

[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; MATERNAL AND CHILD WELFARE
SERVICES; AND UNEMPLOYMENT
COMPENSATION**

**SHOWING CHANGES MADE BY THE SOCIAL
SECURITY AMENDMENTS OF 1960 (P.L. 86-778)**

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(II)

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OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE

I. COVERAGE

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
A. Self-employed.....	<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.	
1. Professional groups....	<i>Covers</i> all professional groups except physicians.	No change.
2. Ministers.....	<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. Allows election of coverage for present ministers by filing of certificate generally until Apr. 15, 1959.	No change except— Extends the period of time generally through Apr. 15, 1962, within which present ministers may elect coverage. Permits the validation of coverage of certain clergymen who filed tax returns reporting self-employment earnings from the ministry for certain years after 1954 and before 1960 even though, through error, they had not filed waiver certificates effective for those years. Waiver certificate must be filed and taxes for these years must be paid by Apr. 15, 1962. Permits ministers who elected coverage beginning with 1957 to obtain coverage for 1956 by filing supplemental certificates (and paying taxes) on or before Apr. 15, 1962.

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
A. Self-employed—Continued		
3. Farm operators.....	<p><i>Covers</i> 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 66⅔ percent of their gross earnings.</p> <p>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.</p> <p>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.</p>	No change.
4. Public officials.....	<p><i>Excludes</i> individuals performing functions of public officials.</p>	No change.
5. Newspaper vendors..	<p><i>Covers</i> individuals over 18 who buy newspapers and magazines at one price and sell them at another regardless of whether they are guaranteed minimum compensation or may return unsold papers and magazines.</p>	No change.
B. Employees.....		
1. Agricultural workers.	<p><i>Covers</i> employees including certain agent or commission drivers, life insurance salesmen, homeworkers, traveling salesmen, and officers of corporations regardless of the common-law definition of employee.</p> <p><i>Covers</i> agricultural workers who either (1) are paid \$150 or more in cash wages in a calendar year by an employer or (2) perform agricultural labor for an employer on 20 days or more during the calendar year for cash wages computed on a time basis. 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.</p> <p><i>And excludes:</i></p> <ul style="list-style-type: none"> a. Mexican contract workers. 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. 	No change.

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>B. Employees—Continued</p>		
<p>2. Domestic workers...</p>	<p><i>Covers persons</i> performing domestic service in private nonfarm homes if they receive \$50 or more during a calendar quarter from 1 employer. Noncash remuneration is excluded.</p>	<p>No change.</p>
<p>3. Casual labor.....</p>	<p><i>Excludes</i> students performing domestic service in clubs or fraternities if enrolled and regularly attending classes at a school, college or university.</p>	<p>No change.</p>
<p>4. State and local government employees.</p>	<p><i>Covers</i> cash remuneration for service not in the course of the employer's trade or business if the remuneration is \$50 or more from 1 employer during a calendar quarter.</p> <p><i>Covers</i> employees of State and local governments <i>provided</i> the individual State enters into an agreement with the Federal Government to provide such coverage, with the following special provisions:</p> <p>a. <i>States have the option</i> of covering or excluding employees in any class of elective position, part-time position, fee-basis position, or performing emergency services.</p> <p>b. <i>Excludes</i> the services of the following persons, specifying that they cannot be included in a State agreement and cannot, therefore, be covered:</p> <p>(1) employees on work relief projects;</p> <p>(2) patients and inmates of institutions who are employed by such institutions;</p> <p>(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, <i>except</i> that agricultural and student services in this category may be covered at the option of the State.</p> <p>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 must personally 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.</p>	<p>No change.</p> <p>Allows Nebraska to exclude prospectively certain justices of the peace and certain constables, compensated on fee basis who were previously covered by the State agreement.</p> <p>No change.</p>
		<p>No change except—</p>
		<p>Permits the Governor of a State to delegate to a designated State official the making of the certifications required under the referendum procedure.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted) ¹
<p>B. Employees—Continued</p> <p>4. State and local government employees—Con.</p>	<p>Employees of any institution of higher learning (including a junior college or a teachers' college) under a retirement system can, if the State so desires, be covered as a separate coverage group, and 1 or more political subdivisions may be considered as a separate coverage group even though its employees are under a statewide retirement system.</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 provision.</i>—Authorizes California, Connecticut, Florida, Georgia, Hawaii, Massachusetts, Minnesota, New York, North Dakota, Pennsylvania, Rhode Island, Tennessee, 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 authorizes similar treatment of political subdivision retirement systems of these States.</p>	<p>Allows employees of a municipal or county hospital to be treated as a separate coverage group if the State so desires.</p> <p>Permits California to cover, before 1962, persons employed by a hospital in 1957, 1958, or 1959 in positions removed, after Sept. 1, 1954 and before 1960, from retirement system coverage for whom social security taxes were erroneously paid. Hospital employment before 1960 on which taxes were paid and all subsequent hospital employment could be covered.</p> <p>Adds Texas to the list.</p> <p>Also provides that where an individual who has chosen not to be covered under the divided retirement system provision 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>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>B. Employees—Continued 4. State and local government employees—Con.</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, 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>(4) <i>Nonprofessional school employees and teachers (1958 amendments).</i>—Allows State of Maine until July 1, 1960, to treat the positions of teachers (and other related positions) and the positions of other members of the same retirement system as separate systems for coverage purposes.</p> <p>d. Coverage on a compulsory basis is provided for employees of certain publicly owned transportation systems.</p>	<p>Adds Virginia to the list.</p> <p>No change.</p> <p>Extends cutoff date to July 1, 1961. <i>Validation of coverage.</i>—Validates the coverage of certain teachers and school administrative personnel who, for the period Mar. 1, 1951, to Oct. 1, 1959, were reported under the Mississippi coverage agreement as State employees, rather than as employees of the various school districts in Mississippi.</p> <p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>B. Employees—Continued 5. Employees of nonprofit organizations—Con.</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 and $\frac{2}{3}$ of the employees in each group must concur in the filing of its certificate. 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>Eliminates requirement that $\frac{2}{3}$ of the employees in the group concur in filing a certificate. Effective date: Certificates filed after Sept. 13, 1960.</p>
<p>6. Federal employees.</p>	<p><i>Excludes</i> employees of the United States or its instrumentalities if—</p> <ol style="list-style-type: none"> a. they are covered by a retirement system established by Federal law; or b. they perform services— <ol style="list-style-type: none"> (1) as the President, Vice President, or a Member of Congress; (2) in the legislative branch; (3) in a penal institution as an inmate; (4) as certain internes, student nurses, and other student employees of Federal hospitals; 	<p>Validates coverage based on wages for services performed after 1950 and before July 1, 1960, by certain employees of nonprofit organizations where the organization has been reporting and paying taxes but did not comply with certain provisions of the law: i.e., failed to file a certificate, filed it too late to cover employees who had left, or failed to obtain the signatures of employees who wished coverage. Effective date: No benefits payable or increased for September 1960 or prior month; no lump sum death payment payable or increased if individual died prior to Sept. 13, 1960.</p> <p>Validates upon request before Apr. 16, 1962, coverage based on earnings erroneously reported as self-employment income for taxable years ending after 1954 and before 1962 by certain lay missionaries (and others). Effective date: No benefits payable or increased for September 1960 or prior month; no lump sum death payment payable or increased if individual died prior to Sept. 13, 1960.</p> <p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>B. Employees—Continued 6. Federal employees—Continued</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);</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, internes, and nurses in schools and hospitals.</p>	<p><i>Excludes:</i></p> <p>a. students in the employ of a school, college, or university if enrolled and regularly attending classes;</p> <p>b. student nurses employed by a hospital or nurses training school if enrolled and regularly attending classes;</p> <p>c. internes in the employ of a hospital if they have completed a 4-year course in an approved medical school. (Students may be covered as employees of State or local governments at option of the State under State agreements. See 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 <i>under</i> 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 by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>B. Employees—Continued</p> <p>9. Members of the Armed Forces.</p>	<p>Covers 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>No change.</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 by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>B. Employees—Continued</p> <p>11. Family employment.</p> <p>12. Employees of Communist organizations.</p>	<p><i>Excludes</i> persons in the employ of a son, daughter, or spouse; or child under 21, if in the employ of a parent.</p> <p><i>Excludes</i> 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.</p>	<p>Covers parents in the employ of a son or daughter, but not if it is domestic service performed in the home of the son or daughter or other work not in the course of the son's or daughter's trade or business.</p> <p>Effective as to services after 1960.</p> <p>No change.</p>
<p>C. Geographical scope-----</p>	<p><i>Covers</i> the 50 States, Puerto Rico, and the Virgin Islands, and the District of Columbia.</p> <p><i>Excludes</i> the following from coverage within the United States:</p> <p style="margin-left: 2em;">a. Nonresident aliens engaged in self-employment.</p> <p style="margin-left: 2em;">b. Employees of foreign governments and their instrumentalities.</p> <p style="margin-left: 2em;">c. Employees of international organizations entitled to certain privileges under the International Organizations Immunities Act.</p>	<p>Extends coverage to Guam and American Samoa.</p> <p>Effective for employees, except governmental employees, on Jan. 1, 1961, and for self-employed for taxable years beginning after 1960.</p> <p>Coverage of employees of the governments of Guam and American Samoa—including members of the legislature, their political subdivisions, and their wholly owned instrumentalities—would be on a mandatory basis rather than under the State-Federal agreement method.</p> <p>Coverage will not be extended to governmental employees until the Secretary of the Treasury receives a certification from the governors of these territories that their Governments desire such coverage. In no event can this coverage start before 1961.</p> <p>Filipino workers who come to Guam under contract to work temporarily will be excluded from coverage.</p> <p>The Secretary of the Treasury would have the tax-collecting authority, and would be authorized to delegate this function.</p> <p>No change.</p> <p style="margin-left: 2em;">b. Covers U.S. citizens so employed within the United States on a self-employment basis. Effective as to taxable years ending on or after Dec. 31, 1960; for retirement test purposes effective for taxable years beginning after date of enactment.</p> <p style="margin-left: 2em;">c. Covers as in b. (above).</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

I. COVERAGE—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
C. Geographical scope—Con.	<p>d. Employees on foreign registered aircraft or ships who also perform services while the plane or ship is outside of the United States, if the employee is not a citizen of the United States or the employer is not an American employer.</p> <p><i>Coverage outside of the United States is limited to:</i></p> <p>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.</p> <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>	<p>No change.</p> <p>No change.</p>

II. PROVISIONS RELATING TO DISABILITY

A. Nature of the Provisions		
1. Benefits-----	Provides an insurance benefit for disabled workers between ages of 50 and 65 meeting eligibility requirements. Benefits are computed in the same way as retirement benefits and are payable from the Federal disability insurance trust fund.	Eliminates the requirement that an individual must have attained age 50 in order to be eligible for benefits. Effective date: Benefits payable for November 1960 and subsequent months.
2. Disability "freeze"--	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. (See also provisions relating to disabled child's benefits, pp. 17 and 23.)	No change.

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

II. PROVISIONS RELATING TO DISABILITY—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
B. Eligibility requirements		
1. Definition-----	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.	No change.
2. Waiting period-----	A 6 months' "waiting period" is required before disability insurance benefits will be paid. Benefits payable for 7th month.	Eliminates requirement of a second 6 months' waiting period by providing for payment of benefits beginning with 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. Effective date: Benefits payable for September 1960 and subsequent months.
3. Insured status work requirement.	To be eligible an individual must— (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.	Provides alternative insured status requirement for individuals who have— (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. Effective date: Benefits payable for October 1960 and subsequent months.
C. Disability determinations--	In administering the disability provisions— 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.	No change.

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

II. PROVISIONS RELATING TO DISABILITY—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
D. Administrative expenses----	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 benefit purposes.	No change.
E. Rehabilitation-----	<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>A disabled person who is receiving rehabilitation services from a State vocational rehabilitation agency and returns to work shall not, for at least 1 year after his work first started, be regarded as able to engage in substantial gainful activity solely by reason of such work.</p>	<p>No change except—</p> <p>Broadens present provision to allow, in effect, a 12-month trial work period for <i>all</i> 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>Effective date: October 1960.</p>
F. Suspension of benefits based on disability.	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.	No change.

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>A. Workers and their dependents:</p> <p>1. Worker—old age.....</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 5/9th 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. The appropriate reduction factor would be applied to each benefit separately, and the reduced benefits would be adjusted against each other so that, in effect, the larger of the 2 benefits would be paid. In the case where a woman is entitled to a reduced old age insurance benefit and subsequently becomes entitled to a wife's benefit, the latter benefit would be reduced to take into account the fact that benefits were already drawn at an earlier age.</p> <p>No reduction in benefits for dependents and survivors of women workers who elect reduced benefits.</p>	<p>No change.</p>
<p>2. Wife.....</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 25/100 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>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>A. Workers and their dependents—Continued</p> <p>2. Wife—Continued</p>	<p>A woman who is entitled to a wife's benefit prior to 65 and is eligible for an old-age insurance benefit at the same time will be deemed to have filed application for both benefits. The appropriate reduction factor would be applied to each benefit separately, and the reduced benefits would be adjusted against each other so that, in effect, the larger of the 2 benefits would be paid. In the case where a woman is entitled to a reduced wife's benefit and subsequently becomes entitled to her own old-age insurance benefit, the latter benefit would be reduced to take into account the fact that benefits were already drawn at an earlier age.</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><i>Definition of wife...</i></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 3 years 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>Duration of marriage requirement reduced from 3 years to 1 year.</p> <p>Provides that certain invalid marriages to insured workers will not result in ineligibility. The woman must have gone through the marriage ceremony with worker in the belief it would create a valid marriage, the marriage would have been valid if there had been no impediment, and the couple must have been living together at time of application. An impediment is an obstacle resulting from a previous marriage—its dissolution or lack of dissolution—or one which results from a defect in the procedure followed in connection with the purported marriage.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>A. Workers and their dependents—Continued 3. Dependent husband.</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> <ul style="list-style-type: none"> a. has reached age 65; 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>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> <ul style="list-style-type: none"> 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 dependent husband of the worker. <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>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>A. Workers and their dependents—Continued</p> <p>3. Dependent husband—Continued</p> <p><i>Definition of husband.</i></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 3 years 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 widow's, parent's, or disabled child's benefit.</p>	<p>Duration of marriage requirement reduced from 3 years to 1 year.</p> <p>Provides that benefits are payable to a person as the husband of the worker if the person had gone through a marriage ceremony in good faith in the belief that it was valid, if the marriage would have been valid had there been no impediment, and if the couple had been living together at the time an application for benefits is filed. An impediment is an obstacle resulting from a previous marriage—its dissolution or lack of dissolution—or resulting from a defect in the procedure followed in connection with the purported marriage.</p>
<p>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 p. 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>Benefits are payable only if worker died after 1939.</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), attains the age of 18 unless disabled, and, if over 18 and disabled, the disability ceases. 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>Provides benefits for children of workers who had at least 6 quarters of coverage and who died before 1940.</p> <p>A disabled child's benefit will be paid until the 3d month after his disability ends.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>A. Workers and their dependents—Continued</p> <p>4. Child—Continued</p> <p><i>Definition of child...</i></p> <p><i>Definition of dependency on father, adopting father, stepfather, mother, adopting mother, and stepmother.</i></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>The term "child" includes a stepchild who has been such for at least 3 years immediately preceding the day on which the application for child benefits is filed (if a stepchild of the worker is later adopted by the worker, the child is considered to be an adopted child during the period the stepchild relationship existed).</p> <p>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—</p> <p>a. has been adopted by some other individual, or</p> <p>b. is living with and receiving more than ½ of his support from his stepfather.</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 ½ his support from his stepfather.</p>	<p>Reduces from 3 years to 1 year the length of time a stepchild has to be in that relationship prior to application for benefits.</p> <p>Also includes as a child or stepchild a child whose parent entered into a ceremonial marriage with the wage earner which, but for an impediment, would have been valid.</p> <p>Deletes (b) so that child may receive benefits based on earnings of his father even though he was living with and receiving more than ½ of his support from his stepfather.</p> <p>No change.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>A. Workers and their dependents—Continued</p> <p>4. Child—Continued</p> <p><i>Definition of dependency—Con.</i></p> <p><i>When dependency determined.</i></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 ½ 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>No change.</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>B. Survivors of deceased workers:</p> <p>1. Surviving widow----</p>	<p>Widow's insurance benefits are payable, upon filing application (no application required if widow was receiving a mother's insurance benefit when she becomes eligible for widow's benefit) at age 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>Benefits are payable only if worker died after 1939.</p>	<p>Provides benefits for widows of worker who had at least 6 quarters of coverage and who died before 1940.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>B. Survivors of deceased workers—Continued</p> <p>1. Surviving widow—Continued</p> <p><i>Widow defined</i></p> <p>2. Surviving widow with children (mother's benefit).</p>	<p><i>Termination of benefits:</i></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>The term "widow" means the surviving wife of a deceased worker, but only if she meets one of the following conditions:</p> <ol style="list-style-type: none"> a. was married to him for not less than 1 year immediately prior to the day on which he died; or b. is the mother of his son or daughter; or c. legally adopted his son or daughter while married to him and while such son or daughter was under age 18; or d. was married to him at the time both of them legally adopted a child under the age of 18; or 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 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><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> <ol style="list-style-type: none"> a. has in her care a child of the deceased worker entitled to child insurance benefits; b. has not remarried; 	<p>Provides that benefits are payable to a person as the widow of the worker if the person had gone through a marriage ceremony in good faith in the belief that it was valid, if the marriage would have been valid had there been no impediment, and if the couple had been living together at the time of the worker's death. An impediment is an obstacle resulting from a previous marriage—its dissolution or lack of dissolution—or resulting from a defect in the procedure followed in connection with the purported marriage.</p>

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
B. Survivors of deceased workers—Continued		
2. Surviving widow with children (mother's benefit)—Continued	<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>Benefits are payable only if worker died after 1939.</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>Provides benefits for widows of workers who had at least 6 quarters of coverage and who died before 1940.</p>
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</i> or <i>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>	

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>B. Survivors of deceased workers—Continued</p> <p>3. Surviving former wife divorced (mother's benefit)—Continued</p>	<p>b. was receiving from the deceased worker (pursuant to agreement or court order) at least ½ 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. Effective for September 1958 upon application filed after Aug. 27, 1958.</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>Benefits are payable to a former wife divorced only if worker died fully or currently insured after 1939. (Benefits to other classes of dependents payable in cases where death occurred before September 1950 if the worker had at least 6 quarters of coverage.)</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>Benefits are payable to a former wife divorced if worker died before September 1950 and had at least 6 quarters of coverage even though he was not insured under the law in effect at the time he died.</p>

OLD AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>B. Survivors of deceased workers—Continued</p> <p>3. Surviving former wife divorced (mother's benefit)—Continued <i>Former wife divorced defined.</i></p> <p>4 Surviving child.....</p>	<p>The term "former wife divorced" means a woman divorced from a deceased worker, but only if she meets 1 of the following conditions:</p> <ul style="list-style-type: none"> a. is the mother of his son or daughter; b. legally adopted his son or daughter while married to him and while such son or daughter was under age 18; or c. was married to him at the time both of them legally adopted a child under the age of 18; or 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><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> <ul style="list-style-type: none"> 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 p. 12) which began before the child attained the age of 18; b. was dependent (as defined below) upon the deceased worker at the time of his death. <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>Benefits are payable only if worker died after 1939.</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, and, if disabled, the disability ceases.</p>	<p>Provides benefits for children of worker who had at least 6 quarters of coverage and who died before 1940.</p>

OLD AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>B. Survivors of deceased workers—Continued</p> <p>4. Surviving child—Continued</p> <p><i>Definition of child...</i></p> <p><i>Definition of dependency on father, adopting father, stepfather, mother, adopting mother, and stepmother.</i></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 the case he was entitled to a disability benefit, he becomes entitled to an old-age insurance benefit.</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 of the worker's death.</p> <p>A child is considered dependent upon the father if the father at the time of his death was living with or contributing to the support of the child. However, even if the father at the time of his death was not living with the child or contributing to his support, the child, if legitimate, is considered dependent upon the father unless the child—</p> <ol style="list-style-type: none"> a. had been adopted by some other individual; or b. was living with and receiving more than ½ of his support from his stepfather. 	<p>Also includes as child or stepchild a child whose parent entered into a ceremonial marriage with the wage earner which, but for an impediment, would have been valid.</p> <p>Deletes (b) so that child may receive benefits based on earnings of his father even though he was living with and receiving more than ½ of his support from his stepfather at his father's death. Effective for September 1960.</p>

OLD AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>B. Survivors of deceased workers—Continued</p> <p>5. Surviving dependent widower—Continued</p> <p><i>Widower defined</i></p>	<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 at 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. Effective for September 1958 upon application after Aug. 27, 1958.</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>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 1 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 	<p>Provides that benefits are payable to a person as the widower of the worker if the person had gone through a marriage ceremony in good faith in the belief that it was valid, if the marriage would have been valid had there been no impediment, and if the couple had been living together at the time of the</p>

OLD AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

III. BENEFIT CATEGORIES—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>B. Survivors of deceased workers—Continued</p> <p>5. Surviving dependent widower—Con. <i>Widower defined—Continued</i></p> <p>6. Surviving dependent parent.</p>	<p>d. was married to her at the time both of them legally adopted a child under the age of 18; or</p> <p>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</p> <p>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> <p><i>Parent's insurance benefits</i> are payable, upon filing application, to the parent or parents (as defined below) of a worker who died after 1939 who was fully insured at the time of death and the parent—</p> <p>a. has reached age 65, if the father, and 62 if the mother;</p> <p>b. has not remarried after the death of the worker;</p> <p>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> <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> <p>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> <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>worker's death. An impediment is an obstacle resulting from a previous marriage—its dissolution or lack of dissolution—or resulting from a defect in the procedure followed in connection with the purported marriage.</p> <p>Eliminates death after 1939 requirement. Workers dying before 1940 must have had at least 6 quarters of coverage. Effective for October 1960 and subsequent months.</p>

OLD AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

IV. BENEFIT AMOUNTS

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>A. Average monthly wage-----</p> <p><i>Special provisions—new start.</i></p>	<p>In general, an individual's average monthly wage for computing his monthly old-age insurance benefit amount is determined by dividing the total of his creditable earnings after the applicable starting date and up to the applicable closing date, by the number of months involved. 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). Also excluded from the computation are all months in any year prior to the year the individual attained age 22 if less than 2 quarters of such year were quarters of coverage. Starting dates may be last day of (1) 1936, or (2) 1950, or, if later, the year of attainment of age 21.</p> <p>The closing date may be either (1) the 1st day of the year the individual died or became entitled to benefits (2) the 1st day of the following year or (3) the 1st day of the year in which he was fully insured and attained retirement age, whichever results in a higher benefit.</p> <p>Applicable starting and closing dates are those which yield the highest benefit amount. The minimum divisor is 18 months.</p> <p>Individuals can "drop out" up to 5 years of lowest or no earnings in computing average monthly wage.</p> <p>Intended primarily for persons first covered in 1955: An individual who became entitled to old-age insurance benefits or died in 1956, and had at least 6 quarters of coverage after 1954, can have starting date of Dec. 31, 1954, and closing date of July 1, 1956, if that will yield a larger benefit amount.</p> <p>Intended primarily for persons first covered in 1956: Individual who becomes entitled or dies in 1957, and has at least 6 quarters of coverage after 1955, can have a starting date of Dec. 31, 1955, and closing date of July 1, 1957, if that will yield a larger benefit amount.</p>	<p>Provides for computation of the average monthly wage, in retirement cases, 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 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 dropout (in prior law) of the 5 years during which the individual's earnings were the lowest.</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>Effective, in general, on Jan. 1, 1961.</p>

OLD AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

IV. BENEFIT AMOUNTS—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<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) Other recomputations: Provides several recomputations of limited application.</p>	<p>The following 4 recomputations, which have virtually served their purpose and are obsolete, have been eliminated:</p> <p>(a) to include 1952 self-employment income of people who died or retired in 1952;</p> <p>(b) to give effect to the 1950 provisions (largely superseded in 1954) to raise benefits on account of substantial earnings after entitlement;</p> <p>(c) to include earnings in the 6 months just prior to application for benefits (obsoleted by 1954 provision to put benefit computations on an annual basis);</p> <p>(d) to include for people then already on the rolls wage credits for post-World War II military service (first provided in 1952).</p>

OLD AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

IV. BENEFIT AMOUNTS—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
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 first \$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.	No change.
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 \$53 or 1½ times the primary amount.</p>	No change but a technical flaw in 1958 amendments was eliminated which permitted the family of an insured worker who had a period of disability which began before 1959, to receive a benefit in excess of the family maximum that would otherwise be applicable to the case. Applies only to families qualifying in future.
<p>F. Dependents' and survivors' benefits.</p> <p>1. Wife or husband of insured worker.</p> <p>2. Child of insured worker.</p> <p>3. Widow, widower, former wife divorced, or parent of deceased insured worker.</p> <p>4. Child of deceased insured worker.</p>	<p>(Subject to maximum limitations on total family benefits.)</p> <p>½ of primary insurance amount.</p> <p>½ of primary insurance amount.</p> <p>¾ of primary insurance amount except minimum benefit is \$33 if individual is sole beneficiary entitled.</p> <p>If only 1 child is entitled to benefits, benefit amount is ¾ of primary insurance amount, except minimum is \$33 if the child is the sole beneficiary entitled. If more than 1 child is entitled, each child gets ½ of primary insurance amount plus an additional ¼ of the primary insurance amount divided equally among all the children, but subject to the family maximum provisions.</p>	<p>Provides that the benefits of all surviving children shall equal ¾ of the deceased workers' primary insurance amount, but subject to the family maximum provisions. Effective December 1960.</p>
5. Lump-sum death payment.	3 times the primary insurance amount with a statutory maximum of \$255.	No change.

OLD AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

VI. INSURED STATUS

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)	
A. Fully insured.....	To be fully insured an individual who was living on Sept. 1, 1950, must have either: (1) 40 quarters of coverage, or (2) 1 quarter of coverage (acquired at any time after 1936) for every 2 calendar quarters elapsing after 1950 (or after quarter in which age 21 was attained, if later) and before quarter of death or attainment of retirement age, whichever first occurs, but such individual must have at least 6 quarters of coverage.	Liberalize alternative requirement so that an individual will need 1 quarter of coverage (acquired at any time after 1936) for every 3 calendar quarters elapsing after 1950, or after the calendar year in which he attained the age of 21 (if that was later) and up to the beginning of the calendar year in which he attained retirement age or died, whichever occurred first, but such individual must have at least 6 quarters of coverage.	
<i>Number of quarters of coverage required for fully insured status under prior law and under Social Security Amendments of 1960</i>			
Year of death, disability, or attainment of retirement age		Required quarters	
		Prior law ¹	1960 amendments
1953 and earlier.....		6	6
1954.....		6- 7	6
1955.....		8- 9	6
1956.....		10-11	6
1957.....		12-13	8
1958.....		14-15	9
1959.....		16-17	10
1960.....		18-19	12
1961.....		20-21	13
1966.....		30-31	20
1971.....		40	26
1976.....		40	33
1981 and after.....		40	40
<p>¹ This column represents the requirement under the basic insured status formula in prior law; for those individuals who meet the "special (continuous coverage) insured status" test, established by the Social Security Amendments of 1954, the requirement would be somewhat less for persons dying or reaching retirement age before October 1960.</p>			

OLD AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

VI. INSURED STATUS—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>A. Fully insured—Continued <i>Deemed "fully insured"-----</i></p> <p><i>Special provision primarily for persons newly covered in 1955 and 1956.</i></p>	<p>Persons who died before September 1, 1950, and after 1939 with at least 6 quarters of coverage, while not fully insured under usual rule, are "deemed" to be fully insured for purposes of survivors' benefits (other than for benefits for former wife divorced).</p> <p>Fully insured if all but 4 (but not less than 6) of the quarters after 1954 and prior to the later of (1) July 1, 1957, or (2) the quarter of death or attainment of retirement age (whichever first occurs) are quarters 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>Removes theoretical distinction between being fully insured and being "deemed" to be fully insured. Practical effect is that the exclusion of the former wife divorced from benefits on the basis of 6 quarters of coverage is removed. (See pp. 21-22.)</p> <p>Effective date: October 1960 on basis of applications filed in or after that month; effective for lump-sum death payments based on deaths occurring after September 1960.</p> <p>No change.</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>
<p>C. Quarter of coverage defined.</p>	<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 a person was paid wages of \$3,000 or more in a calendar year before 1951 (maximum creditable wages in those years), each quarter following the 1st quarter in which he earned \$50 or more is a quarter of coverage. If an individual earns maximum creditable wages in a year after 1950, he is credited with 4 quarters of coverage:</p> <p style="padding-left: 40px;">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>	<p>Changes manner of crediting wages in maximum earnings situation for pre-1951 years to that of post-1950 years. An individual, thus, will get 4 quarters of coverage for any year before 1951 in which he has \$3,000 in wages. Effective date: generally September 1960.</p>

OLD AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

VII. RETIREMENT TEST

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
A. Scope-----	Applies to covered as well as noncovered work.	No change.
B. Test of earnings-----	<p>Annual test of earnings under which 1 month's benefit is withheld from the beneficiary under age 72 (and from any dependent drawing on his record) for each unit of \$80 (or fraction thereof) by which annual earnings from covered or noncovered employment and self-employment exceed \$1,200.</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>	<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. Effective with respect to taxable years beginning after December 1960.</p> <p>No change.</p>
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."</p>	<p>No change.</p> <p>Eliminates imposition of penalty on spouse (drawing disabled child's or mother's benefit) of old-age beneficiary who fails to report work. This is only dependent's benefits where penalty was imposed.</p>
D. Age exemption-----	Benefits are not suspended because of work or earnings if beneficiary is age 72 or over.	No change.

VIII. FINANCING

A. Administration of the trust funds.	<p>The Federal old-age and survivors insurance trust fund receives all tax contributions, other than those allocated for the disability 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 $\frac{3}{8}$ 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>	No change.
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OLD AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

VIII. FINANCING—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<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 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 rate of all marketable interest-bearing obligations not due or callable until after the expiration of 5 years from the date of original issue. This interest rate, if not a multiple of $\frac{1}{8}$ of 1 percent, is rounded to the nearest multiple of $\frac{1}{8}$ of 1 percent.</p> <p>The special obligations shall be issued for purchase by the trust funds only if the managing trustee determines that the purchase in the market of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, is not in the public interest.</p>	<p>No change.</p> <p>Changes interest provision so that obligations purchased in the future shall 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.</p> <p>Reverses the provision so that the managing trustee is authorized to make purchases in the open market only when he deems it is within the public interest.</p> <p>Effective date: October 1, 1960.</p>
<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> <p>(1) Hold the trust funds;</p> <p>(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;</p>	<p>No change.</p>

OLD AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

VIII. FINANCING—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>C. Review of status of the trust funds—Continued</p> <p>1. Board of Trustees—Continued</p>	<p>(3) report immediately to the Congress whenever it is their opinion that during the ensuing 5 fiscal years either of the trust funds will exceed 3 times the highest annual expenditures anticipated during the next 5 years, or whenever in their opinion either of the trust funds is unduly small.</p> <p>(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.</p>	<p>Changes requirement so that the Board has to report immediately only if it believes that the amount of either trust fund is unduly small.</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>Other advisory councils with the same functions and constituted in the same manner will be appointed by the Secretary not earlier than 3 years nor later than 2 years prior to Jan. 1 of the years in which the tax rates are scheduled to be increased. These advisory councils will report to the Board on Jan. 1 of the year before the tax increase will occur and the Board will report to Congress not later than Mar. 1 of the same year.</p>	<p>Adds requirements that the Board 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. The Board is also required to meet at least once each 6 months. Effective date: Oct. 1, 1960.</p> <p>Changes appointment and report dates of advisory councils. They will be appointed 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.</p>

OLD AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

VIII. FINANCING—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
D. Maximum taxable amount.	\$4,800 a year-----	No change.
E. Tax rate for self-employed.	Taxable years beginning after:	No change.
	Percent	
	1958----- 3¾	
	1959----- 4½	
	1962----- 5¼	
	1965----- 6	
	1968----- 6¾	
F. Tax rate for employees and employers.	Calendar years:	No change.
	1959----- 2½	
	1960-62----- 3	
	1963-65----- 3½	
	1966-68----- 4	
	1969 and after----- 4½	

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.
B. Suspension of benefits for certain aliens outside the United States.	<p>Suspends the payments to any individual not a citizen or national of the United States who first becomes eligible for benefits after December 1956 if such an individual remains out of the country for 6 consecutive months. The payments would be resumed if he returns and remains in this country. However, payment of benefits to such an individual would <i>not</i> be suspended if—</p> <ol style="list-style-type: none"> 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 2. the individual upon whose earnings the benefit is based has 40 quarters of coverage (10 years); or 3. the individual upon whose earnings the benefit is based has resided in the United States for 10 years; or 4. he is serving outside the country in the Armed Forces of the United States; or 5. the application of the provision would violate a treaty obligation of the United States. 	No change.

OLD AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

IX. MISCELLANEOUS—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>B. Suspension of benefits for certain aliens—Continued</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>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>

OLD AGE, SURVIVORS, AND DISABILITY INSURANCE—Continued

IX. MISCELLANEOUS—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
D. Criminal offenses.....	<p>Any individual who—</p> <ol style="list-style-type: none"> 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 2. makes (or causes to be made) any false statement of a material fact in any application for any payment, or 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 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 5. converts the benefit he has received on behalf of another person for other than the use and benefit of the other person— <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>	No change.
E. Representation of claimants.	<p>An attorney in good standing who is admitted to practice before the highest court of the State, Territory, district, or insular possession of his residence or before the Supreme Court of the United States or the inferior Federal courts, shall be entitled to represent claimants before the Secretary of Health, Education, and Welfare.</p>	No change.

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

Item	Social Security Amendments of 1960
I. Medical assistance for the aged (new program):	
A. Nature of program.	Amends title I (formerly relating only to old-age assistance) to permit the States to include in their plans under title I a new 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.
B. Eligibility for assistance.	<p>To be eligible an individual—</p> <ol 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.
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 would be 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 would share in the expense of providing the following kinds of medical services:</p> <ol 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 would 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>
D. Matching formula— Federal share.	Federal payments will 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 share would range 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 would bear half of the administrative expenses under such plans. For Federal matching percentages, see following:

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

Item	Social Security Amendments of 1960			
I. Medical assistance for the aged (new program)—Continued D. Matching formula— Federal share— Continued	<i>Applicable for Oct. 1, 1960, through June 30, 1961</i>			
	State	Percent	State	Percent
	Alabama.....	79.15	Montana.....	54.07
	Alaska.....	50.00	Nebraska.....	63.41
	Arizona.....	63.23	Nevada.....	50.00
	Arkansas.....	80.00	New Hampshire.....	57.91
	California.....	50.00	New Jersey.....	50.00
	Colorado.....	53.42	New Mexico.....	67.99
	Connecticut.....	50.00	New York.....	50.00
	Delaware.....	50.00	North Carolina.....	77.46
	District of Columbia.....	50.00	North Dakota.....	74.18
	Florida.....	59.68	Ohio.....	50.00
	Georgia.....	74.36	Oklahoma.....	67.54
	Guam.....	50.00	Oregon.....	52.58
	Hawaii.....	53.38	Pennsylvania.....	50.00
	Idaho.....	67.04	Puerto Rico.....	50.00
	Illinois.....	50.00	Rhode Island.....	50.00
	Indiana.....	50.00	South Carolina.....	80.00
	Iowa.....	63.23	South Dakota.....	75.42
	Kansas.....	60.78	Tennessee.....	76.55
	Kentucky.....	76.94	Texas.....	61.36
	Louisiana.....	72.00	Utah.....	65.00
	Maine.....	65.23	Vermont.....	65.82
	Maryland.....	50.00	Virgin Islands.....	50.00
	Massachusetts.....	50.00	Virginia.....	65.44
	Michigan.....	50.00	Washington.....	50.00
	Minnesota.....	58.57	West Virginia.....	72.69
	Mississippi.....	80.00	Wisconsin.....	54.60
	Missouri.....	53.42	Wyoming.....	50.92
E. State plan require- ments.	<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> <ol style="list-style-type: none"> (1) must not require a premium or enrollment fee as a condition of eligibility; (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; (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 (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>The use and disclosure of information under this program is limited to purposes directly related to administration. Unlike old-age assistance, the program would not be subject to section 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).</p>			
F. Effective date.....	Payments may be made to States with approved plans for medical assistance for the aged for calendar quarters commencing Oct. 1, 1960, or thereafter.			

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

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)																																																																																																				
<p>II. Old-age assistance:</p> <p>A. Eligibility for payments.</p> <p>B. Matching formula—Federal share.</p>	<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.</p> <p>The following formula is applicable to State expenditures which include both money payments to and vendor payments on behalf of old-age assistance recipients.</p> <p>Federal matching share is \$24 of the 1st \$30 (1/2 of the 1st \$30) with matching above this amount varying from 50 to 65 percent. States whose per capita income is equal to or above the per capita income for the United States have 50 percent Federal matching, while those States below the national average have Federal matching which varies up to a maximum of 65 percent.</p> <p>The maximum amount, upon which the Federal Government will match, is \$65 a month, times the number of people on the old-age assistance roll (on an averaging basis).</p> <p>The Federal percentages as promulgated for the period Oct. 1, 1958, through June 30, 1961, are as follows:</p> <table border="0"> <thead> <tr> <th>State:</th> <th>Federal percentage</th> </tr> </thead> <tbody> <tr><td>Alabama.....</td><td>65.00</td></tr> <tr><td>Alaska.....</td><td>50.00</td></tr> <tr><td>Arizona.....</td><td>63.23</td></tr> <tr><td>Arkansas.....</td><td>65.00</td></tr> <tr><td>California.....</td><td>50.00</td></tr> <tr><td>Colorado.....</td><td>53.42</td></tr> <tr><td>Connecticut.....</td><td>50.00</td></tr> <tr><td>Delaware.....</td><td>50.00</td></tr> <tr><td>District of Columbia.....</td><td>50.00</td></tr> <tr><td>Florida.....</td><td>59.68</td></tr> <tr><td>Georgia.....</td><td>65.00</td></tr> <tr><td>Hawaii.....</td><td>53.38</td></tr> <tr><td>Idaho.....</td><td>65.00</td></tr> <tr><td>Illinois.....</td><td>50.00</td></tr> <tr><td>Indiana.....</td><td>50.00</td></tr> <tr><td>Iowa.....</td><td>63.23</td></tr> <tr><td>Kansas.....</td><td>60.78</td></tr> <tr><td>Kentucky.....</td><td>65.00</td></tr> <tr><td>Louisiana.....</td><td>65.00</td></tr> <tr><td>Maine.....</td><td>65.00</td></tr> </tbody> </table>	State:	Federal percentage	Alabama.....	65.00	Alaska.....	50.00	Arizona.....	63.23	Arkansas.....	65.00	California.....	50.00	Colorado.....	53.42	Connecticut.....	50.00	Delaware.....	50.00	District of Columbia.....	50.00	Florida.....	59.68	Georgia.....	65.00	Hawaii.....	53.38	Idaho.....	65.00	Illinois.....	50.00	Indiana.....	50.00	Iowa.....	63.23	Kansas.....	60.78	Kentucky.....	65.00	Louisiana.....	65.00	Maine.....	65.00	<p>Adds provision that 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> <p>Changes formula so as to provide for Federal financial participation based exclusively on expenditures to vendors of medical services up to \$12 per month in addition to the existing \$65 maximum provision.</p> <p>For States with average monthly payments over \$65, the Federal Government will participate in the excess expenditures over \$65 except that such participation is limited to the amount of the average vendor medical payment up to a maximum of \$12. The Federal share in the excess expenditures for medical care will range from 50 percent to 80 percent under a formula based on per capita income. Based on May (1960) average payments, the following States (Federal share noted) would be affected:</p> <table border="0"> <thead> <tr> <th>State:</th> <th>Percent</th> </tr> </thead> <tbody> <tr><td>California.....</td><td>50.00</td></tr> <tr><td>Colorado.....</td><td>53.42</td></tr> <tr><td>Connecticut.....</td><td>50.00</td></tr> <tr><td>Idaho.....</td><td>67.04</td></tr> <tr><td>Illinois.....</td><td>50.00</td></tr> <tr><td>Iowa.....</td><td>63.23</td></tr> <tr><td>Kansas.....</td><td>60.78</td></tr> <tr><td>Louisiana.....</td><td>72.00</td></tr> <tr><td>Maine.....</td><td>65.23</td></tr> <tr><td>Massachusetts.....</td><td>50.00</td></tr> <tr><td>Michigan.....</td><td>50.00</td></tr> <tr><td>Minnesota.....</td><td>58.57</td></tr> <tr><td>Nebraska.....</td><td>63.41</td></tr> <tr><td>Nevada.....</td><td>50.00</td></tr> <tr><td>New Hampshire.....</td><td>57.91</td></tr> <tr><td>New Jersey.....</td><td>50.00</td></tr> <tr><td>New Mexico.....</td><td>67.99</td></tr> <tr><td>New York.....</td><td>50.00</td></tr> <tr><td>North Dakota.....</td><td>74.18</td></tr> <tr><td>Ohio.....</td><td>50.00</td></tr> <tr><td>Oklahoma.....</td><td>67.54</td></tr> <tr><td>Oregon.....</td><td>52.58</td></tr> <tr><td>Pennsylvania.....</td><td>50.00</td></tr> <tr><td>Rhode Island.....</td><td>50.00</td></tr> <tr><td>Utah.....</td><td>65.00</td></tr> <tr><td>Washington.....</td><td>50.00</td></tr> <tr><td>Wisconsin.....</td><td>54.60</td></tr> <tr><td>Wyoming.....</td><td>50.92</td></tr> </tbody> </table>	State:	Percent	California.....	50.00	Colorado.....	53.42	Connecticut.....	50.00	Idaho.....	67.04	Illinois.....	50.00	Iowa.....	63.23	Kansas.....	60.78	Louisiana.....	72.00	Maine.....	65.23	Massachusetts.....	50.00	Michigan.....	50.00	Minnesota.....	58.57	Nebraska.....	63.41	Nevada.....	50.00	New Hampshire.....	57.91	New Jersey.....	50.00	New Mexico.....	67.99	New York.....	50.00	North Dakota.....	74.18	Ohio.....	50.00	Oklahoma.....	67.54	Oregon.....	52.58	Pennsylvania.....	50.00	Rhode Island.....	50.00	Utah.....	65.00	Washington.....	50.00	Wisconsin.....	54.60	Wyoming.....	50.92
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¹ Pursuant to Hawaii Omnibus Act.

**MEDICAL ASSISTANCE FOR THE AGED (NEW PROGRAM) AND OLD-AGE ASSISTANCE UNDER
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Montana.....	69.07																																																																	
North Carolina.....	80.00																																																																	
Puerto Rico.....	65.00																																																																	
South Carolina.....	80.00																																																																	
South Dakota.....	80.00																																																																	
Tennessee.....	80.00																																																																	
Texas.....	76.36																																																																	
Vermont.....	80.00																																																																	
Virgin Islands.....	65.00																																																																	
Virginia.....	80.00																																																																	
West Virginia.....	80.00																																																																	
	<p>Separate dollar-for-dollar matching in costs for administration.</p>	<p>Provision is also made so that a State with an average payment of over \$65 a month would never receive less in additional Federal funds in respect to such medical service costs than if it had an average payment of \$65. No change in provision for dollar-for-dollar matching in cost of administration.</p>																																																																

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

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)						
<p>II. Old-age assistance—Con.</p> <p>C. Exclusion of patients, in public, mental, and tuberculosis institutions.</p> <p>D. Special formula for Puerto Rico, Virgin Islands, and Guam:</p> <p>1. Matching formula.</p> <p>2. Dollar limitation.</p> <p>E. Effective date.....</p>	<p>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 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).</p> <p>Federal matching on a 50-50 basis on both money and vendor medical payments up to a maximum of \$35 times the number of recipients of old-age assistance.</p> <p>Total Federal payments for all public assistance programs may not exceed the following amounts in each fiscal year: \$8,500,000 for Puerto Rico, \$300,000 for Virgin Islands, and \$400,000 for Guam.</p>	<p>Modifies definition so as to include, for Federal matching purposes, vendor payments for persons who are patients in medical institutions (other than mental or tuberculosis institutions) as a result of a diagnosis of tuberculosis or psychosis for 42 days.</p> <p>Additional matching for vendor medical expenditures will be on up to an additional \$6 per month per recipient rather than the additional \$12 a month for the States and the District of Columbia. Federal share will be as noted on p. 44.</p> <p>For fiscal years ending after 1960 these dollar limits are increased to the following amounts:</p> <table border="0"> <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>However, these increases may be used only with respect to medical vendor expenditures described above. Federal payments for new program of medical assistance for the aged excepted from dollar limitation provision.</p> <p>Increased Federal matching will be available with the quarter beginning Oct. 1, 1960.</p>	Puerto Rico.....	\$9,000,000	Virgin Islands.....	315,000	Guam.....	420,000
Puerto Rico.....	\$9,000,000							
Virgin Islands.....	315,000							
Guam.....	420,000							
<p>III. Medical care guides and reports.</p>	<p>No provision.....</p>	<p>Directs the Secretary of Health, Education, and Welfare to develop guides and standards pertaining to the level, content, and quality of medical services for persons with low incomes, which the States may use in developing and improving the medical aspects of their old-age assistance programs and their programs of medical assistance for the aged. The Secretary is also directed to secure and publish data on the operation of such State programs.</p>						

AID TO THE BLIND, AID TO THE PERMANENTLY AND TOTALLY DISABLED, AND AID TO DEPENDENT CHILDREN

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>I. Matching formulas-----</p> <p>A. Aid to the blind, and aid to the totally and permanently disabled.</p> <p>B. Aid to dependent children.</p>	<p>The following formulas are applicable for State expenditures which include both money payments and vendor payments for medical care.</p> <p>Same as for old-age assistance. (See pp. 43-44.)</p> <p>The Federal Government pays \$14 of the first \$17 expended per recipient per month, and the Federal percentage of average monthly expenditures between \$17 and \$30. Federal percentage is determined in the same way as under old-age assistance. No Federal matching for expenditures over \$30 per recipient per month.</p>	<p>No change. (The increases in Federal matching for State medical vendor payments described above apply only to old-age assistance and not to other public assistance programs.)</p> <p>No change.</p>
<p>II. Eligibility requirements:</p> <p>A. Aid to dependent children.</p> <p>B. Aid to the permanently and totally disabled.</p>	<p>Needy dependent children under 18 and parents and certain relatives with whom they are living. Child must have been deprived of parental support or care by reason of death, continued absence from the home, or physical incapacity of a parent. A State agency shall, in determining need, take into consideration any other income and resources of any child claiming assistance.</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>No change.</p>
<p>C. 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 the first \$50 per month of earned income shall be disregarded.</p> <p>Temporary legislation (sec. 344(b) of the Social Security Amendments of 1950) 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, 1961.</p>	<p>Provides that States may, until June 30, 1962, either disregard the first \$85 per month of earned income plus half of monthly earnings over that amount, or use the \$50 monthly exclusion. 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>Postpones termination date until June 30, 1964.</p>

AID TO THE BLIND, AID TO THE PERMANENTLY AND TOTALLY DISABLED, AND AID TO DEPENDENT CHILDREN—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<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>

MATERNAL AND CHILD WELFARE SERVICES

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 83-778) (effective Sept. 13, 1960, unless otherwise noted)
I. Maternal and child health services:		
A. Authorization of annual appropriation.	Authorizes \$21,500,000 per year-----	Authorizes \$25 million per year. Effective date: Fiscal year 1961.
B. Allotment to States.	Out of the sum appropriated— 1. \$10,750,000 shall be allotted as follows: to each State a uniform grant of \$60,000 and the remainder in the proportion of live births in that State to the whole United States. 2. The other \$10,750,000 is allotted according to the financial need of each State after taking into consideration the number of live births in that State.	Substitutes \$12,500,000 for \$10,750,000 in both 1 and 2 and also provides that the uniform grant in 1 be increased from \$60,000 to \$70,000.
C. Special project grants.	No specific provision in the law-----	Adds provision that not more than 25 percent of the sums under B-2 (above) shall be available for grants to State health agencies, and to public or other nonprofit institutions of higher learning for special projects of regional or national significance which may contribute to the advancement of maternal and child health.
II. Crippled children's services:		
A. Authorization of annual appropriation.	Authorizes \$20 million per year-----	Authorizes \$25 million per year. Effective date: Fiscal year 1961.
B. Allotment to States.	Out of the sum appropriated— 1. \$10 million shall be allotted as follows: to each State a uniform grant of \$60,000 and the remainder according to need after taking into consideration the number of crippled children in each State in need of services and the cost of furnishing such services. 2. The other \$10 million according to financial need of State as determined after taking into consideration the number of crippled children in each State in need of services and the cost of furnishing such services to them.	Same as I-B above.
C. Special project grants.	No specific provision in the law-----	Same as I-C above.

MATERNAL AND CHILD WELFARE SERVICES—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>III. Child welfare services:</p> <p>A. Authorization of annual appropriation.</p> <p>B. Allotment to States.</p>	<p>Authorizes \$17 million per year-----</p> <p>Out of the sum appropriated allots to each State such portion of \$60,000 as the amount appropriated bears to the amount authorized to be appropriated. The remainder of sums appropriated shall be allotted so that each State shall have an amount which bears the same ratio to the total remainder as the product of (1) the population of each State under the age of 21 and (2) the allotment percentage (based on relative per capita income) bears to the sum of the corresponding products of all the States.</p> <p>These amounts are adjusted to the base allotment. A State's base allotment for any fiscal year is the amount it would have received previous to the 1958 amendments applied to an appropriation of \$12,000,000. If the amount allotted is less than this base allotment it is increased to that amount by proportionately reducing the allotments to other States, but never below their base allotments.</p>	<p>Authorizes \$25 million per year. Effective date: Fiscal year 1961.</p> <p>Changes the \$60,000 to \$70,000, but provides that the amount shall in no case be less than \$50,000.</p>
<p>C. Research or demonstration projects.</p>	<p>No provision-----</p>	<p>Authorizes appropriation for grants by the Secretary of Health, Education, and Welfare to public or other nonprofit institutions of higher learning and to public and nonprofit agencies and organizations engaged in research or child welfare activities, for special research or demonstration projects in the field of child welfare which are of regional or national significance, and for special projects for the demonstration of new methods or facilities which show promise of substantial contribution to the advancement of child welfare.</p>

EMPLOYMENT SECURITY (UNEMPLOYMENT COMPENSATION)

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
I. Coverage.....	<p>In general, the unemployment compensation program covers all employees in commerce and industry who are employed by an employer of 4 or more workers on at least 1 day of 20 weeks in a calendar year.</p> <p>17 specific exclusions from coverage are spelled out in the Federal Unemployment Tax Act (sec. 3306(c)).</p>	<p>Coverage is extended, generally effective in 1962, to several categories of employees presently specifically excluded. These include:</p> <p>(1) Employees of certain instrumentalities of the United States which are neither wholly or partially owned by the United States, including Federal Reserve banks, Federal credit unions, Federal land banks, and others. Employees of partially owned instrumentalities such as banks for cooperatives and Federal intermediate credit banks are brought under the unemployment compensation program for Federal employees, effective in 1961.</p> <p>(2) Employees serving on or in connection with American aircraft outside the United States.</p> <p>(3) Employees of "feeder organizations," all of whose profits are payable to a non-profit organization and employees of non-profit organizations which are not exempt from income tax.</p> <p>(4) Certain employees of certain tax-exempt organizations, including agricultural and horticultural organizations, voluntary employee beneficiary associations, and fraternal beneficiary societies.</p>
II. Extension to Puerto Rico..	<p>The Commonwealth of Puerto Rico has an independent unemployment compensation program. Employers in Puerto Rico are not subject to the Federal unemployment tax and Puerto Rico is not entitled to Federal grants to cover the administrative expenses of its unemployment compensation program. The cost of employment service, however, is covered by Federal grants under the Wagner-Peyser Act.</p>	<p>Puerto Rico will be treated as a State for the purposes of the Federal-State unemployment compensation system beginning Jan. 1, 1961. Federal employees and exservicemen will not have their benefits computed under Puerto Rican law until 1966.</p>
<p>III. Administrative financing:</p> <p>A. Federal unemployment tax rate.</p> <p>B. Unemployment trust fund.</p>	<p>Each employer is taxed 3 percent on the 1st \$3,000 of an employees' covered wages, of which 90 percent (2.7 percent of taxable payrolls) may be offset by unemployment taxes paid under State law or tax savings allowed under State law through experience rating. The net Federal tax is 0.3 percent of taxable payroll.</p> <p>Receipts from State taxes go into the various State accounts in the unemployment trust fund. The sums allocated to State accounts are generally available for benefit payments.</p>	<p>Effective in 1961, the tax rate is raised to 3.1 percent on the 1st \$3,000 of covered wages, which results in a net Federal tax of 0.4 percent of taxable payroll.</p> <p>No change in State accounts.</p>

EMPLOYMENT SECURITY (UNEMPLOYMENT COMPENSATION)—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>III. Administrative financing— Continued</p> <p>B. Unemployment trust fund—Continued</p>	<p>Receipts from the net Federal unemployment tax (0.3 percent) are used to pay the cost of administering Federal and State operations of the employment security program. At the end of each fiscal year, after Federal and State administrative expenses have been paid, any excess net Federal unemployment tax receipts are earmarked and placed in the Federal unemployment account to maintain a balance of \$200,000,000 in that account. This account is used to make advances to the States with depleted reserve accounts.</p> <p>Any excess receipts not required to maintain the \$200,000,000 balance in the Federal unemployment account is allocated to the trust accounts of the various States in the proportion that their covered payrolls bear to the aggregate of all the States. These excess receipts may, under certain conditions, be used by a State to supplement Federal grants in financing administrative operations.</p>	<p>A new account, called the employment security administration account, will be established in the unemployment trust fund. All receipts from the net Federal unemployment tax (0.4 percent) will be credited initially to this new account. Federal and State administrative expenses will be paid out of this account with a maximum of \$350,000,000 per year allowable for State administrative expenses.</p> <p>At the end of a fiscal year, excess receipts after administrative expenses will be credited to the Federal unemployment account to build up and maintain a maximum balance of \$550,000,000 or 0.4 percent of covered payrolls, whichever is greater, for use in making advances to States.</p> <p>After the Federal unemployment account reaches its statutory limit, any remaining excess of net Federal unemployment taxes over administrative expenses will be retained in the employment security administration account until that account shows a net balance at the close of the fiscal year of \$250,000,000. This net balance is to be used to provide funds out of which administrative expenses may be paid during each fiscal year prior to the receipt of the bulk of Federal unemployment taxes in January and February.</p> <p>Pending the building up of the \$250,000,000 balance in the employment security administration account, advances to the account are authorized from a revolving fund which would be financed by a continuing appropriation from the general fund of the Treasury. These advances will be repaid with interest.</p> <p>After the Federal unemployment account is built up to its statutory limit, and the year-end net balance of the employment security administration account reaches \$250,000,000, and after any advances from the general fund of the Treasury have been repaid, any excess in the employment security administration account will be distributed to the accounts of the various States in the same manner as is provided under present law, except that if any State has outstanding advances from the Federal unemployment account its share of the surplus funds will be used to reduce these outstanding advances.</p> <p>Effective date: Fiscal year 1961.</p>

EMPLOYMENT SECURITY (UNEMPLOYMENT COMPENSATION)—Continued

Item	Prior law	Law as amended by Social Security Amendments of 1960 (Public Law 86-778) (effective Sept. 13, 1960, unless otherwise noted)
<p>III. Administrative financing—Continued</p> <p>C. Advances to the States:</p> <p>1. Eligibility for advances.</p> <p>2. Amount of advances.</p> <p>3. Repayment of advances.</p>	<p>A State whose reserve account at the end of any quarter is less than the amount of benefits paid in the last 4 preceding quarters may apply for an advance from the Federal unemployment account.</p> <p>A State is advanced the amount specified in the State's application but such amount may not exceed the largest amount of benefits paid by it in any 1 of the last 4 preceding quarters.</p> <p>The Governor of any State may at any time request that funds be transferred from the State's account to the Federal unemployment account in repayment of part or all of the balance of advances made to the State.</p> <p>If an advance to any State has been outstanding at the beginning of 4 consecutive years, the employers' credit in that State against the Federal tax is reduced from 2.7 to 2.55 percent. This increase in the net Federal tax is used to pay off the advance. During successive years in which the advance is outstanding the employers' credit is reduced by an additional 0.15 percent a year. If a State repays outstanding advances by Dec. 1 of any year the reduced credit provisions do not come into operation for that year.</p>	<p>A State's eligibility for advances (applied for after Sept. 13, 1960) may be determined at any time. Advances will be made only if in the account of the State requesting an advance the sum of reserves on hand plus expected tax receipts will be inadequate to meet the expected level of benefit payments during the current or following month.</p> <p>Advances will be made in amounts which the Secretary of Labor estimates will be required to pay compensation during the current or following month, including amounts to cover unexpected contingencies. The aggregate amount of loans approved by the Secretary of Labor may not exceed the amount available for advances in the Federal unemployment account.</p> <p>Same as present law.</p> <p>If an advance to any State made after Sept. 13, 1960, is outstanding at the beginning of 2 consecutive years, the employers' credit in that State against the Federal tax is reduced from 2.7 to 2.4 percent. During successive years in which the advance is outstanding the employers' credit is reduced by an additional 0.3 percent a year. If a State repays outstanding advances by Nov. 10 of any year the reduced credit provisions do not come into operation for that year.</p> <p>In addition to the reduction of 0.3 percent a year in the employers' tax credit against the Federal tax 2 other possible credit reductions are provided. The 1st provides that beginning in the 3d year in which an advance is outstanding the maximum employers' credit is reduced by the amount, if any, by which the average employer contribution rate in the preceding year was less than 2.7 percent. The 2d credit reduction provides that in the 5th year in which an advance is outstanding if the State's benefit-cost rate over the preceding 5 years is higher than 2.7 percent then the employers' credit shall be reduced by the amount, if any, by which the State's average contribution rate in the preceding year is less than such benefit-cost rate.</p>