

PROVIDING BENEFITS FOR THE SURVIVORS OF SERVICEMEN AND VETERANS, AND FOR OTHER PURPOSES

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

R E P O R T

[To accompany H. R. 7089]

The Committee on Finance, to whom was referred the bill (H. R. 7089) to provide benefits for the survivors of servicemen and veterans, and for other purposes, having considered the same, report favorably thereon with amendments, and recommend that the bill as amended do pass.

GENERAL EXPLANATION OF BILL

H. R. 7089, the so-called survivors benefits bill, has been promoted by the administration and the armed services as military career incentive legislation.

In short the bill would cover uniformed military personnel into the contributory Social Security System, thereby supplementing military retirement and survivors benefits.

The bill was referred to the Finance Committee in the Senate primarily because it involved covering servicemen into the Social Security System. In considering the bill the Finance Committee invited collaboration with the Armed Services Committee and received it.

In the House of Representatives the bill was developed, drafted, and managed by a select committee appointed for the purpose. The House committee spent more than 2 years on the bill.

As it is now before the Senate, the bill was reported by the Senate Finance Committee after 9 months of staff study and some 2 weeks of hearings in which all interested parties were given an opportunity to be heard.

Generally, the major objectives of the bill are approved by the President, the Bureau of the Budget, Treasury, General Accounting Office, Department of Health, Education, and Welfare, and the Social Security Administration, Veterans' Administration, Department of De-

fense and its component services, and practically all of the principal veterans organizations including the American Legion, Veterans of Foreign Wars, AMVETS, Disabled American Veterans, etc.

The bill represents extremely complex legislation involving amendments to existing laws relating to the military, the veterans benefits and the Social Security System.

SUMMARY OF BILL

Title I of the bill defines "member of a uniformed service," "reserve component of a uniformed service," "active duty," "active duty for training," "inactive duty training," "portal to portal coverage for reserves," "National Guard," "child," "parent," "widow," and "basic pay."

Title II relates to "indemnity compensation for widows, children and parents."

The bill would eliminate the present wartime-peacetime differential in rates payable for servicemen's death. It would change the basis for payment to widows from the present flat rate for all to one determined by rank or pay grade of the deceased serviceman. The widows' rate under the bill would be \$112 plus 12 percent of the basic pay of the deceased husband.

Generally, the bill would revise upward compensation payable to widows of servicemen who die on or from "active duty," "active duty for training," or "inactive duty training" after December 31, 1956. Widows now on the rolls may elect to retain their present status in highly exceptional cases where that may be more advantageous. In the great majority of cases, based on deaths before January 1, 1957, where widows elect to "take" under the new provisions, the applicable basic pay would be that for the rank held by the deceased husband under the pay schedule in effect January 1, 1957.

Under the bill the definition of "widow" would be uniform and generally more liberal than the definition under existing law. As a rule, with few exceptions, the amount paid the widow with children would not be increased on account of additional children after two. Remarriage of the widow would, as at present, stop compensation payments.

Compensation rates for children where there is no eligible widow will be payable in uniform amounts without relationship to the military pay grade of the deceased father. These rates are slightly higher than the existing rates for children, \$70 per month for 1 child (present wartime rate is \$67), \$100 for 2 children (present wartime rate is \$94), \$130 for 3 children (present wartime rate is \$122) and \$25 per month for each child in excess of 3 (present wartime additional rate is \$23).

Current definitions of children are not changed. The basic age limit is 18 years, except for helpless children over 18 and of children attending school between the ages of 18 and 21.

The bill would provide supplemental compensation by the Veterans' Administration of \$25 to an orphan child who is helpless and over 18 years of age in addition to the basic rate of \$70 compensation payable to such a child. The bill would also provide payment of \$70 per month to a helpless child over 18 where there is a widow; this payment would be made concurrently with the payment of compensation to the widow.

In a case involving an eligible widow with a child between 18 and 21 attending school, the child would be paid \$35 monthly compensation in addition to payments to the widow.

Payments to parents would be changed to a sliding-scale basis with 15 rates. The rates range from \$10 to \$100 per month. (Under the present law there are 4 rates: peacetime—\$60 in the case 1 parent and \$64 where there are 2 parents; wartime—\$75 and \$80.

Rates paid a single parent would be controlled by the parent's annual income. The income scale on which payments may be based ranges from \$750 per year to \$1,750 per year. The rates of monthly compensation follow the scale in inverse order, ranging from \$75 per month to \$15 per month. The range for 2 parents living together would run from \$50 each where the combined income is \$1,000 or less to \$10 each if the combined income is as high as \$2,400. There are variances where parents are living apart.

Under existing law a parent may receive compensation if his income does not exceed \$105 per month. Where there are 2 parents compensation may be paid if their combined income does not exceed \$175 per month. Government insurance and any other payments from VA based on disability or death are not included as income.

The bill defines income as all payments received by the parents from any sources except death gratuity, donations from relief organizations, payments of veterans disability compensation and death compensation on account of other deaths, lump sum payments for burial paid by social security, and unusual medical expenses.

Widows, children or parents eligible for compensation based on a death prior to January 1, 1957, may elect to take the compensation under either existing veterans laws or under the provisions of this bill. Parents who cannot qualify for compensation under present law because of excessive income might qualify for a pro rata amount under the bill.

The right of election to the new compensation rates under the bill could not be exercised if a beneficiary now on the rolls continued to receive servicemen's indemnity (free insurance) payments. But the election could be made after the 10-year period during which such insurance payments are made, or upon waiving the indemnity payments.

Receipt of Government insurance (contract) payments, as distinguished from indemnity insurance (free insurance), would not prevent election or require an offset.

Like the present law, the bill covers deaths resulting from active duty or active duty for training, but effective January 1, 1957, it would extend new coverage for death resulting from injury sustained by reservists or national guardsmen while proceeding to or returning from training pursuant to order by competent authority.

This extended coverage would likewise apply with respect to travel to or from active duty training, without regard to whether travel was specifically authorized. One effect of the provision would be to cover cases of death from injury while enroute to weekly drill (inactive duty) training periods.

The bill would extend coverage to national guardsmen dying from disease incurred on active duty training of less than 30 days. Such coverage is now limited to death from injury.

Survivorship benefits would be granted to members of the ROTC ordered to annual training duty of 14 days or more, including authorized travel to or from such duty. (ROTC members are not now covered for VA benefits.)

Title III relates to death gratuity.

Under this bill the service departments would pay death gratuity equal to 6 months' pay to survivors of deceased servicemen. Death must occur while on active duty, active duty training or inactive duty training. It might also occur within 120 days from discharge, if death is due to service. The Veterans' Administration determines service connection in the latter situation. (The present law provides that payment of gratuity will only be made to survivors of the Regular Establishment, Reserves, and National Guard, who die while on duty.)

The bill would restrict payment to survivors who are closely related to the servicemen. (The present law allows payment to anyone who has an insurable interest.)

The bill establishes a minimum of \$800 and a maximum of \$3,000 for this benefit. (The present law fixes a \$468 minimum and a \$7,656 maximum.)

Title IV relates to social security.

Effective January 1, 1957, members of the uniformed services would be placed under the regular contributory OASI coverage while on active duty and active duty for training.

Contributions and benefits are computed on basic pay.

The serviceman, as employee, would pay 2 percent and the United States Government, as employer, would pay 2 percent.

The present \$160 gratuitous social-security wage credit for military service would be discontinued after December 31, 1956, when contributory coverage becomes effective. Authority to reimburse the OASI fund for the previous \$160 free wage credits is contained in the bill.

Social-security benefits would be in addition to any Veterans' Administration compensation benefits or military retired benefits.

Both the serviceman and his wife would be eligible for social-security benefits at age 65.

Like others under social security the widow, if she has a child, would be eligible at once for social-security benefits. When the child becomes 18 years of age, the payments stop. When the widow becomes 65, she is again eligible for regular social-security benefits.

Existing OASI and civil-service retirement laws bar use of the gratuitous \$160 wage credits for social security if a survivor of the veteran is entitled to benefits under the Civil Service Retirement Act based wholly or partially on military service. There is now no right to elect which benefit to take. But this bill would amend the existing law so that—

(1) A widow of a civil-service employee who, because of the \$160 gratuitous wage credit, is eligible for both civil service and social-security benefits may elect to take either. But she cannot take both.

(2) Military service rendered after 1956 cannot be used to increase a widow's civil-service benefit if she is eligible for social-security benefits.

(3) Military service rendered after 1956 cannot be used by a Federal employee for civil-service retirement if he is eligible for social-security benefits.

The bill would continue payments by the Government to the railroad retirement account of \$160 monthly wage credits for each month of military service performed by an individual who has at least 10 years of coverage under the Railroad Retirement Act (including coverage acquired by military service).

The Internal Revenue Code of 1954 would be amended by sections 409, 410, and 411 of the bill to extend appropriate provisions of the Federal Insurance Contributions Act to define "wages" and "employment" for service in the uniformed services.

Title V sets forth amendments and repeal provisions.

As to deaths after January 1, 1957, the bill would suspend the Servicemen's Indemnity Act providing free insurance coverage of \$10,000 in peacetime, but this insurance would be revived in case of war or national emergencies involving hostilities.

The existing privilege of nondisabled veterans to take out term insurance within 120 days after separation from service would be preserved.

The right to take out insurance extended by section 620 of the National Service Life Insurance Act to service-disabled persons would be preserved.

Servicemen who surrendered insurance for cash under section 5 of the Indemnity Act, which provides that they may reinstate the same or take out new insurance within 120 days after service, would be protected in this right if they surrendered their policies prior to January 1, 1957.

The premium waiver privileges under section 622 of the USLI Act would be preserved for those policies under waiver on January 1, 1957. No new application for waiver could be made after that date. If an individual dies on or after May 1, 1957, with a policy under waiver, indemnity compensation would not be payable under this bill. Survivors would be limited to compensation payable under the present death compensation laws now administered by the Veterans' Administration.

Application of the Federal Employees' Compensation Act to reserve officers for peacetime benefits would be repealed as of January 1, 1957. Where death occurred prior to January 1, 1957, survivors could elect to "take" under this bill. Such election would terminate eligibility for FECA benefits. But the rights of any officer entitled to benefits by reason of disability incurred prior to January 1, 1957, would be protected.

Persons with active military service between October 8, 1940, and September 2, 1945, may within one year apply for and, upon a showing of good health, to be granted insurance under the National Service Life Insurance Act of 1940.

AMENDMENTS

The substantive amendments to the House bill approved by the committee are:

(a) The Public Health Service and Coast and Geodetic Survey were eliminated from the definition of members of the military service during peacetime.

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(b) The right of a veteran to take out term insurance within 120 days after separation from service was continued. The House bill would have prohibited this right to nondisabled veterans.

(c) In cases where the military record is corrected under section 207 of the Legislative Reorganization Act of 1946, the effective date of commencement of VA benefits would be the date application was filed for the correction.

(d) The Servicemen's Indemnity Act (free insurance) would be revived in case of war or national emergency involving hostilities.

(e) Persons with active service between October 8, 1940, and September 2, 1945, would be given the right for 1 year to apply for and, upon a showing of good health, be granted insurance under the National Service Life Insurance Act of 1940.

(f) Use of military service rendered after January 1, 1957, by a civil-service employee for both civil-service retirement and social-security benefits would be prohibited.

(g) Contributory social-security coverage for military personnel would be practically on the same basis as that for other covered groups.

(h) The \$160 gratuitous wage credit is extended from April 1, 1956, to January 1, 1957.

(i) The effective date of the bill is January 1, 1957, unless otherwise specifically provided.

(j) The right of the Treasury Department to levy against the compensation for unpaid income tax is continued.

(k) In the absence of fraud, disbursing officers shall be liable for erroneous payments of death gratuity. The Secretary of the service concerned cannot waive recovery of erroneous or overpayments.

There are numerous technical and clarifying amendments which were recommended by the agencies concerned and approved by the Bureau of the Budget.

The bill authorizes appropriation as follows:

Cost of H. R. 7089—1st year estimate, 1957

Item	Existing law	H. R. 7089	Cost difference
Compensation.....	\$421,000,000	\$460,000,000	+\$45,000,000
Insurance.....	41,000,000	33,000,000	-8,000,000
FECA.....	14,000,000	14,000,000	
Death gratuity.....	8,000,000	9,000,000	+1,000,000
OASI.....		115,000,000	+115,000,000
Reimbursed OASI.....		50,000,000	+50,000,000
Disability freeze.....		2,000,000	+2,000,000
Total.....	484,000,000	689,000,000	205,000,000

Cost of H. R. 7089—projected estimates after 1st year

1957.....	+\$205,000,000	1975.....	+\$209,000,000
1960.....	+210,000,000	1980.....	+199,000,000
1965.....	+293,000,000	1985.....	+186,000,000
1970.....	+186,000,000		

SECTION-BY-SECTION ANALYSIS

The following section-by-section analysis of the bill, as reported by the committee, reflects the substantive, as well as technical and clerical, amendments made by the Finance committee.

TITLE I—SHORT TITLE AND DEFINITIONS

Section 101.—This section contains the short title of the bill and a table of contents.

Section 102.—This section contains definitions of terms used in the bill.

Paragraph (1) of this section provides that “Administrator” means the Administrator of Veterans’ Affairs.

Paragraph (2) defines “member of a uniformed service,” and thereby specifies the persons whose deaths will entitle their survivors to benefits provided by the bill. This term has a somewhat broader meaning than it usually has in laws relating to the Armed Forces, since, in addition to members of the Army, Navy, Air Force, Marine Corps, and Coast Guard, the term includes retired officers, cadets and midshipmen in the service academies, certain members of the various branches of the ROTC, all members of the federally recognized National Guard and Air National Guard of the several States, Territories, and the District of Columbia, and persons provisionally accepted, or selected for induction, who are under orders to report to a particular place.

Paragraph (3) defines “Reserve component of a uniformed service.”

Paragraph (4) defines “active duty.” Clause (A) contains language substantially similar to the definition of such term in the Armed Forces Reserve Act of 1952, but goes beyond the definition in that act insofar as the definition in this bill extends to service performed by certain individuals (as a “member of a uniformed service”) to whom that act does not apply. Clauses (B) and (C) include service in the service academies as active duty, and clause “C” provides that authorized travel to and from the duty or service referred to in clauses (A) and (B) shall be considered as active duty.

Paragraph (5) defines “active duty for training.” Clause (A) defines this term substantially as it is defined in the Armed Forces Reserve Act of 1952, but provides that such duty is that performed by a “member of a uniformed service,” as defined. Clause (B) provides that certain duty performed by members of the ROTC, NROTC, and AFROTC is so included, and clause (C) and subparagraph (6) (B) provide that certain travel to and from such duty shall also be included within the term “active duty training.”

Paragraph (6) relates to “inactive duty training” and “active duty for training.” Subparagraph (A) of this paragraph defines “inactive duty training” to mean training or duty (1) which is prescribed by the Secretary concerned under section 501 of the Career Compensation Act of 1949 (or any other provision of law) and (2) which is performed by a member of a Reserve component of a uniformed service.

Subparagraph (B) of this paragraph provides coverage for members of a Reserve component of a uniformed service while they are traveling to or from active duty for training or inactive duty training. Clause (i) of this subparagraph requires that the duty performed or to be performed must be authorized or required by competent authority in advance, and clause (ii) requires that the death must result from an injury incurred on or after January 1, 1957, while proceeding to or returning from active duty for training or inactive duty training. The committee has established criteria in this subpara-

graph for consideration by the Secretary concerned, or the Administrator, in determining whether a death has resulted from an injury so incurred; however, this list is by no means intended to establish the sole criteria for consideration.

Subparagraph (C) of this paragraph provides that service performed by a member of the federally recognized National Guard or Air National Guard, the National Guard of the United States, or of the Air National Guard of the United States, under certain specific sections of the National Defense Act of June 3, 1916, shall be "active duty for training" or "inactive duty training," depending upon the character of training or duty performed.

Paragraph (7) provides that the terms "child" and "parent" have the meanings which they have in Veterans' Administration death compensation laws.

Paragraph (8) defines "widow," and makes that term more liberal for purposes of payment of dependency and indemnity compensation. Section 206 of the bill provides that persons now on, or eligible to be on, the compensation rolls of the Veterans' Administration may elect to receive dependency and indemnity compensation under the bill. Therefore, the definition of "widow" provided by this paragraph (8) will not operate to remove any person from the rolls, will not prevent any person now on the rolls from receiving the new benefits (whether or not such person meets the new definition of "widow"), and provides a more liberal definition of the term "widow" than is found in existing law with respect to all service-connected deaths in the future.

Paragraph (9) of this subsection defines "Secretary concerned."

Paragraph (10) defines "basic pay" for all purposes of the bill. Clause (A) of this subsection defines "basic pay" by cross reference to the appropriate sections of the Career Compensation Act of 1949.

Clause (B) of this paragraph defines "basic pay" with respect to the various branches of the ROTC.

The definition of "basic pay" is of importance in determining what shall be deemed to be basic pay of deceased persons under paragraph (11) of this section; in determining the increment to the basic \$112 dependency and indemnity compensation paid to widows under title II; in determining the amount of the death gratuity payable under title III; and in determining the social-security benefits which will be paid, and the tax which is imposed for social-security purposes, under the amendments made by title IV.

Paragraph (11) establishes the method of determining "basic pay" for purposes of title II of the bill. Under subparagraph (A), where the deceased person died on active duty, active duty for training, or inactive duty training, his "basic pay" is that which he would have received if serving on active duty and entitled to basic pay at the time of his death.

Under subparagraph (B), where the deceased person did not die on active duty, active duty for training, or inactive duty training, his "basic pay" for purposes of title II is that which he would have received if serving on active duty, in the rank held by him on the date of his discharge or release from the last period of active duty, active duty for training, or inactive duty training, in which the disability causing his death was incurred or aggravated.

Subparagraph (C) provides a method of determining "basic pay" for the limited group of individuals not included in the definition of

"member of a uniformed service," but who today have a compensable status under Veterans' Administration laws by reason of being within the definition of the term "person who served" (as that term is used in the Veterans Regulations). The head of the department under which each such person performed the services by which he obtained a compensable status shall determine a pay grade and a rate of pay for that person under the Career Compensation Act of 1949, and such person's "basic pay" shall be the pay so prescribed. Under the last sentence of this subparagraph, such persons are to be considered as having been on active duty while performing such service.

Under subparagraph (D) whenever basic pay for the uniformed services is changed in the future, payments received by survivors under title II of the bill will also be adjusted accordingly.

Subparagraph (E) provides that persons provisionally accepted, or selected for induction who die or incur a disability while en route or after arrival at a place to which ordered, shall be deemed to be on active duty and entitled to basic pay when they so die or incur a disability.

Subparagraph (F) provides that the Secretary concerned shall certify to the Administrator the basic pay considering rank or grade and years of service of deceased persons with respect to whose deaths applications for benefits are filed.

Paragraph (12) provides coverage for men discharged or released from active duty on or after January 1, 1957 during the time necessary for them to travel to their homes from the place where they are discharged or released, and, in any event, provides coverage for them until midnight of the day on which they receive their discharge or release. In some cases (primarily involving persons retiring from the Regular components), persons are held not to have "homes" at the time of their separation, but for purposes of transportation allowances incident to their separation, are given a year to select a home.

TITLE II—DEPENDENCY AND INDEMNITY COMPENSATION

This title provides that the Administrator of Veterans' Affairs shall pay survivors of deceased veterans dependency and indemnity compensation when the deaths, no matter when they occurred, were the result of service-connected disabilities.

Whenever a veteran dies in the future from a service-connected disability, his survivors will be paid under the provisions of the bill. All survivors now on the compensation rolls may elect to continue to receive benefits under the old laws, or may elect to receive payments under the provisions of the bill in the future.

Section 201.—This section specifies the conditions under which a death occurring on or after January 1, 1957, will entitle survivors to dependency and indemnity compensation. The provisions of this section are sufficiently liberal to provide that in the case of all such deaths, persons who would be entitled to death compensation under existing law shall be entitled to dependency and indemnity compensation under the bill, and in addition includes numerous persons not covered today. These persons are (1) members of the National Guard whose deaths are the result of disease incurred or aggravated while performing active duty for training (as defined) for periods of 30 days

or less; (2) members of the ROTC, NROTC, and AFROTC whose deaths are the result of disease or injury incurred or aggravated while on annual training duty; (3) all persons provisionally accepted, or selected for induction, who die from injury incurred while en route to or from, or while at a place to which ordered; (4) persons performing travel to and from active duty or active duty for training, or inactive duty training, under the conditions specified in section 102 (6) (B) of the bill; and (5) persons after their discharge and during the period of time required for them to return to their homes, as provided in section 102 (12) of the bill.

The "line of duty" criteria presently applicable under Veterans' Administration disability compensation laws shall continue to apply to deaths referred to in this section; the new definition of "widow" and the existing definitions of "child" and "parent" applicable to other Veterans' Administration death compensation laws shall apply in determining basic entitlement under this section; and the existing presumptions with respect to service connection of disabilities shall continue to apply for purposes of determining incurrence or aggravation of the disease or injury causing the death.

This section requires that an application must be filed for benefits under this title.

Section 202.—This section prescribes rates of dependency and indemnity compensation which shall be paid to a widow. Under subsection (a), each widow will receive \$112 plus 12 percent of the basic pay of her deceased husband, with the total amount increased to the next highest dollar.

With one exception (made by subsec. (b) of this section), there is no increase in dependency and indemnity compensation paid to widows by reason of children of the deceased person. In general, additional benefits for children, and additional benefits to widows where there are children, will come from social-security payments.

By this approach, where the deceased person has a relatively low "average monthly wage" (for social-security purposes) the operation of section 203 (a) of the Social Security Act (the so-called family maximum provision) causes the payments made under that act to a widow with more than one child to be no greater than the amounts paid to a widow with only one child. In addition the deceased person may have had no entitlement to social security benefits at the time of his death. Therefore the committee has provided in subsection (b) that where the deceased person's "average monthly wage" is less than \$160, or where the deceased person had no entitlement to social-security benefits, the Veterans' Administration will make supplemental payments to the widow in the amount of \$30 for each child of the deceased person in excess of one. These supplemental payments, however, are limited to amounts which, when added to the social security payments (if any) made to the widow and children, will not exceed the amounts which would be paid to them under the Social Security Act if the deceased person had died fully and currently insured with an average monthly wage of \$160. Under the Social Security Act at present, the maximum amount which can be paid to a widow and children where the deceased person's average monthly wage equals \$160, is \$128 per month.

Section 203.—This section provides for payments of dependency and indemnity compensation to children.

Subsection (a) provides that whenever there is no widow, children shall receive dependency and indemnity compensation at the rate of \$70 for 1 child; \$100 for 2; \$130 for 3; and \$25 additional for each child in excess of 3.

Subsection (b) provides that dependency and indemnity compensation paid by reason of this section shall be paid in equal shares.

Section 204.—This section provides for supplemental payments of dependency and indemnity compensation to children, to take care of certain situations which may arise because of the termination of social-security payments to a child who attains age 18.

Subsection (a) provides that an orphan child who attains age 18, and has become permanently incapable of self-support, shall receive a supplemental payment of \$25 per month, in addition to any other payments to which such child is entitled.

Subsection (b) provides that where there is a widow, and a helpless child who has attained the age of 18, dependency and indemnity compensation in the amount of \$70 per month shall be paid to or for such child. This payment will continue so long as the widow is entitled to dependency and indemnity compensation in her own right. When there is no such widow, the child's payment under this subsection will terminate, but will be picked up under section 203 and under section 204 (a).

Subsection (c) provides that where there is a widow entitled to dependency and indemnity compensation, and a child attains the age of 18, and is attending school, a supplemental payment will be made to that child (to compensate for his loss of social security) in the amount of \$35. This payment will continue until the child leaves school, attains the age of 21, or until the widow's entitlement terminates, whichever first occurs. If the widow's entitlement terminates, the child will then be entitled to benefits under section 203.

Section 205.—This section provides for payments of dependency and indemnity compensation to parents.

Payments provided for parents will in all cases be geared to their annual income, and as annual income increases, payments under this title will decrease.

Subsection (a) of this section specifies that all payments to parents under this title shall be those prescribed under this section.

Subsection (b) provides the rates of dependency and indemnity compensation where there is only one parent.

Subsection (c) provides rates of dependency and indemnity compensation where there are two parents who are not living together. These rates are exactly one-half of the rates prescribed for two parents living together.

Subsection (d) provides rates of dependency and indemnity compensation for parents living together, and for remarried parents.

Subsection (e) provides for the filing of annual income statements by dependent parents.

Subsection (f) provides for administrative recovery of overpayments made to parents under this section.

Subsection (g) provides that all payments, with six exceptions, received by parents shall be considered as "income." These exceptions are—

- (1) payment of the 6-month death gratuity;
- (2) charitable donations to the parents;

- (3) payments of dependency and indemnity compensation under this title;
- (4) payments of death or disability compensation under other Veterans' Administration laws;
- (5) lump-sum payments under title II of the Social Security Act; and
- (6) amounts spent by parents for unusual medical expenses.

Section 206.—This section provides for payments of dependency and indemnity compensation in the case of deaths occurring prior to January 1, 1957.

Subsection (a) provides that any person who on or after December 31, 1956, is eligible for death compensation under other Veterans' Administration laws by reason of a death occurring before that date may receive dependency and indemnity compensation under this title. Paragraph (1) of this subsection provides that payments under this title may be made to persons on the rolls without regard to the character of discharge. Paragraph (2) of this subsection provides that parents who apply under this section must meet the income limitations established by this bill. Both paragraphs of this subsection provide that if existing criteria are liberalized in the future so that additional persons may receive death compensation under Veterans' Administration laws by reason of deaths occurring before January 1, 1957, such persons may receive benefits under the bill.

Subsection (b) provides that where benefits are granted under this title in cases of prior deaths, no payments shall be made by reason of such deaths to the beneficiary concerned under other Veterans' Administration laws or under the Federal Employees' Compensation Act.

Under paragraph (1) of this subsection, an election by a widow is binding upon the children of the deceased person, and paragraph (2) provides that an election by a child or a parent terminates his entitlement to benefits under such other laws.

Subsection (c) provides that where there is more than one child eligible for benefits by reason of this section, and all such children do not elect to receive such benefits, benefits under this title shall be paid to the children who do apply in the amounts they would receive if all such children had applied, and benefits under other laws shall be paid as if no application had been made under this title.

Subsection (d) provides with respect to parents that an application by one shall provide him only with the benefits he would have received if both parents had applied, and benefits to the other parent shall not exceed those which would be payable if no application under this title had been made.

Subsection (e) prohibits payments under this section to beneficiaries who are in receipt of payments under the Servicemen's Indemnity Act of 1951. Such beneficiaries may receive the new benefits when their entitlement to servicemen's indemnity payments ceases, whether by lapse of time or by their renunciation of their right to continue to receive such payments. The second sentence of paragraph (1) of this section prohibits payments to any beneficiary who has assigned his interest in servicemen's indemnity after the date the provisions of this bill first became public knowledge. No payments shall be made to any such beneficiary so long as the portion of indemnity he assigned is payable to any person. This provision is necessary in order to pre-

vent beneficiaries from becoming eligible for the new and more generous rates of compensation by assigning their interest in servicemen's indemnity to another close relative of the deceased person.

Paragraph (2) of this subsection provides that where a beneficiary may not receive payments under the Servicemen's Indemnity Act of 1951 by reason of the first sentence of paragraph (1), no other person may receive such payments.

Section 207.—This section provides that the Veterans' Administration shall use the same standards for determining service-connection of deaths entitling beneficiaries to dependency and indemnity compensation as it uses in determining service-connection of disabilities for purposes of payment of disability compensation.

Section 208.—This section provides that no payments of death compensation or death pension shall be made under any other law administered by the Veterans' Administration to any person eligible for benefits under this title by reason of a death occurring on or after January 1, 1957. The section also provides that no payments shall be made under the Federal Employees' Compensation Act by reason of any such death. This provision, coupled with section 501 (f) and sections 502 (5) and 502 (6) of the bill, will operate to prevent any payments being made under the Federal Employees' Compensation Act to the survivors of any member of a Reserve component of a uniformed service whose death occurs on or after January 1, 1957, and results from a service-connected cause. This section and sections 501 (f) and 502 (5) and (6) do not, however, affect the FECA benefits payable in the case of disabilities or deaths suffered by temporary members of the Coast Guard Reserve and members of the Coast Guard Auxiliary, or deaths suffered by former members of the Women's Army Auxiliary Corps.

These sections do not affect the eligibility of any person to receive Veterans' Administration or Federal Employees' Compensation Act benefits by reason of deaths occurring prior to January 1, 1957.

Section 209.—This section contains administrative provisions.

Subsection (a) provides that the general administrative provisions, provisions relating to definitions of terms, and other regulatory provisions provided in the Veterans' Administration disability and death compensation laws shall apply in the administration of title II of the bill.

Subsection (b) establishes an effective date for awards of dependency and indemnity compensation to persons who are on the rolls and elect under section 206 of the bill to receive the new benefits. It will take some time for these persons to become aware of the new program, and will take some time for them to decide whether to elect the new rates. To provide ample time for such persons, the bill provides that applications for the new benefits made by such persons on or before July 1, 1957, shall become effective as of January 1, 1957, but that applications made after July 1, 1957, shall become effective as of the date they are filed. If, however, an application is filed within 1 year after the date of the death entitling a beneficiary to benefits, benefits are paid under existing law retroactively to the date of death. It is intended that this subsection shall make no change in this practice with respect to deaths occurring before the effective date of the bill; but if an application is filed by reason of a death occurring before

January 1, 1957, and is filed within 1 year after the date of death and the person filing the claim elects to receive the benefits of the bill, benefits under the bill shall be paid only from January 1, 1957, and benefits under other laws shall be paid under them through December 31, 1956.

Subsection (c) provides the same requirements for character of discharges as is presently required for other Veterans' Administration benefits.

Subsection (d) provides that a child in receipt of dependency and indemnity compensation by reason of the death of one parent may not receive such compensation or death compensation by reason of the death of another parent who is not in the same parental line.

Subsection (e) provides the same "continues cohabitation" requirement and remarriage bar with respect to widows as is found in existing Veterans' Administration laws today.

Subsection (f) provides the same authority for the Administrator of Veterans' Affairs to waive erroneous payments or overpayments made to beneficiaries as he has today under other Veterans' Administration laws.

Section 210.—Section 210, making payments of dependency and indemnity compensation nonassignable, exempt from taxation and claims of creditors, and not subject to attachment or seizure, is identical with existing provisions of law relating to death compensation and death pension payable under other Veterans' Administration laws. Treasury Department may levy against benefits for unpaid taxes.

TITLE III—DEATH GRATUITY

The death gratuity today, as in this title, is a gratuitous payment made upon the death of a member of a uniformed service, which is equal to 6 months' pay of the deceased person.

Section 301.—This section establishes the criteria for determining whether a death gratuity will be paid to survivors of a deceased person; establishes the amount of such death gratuity; and establishes the survivors entitled thereto.

Subsection (a) provides for payment of the death gratuity in the case of the death of a "member of a uniformed service," as defined in section 102, while on "active duty," "active duty for training," or "inactive duty training," as so defined. This has the effect of covering an additional group of persons under the death gratuity provisions who are not so covered today. These persons are the following:

(1) Members of the National Guard, and reservists, whose deaths are the result of disease, and occur (A) while they are performing active duty for training for periods of 30 days or less, or (B) while they are on inactive duty training.

(2) Members of the ROTC, AFROTC, and NROTC whose deaths occur while they are on annual training duty for periods of 14 days or more;

(3) Persons provisionally accepted, or selected for induction, who die while en route to, or from, or at the place to which ordered.

(4) Persons performing authorized travel to or from active duty or active duty for training; persons in a travel status under section 102 (6) (B) of the bill; and persons covered until midnight of the date of discharge or release and during the time necessary to travel to their homes, under section 102 (12) of the bill.

(5) All persons whose deaths are the result of "willful misconduct," and all reservists and National Guardsmen whose deaths are not "in line of duty."

Subsection (b) of this section provides that the death gratuity shall equal 6 months' basic pay, plus special and incentive pays received by the deceased person, but shall not be less than \$800 nor more than \$3,000. Except for the maximum and minimum provisions, this follows existing law.

Subsection (c) lists the survivors eligible to receive the death gratuity. The permitted class of beneficiaries is more restricted than is provided in existing law, being confined to the widow, children, parents, and brothers and sisters. Existing law has been construed to provide for payment to any person having an "insurable interest" in the life of the deceased person.

Subsections (c) and (d) of this section provide that the death gratuity shall be paid only to living survivors, and shall be paid according to the priorities established in subsection (c). Since the gratuity is designed to care for the emergency needs of survivors, there is no reason for the gratuity to be paid to the estate of any person.

Section 302.—This section provides that each Secretary of a military department shall, to the maximum extent feasible, delegate to commanding officers of commands, installations, or districts, for further delegation where appropriate, the authority to determine the survivors entitled to the death gratuity, and provides that each such Secretary shall authorize the appropriate disbursing or certifying officers to make the payments to the survivors so determined (or certify payments due to them, in the case of the Coast Guard).

Section 303.—This section provides death gratuity coverage for 120 days after discharge or release from active duty, or active duty for training where the death results from a service-connected disability. However, the deceased person must have been discharged or released from the service under conditions other than dishonorable.

Subsection (a) provides that the gratuity shall be paid by the Secretary concerned, after the Administrator of Veterans' Affairs has determined that the death was service-connected.

Subsection (b) is intended to simplify the procedures which must be followed by claimants who are entitled to the death gratuity by reason of this section. Where the Veterans' Administration receives a claim for dependency and indemnity compensation, and it appears that the death gratuity may be payable by reason of this section, the Administrator shall certify that fact to the Secretary concerned who shall then make all determinations as to entitlement except determinations as to service connection.

Subsection (c) provides that determinations made by the Veterans' Administration under this section shall be made in exactly the same manner as determinations made under title II of the bill but as indicated above, line of duty is not to be factor.

Subsection (d) provides that the deceased person will be deemed to have been entitled to basic pay at the time of his death.

Subsection (e) provides that the deceased person must have been discharged or released under conditions other than dishonorable.

Section 304.—This section contains administrative provisions. Subsection (a) provides that the death gratuity shall not be paid if the deceased person was executed for a crime, unless the execution was performed by an enemy of the United States, or by a hostile force with which the Armed Forces of the United States have engaged in armed conflict.

Subsection (b) specifies the source of funds for payment of the death gratuity.

Subsection (c) provides for two situations. Where a reservist performing inactive-duty training without pay is killed, he will be deemed to have been entitled to basic pay at the time of death.

The second sentence of this subsection is designed to insure that payments of the death gratuity will continue to be made in cases where persons who suffer disability while on short tours of duty, or on inactive-duty training, are hospitalized and, after their original orders (if any) have expired, die while so hospitalized. The practice of the services in the past has been to place such individuals at the time of their injury in a pay status, and retain them in a pay status while they are receiving necessary medical care. In the event of the death of such persons while in a pay status, the death gratuity is payable today. This sentence is intended to provide that the services will continue that practice.

Subsection (d) of this section establishes criteria for determining the person who is the spouse of the deceased person for purposes of making payments under this title.

TITLE IV—OLD-AGE AND SURVIVORS INSURANCE

Title IV is divided into two parts. Part A (consisting of secs. 401 through 408) contains amendments to title II of the Social Security Act as well as certain other provisions (including amendments to the Railroad Retirement Act of 1937 and the Civil Service Retirement Act of May 29, 1930) relating to the old-age and survivors insurance program. Part B (consisting of secs. 409 through 411) contains corresponding amendments to the Internal Revenue Code of 1954.

PART A—PROVISIONS RELATING TO TITLE II OF THE SOCIAL SECURITY ACT

Section 401.—This section amends section 209 of the Social Security Act (which defines “wages” for purposes of the old-age and survivors insurance program) so as to provide that, in the case of an individual performing service after December 1956 as a member of a uniformed service, only such individual’s basic pay (as described in sec. 102 (10) of the bill) will count as “wages” for purposes of computing the benefits to which he and his survivors may become entitled under that program.

Section 402.—This section amends section 210 of the Social Security Act (which defines “employment” and related terms for purposes of the old-age and survivors insurance program) so as to provide coverage under that program, on a regular contributory basis, for service performed in any of the uniformed services.

Subsection (a) of this section adds two new subsections, (m) and (n), at the end of section 210. Under the new subsection (m), except as provided in paragraph (4) thereof, service performed after Decem-

ber 1956 by a member of a uniformed service on active duty (not including service performed while on leave without pay) will constitute covered employment for old-age and survivors insurance purposes. The term "active duty" (which includes active duty for training) is defined by reference to the definitions contained in section 102 of the bill.

Paragraph (4) of the new subsection (m) provides, however, that if an individual uses his service as a member of a uniformed service in the computation of any railroad retirement annuity to which he may be entitled, such service may not be counted as "employment" for old-age and survivors insurance purposes.

The new subsection (n) contains a definition of the terms "member of a uniformed service" for old-age and survivors insurance purposes. This definition is the same as the corresponding definition (contained in sec. 102 (2) of the bill) for purposes of dependency and idemnity compensation payable by the Veterans' Administration.

Subsection (b) of this section amends section 205 (p) (1) of the Social Security Act so as to make it clear that the basic determinations with respect to employment and wages in the case of members of the uniformed services will be made by the Secretaries concerned, and will be accepted as final and conclusive by the Secretary of Health, Education, and Welfare for old-age and survivors insurance purposes.

Section 403.—This section amends section 202 (i) of the Social Security Act, which provides for the payment of a lump-sum death payment to the widow (or other person paying the burial expenses) upon the death of an insured individual. Section 202 (i) presently requires that application for such payment be made within 2 years after the death of the insured individual; except that where a serviceman dies overseas prior to a specified date, and he is returned to the United States for interment or reinterment, the application may be filed at any time within 2 years after such interment or reinterment. The effect of the amendment made by section 403 of the bill is to continue this provision, extending the period during which application for the lump-sum death payment may be filed in the case of servicemen who are returned to the United States for interment or reinterment, on a permanent basis for members of the uniformed services who die overseas after December 1956.

Section 404.—This section amends section 217 of the Social Security Act, which affords a gratuitous wage credit of \$160 a month for active military or naval service performed during and after World War II.

Subsection (a) of this section amends section 217 (e) of the Social Security Act, which affords the gratuitous wage credit for service after the end of World War II. Section 217 (e) (1) (B) presently provides that the credit for any such service may not be counted for old-age and survivors insurance purposes if a benefit is payable under any other Federal law or retirement system (other than by the Veterans' Administration) on the basis of the same service. Under the amendment made by subsection (a) no gratuitous wage credits would be afforded after December 1956; however, a member of a uniformed service who is still in the active service after 1956 will be permitted to count his active military or naval service after 1950 for old-age and survivors insurance purposes, notwithstanding section

217 (e) (1) (B), if his only other Federal retirement benefits which are based on such service are payable by one of the uniformed services.

Subsection (b) of this section amends section 217 of the Social Security Act by adding at the end thereof a new subsection (f). The new subsection (f) would provide that where the widow or child of a former serviceman is entitled under the Civil Service Retirement Act of May 29, 1930, to a survivor's annuity in the computation of which such serviceman's military or naval service (performed after September 15, 1940, and before January 1, 1957) was included, such widow or child may elect, by irrevocably waiving his or her right to the annuity, to have such military or naval service included after December 1956 in the computation of a monthly survivors benefit under title II of the Social Security Act, notwithstanding section 217 (a) (1) (B) or 217 (e) (1) (B) of that act.

Subsection (c) of this section would permit a widow or child who waives his or her right to a survivor's annuity under the Civil Service Retirement Act (as permitted under the amendment made by subsection (b)) in order to use the serviceman's military or naval service in the computation of a monthly survivors benefit under title II of the Social Security Act, and who already is entitled to such a benefit by reason of the serviceman's other employment or self-employment, to obtain a recomputation of the serviceman's primary insurance amount so as to reflect in the amount of the benefit the inclusion of such service.

It should be noted that any service as a member of a uniformed service performed (on a contributory basis) after December 1956 may be used both for old-age and survivors insurance purposes and in the computation of benefits under another Federal retirement system, except in the case of civil-service survivor annuitants as provided in section 408 of the bill.

Section 405.—This section, which amends section 217 of the Social Security Act, authorizes appropriations to reimburse the Federal old-age and survivors insurance trust fund for the actual cost to it of the gratuitous (tax-free) wage credits provided by such section 217 for active military or naval service performed after September 15, 1940 (and prior to January 1, 1957). The amount of such reimbursement would be computed on the "excess cost" basis, and would include the full cost of the old-age and survivors insurance benefits payable in cases where the beneficiary's basic entitlement depends on such service as well as the additional cost of such benefits in cases where some benefits (though smaller in amount) would be payable without such service. The lump sum required to reimburse the trust fund for the additional cost of all such benefits paid before July 1956 would be determined by the Secretary of Health, Education, and Welfare, and would be repaid to such fund (with interest) by annual appropriations over a 10-year period; and the amount required to reimburse the fund for the additional cost each year of such benefits paid after June 1956 would be repaid to the fund by annual appropriations on a current basis.

Section 406.—This section adds a new subsection (o) to section 202 of the Social Security Act. The new subsection (o) makes it clear that, in the case of monthly survivors benefits payable under such section 202 to a widow, child, or parent of a deceased individual who was a member of a uniformed service, the requirement that an application for such benefits be filed will be satisfied if such widow, child, or

parent files an application for such benefits with the Administrator of Veterans' Affairs on the application form prescribed under section 601 of the bill.

Section 407.—This section contains amendments to the Railroad Retirement Act of 1937. These amendments, which take into account the existing interrelation between the railroad retirement system and the old-age and survivors insurance system, are designed to continue the present policy under both systems with respect to the performance by workers of military or naval service.

(1) After 1956 there will be creditable under railroad retirement, wage credits of \$160 for each month of military service performed by an individual who has at least 10 years of coverage under the Railroad Retirement Act (including coverage acquired by military service).

(2) The compensation received for military service by an individual who, previously, was in railroad employment within the 2-year period immediately preceding his entrance into military service will be subject to the regular 4 percent social security tax (2 percent being paid by the individual and 2 percent by the Government). However, the Government will, by direct appropriations, reimburse the railroad retirement account for each month of military service performed by such individual by an amount equal to 12½ percent of the \$160 wage credit, minus the amount of the 4 percent social security tax paid with respect to his military compensation. (The 12½ percent represents the combined rates of tax payable by both the employer and employee under the Railroad Retirement Act.)

(3) Should the military service be used for payment of social security under title II of the act, no adjustment would be required between railroad retirement fund and social security. The 4 percent tax for social security would be used to pay the benefits. However, should the military service be used for benefits under the Railroad Retirement Act, the OASI trust fund would be charged by the railroad retirement account for the amount of the social security benefits which would be attributable to the military service on which the 4 percent social security taxes were collected.

(4) An individual would not be permitted to receive both benefits on the basis of his military service.

Section 408.—This section amends section 5 of the Civil Service Retirement Act of May 29, 1930, so as to provide that the widow or child of an individual who performed service in the uniformed services after 1956 may not use such service for civil service survivor annuity purposes if he or she is entitled (or would upon proper application be entitled) to any monthly survivor benefits under section 202 of the Social Security Act. If the widow is without minor children and will become entitled to such benefits only upon attaining age 65 at a later time, such service may, however, be included in the computation of her civil service survivor annuity until that time. Military service rendered after 1956 cannot be used by a Federal employee for Civil Service Retirement if he is eligible for social security benefits.

PART B—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

Section 409.—This section amends section 3121 (i) of the Internal Revenue Code of 1954 to provide that in the case of an individual

performing service after December 1956 as a member of a uniformed service, only such individual's basic pay (as described in sec. 102 (10) of the bill), up to a maximum of \$4,200 in any calendar year, will count as "wages" for purposes of tax under the Federal Insurance Contributions Act. The definition of members of a uniformed service in this bill contemplates inclusion of chaplains and other professional personnel in the respective military services for purposes of this section. This amendment corresponds to the amendment made by section 401 of the bill to section 209 of the Social Security Act.

Section 410.—Subsection (a) of this section amends section 3121 of the Internal Revenue Code of 1954 by adding two new subsections, (m) and (n), at the end thereof. Under the new subsection (m), service performed after December 1956 by a member of a uniformed service on active duty (not including service performed while on leave without pay) will constitute "employment" for purposes of the Federal Insurance Contributions Act. The term "active duty" (which includes active duty for training) is defined by reference to the definitions contained in section 102 of the bill. The new subsection (n) contains a definition of the term "member of a uniformed service" for purposes of the Federal Insurance Contributions Act; this definition is the same as the corresponding definition (contained in sec. 102 (2) of the bill) for purposes of dependency and indemnity compensation payable by the Veterans' Administration. The amendment made by subsection (a) of this section of the bill corresponds generally to the amendment made by section 402 (a) of the bill to section 210 of the Social Security Act.

Subsection (b) of this section amends section 3122 of the Internal Revenue Code of 1954 so as to make it clear that the basic determinations with respect to employment and wages in the case of members of the uniformed services will be made by the Secretaries concerned, and will be accepted as final and conclusive by the Secretary of the Treasury for purposes of the Federal Insurance Contributions Act. This amendment corresponds to the amendment made by section 402 (b) of the bill to section 205 (p) (1) of the Social Security Act.

Subsection (c) of this section amends section 3122 of the Internal Revenue Code of 1954 so as to make it clear that payments of the employer's tax under the Federal Insurance Contributions Act, with respect to service performed by members of the uniformed services after December 1956, will be made from appropriations available for the pay of such members.

Section 411.—This section amends section 6051 (b) of the Internal Revenue Code of 1954, which provides a special rule with respect to the information to be contained on employees' tax receipts in the case of compensation paid for service in the Armed Forces, so as to reflect the coverage of the uniformed services under the old-age and survivors' insurance system pursuant to the preceding provisions of the bill.

TITLE V—AMENDMENTS AND REPEALS

Section 501 of this title contain subsections making specific amendments to existing laws.

Subsection (a).—Subsection (a) amends the National Service Life Insurance Act of 1940 in four respects. Paragraph (1) of this subsection amends the last sentence of section 620 of that act so as to provide

that the insurance which is granted to disabled veterans of service on or after June 27, 1950, will be similarly granted to all disabled persons granted dependency and indemnity compensation coverage by the bill. Under this amendment, every person who can today obtain this disability insurance will retain the rights he has today, and the new groups first given survivor protection by the bill will also have the right to obtain this insurance.

Paragraphs 2 and 3 amend section 621 of the National Service Life Insurance Act of 1940. This amendment will continue the right of nondisabled individuals to apply for National Service life term insurance within 120 days after they are discharged or released on or after January 1, 1957. There will be no additional cost to the Government because of this amendment. Under this amendment all benefit payments and administrative costs of this insurance would be borne by the premium proceeds. This is accomplished by placing all premiums in the appropriation and making all payments therefrom. Experience has shown that the surplus in the former revolving fund, which will be transferred to the appropriation, was more than adequate to bear the administrative cost.

Subparagraph (A) of paragraph 4 designates the existing section 622 of the National Service Life Insurance Act of 1940 as section (a), and adds a new subsection (b) at the end of such subsection. The new subsection (b) provides that no application for waivers of premiums under such section 622 made on or after January 1, 1957, shall be of any effect except applications filed (1) pursuant to the first proviso of subsection (a) or (2) during a period of war emergency. In the latter case, any such waiver granted would be effective only during the period of such war emergency.

Individuals having their policies under waiver may keep their policies under waiver of premiums; however, in any such case, if such an individual dies from a service-connected cause on or after May 1, 1957, having his policy under waiver, his survivors will not receive the survivor protection provided by title II, of this bill, but will receive death compensation from the Veterans' Administration under the laws in effect on December 31, 1956, or as thereafter amended. Although subsection (o) of this section 501 provides that deaths on or after January 1, 1957, shall not give entitlement to such benefits, this subparagraph (B) makes a limited exception to the amendment made by that subsection, by providing that deaths occurring before May 1, 1957, shall not preclude survivors from obtaining the new rates provided by the bill. Individuals in the service have 120 days after the effective date of the bill to decide (1) whether they wish to receive the new survivor protection coverage provided by the bill, or (2) whether they wish to retain their policies under waiver of premiums, and provide their survivors with existing rates of VA death compensation in case their deaths occur on or after May 1, 1957.

It should be noted that outstanding waivers can be canceled at any time, either before or after May 1, 1957, and thereby provide survivors protection under the bill.

Paragraph (5) of this subsection makes no change in existing law. Section 5 of the Servicemen's Indemnity Act of 1951 provides today that certain insurance on a permanent plan which has been surrendered for cash, and certain term insurance which has expired,

may be reinstated under certain conditions. The new section 623 is designed to preserve these rights and, in view of the fact that indemnity protection will not be available during peacetime, provision is also made for accelerating the time within which they may exercise these rights.

Paragraph (7) of this subsection contains a savings provision designed to insure that nothing in the amendments made to sections 620 and 621 of the National Service Life Insurance Act of 1940 by paragraphs (1) and (2), respectively, of this subsection shall be construed (A) to cancel or restrict rights under insurance contracts issued under such act prior to January 1, 1957, or (B) to cancel or restrict rights or privileges (arising by reason of service in or with the Armed Forces which begins before January 1, 1957) which any person, who is not a member or former member of a uniformed service within the meaning of the bill, has to apply for, and be granted, insurance under such act.

Subsection (b).—This subsection amends section 304 of the Naval Reserve Act of 1938 (1) by designating that section as subsection (a); (2) by deleting all of the provisions of that section which grant Federal Employees' Compensation Act benefits to naval reservists; and (3) by adding a new subsection (b) at the end of that section.

The new subsection (b) proposed to be added to that section makes no change in existing law, but merely places in a new place in such section 304 provisions which are interwoven with the matter deleted from section 304 by the amendment referred to in clause (2) of the preceding paragraph.

Subsection (c).—This subsection amends section 2 of the act of August 12, 1935, so as to provide specifically for criminal penalties for fiduciaries who misappropriate payments under this act made to them for beneficiaries.

Subsection (d).—This subsection amends section 21 of the World War Veterans' Act, 1924, to provide specific authority for payments of dependency and indemnity compensation to guardians of beneficiaries, and other fiduciaries.

Subsections (e) and (f).—Provide that the same rules shall obtain with respect to payments of dependency and indemnity compensation to survivors of veterans of the Army of the Philippines and Philippine Scouts as obtain with respect to payments of death compensation under other Veterans' Administration laws. The amendments also provide that the annual income limitations prescribed for payments to parents under section 205 of the bill shall, in the Philippine Islands, be determined on the basis of one peso for one dollar.

Subsection (g).—Subsection (g) of this section amends paragraph V of Veterans Regulation No. 2 (a), to provide specifically that payments of dependency and indemnity compensation unpaid at the death of a beneficiary shall be paid to other persons just as is the case today with respect to death compensation.

Subsection (h).—This subsection amends section 11 of the Uniformed Services Contingency Option Act of 1953. That section provides today that payments made under that act shall not be considered as "income"; however, this subsection amends that act to insure that there will be no doubt that payments made under that act shall be considered as income in determining eligibility of a parent for benefits.

Subsection (i).—This subsection amends the second sentence of paragraph XIII of Veterans Regulation No. 10 to provide that the receipt of dependency and indemnity compensation under the bill shall not bar a recipient who otherwise qualifies from receiving pension or compensation from the Veterans' Administration. Likewise, the receipt of pension, compensation, or dependency and indemnity compensation, shall not bar a recipient who otherwise qualifies from receiving dependency and indemnity compensation. It is not intended, however, that this provision shall in any way override the express provision in section 209 (d) of the bill relating to the dependency and indemnity compensation payable to a child based upon the death of more than one parent.

Subsection (j).—This subsection amends section 15 of Public Law 2, 73d Congress, so as to provide clearly and unmistakably in the law that where any person has committed any fraudulent act in connection with a claim for benefits under other Veterans' Administration laws providing for payment of compensation, or (because of nonspecific cross references to this section 15 contained in other laws) similarly, has committed any fraudulent act in connection with a claim for benefits under other Veterans' Administration laws, such person shall forfeit all his benefits under this bill, and under such other laws, and in addition, may be punished by fine and imprisonment.

Subsection (k).—This subsection amends section 3 of the act of October 17, 1940, so as to provide specific authority for the Administrator of Veterans' Affairs to apportion to children of the deceased person any part of the dependency and indemnity compensation paid to a widow, where there are children who are not in her care.

Subsection (l).—This subsection amends the act of September 7, 1944, so as to provide that the effective date of awards of dependency and indemnity compensation under the bill where a person is reported dead, or found to be dead, shall be the same as is presently provided by that act in the case of death pension or death compensation. Such act of September 7, 1944, provides that the effective date of such awards shall be the day following the date fixed by the Secretary concerned as the date of death, if a claim for benefits is filed within 1 year after such finding is made.

Subsections (m) and (n).—Amend provisions of law which are of very limited application today, so as to have these sections (which deal with awards of death compensation) specifically provide that they are no longer of application in the case of deaths occurring after December 31, 1956.

Subsection (o).—Subsection (o) amends the paragraphs of the Veterans Regulations which today provide for payment of death compensation to survivors of veterans who die service-connected deaths. The amendments provide that these paragraphs shall not apply to deaths occurring on or after January 1, 1957.

Subsection (p).—This subsection is a technical amendment to the Internal Revenue Code of 1954, placed therein to serve as a guide to tax lawyers that there is an exemption from taxation in the case of dependency and indemnity compensation, provided in section 210 of the bill.

Subsection (q).—Provides that the current program of free indemnity, under the Servicemen's Indemnity Act of 1951, is continued, but its application to a person in the active service would be limited for only periods of war or national emergency involving hostilities.

Subsection (r).—Provides that in cases where the military record is corrected under section 20 of the Legislative Reorganization Act of 1946, the effective date of commencement of Veterans' Administration benefits will be the date the application was filed for correction of the record.

Section 502.—This section contains a list of acts and parts of acts which are repealed by the bill.

Paragraph (1) repeals the act of December 17, 1919, which today provides for payment of the 6 months' death gratuity to dependents of members of the Regular Army.

Paragraph (2) repeals a paragraph in an appropriation bill of June 4, 1920, which provides for payment of the 6 months' death gratuity to dependents of members of the Regular Navy and Marine Corps.

Paragraph (3) repeals an obsolete provision of law granting the 6 months' death gratuity to dependents of Army nurses.

Paragraph (4) repeals the provision of law granting the 6 months' death gratuity to dependents of members of the Fleet Reserve and Fleet Marine Corps Reserve.

Paragraph (5) repeals the act of July 15, 1939, which grants Federal Employees' Compensation Act coverage to members of the Army and Air Force Reserve.

Paragraph (6) repeals the act of July 18, 1940, which grants Federal Employees' Compensation Act coverage to certain reservists who suffered injuries prior to July 15, 1939.

Paragraph (7) repeals section 489 of title 14 of the United States Code, which grants the 6 months' death gratuity to dependents of members of the Coast Guard.

TITLE VI—MISCELLANEOUS

Section 601.—This section provides that there shall be no necessity for a claimant to file more than one basic application for benefits under the Social Security Act and under title II of the bill, and that, to the maximum feasible extent, there shall be no necessity for a claimant to file any particular item of documentary evidence substantiating a claim more than once under such act and title. The section is not intended to foreclose either the Veterans' Administration or the Department of Health, Education, and Welfare from contacting a claimant to procure additional information, or to inform a claimant of his or her rights.

Section 602 would restore for 1 year the right for persons who had active service between October 8, 1940, and September 2, 1945, to apply for and, upon a showing of good health, to be granted insurance under the National Service Life Insurance Act of 1940.

Section 603.—This section contains the effective date of the bill, and a saving provision.

Subsection (a) provides that the bill shall take effect as of January 1, 1957.

Subsection (b) provides that none of the amendments or repeals contained in the bill shall operate to deprive any person of any right to payments which he has by reason of a disability or death occurring prior to January 1, 1957; nor shall anything in any such amendment or repeal deprive any person of any right to which he is entitled under the Federal Employees' Compensation Act by reason of his own disability occurring prior to January 1, 1957.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italics; existing law in which no change is proposed is shown in roman):

SOCIAL SECURITY ACT

OLD-AGE AND SURVIVORS INSURANCE BENEFIT PAYMENTS

Old-Age Insurance Benefits

SEC. 202. * * *

Lump-Sum Death Payments

(i) Upon the death, after August 1950, of an individual who died a fully or currently insured individual, an amount equal to three times such individual's primary insurance amount, or an amount equal to \$255, whichever is the smaller, shall be paid in a lump sum to the person, if any, determined by the Secretary to be the widow or widower of the deceased and to have been living with the deceased at the time of death. If there is no such person, or if such person dies before receiving payment, then such amount shall be paid to any person or persons, equitably entitled thereto, to the extent and in the proportions that he or they shall have paid the expenses of burial of such insured individual. No payment shall be made to any person under this subsection unless application therefor shall have been filed, by or on behalf of any such person (whether or not legally competent), prior to the expiration of two years after the date of death of such insured individual, or unless such person was entitled to wife's or husband's insurance benefits, on the basis of the wages and self-employment income of such insured individual, for the month preceding the month in which such individual died. [In the case of any individual who died outside the forty-eight States and the District of Columbia after December 1953 and before July 1955, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the provisions of the preceding sentence shall not prevent payment to any person under the second sentence of this subsection if application for a lump-sum death payment with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment.] *In the case of any individual who died outside the forty-eight States and the District of Columbia after December 1953 and before January 1, 1957, whose death occurred while he was in the active military or naval service of the United States, and who is returned to any of such States, the District of Columbia, Alaska, Hawaii, Puerto Rico, or the Virgin Islands for interment or reinterment, the provisions of the preceding sentence shall not prevent payment to any person under the second sentence of this subsection if application for a lump-sum death payment with respect to*

such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment. In the case of any individual who died outside the forty-eight States and the District of Columbia after December 1956 while he was performing service, as a member of a uniformed service, to which the provisions of section 210 (n) (1) are applicable, and who is returned to any of such States, or the District of Columbia, or to any Territory or possession of the United States, for interment or reinterment, the provisions of the third sentence of this subsection shall not prevent payment to any person under the second sentence of this subsection if application for a lump-sum death payment with respect to such deceased individual is filed by or on behalf of such person (whether or not legally competent) prior to the expiration of two years after the date of such interment or reinterment.

Application for Benefits by Survivors of Members and Former Members of the Uniformed Services

(o) In the case of any individual who would be entitled to benefits under subsection (d), (e), (g), or (h) upon filing proper application therefor, the filing with the Administrator of Veterans' Affairs by or on behalf of such individual of an application for such benefits, on the form prescribed under section 601 of the Servicemen's and Veterans' Survivor Benefits Act, shall satisfy the requirement of such subsection (d), (e), (g), or (h) that an application for such benefits be filed.

* * * * *

EVIDENCE, PROCEDURE, AND CERTIFICATION FOR PAYMENT

SEC. 205. (a) * * *

* * * * *

Special Rules in Case of Federal Service

(p) (1) With respect to service included as employment under section 210 which is performed in the employ of the United States or in the employ of any instrumentality which is wholly owned by the United States, *including service, performed as a member of a uniformed service, to which the provisions of subsection (m) (1) of such section are applicable*, the Secretary shall not make determinations as to whether an individual has performed such service, the periods of such service, the amounts of remuneration for such service which constitute wages under the provisions of section 209, or the periods in which or for which such wages were paid, but shall accept the determinations with respect thereto of the head of the appropriate Federal agency or instrumentality, and of such agents as such head may designate, as evidenced by returns filed in accordance with the provisions of section 3122 of the Internal Revenue Code of 1954 and certifications made pursuant to this subsection. Such determinations shall be final and conclusive.

* * * * *

DEFINITION OF WAGES

SEC. 209. For the purposes of this title, the term "wages" means remuneration paid prior to 1951 which was wages for the purposes of

this title under the law applicable to the payment of such remuneration, and remuneration paid after 1950 for employment, including the cash value of all remuneration paid in any medium other than cash; except that, in the case of remuneration paid after 1950, such term shall not include—

(a) (1) That part of remuneration which, after remuneration (other than remuneration referred to in the succeeding subsections of this section) equal to \$3,600 with respect to employment has been paid to an individual during any calendar year prior to 1955, is paid to such individual during such calendar year;

(2) That part of remuneration which, after remuneration (other than remuneration referred to in the succeeding subsections of this section) equal to \$4,200 with respect to employment has been paid to an individual during any calendar year after 1954, is paid to such individual during such calendar year;

(b) The amount of any payment (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) made to, or on behalf of, an employee or any of his dependents under a plan or system established by an employer which makes provision for his employees generally (or for his employees generally and their dependents) or for a class or classes of his employees (or for a class or classes of his employees and their dependents), on account of (1) retirement, or (2) sickness or accident disability, or (3) medical or hospitalization expenses in connection with sickness or accident disability, or (4) death;

(c) Any payment made to an employee (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment) on account of retirement;

(d) Any payment on account of sickness or accident disability, or medical or hospitalization expenses in connection with sickness or accident disability, made by an employer to, or on behalf of, an employee after the expiration of six calendar months following the last calendar month in which the employee worked for such employer;

(e) Any payment made to, or on behalf of, an employee or his beneficiary (1) from or to a trust exempt from tax under section 165 (a) of the Internal Revenue Code of 1939 at the time of such payment or, in the case of a payment after 1954, under sections 401 and 501 (a) of the Internal Revenue Code of 1954 unless such payment is made to an employee of the trust as remuneration for services rendered as such employee and not as a beneficiary of the trust, or (2) under or to an annuity plan which, at the time of such payment, meets the requirements of section 165 (a) (3), (4), (5), and (6) of the Internal Revenue Code of 1939 or, in the case of a payment after 1954, the requirements of sections 401 and 501 (a) of the Internal Revenue Code of 1954;

(f) The payment by an employer (without deduction from the remuneration of the employee) (1) of the tax imposed upon an employee under section 1400 of the Internal Revenue Code of 1939, or in the case of a payment after 1954 under section 3101 of the Internal Revenue Code of 1954, or (2) of any payment required from an employee under a State unemployment compensation law;

(g) (1) Remuneration paid in any medium other than cash to an employee for service not in the course of the employer's trade or business or for domestic service in a private home of the employer;

(2) Cash remuneration paid by an employer in any calendar quarter to an employee for domestic service in a private home of the employer, if the cash remuneration paid in such quarter by the employer to the employee for such service is less than \$50. As used in this paragraph, the term "domestic service in a private home of the employer" does not include service described in section 210 (f) (5);

(3) Cash remuneration paid by an employer in any calendar quarter to an employee for service not in the course of the employer's trade or business, if the cash remuneration paid in such quarter by the employer to the employee for such service is less than \$50. As used in this paragraph, the term "service not in the course of the employer's trade or business" does not include domestic service in a private home of the employer and does not include service described in section 210 (f) (5);

(h) (1) Remuneration paid in any medium other than cash for agricultural labor;

(2) Cash remuneration paid by an employer in any calendar year to an employee for agricultural labor, if the cash remuneration paid in such year by the employer to the employee for such labor is less than \$100;

(i) Any payment (other than vacation or sick pay) made to an employee after the month in which he attains retirement age (as defined in section 216 (a)), if he did not work for the employer in the period for which such payment is made; or

(j) Remuneration paid by an employer in any quarter to an employee for service described in section 210 (k) (3) (C) (relating to home workers), if the cash remuneration paid in such quarter by the employer to the employee for such service is less than \$50.

For purposes of this title, in the case of domestic service described in subsection (g) (2), any payment of cash remuneration for such service which is more or less than a whole-dollar amount shall, under such conditions and to such extent as may be prescribed by regulations made under this title, be computed to the nearest dollar. For the purpose of the computation to the nearest dollar, the payment of a fractional part of a dollar shall be disregarded unless it amounts to one-half dollar or more, in which case it shall be increased to \$1. The amount of any payment of cash remuneration so computed to the nearest dollar shall, in lieu of the amount actually paid, be deemed to constitute the amount of cash remuneration for purposes of subsection (g) (2).

For purposes of this title, in the case of an individual performing service, as a member of a uniformed service, to which the provisions of section 210 (m) (1) are applicable, the term "wages" shall, subject to the provisions of subsection (a) of this section, include as such individual's remuneration for such service only his basic pay as described in section 102 (10) of the Servicemen's and Veterans' Survivor Benefits Act.

DEFINITION OF EMPLOYMENT

SEC. 210. For the purposes of this title—

* * * * *

Service in the Uniformed Services

(m) (1) *Except as provided in paragraph (4), the term "employment" shall, notwithstanding the provisions of subsection (a) of this section, include service performed after December 1956 by an individual as a member of a uniformed service on active duty; but such term shall not include any such service which is performed while on leave without pay.*

(2) *The term "active duty" means "active duty" as described in section 102 of the Servicemen's and Veterans' Survivor Benefits Act, except that it shall also include "active duty for training" as described in such section.*

(3) *The term "inactive duty training" means "inactive duty training" as described in such section 102.*

(4) (A) *Paragraph (1) of this subsection shall not apply in the case of any service, performed by an individual as a member of a uniformed service, which is creditable under section 4 of the Railroad Retirement Act of 1937. The Railroad Retirement Board shall notify the Secretary of Health, Education, and Welfare, as provided in section 4 (p) (2) of that Act, with respect to all such service which is so creditable.*

(B) *In any case where benefits under this title are already payable on the basis of such individual's wages and self-employment income at the time such notification (with respect to such individual) is received by the Secretary, the Secretary shall certify no further benefits for payment under this title on the basis of such individual's wages and self-employment income, or shall recompute the amount of any further benefits payable on the basis of such wages and self-employment income, as may be required as a consequence of subparagraph (A) of this paragraph. No payment of a benefit to any person on the basis of such individual's wages and self-employment income, certified by the Secretary prior to the end of the month in which he receives such notification from the Railroad Retirement Board, shall be deemed by reason of this subparagraph to have been an erroneous payment or a payment to which such person was not entitled. The Secretary shall, as soon as possible after the receipt of such notification from the Railroad Retirement Board, advise such Board whether or not any such benefit will be reduced or terminated by reason of subparagraph (A), and if any such benefit will be so reduced or terminated, specify the first month with respect to which such reduction or termination will be effective.*

Member of a Uniformed Service

(n) *The term "member of a uniformed service" means any person appointed, enlisted, or inducted in a component of the Army, Navy, Air Force, Marine Corps, or Coast Guard (including a reserve component of a uniformed service as defined in section 102 (3) of the Servicemen's and Veterans' Survivor Benefits Act), or in one of those services without specification of component, and any person serving in the Army or Air Force under call or conscription. The term includes—*

(1) *a retired member of any of those services;*

(2) *a member of the Fleet Reserve or Fleet Marine Corps Reserve;*

(3) a cadet at the United States Military Academy, a midshipman at the United States Naval Academy, and a cadet at the United States Coast Guard Academy or United States Air Force Academy;

(4) a member of the Reserve Officers' Training Corps, the Naval Reserve Officers' Training Corps, or the Air Force Reserve Officers' Training Corps, when ordered to annual training duty for fourteen days or more, and while performing authorized travel to and from that duty, and

(5) any person while en route to or from, or at, a place for final acceptance or for entry upon active duty in the military or naval service—

(A) who has been provisionally accepted for such duty; or

(B) who, under the Universal Military Training and Service Act, has been selected for active military or naval service; and has been ordered or directed to proceed to such place.

The term does not include a temporary member of the Coast Guard Reserve.

* * * * *

BENEFITS IN CASE OF VETERANS

SEC. 217. * * *

(e) (1) For purposes of determining entitlement to and the amount of any monthly benefit or lump-sum death payment payable under this title on the basis of wages and self-employment income of any veteran (as defined in paragraph (4)), and for purposes of section 216 (i) (3), such veteran shall be deemed to have been paid wages (in addition to the wages, if any, actually paid to him) of \$160 in each month during any part of which he served in the active military or naval service of the United States on or after July 25, 1947, and prior to [July 1, 1955] *January 1, 1957*. This subsection shall not be applicable in the case of any monthly benefit or lump-sum death payment if—

(A) a larger such benefit or payment, as the case may be, would be payable without its application; or

(B) a benefit (other than a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments) which is based, in whole or in part, upon the active military or naval service of such veteran on or after July 25, 1947, and prior to [July 1, 1955] *January 1, 1957*, is determined by any agency or wholly owned instrumentality of the United States (other than the Veterans' Administration) to be payable by it under any other law of the United States or under a system established by such agency or instrumentality.

The provisions of clause (B) shall not apply in the case of any monthly benefit or lump-sum death payment under this title if its application would reduce by \$0.50 or less the primary insurance amount (as computed under section 215 prior to any recomputation thereof pursuant to subsection (f) of such section) of the individual on whose wages and self-employment income such benefit or payment is based. The provisions of clause (B) shall also not apply for purposes of section 216 (i) (3). *In the case of monthly benefits under this title for months after December 1956 (and any lump-sum death payment under this title with respect to a death occurring after December 1956) based on the wages and self-employment income of a veteran who performed service*

(as a member of a uniformed service) to which the provisions of section 210 (m) (1) are applicable, wages which would but for the provisions of clause (B), be deemed under this subsection to have been paid to such veteran with respect to his active military or naval service performed after December 1950 shall be deemed to have been paid to him with respect to such service notwithstanding the provisions of such clause, but only if the benefits referred to in such clause which are based (in whole or in part) on such service are payable solely by the Army, Navy, Air Force, Marine Corps, and Coast Guard.

(2) Upon application for benefits or a lump-sum death payment on the basis of the wages and self-employment income of any veteran, the Secretary of Health, Education, and Welfare shall make a decision without regard to clause (B) of paragraph (1) of this subsection unless he has been notified by some other agency or instrumentality of the United States that, on the basis of the military or naval service of such veteran on or after July 25, 1947, and prior to [July 1, 1955] *January 1, 1957*, a benefit described in clause (B) of paragraph (1) has been determined by such agency or instrumentality to be payable by it. If he has not been so notified, the Secretary of Health, Education, and Welfare shall then ascertain whether some other agency or wholly owned instrumentality of the United States has decided that a benefit described in clause (B) of paragraph (1) is payable by it. If any such agency or instrumentality has decided, or thereafter decides, that such a benefit is payable by it, it shall so notify the Secretary of Health, Education, and Welfare, and the Secretary shall certify no further benefits for payment or shall recompute the amount of any further benefits payable, as may be required by paragraph (1) of this subsection.

(3) Any agency or wholly owned instrumentality of the United States which is authorized by any law of the United States to pay benefits, or has a system of benefits which are based, in whole or in part, on military or naval service on or after July 25, 1947, and prior to [July 1, 1955] *January 1, 1957*, shall, at the request of the Secretary of Health, Education, and Welfare, certify to him, with respect to any veteran, such information as the Secretary deems necessary to carry out his functions under paragraph (2) of this subsection.

(4) For the purposes of this subsection, the term "veteran" means any individual who served in the active military or naval service of the United States at any time on or after July 25, 1947, and prior to [July 1, 1955] *January 1, 1957*, and who, if discharged or released therefrom, was so discharged or released under conditions other than dishonorable after active service of ninety days or more or by reason of a disability or injury incurred or aggravated in service in line of duty; but such term shall not include any individual who died while in the active military or naval service of the United States if his death was inflicted (other than by an enemy of the United States) as lawful punishment for a military or naval offense.

(f) (1) *In any case where a World War II veteran (as defined in subsection (d) (2)) or a veteran (as defined in subsection (e) (4)) has died or shall hereafter die, and his widow or child is entitled under the Civil Service Retirement Act May 29, 1930, as amended, to an annuity in the computation of which his active military or naval service was included, clause (B) of subsection (a) (1) or clause (B) of subsection (e) (1) shall not operate (solely by reason of such annuity) to make such*

subsection inapplicable in the case of any monthly benefit under section 202 which is based on his wages and self-employment income; except that no such widow or child shall be entitled under section 202 to any monthly benefit in the computation of which such service is included by reason of this subsection (A) unless such widow or child, after December 1956, waives his or her right to receive such annuity, or (B) for any month prior to the first month with respect to which the Civil Service Commission certifies to the Secretary of Health, Education, and Welfare that (by reason of such waiver) no further annuity will be paid to such widow or child under such Act of May 29, 1930, as amended, on the basis of such veteran's military or civilian service. Any such waiver shall be irrevocable.

(2) Whenever a widow waives her right to receive such annuity such waiver shall constitute a waiver on her own behalf; a waiver by a legal guardian or guardians, or, in the absence of a legal guardian, the person (or persons) who has the child in his care, of the child's right to receive such annuity shall constitute a waiver on behalf of such child. Such a waiver with respect to an annuity based on a veteran's service shall be valid only if the widow and all children, or, if there is no widow, all the children, waive their rights to receive annuities under the Civil Service Retirement Act of May 29, 1930, as amended, based on such veteran's military or civilian service.

(g) (1) There are hereby authorized to be appropriated to the Trust Fund annually, as benefits under this title are paid after June 1956, such sums as the Secretary of Health, Education, and Welfare determines to be necessary to meet the additional costs, resulting from subsections (a), (b), and (e), of such benefits (including lump-sum death payments).

(2) The Secretary shall, before October 1, 1958, determine the amount which would place the Trust Fund in the same position in which it would have been at the close of June 30, 1956, if section 210 of this Act, as in effect prior to the Social Security Act Amendments of 1950, and section 217 of this Act (including amendments thereof), had not been enacted. There are hereby authorized to be appropriated to the Trust Fund annually, during the first ten fiscal years beginning after such determination is made, sums aggregating the amount so determined, plus interest accruing on such amount (as reduced by appropriations made pursuant to this paragraph) for each fiscal year beginning after June 30, 1956, at a rate for such fiscal year equal to the average rate of interest (as determined by the Managing Trustee) earned on the invested assets of the Trust Fund during the preceding fiscal year.

RAILROAD RETIREMENT ACT OF 1937

DEFINITIONS

SECTION 1. For the purposes of this Act—

* * * * *

(q) The terms "Social Security Act" and "Social Security Act, as amended" shall mean the Social Security Act [as amended in 1954] as amended in 1956.

MILITARY SERVICE

SEC. 4 (a). * * *

(n) In addition to the amount authorized to be appropriated in subsection (a) of section 15 of this Act, there is hereby authorized to be

appropriated to the Railroad Retirement Account for each fiscal year, beginning with the fiscal year ending June 30, 1941, [(i)] (1) an amount sufficient to meet the additional cost of crediting military service rendered prior to January 1, 1937, and [(ii)] (2) an amount found by the Board to be equal to the amount of the total additional excise and income taxes which would have been payable during the preceding fiscal year under Subchapter B of Chapter 9 of the Internal Revenue Code, as amended, with respect to the compensation, as defined in such Subchapter B, of all individuals entitled to credit under the Railroad Retirement Acts, as amended, for military service after December 31, 1936, and prior to January 1, 1957 if each of such individuals, in addition to compensation actually earned, had earned such compensation in the amount of \$160 in each calendar month in which he was in such military service during such preceding fiscal year and such taxes were measured by all such compensation without limitation as to amount earned by any individual in any one calendar [month] month, and (3) an amount found by the Board to be equal to (A) the amount of the total additional excise and income taxes which would have been payable during the preceding fiscal year under chapter 22 of the Internal Revenue Code of 1954 with respect to the compensation, as defined in such chapter, of all individuals entitled (without regard to subsection (p) (1) of this section) to credit under this Act for military service after December 1956 if each of such individuals, in addition to compensation actually paid, had been paid such compensation in the amount of \$160 in each calendar month in which he was in such military service during such preceding fiscal year and such taxes were measured by all such compensation without limitation as to amount paid to any individual in any one calendar month, less (B) the amount of the taxes which were paid with respect to such military service under sections 3101 and 3111 of the Internal Revenue Code of 1954. The additional cost of crediting military service rendered prior to January 1, 1937, shall be deemed to be the difference between the actuarial value of each annuity based in part on military service and the actuarial value of the annuity which would be payable to the same individual without regard to military service. In calculating these actuarial values, (1) whenever the annuity based in part on military service begins to accrue before age 60, the annuity without regard to military service shall be valued on the assumption of deferment to age 60, and whenever the annuity based in part on military service is awarded under subsection 2 (a) of section 2 (a), the annuity without regard to military service shall be valued on the assumption of deferment to age 65; and (2) all such actuarial values shall be calculated as of the date on which the annuity based on military service begins to accrue and shall not thereafter be subject to change. All such actuarial calculations shall be based on the Combined Annuity Table of Mortality and all calculations in this subsection shall take into account interest at the rate of 3 per centum per annum compounded annually. The Railroad Retirement Board, as promptly as practicable after the enactment of this amendment, and thereafter annually, shall submit to the Bureau of the Budget estimates of such military service appropriations to be made to the account, in addition to the annual estimate by the Board, in accordance with subsection (a) of section 15 of this Act, of the appropriation to be made to the account to provide for the payment of annuities, pensions and death benefits not based on military service. The

estimate made in any year with respect to military service rendered prior to January 1, 1937, shall be based on the cost, as determined in accordance with the above provisions, of annuities awarded or increased on the basis of such military service up to the close of the preceding fiscal year and not previously appropriated for, and shall take into account interest from the date the annuity began to accrue or was increased to the date or dates on which the amount appropriated is to be credited to the Railroad Retirement Account. In making the estimate for the appropriation for military service rendered after December 31, 1936, the Board shall take into account any excess or deficiency in the appropriation or appropriations for such service in any preceding fiscal year or years, with interest thereon, resulting from an overestimate or underestimate of the number of individuals in creditable military service or the months of military service. *In determining pursuant to section 5 (k) (2) for any fiscal year the total amount to be credited from the Railroad Retirement Account to the Old-Age and Survivors Insurance Trust Fund, credit shall be given such Account for the amount of the taxes described in clause (3) (B) of the first sentence of this subsection.*

(o) Section 4 as herein amended shall be effective as of October 8, 1940. No rights shall be deemed to have accrued under section 4 which would not have accrued had this Act amending section 4 been enacted on October 8, 1940.

(p) *(1) Military service rendered by an individual after December 1956 shall be creditable under this section only if the number of such individual's years of service is ten or more (including, in such years of service, military service which, but for this subsection, would be creditable under this section).*

(2) In any case where an individual has completed ten or more years of service and such years of service include any military service rendered after December 1956, the Board shall as promptly as is practicable (A) notify the Secretary of Health, Education, and Welfare that such military service is creditable under this section and (B) specify the period or periods of the military service rendered after December 1956 which is so creditable.

(q) Notwithstanding the provisions of this section and section 2 (c) (2), military service rendered by an individual after December 1956 shall not be used in determining eligibility for, or computing the amount of, any annuity accruing under section 2 for any month of (1) any benefits are payable for that month under title II of the Social Security Act on the basis of such individual's wages and self-employment income, (2) such military service was included in the computation of such benefits, and (3) the inclusion of such service in the computation of such benefits resulted (for that month) in benefits not otherwise payable or in an increase in the benefits otherwise payable.

(r) The Secretary concerned (as defined in section 102 (9) of the Servicemen's and Veterans' Survivor Benefits Act) shall maintain such records, and furnish the Board upon its request with such information, regarding the months of any individual's military service and the remuneration paid therefor, as may be necessary to enable the Board to carry out its duties under this section and sections 2 and 5.

SECTION 5 OF THE CIVIL SERVICE RETIREMENT ACT OF MAY 29,
1950, AS AMENDED

COMPUTATION OF ACCREDITED SERVICE

SEC. 5. Subject to the provisions of section 9 hereof, the aggregate period of service which forms the basis for calculating the amount of any annuity provided in this Act shall be computed from the date of original employment, whether as a classified or an unclassified officer or employee in the civil service of the United States, or in the service of the District of Columbia, including periods of service at different times and in one or more departments, branches, or independent offices, or the legislative branch of the Government, and periods of service as an officer or employee of the Columbia Institution for the Deaf, and of the Pan American Sanitary Bureau, and also periods of service performed overseas under authority of the United States, and periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States; in the case of an officer or employee, however, who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of an officer or employee who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or resulting from an explosion of an instrument of war, the period of the military service shall be included: *Provided*, That an officer or employee must have served for a total period of not less than five years, exclusive of such military or naval service before he shall be eligible for annuity under this Act. Nothing in this Act shall be construed as to affect in any manner an officer's or employee's right to retired pay, pension, or compensation in addition to the annuity herein provided.

In computing length of service for the purposes of this Act, all periods of separation from the service, and so much of any leaves of absence as may exceed six months in the aggregate in any calendar year, shall be excluded, except leaves of absence granted employees while performing active military or naval service in the Army, Navy, Marine Corps, or Coast Guard of the United States or while receiving benefits under the United States Employees' Compensation Act, and in the case of substitutes in the Postal Service credit shall be given from date of original appointment as a substitute.

Notwithstanding any other provision of this section, any service (other than service covered by military leave with pay from a civilian position) performed by an individual after December 1956 as a member of a uniformed service on active duty or active duty for training (as those terms are defined in section 102 of the Servicemen's and Veterans' Survivor Benefits Act) shall be excluded in determining the aggregate period of service upon which an annuity payable under this Act to such individual or to his widow or child is to be based, if such individual or widow or child is entitled (or would upon proper application be entitled), at the time of such determination, to monthly old-age or survivors benefits under section 202 of the Social Security Act based on such individual's wages and self-employment income. If in the case of the individual or widow such service is not excluded under the preceding sentence, but upon attaining retirement age (as defined in section 216 (a) of the Social Security

Act) he or she becomes entitled (or would upon proper application be entitled) to such benefits, the Commission shall redetermine the aggregate period of service upon which such annuity is based, effective as of the first day of the month in which he or she attains such age, so as to exclude such service. The Secretary of Health, Education, and Welfare shall, upon the request of the Commission, inform the Commission whether or not any such individual or widow or child is entitled at any specified time to such benefits.

No officer or employee to whom this Act applies who during the period of any war, or of any national emergency as proclaimed by the President or declared by the Congress, has left or leaves his position to enter the armed forces of the United States shall be considered as separated from such position for the purposes of this Act by reason of his service with the armed forces of the United States. This paragraph shall not be so construed as to prevent the payment of refunds as provided by section 7 (a) or 12 (b) of this Act.

In determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, in the total service shall be eliminated.

Notwithstanding any provision of law to the contrary, title to annuity payable from the civil service retirement and disability fund shall not arise from any separation unless the officer or employee so separated has, within the two-year period immediately preceding such separation, completed at least one year of creditable civilian service during which he was subject to this Act. Any annuity rights based on a separation which (a) terminated service meeting this requirement, or (b) occurred prior to this amendment, shall be restored upon separation from subsequent service which fails to meet said requirement. Any officer or employee who shall have given notice of his desire to come within the purview of this Act pursuant to the last paragraph of section 3 (a) of this Act shall be deemed for the purposes of this requirement to have been subject to the provisions of this Act during any period of service or part thereof ending not later than September 30, 1954, with respect to which there shall have been deposited the amounts specified in section 9.

No credit shall be allowed for any service subsequent to the date of the separation on which title to annuity is based. Any amounts deducted from salary for retirement purposes during such service shall upon separation be refunded to such officer or employee without interest, and shall be subject to redeposit as provided in section 12 (b) (2) of this Act. Any such amount not so refunded to the officer or employee before his death shall be paid in the order of precedence prescribed in section 12 (e).

INTERNAL REVENUE CODE OF 1954

PART III--ITEMS SPECIFICALLY EXCLUDED FROM GROSS INCOME

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SEC. 121. CROSS REFERENCES TO OTHER ACTS.

(a) For exemption of--

(1) Adjustments of indebtedness under wage earners' plans, see section 679 of the Bankruptcy Act (52 Stat. 938; 11 U. S. C. 1079);

(2) Allowances and expenditures to meet losses sustained by persons serving the United States abroad, due to appreciation of foreign currencies, see the Acts of March 6, 1934 (48 Stat. 466; 5 U. S. C. 118c) and April 25, 1938 (52 Stat. 221; 5 U. S. C. 118c-1);

(3) Amounts credited to the Maritime Administration under section 9 (b) (6) of the Merchant Ship Sales Act of 1946, see section 9 (c) (1) of that Act (60 Stat. 48; 50 U. S. C. App. 1742);

(4) Benefits under World War Adjusted Compensation Act, see section 308 of that Act, as amended (43 Stat. 125; 44 Stat. 827, § 3; 38 U. S. C. 618);

(5) Benefits under World War Veterans' Act, 1924, see section 3 of the Act of August 12, 1935 (49 Stat. 609; 38 U. S. C. 454a);

(6) Dividends and interest derived from certain preferred stock by Reconstruction Finance Corporation, see section 304 of the Act of March 9, 1933, as amended (49 Stat. 1185; 12 U. S. C. 51d);

(7) Earnings of ship contractors deposited in special reserve funds, see section 607 (h) of the Merchant Marine Act, 1936, as amended (52 Stat. 961, § 28; 46 U. S. C. 1177);

(8) Income derived from Federal Reserve banks, including capital stock and surplus, see section 7 of the Federal Reserve Act (38 Stat. 258; 12 U. S. C. 531);

(9) Income derived from Ogdensburg bridge across Saint Lawrence River, see section 4 of the Act of June 14, 1933, as amended (54 Stat. 259, § 2);

(10) Income derived from Owensboro bridge across Ohio River and nearby ferries, see section 4 of the Act of August 14, 1937 (50 Stat. 643);

(11) Income derived from Saint Clair River bridge and ferries, see section 4 of the Act of June 25, 1930, as amended (48 Stat. 140, § 1);

(12) Leave compensation payments under section 6 of Armed Forces Leave Act of 1946, see section 7 of that Act (60 Stat. 967; 37 U. S. C. 36);

(13) Mustering-out payments made to or on account of veterans under the Mustering-Out Payment Act of 1944, see section 5 (a) of that Act (58 Stat. 10; 38 U. S. C. 691e);

(14) Railroad retirement annuities and pensions, see section 12 of the Railroad Retirement Act of 1935, as amended (50 Stat. 316; 45 U. S. C. 2281);

(15) Railroad unemployment benefits, see section 2 (e) of the Railroad Unemployment Insurance Act, as amended (52 Stat. 1097; 53 Stat. 845, § 9; 45 U. S. C. 352);

(16) Special pensions of persons on Army and Navy medal of honor roll, see section 3 of the Act of April 27, 1916 (39 Stat. 54; 38 U. S. C. 393);

(17) Gain derived from the sale or other disposition of Treasury Bills, issued after June 17, 1930, under the Second Liberty Bond Act, as amended, see Act of June 17, 1930 (C. 512, 46 Stat. 775; 31 U. S. C. 754).

(18) *Dependency and indemnity compensation paid to survivors of members of a uniformed service and certain other persons, see section 210 of the Servicemen's and Veterans' Survivor Benefits Act.*

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Sec. 3122. Federal service.

* * * * *

SEC. 3121. DEFINITIONS.

(a) * * *

[(i) COMPUTATION OF WAGES IN CERTAIN CASES.—For purposes of this chapter, in the case of domestic service described in subsection (a) (7) (B), any payment of cash remuneration for such service which is more or less than a whole-dollar amount shall, under such conditions and to such extent as may be prescribed by regulations made under this chapter, be computed to the nearest dollar. For the purpose of the computation to the nearest dollar, the payment of a fractional part of a dollar shall be disregarded unless it amounts to one-half dollar or more, in which case it shall be increased to \$1. The amount of any payment of cash remuneration so computed to the nearest dollar shall, in lieu of the amount actually paid, be deemed to constitute the amount of cash remuneration for purposes of subsection (a) (7) (B).]

(i) *Computation of Wages in Certain Cases.*—

(1) *Domestic service.*—For purposes of this chapter, in the case of domestic service described in subsection (a) (7) (B), any payment of cash remuneration for such service which is more or less than a whole-dollar amount shall, under such conditions and to such extent as may be prescribed by regulations made under this chapter, be computed to the nearest dollar. For the purpose of the computation to the nearest dollar, the payment of a fractional part of a dollar shall be disregarded unless it amounts to one-half dollar or more, in which case it shall be increased to \$1. The amount of any payment of cash remuneration so computed to the nearest dollar shall, in lieu of the amount actually paid, be deemed to constitute the amount of cash remuneration for purposes of subsection (a) (7) (B).

(2) *Service in the uniformed services.*—For purposes of this chapter, in the case of an individual performing service, as a member of a uniformed service, to which the provisions of subsection (m) (1) are applicable, the term “wages” shall, subject to the provisions of subsection (a) (1) of this section, include as such individual’s remuneration for such service only his basic pay as described in section 102 (10) of the Servicemen’s and Veterans’ Survivor Benefits Act.

* * * * *

(m) *SERVICE IN THE UNIFORMED SERVICES.*—For purposes of this chapter—

(1) *INCLUSION OF SERVICE.*—The term “employment” shall notwithstanding the provisions of subsection (b) of this section, include service performed after December 1956, by an individual as a member of a uniformed service on active duty; but such term shall not include any such service which is performed while on leave without pay.

(2) *ACTIVE DUTY.*—The term “active duty” means “active duty” as described in section 102 of the Servicemen’s and Veterans’ Survivor Benefits Act, except that it shall also include “active duty for training” as described in such section.

(3) *INACTIVE DUTY TRAINING.*—The term “inactive duty training” means “inactive duty training” as described in such section 102.

(n) *MEMBER OF A UNIFORMED SERVICE.*—For purposes of this

chapter, the term "member of a uniformed service" means any person appointed, enlisted, or inducted in a component of the Army, Navy, Air Force, Marine Corps, or Coast Guard (including a reserve component of a uniformed service as defined in section 101 (3) of the Servicemen's and Veterans' Survivor Benefits Act), or in one of those services without specification of component, and any person serving in the Army or Air Force under call or conscription. The term includes—

- (1) a retired member of any of those services;
- (2) a member of the Fleet Reserve or Fleet Marine Corps Reserve;
- (3) a cadet at the United States Military Academy, a midshipman at the United States Naval Academy, and a cadet at the United States Coast Guard Academy or United States Air Force Academy;
- (4) a member of the Reserve Officers' Training Corps, the Naval Reserve Officers' Training Corps, or the Air Force Reserve Officers' Training Corps, when ordered to annual training duty for fourteen days or more, and while performing authorized travel to and from that duty; and
- (5) any person while en route to or from, or at, a place for final acceptance or for entry upon active duty in the military or naval service—
 - (A) who has been provisionally accepted for such duty; or
 - (B) who, under the Universal Military Training and Service Act, has been selected for active military or naval service; and has been ordered or directed to proceed to such place.

The term does not include a temporary member of the Coast Guard Reserve

SEC. 3122. FEDERAL SERVICE

In the case of the taxes imposed by this chapter with respect to service performed in the employ of the United States or in the employ of any instrumentality which is wholly owned by the United States, including service, performed as a member of a uniformed service, to which the provisions of section 3121 (m) (1) are applicable, the determination whether an individual has performed service which constitutes employment as defined in section 3121 (b), the determination of the amount of remuneration for such service which constitutes wages as defined in section 3121 (a), and the return and payment of the taxes imposed by this chapter, shall be made by the head of the Federal agency or instrumentality having the control of such service, or by such agents as such head may designate. The person making such return may, for convenience of administration, make payments of the tax imposed under section 3111 with respect to such service without regard to the \$4,200 limitation in section 3121 (a) (1), and he shall not be required to obtain a refund of the tax paid under section 3111 on that part of the remuneration not included in wages by reason of section 3121 (a) (1). Payments of the tax imposed under section 3111 with respect to service, performed by an individual as a member of a uniformed service, to which the provisions of section 3121 (m) (1) are applicable, shall be made from appropriations available for the pay of members of such uniformed service. The provisions of this section shall be applicable in the case of service performed by a civilian employee, not compensated from funds appropriated by the Congress, in the Army and Air Force Exchange Service, Army and Air Force Motion Picture Service, Navy Exchanges, Marine Corps Exchanges, or other activities, conducted by an instrumentality of the United States

subject to the jurisdiction of the Secretary of Defense, at installations of the Department of Defense for the comfort, pleasure, contentment, and mental and physical improvement of personnel of such Department; and for purposes of this section the Secretary of Defense shall be deemed to be the head of such instrumentality. The provisions of this subsection shall be applicable also in the case of service performed by a civilian employee, not compensated from funds appropriated by the Congress, in the Coast Guard Exchanges or other activities, conducted by an instrumentality of the United States subject to the jurisdiction of the Secretary, at installations of the Coast Guard for the comfort, pleasure, contentment, and mental and physical improvement of personnel of the Coast Guard; and for purposes of this subsection the Secretary shall be deemed to be the head of such instrumentality.

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SUBPART C—INFORMATION REGARDING WAGES PAID EMPLOYEES

SEC. 6051. RECEIPTS FOR EMPLOYEES.

(a) REQUIREMENT.—Every person required to deduct and withhold from an employee a tax under section 3101 or 3402, or who would have been required to deduct and withhold a tax under section 3402 if the employee had claimed no more than one withholding exemption, shall furnish to each such employee in respect of the remuneration paid by such person to such employee during the calendar year, on or before January 31 of the succeeding year, or, if his employment is terminated before the close of such calendar year, on the day on which the last payment of remuneration is made, a written statement showing the following:

- (1) the name of such person,
- (2) the name of the employee (and his social security account number if wages as defined in section 3121 (a) have been paid),
- (3) the total amount of wages as defined in section 3401 (a),
- (4) the total amount deducted and withheld as tax under section 3402,
- (5) the total amount of wages as defined in section 3121 (a), and
- (6) the total amount deducted and withheld as tax under section 3101.

In the case of compensation paid for service as a member of a uniformed service, the statement shall show, in lieu of the amount required to be shown by paragraph (5), the total amount of wages as defined in section 3121 (a), computed in accordance with such section and section 3121 (i) (2).

[(b) SPECIAL RULE AS TO COMPENSATION OF MEMBERS OF ARMED FORCES.—In the case of compensation paid for service as a member of the Armed Forces, the statement shall show, as wages paid during the calendar year, the amount of such compensation paid during the calendar year which is not excluded from gross income under chapter 1 (whether or not such compensation constituted wages as defined in section 3401 (a)); such statement to be furnished if any tax was withheld during the calendar year or if any of the compensation paid is includible under chapter 1 in gross income.]

(b) *SPECIAL RULE AS TO COMPENSATION OF MEMBERS OF ARMED FORCES.*—*In the case of compensation paid for service as a member of the Armed Forces, the statement required by subsection (a) shall be furnished if any tax was withheld during the calendar year under section 3402, or if any of the compensation paid during such year is includible in gross income under chapter 1, or if during the calendar year any amount was required to be withheld as tax under section 3101. In lieu of the amount required to be shown by paragraph (3) of subsection (a), such statement shall show as wages paid during the calendar year the amount of such compensation paid during the calendar year which is not excluded from gross income under chapter 1 (whether or not such compensation constituted wages as defined in section 3401 (a)).*

NATIONAL SERVICE LIFE INSURANCE ACT OF 1940

* * * * *

SEC. 619. On and after the date of enactment of the Insurance Act of 1951, except as otherwise provided in section 12 thereof, section 5 of the Servicemen's Indemnity Act of 1951, and sections [620 and 621] 620, 621, and 623 hereof, no National Service life insurance or United States Government life insurance shall be granted to any person under the provisions of the National Service Life Insurance Act of 1940, as amended, or the World War Veterans' Act, 1924, as amended, nor shall any United States Government life insurance or National Service life insurance, on which the United States is authorized by law to pay the premium, be issued or granted to any person under any provision of law, nor shall the United States pay premiums on insurance issued prior to this enactment under the provisions of Public Law Numbered 289, Seventy-seventh Congress, November 5, 1941, Public Law Numbered 571, Seventy-seventh Congress, June 5, 1942, Public Law Numbered 658, Seventy-seventh Congress, July 8, 1942, Public Law Numbered 698, Seventy-seventh Congress, August 4, 1942, Public Law Numbered 729, Seventy-ninth Congress, August 13, 1946, or any other law for any period subsequent to the end of the second calendar month following the date of this enactment: *Provided*, That the foregoing shall not be construed to prohibit the granting or issuing of National Service life insurance or United States Government life insurance in cases in which acceptable applications accompanied by proper and valid remittances or authorizations for the payment of premiums have, on or before the date of approval of this amendatory Act, been received by the Veterans' Administration, or which have, on or before said date, been placed in the mails properly directed to the Veterans' Administration, or been delivered to an authorized representative of any of the uniformed services.

SEC. 620. Any person who is released from active service under other than dishonorable conditions on or after the date of enactment of the Insurance Act of 1951, and is found by the Administrator to be suffering from a disability or disabilities for which compensation would be payable if 10 per centum or more in degree and except for which such person would be insurable according to the standards established by the Administrator for qualifying under the good health provisions of this Act, as amended, shall, upon application in writing made within one year from the date service connection of such disability is determined by the Veterans' Administration and payment

of premiums as provided in this Act, as amended, be granted insurance by the United States against the death of such person occurring while such insurance is in force: *Provided*, That insurance granted under this section shall be issued upon the same terms and conditions as are contained in the standard policies of national service life insurance except (1) the premium rates for such insurance shall be based on the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ per centum per annum; (2) all cash, loan, paid-up, and extended values shall be based upon the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ per centum per annum; (3) all settlements on policies involving annuities shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of 2¼ per centum per annum; (4) insurance granted under the provisions of this section shall be on a nonparticipating basis and all premiums and other collections therefor shall be credited directly to a revolving fund in the Treasury of the United States, and any payments on such insurance shall be made directly from such fund. Appropriations to such fund are hereby authorized. Except as herein provided, the provisions of this Act other than those contained in section 621 shall be for application to such insurance: *Provided*, That as to insurance issued under this section waiver of premiums pursuant to section 602 (n) shall not be denied on the ground that the service-connected disability became total prior to the effective date of such insurance. [All persons granted indemnity protection under section 2 of the Servicemen's Indemnity Act of 1951 shall be deemed to be in the active service for the purpose of applying for insurance under this section: *Provided*, That as to persons incurring disability under the conditions stated in the last proviso of section 2 of the Servicemen's Indemnity Act of 1951, application for insurance must be filed within one year after the incurrence of such disability.] *Any member of a uniformed service (as that term is defined in section 102 of the Servicemen's and Veterans' Survivor Benefits Act) while on active duty, active duty for training, or inactive duty training (as those terms are defined in such section) shall be deemed to be in the active service for the purpose of applying for insurance under this section; however, as to persons incurring a disability under the conditions provided in section 102 (11) (E) of such Act, application for insurance must be filed under this section within one year after the incurrence of such disability.*

[SEC. 621. (a) Any person entitled to indemnity protection under section 2 of the Servicemen's Indemnity Act of 1951 who is ordered into active service for a period exceeding thirty days, shall, upon application in writing made within one hundred and twenty days after separation from such active service and payment of premiums as hereinafter provided, and without medical examination, be granted insurance by the United States against the death of such person occurring while such insurance is in force. Insurance granted under this section shall be issued upon the same terms and conditions as are contained in the standard policies of national service life insurance on the five-year level premium term plan except (1) such insurance may not be exchanged for or converted to insurance on any other plan; (2) the premium rates for such insurance shall be based on the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ per centum per annum; (3) all settlements on policies

involving annuities shall be calculated on the basis of The Annuity Table for 1949, and interest at the rate of 2¼ per centum per annum; (4) insurance issued hereunder shall be on a nonparticipating basis and all premiums and other collections therefor shall be credited to a revolving fund in the Treasury of the United States and the payments on such term insurance shall be made directly from such fund. Appropriations to such fund are hereby authorized.

(b) The Administrator is authorized to invest in, and the Secretary of the Treasury is authorized to sell and retire, special interest-bearing obligations of the United States for the account of the revolving fund with a maturity date as may be agreed upon by the Administrator and Secretary: *Provided*, That the rate of interest on such obligations shall be fixed by the Secretary of the Treasury at a rate not exceeding the average interest rate on all marketable obligations of the United States Treasury outstanding as of the end of the month preceding the date of issue of this special obligation.]

SEC. 621. Any person who is ordered (whether before, on, or after January 1, 1957) to active duty or active duty for training (as those terms are defined in section 102 of the Servicemen's and Veterans' Survivor Benefits Act) for a period exceeding thirty days, shall, upon application in writing made within one hundred and twenty days after separation from such active duty or active duty for training and payment of premiums as hereinafter provided, and without medical examination, be granted insurance by the United States against the death of such person occurring while such insurance is in force. Insurance granted under this section shall be issued upon the same terms and conditions as are contained in the standard policies of national service life insurance on the five-year level premium term plan except (1) such insurance may not be exchanged for or converted to insurance on any other plan; (2) the premium rates for such insurance shall be based on the Commissioners 1941 Standard Ordinary Table of Mortality and interest at the rate of 2¼ per centum per annum; (3) all settlements on policies involving annuities shall be calculated on the basis of the Annuity Table for 1949, and interest at the rate of 2¼ per centum per annum; and (4) insurance issued hereunder shall be on a nonparticipating basis and all premiums and other collections therefor shall be credited directly to the national service life insurance appropriation, and any payment of benefits on such insurance shall be made directly from such appropriation.

*SEC. 622. (a) After the date of enactment of this section, any person while in active service for a continuous period in excess of thirty days who is insured under national service life insurance or United States Government life insurance shall be entitled, upon written application, to a waiver of all premiums on five-year level premium term insurance and that portion of any permanent insurance premiums representing the cost of the pure insurance risk, as determined by the Administrator, becoming due after the first day of the second calendar month following the date of enactment of this section, or the first day of the second calendar month following entry into active service, whichever is the later date, and during the remainder of such continuous active service and 120 days thereafter: *Provided*, That no premium shall be waived under this section for any period before the date of application therefor, except that if the insured is determined, as provided in the Missing Persons Act (56 Stat. 143), as amended, to have been in a status of*

missing, missing in action, interned, captured, beleaguered, or besieged, at any time after April 25, 1951, and before April 26, 1952, (A) all premiums due or paid after June 1, 1951, on five-year level premium term insurance shall, during the period of such status and during the remainder of his continuous active service and one hundred and twenty days thereafter, be waived unless the insured requests in writing that this waiver be terminated; and (B) that portion of any permanent insurance premiums due or paid after June 1, 1951, which represents the cost of the pure insurance risk shall, during the period of such status and during the remainder of his continuous active service and one hundred and twenty days thereafter, be waived if the insured applies therefor within one hundred and twenty days after the date of enactment of this clause or the date of his return to military jurisdiction, whichever is later, or if the insured dies or is declared dead while in such missing status or if the insured dies on or prior to the last day upon which he may apply for such waiver under this clause, except that premiums shall not be automatically waived with respect to any policy where the amount of the dividend earned would exceed the amount of the premium waived: *Provided*, That if the term of any five-year level premium term insurance on which premiums have been waived under this section expires while the insured is in active service, such term shall be automatically renewed for an additional five-year period and the premiums due at the then attained age shall be waived as provided above: *Provided further*, That premium waiver benefits under this section render the contract of insurance nonparticipating during the period a premium waiver is in effect: *Provided further*, That whenever benefits under such insurance become payable because of the maturity of such policy of insurance while the insured is in active service or within one hundred and twenty days thereafter, liability for payment of such benefits shall be borne by the United States in an amount which, when added to any reserve of the policy at the time of maturity, will equal the then value of such benefits under such policy. Where life contingencies are involved in the calculation of the value of such benefits, the calculation of such liability or liabilities shall be based upon such mortality table or tables as the Administrator may prescribe with interest at the rate of $2\frac{1}{4}$ per centum per annum as to insurance issued under sections 620 and 621, at the rate of 3 per centum per annum as to other national service life insurance, and $3\frac{1}{2}$ per centum per annum as to United States Government life insurance. The Administrator is authorized and directed to transfer from time to time from the national service life insurance appropriation to the National Service Life Insurance Fund and from the military and naval insurance appropriation to the United States Government Life Insurance Fund such sums as may be necessary to carry out the provisions of this section.

(b) Notwithstanding the provisions of subsection (a), no application for waiver of premiums may be made after December 31, 1956, except applications therefor filed (1) pursuant to the first proviso of subsection (a) or (2) during a period of war or of any emergency involving hostilities proclaimed by the Congress or the President. Any waiver granted during a period of war or of any emergency involving hostilities proclaimed by the Congress or the President shall be effective only with respect to such period.

Sec. 623. (a) Any person who surrendered a policy of National Service life insurance or United States Government life insurance on a permanent plan for its cash value while in the active service on or after April 25, 1951, and prior to January 1, 1957, may, upon application in writing made while in the active service or within one hundred and twenty days after separation from the active service, be granted, without medical examination, permanent plan insurance on the same plan not in excess of the amount surrendered for cash, or may reinstate such surrendered insurance upon payment of the required reserve and the premium for the current month. Waiver of premiums and total disability income benefits otherwise authorized under this Act or the World War Veterans' Act, 1924, as amended, shall not be denied in any case of issue or reinstatement of insurance on a permanent plan under this section in which it is shown to the satisfaction of the Administrator that total disability of the applicant commenced prior to the date of application. The cost of the premiums waived and total disability income benefits paid by virtue of the preceding sentence and the excess mortality cost in any case where the insurance matures by death from such total disability shall be borne by the United States and the Administrator is authorized and directed to transfer from time to time from the National Service life insurance appropriation to the National Service Life Insurance Fund and from the military and naval insurance appropriation to the United States Government Life Insurance Fund such sums as may be necessary to reimburse the funds for such costs.

(b) Any person who had United States Government life insurance or National Service life insurance on the five-year level premium term plan, the term of which expired while he was in the active service after April 25, 1951, or within one hundred and twenty days after separation from such active service, and in either case prior to January 1, 1957, shall, upon application made while in the active service or within one hundred and twenty days after separation from active service, payment of premiums and evidence of good health satisfactory to the Administrator, be granted an equivalent amount of insurance on the five-year level premium term plan at the premium rate for his then attained age.

(c) Persons deemed to be in the active service for the purposes of section 5 of the Servicemen's Indemnity Act of 1951 shall be deemed to be in the active service for the purposes of this section.

SECTION 304 OF THE NAVAL RESERVE ACT OF 1938

SEC. 304. [If in time of peace any member of the Naval Reserve is physically injured in the line of duty while performing active military or naval service, or dies as the result of such physical injury, he or his beneficiaries shall be entitled to all the benefits prescribed by law for civil employees of the United States who are physically injured in the line of duty or who die as a result thereof, and the United States Employees' Compensation Commission shall have jurisdiction in such cases and shall perform the same duties with reference thereto as in the cases of civil employees of the United States so disabled: *Provided*, That where a person who is eligible for the benefits prescribed by this section is also eligible for pension under the provisions of the Act of June 23, 1937, entitled "An Act to amend the provisions of the pension laws for peacetime service to include Reserve officers

and members of the enlisted Reserves" (50 Stat. 305), he shall elect which benefit he shall receive, and for the purposes of this section and of said Act all members of the Naval Reserve shall be considered as performing active military or naval service while performing active duty with or without pay, training duty with or without pay, drills, equivalent instruction or duty, appropriate duty, or other prescribed duty, or while performing authorized travel to or from such duties: *Provided further*, That for the purpose of determining the benefits to which entitled under the provisions of this section Naval Reservists so physically injured while performing the foregoing duties in a non-pay status will be held and considered as receiving the pay and allowances they would have received if in a pay status: *Provided further*, That] (a) *In time of peace* Naval Reservists who become ill or contract disease in line of duty during the performance of active duty or training duty with or without pay shall be entitled, at Government expense, to such medical, hospital, or other treatment as is necessary for the appropriate treatment of such illness or disease until the disability resulting from such illness or disease cannot be materially improved by hospitalization or treatment, and to the necessary transportation and subsistence incident to such medical and hospital treatment and return to their homes when discharged therefrom: *Provided further*, That no treatment or hospitalization for such illness or disease shall be continued for more than ten weeks following discharge from active or training duty except on the approved recommendation of a board of medical survey, consisting of one or more medical officers of the Navy or on authorization of the Surgeon General of the Navy based on the certificate of a reputable physician that the illness or disease is a continuation of the illness or disease which was sustained or contracted during the period of active or training duty and that further benefit will result from continued treatment: *Provided further*, That any member of the Naval Reserve performing active duty with or without pay for periods of thirty days or less, training duty with or without pay, drills, equivalent instruction or duty, appropriate duty, or prescribed duty, or while performing authorized travel to or from such duties, prior to the official termination of World War II, shall be entitled to all the benefits provided by this section to members of the Naval Reserve in time of peace: *And provided further*, That in no case shall sickness or disease be regarded as an injury within the meaning of this section relating to the Naval Reserve.

(b) *For the purposes of paragraph I (a) of part II of Veterans Regulation Numbered 1 (a)*, all members of the Naval Reserve shall be considered as performing active military or naval service when injured while performing active duty with or without pay, training duty with or without pay, drills, equivalent instruction or duty, appropriate duty, or other prescribed duty, or while performing authorized travel to or from such duties.

SECTION 2 OF THE ACT OF AUGUST 12, 1935

SEC. 2. Whoever, being a guardian, curator, conservator, committee, or person legally vested with the responsibility or care of a claimant or his estate, or any other person having charge and custody in a fiduciary capacity of money paid under the War Risk Insurance Act, as amended the World War Veterans' Act, 1924, as amended, the Emergency Officers' Retirement Act, as amended, the World War Adjusted Com-

pensation Act, as amended, the pension laws in effect prior to March 20, 1933, Public Law Numbered 2, Seventy-third Congress, as amended, Public Law Numbered 484, Seventy-third Congress, *the Servicemen's and Veterans' Survivor Benefits Act*, or under any Act or Acts amendatory of such Acts, for the benefit of any minor, incompetent, or other beneficiary, shall lend, borrow, pledge, hypothecate, use, or exchange for other funds or property, except as authorized by law, or embezzle or in any manner misappropriate any such money or property derived therefrom in whole or in part and coming into his control in any manner whatever in the execution of his trust, or under color of his office or service as such fiduciary, shall be fined not exceeding \$2,000 or imprisoned for a term not exceeding five years, or both. Any willful neglect or refusal to make and file proper accountings or reports concerning such money or property as required by law, shall be taken to be sufficient evidence, *prima facie*, of such embezzlement or misappropriation. Section 505 of the World War Veterans' Act, 1924, section 16 of Public Law Numbered 2, Seventy-third Congress, and section 4783 of the Revised Statutes are hereby repealed; but any offense committed before the enactment of this Act may be prosecuted and punishment may be inflicted in accordance with the terms of said sections notwithstanding the repeal of said sections.

WORLD WAR VETERANS' ACT, 1924

SEC. 21. (1) Where any payment of compensation, *dependency and indemnity compensation*, adjusted compensation, pension, emergency officers' retirement pay, or insurance under any Act administered by the Veterans' Administration is to be made to a minor, other than a person in the military or naval forces of the United States, or to a person mentally incompetent, or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian, curator, or conservator by the laws of the State of residence of claimant, or is otherwise legally vested with the care of the claimant, or his estate: *Provided*, That where in the opinion of the Administrator any guardian, curator, conservator, or other person is acting as fiduciary in such a number of cases as to make it impracticable to conserve properly the estates or to supervise the persons of the wards, the Administrator is hereby authorized to refuse to make future payments in such cases as he may deem proper: *Provided further*, That prior to receipt of notice by the Veterans' Administration that any such person is under such other legal disability adjudged by some court of competent jurisdiction, payment may be made to such person direct: *Provided further*, That where no guardian, curator, or conservator of the person under a legal disability has been appointed under the laws of the State of residence of the claimant, the Administrator shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

* * * * *

(3) All or any part of the compensation, *dependency and indemnity compensation*, pension, emergency officers' retirement pay, or insurance the payment of which is suspended or withheld under this section may, in the discretion of the Administrator, be paid temporarily to

the person having custody and control of the incompetent or minor beneficiary to be used solely for the benefit of such beneficiary, or in the case of an incompetent veteran, may be apportioned to the dependent or dependents, if any, of such veteran.

* * * * *

SEC. 201. [That if death results from injury—] *If death occurs prior to January 1, 1957, and results from injury—*

If the deceased leaves a widow or child, or if he leaves a mother or father either or both dependent upon him for support, the monthly compensation shall be the following amounts:

- (a) If there is a widow but no child, \$30.
- (b) If there is a widow and one child, \$40, with \$6 for each additional child.
- (c) If there is no widow, but one child, \$20.
- (d) If there is no widow, but two children, \$30.
- (e) If there is no widow, but three children, \$40, with \$5 for each additional child.
- (f) If there is a dependent mother (or dependent father), \$20, or both, \$30. The amount payable under this subdivision shall not exceed the difference between the total amount payable to the widow and children and the sum of \$75: *Provided*, That in case there is both a dependent mother and a dependent father, the amount payable to them shall not be less than \$20. Such compensation shall be payable, whether the dependency of the father or mother or both arises before or after the death of the person: *Provided*, That the status of dependency shall be determined as of the first day of each year, and the director is authorized to require a submission of such proof of dependency as he, in his discretion, may deem necessary: *Provided further*, That upon refusal or neglect of the claimant or claimants to supply such proof of dependency in a reasonable time the payment of compensation shall be suspended or discontinued.

PARAGRAPH WHICH BEGINS "ARMY OF THE PHILIPPINES," UNDER HEADING "TRANSFER OF APPROPRIATIONS" IN THE ACT OF FEBRUARY 18, 1946

Army of the Philippines: * * * *Provided*, That service in the organized military forces of the Government of the Commonwealth of the Philippines, while such forces were in the service of the armed forces of the United States pursuant to the military order of the President of the United States dated July 26, 1941, shall not be deemed to be or to have been service in the military or naval forces of the United States or any component thereof for the purposes of any law of the United States conferring rights, privileges, or benefits upon any person by reason of the service of such person or the service of any other person in the military or naval forces of the United States or any component thereof, except benefits under (1) the National Service Life Insurance Act of 1940, as amended, under contracts heretofore entered into, and (2) laws administered by the Veterans' Administration providing for the payment of [pensions] *compensation or dependency and indemnity compensation* on account of service-connected disability or death and (3) the Missing Persons Act (56 Stat. 143) as amended (50 U. S. C. App. 1001 and the following):

Provided further, That such [pensions] compensation or dependency and indemnity compensation shall be paid at the rate of one Philippine peso for each dollar authorized to be paid under the laws providing for such [pensions] compensation or dependency and indemnity compensation, and where annual income is a factor in entitlement to benefits, the dollar limitations in the laws specifying such annual income shall apply at the rate of one Philippine peso for each dollar: Provided further, That any payments heretofore made under any such law to or with respect to any member of the military forces of the Government of the Commonwealth of the Philippines who served in the service of the armed forces of the United States shall not be deemed to be invalid by reason of the circumstances that his service was not service in the military or naval forces of the United States or any component thereof within the meaning of such law.

PARAGRAPH BEGINNING "FINANCE SERVICE, ARMY" UNDER
TITLE II OF THE ACT OF MAY 27, 1946

TITLE II—MILITARY ESTABLISHMENT

* * * * *

Finance Service, Army, 1942-1946, \$4,704,700, and subappropriations under this head are hereby decreased as follows: (1) expenses of courts martial, \$4,700; (2) apprehension of deserters, \$450,000; (3) Finance Service, \$4,000,000, and (4) claims for damages due to loss or destruction of property, or personal injury, or death, \$250,000: *Provided, That of the provisions of law of the United States conferring rights, privileges, or benefits upon any person by reason of the service of such person or the service of any other person in the armed forces of the United States or any component thereof, only those conferring rights, privileges, or benefits upon persons during the time they are on active duty and those listed below shall, after the date of enactment of this Act, be deemed to apply to persons for service in the Philippine Scouts under the provisions of section 14 of the Act approved October 6, 1945 (Public Law 190, Seventy-ninth Congress):*

* * * * *

[(6) The provisions of laws administered by the Veterans' Administration providing for the payment of pensions on account of service-connected disability or death:]

(6) *The provisions of laws administered by the Veterans' Administration for the payment of compensation or dependency and indemnity compensation on account of service-connected disability or death:*

Provided further, That payments made under the provisions of any law referred to in clauses (5) and (6) above shall be paid at the rate of one Philippine peso for each dollar authorized by such law: Provided further, That where annual income is a factor in entitlement to benefits, the dollar limitations in the laws specifying such annual income shall apply at the rate of one Philippine peso for each dollar:"

Provided further, That payments made under the provisions of any law referred to in clauses (5) and (6) above shall be paid at the rate of one Philippine peso for each dollar authorized by such law: And provided further, That the provisions of the National Service Life

Insurance Act of 1940, as amended, shall apply to persons who serve in the Philippine Scouts under the provisions of section 14 of the Act approved October 6, 1945, only insofar as such provisions relate to contracts of insurance heretofore entered into.

PARAGRAPH V OF PART I OF VETERANS REGULATION NUMBERED
2 (a)

PART I

EFFECTIVE DATES OF AWARDS OF DISABILITY AND DEATH PENSIONS
AND PROVISIONS FOR FILING CLAIMS

V. (1) Pension, compensation, *dependency and indemnity compensation*, or retirement pay authorized under laws administered by the Veterans' Administration, to which a person was entitled prior to the date of his death, and not paid during his lifetime, and due and unpaid for a period not to exceed one year prior to death under existing ratings or decisions, or those based on evidence in the file at date of death, shall, upon the death of such person, be paid as hereinafter set forth:

(a) Upon the death of a person receiving an apportioned share of the veteran's pension, compensation, or retirement pay, all or any part of such unpaid amount, to the veteran or to any other dependent or dependents as may be determined by the Administrator of Veterans' Affairs;

(b) Upon the death of a veteran, to the surviving spouse; or if there be no surviving spouse, to the child or children, dependent mother or father in the order named;

(c) Upon the death of a widow or remarried widow, to the veteran's child or children;

(d) Upon the death of a child, to the surviving child or children of the veteran, entitled to death compensation, *dependency and indemnity compensation* or pension;

(e) In all other cases, only so much of the unpaid pension, compensation, *dependency and indemnity compensation*, or retirement pay may be paid as may be necessary to reimburse a person who bore the expense of last sickness and burial: *Provided, however,* That no part of any of the accrued pension, compensation, *dependency and indemnity compensation*, or retirement pay shall be used to reimburse any political subdivision of the United States for expense incurred in the last sickness or burial of such person;

(f) Payment of the benefits authorized by this paragraph will not be made unless claim therefor be received in the Veterans' Administration within one year from the date of death of the beneficiary or one year after date of this enactment, whichever is later, and such claim is perfected by the submission of the necessary evidence within one year from the date of the request therefor by the Veterans' Administration: *Provided, however,* That a claim for compensation, *dependency and indemnity compensation*, or pension by an apportionee, widow, child, or dependent parent shall be deemed to include claim for any accrued benefits.

(2) A check received by a payee in payment of pension, compensation, *dependency and indemnity compensation*, retirement pay, subsistence allowance, or education and training allowance shall, in the event of the death of the payee on or after the last day of the period covered by said check and unless negotiated by the payee or the duly appointed representative of his estate, be returned to the Veterans' Administration and canceled. The amount represented by any check returned and canceled pursuant to the foregoing or any amount recovered by reason of improper negotiation of any such check shall constitute accrued benefits payable pursuant to the provisions of paragraph V (1): *Provided*, That the one-year limitations of paragraph V (1) shall not apply: *Provided further*, That any amount not so paid shall be paid upon settlement by the General Accounting Office to the estate of the deceased payee, if such estate will not escheat: *And provided further*, That the provisions of this subparagraph in effect prior to the date of approval of this amendment shall be applicable in the case of any payee dying prior to said date.

(3) All Acts and parts of Acts in conflict with or inconsistent with the provisions of this section are hereby repealed.

SECTION 11 OF THE UNIFORMED SERVICES CONTINGENCY OPTION ACT OF 1953

SEC. 11. Annuities payable under this Act shall be in addition to any pensions or other payments to which the beneficiaries may now or hereafter be entitled under other provisions of law, and shall not be considered income (*except as provided in section 205 (g) of the Servicemen's and Veterans' Survivor Benefits Act*) under any law administered by the Veterans' Administration.

PARAGRAPH XIII OF VETERANS REGULATION NUMBERED 10

XIII. Not more than one award of pension, compensation, or emergency officers' or regular retirement pay, shall be made concurrently to any person based on his own service. The receipt of [pension or compensation] *pension, compensation, or dependency and indemnity compensation* by a widow, child, or parent on account of the death of any person, or receipt by any person of pension or compensation on account of his own service, shall not bar the payment of [pension or compensation] *pension, compensation, or dependency and indemnity compensation* on account of the death or disability of any other person. This paragraph is hereby made applicable to all laws administered by the Veterans' Administration. Section 4715 of the Revised Statutes (U. S. C., title 38, sec. 25) and any other laws in conflict herewith are hereby repealed or modified accordingly.

Pension, compensation, or retirement pay on account of his own service shall not be paid while the person is in receipt of active service pay.

The third proviso of paragraph 2 of section 1 of the Act of March 3, 1891 (U. S. C., title 38, sec. 26); the last proviso of paragraph 2 of section 3 of the Act of January 28, 1915 (U. S. C., title 38, sec. 27), and any other provision of law or veterans regulation contrary hereto is hereby repealed or modified accordingly.

SECTION 15 OF PUBLIC LAW NUMBERED 2, SEVENTY-THIRD
CONGRESS

SEC. 15. Any person who shall knowingly make or cause to be made, or conspire, combine, aid, or assist in, agree to, arrange for, or in any wise procure the making or presentation of a false or fraudulent affidavit, declaration, certificate, statement, voucher, or paper, or writing purporting to be such, concerning any claim for benefits under this title or *title II of the Servicemen's and Veterans' Survivor Benefits Act*, shall forfeit all rights, claims, and benefits under this title and *under title II of the Servicemen's and Veterans' Survivor Benefits Act*, and, in addition to any and all other penalties imposed by law, shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

SECTION 3 OF THE ACT OF OCTOBER 17, 1940

SEC. 3. Where a disabled person, entitled to pension, compensation, or emergency officers' retirement pay under laws or regulations administered by the Veterans' Administration, and his wife are not living together, or where the child or children are not in the custody of the disabled person; or where, in death cases, the child or children are not in the custody of the widow, the amount of the pension, compensation, *dependency and indemnity compensation*, or emergency officers' retirement pay may be apportioned as may be prescribed by the Administrator of Veterans' Affairs.

The Act of March 3, 1899 (30 Stat. 1379, ch. 460; U. S. C., title 38, secs. 45, 46, 47, and 49), with the exception of the last proviso (U. S. C., title 38, sec. 192), paragraph VII of Veterans Regulation Numbered 6 series (U. S. C., title 38, ch. 12, appendix), and all other provisions of law or regulation in conflict with the foregoing are repealed or modified to conform with the provisions of this section.

ACT OF SEPTEMBER 7, 1944

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That effective December 7, 1941, where in the case of a person in the active land or naval service a report of death or a finding of death has been made by the Secretary of War or the Secretary of the Navy, the effective date of an award of death pension or compensation payable under Public Law Numbered 2, Seventy-third Congress, as amended, or of dependency and indemnity compensation payable under the Servicemen's and Veterans' Survivor Benefits Act, shall be the day following the date fixed by the Secretary as the date of death in such report or finding: Provided, That claim be filed prior to one year after report or finding of death is made: And provided further, That death pension or compensation or dependency and indemnity compensation under the laws administered by the Veterans' Administration shall not be payable to any dependent for any period for which such dependent has received, or is entitled to receive, an allowance, allotment, or service pay of the deceased.

FIRST PARAGRAPH OF SECTION 3 OF THE ACT OF AUGUST 16, 1937

SEC. 3. That effective on the first day of the month next following the date of enactment of this Act, the rates of death compensation payable under the provisions of existing laws or veterans' regulations to a surviving widow, child, or children, and/or dependent mother or father now on the rolls or hereafter to be placed on the rolls as a surviving widow, child, or children, and/or dependent mother or father of any World War veteran who died prior to January 1, 1957, as the result of injury or disease incurred in or aggravated by active military or naval service in the World War, shall be as follows:

VETERANS REGULATION NUMBERED 1 (a)

PART I

PENSIONS TO VETERANS AND THE DEPENDENTS OF VETERANS FOR DISABILITY OR DEATH RESULTING FROM ACTIVE MILITARY OR NAVAL SERVICE DURING THE SPANISH-AMERICAN WAR, BOXER REBELLION, PHILIPPINE INSURRECTION, AND/OR THE WORLD WAR

* * * * *

IV. The surviving widow, child or children, and dependent mother or father of any deceased person who died prior to January 1, 1957 as the result of injury or disease incurred in or aggravated by active military or naval service as provided in part I, paragraph I, hereof, shall be entitled to receive compensation at the monthly rates specified next below.

Widow but no child, \$87; widow with one child, \$121 (with \$29 for each additional child); no widow but one child, \$67; no widow but two children, \$94 (equally divided); no widow but three children, \$122 (equally divided) (with \$23 for each additional child; total amount to be equally divided); dependent mother or father, \$75 (or both), \$40 each.

* * * * *

PART II

PAYMENT OF PENSION FOR DISABILITY OR DEATH INCURRED DURING PEACETIME SERVICE

* * * * *

III. The surviving widow, child or children, and dependent mother or father of any deceased person who died prior to January 1, 1957 as a result of injury or disease incurred in or aggravated by active military or naval service as provided for in part II, paragraph I hereof, shall be entitled to receive compensation at 80 per centum of the rates specified for such dependents in paragraph IV, part I hereof, as now or hereafter amended.

VETERANS REGULATION NO. 2 (a), AS AMENDED

Effective Dates of Awards of Disability and Death Pensions; Provisions for Filing Claims; Review of Presumptive Claims by Special Review Boards

PART I

EFFECTIVE DATES OF AWARDS OF DISABILITY AND DEATH PENSIONS
AND PROVISIONS FOR FILING CLAIMS

I. * * *

(a) * * *

(1) * * *

(2) * * *

(3) Where a claim has been finally disallowed, a subsequent claim on the same factual basis, if supported by new and material evidence, shall have the attributes of a new claim, [notwithstanding the provisions of paragraph II, Part II of Veterans Regulation No. 2—Series.] *except that, whenever any disallowed claim is reopened and thereafter allowed on the basis of new and material evidence resulting from the correction of the military or naval records of the proper service department under section 207 of the Legislative Reorganization Act of 1946, the effective date of commencement of the benefit so awarded shall be the date on which an application was filed for correction of the military record.*

* * * * *

ACT OF DECEMBER 17, 1919

[AN ACT To provide for the payment of six months' pay to the widow, children, or other designated dependent relative of any officer or enlisted man of the Regular Army whose death results from wounds or disease not the result of his own misconduct.

[*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That hereafter, immediately upon the official notification of the death from wounds or disease, not the result of his own misconduct, of any officer or enlisted man on the active list of the Regular Army or on the retired list when on active duty, the Quartermaster General of the Army shall cause to be paid to the widow, and if there be no widow to the child or children, and if there be no widow or child to any other dependent relative of such officer or enlisted man previously designated by him, an amount equal to six months' pay at the rate received by such officer or enlisted man at the date of his death. The Secretary of War shall establish regulations requiring each officer and enlisted man having no wife or child to designate the proper dependent relative to whom this amount shall be paid in case of his death. Said amount shall be paid from funds appropriated for the pay of the Army: *Provided,* That nothing in this Act, shall be construed as making the provisions thereof applicable to officers or enlisted men of any forces or troops of the Army of the United States other than those of the Regular Army, and nothing in this Act shall be construed to apply in commissioned grades to any officers except those holding premanent appointments in the Regular Army: *And provided further,* That in the event of the death of any beneficiary before payment to and collection by such beneficiary of the amount authorized herein, such gratuity shall be paid to the next living beneficiary in the order of succession above stated: *And provided further,* That if there be no widow, child, or previously designated dependent relative, the Secretary of War shall cause the amount herein provided to be paid to any grandchild, parent, brother or sister, or grandparent shown to have been dependent upon such officer or enlisted man prior to his death, and the determination of

such fact by the Secretary of War shall be final and conclusive upon the accounting officers of the Government: *And provided further*, That the last foregoing proviso shall be effective as of August 27, 1940.

[SEC. 2. That nothing in this Act shall be construed as making the provisions of this Act applicable to officers or enlisted men of any forces or troops of the Army of the United States other than those of the Regular Army, and nothing in this Act shall be construed to apply in commissioned grades to any officers except those holding permanent or provisional appointments in the Regular Army.]

SECOND PARAGRAPH UNDER "BUREAU OF SUPPLIES AND ACCOUNTS" IN THE ACT OF JUNE 4, 1920

BUREAU OF SUPPLIES AND ACCOUNTS

* * * * *

[That hereafter, immediately upon official notification of the death from wounds or disease, not the result of his or her own misconduct, of any officer, enlisted man, or nurse on the active list or the Regular Navy or Regular Marine Corps, or on the retired list when on active duty, the Paymaster General of the Navy shall cause to be paid to the widow, and if there be no widow to the child or children, and if there be no widow or child, to any other dependent relative of such officer, enlisted man, or nurse previously designated by him or her, an amount equal to six months' pay at the rate received by such officer, enlisted man, or nurse at the date of his or her death. The Secretary of the Navy shall establish regulations requiring each officer and enlisted man or nurse having no wife or child to designate the proper dependent relative to whom this amount shall be paid in case of his or her death. Said amount shall be paid from funds appropriated for the pay of the Navy and pay of the Marine Corps, respectively: *Provided*, That if there be no widow, child, or previously designated dependent relative, the Secretary of the Navy shall cause the amount herein provided to be paid to any grandchild, parent, brother or sister or grandparent shown to have been actually dependent upon such officer, enlisted man, or nurse prior to his or her death and the determination of such fact by the Secretary of the Navy shall be final and conclusive upon the accounting officers of the Government: *Provided*, That nothing in this section or in other existing legislation shall be construed as making the provisions of this section applicable to officers, enlisted men, or nurses of any forces of the Navy of the United States other than those of the Regular Navy and Marine Corps, and nothing in this section shall be construed to apply in commissioned grades to any officers except those holding permanent or probationary appointments in the Regular Navy or Marine Corps: *Provided*, That the provisions of this section shall apply to the officers and enlisted men of the Coast Guard, and the Secretary of the Treasury will cause payment to be made accordingly: *And provided further*, That in the event of the death of any beneficiary before payment to and collection by such beneficiary of the amount authorized herein, such amount shall be paid to the next living beneficiary in the order of succession above stated.]

ACT OF MARCH 8, 1928

[AN ACT To amend an Act entitled "An Act To provide for the payment of six months' pay to the widow, children, or other designated dependent relative of any officer or enlisted man of the Regular Army whose death results from wounds or disease not the result of his own misconduct," approved December 17, 1919, so as to include nurses of the Regular Army.

[Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of Congress approved December 17, 1919 (Forty-first Statutes at Large, page 367), entitled "An Act to provide for the payment of six months' pay to the widow, children, or other designated dependent relative of any officer or enlisted man of the Regular Army whose death results from wounds or disease not the result of his own misconduct," shall apply to nurses of the Regular Army to the same extent and under the same conditions as to officers and enlisted men of the Regular Army.]

ACT OF MAY 12, 1930

[AN ACT Authorizing payment of six months' death gratuity to beneficiaries of transferred members of the Fleet Naval Reserve and Fleet Marine Corps Reserves who die while on active duty.

[Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of the Act of June 4, 1920, as amended, which authorized the payment of an amount equal to six months' pay to the beneficiaries of personnel of the regular Navy or Marine Corps, and retired personnel of the Navy and Marine Corps, when on active duty, shall be extended to transferred members of the Fleet Naval Reserve and Fleet Marine Corps Reserve who die while on active duty and not as a result of their own misconduct, and transferred members of the Fleet Naval Reserve and Fleet Marine Corps Reserve shall be required to file with the Navy Department the name of beneficiary other than wife or child to which payment of the amount equal to six months' pay shall be made in the event of their death while on active duty and not the result of their own misconduct.]

ACT OF JULY 15, 1939

[AN ACT To extend the benefits of the United States Employees' Compensation Act to members of the Officers' Reserve Corps and of the Enlisted Reserve Corps of the Army who are physically injured in line of duty while performing active duty or engaged in authorized training, and for other purposes.

[Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That if in time of peace any member of the Officers' Reserve Corps or of the Enlisted Reserve Corps of the Army is physically injured in line of duty (1) while on active duty, or (2) when engaged in authorized travel to and from such duty, or (3) when engaged in authorized training without pay, or dies as the result of such physical injury, he or his beneficiary shall be entitled to all the benefits prescribed by law for civil employees of the United States who are physically injured in

line of duty or who die as a result thereof, and the United States Employees' Compensation Commission shall have jurisdiction in such cases and shall perform the same duties with reference thereto as in the cases of civil employees of the United States so injured: *Provided*, That the benefits shall accrue to any such member or his beneficiary, whether the disability or death is the result of sickness or disease contracted in line of duty while on active duty when such sickness or disease is proximately caused by service on active duty: *Provided further*, That employees' compensation under this Act shall not be paid concurrently with active-duty pay or pension based upon military service, and in the event a person becomes eligible for the benefits of the United States Employees' Compensation Act and is also eligible for, or is in receipt of, a pension based upon military service, he shall elect which benefit to receive: *Provided further*, That authorized training without pay is defined as inactive-status training under written authorization by competent military authority covering a specific training assignment and prescribing a time limit: *Provided further*, That for the purpose of determining the benefits to which entitled under the provisions of this Act members of the Officers' Reserve Corps or of the Enlisted Reserve Corps of the Army physically injured when engaged in authorized training without pay will be held and considered as receiving the pay and allowances they would have received if in a pay status: *Provided further*, That Reserve Officers entitled to the benefits of the last proviso of section 5 of the Act of April 3, 1939 (Public, Numbered 18, Seventy-sixth Congress), shall not be entitled to the benefits of this Act: *And provided further*, That nothing herein shall be construed to authorize compensation benefits for any period prior to the approval of this Act.

[**SEC. 2.** As used in this Act, the term "in time of peace" shall include that period after September 8, 1945 (the date of formal surrender by Japan), which is prior to the first day on which the United States is, by the action of the Congress or the President, or both, no longer engaged in any war in which the United States is engaged on the date of enactment of this section.]

ACT OF JULY 18, 1940

[*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That where in time of peace any member of the Officers' Reserve Corps or of the Enlisted Reserve Corps of the Army was physically injured in line of duty (1) while on active duty, or (2) while engaged in authorized travel to and from such duty, or (3) while engaged in authorized training without pay, or dies or has died as the result of such physical injury, where such injury or death occurred between the dates of February 28, 1925, and July 15, 1939, both inclusive, when such injury or death results from an accident involving a military hazard such as flying in military aircraft, participation in military drills, target practice and tactical exercises, and in injury cases where such injury has resulted in permanent partial or permanent total disability, he or his beneficiary shall be entitled to all the benefits prescribed by law for civil employees of the United States who are physically injured in line of duty or who die as a result thereof, and the United States Em-

employees' Compensation Commission shall have jurisdiction in such cases and shall perform the same duties with reference thereto as in the cases of civil employees of the United States so injured: *Provided*, That the benefits shall accrue to any such member, or his beneficiary, whether the disability or death is the result of sickness or disease contracted in line of duty while on active duty when such sickness or disease is proximately caused by service on active duty: *Provided further*, That employees' compensation under this Act shall not be paid concurrently with active-duty pay or pension based upon military service, and in the event a person become eligible for the benefits of the United States Employees' Compensation Act and is also eligible for, or is in receipt of, a pension based upon military service, he shall elect which benefit to receive: *Provided further*, That authorized training without pay is defined as inactive-status training under written authorization by competent military authority covering a specific training assignment and prescribing a time limit: *Provided further*, That for the purpose of determining benefits to which entitled under the provisions of this Act members of the Officers' Reserve Corps or of the Enlisted Reserve Corps of the Army physically injured when engaged in authorized training without pay will be held and considered as receiving the pay and allowances they would have received if in a pay status: *And provided further*, That nothing herein shall be construed to authorize compensation benefits which may have accrued for any period prior to the approval of this Act, but eligibility for compensation benefits shall be determined as of the date of approval of this Act and any benefits payable shall date only from such approval and the eight-year period of limitation in section 10-G of the Federal Employees' Compensation Act of September 7, 1916, shall be computed for purposes of this Act, from the date of approval thereof.

[Where injury or death has been sustained by any member of the Officers' Reserve Corps or Enlisted Reserve Corps while performing authorized training without pay upon inactive status it shall be presumed that such training was being performed under written authorization of competent military authority covering a specific training assignment and prescribing a time limit and thus subject to the provision of this Act unless a duly appointed Examining Board, appointed at the time of said accident, has found and reported to the contrary.

[All claims for disability or death benefits allowed under the provisions of this Act shall be made within one year from its approval by the President.]

SECTION 489 OF TITLE 14, UNITED STATES CODE

[§ 489. Death gratuity

[The provisions of law relating to the payment of an additional amount of pay to the widow, children, or other dependent relative of an officer or enlisted person of the Regular Navy or Marine Corps upon official notification of the death of such officer or enlisted man shall apply in the same manner, to the same extent, and under the same conditions to officers and enlisted men of the Regular Coast Guard. The authority and duty vested in the Secretary of the Navy by such provisions of law shall be exercised by the Secretary of the Treasury in the application and administration of such laws to the Coast Guard when it is in the Treasury Department.]

SERVICEMEN'S INDEMNITY ACT OF 1951

SEC. 1. This part may be cited as the "Servicemen's Indemnity Act of 1951".

SEC. 2. Except as hereinafter provided, [on and after June 27, 1950] any person in the active service of the Army, Navy, Air Force, Marine Corps, Coast Guard, or the Reserve components thereof, including the National Guard when called or ordered to active duty or active training duty for fourteen days or more; members of the Reserve Officers' Training Corps, the Naval Reserve Officers' Training Corps, and the Air Force Reserve Officers' Training Corps, when called or ordered to active training duty for fourteen days or more while on such active training duty; cadets and midshipmen at the United States Military, Naval, and Coast Guard Academies; commissioned officers of the Public Health Service while entitled to full military benefits as provided in section 212 (a) of the Act of July 1, 1944 (58 Stat. 689), as amended (42 U. S. C. 213); and commissioned officers of the Coast and Geodetic Survey while assigned to duty [during a period of war or an emergency as proclaimed by the President or the Congress] on projects for the Army, Navy, or Air Force in areas outside the continental United States or in Alaska or in coastal areas of the United States determined by the Department of Defense to be of immediate military hazard, shall be automatically insured by the United States, without cost to such person, [against death in such service in the principal amount of \$10,000] *against death in such service, occurring during the period of any war or of any emergency involving hostilities proclaimed by the Congress or the President, in the principal amount of \$10,000: [Provided, That any person called to extended active service for a period exceeding thirty days shall continue to be so protected for a period of one hundred and twenty days after separation or release from such active service:] Provided further, That persons in the Reserve components, including the National Guard, while engaged in aerial flights in Government owned or leased aircraft for any period, with or without pay, as an incident to their military or naval training, shall be deemed to be in the active service for the purposes of this Act: And provided further, That for the purposes of this part, any person, who, [on or after June 27, 1950] was or shall be provisionally accepted and directed or ordered to report to a place for final acceptance or for entry upon active duty in the military or naval service and who died or shall die as the result of disability incurred while en route to such place and within one hundred and twenty days after the incurrence of such disability, or any registrant under the Universal Military Training and Service Act, or any other Act of Congress which provides for the involuntary induction of persons into the Armed Forces, who [the Selective Service Act of 1948, as amended, who on or after June 27, 1950] in response to an order to report for induction into the Armed Forces and who, after reporting to a local draft board, died or dies as the result of disability incurred while en route from such draft board to a designated induction station and within one hundred and twenty days after the incurrence of such disability shall be deemed to have died in active service.*

SEC. 3. Upon certification by the Secretary of the service department concerned of the death of any person deemed to have been automatically insured under this part, the Administrator of Veterans'

Affairs shall cause the indemnity to be paid as provided in section 4 only to the surviving spouse, child or children (including a stepchild if designated as beneficiary by the insured or if a member of the insured's household, adopted child, or an illegitimate child if the latter was designated as beneficiary by the insured), parent (including a parent by adoption, or person who stood in loco parentis to the insured prior to attainment of twenty-one years of age and for a period of not less than one year prior to entry into the active service, or a stepparent who does not meet the loco parentis requirement if designated as beneficiary), brother, or sister of the insured, including those of the half-blood and those through adoption. The insured shall have the right to designate the beneficiary or beneficiaries of the indemnity within the classes herein provided; to designate the proportion of the principal amount to be paid to each; and to change the beneficiary or beneficiaries without the consent thereof but only within the classes herein provided. If the designated beneficiary or beneficiaries do not survive the insured, or if none has been designated, the Administrator shall make payment of the indemnity to the first eligible class of beneficiaries according to the order set forth above, and in equal shares if the class is composed of more than one person. Unless designated otherwise by the insured, the term "parent" shall include only the mother and father who last bore that relationship to the insured.

Any installments of an indemnity not paid to a beneficiary during such beneficiary's lifetime shall be paid to the named contingent beneficiary, if any; otherwise, to the beneficiary or beneficiaries within the permitted class next entitled to priority: *Provided*, That no payment shall be made to the estate of any deceased person.

SEC. 4. The indemnity shall be payable in equal monthly installments of one hundred and twenty in number with interest at the rate of 2¼ per centum per annum.

[SEC. 5. The automatic indemnity coverage authorized by section 2 shall apply to any person in the active service of the named Armed Forces who, upon death in such active service, or within one hundred and twenty days after separation or release from such active service as prescribed in section 2, is insured against such death under a contract of national service life insurance or United States Government life insurance, but only with respect to a principal amount of indemnity equal to the difference between the amount of insurance in force at the time of death and \$10,000. Any person in active service, who is insured under a permanent plan of national service life insurance or United States Government life insurance, may elect to surrender such contract for its cash value. In any such case the person, upon application in writing made within one hundred and twenty days after separation from active service, may be granted, without medical examination, permanent plan insurance on the same plan not in excess of the amount surrendered for cash, or may reinstate such surrendered insurance upon payment of the required reserve and the premium for the current month. Any person in the active service having United States Government life insurance or national service life insurance on the five-year level premium term plan, the term of which expires while such person is in active service after the date of this enactment, shall, upon application made within one hundred and twenty days after separation from service, payment of premiums and evidence of

good health satisfactory to the Administrator, be granted an equivalent amount of insurance on the five-year level premium term plan at the premium rate for his then attained age. Waiver of premiums and total disability income benefits otherwise authorized under the National Service Life Insurance Act of 1940, as amended, or the World War Veterans' Act, 1924, as amended, shall not be denied in any case of issue or reinstatement of insurance on a permanent plan under this section in which it is shown to the satisfaction of the Administrator that total disability of the applicant commenced prior to the date of his application. The cost of premiums waived and total disability income benefits paid by virtue of the preceding sentence and the excess mortality cost in any case where the insurance matures by death from such total disability shall be borne by the United States and the Administrator is authorized and directed to transfer from time to time from the national service life insurance appropriation to the national service life insurance fund and from the military and naval insurance appropriation to the United States Government life insurance fund such sums as may be necessary to reimburse the funds for such costs.]

SEC. 5. The automatic indemnity coverage authorized by section 2 shall apply to any person in the active service of the named Armed Forces who, upon death in such active service, is insured against such death under a contract of national service life insurance or United States Government life insurance, but only with respect to a principal amount of indemnity equal to the difference between the amount of insurance in force at the time of death and \$10,000.

SEC. 6. The Administrator of Veterans' Affairs is authorized to promulgate such rules and regulations, not inconsistent with the provisions of this part, as are necessary or appropriate to carry out its purposes.

SEC. 7. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this part, to be known as the servicemen's indemnity appropriation, for the payment of liabilities under this part.

SEC. 8. Any person guilty of mutiny, treason, spying, or desertion, or who, because of conscientious objections refuses to perform services in the land or naval forces of the United States or refuses to wear the uniform of such force, shall forfeit all rights to an indemnity under this Act: *Provided*, That restoration to active duty after commission of any such offense shall restore all rights to an indemnity under this Act. No indemnity shall be payable for death inflicted as a lawful punishment for crime or for military or naval offense, except when inflicted by an enemy of the United States.

SEC. 9. The provisions of Public Law Numbered 262, Seventy-fourth Congress, approved August 12, 1935 (49 Stat. 607), as amended, titles II and III of Public Law Numbered 844, Seventy-fourth Congress, approved June 29, 1936 (49 Stat. 2031), as amended, and section 15 of Public Law Numbered 2, Seventy-third Congress, March 20, 1933, insofar as they are applicable, shall apply to the provisions of this part: *Provided*, That assignments of all or any part of the beneficiary's interest may be made by a beneficiary to any other person or persons within the permitted class of beneficiaries, as specified in section 3, if all other persons having contingent rights of equal or

greater priority to those of the assignee join in the assignment: *Provided further*, That such assignment shall not affect any payments made prior to its receipt by the Veterans' Administration.

**TABLE OF SECTIONS AT THE BEGINNING OF CHAPTER 13, TITLE 14,
UNITED STATES CODE**

CHAPTER 13.—PAY, ALLOWANCES, AWARDS, AND OTHER RIGHTS AND BENEFITS

Sec.

461. Pay and allowances.

* * * * *

[489. Death gratuity.]

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509. Prisoners; allowances to; transportation.

