																																																																																																																								
Idaho.....	81.60	56.92	24.68	54.79	67.1	57.61	70.6																																																																																																																																																																																																																																																																								
Illinois.....	77.98	43.82	34.16	47.50	60.9	48.29	61.9																																																																																																																																																																																																																																																																								
Indiana.....	65.58	44.29	21.29	43.30	66.0	44.34	67.6																																																																																																																																																																																																																																																																								
Iowa.....	88.06	62.82	25.24	53.72	61.0	56.41	64.1																																																																																																																																																																																																																																																																								
Kansas.....	82.13	68.92	13.21	52.56	64.0	54.10	65.9																																																																																																																																																																																																																																																																								
Kentucky.....	50.12	50.04	.08	37.09	74.0	37.24	74.3																																																																																																																																																																																																																																																																								
Louisiana.....	70.99	68.78	2.21	48.34	68.1	49.14	69.2																																																																																																																																																																																																																																																																								
Maine.....	66.02	47.02	19.00	48.55	73.5	49.80	75.4																																																																																																																																																																																																																																																																								
Maryland.....	62.72	57.47	5.25	41.15	65.6	41.45	66.1																																																																																																																																																																																																																																																																								
Massachusetts.....	86.54	69.95	16.59	47.50	54.9	49.80	57.5																																																																																																																																																																																																																																																																								
Michigan.....	78.98	66.04	12.94	47.50	60.1	48.77	61.7																																																																																																																																																																																																																																																																								
Minnesota.....	95.12	52.28	42.84	51.53	54.2	54.09	56.9																																																																																																																																																																																																																																																																								
Mississippi.....	34.54	34.54	-----	26.95	78.0	27.10	78.5																																																																																																																																																																																																																																																																								
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Montana.....	63.98	63.61	.37	42.43	66.3	42.69	66.7																																																																																																																																																																																																																																																																								
Nebraska.....	75.80	49.39	26.41	53.04	70.0	53.20	70.2																																																																																																																																																																																																																																																																								
Nevada.....	80.67	71.17	9.50	46.25	57.3	47.05	58.3																																																																																																																																																																																																																																																																								
New Hampshire.....	85.42	67.69	17.73	51.22	60.0	53.76	62.9																																																																																																																																																																																																																																																																								
New Jersey.....	90.76	54.69	36.07	47.50	52.3	49.80	54.9																																																																																																																																																																																																																																																																								
New Mexico.....	69.73	59.06	10.67	49.97	71.7	50.09	71.8																																																																																																																																																																																																																																																																								

MEDICAL ASSISTANCE FOR THE AGED AND OLD-AGE ASSISTANCE (TITLE I OF SOCIAL SECURITY ACT)—Continued

II. OLD-AGE ASSISTANCE—Continued

Item	Prior law			Law as amended during 1961			
B. Federal matching—Con. 5. Effect of matching formula—Con.	<i>Old-age assistance—Average payment per recipient for assistance for money payments and for vendor payments for medical care—Federal participation, by States—Based on payments for March 1961—Continued</i>						
	Average payment per recipient, March 1961			Federal share			
	Total	Money	Vendor, medical	Prior to Public Laws 87-31 and 87-64		Under Public Laws 87-31 and 87-64	
			Amount	Percent	Amount	Percent	
New York.....	111. 71	\$77. 52	34. 19	\$47. 50	42. 5	\$49. 80	44. 6
North Carolina.....	44. 78	42. 50	2. 28	33. 95	75. 8	34. 10	76. 2
North Dakota.....	92. 79	56. 50	36. 29	55. 65	60. 0	58. 68	63. 2
Ohio.....	76. 40	64. 74	11. 66	47. 20	61. 8	47. 50	62. 2
Oklahoma.....	84. 44	66. 46	17. 98	54. 85	65. 0	57. 68	68. 3
Oregon.....	85. 50	52. 97	32. 53	48. 71	57. 0	51. 09	59. 8
Pennsylvania.....	68. 25	64. 30	3. 95	43. 12	63. 2	43. 42	63. 6
Puerto Rico.....	8. 27	8. 27	-----	3. 78	45. 7	3. 95	47. 8
Rhode Island.....	81. 15	66. 15	15. 00	47. 50	58. 5	49. 80	61. 4
South Carolina.....	42. 61	38. 29	4. 32	32. 85	77. 1	33. 00	77. 4
South Dakota.....	63. 67	63. 67	-----	45. 89	72. 1	46. 04	72. 3
Tennessee.....	43. 37	40. 57	2. 80	33. 11	76. 3	33. 26	76. 7
Texas.....	52. 73	52. 73	-----	37. 95	72. 0	38. 13	72. 3
Utah.....	71. 80	51. 88	19. 92	51. 20	71. 3	51. 35	71. 5
Vermont.....	71. 44	49. 76	21. 68	50. 99	71. 4	51. 13	71. 6
Virgin Islands.....	26. 44	26. 44	-----	13. 22	50. 0	13. 22	50. 0
Virginia.....	53. 47	41. 31	12. 16	41. 06	76. 8	41. 23	77. 1
Washington.....	93. 25	56. 80	36. 45	47. 50	50. 9	49. 80	53. 4
West Virginia.....	39. 00	34. 04	4. 96	30. 59	78. 4	30. 74	78. 8
Wisconsin.....	88. 60	38. 14	50. 46	49. 66	56. 0	52. 10	58. 8
Wyoming.....	76. 33	64. 95	11. 38	47. 59	62. 3	47. 88	62. 7
United States.....	69. 43	57. 81	11. 61	-----	-----	-----	-----
C. Exclusion of patients in public, mental, and tuberculosis institutions.	For Federal matching purposes excludes any money payments to, or vendor medical care payments on behalf of, persons who are patients in institutions for tuberculosis or mental disease or inmates in a public institution (other than a medical institution). Payments may be made to, or on behalf of, persons in institutions (other than mental or tuberculosis institutions) on account of a diagnosis of tuberculosis or psychosis, but only for the 1st 42 days.			No change.			

MEDICAL ASSISTANCE FOR THE AGED AND OLD-AGE ASSISTANCE (TITLE I OF SOCIAL SECURITY ACT)—Continued

II. OLD-AGE ASSISTANCE—Continued

Item	Prior law	Law as amended during 1961																																								
<p>D. Special formula for Puerto Rico, Virgin Islands, and Guam (applicable to old age assistance, aid to the blind, aid to the permanently and totally disabled, and aid to dependent children).</p>	<p>Federal matching on a 50-50 basis on both money and vendor medical payments up to a maximum of \$35 a month times the number of recipients on the old-age, blind, and disabled program and a maximum of \$18 a month times the number of recipients on aid to dependent children.</p> <p>Additional matching for vendor medical expenditures is available for up to \$6 per month per recipient on old age assistance rather than the additional \$12 a month for the States and the District of Columbia.</p> <p>Total Federal payments for all 4 public assistance programs may not exceed the following amounts in each fiscal year:</p> <table data-bbox="491 1052 965 1149"> <tr> <td>Puerto Rico.....</td> <td>\$9,000,000</td> </tr> <tr> <td>Virgin Islands.....</td> <td>315,000</td> </tr> <tr> <td>Guam.....</td> <td>420,000</td> </tr> </table> <p>In each case a portion of these amounts is only available if used to provide additional medical vendor payments on behalf of assistance recipients.</p> <table data-bbox="491 1377 965 1475"> <tr> <td>Puerto Rico.....</td> <td>\$500,000</td> </tr> <tr> <td>Virgin Islands.....</td> <td>15,000</td> </tr> <tr> <td>Guam.....</td> <td>20,000</td> </tr> </table> <p>Federal payments for programs of medical assistance for the aged are excepted from dollar limitation provision.</p>	Puerto Rico.....	\$9,000,000	Virgin Islands.....	315,000	Guam.....	420,000	Puerto Rico.....	\$500,000	Virgin Islands.....	15,000	Guam.....	20,000	<p>For last 3 quarters of fiscal 1962 <i>only</i>:</p> <p>Changes matching to 50 percent of State expenditures up to \$35.50 per recipient per month on old age, blind, and disabled programs. (Public Law 87-64.)</p> <p>Increases limit on additional matching for medical vendor payments to old age recipients from \$6 to \$7.50 per recipient per month. Effective for fiscal 1962 and thereafter. (Public Law 87-31.)</p> <p>Provides increases in the limits on public assistance expenditures:</p> <table data-bbox="986 1025 1528 1232"> <thead> <tr> <th></th> <th>Fiscal 1961</th> <th>1962</th> <th>1963 and after</th> </tr> </thead> <tbody> <tr> <td>Puerto Rico.....</td> <td>\$9,075,000</td> <td>\$9,500,000</td> <td>\$9,125,000</td> </tr> <tr> <td>Virgin Islands.....</td> <td>315,000</td> <td>320,000</td> <td>318,750</td> </tr> <tr> <td>Guam.....</td> <td>420,000</td> <td>430,000</td> <td>425,000</td> </tr> </tbody> </table> <p>The portions which can only be used for medical vendor payments are also increased:</p> <table data-bbox="986 1305 1528 1512"> <thead> <tr> <th></th> <th>Fiscal 1961</th> <th>1962 and after</th> </tr> </thead> <tbody> <tr> <td>Puerto Rico.....</td> <td>\$500,000</td> <td>\$625,000</td> </tr> <tr> <td>Virgin Islands.....</td> <td>15,000</td> <td>18,750</td> </tr> <tr> <td>Guam.....</td> <td>20,000</td> <td>25,000</td> </tr> </tbody> </table> <p>(Public Laws 87-31 and 87-64.)</p>		Fiscal 1961	1962	1963 and after	Puerto Rico.....	\$9,075,000	\$9,500,000	\$9,125,000	Virgin Islands.....	315,000	320,000	318,750	Guam.....	420,000	430,000	425,000		Fiscal 1961	1962 and after	Puerto Rico.....	\$500,000	\$625,000	Virgin Islands.....	15,000	18,750	Guam.....	20,000	25,000
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AID TO THE BLIND AND AID TO THE PERMANENTLY AND TOTALLY DISABLED (TITLES X AND XIV OF THE SOCIAL SECURITY ACT)

Item	Prior law	Law as amended during 1961
<p>I. Matching formulas.....</p>	<p>The following formulas are applicable for State expenditures which include both money payments and vendor payments for medical care.</p> <p>The matching formulas for these programs are the same as the primary matching formula for old age assistance.</p> <p>[The secondary formula applicable to old age assistance (primarily medical vendor payments) does not apply to these programs.]</p> <ol style="list-style-type: none"> 1. Federal share equals the sum of "A" and "B." 2. "A" equals—80 percent of State expenditures up to \$30 per recipient per month. 3. "B" equals—the "Federal percentage" of State expenditures between \$30 and \$65 per recipient per month. <p>"Federal percentage" is determined in the same manner as for old age assistance. (See p. 41 for current "Federal percentages.")</p> <p>For matching formula and ceiling on payment to Guam Virgin Islands, and Puerto Rico see p. 45.</p>	<p>No change except:</p> <p>For the period Sept. 30, 1961, to July 1, 1962: Changes "A" to equal—80 percent of State expenditures up to \$31 per recipient per month.</p> <p>Changes "B" to equal—the "Federal percentage" of State expenditures between \$31 and \$66 per recipient, per month. (Public Law 87-64.)</p> <p>See p. 45.</p>
<p>II. Eligibility requirements:</p> <p>A. Aid to the permanently and totally disabled.</p>	<p>Needy individuals 18 years of age or older who are permanently and totally disabled. A State agency shall, in determining need, take into consideration any other income and resources of any individual claiming assistance.</p>	<p>No change.</p>
<p>B. Aid to the blind.....</p>	<p>Needy individuals who are blind. A State agency shall, in determining need, take into consideration any other income and resources of the individual claiming assistance, except that until June 30, 1962, the States may either disregard the first \$50 of earned income or the first \$85 per month of earned income plus half of monthly earnings over that amount. After June 30, 1962, the States must disregard the first \$85 per month of earned income plus half of monthly earnings over that amount.</p> <p>Temporary legislation (sec. 344(b) of the Social Security Amendments of 1950 which has been extended periodically) provides for the approval by the Secretary of certain State plans for aid to the blind which do not meet in full the requirements of the "needs" test. Expires June 30, 1964.</p>	<p>No change.</p>

AID TO THE BLIND AND AID TO THE PERMANENTLY AND TOTALLY DISABLED (TITLES X AND XIV OF THE SOCIAL SECURITY ACT)—Continued

Item	Prior law	Law as amended during 1961
<p>III. Exclusion of patients in public, mental, and tuberculosis institutions.</p>	<p>For Federal matching purposes excludes any money payments to, or medical vendor payments on behalf of, persons who are patients in institutions for tuberculosis or mental diseases, or who have been diagnosed as having tuberculosis or psychosis and are patients in medical institutions as a result thereof, or who are inmates in a public institution other than a medical institution. The institutional exclusions do not apply to the aid to dependent children program.</p>	<p>No change.</p>

AID TO DEPENDENT CHILDREN (TITLE IV OF THE SOCIAL SECURITY ACT)

Item	Prior law	Law as amended during 1961
<p>I. Temporary extension of program to families with unemployed parent:</p> <p>A. Eligibility requirements.</p> <p>B. Matching formula.</p>	<p>No provision. Program limited to needy dependent children under 18 (and parent or specified relative with whom they are living) who have been deprived of parental support or care by reason of the death, continued absence from the home, or physical or mental incapacity of a parent. (Specified relatives include grandmother, grandfather, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, 1st cousin, nephew, or niece.)</p> <p>The following formula is applicable to State expenditures which include both money payments and vendor payments for medical care.</p> <p>The Federal share equals the sum of "A" and "B."</p> <p>"A" equals—$\frac{1}{7}$ of State expenditures up to \$17 per recipient per month.</p> <p>"B" equals—the "Federal percentage" of State expenditures between \$17 and \$30 per recipient per month.</p> <p>"Federal percentage" is determined in the same manner as for old age assistance. (See p. 41 for current "Federal percentages.")</p> <p>For matching formula and ceiling on payments to Guam, Virgin Islands, and Puerto Rico see p. 45.</p>	<p>For 14-month period May 1, 1961, through June 30, 1962, adds "by reason of the unemployment of a parent (as defined by State)" as one of the alternative qualifying conditions for children who are deprived of parental support or care. (Public Law 87-31.)</p> <p>No change.</p> <p>See p. 45 for increase in ceiling.</p>

AID TO DEPENDENT CHILDREN (TITLE IV OF THE SOCIAL SECURITY ACT)—Continued

Item	Prior law	Law as amended during 1961
<p>I. Temporary extension of program—Continued</p> <p>C. State plan requirements.</p>	<p>Various requirements relating to administration by a single State agency, merit system, requirement of fair hearing, notification of law-enforcement agencies in case of deserting parents, etc.</p>	<p>Same as existing law but adds requirements that State plan (1) make assurance that assistance will not be granted if, and for as long as, the unemployed parent refuses, without good cause, to accept employment in which he is able to engage and which is offered through either a public employment office or by an employer if the offer is determined by the State agency to be a bona fide offer of such employment; (2) provide for entering into cooperative arrangements with the system of public employment offices in the State looking toward the employment of unemployed parents, including appropriate provision for periodic registration of the unemployed parent and for the maximum utilization of the job placement and other services and facilities of such offices; and (3) provide for entering into cooperative arrangements with the State vocational education agency looking toward maximum utilization of its services and facilities to encourage retaining of such unemployed parent.</p> <p>Also allows any State, at its option, to provide for the denial of all (or any part) of aid under the plan to which any child or relative might be entitled for any month, if the unemployed parent receives compensation under an unemployment compensation law of a State or of the United States for any week, any part of which is included in such month. (Public Law 87-31.)</p>
<p>II. Temporary program of Federal payments for foster home care of dependent children:</p> <p>A. Eligibility requirements.</p>	<p>No provision—program limited to children living in the home of a parent or a relative specified in I.A.</p>	<p>For period beginning May 1, 1961, and ending June 30, 1962, allows Federal payments with respect to any child otherwise not eligible who—</p> <p>(1) is removed, after Apr. 30, 1961, from home of specified relative as a result of a judicial determination that continuation therein would be contrary to his welfare;</p> <p>(2) is placed in a foster family home (approved by the State) as a result of such determination, and</p>

AID TO DEPENDENT CHILDREN (TITLE IV OF THE SOCIAL SECURITY ACT)—Continued

Item	Prior law	Law as amended during 1961
<p>II. Temporary program—Con. A. Eligibility requirements—Continued</p> <p>B. Matching formula. C. State plan requirements.</p>	<p>Same as I. B., p. 47.....</p> <p>Same as I. B., p. 47.....</p>	<p>(3) was receiving aid under the State aid-to-dependent-children program in the month when court proceedings were started, and for whose placement and care the State agency administering the program is responsible.</p> <p>No change.</p> <p>State plans with respect to this program must also—</p> <p>(1) include aid for any child meeting the above requirements, and</p> <p>(2) include provision for development of a plan for each such child (including periodic review of the necessity for the child's being in a foster family home) to assure that he receives proper care and that services are provided which are designed to improve the conditions in the home from which he was removed or to otherwise make possible his being placed in the home of a specified relative, and</p> <p>(3) provide or use by the State agency, to the maximum extent practicable, in placing such a child in a foster family home, of the services of employees of the State public welfare agency or of any local agency participating in the administration of the State's plan for child welfare services under title V of the Social Security Act.</p>
<p>III. State "suitable home" statutes</p>	<p>The Secretary of Health, Education, and Welfare is authorized to withhold Federal payments with respect to a State plan which fails to comply substantially with any provision required to be included in the plan.</p> <p>The Department of Health, Education, and Welfare in January 1961 advised the State agencies administering aid to dependent children programs that after June 30, 1961, grants to States would not be available if the State terminated assistance to children in homes determined to be unsuitable unless the State made other provision for the children affected.</p>	<p>Extends beyond June 30, 1961, the grace period for States with "unsuitable homes" statutes for compliance with the Department's ruling. For each State the period is extended to Sept. 1, 1962. During this period any action taken pursuant to a State statute which requires that aid be denied to a child because of conditions in the home where he resides, would not be a basis for withholding Federal payments to the State. (Public Law 87-31.)</p>

**ASSISTANCE FOR AMERICAN CITIZENS RETURNED FROM FOREIGN COUNTRIES
(TITLE XI OF THE SOCIAL SECURITY ACT)**

Item	Prior law	Law as amended during 1961
I. General.....	No provision.....	<p>Authorizes until June 30, 1962, a Federal program of "temporary assistance" to certain U.S. citizens who have returned from foreign countries and are without available resources. U.S. citizens and their dependents would be eligible if—</p> <p>(1) Such individuals are identified by the Department of State as having returned, or been brought, from a foreign country to the United States;</p> <p>(2) The cause of such return is any of the following—</p> <p>(a) The destitution of the U.S. citizen,</p> <p>(b) The illness of the U.S. citizen,</p> <p>(c) The illness of any of his dependents,</p> <p>or</p> <p>(d) War, threat of war, invasion, or similar crisis; and</p> <p>(3) Such individuals are without available resources.</p>
II. Eligibility.....	No provision.....	
III. Scope of assistance.....	No provision.....	<p>The Secretary of Health, Education, and Welfare is authorized to make plans for the carrying out of the program, but he is required to make such plans after consultation with the Secretaries of State and Defense, and the Attorney General. (Public Law 87-64.)</p>
IV. Plans and arrangements.....	No provision.....	

**TRAINING GRANTS FOR PUBLIC WELFARE PERSONNEL (TITLE VII OF THE
SOCIAL SECURITY ACT)**

Item	Prior law	Law as amended during 1961
I. Purpose of authorization..	To assist the administration of public assistance programs by increasing the number of trained public welfare personnel. Funds may be used for (1) grants to public or other nonprofit institutions of higher learning for training personnel employed or preparing for employment in public assistance programs, (2) special courses of study or seminars of short duration conducted for such personnel, and (3) establishing and maintaining, directly or through grants to such institutions, fellowships, or traineeships for such personnel. Allotments to States based on population, need for personnel, and financial need.	No change.
II. Duration of authorization.	Authorizes the appropriation of whatever sum Congress determines through fiscal 1962.	Extends authorization through fiscal 1963.
III. Federal matching share---	80 percent for all States-----	100 percent for all States, effective for fiscal 1962 and thereafter. (Public Law 87-31.)

TEMPORARY EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1961 (PUBLIC LAW 87-6)

Item	Prior law	Law as amended during 1961
<p>I. Benefits.....</p>	<p>No provisions.....</p>	<p>Provides additional unemployment compensation payments to workers who remain out of work after they have exhausted their benefits under State and Federal unemployment compensation laws. Applies to workers who have exhausted their benefits between June 30, 1960, and Apr. 1, 1962, but those who establish their entitlement by Apr. 1, 1962, may continue to draw benefits for weeks they are unemployed up to July 1, 1962.</p> <p>A worker is granted extended unemployment compensation equal in amount to his benefits for half the number of weeks of his basic entitlement, within certain limits. These limits are that no worker may receive extended benefits for more than (1) 18 weeks, or (2) if he has received more than 26 weeks of basic benefits, his combined (basic and extended) benefits may not exceed 39 weeks. In those States where benefits are paid for over 26 weeks the State is reimbursed for payments to a worker in excess of 26 weeks and the worker is granted extended benefits within the combined limit of 39 weeks.</p> <p>There is also a limitation on amount of benefits which provides for a reduction in extended unemployment benefits of a worker equal to any amount he is being paid under a pension or retirement annuity contributed to by a base period employer of the worker. This means that a reduction is made if both types of payments (retirement and unemployment) arise by reason of service for the same employer. The reduction does not apply where the payment is made by reason of disability or in the case of old-age and survivors insurance benefits under title II of the Social Security Act.</p>
<p>II. Temporary increase in Federal unemployment tax rate.</p>	<p>The regular Federal unemployment tax rate is 3.1 percent on the first \$3,000 of an employee's covered wages, of which 2.7 percent of taxable payrolls may be offset by taxes paid under State unemployment compensation law or tax credits allowed under State law through experience rating. This leaves a net Federal tax of 0.4 percent of taxable payroll.</p>	<p>Benefits are financed by a temporary increase of 0.4 percent in the Federal unemployment tax (3.1 to 3.5) paid by employers on wages paid during 1962 and 1963, in effect increasing the net Federal tax to 0.8 percent of payroll during these 2 years. (Public Law 87-6.)</p>