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PAPER No. 20

HANDBOOK OF PUBLIC INCOME TRANSFER  
PROGRAMS: 1975

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A STAFF STUDY

PREPARED FOR THE USE OF THE  
SUBCOMMITTEE ON FISCAL POLICY  
OF THE  
JOINT ECONOMIC COMMITTEE  
CONGRESS OF THE UNITED STATES



DECEMBER 31, 1974

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## LETTERS OF TRANSMITTAL

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DECEMBER 30, 1974.

*To the members of the Joint Economic Committee:*

Transmitted herewith is Paper No. 20 in the series *Studies in Public Welfare*, prepared for the use of the Subcommittee on Fiscal Policy. This "Handbook of Public Income Transfer Programs: 1975" is a reference volume for details of how various income security programs work.

WRIGHT PATMAN,  
*Chairman, Joint Economic Committee.*

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DECEMBER 27, 1974.

HON. WRIGHT PATMAN,  
*Chairman, Joint Economic Committee,*  
*U.S. Congress, Washington, D.C.*

DEAR MR. CHAIRMAN: Transmitted herewith is a "Handbook of Public Income Transfer Programs: 1975," Paper No. 20 in the subcommittee's series *Studies in Public Welfare*. This is a revised edition of the original "Handbook" published in 1972. It is also the final volume in the series *Studies in Public Welfare*.

This volume is intended primarily as a reference work. It does not attempt to describe or evaluate every aspect of the programs included. Its focus, rather, is on specific features of program operations which are most relevant to analyzing the ways in which these programs operate together.

This handbook contains detailed information on how the programs actually work individually at the outset of 1975. And, the format presentation will permit interested readers to compare key features of different programs and thereby to gain a perspective on the broad range of provisions involved.

Some of the program features that have been included are the following: financing provisions; major eligibility criteria; definition of family or household; definition of income for program eligibility and benefit computation purposes; benefit-loss rates; accounting periods; work, residence, and citizenship requirements; and amount of benefits.

Perhaps the most significant conclusion that the reader may draw from such a volume is the extraordinary complexity and diversity of program eligibility conditions and benefit computation formulas.

This handbook represents considerable effort by a large number of people. I acknowledge with gratitude the extensive assistance of the Congressional Research Service and the Department of Health, Education, and Welfare, as well as other executive branch agencies. The handbook was assembled and edited by Alexander Korn, with the aid of Alair A. Townsend and Martha Grundmann. Further assistance was provided by Katharine H. Conroy, Irene Cox, Vee Burke, James R. Storey, and Jack Ditmore.

MARTHA W. GRIFFITHS,  
*Chairman, Subcommittee on Fiscal Policy.*

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## INTRODUCTION

### STUDY RATIONALE

This Nation will pay out \$142 billion in fiscal year 1975 under an extensive group of public income transfer programs.<sup>1</sup> The bulk of these expenditures is for programs aimed at providing some measure of economic security for workers and dependents whose income from employment could be reduced by unemployment, old age, sickness, or death. Additionally, there are many programs to provide basic income support for persons who are nominally unemployable, and supplements in the form of cash or in-kind benefits for persons with low incomes.

While the basic structure of many of these programs dates back to the 1930's, the programs are continually modified and stretched, and new ones added. Sometimes the new programs are for the benefit of specific groups, such as disabled coal miners, while others are for identifiable "needs" such as food, health, housing, or services such as higher education and day care. In general an incremental approach has been followed, but it is no longer possible—if, indeed, it ever was—to provide a convincing rationale for the programs as they exist in terms of who is covered and who is excluded, benefit amounts, and eligibility conditions. No coherent rationale binds them together as a system. Additionally, the programs are extraordinarily complex, and the eligibility conditions and entitlement provisions lack uniformity even among programs with similar objectives and structures. Public retirement programs, for example, differ widely in their generosity to covered workers. And, a number of the income-tested programs reach the same part of the population but have been developed separately without apparent consistency of objectives, operating features, and principles of equity.

This proliferation of programs leads to administrative complexity, client confusion, and, sometimes, to results not intended by the Congress when persons receive benefits under several programs with dissimilar operating policies and procedures.

This volume is a revised edition of a handbook first published in 1972. It systematically describes the operational features of a wide variety of programs. Quite adequate descriptions can be found somewhere for any individual program. The intended contribution of this handbook, however, is threefold: it presents in one place material descriptive of many programs; this material is presented for most programs in a common framework so that comparisons across programs can easily be drawn; and it focuses on those aspects of programs which are most salient for analyses of how programs interact and impact upon those millions of persons who receive benefits under more than one program.

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<sup>1</sup> The term "public income transfer programs" is used in this report to refer to public programs which have as their aim the maintenance or supplementation of current personal living standards through assistance in cash or in goods and services such as food, health care, and housing. The term "public assistance" is used to refer to one type of such programs, and it will include the programs of aid to families with dependent children, and the supplemental security income program.

This volume is intended primarily as a reference tool, not a complete description of all aspects of individual program operation. It presents information on selected features such as the following: financing provisions; major eligibility criteria; definition of eligible family or household; definition of income for program eligibility and benefit computation purposes; adjustment of benefits according to income and resources ("benefit reduction or tax rates"); income and eligibility accounting periods; work, residence, and citizenship requirements; and amount and nature of benefits. Where programs vary from State to State or where there are detailed benefit structures or eligibility criteria, supplementary information is included.<sup>2</sup>

Programs which are authorized in Federal legislation and are wholly or partially federally financed are described in some detail. Summaries are also included of State-operated and financed programs dealing with comparable risks to income security, including State and local government employee retirement plans, workmen's compensation, and general assistance.

One major type of income transfer—income tax provisions—has not been incorporated into this report in order to keep the topic of manageable scope and to maintain a clear focus on those programs of most direct relevance to basic income support. These transfers are indirect in the sense that beneficiaries receive Government checks only if taxes have been overwithheld. Nonetheless, for those millions of persons who would otherwise pay higher income taxes, the benefits result in higher disposable personal incomes for those benefited and produce a direct loss to the Treasury. Many of these tax reductions result from conditions comparable to those recognized in direct cash and in-kind<sup>3</sup> transfer programs (old age, disability, dependents, unemployment, and personal expenditures on housing and interest subsidies, health care, and child care).

Additionally, there is a growing trend for States to offer tax relief to specific groups or for specific expenditures. These provisions also parallel income transfer programs in terms of groups and expenditures included.

Also excluded are service programs such as education, vocational rehabilitation, manpower training, family counseling, protective services and child care. The income effects of services are not always determinable and may be derived in the future through increased earning capacity rather than in current effect on spendable income. Some service programs such as educational, scholarship, and manpower training programs may include income maintenance provisions which supplement other income, but any maintenance provisions exist only as long as the services are received and these programs are not intended or used primarily for income maintenance purposes.

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<sup>2</sup> Much of the supplementary material is taken directly from published agency sources. In such cases, specific sources are not given. The primary sources for program and statistical information are listed under data sources at the end of this report.

<sup>3</sup> The programs offering aid in the form of food, medical care, housing, and other services rather than cash are referred to in this report as "aid-in-kind" programs.

Private industry plans for retirement, medical care costs, and the like are not included since the focus of this report is on publicly supported programs. However, there is public participation in the form of tax subsidies to these private programs.

Program descriptions reflect currently available information as to program operations up to January 1975 and are subject to change as more recently enacted legislation or administrative changes are put into effect. A significant number of programs underwent major legislative or regulatory changes during the relatively short preparation period for this document. The extensive revisions of the handbook which were necessitated by such changes afforded considerable perspective on the concomitant administrative burdens which were required.

This volume should not be utilized solely as an arcane technical reference, for these technical details have considerable policy impact. Criteria which define eligibility also imply exclusion and bear on the question of equity. The definition and treatment of income determines who will be eligible, how much they will receive, and how the gain or loss of income from earnings, assets, or other programs will affect benefits under the program being considered. Such details are critical to understanding how programs operate now—both singly and in combinations—and what the implications of changes might be, and are especially relevant in view of the numerous congressional committees, Federal agencies, and State and local authorities with legislative and regulatory powers over this broad range of programs.

While this handbook does not draw conclusions or make the inter-program comparisons that are possible, it does facilitate such analyses.

### PROGRAMS INCLUDED

Public income transfer programs, as described in this report, are publicly supported, Government administered, or legislatively authorized programs which have as their objective the maintenance or supplementation of current personal income through payment of cash benefits or provision of in-kind services or commodities. Such programs, as they have developed in this country, are primarily risk related; that is, they are designed to provide income maintenance protection through partial income replacement when risks to engaging in employment occur, such as retirement due to age or disability and involuntary unemployment. A number of programs also provide income protection to dependents of beneficiaries and to survivors of wage earners. In-kind transfers are designed to protect against unpredictable expenditures such as medical care costs, or to provide essentials not readily available to all segments of the population, such as adequate housing and food.

TABLE 1.—INCOME SECURITY: SUMMARY OF FEDERAL, STATE, AND LOCAL GOVERNMENT EXPENDITURES, FISCAL YEARS 1968 AND 1973

[In millions of dollars]

Type of benefit	Federal		State-local	
	Fiscal year 1968	Fiscal year 1973	Fiscal year 1968	Fiscal year 1973
<b>Part A. Need-based:</b>				
Cash.....	5,037	8,575	2,490	5,297
Food.....	839	3,855		
Health.....	2,741	6,558	2,061	4,165
Housing.....	783	3,358		
Education.....	860	1,821		
Job-training.....	709	923	43	56
Social services.....	383	1,685	116	536
<b>Total need-based.....</b>	<b>11,352</b>	<b>26,775</b>	<b>4,710</b>	<b>10,054</b>
<b>Part B. Social insurance:</b>				
Cash.....	26,505	55,615		
Health.....	5,126	9,039		
<b>Total social insurance.....</b>	<b>31,631</b>	<b>64,654</b>		
<b>Part C. Deferred compensation:</b>				
Cash.....	6,676	12,862	4,721	8,568
Health.....	552	792		
Education.....	489	2,613		
<b>Total deferred compensation.....</b>	<b>7,717</b>	<b>16,267</b>	<b>4,721</b>	<b>8,568</b>
<b>Grand total, income security.....</b>	<b>50,700</b>	<b>107,696</b>	<b>9,431</b>	<b>18,622</b>

Source: Joint Economic Committee, Subcommittee on Fiscal Policy, *Income Security for Americans: Recommendations of the Public Welfare Study*, 93d Cong., 2d sess., issued Dec. 5, 1974, p. 20. See table 3 in the same volume for a more detailed breakdown of 1973 programs.

## DEFINITION OF TERMS

Where practical, a uniform outline is used in describing comparable program features. Listed below are the major items of information included, following the general order in which the material is presented in each program outline.

### BASIC PROGRAM INFORMATION

*Legislative objective.*—This is a brief statement of program coverage and purpose.

*Date enacted and major changes since enactment.*—Only selected legislative changes which have affected program coverage, amounts or benefits, or financing are noted.

*Administering agencies.*—The Federal department and agency with responsibility for administration of programs or grants to States is given. State and local responsibility for administration is noted when appropriate. Exact titles of State or local agencies are not given, as these vary among States for agencies with similar functions. Where programs are State administered with variations in program elements among the States, such variations are summarized rather than attempting to describe the complete set of conditions applicable in each State or administrative jurisdiction. Appended tables provide some available data for each State on expenditures, benefit levels, and other selected program aspects.

*Financing.*—Sources of funding are identified, such as Federal, State, or local revenues, and employer and/or employee payroll taxes.

*Costs.*—Total expenditures for benefits and number of beneficiaries

for fiscal year 1973, estimates for 1974 and 1975, and administrative costs when available are given.

#### ELIGIBILITY CRITERIA

*Major eligibility conditions.*—This section identifies the basic conditions such as age, disability, covered employment, years of employment, need, and dependency or other status required for entitlement to benefits under the specified program.

*Persons included.*—For programs under which persons other than the primary beneficiary may receive benefits, such persons are identified. Conditions under which wives, husbands, widows, widowers, children and other persons may be considered as eligible dependents or survivors are defined.

*Income test.*—The extent to which the beneficiaries' income, employment or earnings or receipt of other transfer payments is considered in determining eligibility is covered in subsections under this heading.

*Income limits, definition of income, and treatment of earned and unearned income.*—These sections describe income limits applicable in income-tested programs (income levels below which eligibility for benefits may be established) and conditions under which employment or earnings may affect entitlement to non-income-tested benefits. Allowable exclusions or disregards of income or benefit reduction (tax) rates applied to earnings or other income are identified.

*Accounting period.*—This item is particularly relevant to the income-tested programs and other programs, such as OASI and unemployment compensation, in which current earnings may affect eligibility or amount of benefit. The accounting period refers to the period of time over which current income is considered in determining amount of benefit and the frequency with which benefits are adjusted due to changes in income and family circumstances. This period of time ranges from a day or a week for unemployment compensation, to a month in public assistance categories, a year in respect to veterans pensions, and up to 2 years in some housing subsidy programs.

#### OTHER CONDITIONS

*Work requirement and acceptance of training or rehabilitation.*—Programs and conditions under which beneficiaries are required to seek work, register for employment, or accept employment, training, or rehabilitation are identified.

*Citizenship.*—This item refers to whether the program is limited to U.S. citizens, accepts aliens under certain conditions, or is extended to all eligible persons regardless of citizenship.

*Lien, recovery or assignment, transfer of property and relative responsibility.*—These sections usually apply only to income-tested programs and are omitted if they are not applicable. "Lien, recovery or assignment" refers to whether there are provisions for liens on property or other means of recovery of benefits paid, or whether requirements that assets be assigned to the administering agency may be imposed as a condition of receipt of benefits.

Transfer of property refers to conditions in some assistance programs under which an applicant or beneficiary is ineligible for benefits if he transfers or disposes of property assets without a reasonable return or to make himself eligible for assistance.

Relative responsibility refers to provisions which define specified relatives who are considered to be responsible for support of beneficiaries and conditions under which responsibility may be enforced.

*Institutional status.*—This refers to any limitations in eligibility of residents, patients, or inmates of institutions for benefits under the program.

*Residence requirement.*—Any residence requirements or limitation of benefits to persons residing in defined areas are described.

#### BENEFITS AND SERVICES

*Primary determinants of amounts of benefits.*—This describes the basis for benefit amounts, such as years of service and earnings in employment-related programs, and methods of determining need in income-tested programs.

*Relationship of benefit amount to family size.*—Methods of determining amounts payable for dependents and survivors, if applicable, are described.

*Relationship of benefit amount to place of residence.*—Any variations because of place of residence are noted.

*Relationship of benefit amount to cost of living.*—This identifies programs which automatically increase benefits with upward changes in the cost of living and other programs in which increases have been legislatively or administratively authorized on an ad hoc basis.

*Amounts of benefits.*—Levels and ranges of benefits are described.

*Comparisons of benefit amounts to the poverty level.*—When possible, benefit levels are compared to the nonfarm poverty level. The subcommittee estimated poverty thresholds for July 1974 by inflating the Census Bureau figures for calendar year 1973 by 11.4 percent, a preliminary measure of the increase in the consumer price index between 1973 and the month of July 1974. The subcommittee thereby estimated the poverty level for a nonfarm family of four as \$5,058 in July 1974. For a single person under 65, the figure was \$2,570; if 65 or over, \$2,373. For couples with the head under 65, the amount was \$3,324; if 65 or over, \$2,994. Because the rise in consumer prices throughout 1974 was close to straight line, the subcommittee estimates of poverty levels in July 1974 will probably turn out to be fairly close to official Census thresholds for calendar year 1974 when these are announced after the average CPI level for 1974 as a whole is computed. On the other hand, as a measuring rod for testing the adequacy of income transfer programs in 1975, the July 1974 figures are clearly too low, due to continuing inflation. By December 1974, prices were already 5 percent above the July level; hence poverty thresholds at the outset of 1975 will be at least 5 percent above the figures used in this handbook.

*Other services provided or available.*—The scope of services available because of beneficiary status is indicated.

*Benefits under other programs.*—This section describes benefits from other programs for which the beneficiary of the specified program is automatically or presumptively eligible.

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**CASH TRANSFER PROGRAMS**

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# NON-INCOME-TESTED SOCIAL INSURANCE AND RELATED PROGRAMS

## OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE (OASDI)

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To partially replace income from work that is lost to workers and their dependents because of the worker's retirement in old age, disability severe enough to prevent substantial gainful employment, or death.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—Old-age insurance was enacted in 1935; survivor insurance was enacted in 1939; and disability insurance was enacted in 1956. See supplementary material for legislative history.

**ADMINISTERING AGENCY.**—The Social Security Administration of the U.S. Department of Health, Education, and Welfare.

**FINANCING.**—OASDI is financed by a payroll tax paid half by the covered employee and half by his employer, and a tax paid by self-employed people on their earnings. For wages received during 1974, the combined tax rate for employee and employer for OASDI was 9.9 percent paid on all earnings up to \$13,200; the tax rate for the self-employed was 7 percent on the same amount. The employee's share of the tax for OASDI is deducted from his earnings along with the tax for hospital insurance of 0.9 percent for a total tax of 5.85 percent on earnings up to \$13,200 in 1974. Effective January 1, 1975, social security taxes are levied on \$14,100 of each wage earner's income. There is no change in combined tax rates of 5.85 percent each for employees and employers, and 7.9 percent for the self-employed.

### *Costs and caseloads*

<i>Fiscal year</i>	<i>Amount of benefits (in millions)</i>	<i>Number of beneficiaries</i>	<i>Administrative costs (in thousands)</i>
1973 .....	\$47, 732	29, 073, 000	\$913, 985
Estimated 1974 .....	54, 014	30, 239, 000	884, 173
Estimated 1975 .....	63, 270	31, 300, 000	1, 028, 000

**POPULATION COVERAGE.**—About 90 percent of the Nation's employed labor force are paying contributions to the OASDI program. About 91 percent of the Nation's elderly are either getting monthly cash benefits or will be eligible for their benefits when they or their spouses stop working; 95 percent of young children and their surviving parents can count on monthly survivor insurance benefits if the family breadwinner dies; and about 80 percent of people aged 21-64 have protection in the event of the breadwinner's long-term disability (either as insured workers or as dependents of insured workers).

The number of beneficiaries at the end of July 1974 include the following:

	<i>Number</i>
Retired and disabled workers .....	17, 775, 000
Wives and dependent husbands .....	3, 204, 000
Children (dependent and survivors) .....	4, 651, 000
Surviving mothers of eligible children .....	567, 000
Surviving widows and widowers .....	3, 723, 000
Parents .....	24, 000
Special benefits, age 72 .....	326, 000
<b>Total</b> .....	<b>30, 270, 000</b>

The administrative costs in fiscal year 1974 were \$884,173,000 or 1.6 percent of total benefit payments.

## ELIGIBILITY CRITERIA

### MAJOR ELIGIBILITY CONDITIONS

*Retirement.*—A worker must be age 62 or over and must have the required number of quarters of coverage to be fully insured. Benefits which are payable beginning before a recipient reaches age 65 are actuarially reduced. See supplement for types of employment covered.

*Disability.*—A worker must be under 65 years of age, must be fully insured, and except for the blind must have had (a) 20 quarters of coverage during the 40 quarters immediately prior to onset of disability if disabled at or after age 31, or (b) coverage in half the calendar quarters elapsing after age 21 and before disability if disabled before age 31 but not less than 6 quarters, and must have been disabled for at least 5 months.

Disability in the law is defined as “(A) the inability to engage in any substantial gainful activity by reason of any medically determined physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; or (B) in the case of an individual who has attained the age of 55 and is blind \* \* \*, inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.”

*Survivors.*—Individuals must be dependents of deceased workers who were fully or currently insured at the time of death. [See definition of persons included below.]

*Definition of fully insured and currently insured status.*—One quarter of coverage for each of the number of years between 1950 (or the year of attainment of age 21, if later) and the year of attainment of age 62 (age 63–65 for men born before 1913), of death, or of disability (whichever comes first) is required for fully insured status. All benefits are payable to dependents or survivors of fully insured workers.

A worker is currently insured if he has 1½ years of covered employment in the 3 years immediately preceding his death.

A quarter of coverage is a calendar quarter in which the individual receives nonfarm wages in covered employment of \$50 or more. Credit is given for all four quarters of a calendar year in which the maximum creditable wages are earned even if the individual receives no wages in some quarters of the year.

A quarter of coverage for a domestic worker is a calendar quarter in which cash pay of at least \$50 is received from one employer.

A farmworker receives social security credit for cash pay if he is paid at least \$150 a year from one employer or if he works on 20 or more days for cash pay on a time basis—such as by the hour, day, or week—during the year for one employer. Coverage for one calendar quarter is acquired for each \$100 in creditable cash pay received during the year.

A self-employed person is credited with four quarters of coverage in any year in which he has a net profit of \$400. If he is a self-employed farmer and has a gross farm income of \$600 a year, he may, regardless of the amount of his net profit, be credited with four quarters of coverage by using an optional method of reporting his farm income.

#### PERSONS INCLUDED

*Retirement and disability insurance.*—Retired or disabled workers and the following dependents of eligible workers are included in the program: A wife or a dependent husband<sup>1</sup> age 62 or over and a divorced wife under certain conditions; an unmarried child under 18, an unmarried child age 18 to 22 who is a full-time student, and an unmarried child age 18 or over if continuously disabled since before reaching age 22; and a wife of any age who is caring for a child under 18 or disabled who is entitled to benefits.<sup>2</sup> Child includes grandchild under certain conditions.

*Survivors insurance.*—The following dependents are eligible for benefits: A widow age 60 or older, or a dependent widower age 60 or older; an unmarried child under 18, an unmarried child age 18 to 22 who is a full-time student, and an unmarried child 18 or over if continuously disabled since before reaching age 22; a widow or widower who is caring for a child under 18 or disabled who is entitled to benefits; a widow or dependent widower age 50 to 60 who becomes disabled not later than 7 years after the worker's death or whose entitlement on the basis of having a child in her care ended; and a dependent parent age 62 or older. A surviving divorced wife may be eligible under certain conditions. Child includes grandchild under certain conditions.

#### INCOME TEST

*Income limits.*—Except as noted below, there is no limit on any income other than earnings from work.

*Treatment of earned income.*—For beneficiaries, other than disability beneficiaries, under age 72, one-half of the gross earnings (covered and uncovered wages and net earnings from self-employment) in excess of \$2,400 are deducted from insurance benefits, except that, regardless of total earnings in a year, no deduction is made from benefits payable for any month in which the beneficiary neither earns more than \$200 nor renders substantial services in self-employment.

Excess earnings of a retired worker beneficiary are charged against his family's benefits as well as his own, but excess earnings of any other beneficiary are charged against only his own benefits.

<sup>1</sup> To qualify as an eligible dependent, a husband or widower must have been dependent on his wife for at least one-half of his support at the time she became entitled to benefits, or became disabled, or in the case of a widower, at the time of her death.

<sup>2</sup> The Supreme Court ruled in March 1975 that widowers with dependent children are entitled to the same survivors' benefits as widows in the same circumstances.

Earnings of disability insurance beneficiaries are not deducted from benefits, but disabled persons who have considerable earnings may not meet the eligibility requirements for disability.

*Treatment of unearned income—Disability insurance beneficiaries.*—The benefits payable to a person under age 62 and his dependents getting both social security disability benefits and workman's compensation may not exceed 80 percent of his average current earnings before he became disabled. Where the total exceeds 80 percent, social security disability benefits are reduced sufficiently to bring the total down to 80 percent, unless the workmen's compensation law under which the worker is entitled provides for the reduction of such compensation upon entitlement for social security disability benefits.

*Survivors insurance beneficiaries.*—An individual who is entitled to survivors benefits under the Railroad Retirement Act may not receive social security survivors benefits based on the earnings record of the same person. Survivors benefits which are paid by social security or railroad retirement are based on the combined railroad and social security earnings record.

*Retired workers.*—No deduction of benefits is made for unearned income. A retired worker may receive both social security benefits and railroad retirement benefits if he is entitled to both. If railroad employment is insufficient for the recipient to receive full coverage, such employment is combined with social security employment in determining entitlement for social security (see table 1).

TABLE 1.—TREATMENT OF INCOME UNDER OLD AGE, SURVIVORS, AND DISABILITY INSURANCE (OASDI) PROGRAM

Sources of income	In determining eligibility for and amount of OASDI benefits, current income is taken into account as follows—	
	Income considered	Income not considered
1. Income of primary beneficiary:		
(a) From gross earnings.....	× <sup>1</sup>	
(b) From property.....		×
(c) From public transfers:		
(i) Workman's compensation.....	× <sup>2</sup>	
(ii) Railroad Retirement.....	× <sup>3</sup>	
(iii) Other.....		×
(d) From private transfers.....		×
2. Income of dependents: Same treatment as above except that countable income of a dependent other than a child affects benefits available to that dependent <sup>4</sup> .....		
Uses of income. (Uses of income by beneficiaries or dependents have no direct effect on OASDI benefit levels) <sup>4</sup> .....		

<sup>1</sup> When annual earnings exceed \$2,400, any income in excess of \$200 a month reduces benefits 50 cents for each dollar for that month. Earnings affect DI only through eligibility determination.

<sup>2</sup> Workmen's compensation affects only DI benefits. If combined Workmen's Compensation and DI benefits exceed 80 percent of average current earnings before disability, DI benefits decline to bring the total down to 80 percent.

<sup>3</sup> Survivors eligible for benefits under the Railroad Retirement Act do not receive the regular SI benefits based on the earnings record of the same person. Benefits to these survivors are based on the combined railroad and social security earnings record.

<sup>4</sup> Dependents between 18 and 22 qualify for CASDI benefits only if attending school full time. Thus, expenditures on schooling have an effect on eligibility.

*Accounting period for earned income.*—The accounting period for this program is by monthly application of annual earnings as described above.

**ASSETS TEST.**—There is none.

## OTHER ELIGIBILITY CONDITIONS

*Work requirements.*—After acquiring benefit status, there are no requirements.

*Acceptance of training or rehabilitation.*—This provision is applicable only to disability insurance beneficiaries, disabled children over 18, and widows or dependent widowers receiving survivors benefits based on their disability. Such disabled beneficiaries and their dependents do not receive benefit payments if the disabled individual refuses without good cause to accept appropriate vocational rehabilitation services.

*Citizenship.*—Generally, retirement benefits may not be paid to a person who is not a citizen or national of the United States for months during which he remains outside of the United States for longer than 6 months, or to a person who is not a citizen or national of the United States and who resides in a foreign country for which payments are withheld by the Treasury Department.<sup>3</sup> Benefits based on the earnings record of an individual who has been deported may not be paid to him if he is a non-United States citizen.

*Institutional status.*—There are no limitations on receipt of benefits for persons in institutions.

*Residence requirement.*—Beneficiaries under age 72, except for recipients of disability benefits or child's benefits based on the child's disability, lose monthly benefits for those months during which they work in noncovered jobs outside the United States for more than 7 days.

## BENEFITS AND SERVICES

### CASH BENEFITS

*Primary determinants of the amount of the benefit.*—The retired or disabled worker's basic monthly benefit is calculated as a percentage of his average monthly earnings which were subject to the social security tax. The number of years used in figuring the worker's average is five less than the number of years elapsing after 1936, after 1950, or after age 21, if later, and up to the year of attainment of age 62 (age 63-65 for men born before 1913) or onset of disability or death, whichever comes first; the computation period which results in the highest benefit is the one used. The years with the lowest earnings are excluded in determining the average monthly earnings. Workers coming on the retirement benefit rolls at age 62 to 64 receive permanently reduced benefits.

The monthly benefit for dependents and survivors is calculated as a percentage of the worker's basic monthly benefit. Total family benefits are limited by a fixed maximum amount related to the worker's basic or primary benefit.

*Relationship of benefit amount to family size.*—Eligible dependents of living workers are entitled to an amount equal to 50 percent of the disabled or retired worker's basic monthly benefit. Eligible spouses, other than wives with eligible children in their care, who apply for benefits beginning at age 62 to 64, receive permanently reduced benefits.

<sup>3</sup> Payment is withheld from beneficiaries living in countries in which conditions are such that there is no reasonable assurance that the payee would actually receive the check and be able to negotiate it: Albania, China, Cuba, North Korea, North Vietnam, East Germany, and East Berlin.

*Survivors.*—Eligible widows and dependent widowers who are without eligible children are entitled at age 65 to an amount equal to 100 percent of the deceased worker's basic amount. The amount is limited, however, if the deceased worker retired before age 65, to the amount the worker would be receiving but not less than 82.5 percent of the basic amount. Eligible widows and dependent widowers coming on the rolls at age 60 to 64 receive permanently reduced benefits, but they cannot receive less than 82.5 percent of the basic amount if age 62 or older. An eligible parent age 62 or older is entitled to 82.5 percent, except where two dependent parents of a deceased worker are eligible, in which case each receives 75 percent. Eligible children, widows and widowers with eligible children, are entitled to 75 percent each. Disabled widows and widowers who apply for benefits between the ages of 50 and 60 receive permanently reduced benefits.

*Family maximum.*—No family, including the insured worker who is receiving benefits, may receive an amount greater than the fixed family maximum, which is not less than 1½ times or more than 1.88 times the worker's primary benefit.

*Relationship of benefit amount to place of residence.*—Benefits are based on the average earnings under covered employment, and the formula is applied uniformly with no adjustment for place of residence.

*Relationship of benefit amount to cost of living changes.*—Starting June 1975, monthly benefits will be increased annually whenever the consumer price index increases by 3 percent or more. The increase is automatic unless a legislated general benefit increase was enacted or became effective in the prior year.

*Amounts of benefits.*—The minimum monthly benefit for a worker retiring at or after age 65 or a disabled worker is \$93.80 (a higher special minimum is provided for workers with many years of service). For a worker retiring at age 62, the minimum is \$75.10. The maximum possible monthly benefit for a male worker retiring at age 65 in 1974 is \$304.90. Eventually, the maximum will be \$469 for a worker with the highest possible creditable average monthly earnings under the present limit of \$13,200 annual wages. An additional one-twelfth of 1 percent is added to the monthly benefit for each month of delayed retirement past age 65.

The maximum family benefit based on the minimum primary benefit, which is payable when average creditable annual earnings are \$923 or less, is \$140.80. With average annual covered earnings of \$5,400, the primary benefit is \$278.20, and the maximum family benefit is \$519.40. With average annual earnings at \$9,000, the highest family benefit will be \$688.70 per month.

The average monthly benefit in July 1974 for retired workers was \$186.71; for spouses of retired workers, \$95.22; for children of retired workers, \$68.55. The average benefits for survivors were as follows: Mothers of eligible children, \$132.17; children, \$125.17; aged widows and widowers, \$176.70; and parents, \$157.04. Special payments to persons aged 72 and over were \$64.11 for the primary beneficiary and \$32.18 for the spouse.

*Comparison to poverty level.*—The minimum benefit payable to a retired or disabled worker with no dependents is about 50 percent of the poverty level for a single adult. Average annual earnings of \$2,600 would entitle the worker to a benefit equivalent to the poverty level

for a single adult. Average annual earnings of about \$3,900 would provide maximum family benefits equivalent to the poverty level for a family of four persons. In 1972, of all aged nonmarried OASDI beneficiaries, three-fourths had income below the poverty level before receiving OASDHI benefits. After the benefits were counted in, only 36 percent were still poor. Of aged retired couples, 53 percent were below the poverty line before receiving OASDHI benefits. After the benefits, only 10 percent were still poor.

For a single worker with maximum covered earnings under social security who retired in mid-1974, the monthly benefit would equal 34 percent of 1973 gross annual covered earnings or 48 percent of net earnings. Because of the weighted-benefit formula under social security, these ratios are higher for workers with earnings below the maximum taxable. Social security benefits are tax free.

#### OTHER BENEFITS

*Death benefits.*—In addition to monthly benefits, an insured worker's eligible widow or widower who was living in the same household with the worker at the time of his death (if there is none, the funeral home or persons equitably entitled) may receive a lump-sum payment—\$255—on the death of the insured.

*Hospital insurance.*—Aged and disabled beneficiaries are entitled to hospital insurance. (See section on medicare.)

*Special payments.*—Under an amendment passed in 1966, persons attaining age 72 before 1968 who had no covered employment or less than three quarters of coverage, and who were residents of the United States or, if aliens, had resided in the United States for the 5 years preceding application, were made eligible for special payments. Persons reaching age 72 after 1967 were required to have three additional quarters of coverage for each year between 1966 and the year age 72 was reached. This provision does not apply to persons reaching age 72 after 1971 as the required coverage is the same as for fully insured status.

The monthly payment amount is \$64.40 for an eligible individual or \$96.60 if both husband and wife are eligible. The payment is not made to persons receiving AFDC or SSI payments and the payment is reduced by the amount the person receives or is entitled to receive from any other governmental annuity or pension, except workmen's compensation and veteran's service-connected compensation. This portion of the social security program is financed almost entirely from the general funds of the U.S. Treasury.

#### OTHER SERVICES

Vocational rehabilitation services paid for by social security are available to disabled individuals receiving social security benefits and to denied applicants for disability benefits.

### SUPPLEMENTARY MATERIAL

#### EMPLOYMENT COVERED BY OASDI

The following employment is covered by OASDI: (1) Services performed by an employee for his employer within the United States; (2) services performed by an employee for his employer on or in

connection with an American vessel or American aircraft under a contract of service which is entered into within the United States, or during the performance of which, and while the employee is employed on the vessel or aircraft, it touches at a port in the United States, if the employee is employed on and in connection with such vessel or aircraft when outside the United States; and (3) services performed outside the United States by a U.S. citizen as an employee of either an American employer or a foreign subsidiary of a domestic corporation.

The following services are not included as employment covered by OASDI:

Service performed by foreign workers admitted to the United States on a temporary basis to do agricultural work;

Domestic service performed by a student in a local college club, or local fraternity, or sorority chapter;

Service performed by an individual in the employ of his spouse, or by a child under age 21 in the employ of his parent, or by a parent in the employ of his child not in the course of the child's trade or business, or, generally, domestic service performed by a parent in the employ of his child in the child's private home;

Service performed by an individual on or in connection with a vessel or aircraft which is not an American vessel or aircraft, if (a) the individual is employed on and in connection with such vessel or aircraft when outside the United States and (b) such individual is not a U.S. citizen or the employer is not an American employer;

Service performed in the employ of any instrumentality of the United States which is exempt from the employer tax imposed by section 1410 of the Internal Revenue Code of 1939;

With certain exceptions, service performed in the employ of the United States or an instrumentality of the United States if such service is covered by a retirement system established by the United States or the instrumentality;

Generally, service performed in the employ of a State, or any political subdivision thereof, or any wholly owned instrumentality thereof, if such service is not covered under a voluntary agreement between the individual State and the Federal Government;

Service performed by a minister of a church in the exercise of his ministry, by a member of a religious order in the exercise of duties required by such order, or in some instances by an employee of an organization described in section 501(c) of the Internal Revenue Code of 1954 which is exempt from Federal income tax (ministers who do not exercise their option to be excluded from coverage within a specified time limit are covered as self-employed individuals);

Service performed by an employee or employee representative in the railroad industry, except as not covered by railroad retirement;

Service performed in any calendar quarter in the employ of any organization exempt from income tax under section 101 of the Internal Revenue Code of 1939, if the remuneration for such service is less than \$50, and service performed in the employ

of a school, college, or university if such service is performed by a student who is enrolled and is regularly attending classes at such school, college, or university;

Service performed in the employ of a foreign government;

Under certain circumstances, service performed in the employ of an instrumentality wholly owned by a foreign government;

Service performed as a student nurse in the employ of a hospital or nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to State law;

Service performed by a person under age 18 in making house-to-house delivery or sale of newspapers or shopping news, or service performed (under a certain compensation arrangement) by a person any age in selling newspapers or magazines to ultimate consumers;

Service performed in the employ of an international organization entitled to enjoy privileges, exemptions, and immunities under the International Organizations Immunities Act;

Service performed by sharefarmers (such service is covered as self-employment).

Service performed in the employ of any organization which is registered, or is required to register, as a Communist organization;

Service performed in Guam by a Philippine resident while in Guam on a temporary basis as a nonimmigrant alien; and

Some services performed by certain nonimmigrant aliens.

(NOTE: Self-employment is also covered under social security.)

Subsequent tables are taken from the December 1974 issue of the "Social Security Bulletin" and from the "Annual Statistical Supplement, 1972 to the Bulletin."

TABLE 1.—Old-age and survivors insurance trust fund: Status, 1940-74

(In thousands)

Period	Receipts			Expenditures				Assets at end of period		
	Net contribution income <sup>1</sup>	Transfers from general revenues <sup>2</sup>	Net interest <sup>3</sup>	Cash benefit payments <sup>4</sup>	Rehabilitation services for disabled	Transfers to railroad retirement account <sup>5</sup>	Net administrative expenses <sup>6</sup>	Invested in U.S. Government securities <sup>7</sup>	Cash balances	Total assets
Fiscal year:										
1940.....	\$550,000		\$42,489	\$15,805			\$12,288	\$1,738,100	\$6,598	\$1,744,698
1945.....	1,309,919		123,854	239,834			29,950	6,546,281	67,100	6,613,381
1950.....	2,106,388	3,604	256,778	727,266			56,811	12,614,823	247,789	12,862,612
1955.....	5,087,154		498,029	4,333,147		-\$9,551	103,202	20,580,491	560,511	21,141,001
1960.....	9,842,685		517,130	10,269,709		600,437	202,369	19,748,848	1,079,877	20,828,725
1961.....	11,292,676		531,103	11,184,531		331,734	235,889	19,523,517	1,376,833	20,900,350
1962.....	11,454,643		511,254	12,657,835		360,788	251,490	18,434,665	1,191,468	19,626,133
1963.....	13,327,762		514,822	13,844,584		422,523	262,527	17,613,190	1,325,894	18,939,083
1964.....	15,502,726		541,552	14,579,166		402,636	302,709	18,304,869	1,393,982	19,698,851
1965.....	15,857,212		586,237	15,225,894		435,638	300,253	18,765,724	1,414,761	20,180,485
1966.....	17,865,947		594,758	18,071,453		443,820	253,680	17,908,655	1,963,580	19,872,236
1967.....	22,567,002	\$78,000	725,901	18,885,714	\$88	508,046	333,901	21,764,099	1,751,290	23,515,389
1968.....	22,662,430	78,000	899,397	20,737,093	277	437,634	447,309	23,234,480	2,298,423	25,532,904
1969.....	25,952,737	381,545	1,014,080	23,732,010	1,806	491,482	465,028	26,220,292	1,970,647	28,190,939
1970.....	29,354,673	442,151	1,349,613	26,206,928	1,239	578,818	474,035	30,106,913	2,509,143	32,616,055
1971.....	31,915,231	448,916	1,618,198	31,101,018	1,859	613,020	551,889	31,361,082	2,969,706	34,330,788
1972.....	35,710,725	487,546	1,718,572	34,540,813	1,555	724,341	581,923	33,188,486	3,210,572	36,399,058
1973.....	41,318,177	474,645	1,846,518	42,169,744	2,470	782,954	667,335	35,487,612	928,282	36,415,896
1974.....	48,454,693	441,788	2,039,243	47,848,838	3,873	908,585	723,315	37,703,419	163,589	37,867,008

<sup>1</sup> Equals amounts appropriated (estimated tax collections, subsequently adjusted). Includes deposits by States under voluntary coverage agreements and deductions for refund of estimated employee-tax overpayment. Early years reflect former appropriation bases.

<sup>2</sup> From 1947 to 1951, for benefits with respect to certain World War II veterans. Beginning 1966, for military wage credits, and, beginning Dec. 1968, Federal payment for special age-72 benefits, see footnote 4.

<sup>3</sup> Includes interfund transfer of interest on reimbursed administrative expenses, 1958 to date (see footnote 6).

<sup>4</sup> Before deductions for (1) SMI premium payments and, when applicable, (2) recoupment of overpayments of hospital and medical service benefits provided to OASI beneficiaries. Includes special benefits for persons aged 72 and over not insured under the regular or transitional provisions of the Social Security Act.

<sup>5</sup> The purpose of the financial interchange provisions of the Railroad Retirement Act, as amended, is to place the trust funds in the same position in which they would have been had railroad employment always been covered under OASDI. Negative figures represent transfers to OASI trust fund. Excludes transfers to HI trust fund for hospital insurance coverage

of railroad workers.

<sup>6</sup> Beginning Nov. 1951, adjusted for reimbursements to trust fund of small amounts for sales or services. Beginning Oct. 1953, includes expenses for central and regional office building construction. Except for reimbursements from the appropriate trust fund to Treasury Department for its expenses as incurred, beginning 1957 administrative expenses for OASI and (3) were paid initially from OASI trust fund with subsequent reimbursement, plus interest (see footnote 3), from DI trust fund for allocated cost of DI operations. Beginning 1966, subject to subsequent adjustment among all 4 social security trust funds for allocated cost of each operation.

<sup>7</sup> Book value: includes net unamortized premium and discount, accrued interest purchased, and repayment of interest accrued on bonds at time of purchase.

<sup>8</sup> Reflects assets of predecessor fund, and old-age reserve account, January 1937-December 1939.

<sup>9</sup> Includes \$82.4 million of February deposits by States and \$22.7 million of February benefit payments not reported until March 1974.

Source: Unpublished Treasury reports keyed to *Final Statement of Receipts and Expenditures of the U.S. Government*.

TABLE 2.—Disability insurance trust fund: Status, 1957-74

[In thousands]

Period	Receipts			Expenditures				Assets at end of period		
	Net contribution income <sup>1</sup>	Transfers from general revenues <sup>2</sup>	Net interest <sup>3</sup>	Cash benefit payments <sup>4</sup>	Rehabilitation services for disabled	Transfers to railroad retirement account <sup>5</sup>	Net administrative expenses <sup>6</sup>	Invested in U.S. Government securities <sup>7</sup>	Cash balances	Total assets
Fiscal year:										
1957.....	\$337,199	-----	\$1,363	-----	-----	-----	\$1,305	\$325,363	\$11,895	\$337,258
1958.....	926,403	-----	15,843	\$168,420	-----	-----	12,112	1,054,458	44,515	1,098,973
1959.....	894,995	-----	33,293	339,231	-----	-----	21,410	1,606,874	59,747	1,666,621
1960.....	987,079	-----	46,910	528,304	-----	-----	31,922	2,100,862	66,352	2,167,214
1961.....	1,022,002	-----	60,610	703,996	-----	-----	5,148	2,385,575	118,801	2,504,384
1962.....	1,020,866	-----	67,752	1,011,376	-----	-----	11,030	2,406,137	100,532	2,506,670
1963.....	1,076,621	-----	67,221	1,170,678	-----	-----	19,609	2,277,244	116,468	2,393,712
1964.....	1,143,161	-----	65,152	1,251,207	-----	19,139	67,691	2,138,509	125,478	2,263,987
1965.....	1,175,244	-----	62,135	1,392,190	-----	23,615	78,862	1,875,566	131,133	2,006,699
1966.....	1,556,652	-----	23,877	1,721,133	-----	-----	-----	1,462,628	223,532	1,686,161
1967.....	2,249,397	\$16,000	66,840	1,860,739	\$1,493	24,962	183,479	1,832,627	188,978	2,021,606
1968.....	2,699,368	16,000	84,913	2,088,352	15,393	30,634	98,834	2,349,683	235,713	2,585,396
1969.....	3,532,434	32,000	140,860	2,443,437	14,891	20,410	112,336	3,490,762	186,778	3,677,539
1970.....	4,141,358	16,000	222,762	2,778,118	16,487	14,329	133,495	4,833,225	270,372	5,103,596
1971.....	4,569,470	16,000	325,068	3,381,448	21,242	13,240	149,020	6,076,203	332,126	6,408,329
1972.....	4,852,996	50,000	388,233	4,045,895	27,523	24,190	189,875	7,010,202	380,076	7,390,277
1973.....	5,460,969	51,000	434,580	5,161,840	39,361	19,503	246,649	7,801,908	67,565	7,869,472
1974 <sup>10</sup> .....	6,234,425	52,000	481,800	6,158,569	49,670	22,327	154,266	8,192,613	60,252	8,252,866

See previous table for pertinent footnotes.

TABLE 3.—OASDHI cash benefits: Monthly benefits in current-payment status, by program, 1940-74

[Data contain some duplication arising from dual entitlement; see the 1978 Annual Statistical Supplement ]

At end of selected month	Number			Amount (in thousands)		
	Total	OASI <sup>1</sup>	DI <sup>2</sup>	Total	OASI <sup>1</sup>	DI <sup>2</sup>
December:						
1940.....	222,488	222,488	-----	\$4,070	\$4,070	-----
1945.....	1,288,107	1,288,107	-----	23,801	23,801	-----
1950.....	3,477,243	3,477,243	-----	126,856	126,856	-----
1955.....	7,960,616	7,960,616	-----	411,613	411,613	-----
1960.....	14,844,589	14,157,138	687,451	836,321	888,320	\$48,000
1965.....	20,866,767	19,127,716	1,739,051	1,516,802	1,895,817	120,986
1966.....	22,767,252	20,796,930	1,970,322	1,638,548	1,502,863	135,685
1967.....	23,704,987	21,564,773	2,140,214	1,723,479	1,575,646	147,831
1968.....	24,560,397	22,225,263	2,335,134	2,062,550	1,880,601	181,949
1969.....	25,314,062	22,826,614	2,487,648	2,160,256	1,964,275	195,982
1970.....	26,228,629	23,563,634	2,664,995	2,628,326	2,385,926	242,400
1971.....	27,291,608	24,361,500	2,930,008	3,058,957	2,763,022	295,934
1972.....	28,476,028	25,204,542	3,271,486	3,916,203	3,514,741	401,462
1973.....	29,871,751	26,311,045	3,560,706	4,270,038	3,821,224	448,814
August.....	1973					
September.....	29,138,731	25,767,189	3,371,542	4,141,018	3,719,255	421,763
October.....	29,308,223	25,874,273	3,433,950	4,171,071	3,738,953	432,119
November.....	29,385,553	25,929,623	3,455,930	4,185,922	3,750,198	436,723
December.....	29,749,129	26,211,173	3,537,956	4,245,661	3,800,109	445,552
1974.....	29,871,751	26,311,045	3,560,706	4,270,038	3,821,224	448,814
January.....	29,966,052	26,404,224	3,561,828	4,294,766	3,844,891	449,876
February.....	30,047,971	26,458,504	3,589,467	4,309,991	3,856,568	453,423
March.....	30,102,985	26,491,533	3,611,452	4,338,727	4,147,225	489,502
April.....	30,180,607	26,520,368	3,660,239	4,649,219	4,153,572	495,646
May.....	30,121,817	26,451,836	3,669,981	4,642,566	4,144,862	497,704
June.....	30,239,176	26,547,863	3,691,313	4,649,289	4,328,649	520,640
July.....	30,269,504	26,664,878	3,704,626	4,866,232	4,342,338	523,894
August.....	30,373,772	26,640,870	3,732,903	4,890,756	4,362,100	526,656

<sup>1</sup> Benefits paid from the OASI trust fund to retired workers and their dependents and to all survivors. Includes special benefits authorized by 1966 legislation for persons aged 72 and over not insured under the regular or

transitional provisions of the Social Security Act.

<sup>2</sup> Benefits paid from the DI trust fund to disabled workers and their dependents.

TABLE 4.—OASDHI: Estimated paid employment and coverage status, 1940-74

[In thousands, except for percentage. Beginning 1960, includes Alaska and Hawaii]

Month <sup>1</sup>	Total paid employment <sup>2</sup>	Covered <sup>3</sup>				Not covered					Permitted by Federal law <sup>7</sup>	
		Total		Wage and salary	Self-employed <sup>4</sup>	Total	Excluded by Federal law <sup>5</sup>					
		Number	As percent of paid employment				Federal civilian employment	Nonfarm self-employed	Domestic service	Other <sup>6</sup>		
December:												
1940	47,100	27,400	58.2	27,400	19,700	1,000	5,200	2,200	11,200	.....		
1945	57,900	39,200	67.7	39,200	18,100	2,200	5,000	1,600	9,800	.....		
1950	61,300	41,000	66.9	41,000	20,800	1,800	5,800	2,100	10,600	.....		
1955	65,700	46,200	70.3	49,500	25,500	1,800	1,600	900	1,600	.....	3,700	
1960	67,100	59,000	87.9	51,800	5,100	2,000	1,400	900	1,200	.....	4,500	
1961	68,100	69,800	87.8	52,800	7,000	2,100	1,800	1,000	1,200	.....	2,600	
1962	79,200	60,900	77.0	54,400	8,800	2,100	1,300	1,000	1,300	.....	2,600	
1963	70,800	62,000	87.6	55,400	8,400	2,100	1,800	900	1,600	.....	2,700	
1964	72,000	63,500	88.3	67,100	6,500	2,200	1,800	1,000	1,300	.....	2,600	
1965	74,500	65,400	87.8	60,100	6,800	2,800	1,100	1,000	1,300	.....	2,400	
1966	77,000	69,000	89.6	62,300	6,200	2,900	1,100	900	1,300	.....	2,100	
1967	77,900	69,800	89.6	64,100	5,800	2,600	1,000	600	1,200	.....	2,800	
1968	79,400	71,800	90.4	65,400	5,900	2,500	900	600	1,000	.....	3,200	
1969	81,400	72,700	89.3	66,500	5,800	2,500	800	500	1,000	.....	3,400	
1970	81,400	72,700	89.3	67,000	5,800	2,500	800	500	1,100	.....	3,700	
1971	81,800	73,100	89.3	67,200	5,800	2,500	800	500	1,100	.....	3,700	
1972	84,200	75,600	89.7	69,800	6,000	2,300	800	500	1,200	.....	3,800	
1973	87,100	78,400	90.0	72,500	6,100	2,400	700	400	1,000	.....	4,200	
1972												
March	81,100	72,600	89.5	66,700	5,900	2,400	1,000	500	1,000	.....	3,700	
June	83,600	75,200	89.6	69,200	6,000	2,800	900	500	1,200	.....	3,700	
September	84,700	76,200	90.0	69,800	6,200	2,800	1,000	500	1,300	.....	3,800	
December	84,200	76,300	89.7	69,500	5,900	2,800	900	500	1,200	.....	3,800	
1973												
March	84,200	75,600	89.8	69,600	6,000	2,800	800	400	900	.....	4,200	
June	86,500	77,800	89.9	71,500	6,800	2,800	800	400	1,100	.....	4,100	
September	85,900	77,400	90.0	71,200	6,200	2,800	800	400	1,100	.....	4,000	
December	87,100	78,400	90.0	72,300	6,100	2,400	700	400	1,000	.....	4,200	
1974												
March	86,200	77,600	90.0	71,500	6,100	2,400	700	400	900	.....	4,100	
June	88,900	79,400	89.9	72,800	6,500	2,500	800	400	1,200	.....	4,100	

<sup>1</sup> Calendar week of the specified month for which the Current Population Survey was taken.

<sup>2</sup> Based on data from the Current Population Survey and published by the Bureau of the Census and the Bureau of Labor Statistics. Includes all members of the Armed Forces. Relates to persons aged 14 and over through December 1966 and aged 16 and over beginning March 1967. Data on industry and class of employment based on the job with the greatest number of hours worked during the survey week.

<sup>3</sup> Includes railroad employees, who are counted as covered under joint railroad-OASDHI coverage provisions, and all persons covered by Federal law except those on a group-elective or individual voluntary basis for whom coverage has not been arranged.

<sup>4</sup> Since the self-employed report their earnings on an annual basis, coverage estimates are based on the number expected to report their earnings at the end of the year.

<sup>5</sup> Before 1961, the types of employment specified below and those included in "other" were completely excluded from coverage. After 1960, except for

Federal civilian employees and certain employees of State and local governments, the remaining exclusions from coverage are, for the most part, those with insufficient earnings (whose coverage depends on having minimum earnings).

<sup>6</sup> Consists of farm workers, self-employed farmers, State and local government employees, employees of nonprofit organizations, and some additional small groups.

<sup>7</sup> Persons whose coverage was authorized but not arranged on a group-elective or individual voluntary basis, such as employees of State and local governments and self-employed farmers who were eligible to report, on an optional basis, a percentage of gross earnings rather than net earnings. Beginning 1973, figures include nonfarm self-employed persons who were eligible to report on an optional basis.

<sup>8</sup> Beginning 1967, figures not completely comparable with data in past series. Exclusion of 14- and 15-year-olds (generally about 1 million in paid employment) and other changes do not significantly affect the measure of the percentage of paid employment covered.

TABLE 5.—OASDHI cash benefits: Average amount of monthly benefits, by type of beneficiary, 1940-74

Period	Retired workers and their dependents			Survivors of deceased workers				Disabled workers and their dependents			Persons with special age-72 benefits <sup>1</sup>
	Retired workers <sup>2</sup>	Wives and husbands <sup>3</sup>	Children <sup>4</sup>	Children <sup>5</sup>	Widowed mothers <sup>6</sup>	Widows and widowers <sup>7</sup>	Parents <sup>8</sup>	Disabled workers <sup>9</sup>	Wives and husbands <sup>10</sup>	Children <sup>11</sup>	
Average benefits in current-payment status at end of period											
1940	\$22.60	\$12.13	\$9.70	\$12.22	\$19.01	\$20.28	\$13.09				
1945	24.19	12.82	11.74	12.45	19.83	20.19	13.06				
1950	43.86	23.60	17.03	28.43	34.24	36.54	36.69				
1955	61.90	33.07	20.01	33.12	45.91	49.69	49.93				
1960	74.04	38.72	28.23	41.87	69.29	67.68	60.31	\$59.31	\$34.41	\$30.21	
1961	75.03	39.45	27.62	42.74	69.98	64.91	67.15	59.59	33.09	29.13	
1962	76.19	39.62	27.69	43.47	65.47	65.83	65.88	69.13	39.99	32.41	
1963	78.88	39.94	27.95	44.33	64.93	66.84	66.91	69.59	42.23	28.39	
1964	77.67	40.23	28.13	54.99	61.29	67.85	70.03	61.12	32.23	28.49	
1965	83.92	43.63	31.08	61.29	65.45	73.97	75.03	67.65	34.79	30.29	
1966	84.34	43.81	32.77	61.84	65.47	74.10	76.62	69.09	34.51	31.34	\$34.33
1967	85.37	44.24	33.10	62.67	65.86	74.99	77.23	68.43	31.98	31.38	34.19
1968	86.56	45.88	33.63	71.10	73.06	80.43	88.21	111.86	35.26	34.79	39.29
1969	88.96	47.21	33.12	70.85	74.63	80.43	88.21	112.74	38.14	34.61	39.20
1970	100.40	61.88	38.63	71.10	75.06	87.27	88.96	112.74	42.65	38.63	45.22
1971	132.17	68.35	49.38	90.94	95.61	113.17	114.26	146.52	45.69	41.61	47.53
1972	162.85	84.09	59.90	115.45	115.45	136.95	138.95	179.32	54.39	49.38	57.19
1973	166.42	84.78	61.40	111.78	118.16	156.34	149.59	183.03	55.20	49.38	57.21
1973											
September	165.41	84.44	60.92	111.89	117.27	156.10	149.29	182.22	55.32	60.06	57.21
December	166.42	84.78	61.40	111.78	118.16	156.34	149.59	183.03	55.60	60.38	57.21
1974											
March	179.26	91.45	66.36	120.18	126.22	168.37	150.84	196.66	59.32	64.19	61.28
April	179.35	91.45	66.44	120.26	126.04	168.47	150.89	196.69	59.23	64.10	61.27
May	179.69	91.42	66.40	120.86	126.00	168.33	151.05	197.06	59.23	64.12	61.27
June	188.71	95.18	62.77	124.97	131.35	175.34	156.84	204.57	61.65	66.07	63.64
July	186.71	95.22	68.55	125.17	132.17	176.50	157.04	204.68	61.65	65.74	63.65
August	186.90	95.28	68.79	125.45	132.61	175.61	157.24	204.94	61.69	65.82	63.66
Average benefits awarded during period											
1940	\$22.71	\$12.15	\$10.60	\$12.46	\$19.60	\$20.86	\$13.09				
1945	25.11	13.04	12.23	12.68	19.83	20.17	13.10				
1950 (Jan.-Aug.)	33.03	18.02	14.08	18.85	22.85	21.65	14.65				
1950 (Sept.-Dec.)	33.24	19.72	11.22	27.95	35.42	36.89	37.99				
1955	61.78	35.72	20.06	40.26	48.67	54.73	46.73				
1960	81.78	40.26	30.87	50.87	63.98	62.10	70.14	\$91.16	\$35.38	\$30.25	
1961 (Jan.-July)	80.17	40.19	28.79	42.59	61.06	62.15	70.83	60.78	33.69	28.89	
1961 (Aug.-Dec.) <sup>12</sup>	75.83	37.68	23.98	42.79	60.84	69.20	75.97	61.95	33.67	28.81	
1962	78.89	39.18	37.10	53.94	61.14	70.49	77.84	92.71	33.66	28.15	
1963	80.80	39.78	28.78	53.20	61.84	71.59	78.44	94.40	33.99	28.40	
1964	81.24	39.62	26.69	53.20	61.81	73.06	80.21	94.98	34.22	28.66	
1965 (Jan.-Aug.)	82.69	40.52	29.07	53.65	61.65	73.80	80.69	93.26	33.93	28.07	
1965 (Sept.-Dec.)	80.80	39.78	28.78	53.20	61.84	71.59	78.44	94.40	33.99	28.40	
1966	81.24	39.62	26.69	53.20	61.81	73.06	80.21	94.98	34.22	28.66	
1967 (Jan.-Aug.)	89.20	43.74	40.40	67.95	88.03	78.88	85.77	101.80	36.82	35.07	\$39.55
1967 (Jan.-Feb.)	83.75	48.84	38.19	63.84	67.96	74.16	83.10	100.40	35.75	32.93	33.66
1967 (Mar.-Dec.)	93.40	45.16	39.67	64.81	70.47	79.02	88.13	102.69	36.64	33.63	33.87
1968	89.74	48.04	38.83	63.76	69.24	77.67	86.13	113.67	39.65	34.85	33.99
1969	103.82	49.00	40.90	67.70	76.39	90.29	100.42	118.35	39.60	35.19	39.14
1970	105.13	50.14	41.49	69.57	89.70	105.82	116.43	139.79	40.40	40.40	46.18
1971	123.82	57.87	45.45	79.91	89.70	117.84	131.03	156.91	43.37	47.80	47.80
1972	158.29	65.09	61.12	89.88	97.90	118.98	135.38	159.89	44.93	41.79	47.84
1972 (Jan.-Aug.)	140.15	66.40	62.80	90.91	99.85	118.98	135.38	159.89	44.93	41.79	47.84
1972 (Sept.-Dec.)	158.88	79.56	64.15	111.82	121.09	143.56	163.35	192.82	63.41	49.94	57.69
1973	169.80	80.48	65.27	110.98	122.79	168.72	166.27	196.67	65.80	61.42	67.08
1973											
September	168.67	79.11	66.30	113.66	123.60	169.82	170.20	197.25	66.24	61.88	66.98
December	168.15	80.04	67.38	114.02	124.25	169.62	163.01	197.66	67.85	63.06	67.10
1974											
March	182.65	87.21	73.85	123.19	139.44	184.89	181.14	211.50	69.49	65.51	69.05
April	181.67	86.07	72.81	123.04	134.22	177.55	172.90	211.09	68.21	65.64	69.09
May	185.19	88.92	71.88	122.31	134.35	176.02	173.02	211.69	69.92	66.98	61.28
June	180.17	89.29	74.83	126.81	140.30	179.04	172.34	218.49	61.42	67.87	63.25
July	183.38	91.03	74.97	128.24	141.74	180.21	187.68	217.54	62.51	67.03	63.45
August	192.42	90.19	75.31	129.06	142.90	179.72	194.82	217.30	63.07	68.14	63.65

<sup>1</sup> Persons aged 65 and over (and aged 62-64, beginning 1966 for women and 1963 for men).  
<sup>2</sup> Includes, beginning 1960, wife beneficiaries under age 65 with entitled children in their care and, beginning September 1965, entitled divorced wives.  
<sup>3</sup> Includes, beginning 1957, disabled persons aged 18 and over whose disability began before age 22 (age 18 before January 1973) and beginning September 1966, entitled full-time student's aged 18-21. Beginning January 1973, students who attain age 22 before end of semester may continue to receive benefits until end of semester.  
<sup>4</sup> Includes, beginning 1960, surviving divorced mothers with entitled children in their care.  
<sup>5</sup> Includes, beginning September 1965, widows aged 60-61 and entitled surviving divorced wives aged 60 and over; beginning March 1968, disabled

widows aged 60-69 and disabled widowers aged 60-61; and, beginning January 1973, nondisabled widowers aged 60-61.  
<sup>6</sup> July 1967-October 1960, disabled workers aged 60-64; beginning November 1960, disabled workers under age 65.  
<sup>7</sup> Includes wife beneficiaries under age 65 with entitled children in their care and, beginning September 1965, entitled divorced wives.  
<sup>8</sup> Authorized by 1966 legislation for persons aged 72 and over not insured under the regular or transitional provisions of the Social Security Act.  
<sup>9</sup> Incorporates the effects of the 1965 amendments.  
<sup>10</sup> Incorporates the effects of the 1961 amendments.  
<sup>11</sup> Incorporates the effects of the 1965 amendments.  
<sup>12</sup> Incorporates the effects of the 1972 amendments.

TABLE 6.—OASDHI cash benefits: Estimated number of families and beneficiaries receiving benefits and average monthly benefit in current-payment status, by family group, at end of December 1972

Family classification of beneficiaries	December 31, 1972		
	Number of families (in thousands) <sup>1</sup>	Number of beneficiaries (in thousands)	Average monthly amount per family
Total.....	21,803	28,481	\$179.80
Retired-worker families.....	14,563	17,875	180.50
Worker only.....	11,653	11,653	157.10
Male.....	5,364	5,364	177.00
Full benefit.....	3,035	3,035	190.60
Reduced benefit.....	2,316	2,316	159.80
Transitionally insured.....	14	14	58.50
Female.....	6,288	6,288	140.20
Full benefit.....	2,358	2,358	157.60
Reduced benefit.....	3,897	3,897	130.30
Transitionally insured.....	33	33	65.00
Worker and wife.....	2,510	5,018	272.50
Full worker benefit.....	1,650	3,296	287.00
Reduced worker benefit.....	858	1,717	245.00
Transitionally insured.....	2	5	87.00
Worker and husband.....	8	16	234.40
Worker and children.....	174	300	258.60
Worker, wife and children.....	218	799	309.70
Wife entitlement not dependent on children.....	41	128	330.90
Wife entitlement dependent on children.....	177	670	304.80
Survivor families.....	5,001	6,924	172.20
Widow or widower only.....	3,391	3,393	137.80
Full benefit.....	2,567	2,568	138.30
Reduced widow benefit.....	738	738	140.50
Surviving divorced wife.....	6	6	162.20
Disabled widow.....	60	60	110.60
Transitionally insured widow.....	21	21	58.00
Remarried widows.....	48	48	96.00
Widow or widower and children.....	70	145	263.00
Mother and children.....	541	1,773	346.90
1 child.....	191	379	290.00
2 children.....	166	499	383.10
3 children or more.....	184	896	376.10
Children only.....	927	1,539	194.60
1 child.....	568	568	265.10
2 children.....	208	416	334.00
3 children.....	89	289	317.90
4 children or more.....	63	26	120.50
Parents with or without children.....	25		
Disabled worker families.....	1,835	3,271	220.90
Worker only.....	1,287	1,287	175.00
Male.....	821	821	188.20
Female.....	467	467	151.80
Worker and spouse.....	52	104	274.20
Worker and children.....	198	542	294.60
Worker, wife and children.....	298	1,338	360.60
Special age-72 beneficiaries.....	402	410	58.00

<sup>1</sup>The number of retired and disabled worker families include a small number of families in which the worker was not in current-payment status for some technical, temporary reason, but some family members were in current-payment status. Consequently the number of families exceed the number of workers.

TABLE 7.—OASDHI and OAA: Estimated number and proportion of the population aged 65 and over receiving OASDHI cash benefits and OAA payments, 1940-73, and rank by State, December 1973

End of calendar year and State	Number aged 65 and over (in thousands) receiving—		Number per 1,000 population aged 65 and over <sup>1</sup> receiving—					
	OASDHI <sup>2</sup>	OAA	OASDHI		OAA		OASDHI and OAA <sup>3</sup>	
			Number	State rank	Number	State rank		
1940.....	147	2,066	16		225			
1945.....	777	2,033	73		192			
1950.....	2,588	2,780	203		221		22	
1955.....	6,275	2,548	422		171		34	
1960.....	10,807	2,328	636		137		41	
1965.....	14,278	2,123	785		117		52	
1966.....	15,011	2,069	822		115		55	
1967.....	16,081	2,069	839		108		58	
1968.....	16,490	2,024	849		104		60	
1969.....	16,834	2,072	854		103		61	
1970.....	17,374	2,081	848		101		63	
1971.....	17,900	2,024	853		96		62	
1972.....	18,482	1,933	845		90		61	
1973.....	19,269	1,820	884		84		56	
Alabama.....	300	108	836	48	296	3	210	
Alaska.....	6	2	804	62	261	4	151	
American Samoa.....	( <sup>4</sup> )							
Arizona.....	178	18	878	34	63	22	89	
Arkansas.....	228	37	884	42	218	6	145	
California.....	1,727	286	883	30	146	10	118	
Colorado.....	177	26	870	38	128	12	96	
Connecticut.....	290	7	820	19	23	23	17	
Delaware.....	44	3	927	8	60	23	49	
District of Columbia.....	84	4	767	63	59	25	34	
Florida.....	1,029	67	845	46	56	27	25	
Georgia.....	839	82	832	49	200	6	119	
Guam.....	( <sup>4</sup> )							
Hawaii.....	48	3	883	31	60	24	85	
Idaho.....	70	3	936	6	40	36	29	
Illinois.....	1,003	31	885	29	27	27	14	
Indiana.....	476	18	820	14	26	32	23	
Iowa.....	333	11	927	9	30	44	20	
Kansas.....	261	8	898	8	30	45	18	
Kentucky.....	312	61	870	39	144	11	60	
Louisiana.....	286	102	860	60	308	2	211	
Maine.....	115	12	941	4	97	15	74	
Maryland.....	279	10	840	46	31	43	14	
Massachusetts.....	579	67	878	35	87	18	66	
Michigan.....	747	38	941	5	48	31	31	
Minnesota.....	391	12	912	17	29	47	16	
Mississippi.....	302	61	840	47	334	1	231	
Missouri.....	517	69	881	32	152	8	118	
Montana.....	66	3	916	16	36	38	28	
Nebraska.....	172	6	906	18	33	42	23	
Nevada.....	34	2	868	41	56	26	69	
New Hampshire.....	81	4	882	2	52	30	41	
New Jersey.....	667	20	898	26	27	60	17	
New Mexico.....	72	8	869	40	61	17	49	
New York.....	1,600	108	898	23	53	29	86	
North Carolina.....	417	31	899	22	67	21	26	
North Dakota.....	6	3	924	12	43	33	34	
Ohio.....	929	43	888	28	41	35	23	
Oklahoma.....	275	60	845	44	155	7	86	
Oregon.....	230	8	928	8	30	46	19	
Pennsylvania.....	1,208	37	900	21	28	48	17	
Puerto Rico.....	160	19	895	61	96	16	2	
Rhode Island.....	101	4	919	18	84	41	23	
South Carolina.....	189	18	881	38	82	19	22	
South Dakota.....	78	3	927	10	37	37	20	
Tennessee.....	386	45	872	37	108	14	59	
Texas.....	933	170	849	48	158	8	116	
Utah.....	77	4	998	24	45	84	12	
Vermont.....	47	4	943	3	79	20	69	
Virgin Islands.....	2	( <sup>4</sup> )	862	1	128	13	8	
Virginia.....	353	14	878	36	33	40	17	
Washington.....	321	17	923	13	48	32	33	
West Virginia.....	184	11	895	27	55	28	34	
Wisconsin.....	466	18	933	7	27	61	23	
Wyoming.....	29	1	901	20	36	39	24	

<sup>1</sup> Population data, on which ratio is based, furnished by the Bureau of the Census. Data not adjusted for net Census error—that is, errors of coverage and of age misreporting.

<sup>2</sup> Beginning last quarter of 1968, includes special benefits authorized by 1968 legislation for persons aged 72 and over not insured under the regular

or transitional provisions of the Social Security Act.

<sup>3</sup> As of February, except for May, on basis of survey by the Social and Rehabilitation Service.

<sup>4</sup> Less than 500.

TABLE 8.—Benefits in current-payment status for retired workers: Number and percentage distribution with and without reduction for early retirement, by monthly amount and sex, at end of 1972

Monthly benefit amount and sex	Total <sup>1</sup>		Without reduction for early retirement		With reduction for early retirement	
	Number	Percent	Number	Percent	Number	Percent
Total.....	14,508,220	100.0	7,188,294	100.0	7,319,926	100.0
Less than \$100.00.....	2,705,878	18.6	966,829	13.6	1,739,049	23.8
Less than \$4.50.....	1,137,793	7.8	391,542	5.4	746,251	10.2
\$4.50.....	174,652	1.2	738,548	10.3	16,294	.2
\$4.50-99.90.....	813,585	5.6	228,281	3.2	585,304	8.0
100.00-119.90.....	1,445,666	10.0	384,555	5.4	1,060,771	14.5
120.00-139.90.....	1,508,335	10.4	606,604	8.4	901,781	12.3
140.00-159.90.....	1,427,698	9.8	653,691	9.1	774,007	10.6
160.00-179.90.....	1,535,846	9.2	618,292	8.6	717,554	9.8
180.00-199.90.....	1,650,849	11.4	779,912	10.8	870,937	11.9
200.00-219.90.....	1,675,738	11.6	966,025	13.4	679,713	9.3
220.00-239.90.....	1,685,912	10.3	1,106,376	15.4	389,537	5.3
240.00 or more.....	1,282,248	8.7	1,075,151	15.0	187,097	2.6
Average benefit.....	\$162.50		\$181.10		\$144.50	
Men.....	8,217,079	100.0	4,819,519	100.0	3,397,560	100.0
Less than \$100.00.....	1,011,889	12.3	460,141	9.5	551,748	16.2
Less than \$4.50.....	373,842	4.5	127,822	2.6	246,020	7.2
\$4.50.....	342,170	4.2	341,100	7.1	1,070	(7)
\$4.50-99.90.....	285,877	3.6	119,041	2.5	176,836	5.2
100.00-119.90.....	528,403	6.4	194,736	4.0	333,647	9.8
120.00-139.90.....	687,544	8.4	225,383	4.7	462,161	13.6
140.00-159.90.....	698,182	8.4	332,320	7.0	365,862	10.8
160.00-179.90.....	688,421	8.4	349,844	7.3	338,577	10.0
180.00-199.90.....	1,062,839	12.9	628,702	11.0	434,137	15.7
200.00-219.90.....	1,293,773	15.8	792,370	16.4	501,403	14.8
220.00-239.90.....	1,226,762	14.9	921,663	19.1	305,097	9.0
240.00 or more.....	1,027,264	12.5	894,383	18.6	132,876	3.9
Average benefit.....	\$179.50		\$192.70		\$161.00	
Women.....	6,291,141	100.0	2,368,745	100.0	3,922,396	100.0
Less than \$100.00.....	1,663,989	26.9	606,688	21.4	1,187,301	30.3
Less than \$4.50.....	763,949	12.1	241,444	8.1	522,505	13.3
\$4.50.....	412,332	6.6	397,448	16.8	14,884	.4
\$4.50-99.90.....	517,708	8.2	109,240	4.6	408,468	10.4
100.00-119.90.....	917,263	14.6	190,139	8.0	727,124	18.5
120.00-139.90.....	820,841	13.0	281,271	11.9	539,570	13.8
140.00-159.90.....	739,616	11.8	301,371	12.7	438,245	11.2
160.00-179.90.....	647,425	10.3	293,428	11.3	374,987	9.7
180.00-199.90.....	698,010	9.3	321,210	10.6	376,800	9.6
200.00-219.90.....	379,963	6.0	203,655	8.6	176,308	4.5
220.00-239.90.....	269,150	4.3	185,219	7.8	83,940	2.1
240.00 or more.....	234,684	3.7	180,763	7.6	54,221	1.4
Average benefit.....	\$140.50		\$157.40		\$130.20	

<sup>1</sup> Excludes retired workers entitled to benefits under the transitional insured-status provisions of the social security law.

<sup>2</sup> Less than 0.05 percent.

TABLE 9.—Benefits in current-payment status for retired workers: Number and percentage distribution with and without reduction for early retirement, by primary insurance amount and sex, at end of 1972

Primary insurance amount and sex	Total <sup>1</sup>		Without reduction for early retirement		With reduction for early retirement	
	Number	Percent	Number	Percent	Number	Percent
Total.....	14,508,220	100.0	7,188,294	100.0	7,319,926	100.0
Under \$100.00.....	2,904,106	20.0	1,114,812	15.6	1,789,296	24.4
\$4.50.....	2,238,076	15.4	894,294	12.5	1,343,782	18.4
\$4.50-99.90.....	688,032	4.8	220,688	3.2	467,344	6.0
100.00-119.90.....	1,011,102	7.0	351,868	4.9	659,234	9.0
120.00-139.90.....	1,830,030	10.6	691,230	9.6	1,138,800	15.6
140.00-159.90.....	1,427,334	9.8	623,047	8.7	804,287	11.0
160.00-179.90.....	1,171,432	8.1	530,630	7.4	640,802	8.8
180.00-199.90.....	1,305,296	9.0	751,015	10.4	554,281	7.6
200.00-219.90.....	1,635,560	11.3	991,832	13.8	643,728	8.8
220.00-239.90.....	1,878,313	12.9	1,107,038	15.4	771,275	10.5
240.00 or more.....	1,636,966	11.3	1,076,772	15.0	559,194	7.6
Average benefit.....	\$166.00		\$179.70		\$154.30	
Men.....	8,217,079	100.0	4,819,519	100.0	3,397,560	100.0
Under \$100.00.....	886,058	10.8	401,936	9.6	424,122	12.6
\$4.50.....	642,615	7.8	343,657	7.1	298,958	8.8
\$4.50-99.90.....	243,443	3.0	118,270	2.5	125,174	3.7
100.00-119.90.....	424,190	5.2	193,580	4.0	230,610	6.8
120.00-139.90.....	685,177	8.3	324,398	6.7	360,779	10.6
140.00-159.90.....	686,294	8.4	331,371	7.3	354,923	9.9
160.00-179.90.....	630,265	7.7	348,929	7.2	281,336	8.3
180.00-199.90.....	634,318	8.0	327,918	6.8	306,400	9.0
200.00-219.90.....	1,226,184	14.9	792,212	16.4	433,972	12.8
220.00-239.90.....	1,616,383	18.5	922,616	19.1	693,767	17.5
240.00 or more.....	1,832,166	22.2	896,560	18.6	935,606	23.7
Average benefit.....	\$186.20		\$192.80		\$176.80	
Women.....	6,291,141	100.0	2,368,745	100.0	3,922,396	100.0
Under \$100.00.....	2,018,060	32.1	832,876	27.6	1,185,174	34.8
\$4.50.....	1,933,461	23.8	640,687	22.8	1,092,774	33.8
\$4.50-99.90.....	424,389	6.7	112,309	4.7	312,080	8.0
100.00-119.90.....	588,903	9.3	158,279	6.7	428,624	10.9
120.00-139.90.....	853,832	13.6	260,832	11.3	593,000	15.0
140.00-159.90.....	741,040	11.8	271,678	11.6	469,364	12.0
160.00-179.90.....	641,164	8.6	231,701	9.8	409,463	10.5
180.00-199.90.....	471,078	7.5	223,097	9.4	247,981	6.3
200.00-219.90.....	409,376	6.5	199,620	8.4	209,756	5.3
220.00-239.90.....	361,930	5.7	194,422	7.8	177,508	4.5
240.00 or more.....	307,768	4.9	180,222	7.6	127,546	3.3
Average benefit.....	\$141.70		\$153.10		\$134.80	

<sup>1</sup> Excludes retired workers entitled to benefits under the transitional insured-status provisions of the Social Security Act.

# History of the Provisions of Old-Age, Survivors, Disability, and Health Insurance\*

## Employment Covered

*[Unless otherwise noted, coverage begins on the first of January following the passage of the Act; for the self-employed, at the beginning of the taxable year following the passage of the Act]*

Act

### COMPULSORY

- 1935 All workers in commerce and industry (except railroads) under age 65 in continental United States, Alaska, and Hawaii. Covered after 1938.
- 1939 Age restriction eliminated.
- 1946 Railroad and social security earnings combined to determine eligibility for and amount of survivor benefits.
- 1950 Regularly employed farm and domestic workers. Nonfarm self-employed (except professional groups). Federal civilian employees not under retirement system. Americans employed outside United States by American employer. Puerto Rico and Virgin Islands.
- 1951 Railroad workers with less than 10 years of service, for all benefits. (After October 1951, coverage is retroactive to 1937.)
- 1954 Farm self-employed. Professional self-employed except lawyers, dentists, doctors, and other medical groups (taxable year ending after 1954). Additional regularly employed farm and domestic workers. Homeworkers.
- 1956 Members of the uniformed services. Remainder of professional self-employed except doctors (taxable year ending after 1955). Farm landlords who materially participate in farm operations.
- 1960 Americans employed in United States by foreign government or international organization. Parent working for child (except domestic or casual labor). Guam and American Samoa.
- 1965 Interns. Self-employed doctors (taxable year ending on or after Dec. 31, 1965). Tips for employee tax only.
- 1967 Ministers and members of religious orders not under a vow of poverty (unless exemption is claimed on grounds of conscience or religious principles). Taxable year ending after 1967.

### ELECTIVE BY EMPLOYER

- 1950 State and local government employees not under retirement system.
- 1954 Americans employed outside United States by foreign subsidiary of American employer.
- 1972b Members of a religious order who are subject to a vow of poverty. Retroactivity allowed for 5 years but not earlier than Jan. 1, 1968.

Act

### ELECTIVE BY EMPLOYER AND EMPLOYEE

- 1950 Employees (other than ministers) of nonprofit organizations (employees voting against coverage are not covered, new employees are covered).
- 1954 State and local government employees (except firemen and policemen) under retirement system.
- 1956 Firemen and policemen in designated States. State and local government employees under retirement system in designated States may be divided into two systems, one excluding employees not desiring coverage (new employees covered).
- 1967 Firemen under retirement system.

### ELECTIVE BY INDIVIDUAL

- 1954 Ministers and members of religious orders not under a vow of poverty.
- 1965 Members of certain religious sects may obtain exemption from self-employment coverage (retroactive to 1951).
- 1967 Ministers and members of religious orders not under a vow of poverty placed under compulsory coverage.

### NONCONTRIBUTORY WAGE CREDITS

- 1946 Fully insured status and average monthly wage of \$180 for World War II veterans who died within 3 years after discharge.
- 1950 Wage credits of \$160 per month of military service during World War II (Sept. 16, 1940, to July 24, 1947).
- 1952 Same military wage credits to Dec. 31, 1953.
- 1953 Same military wage credits to June 30, 1955.
- 1955 Same military wage credits to Mar. 31, 1956.
- 1956 Same military wage credits to Dec. 31, 1956.
- 1967 For uniformed services, wage credits of \$100 for each \$100 (or fraction thereof) of basic pay not in excess of \$300 per quarter, beginning 1968.
- 1972b For uniformed services, wage credits of \$300 per calendar quarter of service after 1956. (Supersedes 1967 provision.)  
For U.S. citizens of Japanese ancestry, wage credits for the period they were interned by the U.S. Government during World War II (Dec. 7, 1941, to Dec. 31, 1946) and were aged 18 and over.

\* The word "Act" throughout represents legislation in the year shown (except that the 1967 Act was signed Jan. 2, 1968). 1972a denotes legislation July 1; 1972b denotes legislation October 30; 1973a denotes legislation July 9; 1973b denotes legislation December 31.

Source: Social Security Bulletin, Annual Statistical Supplement, 1972, U.S. Department of Health, Education, and Welfare, Social Security Administration.

## Insured Status (Entitlement to Benefits)

<i>Act</i>	<b>QUARTER OF COVERAGE (QC)</b>	<i>Act</i>	<b>FULLY INSURED</b>
1939	Calendar quarter in which \$50 of wages is earned. Four QC are credited for covered earnings equal to maximum limitation for the year.	1935	Cumulative wages of \$2,000 and employment in each of 5 years after 1936 and before age 65.
1946	Calendar quarter in which \$50 of wages is paid.	1939	QC equal to one-half the quarters elapsed after 1936 (or quarter in which aged 21) and before quarter of death or age 65. Minimum 6 QC, maximum 40 QC.
1950	Calendar quarter credited with \$100 of self-employment income (reported annually).	1950	Elapsed period measured after 1950 (QC earned at any time are used).
1954	Calendar quarter credited with \$100 of agricultural wages (reported annually).	1954	Period of disability excluded from elapsed period. Alternatively, QC earned in all quarters after 1954 and before quarter aged 65 (minimum, 6).
	<b>DISABILITY DEFINITION</b>	1956	Elapsed period measured to age 62 for women. Alternatively, QC earned in all except 4 quarters after 1954 and before quarter aged 65 (62 for women).
1954	Inability to engage in substantial gainful activity because of any medically determinable permanent physical or mental impairment.	1960	QC's reduced to 1/3 the elapsed quarters.
1965	Disability lasting at least 12 months. For blind aged 55-64, inability to engage in usual occupation.	1961	QC equal to years elapsed after 1950 (or year aged 21) and before year of death or age 65 (62 for women).
1967	Disability that precludes engagement in any substantial gainful work existing in the national economy. For surviving spouse, disability precluding any gainful activity.	1972b	Elapsed period for men reaching age 62 after 1972, measured to age 62 or to 1975, if later.
	<b>PERIOD OF DISABILITY</b>		<b>CURRENTLY INSURED</b>
1954	Continuous period of at least 6 months of disability as defined above or of blindness.	1939	6 QC earned in 12 quarters before quarter of death.
1972b	At least 5 months of disability.	1946	6 QC earned in preceding 13 quarters, including quarter of death.
		1960	Including quarter of retirement.
		1954	Including quarter of disablement.

Act

**DISABILITY INSURED**

- 1954 20 QC earned in last 40 quarters, including quarter of disablement, and currently insured.
- 1956 Fully insured requirement added.
- 1958 Currently insured requirement eliminated.
- 1960 Alternatively, 20 QC earned before quarter of disablement (not necessarily in last 40 quarters) but QC earned in all quarters after 1950, with minimum of 6 such QC.
- 1965 Alternatively for blind under age 31, QC earned in one-half the quarters elapsed after age 21, with minimum of 6 such QC. For blind under age 24, 6 QC earned in preceding 3 years.
- 1967 For all disabled under age 31, same alternative.
- 1972b For blind, requirement for recent QC eliminated.

**TRANSITIONAL INSURED**

- 1965 Same as fully insured, but minimum reduced to 3 QC.

**INSURED FOR SPECIAL MONTHLY CASH BENEFIT**

- 1966 3 QC for each year elapsed after 1966 and before age 72. (No QC if aged 72 before 1968.)

**ENTITLEMENT TO HOSPITAL INSURANCE BENEFITS**

- 1965 Any individual, aged 65 and over, entitled to monthly cash benefits under the social security

Act

or railroad retirement programs, or aged 65 before 1968, or 3 QC for each year after 1965 and before age 65.

- 1967 Or 3 QC for each year after 1966 and before age 65.
- 1972b Any disabled individual, under age 65, entitled to monthly cash disability benefits for 24 consecutive months under the social security or railroad retirement programs (excludes dependents of disabled individuals). Any individual under age 65 who has chronic renal disease and who is either fully or currently insured, or is entitled to monthly cash benefits under the social security program or is the spouse or dependent child of such insured individual or beneficiary. Entitlement begins on the first of the third month following the initiation of a course of renal dialysis and ends with the 12th month following the month in which either the dialysis terminates or the individual has a renal transplant. Any individual aged 65 and over, enrolled in the supplementary medical insurance program who is not otherwise entitled to hospital insurance benefits, upon voluntary participation with payment of hospital premium.

**ENTITLEMENT TO SUPPLEMENTARY MEDICAL INSURANCE BENEFITS**

- 1965 Any U.S. resident (citizen, or lawfully admitted alien with 5 years' continuous residence) aged 65 and over, or any individual entitled to hospital insurance benefits, upon voluntary participation with payment of SMI premium.
- 1972b Any individual under age 65 entitled to hospital insurance benefits, upon voluntary participation with payment of SMI premium.

## Benefit Computation

Act

## AVERAGE MONTHLY WAGE (AMW)

- 1939 AMW computed using earnings after 1936 and before year of death or retirement divided by months after 1936 and before quarter of death or retirement, excluding months before age 22 in quarters not QC.
- 1950 AMW computed using earnings after 1950 (or year aged 21) and before year of death, year of retirement or subsequent year, or year aged 65 if then insured, divided by number of months in those years.
- 1954 Earnings and months in 4 years may be excluded in all cases; in 5 years if worker has 20 QC. Period of disability may be excluded.
- 1956 Earnings and months in 5 years may be excluded in all cases. Computation period may end at age 62 for women then insured.
- 1960 Earnings may be used for any year after 1950 and before year of retirement, with the number of years equal to the years elapsed after 1955 (or year aged 26) and before year of death or age 65 (62 for women).  
Same method may be used for earnings after 1936 and years elapsed after 1941.
- 1972b Number of years for men reaching age 62 after 1972, measured to age 62 or to 1975, if later.

## PRIMARY INSURANCE AMOUNT (PIA) \*

- 1935 Formula applied to cumulative wages: 1/2 of 1% of first \$3,000 plus 1/12 of 1% of next \$42,000 plus 1/24 of 1% of next \$84,000. *Effective for January 1942 but never applicable.*

## Based on AMW

- 1939 Formula applies to AMW (limited to \$250) computed for period after 1938:  
40% of first \$50 plus 10% of next \$200. Total increased by 1% for each year with at least \$200 of creditable wages. *Effective for January 1940.*  
Modified by 1950 Act so that increment years may not exceed 14, with benefit amount increased under conversion table in the law. *Effective for September 1950.* Increase of about 77% in benefit level—from 100% at lowest level to 50% at highest level.  
Modified by 1967 Act to distribute wages in years 1937-50 over 9-14 years, with 14 increment years assumed.
- 1950 Formula applies to AMW computed for period after 1950:  
50% of first \$100 plus 15% of next \$200. *Effective for April 1952.*
- 1952 55% of first \$100 plus 15% of next \$200. *Effective for September 1952.* Increase of the lesser of 10% or \$5. (Increase of 12½%, but not less than \$5 in current benefit levels.)

Act

- 1954 55% of first \$110 plus 20% of next \$240. *Effective for September 1954.* Increase of at least \$5 (current benefit levels increased by approximately 13%).
- 1958 Underlying formula applies to AMW contained in the table in the Act: 58.85% of first \$110 plus 21.40% of next \$290. *Effective for January 1959.* Increase of the greater of 7% or \$3 in benefit level.
- 1965 62.97% of first \$110 plus 22.90% of next \$290 plus 21.40% of next \$150. *Effective for January 1965.* Increase of the greater of 7% or \$4 in benefit level.
- 1967 71.16% of first \$110 plus 25.88% of next \$290 plus 24.18% of next \$150 plus 28.43% of next \$100. *Effective for February 1968.* Increase of at least 13% in benefit level.
- 1969 81.83% of first \$110 plus 29.76% of next \$290 plus 27.81% of next \$150 plus 32.69% of next \$100. *Effective for January 1970.* Increase of at least 15% in benefit level.
- 1971 90.01% of first \$110 plus 32.74% of next \$290 plus 30.59% of next \$150 plus 35.96% of next \$100 plus 20% of next \$100. *Effective for January 1971.* Increase of 10% in benefit level.
- 1972a 108.01% of first \$110 plus 39.29% of next \$290 plus 36.71% of next \$150 plus 43.15% of next \$100 plus 24% of next \$100 plus 20% of next \$250. *Effective for September 1972.* Increase of 20% in benefit level. (Provision for automatic "cost-of-living" increase.)
- 1973a 114.38% of first \$110 plus 41.61% of next \$290 plus 38.88% of next \$150 plus 45.70% of next \$100 plus 25.42% of next \$100 plus 21.18% of next \$250 plus 20% of next \$50. *Effective for June 1974 through December 1974* but never applicable. Increase of 5.9% in benefit level, eliminated by 1973b legislation.
- 1973b 119.89% of first \$110 plus 43.61% of next \$290 plus 40.75% of next \$150 plus 47.90% of next \$100 plus 26.64% of next \$100 plus 22.20% of next \$250 plus 20% of next \$100. Increase of 11% in 1972a benefit levels, *effective in 2 steps: 7%, for March-May 1974; 4% additional, for June 1974.* (Beginning June 1975, subject to automatic "cost-of-living" increase, under modification of 1972 provision.)

## Based on Years of Coverage

- 1972b Alternative formula: \$8.50 per month multiplied by the number of years of coverage above 10, limited to \$170 per month. *Effective January 1, 1973.* The "number of years of coverage" equals the number obtained by dividing total creditable wages in 1937-50 by \$900 (but not more than 14) plus the number of years after 1950 in which the worker is credited with at least 25% of the effective annual maximum taxable earnings.
- 1973b \$9.00 per month, limited to \$180 per month. *Effective March 1, 1974.*

\* Before 1951, primary insurance benefit (PIB).

## Type of Monthly Benefits

<i>Act</i>	<i>Type of benefit</i>	<i>Percent of PIA</i>	<i>Conditions</i>
<b>INSURED WORKER</b>			
1935	Retired worker: Aged 65 and over.....	---	<i>Fully insured.</i> Amount based on cumulative wages.
1939	-----	100	Amount based on PIA.
1956	Women: Aged 62-64.....	---	Reduced 5/9% per month under age 65.
1961	Men: Aged 62-64.....	---	Reduced 5/9% per month under age 65.
1972b	-----	---	Increased 1/12% for each month between ages 65 and 72 for which no benefits received after 1970. (PIA based on AMW only.)
1956	Disabled worker: Aged 50-64.....	100	<i>Disability insured.</i> Waiting period of 6 calendar months. Reduced by amount of workmen's compensation.
1958	-----	---	Reduction for workmen's compensation eliminated.
1960	Under age 65.....	---	-----
1965	-----	---	Reduced if benefits plus workmen's compensation exceed 80% of the higher of AMW or high-5-year average taxable earnings in covered employment. Adjusted periodically for rises in wage levels.
1967	-----	---	Reduced if benefits plus workmen's compensation exceed 80% of the higher of AMW or high-5-year average earnings in covered employment, regardless of taxable limit.
1972b	-----	---	Reduced if benefits plus workmen's compensation exceed 80% of the highest of (a) AMW, (b) high-5-year average earnings, or (c) highest annual earnings in the period consisting of year of disablement and 5 preceding years in covered employment. Waiting period reduced to 5 calendar months.
<b>DEPENDENTS OF RETIRED-WORKER BENEFICIARY</b>			
1939	Wife: Aged 65 and over.....	50	<i>Fully insured.</i>
1950	Under age 65.....	---	Caring for eligible child.
1956	Aged 62-64.....	---	Reduced 25/36% per month under age 65.
1965	-----	---	Eligible child excludes student aged 18-21.
1967	-----	---	Maximum \$105.
1969	-----	---	Maximum eliminated.
1939	Child: Under age 18.....	50	<i>Fully insured.</i> <sup>1</sup> Student at age 16-17.
1946	-----	---	Student requirement eliminated.
1965	Aged 18-21.....	---	Full-time student.
1972b	-----	---	Benefits extended to end of quarter or semester in which 22d birthday occurs while undergraduate student.
-----	-----	---	Includes grandchild under certain circumstances.
1956	Disabled child: Aged 18 and over.....	50	<i>Fully insured.</i> <sup>1</sup> Disabled before age 18.
1972b	-----	---	Disabled before age 22.
-----	-----	---	Includes grandchild under certain circumstances.
1950	Husband: Aged 65 and over.....	50	<i>Fully and currently insured.</i> Dependent.
1961	Aged 62-64.....	---	Reduced 25/36% per month under age 65.
1967	-----	---	<i>Currently insured</i> requirement eliminated. Maximum \$105.
1969	-----	---	Maximum eliminated.
1965	Divorced wife: Aged 65 and over.....	50	<i>Fully insured.</i> Dependent. Married 20 years.
-----	Aged 62-64.....	---	Reduced 25/36% per month under age 65.
1967	-----	---	Maximum \$105.
1969	-----	---	Maximum eliminated.
1972b	-----	---	Dependency requirement eliminated.

<sup>1</sup> Under 1939 Act, not generally available to child of married woman worker. Under 1950 Act, available if woman worker is *fully* and *currently*

*insured*; *currently insured* requirement eliminated in 1967 Act.

<i>Act</i>	<i>Type of benefit</i>	<i>Percent of PIA</i>	<i>Conditions</i>
<b>DEPENDENTS OF DISABLED-WORKER BENEFICIARY</b>			
1958	Same as dependents of retired-worker beneficiary.	50	<i>Disability insured.</i> Same as dependents of retired-worker beneficiary.
<b>SURVIVORS</b>			
1939	Widowed mother.....	75	<i>Fully or currently insured.</i> Caring for eligible child.
1950	-----	---	Divorced and dependent.
1965	-----	---	Eligible child excludes student over age 18.
1972b	-----	---	Dependency requirement eliminated for divorced mother.
1939	Widow: Aged 65 and over.....	75	<i>Fully insured.</i>
1956	-----	---	-----
1961	-----	82½	-----
1965	-----	---	Divorced wife, dependent and married 20 years.
1972b	-----	---	Reduced 5/9% per month under age 62.
	Aged 60-61.....	100	Limited, if husband (or former husband) retired before age 65, to amount husband would be receiving if still living, but not less than 82½% of PIA.
	Aged 65 and over.....	---	Reduced 19/40% per month under age 65. In addition, for a widow aged 62-64 whose husband (or former husband) retired before age 65, limited to amount he would be receiving if still living, but not less than 82½% of PIA.
	-----	---	Dependency requirement eliminated for divorced wife.
	Aged 60-64.....	---	-----
1967	Disabled widow: Aged 50-59.....	82½	<i>Fully insured.</i> Reduced 13-1/3% plus 43/198% per month under age 60. Includes divorced wife, dependent and married 20 years.
1972b	-----	100	Reduced 28½% plus 43/240% per month under age 60.
	-----	---	Dependency requirement eliminated for divorced wife.
1939	Child: Under age 18.....	50	<i>Fully or currently insured.</i> <sup>1</sup> Student at age 16-17.
1946	-----	---	Student requirement eliminated.
1950	-----	---	Plus 25% of PIA divided among the children.
1960	-----	75	Additional 25% of PIA eliminated.
1965	-----	---	Full-time student.
1972b	-----	---	Benefits extended to end of quarter or semester in which 22d birthday occurs while undergraduate student.
	-----	---	Includes grandchild under certain circumstances.
1956	Disabled child: Aged 18 and over.....	50	<i>Fully or currently insured.</i> <sup>1</sup> Disabled before age 18. Plus 25% of PIA divided among the children.
1960	-----	75	Additional 25% of PIA eliminated.
1972b	-----	---	Disabled before age 22.
	-----	---	Includes grandchild under certain circumstances.
1939	Parent: Aged 65 and over.....	50	<i>Fully insured.</i> Dependent. No surviving widow or child under age 18.
1946	-----	---	No surviving eligible widow or child.
1950	-----	75	-----
1956	-----	---	-----
1958	Woman: Aged 62-64.....	---	No-other-survivor requirement eliminated.
1961	-----	82½	75% each if two parents.

See footnote 1.

<i>Act</i>	<i>Type of benefit</i>	<i>Percent of PIA</i>	<i>Conditions</i>
1950	Widower: Aged 65 and over.....	75	<i>Fully and currently insured. Dependent.</i>
1961	Aged 62 and over.....	82½	
1967	-----	-----	Currently insured requirement eliminated.
1972b	Aged 65 and over.....	100	Limited, if wife retired before age 65, to amount wife would be receiving if still living, but not less than 82½% of PIA.
	Aged 60-64.....	---	Reduced 19/40% per month under age 65. In addition, for a widower aged 62-64 whose wife retired before age 65, limited to amount she would be receiving if still living, but not less than 82½% of PIA.
1967	Disabled widower: Aged 50-61.....	82½	<i>Fully insured. Dependent. Reduced 5/9% per month between age 60-62 plus 43/198% per month under age 60.</i>
1972b	Aged 50-59.....	100	Reduced 28½% plus 43/240% per month under age 60. Disability requirement eliminated for ages 60-61.

## TRANSITIONALLY INSURED WORKER

1965	Worker aged 72 and over.....	---	\$35.
1967	-----	---	\$40.
1969	-----	---	\$46.
1971	-----	---	\$48.30.
1972a	-----	---	\$58.
1973a	-----	---	\$61.50. (Effective for June-December 1974 but eliminated by 1973b legislation.)
1973b	-----	---	\$62.10. <i>Effective for March 1974.</i>
	-----	---	\$64.40. <i>Effective for June 1974. (Beginning June 1975, subject to automatic "cost-of-living" increase.)</i>

## DEPENDENTS OF TRANSITIONALLY INSURED WORKER

1965	Wife aged 72 and over.....	---	Monthly payment equals one-half the rate of worker.
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## SURVIVORS OF TRANSITIONALLY INSURED WORKER

1965	Widow aged 72 and over.....	---	Monthly payment equals rate of worker.
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## SPECIAL MONTHLY CASH BENEFITS

1966	Individual or couple aged 72 and over.....	---	\$35 for individual, \$52.50 for couple. Reduced by amount of other government pension excluding workmen's compensation benefits and veterans' compensation for service-connected disability or death. Not available to persons receiving public assistance.
1967	-----	---	\$40 for individual, \$60 for couple.
1969	-----	---	\$46 for individual, \$69 for couple.
1971	-----	---	\$48.30 for individual, \$72.50 for couple.
1972a	-----	---	\$58 for individual, \$87 for couple.
1973a	-----	---	\$61.50 for individual, \$92.30 for couple. (Effective for June-December 1974 but eliminated by 1973b legislation.)
1973b	-----	---	\$62.10 for individual, \$93.20 for couple. <i>Effective for March 1974.</i>
	-----	---	\$64.40 for individual, \$96.60 for couple. <i>Effective for June 1974. (Beginning June 1975, subject to automatic "cost-of-living" increase.) Not available to persons receiving payments under supplemental security income program.</i>

## Other OASDI Benefits

<i>Act</i>	<i>Type of benefit</i>	<i>Conditions</i>
1935 1939	Lump-sum refund at age 65.....	Not insured. 3¼% of cumulative wage credits. Refund eliminated.
1935	Lump-sum death payment under age 65.....	3½% of cumulative wage credits.
	Aged 65 and over.....	<i>Fully insured.</i> 3½% of cumulative wage credits, less monthly benefits received.
1939	Any age.....	<i>Fully or currently insured.</i> 6 times primary insurance benefit if no survivor eligible for monthly benefits.
1950	.....	3 times PIA for all deaths.
1954	.....	Maximum of \$255 specified.
1954 1960	Period of disability, aged 50-64.....	<i>Disability insured.</i> Period excluded in computation of AMW.
	Under age 65.....	.....
1965	Rehabilitation services.....	Available to selected disabled individuals. Costs of services payable from social security trust funds to State vocational rehabilitation agencies. Reimbursement in any year may not exceed 1 percent of the total amount of social security disability benefits disbursed in the previous year.
1972b	.....	Maximum annual reimbursement increased to 1.25 percent for fiscal year ending June 30, 1973, and 1.50 percent thereafter.

## Maximum and Minimum Provisions

Act	Maximum AMW	PIA based on AMW		Minimum sole survivor benefit <sup>2</sup>	Maximum family benefit			Maximum PIA for man aged 65 in January following year of Act
		Minimum <sup>1</sup>	Maximum		Maximum amount	Percent of AMW	Not less than larger of—	
1935		\$10.00	\$85.00					
1939	\$250		(*)	\$10.00	\$85.00	80% (2×PIA if less)		\$41.20
1950	300	20.00	80.00	15.00	150.00	80% of first \$187.50	\$40	68.50
1952		25.00	85.00	18.80	168.75	80% of first \$210.93	\$45	85.00
1954	350	30.00	108.50	30.00	200.00	80% of first \$250	\$50 or 1½ PIA	98.50
1958	400	33.00	127.00	33.00	254.00	80% of first \$317.50	\$20+PIA or 1½ PIA	118.00
1961		40.00		40.00			1½ PIA	121.00
1965	550	44.00	168.00	44.00	368.00	80% of first \$370+40% of next \$180		132.70
1967	650	55.00	218.00	55.00	434.40	80% of first \$436+40% of next \$214		<sup>4</sup> 156.00
1969		64.00	250.70	64.00				189.80
1971	750	70.40	295.40	70.40	517.00	88% of first \$436+44% of next \$191. <sup>5</sup>		216.10
1972a	1,000	84.50	404.50	84.50	707.90	105.6% of first \$436+52.8% of next \$191. <sup>5</sup>		266.10
1973a <sup>6</sup>	1,050	89.50	438.40	89.50	767.20	111.8% of first \$436+55.9% of next \$191. <sup>5</sup>		274.60
1973b	<sup>7</sup> 1,100	<sup>7</sup> 93.80	<sup>7</sup> 469.00	<sup>7</sup> 93.80	<sup>7</sup> 820.80	117.2% of first \$436+58.6% of next \$191. <sup>5</sup>		<sup>8</sup> 274.60

<sup>1</sup> Minimum subject to reduction if claimed before age 65.

<sup>2</sup> Minimum subject to reduction if claimed by widow or widower before age 62. Under 1973 legislation, subject to reduction if claimed before age 65; amount may not be less than \$94.60 unless benefit is claimed before age 62.

<sup>3</sup> Not specified. Effective maximum \$45.60.

<sup>4</sup> Effective February 1968.

<sup>5</sup> For AMW of \$628 or more, 1.75 times PIA.

<sup>6</sup> Eliminated by 1973b legislation.

<sup>7</sup> Beginning 1975, subject to automatic increase. (Superseded 1972 legislation for automatic increases.)

<sup>8</sup> \$293.90 payable March-May 1974; \$304.90 payable beginning June 1974.

Examples of monthly cash benefit awards to selected beneficiary families under the 1971, 1972, and 1973 amendments to the Social Security Act

Beneficiary family	Average monthly earnings of insured worker													
	\$76 or less	\$100	\$200	\$250	\$300	\$350	\$400	\$450	\$500	\$550	\$650	\$750	\$900	\$1,000
<b>Benefit awards under the 1971 amendments<sup>1</sup> (effective January 1, 1971)</b>														
Retired worker claiming benefits at age 65, or disabled worker:														
Worker alone.....	\$70.40	\$90.60	\$128.60	\$145.60	\$160.90	\$177.70	\$194.40	\$208.80	\$224.70	\$240.30	\$275.80	\$295.40		
Worker with spouse claiming benefits at—														
Age 65 or over.....	105.60	135.90	192.90	218.40	241.40	266.60	291.60	313.20	337.10	360.50	413.70	443.10		
Age 62.....	96.80	124.60	176.90	200.20	221.30	244.40	267.30	287.10	309.00	330.50	379.30	408.20		
Worker, wife, and 1 child.....	105.60	135.90	192.90	222.70	264.00	308.90	354.70	389.90	412.30	435.20	482.70	517.00		
Retired worker claiming benefits at age 62:														
Worker alone.....	66.40	72.50	102.90	116.50	128.60	142.20	155.60	167.10	179.80	192.30	220.70	238.40		
Worker with spouse claiming benefits at—														
Age 65 or over.....	91.60	117.80	167.20	189.30	209.20	231.10	252.80	271.50	292.20	312.50	358.60	384.10		
Age 62.....	82.50	106.50	151.20	171.10	189.20	208.90	228.60	245.40	264.10	282.60	324.20	347.20		
Widow claiming benefits at—														
Age 62 or over.....	70.40	74.50	106.10	120.20	132.60	145.70	160.40	172.30	185.40	198.30	227.60	243.80		
Age 60.....	161.10	64.90	92.00	104.20	115.10	127.20	139.10	149.40	160.70	171.90	197.30	211.30		
Disabled widow claiming benefits at age 60.....	142.80	45.50	64.40	72.90	80.50	89.00	97.30	104.50	112.40	120.30	138.00	147.70		
1 surviving child.....	170.40	170.40	96.50	108.20	120.70	133.30	145.80	166.60	188.60	180.30	208.90	221.60		
Aged widow and 1 child.....	105.60	135.90	192.90	222.70	253.50	280.00	308.20	328.90	354.00	378.60	434.50	465.40		
Widowed mother and 1 child.....	105.60	135.90	192.90	218.40	241.40	266.60	291.60	313.20	337.20	360.60	413.80	443.20		
Widowed mother and 2 children.....	105.60	135.90	192.90	222.70	264.00	308.90	354.70	389.90	412.30	435.20	482.70	517.00		
Maximum family benefits.....	105.60	135.90	192.90	222.70	264.00	308.90	354.70	389.90	412.30	435.20	482.70	517.00		
<b>Benefit awards under the 1972 amendments<sup>1</sup> (effective September 1, 1972)</b>														
Retired worker claiming benefits at age 65, or disabled worker:														
Worker alone.....	\$84.50	\$108.80	\$154.40	\$174.80	\$193.10	\$213.30	\$233.30	\$250.60	\$269.70	\$288.40	\$331.00	\$354.50	\$384.50	\$404.50
Worker with spouse claiming benefits at—														
Age 65 or over.....	128.80	163.20	231.60	262.20	289.70	320.00	350.00	375.90	404.60	432.60	496.50	531.80	578.80	606.80
Age 62.....	116.30	148.60	212.30	240.40	265.60	293.40	320.90	344.60	370.90	396.60	455.20	487.60	528.80	556.30
Worker, wife, and 1 child.....	128.80	163.20	231.60	267.30	316.80	370.70	423.70	467.90	494.80	522.30	579.30	620.40	672.90	707.90
Retired worker claiming benefits at age 62:														
Worker alone.....	67.60	87.10	123.60	139.90	154.50	170.70	186.70	200.50	215.80	230.80	264.80	283.60	307.60	323.60
Worker with spouse claiming benefits at—														
Age 65 or over.....	109.90	141.50	200.80	227.30	251.10	277.40	303.40	328.80	350.70	375.00	430.30	460.90	499.00	528.90
Age 62.....	99.40	127.90	181.50	205.60	227.00	249.80	274.30	294.50	317.00	339.00	389.00	416.60	451.90	478.40
Widow claiming benefits at—														
Age 65 or over <sup>2</sup> .....	\$84.50	108.80	164.40	174.80	193.10	213.30	233.30	250.60	269.70	288.40	331.00	354.50	384.50	404.50
Age 60.....	\$74.90	77.80	110.40	125.00	138.10	152.60	166.90	179.20	192.90	206.30	236.70	253.50	276.00	289.30
Disabled widow claiming benefits at age 60.....	\$66.80	\$66.80	77.30	87.50	96.60	106.80	116.80	125.40	135.00	144.20	163.60	177.20	192.40	202.40
1 surviving child.....	\$84.50	\$84.50	115.80	131.10	144.90	160.00	175.00	188.00	202.30	216.30	248.30	265.90	288.40	303.40
Widow aged 65 and over and 1 child.....	128.80	163.20	231.60	267.30	316.80	370.70	423.70	468.00	472.00	504.70	579.30	620.40	672.90	707.90
Widowed mother and 1 child.....	128.80	163.20	231.60	262.20	289.70	320.00	350.00	375.90	404.60	432.60	496.50	531.80	578.80	606.80
Widowed mother and 2 children.....	128.80	163.20	231.60	267.30	316.80	370.70	423.70	467.90	494.80	522.30	579.30	620.40	672.90	707.90
Maximum family benefits.....	128.80	163.20	231.60	267.30	316.80	370.70	423.70	467.90	494.80	522.30	579.30	620.40	672.90	707.90
<b>Benefit awards under the 1973 amendments<sup>1</sup> (effective June 1, 1974)</b>														
Retired worker claiming benefits at age 65, or disabled worker:														
Worker alone.....	\$93.80	\$120.80	\$171.40	\$194.10	\$214.40	\$236.80	\$259.00	\$278.20	\$299.40	\$320.20	\$367.50	\$393.50	\$428.80	\$449.00
Worker with spouse claiming benefits at—														
Age 65 or over.....	140.70	181.20	257.10	291.20	321.60	355.20	388.50	417.30	449.10	480.30	551.30	590.80	640.20	673.50
Age 62.....	129.00	166.10	235.70	267.00	294.80	325.60	358.20	382.60	411.70	440.20	505.40	541.10	586.90	617.40
Worker, wife, and 1 child.....	140.80	181.20	257.10	296.80	331.70	411.50	472.60	519.40	549.30	579.80	643.10	688.70	747.00	785.80
Retired worker claiming benefits at age 62:														
Worker alone.....	75.10	93.70	137.20	155.50	171.60	189.60	207.20	222.60	239.60	256.20	294.00	314.80	341.60	359.20
Worker with spouse claiming benefits at—														
Age 65 or over.....	122.00	157.10	222.90	252.40	278.80	307.90	336.70	361.70	389.30	416.30	477.80	511.60	554.90	583.70
Age 62.....	110.30	142.00	201.50	228.20	252.00	278.30	304.40	327.00	351.90	376.30	431.90	462.40	501.60	527.60

See footnotes at end of table.

Examples of monthly cash benefit awards to selected beneficiary families under the 1971, 1972, and 1973 amendments to the Social Security Act—Continued

Beneficiary family	Average monthly earnings of insured worker													
	\$78 or less	\$100	\$200	\$250	\$300	\$350	\$400	\$450	\$500	\$550	\$650	\$750	\$900	\$1,000
Widow claiming benefits at—														
Age 65 or over <sup>1</sup> .....	83.80	129.80	171.40	194.10	214.40	236.80	259.00	278.20	299.40	320.20	367.50	393.50	426.80	449.00
Age 60.....	74.90	86.40	122.60	138.80	153.30	169.40	185.20	198.00	214.10	229.00	262.80	281.40	303.20	321.10
Disabled widow claiming benefits at														
age 50.....	58.80	60.50	85.80	97.10	107.30	118.50	129.60	139.20	149.80	160.20	183.80	196.80	213.50	224.80
1 surviving child.....	93.80	93.80	128.60	145.60	160.80	177.60	194.30	208.70	224.60	240.20	275.70	285.20	320.10	336.80
Widow aged 65 and over and 1 child <sup>1</sup>	140.80	181.20	257.10	296.80	351.70	411.50	453.30	486.90	524.00	560.40	643.10	688.70	747.00	785.80
Widowed mother and 1 child.....	140.80	181.20	257.10	291.20	321.60	355.20	388.60	417.40	449.20	480.40	561.40	590.40	640.20	673.80
Widowed mother and 2 children.....	140.80	181.20	257.10	296.80	351.70	411.50	472.60	519.40	549.30	579.80	643.10	688.70	747.00	785.80
Maximum family benefits.....	140.80	181.20	257.10	296.80	351.70	411.50	472.60	519.40	549.30	579.80	643.10	688.70	747.00	785.80

<sup>1</sup> For beneficiaries on the rolls before the effective date of the benefits under the amendments, the benefits for the indicated beneficiary families may be higher than those shown in the table because the amendments specified that each beneficiary was to get an increase of at least 10 percent under the 1971 amendments, 20 percent under the 1972 amendments, and 11 percent under the 1973 amendments, irrespective of the applicable maximum family benefit amount.

<sup>2</sup> Limited to amount husband would have been receiving if still living but not less than 82½ percent of his PIA.

<sup>3</sup> Sole survivor.

NOTE: The higher monthly earnings shown in the column headings on the right are not, in general, possible now, since earnings in some of the earlier years, when the maximum amount creditable was lower, must be included in the average. Therefore, the benefit amounts shown in these columns are not generally payable until later. (In 1974, the highest average monthly earnings possible is \$511 for a male worker retiring at age 65 and \$543 for a woman.)

## Earnings Test

Act	Beneficiary exempt	Earnings subject to test	Amount permitted without reduction in benefits		Reduction in monthly benefits	
			Annual earnings	Monthly wages <sup>1</sup>	Amount	Effective for taxable years
1935		Covered			Full monthly benefit	
1939				\$14.99		Beginning January 1, 1940.
1950	Aged 75 and over		\$ 800	50.00		Beginning September 1, 1950.
1952			\$ 900	75.00		Ending after August 1952.
1954	Aged 72 and over	Covered and noncovered <sup>2</sup>	\$ 1,200	80.00	One month's benefit for each \$80 or fraction thereof.	Beginning after December 1954.
1956	Disabled					
1958				100.00		Beginning after August 1958.
1960					\$1 for each \$2 of earnings from \$1,201-\$1,500. \$1 for each \$1 of earnings over \$1,500.	Beginning after December 1960.
1961					\$1 for each \$2 of earnings from \$1,201-\$1,700. \$1 for each \$1 of earnings over \$1,700.	Ending after June 30, 1961.
1965			\$ 1,500	125.00	\$1 for each \$2 of earnings from \$1,501-\$2,700. \$1 for each \$1 of earnings over \$2,700.	Ending after December 31, 1965.
1967			\$ 1,680	140.00	\$1 for each \$2 of earnings from \$1,681-\$2,880. \$1 for each \$1 of earnings over \$2,880.	Ending after December 1967.
1972b			\$ 2,100	175.00	\$1 for each \$2 of earnings over \$2,100.	Ending after December 1972.
1973a b <sup>3</sup>			\$ 2,400	200.00	\$1 for each \$2 of earnings over \$2,400.	Beginning after December 31, 1973.

<sup>1</sup> Monthly test for self-employment income is defined in terms of substantial gainful services.

<sup>2</sup> Applied to self-employment income only.

<sup>3</sup> Special provisions for earnings in noncovered employment outside United States.

<sup>4</sup> Includes earnings during the first year of eligibility for benefits and during the year of attainment of age 72.

<sup>5</sup> Excludes earnings in and after month of attainment of age 72.

<sup>6</sup> Beginning 1975, subject to automatic increases. (Superseded 1972 legislation for automatic increases.)

## Scheduled Contribution Rates

Act	Beginning—	Contribution rate (percent)							
		Employer and employee, each				Self-employed			
		Total	OASI	DI	HI	Total	OASI	DI	HI
1935	1937	1							
	1940	1.5							
	1943	2							
	1946	2.5							
	1949	3							
1939-47	1940	1	1						
	1950	1.5	1.5						
	1952	2	2						
1950	1951	1.5	1.5			2.25	2.25		
	1954	2	2			3	3		
	1960	2.5	2.5			3.75	3.75		
	1965	3	3			4.5	4.5		
	1970	3.25	3.25			4.875	4.875		
1954	1970	3.5	3.5			5.25	5.25		
	1975	4	4			6	6		
1956	1957	2.25	2	0.25		3.375	3	0.375	
	1960	2.75	2.5	.25		4.125	3.75	.375	
	1965	3.25	3	.25		4.875	4.5	.375	
	1970	3.75	3.5	.25		5.625	5.25	.375	
	1975	4.25	4	.25		6.375	6	.375	
1958	1959	2.5	2.25	.25		3.75	3.375	.375	
	1960	3	2.75	.25		4.5	4.125	.375	
	1963	3.5	3.25	.25		5.25	4.875	.375	
	1966	4	3.75	.25		6	5.625	.375	
	1969	4.5	4.25	.25		6.75	6.375	.375	
1961	1962	3.125	2.875	.25		4.7	4.325	.375	
	1963	3.625	3.375	.25		5.4	5.025	.375	
	1966	4.125	3.875	.25		6.2	5.825	.375	
	1968	4.625	4.375	.25		6.9	6.525	.375	
1965	1966	4.2	3.5	.35	0.35	6.15	5.275	.525	0.35
	1967	4.4	3.55	.35	.5	6.4	5.375	.525	.5
	1969	4.9	4.05	.35	.5	7.1	6.075	.525	.5
	1973	5.4	4.5	.35	.55	7.55	6.475	.525	.55
	1976	5.45	4.5	.35	.6	7.6	6.475	.525	.6
	1980	5.55	4.5	.35	.7	7.7	6.475	.525	.7
	1987	5.65	4.5	.35	.8	7.8	6.475	.525	.8
1967	1968	4.4	3.325	.475	.6	6.4	5.0875	.7125	.6
	1969	4.8	3.725	.475	.6	6.9	5.5875	.7125	.6
	1971	5.2	4.125	.475	.6	7.5	6.1875	.7125	.6
	1973	5.65	4.525	.475	.65	7.65	6.2875	.7125	.65
	1976	5.7	4.525	.475	.7	7.7	6.2875	.7125	.7
	1980	5.8	4.525	.475	.8	7.8	6.2875	.7125	.8
	1987	5.9	4.525	.475	.9	7.9	6.2875	.7125	.9

Continued on next page.

Act	Beginning—	Contribution rate (percent)							
		Employer and employee, each				Self-employed			
		Total	OASI	DI	HI	Total	OASI	DI	HI
1969	1970	4.8	3.65	.55	.6	6.9	5.475	.825	.6
	1971	5.2	4.05	.55	.6	7.5	6.075	.825	.6
	1973	5.65	4.45	.55	.65	7.65	6.175	.825	.65
	1976	5.7	4.45	.55	.7	7.7	6.175	.825	.7
	1980	5.8	4.45	.55	.8	7.8	6.175	.825	.8
	1987	5.9	4.45	.55	.9	7.9	6.175	.825	.9
1971	1976	5.85	4.60	.55	.7	7.7	6.175	.825	.7
	1980	5.95	4.60	.55	.8	7.8	6.175	.825	.8
	1987	6.05	4.60	.55	.9	7.9	6.175	.825	.9
1972a	1973	5.5	4.1	.5	.9	7.8	6.15	.75	.9
	1978	5.5	3.95	.55	1.0	7.7	5.875	.825	1.0
	1986	5.6	3.95	.55	1.1	7.8	5.875	.825	1.1
	1993	5.7	3.95	.55	1.2	7.9	5.875	.825	1.2
	1998		3.95	.55	( <sup>1</sup> )		5.875	.825	( <sup>1</sup> )
	2011		4.65	.70	( <sup>1</sup> )		6.085	.915	( <sup>1</sup> )
1972b	1973	5.85	4.3	.55	1.0	8	6.205	.795	1.0
	1978	6.05	4.225	.575	1.25	8.25	6.160	.84	1.25
	1981	6.15	4.225	.575	1.35	8.35	6.160	.84	1.35
	1986	6.25	4.225	.575	1.45	8.45	6.160	.84	1.45
	1998		4.225	.575	( <sup>1</sup> )		6.160	.84	( <sup>1</sup> )
	2011		5.1	.75	( <sup>1</sup> )		6.105	.895	( <sup>1</sup> )
1973b	1974	5.85	4.375	.575	.9	7.9	6.185	.815	.9
	1978	6.05	4.35	.6	1.10	8.10	6.15	.85	1.10
	1981	6.30	4.3	.65	1.35	8.35	6.08	.92	1.35
	1986	6.45	4.25	.7	1.5	8.50	6.01	.99	1.50
	1998		4.25	.7	( <sup>1</sup> )		6.01	.99	( <sup>1</sup> )
	2011		5.1	.85	( <sup>1</sup> )		6.0	1.0	( <sup>1</sup> )

<sup>1</sup> Cost estimates for HI are limited to a 25-year period.

## Annual Maximum Taxable Earnings and Actual Contribution Rate

Beginning—	Annual maximum taxable earnings	Contribution rate (percent)							
		Employer and employee, each				Self-employed			
		Total	OASI	DI	HI	Total	OASI	DI	HI
1937	\$3,000	1	1						
1950	3,000	1.5	1.5						
1951	3,600	1.5	1.5			2.25	2.25		
1954	3,600	2	2			3	3		
1955	4,200	2	2			3	3		
1957	4,200	2.25	2	0.25		3.375	3	0.375	
1959	4,800	2.5	2.25	.25		3.75	3.375	.375	
1960	4,800	3	2.75	.25		4.5	4.125	.375	
1962	4,800	3.125	2.875	.25		4.7	4.325	.375	
1963	4,800	3.625	3.375	.25		5.4	5.025	.375	
1966	6,600	4.2	3.5	.35	0.35	6.15	5.275	.525	0.35
1967	6,600	4.4	3.55	.35	.5	6.4	5.375	.525	.5
1968	7,800	4.4	3.325	.475	.6	6.4	5.0875	.7125	.6
1969	7,800	4.8	3.725	.475	.6	6.9	5.5875	.7125	.6
1970	7,800	4.8	3.65	.55	.6	6.9	5.475	.825	.6
1971	7,800	5.2	4.05	.55	.6	7.5	6.075	.825	.6
1972	9,000	5.2	4.05	.55	.6	7.5	6.075	.825	.6
1973	10,800	5.85	4.3	.55	1.0	8	6.205	.795	1.0
1974	13,200	5.85	4.375	.575	.9	7.9	6.185	.815	.9
Future schedule:									
1975-77	( <sup>1</sup> )	5.85	4.375	.575	.9	7.9	6.185	.815	.9
1978-80	( <sup>1</sup> )	6.05	4.35	.6	1.10	8.10	6.150	.85	1.10
1981-85	( <sup>1</sup> )	6.30	4.3	.65	1.35	8.35	6.08	.92	1.35
1986-97	( <sup>1</sup> )	6.45	4.25	.7	1.5	8.50	6.01	.99	1.50
1998-2010	( <sup>1</sup> )		4.25	.7	( <sup>2</sup> )		6.01	.99	( <sup>2</sup> )
2011-	( <sup>1</sup> )		5.1	.85	( <sup>2</sup> )		6.0	1.0	( <sup>2</sup> )

<sup>1</sup> Beginning 1975, subject to automatic increase.<sup>2</sup> Cost estimates for HI are limited to a 25-year period.

## Maximum Amount of Contribution

Beginning--	Employee				Self-employed			
	Total	OASI	DI	HI	Total	OASI	DI	HI
<b>Annual:</b>								
1937-----	\$30.00	\$30.00						
1950-----	45.00	45.00						
1951-----	54.00	54.00			\$81.00	\$81.00		
1954-----	72.00	72.00			108.00	108.00		
1955-----	84.00	84.00			126.00	126.00		
1957-----	94.50	84.00	\$10.50		141.75	126.00	\$15.75	
1959-----	120.00	108.00	12.00		180.00	162.00	18.00	
1960-----	144.00	132.00	12.00		216.00	198.00	18.00	
1962-----	150.00	138.00	12.00		225.60	207.60	18.00	
1963-----	174.00	162.00	12.00		259.20	241.20	18.00	
1966-----	277.20	231.00	23.10	\$23.10	405.90	348.15	34.65	\$23.10
1967-----	290.40	234.30	23.10	33.00	422.40	354.75	34.65	33.00
1968-----	343.20	259.35	37.05	46.80	499.20	396.825	55.575	46.80
1969-----	374.40	290.55	37.05	46.80	538.20	435.825	55.575	46.80
1970-----	374.40	284.70	42.90	46.80	538.20	427.05	64.35	46.80
1971-----	405.60	315.90	42.90	46.80	585.00	473.85	64.35	46.80
1972-----	468.00	384.50	49.50	54.00	675.00	546.75	74.25	54.00
1973-----	631.80	464.40	59.40	108.00	864.00	670.14	85.86	108.00
1974-----	772.20	577.50	75.90	118.80	1,042.80	816.42	107.58	118.80
<b>Cumulative:</b>								
1937-50-----	435.00	435.00						
1951-60-----	855.00	810.00	45.00		1,282.50	1,215.00	67.50	
1961-70-----	2,475.60	2,055.90	223.20	196.50	3,623.10	3,091.80	334.80	196.50
1937-74-----	6,043.20	5,023.20	495.90	524.10	8,072.40	6,813.96	734.34	524.10

## RAILROAD RETIREMENT BENEFITS—RETIREMENT, DISABILITY, AND SURVIVOR'S INSURANCE <sup>1</sup>

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To provide a continuing source of income for retired or disabled railroad workers, and to the surviving dependents of workers who have died.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—The Railroad Retirement Act of 1934 set up the first retirement system for workers in private industry to be administered by an agency of the Federal Government. This act was declared unconstitutional in May 1935. The Railroad Retirement and Carriers' Taxing Acts of 1935 were enacted to overcome the constitutional difficulties of the 1934 act. These acts, too, were declared unconstitutional by a Federal district court. However, before the appeal of the district court ruling, railway labor and management issued a memorandum of agreement which became the basis of the Railroad Retirement Act of 1937 and the Carriers Taxing Act enacted in June of 1937.

Under the 1937 act, retirement annuities were payable at age 65 regardless of length of service and on a reduced basis at ages 60–64 after 30 years of service. In addition, full disability annuities were payable after 30 years of service regardless of age and reduced annuities were available at ages 60–64 with less than 30 years of service. Also, a retired employee could elect to receive a reduced annuity in order to provide a surviving spouse with an annuity.

Amendments enacted in 1946 provided for survivor benefits similar to those provided by the social security program. The 1951 amendments added benefits for the spouse of a retired worker and transformed the program into a social insurance program. Other amendments enacted over the years increased benefit amounts, changed tax rates and made other liberalizations in the program; and in 1966 provisions were enacted providing for a supplemental annuity program.

The Railroad Retirement Act of 1974 completely revised the law so that it became in effect a two-tier system with Tier I being social security benefits based on combined railroad and non-railroad employment and Tier II a supplemental staff benefit based on railroad employment only. A grandfather clause protects the rights of people who became entitled to annuities prior to 1975 and of those with long railroad employment who could have been entitled to both a railroad and a social security benefit under the law in effect prior to 1975.

**ADMINISTERING AGENCY.**—The program is administered by the Federal Railroad Retirement Board through regional and district offices.

<sup>1</sup> The following is based on a preliminary interpretation of the Railroad Retirement Act of 1974 which generally became effective Jan. 1, 1975.

FINANCING.—Railroad retirement benefits to workers, dependents, and survivors are financed by a payroll tax, general revenue funds, and transfers from social security funds. Under the payroll tax, employees pay 5.85 percent (the same rate as under social security); and employers pay 15.35 percent on earnings up to the maximum set for social security (\$1,175 a month in 1975). The Railroad Retirement Act of 1974 authorizes an appropriation of \$285 million annually from general revenue funds for the fiscal years 1975 through 2000, to help meet the obligations of the railroad retirement system. Under the provisions for financial interchange with the social security system, funds are transferred each year from social security trust funds which represent the net additional benefits the social security program would have paid if railroad employment had been covered by social security since 1937.

Supplemental annuities to retired workers age 60 and over with 30 years or more of service are pay-as-you-go financed by an employer tax on the number of hours worked. This tax was 7.5 cents per hour in fiscal year 1974 and is adjusted quarterly by the Railroad Retirement Board to provide sufficient income to pay the full cost of the supplemental annuity.

The railroad retirement account is reimbursed from general revenues for credit for military service.

#### *Costs and caseloads*

<i>Fiscal year</i>	<i>Amount of benefits (in millions)</i>	<i>Number of beneficiaries</i>
1973-----	\$2,456.8	987,000
1974-----	2,670.5	985,000
Estimated 1975.-----	3,000.0	1,015,000

Administrative costs in 1974 were \$22,068,000, less than 1 percent of total program costs. (See also the diagram under Benefits below for additional information on financing.)

#### ELIGIBILITY CRITERIA

MAJOR ELIGIBILITY CONDITIONS.—To be eligible for a railroad annuity, retired workers must have at least 10 years of railroad employment. A current connection with the railroad industry (defined as at least 12 months of railroad employment out of the 30 months preceding retirement) is required for occupational disability benefits and for a supplemental annuity. (See below.)

Retired workers are entitled to full benefits at age 65 or over or at age 60 with 30 or more years of service. Reduced benefits may be paid to workers who retire at ages 62 to 64 with less than 30 years of service.

*Supplemental benefits.*—A supplementary retirement benefit is payable at age 65 to a worker awarded a regular retirement or disability annuity after June 1966 if he/she had 25 years of service and a current connection with the railroad industry when the retirement annuity began. A worker whose annuity first begins after July 1, 1974, is eligible for a supplementary retirement benefit at age 60 with 30 years of service. The worker must discontinue railroad employment by age 65 to be eligible for the supplemental benefit.

Disabled workers who are permanently disabled for all regular employment and who have 10 years or more of railroad service (a current connection with the industry is not required) may receive benefits at any age. Disabled workers who are permanently disabled for their regular railroad occupation, with 20 years of service and a current connection with the industry, may receive benefits under age 60, or at age 60-64 with 10 years of service. Disability is defined as a physical or mental condition which is expected to last at least 1 year.

Survivors are eligible for benefits if the deceased worker had 10 years of railroad employment at the time of death and was otherwise properly insured.

**PERSONS INCLUDED.**—In addition to retired and disabled workers, certain dependents and survivors are eligible.

*Dependents.*—The wife of a retired beneficiary age 65 or over if she is at least 65 years old or has in her care a child (under 18 or disabled) of the beneficiary qualifies for a full spouse's benefit; a reduced benefit is payable at age 62-64. The 1974 amendments liberalized these requirements to provide that: (1) a spouse of an employee who has 30 years of service is eligible for an unreduced annuity when both she and the employee have attained age 60 (this liberalization is applicable only in cases where the employee's annuity first begins to accrue on or after July 1, 1974); and (2) a spouse of an employee who has less than 30 years of service can receive an unreduced spouse's annuity when the employee has attained age 62 and the spouse has either attained age 65 or has a child or the employee in her care, or a reduced annuity when the employee and the spouse have both attained age 62 (this liberalization is applicable only in cases where the employee's annuity first begins to accrue on or after January 1, 1975).

A dependent husband (defined as having received at least half of his support from his wife at the time of her retirement) is eligible under the same conditions.

*Survivors.*—The following dependents are eligible for survivors benefits: A widow or dependent widower age 60 or older; a widow or dependent widower age 50-59 who becomes disabled within 7 years after the worker's death; a widow who is caring for a child who is entitled to payments; an unmarried child under 18, or under age 22 if attending school full time; an unmarried disabled child 18 or over if disabled before reaching age 22; and if there is no eligible widow, widower, or child, a dependent parent age 60 or older.

**RETIREMENT TEST.**—Entitlement to benefits is subject to a strict retirement test; that is, workers, spouses, or survivors are not entitled to a benefit for any month in which they are employed in the railroad industry, regardless of amount of earnings. Where the last employment was not in the railroad industry, workers and spouses also lose their right to benefits for any month in which they worked for their last

nonrailroad employers. Eligibility for a supplemental benefit is permanently lost if the beneficiary works for the railroad after his mandatory closing or retirement date.

For earnings from nonrailroad (and nonlast employer) employment, the social security level component of annuities (see Benefits below), computed on the basis of railroad earnings after 1974 and career social security earnings, payable to employees or spouses is subject to the same earnings test that is applicable to social security benefits. That is, for each \$2 earned in excess of the annual earnings limitation (\$2,520 in 1975) \$1 in benefits is lost. Additional social security benefits provided employees and spouses by a grandfather clause of the new law are also subject to the social security earnings test. This retirement test does not apply to persons age 72 and older.

The spouse's benefits are also suspended if the primary beneficiary's benefits are withheld, but the primary beneficiary's benefits are not affected if the spouse's benefits are suspended because of employment.

Where benefits are based on disability, the benefit is not payable for any month in which the beneficiary is under age 65 and earns more than \$200, but benefits withheld will be restored if the beneficiary's annual earnings are less than \$2,500. If the beneficiary earns \$2,500 or more in any year, he loses 1 month's annuity for each \$200 he earns over \$2,400, counting the last \$100 or more as \$200. No deduction will be made for months in which he earns \$200 or less.

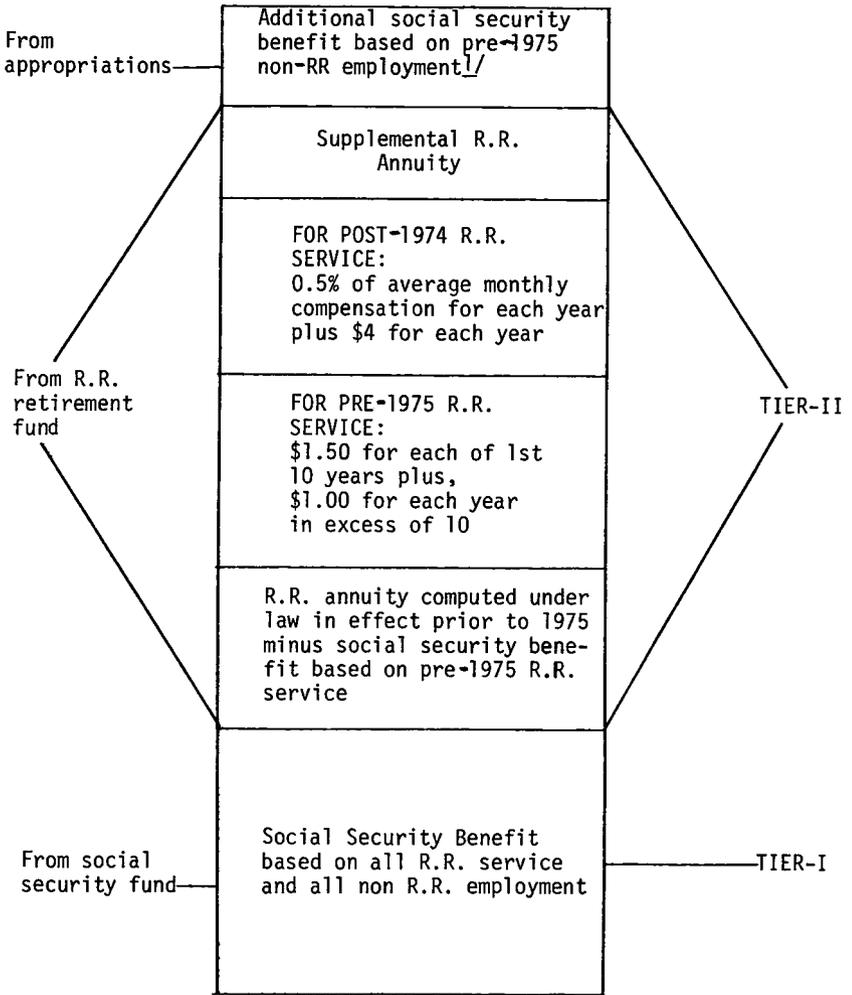
Survivors, except disabled widows and children, are also subject to the same earnings test as is applicable to social security benefits. In the case of such survivors, the entire benefit is subject to this earnings test. Earnings of disabled widows and widowers and disabled children over 18 are subject to special review.

## BENEFITS

### CASH BENEFITS

*Primary determinants of amount of benefit.*—Retired or disabled workers receive a regular annuity consisting of two components, Tier I—a social security level component computed under the social security benefit formula on the basis of the employee's combined railroad and nonrailroad earnings, and Tier II—a staff level component based on railroad service only. As a part of the staff level component, an eligible employee receives a supplemental annuity in addition to his regular annuity. Also, employees with "vested rights" to benefits under both the Railroad Retirement Act and the Social Security Act as of December 31, 1974, are eligible to receive an additional social security benefit amount based on employment prior to 1975. The entire benefit formula is complex and may consist of up to six components. The following table outlines the components of the annuity and indicates the sources of financing for each.

Components of an annuity computed under the provisions of the Railroad Retirement Act of 1974



<sup>1</sup> The law provides that this portion of an individual's benefit shall not hereafter be subject to cost-of-living increases, although tier I and tier II will be.

Spouse annuities, like employee annuities, consist of a social security component plus a staff component. Generally speaking, the amount of each component is equal to one-half of the employee's corresponding component. The spouse is also entitled to an additional social security benefit amount if she/he had "vested rights" to benefits under the Railroad Retirement Act and the Social Security Act as of December 31, 1974.

A survivor, like an employee and a spouse, is entitled to a social security level benefit on the basis of the deceased employee's combined railroad and nonrailroad earnings. The staff component of the survivor annuity would be equal to 30 percent of the social security level annuity component prior to any reduction due to receipt of a

benefit based on the survivor's own earnings. An additional amount may be payable to a widow or widower who had "vested rights" to benefits under both railroad retirement and social security as of December 31, 1974.

The new law contains a grandfather clause insuring that no individual who retires (or first begins receiving benefits) within the next 8 years will receive less than he or she would under the formula in the previous law.

*Relationship of benefit amount to cost of living.*—Cost of living adjustments are provided.

*Relationship of benefit amount to place of residence.*—The benefit formula is applied uniformly regardless of place of residence.

*Benefit amounts.*—The combined employee and spouse annuities are subject to a maximum which, in a case where the employee has maximum earnings, will, generally speaking, limit combined employee and spouse annuities to the greater of: (1) \$1,200 a month; or (2) 90 percent of the employee's taxable earnings.

The maximum for a spouse benefit alone was \$225.70 in June 1974. This maximum will increase over time.

In no case will a retired or disabled worker, a spouse or a survivor receive less than 110 percent of the amount he/she would have received under social security based on a combination of railroad and social security earnings in the new law.

#### OTHER BENEFITS PROVIDED OR AVAILABLE

*Death benefit.*—If there are no survivors entitled to a monthly benefit in the month in which the insured worker died, an amount normally equal to 10 times the basic amount is payable; or, if the monthly survivors' benefits paid during the first year after the worker's death are less than the death benefit, the difference is paid to the survivor.

*Residual payment.*—A residual payment is made when entitlement to all other types of railroad benefits has ended if the employee's contribution under railroad employment through 1974 has not been exhausted by railroad or OASDI benefit payments.

#### RELATIONSHIP TO BENEFITS PROVIDED UNDER OTHER PROGRAMS.—

Under the 1974 amendments, dual railroad retirement and social security benefits are generally eliminated for the future. However, a grandfather clause protects the rights of people who became entitled to annuities prior to 1975 and of those with long railroad employment who could have been entitled to both a railroad and a social security benefit under the law in effect prior to 1975. For those receiving both social security and railroad retirement benefits, the social security level component of the railroad retirement benefit is reduced by the amount of any monthly social security benefit.

No one may receive survivors benefits under both railroad retirement and social security based on the earnings record of the same person.

The supplemental benefit is reduced by the amount of any private railroad pension attributable to the employer's contribution.

## SUPPLEMENTARY MATERIAL

TABLE 1.—COMPARISON OF EMPLOYEE RETIREMENT INCOME UNDER THE 1974 AND 1937 RAILROAD RETIREMENT ACTS, INCLUDES EFFECT OF SOCIAL SECURITY BENEFITS

Item	Example I	Example II	Example III
Annuity beginning date.....	<sup>1</sup> 1975	<sup>1</sup> 1975	<sup>2</sup> 1975
Age when annuity begins.....	60	65	65
Years of railroad service.....	31	35	15
Railroad average monthly compensation through 1974 <sup>3</sup> .....	\$350	\$375	\$275
1974 ACT			
Net tier I amount:			
Gross benefit under social security formula.....	278	316	313
Minus actual social security benefit.....		-157	-278
Total.....	278	159	35
Tier II railroad service and compensation only:			
Amount on service and compensation before 1975.....	434	464	186
Minus social security benefit on earnings before 1975.....	-278	-263	-169
Additional amount on service before 1975.....	36	40	
Amount on service and compensation after 1974.....	1	1	
Total.....	193	242	17
Supplemental railroad annuity.....	43	43	
Net windfall amount:			
Amount on railroad earnings.....		263	169
Amount on social security earnings.....		157	103
Minus amount on combined earnings.....		-316	-169
Total.....		104	103
Total railroad annuities.....	514	548	155
Social security benefit.....		157	278
Grand total.....	514	705	433
1937 ACT			
Regular railroad annuity.....	413	458	183
Supplemental railroad annuity.....	(*)	70	
Social Security benefit.....		157	278
Total.....	413	685	461

<sup>1</sup> February.<sup>2</sup> May.<sup>3</sup> Additional earnings of \$900 in 1 month of 1975 for examples I and II.<sup>4</sup> \$70 would have been payable when employee reached age 65.

Note.—For example I the average monthly wage (computed under social security provisions) based on railroad compensation was \$450. For example II the average monthly wage based on combined railroad and social security earnings through 1974 was \$540; on railroad only, \$410; and on social security only, \$165. Example III last worked in railroad industry in 1963 and his windfall is based only on earnings through that year: Averages for windfall are \$195 based on railroad or on combined earnings and \$43 based on social security earnings; for all service prior to 1975, average wage of \$450 under social security coverage and \$530 on combined earnings.

Source: "Railroad Retirement Board Quarterly Review," Jan. 10, 1975.

TABLE 2.—COMPARISON OF WIVES' AND WIDOWS' ANNUITIES UNDER THE 1974 AND 1937 RAILROAD RETIREMENT ACTS

Item	Wife's annuity <sup>1</sup>	Widow's annuity <sup>2</sup>	
		Not insured under social security	Insured under social security
Annuity beginning date.....	\$ 1975	4 1975	4 1975
Age when annuity begins.....	62	65	65
1974 ACT			
Net tier I amount:			
Gross benefit under social security formula.....	\$158	\$278	\$278
Minus actual social security benefit.....	-78		-250
Total.....	80	278	28
Tier II amount.....	89	83	83
Net windfall amount:			
Railroad formula amount on employee's earnings.....			180
Social security amount on widow's earnings.....			250
Minus 1.3 times social security amount on employee's combined earnings.....			-361
Total.....	\$ 52		69
Total railroad annuities.....	221	361	180
Social security benefit.....	\$ 78		250
Grand total.....	299	361	430
1937 ACT			
Railroad annuity.....	183	306	180
Social security benefit.....	78		250
Total.....	251	306	430

<sup>1</sup> Based on employee example II, assumes she is not insured on her own earnings.

<sup>2</sup> Based on employee example I, for social security insured case assumes all of her earnings were before 1975.

<sup>3</sup> February.

<sup>4</sup> May.

<sup>5</sup> One-half of corresponding amounts for employee.

Source: See table 1.

# FEDERAL-STATE UNEMPLOYMENT COMPENSATION SYSTEM<sup>1</sup>

## BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To provide cash benefits on a regular basis to normally employed workers during limited periods of involuntary unemployment.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—This program was enacted in 1935 as part of the Social Security Act and it was amended in 1939 to provide an employer's payroll tax base of \$3,000. In 1954, unemployment compensation for Federal civilian employees was added; in 1958, unemployment compensation for ex-servicemen was provided; and amendments in 1970 and 1971 provided for extended unemployment compensation during periods of high unemployment.

The Federal payroll tax for the three Federal-State programs has been increased from 3 percent to 3.1 percent, effective January 1, 1961, and from 3.1 percent to 3.2 percent, effective January 1, 1970.

Major changes in the 1970 amendments included the following: (1) An extension of coverage to 4.8 million additional jobs; (2) the establishment of a permanent program of extended benefits for persons who exhaust their regular State benefits during periods of high unemployment; and (3) an increase in the taxable wage base from \$3,000 to \$4,200 for calendar years 1972 and thereafter. In December 1971, an act was passed temporarily providing for extended benefits for persons in States with exceptionally high unemployment rates.

Legislative action in December 1974 established a temporary program of emergency benefits in addition to the extended benefits program (this is similar to the emergency extended unemployment compensation program in effect in 1972). Separate legislation also established a temporary program to provide up to 26 weeks of benefits to unemployed persons whose jobs were not covered by unemployment insurance laws.

**ADMINISTERING AGENCY.**—The program is administered by the Manpower Administration of the U.S. Department of Labor through State jurisdictions. Each State has an employment security agency which administers the State program through its local offices. In addition, the District of Columbia, Puerto Rico, and the Virgin Islands have programs comparable to the State programs.

## FINANCING

*Federal-State unemployment insurance (State UC).*—This program is financed by Federal and State payroll taxes on employers. There is a Federal tax with a gross rate of 3.2 percent on the first \$4,200 of wages

<sup>1</sup> This system includes the following programs:

- (1) Federal-State compensation.
- (2) Federal-State permanent extended compensation.
- (3) Compensation for ex-servicemen.
- (4) Compensation for Federal civilian employees.

an employer pays to each worker in a year. Subject employers who pay their taxes under approved State UI laws may take credit of 2.7 percent against this Federal tax, leaving a net Federal tax of 0.5 percent. This net Federal tax is earmarked for Federal and State expenses of administering the employment security program, for the Federal share of the Federal-State extended unemployment compensation program, and for repayable noninterest bearing advances to States which run out of State funds to pay benefits.

The States also collect an employer payroll tax, which is used only for the payment of unemployment compensation. The standard rate of contributions under State laws is generally 2.7 percent. Federal law requires that State tax collections be deposited promptly to the State's account in the Unemployment Trust Fund in the Federal Treasury. The Treasury invests the funds, and credits each State with its share of the interest. A State draws from its fund as necessary for the payment of benefits. Congress appropriates annually from the administration account the funds necessary for Federal and State administration.

From 1939 until December 31, 1971, the Federal taxable wage base was the first \$3,000 of each employee's wages; 23 States had adopted higher bases than that. Effective January 1, 1972, the Federal wage was changed to \$4,200 and all States now have bases at least that high.

Federal law allows the States to vary an employer's rate from the standard rate, and still have the employer receive the full 2.7 percent offset against his Federal tax. The variations must be on the basis of the individual employer's experience with unemployment or a factor related to the total risk of unemployment. As a result of experience rating, the average State tax rate for calendar year 1974 is estimated at 2 percent of taxable wages (equal to 1 percent of total wages). By State, the average rate varied from 0.3 percent of taxable wages to 3.7 percent of taxable wages.

There are several different systems for rate determinations, which vary in the factors used to measure experience, in the number of years of experience included in the measurement, and in the formulas used to translate experience into a tax rate.

*Unemployment compensation for Federal civilian employees (UCFE).*—States administer the program according to their own laws and program rules, with certain exceptions, as agents for the Federal Government, and are reimbursed from appropriations from Federal general revenues for the full cost of the program.

*Unemployment compensation for ex-servicemen (UCX).*—States administer the program according to their own laws and program rules, with certain exceptions, as agents for the Federal Government, and are reimbursed from appropriations from Federal general revenues for the full cost of the program.

*Federal-State extended unemployment compensation program.*—The 1970 Federal amendments required each State to establish a program for extending the duration of benefits during periods when the insured unemployment rate in the State, or in the Nation, reached prescribed levels. Half the cost of such benefits is paid by the States from the State contributions and half is paid by the Federal government from the Federal unemployment tax revenues.

Extended benefits payable solely because of lowering the national trigger temporarily to 4 percent are financed entirely by the Federal Government (see extended unemployment compensation below).

*Emergency benefits program.*—This program is financed entirely through Federal funding. Costs are paid from the extended benefit account in the Unemployment Trust Fund. Repayable advances to cover the costs are made to the extended benefit account from general revenues.

*Special unemployment assistance program.*—Administrative expenses as well as benefits are 100 percent federally funded.

### Costs and caseloads

Fiscal year	State UC		UCFE		UCX	
	Regular	Extended	Regular	Extended	Regular	Extended
Total benefits (in millions): <sup>1</sup>						
1972-----	\$4, 809. 9	\$736. 7	\$109. 1	-----	\$381. 2	
1973-----	4, 164. 3	169. 3	109. 8	-----	242. 9	
Preliminary 1974-----	4, 901. 1	293. 3	143. 8	-----	204. 2	
Number of beneficiaries: <sup>2</sup>						
1972-----	6, 288, 033	1, 513, 662	95, 798	32, 648	421, 934	65, 104
1973-----	5, 406, 646	343, 581	96, 358	9, 222	246, 638	15, 026
Preliminary 1974-----	6, 222, 078	574, 312	110, 785	18, 460	219, 774	13, 071

<sup>1</sup> These columns can be added across for any year.

<sup>2</sup> Beneficiaries of extended benefits cannot be added to the beneficiaries of regular benefits, since an individual must have drawn regular benefits to be eligible for extended benefits.

Administrative costs including the cost of employment services in fiscal year 1974 were \$902,280,000.

In 1972, 85 percent of wage and salary employees were covered by the Federal/State, Federal employees, military or railroad unemployment insurance laws.

### ELIGIBILITY CRITERIA

#### MAJOR ELIGIBILITY CONDITIONS

*A claimant must be an unemployed worker with prior wages in covered employment.*—The coverage provisions of the State unemployment insurance laws determine the employers who are liable for contributions and the workers who accrue rights under the laws. Coverage is defined in terms of: (1) The size of the employing firm or the number of days or weeks worked during a calendar year; (2) the relationship of the workers to the employer; and (3) the place where the worker is employed.<sup>2</sup> In effect, Federal law defines the minimum coverage requirements for State programs. Federal law provides that an employer is subject to the Federal unemployment tax if he has had one or more individuals in covered employment in his employ in 20 weeks in the current or preceding calendar year or if he has paid wages of \$1,500 or more in covered employment during any calendar quarter in the current or preceding year. In 41 States "employer" automatically includes any employment unit subject to the Federal unemployment tax. In 44 States "employment" automatically includes any service covered by the Federal unemployment tax.

<sup>2</sup> See supplementary material for employment and employees covered under the Federal Unemployment Tax Act and by Federal Civilian Unemployment Compensation.

Coverage under the law is limited by exclusion of certain types of employment. Railroad workers are covered by a separate Federal unemployment insurance program under the Railroad Retirement Board. Employment for State and local governments is exempt from Federal coverage and taxes, except that State hospitals and institutions of higher education are required to be covered by the States but do not pay a Federal tax on covered services. Also excluded from coverage and taxes are domestic service, most farms, and the processing of agricultural products by a group or organization of farm operators if it produces more than half of the commodity to be processed. Almost all States provide for voluntary coverage of excluded employment. The program does not protect the self-employed, unpaid family workers, young workers seeking their first job, or reentrants into the labor force. (See special unemployment assistance program below.)

*A claimant must have earned a specified amount of wages or must have worked for a certain period of time within his "base period," or both, to qualify for benefits during his benefit year.*—All States but one have individual rather than uniform base periods; the date establishing the beginning and end of the base period depends on when the worker first applies for benefits—which is the beginning of his benefit year. In 35 States the base period is the first four of the last five calendar quarters prior to the beginning of his benefit year. In four States the base period is the last four calendar quarters. In one State the base period is a uniform calendar year.

The ex-serviceman must have been discharged or released under conditions other than dishonorable; he must not have been discharged for bad conduct, or, if an officer, he must not have resigned for the good of the service; and he must have had a period of active service, including active duty for training purposes, of a total of 90 or more continuous days—unless the individual was separated from service totaling less than 90 days because of an actual service-incurred injury or disability.

*A claimant must be able to work, must be available for work, and must be free of any disqualification.*—Availability for work provisions vary among the States. Thirty-two States require availability for work. Eleven States require availability for suitable work. Nine States require only availability for work in the claimant's usual occupation or one for which he is reasonably fitted by prior training or experience. Eleven States have special provisions for illness or disability during unemployment.<sup>3</sup> In conformance with the Federal Unemployment Tax Act, all States have special provisions regarding availability during the period of approved training. In addition to registration for work at a

<sup>3</sup> With the exception of one State which limits payment during illness to 3 weeks, these States continue payment of UI benefits if a worker becomes ill or temporarily disabled while drawing benefits, at least until he is offered suitable work (work that would have been suitable at the time of his registration). With the exception of Hawaii, these States do not provide for temporary disability insurance.

There is no basis in Federal law for a Federal-State system of temporary disability insurance comparable to the Federal-State system of unemployment insurance. Only five States and Puerto Rico have enacted temporary disability laws: Rhode Island (1942), California (1946), New Jersey (1948), New York (1949), Hawaii (1969), and Puerto Rico (1968). The intent of these laws is to compensate both employed and unemployed workers for income lost due to temporary disability from illness or accidents that are not job connected.

Except in New York, where it is administered by the workmen's compensation board and in Hawaii where it is administered by the temporary disability insurance division, the temporary disability insurance programs are coordinated with State unemployment insurance, though the States vary in their methods of coordination. Temporary disability insurance is financed by employee contributions in all States and by employer contributions in four States. Workers may generally be covered by a private plan or a State fund. The provisions for contributions, type of fund, coverage, benefit formula, benefit year, base period, qualifying wages or employment, weekly benefit amount and duration vary among the States.

local employment office, 34 States require that a claimant be actively seeking work on his own.

The major reasons for disqualification from benefits are voluntary separation from work, discharge for misconduct, refusal of suitable work, and unemployment due to a labor dispute.

All States have some restrictions on eligibility for benefits of workers who are unemployed because of a labor dispute but some States exclude certain types of disputes from these restrictions. In six States strikers may receive benefits if the strike is due to the employer's failure to conform to a union contract or to the labor laws of the State. In 15 States workers are eligible if they are unemployed because of a lockout by the employer. In addition, a number of States approve benefits for individual workers unemployed because of a strike if they are not participating in the dispute (43 States), financing the dispute (30 States), or directly interested in the dispute (43 States). Nine States allow no exceptions for individual workers and five States allow no exceptions for individual workers or for types of labor dispute (see supplementary material, table 1).

The disqualifications imposed for the above causes vary among the States. They may include one or a combination of the following: (1) A postponement of benefits, (2) a cancellation of wage credits or benefits rights, or (3) the reduction of benefits otherwise payable. The wage credits of a worker may not be canceled or his benefit rights totally reduced by reason of a disqualifying act, other than discharge for misconduct connected with his work, fraud in connection with a claim for benefits, or receipt of disqualifying income.

Most States have special disallowance provisions which restrict benefits for one or more of the following categories: Students, pregnant women, and individuals unemployed because of marital or family obligations.

Both the totally unemployed and partially unemployed are potentially eligible. Usually a week of total unemployment is a week in which the claimant performs no work with respect to which remuneration is payable. In most States a worker is partially unemployed and eligible for benefits with respect to a week of less than full-time work if he earns less than his weekly benefit amount.

*Persons included.*—Those included in the program are eligible unemployed workers and ex-servicemen and, in 11 States, their dependents. (See supplementary material, table 4.)

States vary in their definitions of a compensable dependent. In general, a dependent must be "wholly or mainly supported by the claimant" or "living with or receiving regular support from him." All 11 States include dependent children under a specified age (16 or 18 years). Nine States include an older child not able to work. Seven States include a nonworking spouse, two include a nonworking parent, brother, or sister.

Claimants who are eligible for partial benefits may draw dependents' allowances in addition to their basic benefits in all the States which provide these allowances.

#### INCOME TEST

*Income limits.*—There is no income limit as such, but the amount of wages from part-time employment may determine whether a worker is eligible for compensation as a partially unemployed person. In most States a worker is partially unemployed in a week of less than

full-time work if he earns less than his weekly benefit amount from his regular employer or from odd job earnings.

*Treatment of earned income.*—In most States the amount of benefits for a week of partial unemployment is usually the weekly benefit amount less the wages earned in the week with a specified disregard. These disregards are typically very small—\$10 or one-half of the weekly benefit amount is common. There is considerable variation in partial benefit schedules among the States. (See supplementary material, table 3.)

Typically, however, there is a dollar-for-dollar benefit reduction for each dollar of earnings in excess of the allowance. A few States reduce benefits by a specified amount when earnings from partial employment exceed a defined level. In these States there are ranges of earnings where benefits are reduced by more than the amount of additional earnings. For instance, in three States the full weekly benefit is paid if earnings are less than one-half of the weekly benefit, and one-half of the weekly benefit is paid when earnings are equivalent to one-half the benefit amount but less than the total weekly benefit. Therefore, if the weekly benefit is \$60, earnings of \$29 are disregarded and total weekly income would be \$89. However, if earnings increase by \$1, benefits are reduced to \$30 and total income is reduced to \$60. The worker may earn as much as \$59 a week with no further reduction in benefits but loses \$30 in benefits if earnings reach \$60 a week.

*Treatment of unearned income.*—Income from rents, dividends, earnings of other family members and the like are not counted in determining eligibility or benefit amount.

Practically all States disqualify a claimant for any week during which he is receiving or is seeking benefits under any Federal or other State unemployment insurance law.

Forty-six States have statutory provisions that a claimant is disqualified for any week during which he or she receives or has received certain other types of remuneration such as wages in lieu of notice, dismissal wages, workmen's compensation for temporary partial disability, primary insurance benefits under old age and survivors' insurance, benefits under an employer's pension plan or under a supplemental benefit plan. (See table 1 and supplementary material, table 7.)

In many States, if the payment concerned is less than the weekly benefit amount, the weekly benefit is reduced by the weekly prorated amount of the payment. In other States, no benefits are payable for a week of such payments, regardless of the amount of payments.

*Accounting period.*—Apart from the base period earnings and pattern of employment which determine basic eligibility and amount of benefits, certain types of income, as detailed above, are counted on a weekly or daily basis in determining eligibility for and the amount of benefits to be paid for a week of unemployment.

ASSETS TEST.—There is none.

#### OTHER CONDITIONS

*Work requirements.*—A claimant is required to be able to work and to be available for work. A disqualification for refusal to apply for or to accept suitable work without good cause is provided in all State laws. The States vary in their provisions concerning the extent and duration of the disqualification and the factors determining whether work is suitable or the worker has good cause for refusing it.

TABLE 1.—TREATMENT OF INCOME UNDER FEDERAL-STATE UNEMPLOYMENT COMPENSATION (UI) PROGRAM

	In determining eligibility for and amount of UI benefits, current income is taken into account as follows:	
	Income considered	Income not considered
Sources of income:		
1. Income of primary beneficiary:		
(a) From gross earnings.....	×	
(b) From property.....		×
(c) From public transfers:		
(i) Social security.....	×	
(ii) Workman's compensation.....	×	
(iii) Other.....		×
(d) From private transfers:		
(i) Pensions.....	×	
(ii) Dismissal payments.....		×
2. Income of dependents:		
(a) From gross earnings.....	×	
(b) From property.....		×
(c) From public transfers:		
(i) Unemployment insurance.....	×	
(ii) Other.....		×
(d) From private transfers.....		×
Uses of income (uses of income by beneficiaries or dependents have no direct effect on UI benefit levels) <sup>8</sup> .....		

<sup>1</sup> In most States UI payments decline \$1 for each dollar of weekly earnings above a certain disregard. Other States use schedules which allow smaller benefit reductions with earnings or which provide no reductions within specific ranges and large reductions when earnings exceed some upper limit.

<sup>2</sup> 11 States reduce the claimant's weekly benefit for a week in which he is receiving OASI payments. 1 other State pays no benefits for a week of such payments.

<sup>3</sup> 15 States reduce the weekly benefit for receipt of workman's compensation payments. 9 other States pay no benefit for a week of such payments.

<sup>4</sup> 22 States reduce the weekly benefit for the receipt of payments under a pension plan of the base period employer. 13 other States reduce weekly benefits for payments under a pension plan of any employer.

<sup>5</sup> Dismissal payments reduce weekly benefits in 13 States, eliminate all benefits in 6 other States. Receipt of wages in lieu of notice results in reductions in 21 States, elimination of all benefits in 12 other States.

<sup>6</sup> A few States reduce the dependents allowance with earnings of the dependent.

<sup>7</sup> Receipt of UI by 1 spouse makes the other spouse ineligible for UI.

<sup>8</sup> Schooling and travel activities may affect eligibility although expenditures on these activities do not affect benefit levels.

To protect labor standards the Federal Unemployment Tax Act requires that State laws provide that benefits shall not be denied to an otherwise eligible individual for refusing to accept employment under any of the following conditions: (A) If the position offered is vacant due directly to a strike, lockout, or other labor dispute; (B) if the wages, hours, or other conditions of the work are substantially less favorable to the individual than those prevailing for similar work in the locality; (C) if, as a condition of being employed, the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization.

In addition to these mandatory minimum standards, most States have other tests for the suitability of work such as the degree of risk to a claimant's health, safety, and morals; his physical fitness and prior training, experience, and earnings; the length of his unemployment and his prospects for securing local work in his customary occupation; and the distance of available work from his residence.

The disqualification for the refusal to apply for or to accept suitable work without good cause varies among States. Nineteen States disqualify the claimant for a specified number of weeks (4 to 11). Nineteen States postpone benefits for a variable number of weeks (the maximum ranging from 5 to 17 weeks). Sixteen States disqualify the claimant for the duration of the unemployment (most of these specify an amount that the claimant must earn, or a period of time he must work to remove the disqualification). Fourteen States reduce benefit rights.

*Acceptance of training or rehabilitation.*—There is a Federal requirement that compensation may not be denied to workers who are undergoing training with the approval of the State agency.

In the District of Columbia, Michigan, and Missouri, an individual may be denied benefits for failing to accept a training or retraining course to which he is referred by the employment security agency.

*Citizenship.*—There is no requirement except that citizens employed by American employers in most other countries must be covered.

*Residence requirements.*—The location of prior (base period) employment rather than residence determines the paying State. Interstate agreements protect the benefit rights of claimants who move across State lines in the course of their work, who move from a job in one State to a job in another or who move from a State to look for work elsewhere.<sup>4</sup>

An unemployed Federal civilian worker's eligibility and benefit rights are determined under the unemployment compensation law of the State in which he last worked in Federal civilian employment. If the employee resides in another State in which he performed service in covered employment after separation from Federal civilian service, his eligibility is determined under the unemployment compensation law of his State of residence. If he was last employed outside the United States, his eligibility is determined under the law of the State in which he resides when filing his claim. In the Virgin Islands eligibility and benefit rights are determined under the applicable provisions of the District of Columbia Unemployment Compensation Act.

An unemployed ex-serviceman's eligibility and benefit rights are determined under the unemployment compensation law of the State in which he files his first claim.

## BENEFITS AND SERVICES

### CASH BENEFITS

*Primary determinants of amount of benefits for Federal-State compensation programs.*—The weekly benefit amount varies, within certain minimum and maximum limits, with the worker's past wages during the base period. (See supplementary material, table 2.)

In 37 States the weekly benefit amount is a specified proportion of the claimant's average wages during his highest quarter within the base period.

In 10 States the weekly benefit amount is a percentage of the worker's average weekly wage, with a ceiling set between one-half and two-thirds of the individual's average weekly wage.

In five States the weekly benefit amount is a specified (0.8 to 2.3 percent) percentage of annual wages.

The majority of States provide for variable duration of benefits. (See supplementary material, table 6.)

The maximum duration of benefits varies from 20 to 36 weeks, with 42 States having a maximum of 26 weeks. In many cases the maximum potential duration is not available to the claimant, since the durational limit is determined by a fraction of past earnings or employment. Nine States provide uniform potential duration for all eligible claimants. In 43 States the maximum potential duration varies with wage credits or weeks of employment. In some States benefits are limited to a period of time proportional to the number of weeks worked in the base period.

<sup>4</sup> See supplementary material for information on interstate agreements.

In other States the benefit is paid until the cumulative amount reaches a specified proportion of base period wages.

*Federal civilian employees and ex-servicemen.*—An eligible person is entitled to unemployment benefits in the amounts and under the conditions provided by the applicable State unemployment insurance law. For benefit purposes an ex-serviceman's wages are determined on the basis of his pay grade at the time of his latest discharge or release from Federal military service as specified in the schedule or remuneration (issued by the Department of Labor) applicable at the time he files a first claim which establishes a benefit year.

*Extended unemployment compensation.*—Effective October 11, 1970, there is a permanent program of Federal-State extended unemployment compensation to pay benefits during periods of high unemployment to workers who exhaust their basic entitlement to regular State unemployment compensation. Extended benefits are paid to workers only during an "extended benefit" period. Such a period exists, beginning after December 31, 1971, either on a National or State basis by the triggering of either the National or the State "on" indicator. However, the program became operative prior to January 1, 1972, in several States on the basis of the State "on" and "off" indicators alone.

A national "on" indicator exists when the seasonally adjusted rate of insured<sup>5</sup> unemployment for the whole Nation equals or exceeds 4.5 percent in each of the three most recent calendar months. A national "off" indicator exists when the seasonally adjusted rate of insured unemployed for the whole Nation is below 4.5 percent in each of the three most recent calendar months. (With respect to benefits beginning after December 13, 1974 and before December 31, 1976, the on and off national trigger is 4 percent unemployment.)

A State "on" indicator exists when the rate of insured unemployment for the State equals or exceeds, for a 13-week period, 120 percent of the average rate for the corresponding 13-week period in the preceding 2 calendar years and when such rate also equals or exceeds 4 percent. (At State option, a State "on" indicator can exist without regard to the 120 percent requirement through 1976.) A State "off" indicator exists when either of these two conditions is not satisfied.

The extended benefit period begins with the third week after a week for which there is a national "on" indicator or a State "on" indicator, whichever occurs first. The period ends with the third week after the first week for which there is both a National and a State "off" indicator. However, an extended benefit period would have to last for a period of not less than 13 consecutive weeks.

During either a National or State extended benefit period, the State is required to provide each eligible claimant with compensation, at the individual's regular weekly benefit amount (including dependents' allowances), for a period equal to one-half of his period of entitlement to regular compensation but not more than 13 weeks with an overall limitation on regular and extended benefits of 39 weeks.

<sup>5</sup> Insured unemployment represents an administrative count of persons filing claims for benefits under the various State programs. The total unemployment count is based on a national sample survey of households and includes anyone who says he is without a job and is seeking work. The number of State-insured unemployed persons is significantly smaller than that of all jobless workers in the Nation. Less than half of all the unemployed are UI claimants.

In 1972, unemployed persons averaged 4.84 million. The average for State-insured unemployed was 1.85 million, or 38 percent of the total.

*Emergency benefits program.*—Effective January 1975, workers who exhaust their 26 weeks of regular State unemployment benefits and their 13 weeks of Federal-State benefits would be eligible for emergency benefits for up to one-half the number of weeks of their total regular benefit entitlement, but not more than 13 weeks. The weekly benefit amount is the same as for State regular and Federal-State extended compensation. The emergency compensation program can go into effect in a State only when extended benefits are also payable in the State. (See extended unemployment compensation above.) Emergency benefits may not begin after December 31, 1976, but persons who started getting payments before that date could continue to receive benefits for which they are entitled through March 1977.

*Special unemployment assistance program.*—Effective as early as December 1974, special benefits are payable to persons who are not eligible for benefits under any State or Federal unemployment benefits law and who, in the 52 weeks before filing a claim, had sufficient employment experience to qualify for benefits under the State law—had that law provided coverage for the individual's occupation or job. In determining whether the person had sufficient employment, all employment is counted even though it was not covered employment under the State law. (However, any employment which was counted for the purpose of paying benefits under State or Federal law is not counted again for purposes of qualifying for benefits under this title.) Eligible persons receive the same weekly benefit amount, and the same number of weeks of benefits, as they would have received if their employment had been subject to the State unemployment insurance law. However, no person may receive more than 26 weeks of benefits. This program is in effect only while the most recent 3-month average national rate of unemployment remains at 6 percent or more. If the rate recedes below that level, the program remains in effect in any area (that is eligible to be a prime sponsor under the Comprehensive Employment and Training Act) with an unemployment rate of 6.5 percent or more. No new claim for benefits may be filed after December 31, 1975 and no person (who was eligible before that date) may receive benefits after March 31, 1976.

*Relationship of benefit to family size.*—Eleven States pay allowances for dependents. The amount allowed varies from \$1 to \$22 per dependent per week. All States have a limit on the total amount of dependents' allowances payable in any week in terms of the dollar amount, the number of dependents, percentage of basic benefits, or of high quarter wages, or of average weekly wages. (See supplementary material, table 5.)

*Relationship of benefit amount to place of residence.*—The period of past wages used and the formulas for computing benefits from these past wages which vary greatly among the States, determine the benefit amount not the place of residence.

*Relationship of benefit amount to cost of living changes.*—Twenty-nine States provide for annual or semiannual recomputation of the maximum weekly benefit amounts based on wages paid within the State. The maximum amount in these States is usually defined as 50 percent of the average weekly wage in covered employment paid within the State during a recent 1-year period, and the computed amount usually becomes effective in July. Under these provisions the maximum weekly

benefit is automatically adjusted to reflect the upward movement of wages. In Ohio the maximum is adjusted based on increases in the consumer price index.

*Amount of benefits.*—On January 1, 1972, the maximum weekly benefit (excluding dependent allowances) for total unemployment, ranged from \$49 in Indiana to \$117 in the District of Columbia. The minimum weekly benefit amount ranged from \$5 in Hawaii to \$25 in California and Colorado. The maximum weekly benefit amount with maximum dependents ranges from \$75 to \$138. (See supplementary material, table 2.)

The weekly benefit amount payable is usually designed to provide 50 percent of the claimant's former average weekly wage, but this is limited by a variety of minimum and maximum amounts. The maximum weekly benefit amount payable (excluding dependents' allowances) is less than 40 percent of the State's average weekly wage in covered employment in 5 States, 40–50 percent in 15 States, 50–60 percent in 20 States, and 60 or more percent in 12 States.

**OTHER SERVICES PROVIDED.**—Each State agency maintains, through State and local employment offices, a placement and counseling service for the free use of employers, workers, and veterans. The employment office assists employers in securing qualified workers and assists all workers in finding jobs. Manpower training and retraining programs may also be made available by employment offices.

**RELATIONSHIP TO OTHER PROGRAMS.**—UI claimants, like other persons, may apply for food stamps. Women with children may apply for supplementary benefits from AFDC, but men may not receive UI and AFDC—UI simultaneously. See supplementary material, table 7, for impact of other benefits on UI.

## SUPPLEMENTARY MATERIAL

### EMPLOYMENT COVERED BY THE FEDERAL UNEMPLOYMENT TAX ACT SYSTEM (FUTA)

The following employment is covered by FUTA: (A) Services performed after 1954 by an employee for his employer, irrespective of the citizenship or residence of either, (i) within the United States, or (ii) on or in connection with an American vessel or American aircraft under a contract of service which is entered into within the United States, or during the performance of which, and while the employee is employed on the vessel or aircraft, it touches at a port in the United States, if the employee is employed on and in connection with such vessel or aircraft when outside the United States; and (B) services performed after 1971 outside the United States (except in a contiguous country with which the United States has an unemployment compensation agreement or in the Virgin Islands) by a citizen of the United States for an American employer.

The following services are not included as employment covered by FUTA, although some States voluntarily cover one or more of these groups:

- (1) Agricultural labor;
- (2) Domestic service in a private home, local college club, or local chapter of a college fraternity or sorority;

(3) Service not in the course of the employer's trade or business performed in any calendar quarter by an employee, unless the cash remuneration paid for such service is \$50 or more and such service is performed by an individual who is regularly employed by such employer to perform such service;

(4) Service performed on or in connection with a vessel or aircraft which is not American, if the employee is employed on and in connection with such vessel or aircraft when outside the United States;

(5) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of 21 in the employ of his father or mother;

(6) Services performed in the employ of the U.S. Government or of an instrumentality of the United States which is wholly or partially owned by the United States;

(7) Service performed in the employ of a State, or any political subdivision thereof, or any instrumentality of any one or more of the foregoing which is wholly owned by one or more States or political subdivisions; service performed in the employ of any instrumentality which is immune under the Constitution of the United States from the Federal unemployment tax.

However, all States are required to cover services performed for State hospitals and institutions of higher education and must give political subdivisions the option to elect coverage for their hospitals and institutions of higher education.

(8) Service performed in the employ of a religious, charitable, educational, or other organization described in section 501(c)(3) of the Internal Revenue Code which is exempt from income tax under section 501(a). (States are required to cover such service when performed for a nonprofit organization employing four workers in 20 weeks in a calendar year except services performed by employees of a church or association of churches, by duly ordained or licensed clergymen or members of religious orders, by employees of schools other than institutions of higher education by individuals in Government-sponsored work-relief or work-training programs and by individuals employed in rehabilitation or remunerative work for a sheltered workshop);

(9) Service performed by an employee or employee representative as defined in the Railroad Unemployment Insurance Act;

(10) (A) Service performed in any calendar quarter in the employ of any organization exempt from income tax under section 501(a) of the Internal Revenue Code (other than an organization described in section 401(a)) or under section 521, if the remuneration for such service is less than \$50, or by individuals receiving rehabilitation or remunerative work in facilities conducted for the purpose of carrying out programs of rehabilitation or remunerative work for the physically or mentally handicapped, or by inmates of correctional institutions employed in a hospital connected with the institution; (B) service performed in the employ of a school, college, or university, if such service is performed (i) by a student who is enrolled and is regularly attending classes at such school, college, or university, or (ii) by spouses of students employed by a school, college, or university under a program of assistance to the student; (C) service performed by students under age 22 employed pursuant to specific work-study

programs; or (D) service performed in the employ of a hospital, if such service is performed by a patient of such hospital;

(11) Service performed in the employ of a foreign government;

(12) Under certain circumstances, service performed in the employ of an instrumentality wholly owned by a foreign government;

(13) Service performed as a student nurse in the employ of a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in a nurses' training school chartered or approved pursuant to State law; and service performed as an intern in the employ of a hospital by an individual who has completed a 4-year course in a medical school chartered or approved pursuant to State law;

(14) Service performed by an individual for a person as an insurance agent or as an insurance solicitor, if all such service performed by such individual for such person is performed for remuneration solely by way of commission;

(15)(A) Service performed by an individual under age 18 in the delivery or distribution of newspapers or shopping news, or service performed (under a certain compensation arrangement) by a person any age in selling newspapers or magazines to ultimate consumers; (B) services performed by an individual in, and at the time of the sale of newspapers or magazines to ultimate consumers, under an arrangement under which the newspapers or magazines are to be sold by him at a fixed price, his compensation being based on the retention of the excess of such price over the amount at which the newspapers or magazines are charged to him, whether or not he is guaranteed a minimum amount of compensation for such services, or is entitled to be credited with the unsold newspapers or magazines turned back;

(16) Service performed in the employ of an international organization;

(17) Service performed by an individual in (or as an officer or member of the crew of a vessel while it is engaged in) the catching, taking, harvesting, cultivating, or farming of any kind of fish, shellfish, crustacea, sponges, seaweeds, or other aquatic forms of animal and vegetable life (including service performed as an ordinary incident to such activity), except service performed (A) in connection with the catching or taking of salmon or halibut for commercial purposes, and (B) on or in connection with a vessel of more than 10 net tons; or

(18) Service performed by a nonresident alien while he is temporarily present in the United States as a nonimmigrant.

*Included and excluded service.*—If the services performed during one-half or more of any pay period by an employee for his employer constitute employment, all the services of the employee for such period shall be deemed to be employment, but if the employee's services performed during more than one-half of any such pay period do not constitute employment, then no one of the employee's services are deemed to be employment.

Agricultural labor includes the following services:

(1) On a farm, in the employ of any person, in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife;

(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm;

(3) In connection with the production or harvesting of any commodity defined as an agricultural commodity in section 15(g) of the Agricultural Marketing Act, as amended, or in connection with the ginning of cotton, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not for supplying and storing water for farming purposes;

(4) (A) In the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if such operator produced more than one-half of the commodity with respect to which such service is performed, (B) in the employ of a group of operators of farms (or a cooperative organization of which such operators are members) in the performance of service described in subparagraph (A), but only if such operators produced more than one-half of the commodity with respect to which such service is performed, (C) the provisions of subparagraphs (A) and (B) are not applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption; or

(5) On a farm operated for profit if such service is not in the course of the employer's trade or business or is domestic service in a private home of the employer.

The term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

#### EMPLOYEES COVERED BY THE FEDERAL-STATE UNEMPLOYMENT TAX ACT SYSTEM

The 1970 Employment Security Amendments broaden the definition of "employee" in the Federal Unemployment Tax Act by adopting, with a modification, the definition that is used for old-age, survivors, disability, and health insurance purposes. Those affected by this change are individuals who are not employees under common law rules.

Employee means the following: Any officer of a corporation; or any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of employee; or any individual who performs services for remuneration for any person: (1) As an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk) or laundry or dry-cleaning service, for his principal; or (2) as a traveling or city salesman, other than as an agent-driver, engaged upon a full-time basis in the

solicitation on behalf of, and the transmission to, his principal (except for sideline sales activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations, if the contract of service contemplates that substantially all of such services are to be performed personally by such individual; except that an individual is not an employee if he has substantial investment in facilities used in connection with the performance of such service (other than in facilities for transportation), or if the services are in the nature of a single transaction not part of a continuing relationship with the person for whom the services are performed.

The concept of "employee" as adopted by this amendment differs from that used for the old-age, survivors, disability, and health insurance programs in that it does not apply to full-time life insurance salesmen and individuals who work in their homes on materials furnished by another if they are not employees under common-law rules.

#### EMPLOYMENT COVERED BY FEDERAL CIVILIAN UNEMPLOYMENT COMPENSATION

Federal civilian service means service performed in the employ of the United States or any instrumentality wholly or partially owned by the United States, but not including service performed: (1) By an elective official in the executive or legislative branch; (2) as a member of the Armed Forces; (3) by foreign service personnel; (4) outside the 50 States, District of Columbia, Puerto Rico, or the Virgin Islands by an individual who is not a citizen of the United States; (5) as an employee receiving nominal pay and allowance of \$12 or less a year; (6) in a hospital, home, or other institution by a patient or inmate thereof; (7) by a student employee of a hospital clinic, or medical or dental laboratory operated by a Federal agency; (8) as an employee serving on a temporary basis in case of fire, storm, earthquake, flood, or similar emergency; (9) by an individual employed under a Federal relief program to relieve him from unemployment; (10) by an individual excluded by regulations of the Civil Service Commission because he is paid on a contract or fee basis; (11) as a member of a State, county, or community committee under the Agricultural Stabilization, and Conservation Service or of any other board, council, committee, or other similar body, unless the board, council, committee, or other body is composed exclusively of individuals otherwise in the full-time employ of the United States; or (12) by an officer or a member of the crew on or in connection with an American vessel—(i) owned by or bareboat chartered to the United States; and (ii) whose business is conducted by a general agent of the Secretary of Commerce; if contributions on account of the service are required to be made to an unemployment fund under a State unemployment compensation law under section 3305(g) of title 26;

#### INTERSTATE AGREEMENTS FOR UNEMPLOYMENT COMPENSATION

To encourage a claimant to move from a State where no suitable work is available to one where there is a demand for the type of service he is able to render, States have historically entered into

agreements to protect the benefit rights of workers who have made such moves. Prior to the Employment Security Amendments of 1970 (Public Law 91-373) which required the States to “\* \* \* participate in any arrangements for the payment of compensation on the basis of combining an individual’s wages and employment covered under the State law with his wages and employment covered under the unemployment compensation law of other States which are approved by the Secretary of Labor in consultation with the State unemployment compensation agencies as reasonably calculated to assure the prompt and full payment of compensation \* \* \*,” the States had developed several different wage-combining plans to provide for payment of benefits to interstate workers. However, not all States had belonged to any one plan. The following two interstate arrangements, to which all States have subscribed, now are the only plans in effect.

1. *Interstate benefit payment plan.*—This plan permits an individual to collect unemployment insurance benefits from the State in which he has qualifying wages although he is not physically present in that State. The State in which the individual is located accepts his claim, acting as agent for the State that is liable for the benefits claimed. Determinations on eligibility, disqualifications, and the amount and duration of benefits are made by the liable State.

2. *Wage-combining arrangement.*—The arrangement developed as a result of the 1970 amendments to the Federal law provides for applying the base period of a single State law (that of the paying State) to a claim involving the combining of an individual’s wages earned in two or more States while avoiding duplicate use of wages and employment because of such combining. The arrangement continues to permit, as did prior interstate agreements, multi-State workers to combine their wages and employment in more than one State, both when they have insufficient wages and employment to qualify for benefits in any one State and when, having sufficient wages and employment to qualify for benefits in one State, their benefits would be increased by combining their wages and employment in other States. In addition, the arrangement permits workers, having sufficient wages and employment to qualify for benefits in more than one State, to combine their wages in those and any other States in which they had wages and employment in the base period of the paying State. A claimant who elects to file a combined-wage claim is required to combine all the transferable wages and employment in all States in which he worked during the paying State’s base period. He may, however, withdraw his combined-wage claim at any time before the monetary determination of that claim has become final.

In general, with the exception of wages and employment previously used as the basis of a monetary determination to establish a benefit year, all States are required to transfer to the paying State the wages and employment that a combined-wage claimant had in covered employment during the paying State’s base period. Exempt from such mandatory transfer are wages and employment that were canceled or otherwise made unavailable to the claimant by a determination which the transferring State made before it received the request for transfer. In general, unless the issue has previously been adjudicated by a transferring State, all determinations with respect to a combined-wage claim are to be made by the paying State under the provisions

of its law and in accordance with its law's requirements on determinations and appeals.

The arrangement provides for consultation by the Secretary of Labor with the State unemployment compensation agencies as to the rules, regulations, procedures, and forms which the Secretary prescribes and the States follow for operation of the arrangement. Disagreements between States as to the operation of the arrangement are resolved by the Secretary with the advice of the State agencies' duly designated representatives. The agreement also provides for periodic review of its operation. Amendments to the arrangement may be proposed by the Secretary, by any State agency, or by the Interstate Conference of Employment Security Agencies and are made, upon approval, by the Secretary in consultation with the State unemployment compensation agencies.

### Key to Supplementary Tables

AWW—Average weekly wage.  
 BP—Base period.  
 BPW—Base period wage.  
 DA—Dependents' allowances.  
 ER—Employer.  
 HQ—High quarter.  
 HQW—High quarter wage.  
 WBA—Weekly benefit amount.

Tables 1-7 were taken from recent editions of U.S. Department of Labor, Manpower Administration, Unemployment Insurance Service, "Comparison of State Unemployment Insurance Laws." Table 8 is a publication of the same Service. Tables 9-11 come from the "Social Security Bulletin." The two charts were furnished by the Office of Administration and Management of the Manpower Administration, U.S. Department of Labor.

TABLE 1.—DISQUALIFICATION FOR UNEMPLOYMENT CAUSED BY LABOR DISPUTE, SEPTEMBER 1973

State	Duration of disqualification			Disputes excluded if caused by—			Individuals are excluded if neither they nor any of the same grade or class are—		
	During stoppage of work due to dispute (29 States)	While dispute in active progress (12 States)	Other (11 States)	Employer's failure to conform to—			Participating in dispute (43 States)	Financing dispute (30 States)	Directly interested in dispute (43 States)
				Contract (4 States)	Labor law (4 States)	Lockout (15 States)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Alabama.....		X							
Alaska.....	X			X	X		X		X
Arizona.....			X <sup>1</sup>	X	X		X	X	X
Arkansas.....			X <sup>2</sup>				X		X
California.....		X				X	X		X
Colorado.....			X <sup>2</sup>			X <sup>3</sup>	X	X	X
Connecticut.....			X <sup>1</sup>			X <sup>10</sup>	X	X	X
Delaware.....	X								
District of Columbia.....		X					X		X
Florida.....		X						X	X
Georgia.....	X <sup>11</sup>					X	X	X	X
Hawaii.....	X						X		X
Idaho.....			X <sup>1</sup>				X	X <sup>4</sup>	X
Illinois.....	X						X	X	X
Indiana.....	X <sup>9</sup>						X	X	X
Iowa.....	X						X	X	X

See footnotes at end of table, p. 67.

TABLE 1.—DISQUALIFICATION FOR UNEMPLOYMENT CAUSED BY LABOR DISPUTE, SEPTEMBER 1973—Continued

State	Duration of disqualification			Disputes excluded if caused by—			Individuals are excluded if neither they nor any of the same grade or class are—		
	During stoppage of work due to dispute (29 States)	While dispute in active progress (12 States)	Other (11 States)	Employer's failure to conform to—			Participating in dispute (43 States)	Financing dispute (30 States)	Directly interested in dispute (43 States)
				Contract (4 States)	Labor law (4 States)	Lockout (15 States)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Kansas	X						X <sup>7</sup>	X	X <sup>7</sup>
Kentucky		X				X			
Louisiana		X					X <sup>4</sup>		X
Maine	X <sup>5</sup>						X <sup>4</sup>	X	X
Maryland						X		X	X
Massachusetts	X <sup>5 11</sup>						X <sup>4</sup>	X <sup>4</sup>	X <sup>4</sup>
Michigan			X <sup>2</sup>			X <sup>10</sup>	X <sup>4</sup>		X <sup>4</sup>
Minnesota		X					X <sup>12</sup>		X <sup>12</sup>
Mississippi	X					X			
Missouri	X <sup>2</sup>							X	X
Montana	X				X			X	X
Nebraska	X							X	X
Nevada		X						X	X
New Hampshire	X <sup>2 5</sup>			X		X	X	X	X
New Jersey	X						X		X
New Mexico	X						X		X
New York			X <sup>6</sup>						
North Carolina			X <sup>2</sup>						
North Dakota	X						X		X
Ohio			X <sup>1 10</sup>			X			X
Oklahoma	X						X		X
Oregon		X						X	X
Pennsylvania	X					X			X
Puerto Rico	X								X
Rhode Island			X <sup>6</sup>				X <sup>4</sup>	X <sup>4</sup>	X <sup>4</sup>
South Carolina		X					X	X <sup>4</sup>	X
South Dakota	X						X		X
Tennessee		X					X		X
Texas	X <sup>7</sup>						X <sup>7</sup>	X <sup>7</sup>	X <sup>7</sup>
Utah	X <sup>5 10</sup>				X	X <sup>2</sup>			X <sup>2</sup>
Vermont	X						X <sup>4</sup>	X <sup>4</sup>	X <sup>4</sup>
Virginia			X <sup>2</sup>				X	X	X
Washington	X						X	X	X
West Virginia	X <sup>11</sup>			X <sup>8</sup>		X	X	X	X
Wisconsin		X							
Wyoming	X						X	X	X

<sup>1</sup> So long as unemployment is caused by existence of labor dispute.

<sup>2</sup> See text of "Comparison of State Unemployment Insurance Laws" for details.

<sup>3</sup> By judicial construction of statutory language.

<sup>4</sup> Applies only to individual, not to others of same grade or class.

<sup>5</sup> Disqualification is not applicable if claimant subsequently obtains covered employment and: earns 8 times his wba or has been employed 5 full weeks (Maine); earns at least \$900 (Massachusetts); works at least 5 consecutive weeks in each of which he earned 120 percent of his wba (New Hampshire); earns \$700 with at least \$20 in each of 19 different calendar weeks (Utah). However, BPW earned from ER involved in the labor dispute cannot be used to pay benefits during such labor dispute (Massachusetts and Utah).

<sup>6</sup> Fixed period: 7 consecutive weeks and the waiting period or until termination of dispute (New York); 6 weeks and waiting period (Rhode Island). See "Comparison of State Unemployment Insurance Laws" (September 1973) for waiting period requirements.

<sup>7</sup> So long as unemployment is caused by claimant's stoppage of work which exists because of labor dispute. Failure or refusal to cross picket line or to accept and perform his available and customary work in the establishment constitutes participation and interest.

<sup>8</sup> Disqualification is not applicable if employees are required to accept wages, hours, or other conditions substantially less favorable than those prevailing in the locality or are denied the right of collective bargaining.

<sup>9</sup> Disqualification not applicable to any claimant who failed to apply for or accept recall to work with an ER during a labor dispute work stoppage if claimant's last separation from ER occurred prior to work stoppage and was permanent.

<sup>10</sup> Applicable only to establishments functionally integrated with the establishments where the lockout occurs (Michigan). Employee not ineligible: unless the lockout results from demands of employees as distinguished from an ER effort to deprive the employees of some advantage they already possess (Colorado); if individual was laid off and not recalled prior to the dispute, if he was separated prior to the dispute, if he obtained a bona fide job with another ER while dispute was in progress (Ohio); if the ER was involved in fomenting the strike (Utah).

<sup>11</sup> Disqualification ceases; when operations have been resumed but individual has not been reemployed (Georgia); within 1 week following termination of dispute if individual is not recalled to work (Massachusetts). If the stoppage of work continues longer than 4 weeks after the termination of the labor dispute, there is a rebuttable presumption that the stoppage is not due to the labor dispute and the burden is on the ER to show otherwise (West Virginia).

<sup>12</sup> Disqualification limited to 1 week for individuals not participating in nor directly interested in dispute.

TABLE 2.—WEEKLY BENEFITS FOR TOTAL UNEMPLOYMENT, JANUARY 1974

State	Method of computing <sup>1</sup>	Rounding to—	Minimum weekly benefits <sup>2</sup>	Maximum weekly benefits <sup>2</sup>	Minimum wage credits required				
					For minimum		For maximum		
					High quarter	Base period	High quarter	Base period	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>HIGH-QUARTER FORMULA <sup>3</sup></b>									
Alabama.....	1/26 <sup>1</sup>	Nearest dollar.....	\$15. 00	\$68. 00	<sup>1</sup> \$350. 00	\$525. 00	\$1, 755. 01	\$2, 632. 51	
Arizona.....	1/25	do.....	10. 00	60. 00	250. 00	375. 00	1, 487. 50	2, 231. 25	
Arkansas.....	1/26	Higher dollar.....	15. 00	79. 00	112. 50	450. 00	2, 028. 01	2, 370. 00	
California.....	1/24-1/27	do.....	25. 00	90. 00	187. 50	750. 00	2, 748. 00	2, 748. 00	
Colorado.....	1/22 <sup>4</sup>	do.....	25. 00	93. 00	187. 50	750. 00	<sup>2</sup> 2, 392. 13	<sup>5</sup> 9, 568. 52	
Connecticut.....	1/26+da	do.....	15. 00-20. 00	92. 00-138. 00	150. 00	600. 00	2, 366. 01	2, 760. 00	
Delaware.....	1/25	do.....	10. 00	85. 00	90. 00	360. 00	2, 100. 13	3, 060. 00	
District of Columbia.....	1/23+da	do.....	13. 00-14. 00	<sup>2</sup> 117. 00	300. 00	450. 00	2, 668. 01	4, 002. 01	
Georgia.....	1/25	do.....	12. 00	65. 00	175. 00	432. 00	1, 600. 00	2, 340. 00	
Hawaii.....	1/25	do.....	5. 00	98. 00	37. 50	150. 00	2, 425. 01	2, 940. 00	
Idaho.....	1/26	do.....	17. 00	78. 00	416. 01	520. 01	2, 002. 01	2, 502. 51	
Illinois.....	1/20-1/25 <sup>1</sup>	Nearest dollar.....	<sup>2</sup> 10. 00	<sup>2</sup> 60. 00-105. 00	200. 00	800. 00	<sup>2</sup> 1, 534. 26	<sup>2</sup> 1, 759. 26	
Indiana.....	1/25+da <sup>1</sup>	Higher dollar.....	<sup>2</sup> 20. 00	<sup>2</sup> 50. 00-75. 00	150. 00	500. 00	<sup>2</sup> 1, 225. 01	<sup>2</sup> 1, 225. 01	
Iowa.....	1/20	Nearest dollar.....	10. 00	75. 00	200. 00	300. 00	1, 490. 00	1, 590. 00	
Kansas.....	1/25	Higher dollar.....	<sup>6</sup> 18. 00	73. 00	135. 00	540. 00	1, 800. 00	2, 190. 00	
Kentucky.....	1/23	Nearest dollar.....	12. 00	70. 00	250. 00	343. 75	1, 598. 51	2, 197. 95	
Louisiana.....	1/20-1/25	Higher dollar.....	10. 00	70. 00	75. 00	300. 00	1, 725. 01	2, 100. 00	
Maine.....	1/22	Nearest dollar.....	12. 00	65. 00	253. 00	600. 00	1, 419. 00	1, 419. 00	
Maryland.....	1/24+da	Higher dollar.....	10. 00-13. 00	<sup>2</sup> 78. 00	192. 01	360. 00	1, 848. 01	2, 808. 00	
Mississippi.....	1/26	do.....	10. 00	49. 00	160. 00	360. 00	1, 248. 01	1, 764. 00	
Missouri.....	1/25	do.....	12. 00	67. 00	300. 00	480. 00	1, 650. 01	2, 680. 00	
Montana.....	1/26	Nearest dollar.....	12. 00	65. 00	299. 00	455. 00	1, 677. 00	2, 522. 00	
Nebraska.....	1/19-1/23	Nearest \$2.....	12. 00	68. 00	200. 00	600. 00	1, 600. 01	1, 800. 00	
Nevada.....	1/25	Higher dollar.....	15. 00	80. 00	375. 01	528. 00	1, 975. 01	2, 640. 00	
New Mexico.....	1/26	do.....	<sup>6</sup> 14. 00	67. 00	338. 01	422. 51	1, 716. 01	2, 145. 01	
North Dakota.....	1/26	do.....	15. 00	68. 00	150. 00	600. 00	1, 742. 01	2, 720. 00	
Oklahoma.....	1/26	do.....	16. 00	60. 00	125. 00	500. 00	1, 534. 01	2, 301. 01	
Pennsylvania.....	1/21-1/25 <sup>1</sup>	Nearest dollar.....	12. 00-17. 00	96. 00-104. 00	120. 00	440. 00	2, 363. 00	3, 800. 00	
Puerto Rico.....	1/25-1/26	do.....	7. 00	50. 00	50. 00	150. 00	1, 274. 01	1, 500. 00	
South Carolina.....	1/26 <sup>4</sup>	Higher dollar.....	10. 00	83. 00	180. 00	300. 00	2, 132. 01	3, 198. 01	
South Dakota.....	1/22	do.....	19. 00	59. 00	400. 00	590. 00	1, 276. 22	1, 866. 22	
Tennessee.....	1/26	do.....	14. 00	62. 00	338. 01	504. 00	1, 586. 01	2, 232. 00	
Texas.....	1/25	do.....	15. 00	63. 00	125. 00	500. 00	1, 550. 25	2, 325. 02	
Utah.....	1/26	do.....	10. 00	87. 00	175. 00	700. 00	2, 236. 00	2, 356. 00	

Virginia.....	1/25	do.....	20.00	70.00	180.00	720.00	1,725.01	2,520.00
Washington.....	1/25	Nearest dollar.....	17.00	81.00	300.00	1,200.00	2,012.50	2,012.50
Wyoming.....	1/25	Higher dollar.....	10.00	67.00	200.00	800.00	1,650.01	* 1,650.01

**ANNUAL-WAGE FORMULA**

Alaska.....	2.3-1.1+31.....	Nearest dollar.....	\$18.00-23.00	\$90.00-120.00		\$750.00		\$8,500.00
New Hampshire.....	2.3-1.2.....	do.....	14.00	80.00		600.00		6,600.00
North Carolina.....	2.0-1.1.....	Nearest \$2.....	12.00	64.00		550.00		7,400.00
Oregon.....	1.25.....	Nearest dollar.....	23.00	76.00		700.00		6,040.00
West Virginia.....	1.6-0.8.....	do.....	12.00	84.00		700.00		11,000.00

**AVERAGE-WEEKLY-WAGE FORMULA**

Florida.....	50.....	Higher dollar.....	\$10.00	\$64.00		\$400.00		\$2,520.20
Massachusetts <sup>1</sup> .....	50+da.....	do.....	19.00-25.00	90.00-135.00		1,200.00		1,200.00
Michigan.....	63-55+da <sup>1</sup> .....	do.....	* 16.00-28.00	56.00-92.00		* 350.14		* 1,400.14
Minnesota.....	50.....	Nearest dollar.....	15.00	85.00		* 540.00		* 3,042.00
New Jersey.....	66 2/3.....	Higher dollar.....	10.00	85.00		* 255.00		* 2,142.17
New York.....	67-50.....	Nearest dollar.....	20.00	75.00		* 600.00		* 2,980.00
Ohio.....	50+da <sup>1</sup> .....	Higher dollar.....	10.00-16.00	77.00-114.00		* 400.00		* 3,040.20
Rhode Island.....	55+da.....	do.....	12.00-17.00	82.00-102.00		* 400.00		* 2,981.80
Vermont.....	50.....	Nearest dollar.....	15.00	77.00		* 600.00		* 3,060.00
Wisconsin.....	50.....	Higher dollar.....	* 23.00	92.00		* 792.18		* 3,276.18

<sup>1</sup> When State uses a weighted high-quarter formula, annual-wage formula or average weekly wage formula, approximate fractions or percentages are taken at midpoint of lowest and highest normal wage brackets. When additional payments are provided for claimants with dependents, the fractions and percentages shown apply to the basic benefit amounts. In Illinois where amounts above maximum basic benefit are limited to claimants who have dependents and also have earnings in excess of amount applicable to the maximum basic benefit, the HQ fractions for such amounts are 1/25-1/26. In Indiana, benefit amounts of \$50-\$75 are available only to claimants with 1-4 dependents and HQ and BPW in excess of those required for the maximum basic wba. In Michigan and Ohio, benefit amounts above the maximum are generally available only to claimants in family or dependency classes whose aww are higher than that required for the maximum basic benefit amount. In Alabama claimants not qualifying for minimum wba nevertheless will be eligible if they were paid \$250 for insured work on other than a part-time basis in their HQ and have \$525 in PBW.

<sup>2</sup> When 2 amounts are given, higher figure includes dependents' allowances. Augmented amount for minimum weekly benefit includes allowance for 1 dependent child; in Michigan for 1 dependent child or 2 dependents other than a child. In Illinois and Indiana to claimants with HQW in excess of those required for maximum basic wba. Augmented amount for maximum weekly benefit includes allowances for maximum number of dependents; in the District of Columbia and Maryland, same maximum with or without dependents. In Illinois and Indiana wage credits shown apply to claimants with no dependents; with maximum dependents, Illinois requires HQW of \$2,704.26 and BPW of \$2,929.26; Indiana requires \$1,850.01 in both the HQ and BP.

<sup>3</sup> For individuals with an aww of \$66 or less, benefit formula in Massachusetts is based on a weighted schedule of approximately 1/21-1/26 of HQW. An aww formula is used for all other claimants.

<sup>4</sup> Wba expressed in law as percent of aww in HQ; in Colorado 60 percent of 1/13 of HQW; 50 percent in South Carolina (aww defined as 1/13 of HQW). Colorado provides an alternate method of computation for claimants who would otherwise qualify for a wba equal to 50 percent or more of the statewide aww if this yields a greater amount—50 percent of 1/52 of BPW with a maximum of 60 percent of statewide aww in selected industries.

<sup>5</sup> Amount shown for HQW is 1/4 BPW needed to qualify for maximum benefit; determination of maximum benefit based on 50 percent of 1/52 of claimant's BPW with no specified amount of HQW required. Colorado, BP requirement includes, in addition to wages shown, 7 additional weeks of work with 20 hours in each week, Wyoming.

<sup>6</sup> Minimum computed annually in New Mexico at 10 percent and Oregon 15 percent of aww. In Kansas and Wisconsin minimum computed at 25 percent of maximum wba—Kansas computed annually and Wisconsin semiannually.

<sup>7</sup> Or 50 percent of full-time weekly wage, if greater.

<sup>8</sup> Separate benefit schedule for agricultural workers with payments, based on annual earnings, ranging between \$7 and \$26.

<sup>9</sup> In Michigan figured as 14 times lower limit of minimum aww bracket (applicable to all claimants) and of maximum wage bracket applicable to claimants with no dependents (with dependents, \$1,501.92-\$2,316.44, depending on family class). In Florida, New York, Ohio, Rhode Island, and Vermont 20 times lower limits of minimum and maximum aww brackets; in New Jersey 17 times; and in Wisconsin 18 times. In Minnesota 18 times lower limit of maximum aww bracket.

TABLE 3.—WEEKLY BENEFITS FOR PARTIAL UNEMPLOYMENT, JANUARY 1974

State	Definition of partial unemployment: week of less than full-time work if earnings are less than	Earnings disregarded in computing weekly benefit for partial unemployment
(1)	(2)	(3)
Alabama.....	Wba.....	\$6.
Alaska.....	Basic wba plus greater of \$10 or $\frac{1}{2}$ basic wba.....	Greater of \$10 or $\frac{1}{2}$ wba.
Arizona.....	Wba.....	\$10.
Arkansas.....	Wba plus $\frac{3}{8}$ wba.....	$\frac{3}{8}$ wba.
California.....	Wba.....	\$12.
Colorado.....	Wba.....	$\frac{1}{2}$ wba.
Connecticut.....	$1\frac{1}{2}$ times basic wba.....	$\frac{1}{2}$ wages.
Delaware.....	Wba plus greater of \$10 or 30 percent of wba.....	Greater of \$10 or 30 percent of wba.
District of Columbia.....	Basic wba.....	$\frac{3}{8}$ wba.
Florida.....	Wba.....	\$5.
Georgia.....	Wba plus \$8.....	\$8.
Hawaii.....	Wba.....	\$2.
Idaho.....	Wba plus $\frac{1}{2}$ wba.....	$\frac{1}{2}$ wba.
Illinois.....	Wba.....	\$7.
Indiana.....	Wba.....	Greater of \$3 or $\frac{1}{2}$ wba from other than base-period ER's.
Iowa.....	Wba plus \$3.....	\$6.
Kansas.....	Wba.....	\$8.
Kentucky.....	$1\frac{1}{2}$ times wba.....	$\frac{1}{2}$ wages.
Louisiana.....	Wba.....	$\frac{1}{2}$ wba.
Maine.....	Wba plus \$5.....	\$10.
Maryland.....	Augmented wba.....	\$10.
Massachusetts.....	Basic wba plus \$10.....	\$10.
Michigan.....	Wba.....	Up to $\frac{1}{2}$ wba. <sup>3</sup>
Minnesota.....	Wba.....	\$25.
Mississippi.....	Wba.....	\$5.
Missouri.....	Wba plus \$10.....	\$10.
Montana.....	(0).....	(0).
Nebraska.....	Wba.....	Up to $\frac{1}{2}$ wba. <sup>3</sup>
Nevada.....	Wba.....	$\frac{1}{4}$ wages
New Hampshire.....	Wba.....	$\frac{1}{2}$ of wba.
New Jersey.....	Wba plus greater of \$5 or $\frac{1}{2}$ wba.....	Greater of \$5 or $\frac{1}{2}$ wba.
New Mexico.....	Wba.....	$\frac{1}{2}$ wba.
New York.....	(0).....	(0).
North Carolina.....	Wba plus $\frac{1}{2}$ wba. <sup>1</sup> .....	$\frac{1}{2}$ wba.
North Dakota.....	Wba.....	$\frac{1}{2}$ wba.
Ohio.....	Wba.....	$\frac{1}{2}$ wba.
Oklahoma.....	Wba plus \$7.....	\$7.
Oregon.....	Wba.....	$\frac{1}{2}$ wba.
Pennsylvania.....	Wba plus greater of \$6 or 40 percent wba.....	Greater of \$6 or 40 percent wba.
Puerto Rico.....	2 times wba. <sup>1</sup> .....	Wba.
Rhode Island.....	Basic wba plus \$5.....	\$5.
South Carolina.....	Wba.....	$\frac{1}{4}$ wba.
South Dakota.....	Wba plus $\frac{1}{2}$ wba.....	$\frac{1}{2}$ wages up to $\frac{1}{2}$ wba.
Tennessee.....	Wba.....	\$5.
Texas.....	Wba plus greater of \$5 or $\frac{1}{4}$ wba.....	Greater of \$5 or $\frac{1}{4}$ wba.
Utah.....	Wba.....	Lesser of \$12 or $\frac{1}{2}$ wba from other than regular ER.
Vermont.....	Wba plus \$10.....	\$15 plus \$3 per dep. up to 5.
Virginia.....	Wba.....	Greater of \$10 or $\frac{1}{2}$ wba.
Washington.....	$1\frac{1}{2}$ times wba plus \$5.....	$\frac{1}{4}$ wages over \$5.
West Virginia.....	Wba. plus \$15.....	\$15.
Wisconsin.....	Wba.....	Up to $\frac{1}{2}$ wba. <sup>3</sup>
Wyoming.....	Basic wba.....	\$10.

<sup>1</sup> In North Carolina week of less than the equivalent of 3 customary scheduled full-time days. In Puerto Rico week in which wages, or remuneration from self-employment, are less than twice claimant's wba.

<sup>2</sup> Benefits are paid at the rate of  $\frac{1}{4}$  the wba for each effective day within a week beginning on Monday. Effective day defined as 4th and each subsequent day of total unemployment in a week in which claimant earns not more than \$75.

<sup>3</sup> Full weekly benefit is paid if earnings are less than  $\frac{1}{2}$  weekly benefit;  $\frac{1}{2}$  wba if wages are  $\frac{1}{2}$  weekly benefit but less than weekly benefit.

<sup>4</sup> No provision for partial unemployment. An individual is considered totally unemployed in a week in which he has remuneration of less than twice his wba and no more than 12 hours of work.

TABLE 4.—DEPENDENTS INCLUDED UNDER PROVISIONS FOR DEPENDENTS' ALLOWANCES, 11 STATES, JANUARY 1974

State	Dependent child <sup>1</sup> under age	Older child <sup>1</sup> not able to work	Nonworking dependent				Number of dependents fixed for BY
			Wife	Husband	Parent <sup>1</sup>	Brother or sister	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Alaska.....	18	X					X
Connecticut.....	18	X	X	X			X
District of Columbia.....	16	X	X <sup>4</sup>	X <sup>4</sup>	X <sup>4</sup>	X <sup>4</sup>	X
Illinois.....	18	X	X <sup>4</sup>	X <sup>4</sup>			X
Indiana.....	18	X	X <sup>4</sup>	X <sup>4</sup>			X
Maryland.....	16	X					X
Massachusetts <sup>2</sup> .....	18	X					X
Michigan.....	18	X	X <sup>4</sup>	X <sup>4</sup>	X <sup>4</sup>	X <sup>4</sup>	X
Ohio.....	18	X	X <sup>4</sup>	X <sup>4</sup>			X
Pennsylvania.....	18	X	X	X			X
Rhode Island.....	18	X					X

<sup>1</sup> Child includes stepchild by statute in all States except Massachusetts; adopted child by statute in Alaska, Illinois, Indiana, Maryland, Michigan, and Rhode Island, and by interpretation in Massachusetts and Ohio. Parent includes step-parent in the District of Columbia and legal parent in Michigan.

<sup>2</sup> Only dependents residing within the United States, its territories and possessions.

<sup>3</sup> Child must be unmarried (Alaska and, by interpretation, Massachusetts); must have received more than half the cost of support from claimant for at least 90 consecutive days or for the duration of the parental relationship (Illinois, Indiana, and Michigan).

<sup>4</sup> Not able to work because of age or physical disability or physical or mental infirmity. In Michigan, parents over age 65 or permanently disabled for gainful employment, brother or sister under 18, orphaned or whose living parents are dependents.

<sup>5</sup> Spouse must be currently ineligible for benefits in the State because of insufficient BP wages (Illinois and Indiana); must have earned less than \$21 in week prior to the beginning of the BY (Michigan); may not be claimed as dependent if his average weekly income is in excess of 25 percent of the claimant's aww or \$30 (Ohio).

TABLE 5.—ALLOWANCES FOR DEPENDENTS, 11 STATES, JANUARY 1974

State	Weekly allowance per dependent	Limitation on weekly allowances	Minimum weekly benefit		Maximum weekly benefit		Full allowance for week of partial benefits	Maximum potential benefits	
			Basic benefit	Maximum allowance	Basic benefit	Maximum allowance		Without dependents	With dependents
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Alaska.....	\$10.....	Lesser of wba or \$30.	\$18	\$18	\$90	\$30	Yes.....	\$2,520	<sup>1</sup> \$3,360
Connecticut.....	\$5.....	$\frac{1}{2}$ wba.....	15	7	92	46	Yes.....	2,392	3,588
District of Columbia.....	\$1 <sup>2</sup> .....	\$3 <sup>2</sup> .....	13	3	117	<sup>2</sup> 0	Yes.....	3,978	<sup>2</sup> 3,987
Illinois.....	\$1 to \$22 <sup>3</sup> .....	Schedule \$1 to \$45 <sup>3</sup> .....	10	<sup>3</sup> 0	60	<sup>3</sup> 45	No <sup>4</sup> .....	1,560	2,730
Indiana.....	\$1 to \$7 <sup>2</sup> .....	Schedule \$1 to \$25 <sup>2</sup> .....	20	<sup>2</sup> 0	50	<sup>2</sup> 25	No <sup>4</sup> .....	1,300	1,950
Maryland.....	\$3.....	\$12 <sup>2</sup> .....	10	12	78	<sup>2</sup> 0	Yes <sup>5</sup> .....	2,028	<sup>2</sup> 2,028
Massachusetts.....	\$6.....	$\frac{1}{2}$ wba.....	19	10	90	45	Yes.....	2,700	4,050
Michigan.....	\$1 to \$11 <sup>6</sup> .....	Schedule \$1 to \$36 <sup>6</sup> .....	16	8	56	36	No <sup>4</sup> .....	1,456	2,392
Ohio.....	\$1 to \$10 <sup>6</sup> .....	\$37 <sup>6</sup> .....	10	6-8	77	37	Yes.....	2,002	2,964
Pennsylvania.....	\$5 <sup>6</sup> .....	\$8.....	12	8	96	8	No.....	2,880	3,120
Rhode Island.....	\$5.....	\$20.....	12	20	82	20	Yes.....	2,132	<sup>1</sup> 2,652

<sup>1</sup> Assuming maximum weeks for total unemployment; weeks of partial unemployment could increase this amount because full allowance is paid for each week of partial unemployment.

<sup>2</sup> Same maximum wba with or without dependent allowances. Claimants at lower wba may have benefits increased by dependent allowances.

<sup>3</sup> Limited to claimants with HQW in excess of \$1,560.25 and 1 to 4 dependents (Illinois) and to claimants with HQW in excess of \$1,250 and 1 to 4 dependents (Indiana). See text of Comparison of State Unemployment Insurance Laws (January 1974) for details.

<sup>4</sup> Dependents allowances considered as part of wba. See table 306 of Comparison of State Unemployment Insurance Laws for weekly benefits for partial unemployment.

<sup>5</sup> Not more than 26 payments for dependents may be made in any one base year.

<sup>6</sup> Benefits paid to claimants with dependents are determined by schedule according to law and family class (Michigan and Ohio). Pennsylvania provides \$3 for 1 other dependent.

TABLE 6.—DURATION OF BENEFITS IN A BENEFIT YEAR, JANUARY 1974

State (1)	Proportion of BPW credits or weeks of employment <sup>1</sup> (2)	Minimum potential benefits <sup>2,3</sup>		Maximum potential benefits <sup>2</sup>			
		Amount (3)	Weeks (4)	Amount <sup>4</sup>		Wage credits required	
				(5)	(6)	High quarter (7)	Base period (8)
Uniform potential duration for all eligible claimants							
Hawaii.....		\$ 130.00	26	\$ 2,548	26	\$ 2,425.01	\$ 2,940.00
Maryland.....		260.00	26	2,028	26	1,848.01	2,808.00
New Hampshire.....		364.00	26	2,080	26	( <sup>5</sup> )	6,600.00
New York.....		520.00	26	1,950	26	( <sup>5</sup> )	2,980.00
North Carolina.....		312.00	26	1,664	26	( <sup>5</sup> )	7,400.00
Pennsylvania.....		360.00	30	2,880-3,120	30	2,363.00	3,800.00
Puerto Rico.....		\$ 140.00	20	\$ 1,000	20	1,274.01	1,500.00
Vermont.....		390.00	26	2,002	26	( <sup>5</sup> )	\$ 3,060.00
West Virginia.....		312.00	26	2,184	26	( <sup>5</sup> )	11,000.00
Maximum potential duration varying with wage credits or weeks of employment							
Alaska.....	1/2	\$175.00	11+	\$1,768	26	\$1,755.01	\$5,302.51
Alaska.....	34-31 percent <sup>1</sup>	252.00	14	2,520-3,360	28	( <sup>5</sup> )	8,500.00
Arizona.....	1/2	125.00	12+	1,560	26	1,487.50	4,678.51
Arkansas.....	1/2	150.00	10	2,054	26	2,028.01	6,159.01
California.....	1/2	\$ 375.00	12+15	\$ 2,340	26	2,748.00	4,678.01
Colorado.....	1/2	250.00	7+10	2,418	26	\$ 2,392.13	\$ 9,568.52
Connecticut.....	3/4	\$ 390.00	26	\$ 2,392-3,588	26	2,366.01	\$ 3,189.33
Delaware.....	47 percent	170.00	17	2,210	26	2,100.13	4,700.01
District of Columbia.....	1/2	225.00	17+	\$ 3,978	34	2,668.01	7,954.01
Florida.....	1/2 week of employment.	100.00	10	1,664	26	( <sup>5</sup> )	\$ 6,552.52
Georgia.....	1/4	108.00	9	1,690	26	<sup>10</sup> 1,657.50	6,630.00
Idaho.....	(1)	170.00	10	2,028	26	<sup>9</sup> 2,002.01	6,506.53
Illinois.....	33-52 percent <sup>1</sup>	260.00	10-26	1,560-2,730	26	<sup>9</sup> 1,534.26	2,975.00
Indiana.....	1/4	125.00	12+6+	1,300-1,950	26	<sup>10</sup> 1,225.01	\$ 2,200.00
Iowa.....	1/2	100.00	10	1,950	26	1,490.00	5,850.00
Kansas.....	1/2	180.00	10	1,898	26	1,800.01	5,691.01
Kentucky.....	1/2	180.00	15	1,820	26	1,598.51	1,458.51
Louisiana.....	1/2	120.00	12	1,960	28	1,725.01	4,897.51
Maine.....	50-33 1/2 percent	300.00	11+25	1,690	26	1,419.00	5,068.51
Massachusetts.....	36 percent	432.00	4+22+	2,700-4,050	30	( <sup>5</sup> )	7,497.25
Michigan.....	3/4 week of employment.	176.00	11	1,456-2,392	26	( <sup>5</sup> )	\$ 3,500.35
Minnesota.....	7/10 week of employment.	195.00	13	2,210	26	( <sup>5</sup> )	\$ 6,253.00
Mississippi.....	1/2	120.00	12	1,274	26	1,248.01	3,819.01
Missouri.....	1/2	160.00	8-13+	1,742	26	1,650.01	5,226.00
Montana.....	(1)	155.00	13	1,690	26	1,677.00	<sup>11</sup> 2,822.00
Nebraska.....	1/2	200.00	17	1,768	26	1,600.01	5,253.00
Nevada.....	1/2	176.00	11	2,080	26	1,975.01	6,237.01
New Jersey.....	1/2; 3/4 week of employment, if higher.	128.00	12+	2,210	26	( <sup>5</sup> )	\$ 4,410.35
New Mexico.....	3/4	254.00	18+	2,010	30	1,716.01	3,348.34
North Dakota.....	(1)	270.00	18	1,768	26	1,742.01	<sup>11</sup> 4,760.00
Ohio.....	20 X wba + wba for each credit wk. in excess of 20.	200.00	20	2,002-2,964	26	( <sup>5</sup> )	\$ 3,952.26
Oklahoma.....	1/2	167.00	10+	1,560	26	1,534.01	4,677.01
Oregon.....	1/2	233.00	10+	1,976	26	( <sup>5</sup> )	6,040.00
Rhode Island.....	3/4 week of employment.	144.00	12	2,132-2,652	26	( <sup>5</sup> )	\$ 6,261.78
South Carolina.....	1/2	100.00	10	2,158	26	2,132.01	6,471.01
South Dakota.....	1/2	197.00	10+	1,534	26	1,276.22	4,599.01
Tennessee.....	1/2	168.00	12	1,612	26	1,586.01	4,833.01
Texas.....	27 percent	135.00	9	1,638	26	1,550.25	6,062.97
Utah.....	(1)	220.00	10-22	3,132	36	2,236.00	7,378.80
Virginia.....	1/2	240.00	12	1,820	26	1,725.01	5,460.01

See footnotes at end of table, p. 73.

TABLE 6.—DURATION OF BENEFITS IN A BENEFIT YEAR, JANUARY 1974—Continued

State	Proportion of BPW credits or weeks of employment <sup>1</sup>	Minimum potential benefits <sup>2,3</sup>		Maximum potential benefits <sup>3</sup>			
		Amount	Weeks	Wage credits required		High quarter	Base period
				Amount <sup>4</sup>	Weeks		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Washington.....	1/2	400.00	8+—23+	2,430	30	2,012.50	7,288.51
Wisconsin.....	3/10 week of employment up to 43.	333.50	14+	3,128	34	(9)	8,826.43
Wyoming.....	3/10	240.00	3 11—24	1,742	26	1,650.01	5,803.34

<sup>1</sup> In States with weighted tables the percent of benefits is figured at the bottom of the lowest and of the highest wage brackets; in States noted, the percentages at other brackets are higher and/or lower than the percentage shown. In Idaho and Utah duration is based on a ratio of annual wages to HQW—from 1.25–3.25 in Idaho and from less than 1.6–3.3 in Utah.

<sup>2</sup> Potential benefits for claimants with minimum qualifying wages. Minimum weeks apply to claimants with minimum weekly benefit and minimum qualifying wages. In States noted, the minimum duration varies according to distribution of wages within the BP; the longer duration applies with the minimum wba and the shorter duration applies with the maximum possible concentration of wages in the HQ (which results in a wba higher than the minimum).

<sup>3</sup> Benefits are extended under State program when unemployment in State reaches specified levels—California and Hawaii by 50 percent and Connecticut by 13 weeks. In Puerto Rico benefits are extended by 32 weeks in certain industries, occupations or establishments when a special unemployment situation exists. Benefits also may be extended in all States, either on a national or State basis, during periods of high unemployment by 50 percent, up to 13 weeks, under the Federal-State extended compensation program.

<sup>4</sup> When 2 amounts are given, higher includes DA. In the District of Columbia and Maryland, same maximum with or without dependents.

<sup>5</sup> Annual-wage formula; no required amount of wages in HQ.

<sup>6</sup> No required number of weeks of employment or amount of wages in HQ. Figures given are based on highest aww for claimants without dependents: \$126.01 in Florida; \$100.01 in Michigan (for claimants with dependents, \$101.82 to \$165.46, depending on number of dependents); \$169.00 in Minnesota; \$126.01 in New Jersey; \$149.00 in New York; \$152.01 in Ohio (for claimants with dependents, \$169.01 to \$205.01 based on number of dependents); \$149.09 in Rhode Island; \$153.00 in Vermont; and \$182.01 in Wisconsin. No HQW specified in Massachusetts. Base-period figure is 52 weeks in Florida; 35 weeks (34 if all wage credits earned with 1 employer) in Michigan; 37 weeks in Minnesota; 35 weeks in New Jersey; 20 weeks in New York and Vermont; 26 weeks in Ohio; 42 weeks in Rhode Island; and 43 weeks in Wisconsin for maximum duration.

<sup>7</sup> Only specified amount of wages per quarter may be used for computing duration of benefits: 26 by the maximum wba in Colorado; \$1,950 in Indiana; 26 by claimant's wba in Missouri.

<sup>8</sup> Amount shown for HQW is 1/2 BPW needed to qualify for maximum benefit; determination of maximum benefit based on 50 percent of 1/2 of claimant's BPW with no specified amount of HQW required.

<sup>9</sup> In Connecticut claimant with maximum augmented benefit needs \$4,784 in BPW. In Illinois, claimants with maximum number of dependents need HQW of \$2,704.26 to qualify for maximum potential annual benefits; in Indiana, such claimants need HQW of \$1,850 and BPW of \$7,400; in Michigan, wage credits of \$5,791.10.

<sup>10</sup> Amount shown is 1/2 of BPW. To obtain maximum potential annual benefits, claimant must have more than 4 by HQW necessary for maximum weekly benefits.

<sup>11</sup> 3 levels of duration are provided: in Montana, 13 weeks of benefits for claimant with minimum qualifying wages; 20 weeks of benefits if, in addition, he earned at least \$100 in each of 2 quarters outside his HQ; and 26 weeks of benefits, if he had at least \$100 in each of 3 quarters outside HQ. In North Dakota, 18 weeks of benefits if BPW equal 40–54 by wba; 22 weeks of benefits if wages equal 55–69 by weekly benefit; and 26 weeks of benefits if wages equal at least 70 by weekly benefit.

TABLE 7.—EFFECT OF DISQUALIFYING INCOME ON WEEKLY BENEFIT AMOUNT, 46 STATES, JANUARY 1974 <sup>1</sup>

State	Pension plan of—						
	Old-age insurance benefits (12 States)	Base-period employer (22 States)	Any employer (13 States)	Workmen's compensation <sup>2</sup> (24 States)	Wages in lieu of notice (33 States)	Dismissal payments (19 States)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	
Alabama.....	R			R <sup>2</sup>	D	D	
Alaska.....					D <sup>3</sup>		
Arkansas.....		R <sup>4</sup>				D <sup>5</sup>	
California.....				R	R <sup>3</sup>		
Colorado.....	R <sup>6</sup>	R <sup>4</sup>		R <sup>2</sup>	D		
Connecticut.....		R <sup>4</sup>		D <sup>2,7</sup>	D	D	
Delaware.....							
District of Columbia.....		R					
Florida.....	(9)	R <sup>3,4</sup>		R <sup>2</sup>	R		
Georgia.....				D <sup>2</sup>	D		
Idaho.....	R		R <sup>4</sup>				
Illinois.....			R <sup>3</sup>	R <sup>3</sup>			
Indiana.....		R <sup>9</sup>			R <sup>10</sup>	R <sup>10</sup>	
Iowa.....	R		R <sup>4</sup>	R <sup>2</sup>	R		
Kansas.....				D <sup>2</sup>			
Kentucky.....					R		
Louisiana.....		R		R <sup>2</sup>	R		
Maine.....		R <sup>4</sup>			R	R	
Maryland.....		R <sup>8</sup>	(4)		R <sup>10</sup>	R <sup>10</sup>	

See footnotes at end of table, p. 74.

TABLE 7.—EFFECT OF DISQUALIFYING INCOME ON WEEKLY BENEFIT AMOUNT, 46 STATES, JANUARY 1974—Con.

State	Pension plan of—					
	Old-age insurance benefits (12 States)	Base-period employer (22 States)	Any employer (13 States)	Workmen's compensation <sup>2</sup> (24 States)	Wages in lieu of notice (33 States)	Dismissal payments (19 States)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Massachusetts.....		R <sup>8 4 11</sup>		D <sup>2</sup>	R <sup>10</sup>	
Michigan.....		R <sup>8</sup>				
Minnesota.....	R		R <sup>12</sup>	R <sup>2</sup>	R	R
Mississippi.....	R	R			R	R
Missouri.....			R <sup>8 4</sup>	R	R	R
Montana.....		(13)		D <sup>2</sup>	D	D
Nebraska.....	R		R <sup>8 4</sup>	R	R	R
Nevada.....					D	
New Hampshire.....				R	R	R
New Jersey.....					D	
New York.....		R <sup>8 9</sup>				
North Carolina.....					D	D
Ohio.....			R <sup>8 4</sup>	R	R	R
Oklahoma.....	R		R			
Oregon.....	D <sup>13</sup>		R			R
Pennsylvania.....		R <sup>8</sup>				
Rhode Island.....				R		
South Dakota.....			R <sup>12</sup>	R	R	
Tennessee.....		R <sup>8 4 12</sup>		D	D	
Texas.....	R			D <sup>2</sup>	D	
Utah.....	R <sup>8</sup>		R <sup>8</sup>		R	R
Vermont.....				R	R	
Virginia.....		R <sup>9</sup>				R
Washington.....		R <sup>8 14</sup>			R	
West Virginia.....		R		D <sup>2</sup>	D	D
Wisconsin.....	(15)		(15)	D <sup>2</sup>		R <sup>10</sup>
Wyoming.....		R			R	

<sup>1</sup> "R" means weekly benefit is reduced by weekly prorated amount of the payment. "D" means no benefit is paid for the week of receipt.

<sup>2</sup> Consult Comparison of State Unemployment Insurance Laws (Jan. 1974) for types of payments listed as disqualifying income in States noted. In other States disqualification or reduction applies only to payments for temporary partial disability.

<sup>3</sup> By regulation, Alaska; by interpretation, California.

<sup>4</sup> Provision disregards retirement pay or compensation for disability retirement, Arkansas; for service-connected disabilities Colorado, Iowa, Nebraska, and Ohio, or pension based on military service, Arkansas, Connecticut, Florida, Idaho, Iowa, Maine, Missouri, Nebraska, and Ohio, and Tennessee; retirement, retainer, or disability benefits based on military service by either the claimant or his deceased spouse if survivor remains unmarried, Maryland; Federal pensions disregarded until July 6, 1975, Massachusetts.

<sup>5</sup> Not applicable to severance payments or accrued leave pay based on service for the Armed Forces.

<sup>6</sup> Deduction also made if claimant is entitled to receive OASI benefits although such benefits are not actually being received, provided claimant is at least 65 years old, Colorado; if claimant entitled to receive pension, Tennessee.

<sup>7</sup> If workmen's compensation benefits received subsequent to receipt of unemployment benefits, individual liable to repay unemployment benefits in excess of workmen's compensation benefits.

<sup>8</sup> In States noted, the deductible amount is: Amount by which portion provided by ER exceeds claimant's WBA, Delaware; entire pension combined with OASI benefits; OASI benefits not deductible unless claimant is receiving retirement income from a BP employing unit, Florida;  $\frac{1}{2}$  of pension if plan is partially financed by ER, or entire pension if plan is wholly financed by ER, Illinois, Maryland, Nebraska; 50 percent of weekly retirement benefit, Massachusetts; entire pension deducted if chargeable ER paid entire cost;  $\frac{1}{2}$  if claimant paid less than half; no deduction if claimant paid half or more, Michigan; portion provided by the ER, Missouri; no deduction if ER paid less than 50 percent;  $\frac{1}{2}$  of pension if ER contributed at least 50 percent; entire pension if ER contributed 100 percent, New York; entire pension if wholly ER financed; no reduction if partially financed by employees, Ohio; that portion of retirement benefit in excess of \$40 per week if paid under a plan to which a BP employer has contributed, Pennsylvania; and  $\frac{1}{2}$  of pension, Utah; prorated weekly pay, ment in excess of \$12, Washington.

<sup>9</sup> If retirement payment made under plan to which contributions were made by chargeable ER; or most recent ER for whom claimant worked 30 days, Virginia.

<sup>10</sup> Reduction as wages for a given week only when definitely allocated by close of such week, payable to the employee for that week at full applicable wage rate, and he has had due notice of such allocation, Wisconsin; excludes greater of first \$3 or  $\frac{1}{2}$  WBA from other than BP employer, Indiana; not applicable if claimant's unemployment caused by abolition of his job for technological reasons or as result of termination of operations at his place of employment, Maryland. Excludes 1st \$10 from deduction, Massachusetts.

<sup>11</sup> Not applicable to involuntarily unemployed worker whose base-period ER was subject to FICA but not eligible for social security benefits because of age.

<sup>12</sup> WBA reduced if 50 percent or more of financing is provided by BP employer, Tennessee, or by ER, Minnesota, and South Dakota. Wage credits earned with ER from whom retired are not used in computing unemployment benefits after retirement if entitlement under retirement plan prorated on weekly basis exceeds average WBA paid during prior fiscal year, Montana.

<sup>13</sup> Claimant eligible to receive OASI benefits is ineligible for unemployment benefits unless and until he demonstrates that he has not voluntarily withdrawn from the labor force.

<sup>14</sup> Deduction does not apply if the retirement income is based on wages earned prior to the BP.

<sup>15</sup> Claimant disqualified under voluntary quit provision if he receives or is eligible to receive retirement payments under plan to which any ER has contributed substantially or under a governmental system, including OASI, if he retires from chargeable ER before reaching compulsory retirement age of that ER. If he left or lost such employment at compulsory retirement age, WBA reduced by the amount of the weekly retirement payment to which the ER has contributed, if that amount is separately calculated or can be estimated. WBA reduced by all but \$10 of employee's weekly retirement payment under other retirement systems.

TABLE 8

## Significant Provisions of State Unemployment Insurance Laws, January 6, 1975

PREPARED FOR READY REFERENCE. CONSULT THE STATE LAW AND STATE EMPLOYMENT SECURITY AGENCY FOR AUTHORITATIVE INFORMATION

State	BENEFITS								COVERAGE		TAXES	
	Qualifying wage or employment (number x wba or as indicated) <sup>1</sup>	Waiting week <sup>2</sup>	Computation of wba (fraction of hqw or as indicated) <sup>3</sup>	Wba for total unemployment <sup>4</sup>		Earnings disregarded <sup>5</sup>	Duration in 52-week period			Size of firm (1 worker in specified time and/or size of payroll) <sup>16</sup>	1974 Tax rates (percent of wages) <sup>9</sup>	
				Min.	Max.		Proportion of base-period wages <sup>6</sup>	Benefit weeks for total unemployment <sup>7</sup>			Min.	Max.
								Min.	Max.			
Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.					
Ala.	1-1/2 x hqw; not less than \$525	<sup>2</sup> 0	1/26	\$15	\$75	\$6	1/3	11+	26	20 weeks	<sup>9</sup> 0.5	<sup>9</sup> 2.7
Alaska	\$750; \$100 outside HQ	1	2.3-1.1% of annual wages. + \$10 per dep. up to \$30	18-23	90-120	Greater of \$10 or 1/2 basic wba	<sup>6</sup> 34-31%	14	28	Any time	<sup>9</sup> 1.3	<sup>9</sup> 3.8
Aris.	1-1/2 x hqw; \$375 in HQ	1	1/25	15	78	\$15	1/3	12+	26	20 weeks	0.2	2.9
Ark.	30; wages in 2 quarters	1	1/26 up to 66-2/3% of State aww	15	84	2/5	1/3	10	26	10 days	0.3	4.2
Calif.	\$750	1	1/24-1/27	25	90	\$18	1/2	<sup>7</sup> 12+ <sup>15</sup>	<sup>7</sup> 26	Over \$100 in any quarter	1.0	4.1
Colo.	30	1	60% of 1/13 of claimant's hqw up to 60% of State aww	25	102	1/4 wba	1/3	7+ <sup>10</sup>	26	20 weeks	0	3.6
Conn.	40	0	1/26, up to 60% of State aww + \$5 per dep. up to 1/2 wba	15-20	104-156	1/3 wages	3/4	<sup>7</sup> 26	<sup>7</sup> 26	20 weeks	1.4	5.0
Del.	36	0	1/25	10	85	Greater of \$10 or 30% of wba	4/4	17	26	20 weeks	1.4	4.3
D.C.	1-1/2 x hqw; not less than \$450; \$300 in 1 quarter	1	1/23 up to 66-2/3% of State aww + \$1 per dep. up to \$3	13-14	<sup>4</sup> 127	2/5 wba	1/2	17+	34	Any time	0.7	2.7
Fla.	20 weeks employment at average of \$20 or more	1	1/2 claimant's aww	10	74	\$5	1/2 weeks employment	10	26	20 weeks	0.1	4.5
Ga.	36; \$175 in 1 quarter; wages in 2 quarters	<sup>2</sup> 1	1/25	12	70	\$8	1/4	9	26	20 weeks	0.08	3.36
Hawaii	30; 14 weeks employment	<sup>10</sup> 1	1/25 up to 66-2/3% of State aww	5	104	2	Uniform	<sup>7</sup> 26	<sup>7</sup> 26	Any time <sup>17</sup>	<sup>9</sup> 1.3	<sup>9</sup> 3.0

TABLE 8.—Continued

State	BENEFITS									COVERAGE Size of firm (1 worker in specified time and/or size of payroll) <sup>16</sup>	TAXES			
	Qualifying wage or employment (number x wba or as indicated) <sup>1</sup>	Waiting week <sup>2</sup>	Computation of wba (fraction of hqw or as indicated) <sup>3</sup>	Wba for total unemployment <sup>4</sup>		Earnings disregarded <sup>5</sup>	Duration in 52-week period		Benefit weeks for total unemployment <sup>7</sup>		1974 Tax rates (percent of wages) <sup>9</sup>	Min.	Max.	
				Min.	Max.		Proportion of base-period wages <sup>6</sup>	Min. <sup>8</sup>						Max.
Idaho	1-1/4 x hqw; not less than \$520.01; \$416.01 in 1 quarter; wages in 2 quarters	1	1/26 up to 60% of State awv.	\$17	\$83	1/2 wba	Weighted schedule of hqw in relation to hqw	10	26	20 weeks or \$300 in any quarter	1.1	4.7		
Ill.	\$800; \$225 outside HQ	1	1/20-1/25 <sup>3</sup> up to \$60 <sup>3</sup>	10	60-105	\$7	<sup>6</sup> 33-52%	10-26	26	20 weeks	0.1	4.0		
Ind.	1-1/4 x hqw; not less than \$500; \$300 in last 2 quarters	1	1/25; up to \$60 <sup>3</sup>	30	60-100	Greater of \$3 or 20% of wba from other than BP employer	1/4	4+	26	20 weeks	0.08	3.1		
Iowa	\$300; \$200 in 1 quarter; \$100 in another quarter	<sup>2,10</sup> 1	1/20 up to 55% of State awv	10	80	\$6	1/3	10	26	20 weeks	0	4.0		
Kans.	30; wages in 2 quarters	1	1/25 up to 55% of State awv	19	79	\$8	1/3	10	26	20 weeks	0	3.6		
Ky.	1-3/8 x hqw; 8 x wba in last 2 quarters; \$250 in 1 quarter	0	1/23 up to 50% of State awv	12	74	1/5 wages	1/3	15	26	20 weeks	0.3	3.7		
La.	30	<sup>10</sup> 1	1/20-1/25	10	<sup>14</sup> 80	1/2 wba	2/5	12	28	20 weeks	1.0	2.7		
Maine	\$600	<sup>10</sup> 1	1/22 up to 52% of State awv	12	68	\$10	1/2-1/3	11+25	26	20 weeks	1.9	4.5		
Md.	1-1/2 x hqw; \$192.01 in 1 quarter; wages in 2 quarters	0	1/24 + \$3 per dep. up to \$12	10-13	<sup>4</sup> 89	\$10	Uniform	26	26	Any time	0.1	3.6		
Mass.	\$1,200	1	1/21-1/26 up to 57.5% of State awv, + \$6 per dep. up to 1/2 wba <sup>3</sup>	14-20	95-143	\$10	36%	9+30	30	13 weeks	2.3	5.1		
Mich.	14 weeks employment at \$25.01 or more	0	63-55% of claimant's awv up to \$67 with variable max. for claimants with dep. <sup>3</sup>	<sup>4</sup> 16-18	67-106	Up to 1/2 wba <sup>3</sup>	3/4 weeks employment	11	26	20 weeks or \$1,000 in CY	0.7	6.6		
Minn.	18 weeks employment at \$30 or more	<sup>10</sup> 1	50% of claimant's awv	15	85	\$25	7/10 weeks employment	13	26	20 weeks <sup>17</sup>	<sup>9</sup> 0.9	<sup>9</sup> 5.0		
Miss.	36; \$160 in 1 quarter; wages in 2 quarters	1	1/26	10	60	\$5	1/3	12	26	20 weeks	0.8	2.7		

TABLE 8.—Continued

State	BENEFITS									COVERAGE		TAXES	
	Qualifying wage or employment (number x wba or as indicated) <sup>1</sup>	Waiting week <sup>2</sup>	Computation of wba (fraction of hqw or as indicated) <sup>3</sup>	Wba for total unemployment <sup>4</sup>		Earnings disregarded <sup>5</sup>	Duration in 52-week period		Benefit weeks for total unemployment <sup>7</sup>	Size of firm (1 worker in specified time and/or size of payroll) <sup>8</sup>	1974 Tax rates (percent of wages) <sup>9</sup>		
				Min.	Max.		Proportion of base-period wages <sup>6</sup>	Min. <sup>8</sup>			Max.	Min.	Max.
Mo.	40 x wba; \$300 in 1 quarter; wages in 2 quarters	10 <sup>1</sup>	1/25	\$2	\$67	\$10	1/3	8-13+	26	20 weeks	0	3.6	
Mont.	13 x wba outside HQ	2 <sup>1</sup>	1/26 up to 50% of State aw	12	68	(2)	(6)	13	26	Over \$500 in current or preceding year	0.5	3.1	
Neb.	\$600; \$200 in each of 2 quarters	1	1/19-1/23	12	74	Up to 1/2 wba	1/3	17	26	20 weeks	0.1	2.7	
Nev.	33	0	1/25, up to 50% of State aw	16	85	1/4 wages	1/3	11	26	\$225 in any quarter	2.7	2.7	
N.H.	\$600; \$100 in each of 2 quarters	0	2.3-1.2% of annual wages	14	80	1/5 wba	Uniform	26	26	20 weeks	0.075	4.0	
N.J.	20 weeks employment at \$30 or more; or \$2,200	10 <sup>1</sup>	66-2/3% of claimant's aw up to 50% of State aw	20	90	Greater of \$5 or 1/5 wba	3/4 weeks employment	15	26	\$1,000 in any year	<sup>9</sup> 1.2	<sup>9</sup> 5.5	
N.Mex.	1-1/4 x hqw	1	1/26; not less than 10% nor more than 50% of State aw	15	71	1/5 wba	3/5	18+	30	20 weeks or \$450 in any quarter	0.3	3.3	
N.Y.	20 weeks employment at average of \$30 or more <sup>11</sup>	2,12 <sup>1</sup>	67-50% of claimant's aw	20	95	(12)	Uniform	26	26	\$300 in any quarter	1.3	5.0	
N.C.	1-1/2 x hqw; not less than \$565.50; \$150 in 1 quarter	1	1/26 up to 66-2/3% of State aw	15	90	1/2 wba	Weighted schedule of hqw in relation to hqw	13	26	20 weeks	0.2	4.7	
N.Dak.	40; wages in 2 quarters	1	1/26 up to 55% of State aw	15	72	1/2 wba	(6)	18	26	20 weeks	0.9	<sup>13</sup> 4.2	
Ohio	20 weeks employment at \$20 or more	1	1/2 claimant's aw + d.a. of \$1-\$39 based on claimant's aw and number of dep.	10-16	82-121	1/5 wba	20 x wba + wba for each credit week in excess of 20	20	26	20 weeks	0.2	3.9	
Okla.	1-1/2 x hqw; not less than \$500 in HQ; \$4,200	1	1/26 up to 55% of State aw	16	78	\$7	1/3	10+	26	20 weeks	0.4	2.7	
Oreg.	18 weeks employment at average of \$20 or more; not less than \$700	1	1.25% of hqw up to 55% of State aw	24	88	1/3 wba	1/3	10+	26	18 weeks or \$225 in any quarter	1.224	2.958	

TABLE 8.—Continued

State	BENEFITS									COVERAGE		TAXES	
	Qualifying wage or employment (number x wba or as indicated) <sup>1</sup>	Waiting week <sup>2</sup>	Computation of wba (fraction of hqw or as indicated) <sup>3</sup>	Wba for total unemployment <sup>4</sup>		Earnings disregarded <sup>5</sup>	Duration in 52-week period		Size of firm (1 worker in specified time and/or size of payroll) <sup>6</sup>	1974 Tax rates (percent of wages) <sup>9</sup>	Min.	Max.	
				Min.	Max.		Proportion of base-period wages <sup>6</sup>	Benefit weeks for total unemployment <sup>7</sup>					
													Min. <sup>8</sup>
Pa.	32 + -36; \$120 in HQ; at least 20% of hqw outside HQ	2,10 <sub>1</sub>	1/21-1/25 up to 64-2/3 <sup>14</sup> of State aww + \$5 for 1 dep; \$3 for 2d	\$13-18	111-119	Greater of \$6 or 40% wba	Uniform	30	30	Any time	0.9	4.0	
P.R.	21 + -30; not less than \$150; \$50 in 1 quarter; wages in 2 quarters	1	1/15-1/26; up to 60% of State aww	7	50	wba	Uniform	7, 20	7, 20	Any time	2.95	3.53	
R.I.	20 weeks employment at \$20 or more; or \$1,200	2 <sub>1</sub>	5% of claim- ant's aww up to 60% of State aww, + \$5 per dep. up to \$20	12-17	87-107	\$5	3/5 weeks employment	12	26	Any time	2.2	4.0	
S.C.	1-1/2 x hqw; not less than \$300; \$180 in 1 quarter	1	1/26 up to 66-2/3% of State aww	10	88	1/4 wba	1/3	10	26	20 weeks	0.25	4.1	
S.Dak.	\$400 in HQ; 10 x wba outside HQ	1	1/22 up to 56% of State aww	19	67	1/2 wages up to 1/2 wba	1/3	10+	26	20 weeks	0	2.7	
Tenn.	36; \$338.01 in 1 quarter	1	1/26	14	70	\$10	1/3	12	26	20 weeks	0.3	4.0	
Tex.	1-1/2 x hqw; not less than \$500 or; 2/3 FICA tax base	10 <sub>1</sub>	1/25	15	63	Greater of \$5 or 1/4 wba	27%	9	26	20 weeks	0.1	4.0	
Utah	19 weeks employment at \$20 or more; not less than \$700	1	1/26 up to 65% of State aww	10	93	Lesser of \$12 or 1/3 wba from other than regular employer	Weighted schedule of hqw in relation to hqw	10-22	36	\$140 in CQ in current or preced- ing CY	1.4	2.7	
Vt.	20 weeks employment at \$30 or more	1	1/2 claim- ant's aww for highest 20 weeks up to 60% of State aww	15	86	\$15 + \$3 for each dep. up to \$15	Uniform	26	26	20 weeks	0.9	5.0	
Va.	36; wages in 2 quarters	10 <sub>1</sub>	1/25	20	87	Greater of 1/3 wba or \$10	1/3	12	26	20 weeks	0.05	2.7	
Wash.	\$1,300 <sup>15</sup>	1	1/25 of hqw up to 50% of State aww	17	86	\$12	1/3	8+23+	30	Any time	9, 3.0	9, 3.0	
W.Va.	\$700	2 <sub>1</sub>	1.9-0.8% of annual wages up to 66-2/3% of State aww	14	107	\$25	Uniform	26	26	20 weeks	0	3.3	

TABLE 8.—Continued

State	BENEFITS								COVERAGE		TAXES	
	Qualifying wage or employment (number x wba or as indicated) <sup>1</sup>	Waiting week <sup>2</sup>	Computation of wba (fraction of hqw or as indicated), <sup>3</sup>	Wba for total unemployment		Earnings disregarded <sup>5</sup>	Duration in 52-week period		Size of firm (1 worker in specified time and/or size of payroll) <sup>6</sup>	1974 Tax rates (percent of wages) <sup>7</sup>		
				Min.	Max.		Proportion of base-period wages <sup>6</sup>	Benefit weeks for total unemployment <sup>7</sup>		Min.	Max.	
								Min. <sup>8</sup>				Max.
Wisc.	17 weeks employment; average of \$38.01 or more with 1 employer <sup>11</sup>	10 <sup>1</sup>	50% of claimant's aw up to 66-2/3% of State aw	\$20	\$108	Up to 1/2 wba <sup>3</sup>	8/10 weeks employment	1-13 <sup>4</sup>	34	20 weeks	0	4.7
Wyo.	20 weeks employment with 20 hours in each week + \$800 in bpw	1	1/25 up to 50% of State aw	10	73	\$10	3/10	11-24	26	\$500 in current or preceding CY	0.22	2.92

<sup>1</sup> Weekly benefit amount abbreviated in columns and footnotes as wba; base period, BP; base-period wages, bpw; high quarter, HQ; high-quarter wages, hqw; average weekly wage, aw; benefit year, BY; calendar quarter, CQ; calendar year, CY; dependent, dep.; dependents allowances, da.; minimum, min.; maximum, max.

<sup>2</sup> Unless otherwise noted, waiting period same for total or partial unemployment. In Ala. waiting period for partial benefits is 1 week; Iowa, 2 weeks; N.Y., 2-4 weeks; M.Va., no waiting period required for partial unemployment. No partial benefits paid in Mont. but earnings not exceeding twice the wba and work in excess of 12 hours in any 1 week disregarded for total unemployment. Waiting period may be suspended if Governor declares State of emergency following disaster, N.Y., Pa., R.I. In Ga. no waiting week if claimant unemployed not through own fault.

<sup>3</sup> When States use weighted high-quarter, annual-wage, or average weekly-wage formula, approximate fractions or percentages figured at midpoint of lowest and highest normal wage brackets. When da.'s provided, fraction applies to basic wba. In States noted variable amounts above max. basic benefits limited to claimants with specified number of dep. and earnings in excess of amounts applicable to max. basic wba. In Ill. and Ind. da.'s paid only for claimants with earnings in excess of that needed to qualify for basic wba and who have 1-4 depts. In Mich. and Ohio claimants may be eligible for augmented amount at all benefit levels but benefit amounts above basic max. available only to claimants in dependency classes whose aw are higher than that required for max. basic benefit. In Mass. for claimant with aw in excess of \$66 wba computed at 1/52 of 2 highest quarters of earnings or 1/26 of highest quarter if claimant had no more than 2 quarters work.

<sup>4</sup> When 2 amounts given, higher includes da. Higher for min. wba includes max. allowance for one dep.; Mich. for 1 dep. child or 2 dep. other than a child. In D.C. and Md., same max. with or without dep.

<sup>5</sup> In computing wba for partial unemployment, in States noted full wba paid if earnings are less than 1/2 wba; 1/2 wba if earnings are 1/2 wba but less than wba.

<sup>6</sup> With exception of Mont. and N.Dak., States noted have weighted schedule with percent of benefits based on bottom of lowest and highest wage brackets. In Mont., duration is 13, 20, and 26 weeks, depending on quarters of employment; in N.Dak., 18, 22, and 26 weeks, depending on amount of BP earnings.

<sup>7</sup> Benefits extended under State program when unemployment in State reaches specified levels: Calif., Hawaii, by 50%; Conn. by 13 weeks. In P.R. benefits extended by 32 weeks in certain industries, occupations or establishments when special unemployment situation exists. Benefits also may be extended during periods of high unemployment by 50% up to 13 weeks, under Federal-State Extended Compensation Program.

<sup>8</sup> For claimants with min. qualifying wages and min. wba. When two amounts are shown, range of duration applies to claimants with min. qualifying wages in BP; longer duration applies with min. wba; shorter duration applies with max. possible concentration of wages in BP, and therefore highest wba possible for such BP earnings. Wis. determines entitlement separately for each employer. Lower end of range applies to claimants with only 1 week of work at qualifying wage; upper end to claimants with 17 weeks or more of such wages.

<sup>9</sup> Rate represents min. and max. rates assigned to employers for CY 1974. Ala., Alaska, and N.J. also require employee taxes. Contributions required on wages up to \$4,200 in all States except Minn. and N.J. (\$4,800); Ore. (\$5,000); Wash. (\$6,000); Hawaii (\$7,300); and Alaska (\$10,000). Wage base in Hawaii computed annually as 90% of State average annual wage.

<sup>10</sup> Waiting period compensable if claimant entitled to 12 consecutive weeks of benefits immediately following, Hawaii; 5 consecutive weeks, Iowa; unemployed at least 6 weeks and not disqualified, La.; after 9 consecutive weeks of benefits paid, Mo.; when benefits become payable for third and fourth consecutive week following waiting period, N.J. and N.Y. respectively; after benefits paid equal to 4 X wba, Pa. and Va.; after benefits paid for 4 weeks, Tex.; if reemployed full time after 4 weeks benefits paid, Minn.; if employed with other than BP employer at least 4 of first 10 weeks of BY and earns 4 X wba, Wis.

<sup>11</sup> Or 15 weeks in last year and 40 weeks in last 2 years of aw of \$30 or more, N.Y.; or 14 weeks in BP and 55 weeks in those 52 weeks plus any BP which ended not more than 10 weeks before start of those 52 weeks, Wis.

<sup>12</sup> For N.Y., waiting period is 4 effective days accumulated in 1-4 weeks; partial benefits 1/4 wba for each 1 to 3 effective days. Effective days; fourth and each subsequent day of total unemployment in week for which not more than \$95 is paid.

<sup>13</sup> Percent applicable to employers who elect coverage.

<sup>14</sup> Effective Sept. 1, 1975, \$90; Sept. 1, 1976, 66-2/3%, La.; Jan. 1, 1976, 66-2/3%, Pa.

<sup>15</sup> In addition to total wages of \$1,300, claimant also must have either (1) 16 weeks of employment with wages of 15% of average wage or (2) 600 hours of employment.

<sup>16</sup> \$1,500 in any CQ in current or preceding CY unless otherwise specified.

<sup>17</sup> Also covers employers of 20 or more agricultural workers in 20 weeks, Hawaii; covers 4 agricultural workers in 20 weeks, Minn.

TABLE 9.—Unemployment insurance: Summary data on State programs, 1940-72, and by State, 1972

[In thousands, except for ratios, average benefit, and average duration. Except where noted, excludes Federal employees and ex-servicemen and includes State and local government employees where covered by State law after 1955]

Year and State	Covered employment		Insured unem- ployed as per cent of covered employ- ment *	Benefi- ciaries, first pay- ments	Average weekly benefit for total unemployment		Weeks com- pensated for all unem- ployment	Average actual dura- tion (in weeks)	Claimants exhausting benefits *		Contribu- tions collected †	Benefits paid ‡	Funds avail- able for bene- fits at end of year †	Average em- ployer con- tribution rate §
	Average monthly number of workers	Total payroll †			Amount †	Percent of average weekly wage †			Number	Per- cent of first pay- ments				
1940.....	23,096	822,449,899	5.6	5,220	\$10.56	39.1	51,094	9.8	2,650	50.6	\$853,832	\$418,700	\$1,817,108	2.7
1945.....	28,497	65,642,126	2.1	2,961	18.77	41.6	24,190	9.5	254	18.1	1,161,884	445,960	6,914,009	1.7
1950.....	36,591	148,635,000	3.5	4,598	25.04	32.1	67,660	13.0	1,853	30.6	1,191,438	1,378,114	5,972,235	1.5
1955.....	40,523	196,635,560	4.8	6,763	32.67	35.2	85,930	12.7	1,603	26.1	1,298,550	2,293,268	6,263,850	1.2
1960.....	52,915	399,124,567	2.1	4,214	37.19	33.8	98,813	12.2	1,086	21.6	3,053,453	2,166,004	8,337,530	2.1
1965.....	52,814	387,979,619	3.4	6,402	45.11	34.4	47,940	12.8	2,545,039	219.6	2,545,039	2,127,877	12,637,508	1.4
1970.....	53,103	411,709,645	3.0	6,540	54.02	36.4	94,312	14.4	2,007	30.1	2,636,807	3,548,467	11,368,301	1.3
1972.....	60,807	490,688,374	3.0	8,356	66.03	36.2	78,308	14.3	1,809	28.2	2,859,090	4,470,959	9,703,424	1.8
Ala.....	847	5,750,833	2.3	73	45.36	34.7	899	12.4	23	28.3	32,112	39,906	110,838	1.1
Alaska.....	66	773,896	8.6	16	42.20	32.7	287	16.6	6	27.4	16,890	15,909	40,541	2.9
Ariz.....	526	4,167,287	2.0	30	52.38	34.4	833	15.0	9	18.5	19,354	18,165	184,864	8
Ark.....	472	2,896,818	2.3	46	44.65	33.0	474	10.3	12	22.1	24,438	22,029	92,949	1.5
Calif.....	5,014	92,869,813	4.3	276	55.92	34.4	47,940	14.4	261	32.5	652,632	606,787	967,704	2.8
Conn.....	651	5,262,809	1.8	24	63.00	42.2	716	6	6	(*)	23,875	13,470	112,615	1.3
Del.....	1,143	9,784,759	3.4	168	66.65	40.5	2,533	15.2	54	27.5	92,891	101,851	29,859	2.3
D.C.....	361	3,174,838	2.0	20	63.45	32.8	2,057	9.7	4	16.8	16,250	10,563	77,220	2.8
Fla.....	2,061	14,065,012	1.5	75	45.17	32.3	671	12.4	6	31.1	11,806	22,232	50,503	1.0
Ga.....	1,865	9,788,000	1.4	58	45.30	33.0	935	12.0	32	37.4	55,772	41,886	302,134	3.0
Hawaii.....	278	2,178,229	3.8	25	66.36	45.2	10.0	39.6	22	31.0	60,672	29,627	399,227	1.0
Idaho.....	187	1,268,827	3.6	23	52.57	40.3	490	19.4	6	24.1	12,049	28,227	16,182	1.9
Ill.....	3,690	92,869,813	2.2	282	56.48	38.0	1,361	10.7	47	29.6	12,309	45,519	1,979,853	1.9
Ind.....	1,533	13,127,931	1.6	128	45.04	42.2	3,922	14.3	86	28.2	200,032	221,765	236,022	1.8
Iowa.....	742	5,273,280	1.6	36	56.52	41.3	588	15.5	14	29.6	62,949	59,449	334,536	1.0
Kans.....	841	9,787,099	1.9	39	60.93	36.5	797	14.4	10	32.2	30,462	34,809	110,033	1.0
Ky.....	747	5,618,155	3.1	39	52.04	39.6	498	11.2	10	28.1	36,054	21,910	82,245	1.4
La.....	903	6,680,711	3.6	71	50.19	35.5	1,148	11.3	18	23.3	40,539	39,579	180,058	1.0
Maine.....	271	1,757,366	4.8	42	49.12	39.5	524	12.4	1	32.7	24,155	23,807	21,261	1.2
Md.....	1,083	8,359,140	2.6	96	59.93	40.4	808	13.8	27	23.9	41,791	78,988	335,807	1.0
Mass.....	1,925	15,377,363	4.6	120	58.58	38.2	3,943	17.2	86	33.9	215,135	28,227	1,062,778	3.2
Mich.....	1,267	9,717,244	2.9	92	69.79	31.7	4,218	12.8	117	33.8	810,221	245,396	388,783	3.1
Minn.....	1,118	8,767,365	2.6	210	53.69	35.4	1,332	14.4	94	33.9	26,414	69,256	32,115	1.4
Miss.....	804	3,033,221	1.5	23	38.37	32.9	295	11.6	3	23.6	15,887	9,566	94,367	1.9
Mont.....	154	1,038,628	4.0	19	51.94	35.9	1,498	12.5	33	28.1	62,354	72,137	230,722	1.2
Nebr.....	394	2,655,320	1.8	24	49.30	38.0	208	14.0	6	30.2	6,692	10,915	22,901	1.5
Nev.....	182	1,515,074	4.3	29	60.26	37.9	400	14.1	7	32.2	14,076	14,921	64,416	1.1
N.H.....	236	1,624,222	1.8	24	52.21	39.7	196	8.0	1	5.0	9,649	9,340	51,068	1.1
N.J.....	2,212	19,430,818	4.7	18	46.50	36.0	294	14.9	5	28.3	12,446	11,838	39,719	1.5
N.Mex.....	232	1,544,339	3.5	18	51.96	35.6	11,896	17.0	207	27.1	150,536	674,947	1,197,855	2.3
N.Y.....	5,897	54,724,971	3.7	699	39.63	31.2	962	11.2	18	17.0	46,658	36,206	435,633	2.2
N.Dak.....	1,627	10,736,682	1.3	86	61.11	41.4	1,811	14.8	2	23.7	8,741	7,680	19,204	2.2
Ohio.....	122	783,363	3.2	10	51.94	35.9	2,814	13.5	55	20.2	137,529	154,187	625,778	1.2
Okla.....	632	4,508,598	1.7	42	44.02	33.1	630	14.9	20	43.1	29,632	27,285	42,872	1.4
Ore.....	432	4,964,966	4.0	71	47.25	31.3	984	13.9	18	24.6	43,115	43,262	110,607	1.6
Pa.....	3,712	39,891,382	3.6	433	54.97	42.2	6,516	15.1	89	19.1	214,079	382,939	689,893	1.0
R.I.....	312	2,224,621	4.4	48	59.22	41.7	599	13.3	17	33.4	26,200	35,108	41,637	2.4
S.C.....	734	4,730,632	1.6	38	43.67	35.4	604	13.4	13	28.9	27,936	21,522	163,424	1.0
S.Dak.....	184	781,861	1.8	8	42.07	37.3	86	11.1	2	22.6	3,351	3,420	21,446	8
Tenn.....	1,189	7,990,154	2.0	80	44.83	34.6	955	12.0	23	36.4	60,346	41,427	246,663	1.4
Tex.....	9,106	23,200,659	1.2	120	48.55	34.8	1,676	13.1	47	35.1	57,628	74,886	291,300	3
Utah.....	287	1,694,642	3.1	27	65.14	41.1	323	12.2	7	23.1	14,612	17,402	49,839	1.5
Vt.....	126	882,244	4.6	16	59.77	44.5	242	14.9	4	24.7	6,025	13,982	6,060	1.1
Wa.....	1,232	5,736,234	3.6	94	47.38	35.4	2,424	15.7	65	39.3	104,338	133,796	16,346	3.0
Wash.....	894	7,428,314	6.3	155	39.86	37.1	632	14.2	9	15.7	18,499	25,465	108,194	1.0
W.Va.....	436	3,451,407	3.5	65	42.03	37.6	1,462	14.5	29	26.4	71,328	90,611	275,230	1.5
Wis.....	1,344	10,657,623	2.6	102	64.92	42.6	1,462	14.5	29	26.4	71,328	90,611	275,230	1.5
Wyo.....	181	699,363	1.5	6	52.52	39.3	53	9.7	1	18.2	3,381	2,858	21,834	1.1
P.R.....	467	2,263,914	10.6	97	34.41	36.9	1,616	16.7	57	56.5	38,342	57,774	34,132	2.7

† Total wages earned in covered employment during all pay periods ended within the year.

\* Based on average covered employment in 12-month period.

† Includes dependents' allowances for States that provide such benefits.

‡ Based on average total weekly wage in current year.

§ Number includes temporary extended benefit exhaustions. Beginning 1960, percentages based on first payments for 12-month period ended June 30; for earlier years, for 12-month period ended September 30.

\* Contributions, penalties, and interest from employers, and contributions from employees in the States taxing workers (Alabama, Alaska, and New Jersey in 1972). Adjusted to exclude refunds of contributions and disbursed contribution checks. Excludes State and local government employees covered on a reimbursable basis.

† Adjusted to exclude voided benefit checks and for transfers under inter-State combined-wage plan. Excludes temporary extended unemployment insurance payments under Federal legislation of 1968 and 1961 and, beginning 1971, excludes payments under Federal temporary extended benefit provisions.

\* Sum of balances in State clearing accounts, benefit-payments accounts, and State accounts in Federal unemployment trust fund.

† As percent of taxable payroll. Standard contribution rate for most States, 2.7 percent. Excludes State and local jurisdiction covering State and local government employees on a reimbursable basis.

‡ Data not available.

§ Source: Department of Labor, Office of Administration and Management, based on data submitted by State agencies.

TABLE 10.—Unemployment insurance: Selected data by State, June 1974

[Excludes program for Federal employees and for ex-servicemen; includes unemployment compensation for State and local government employees where covered by State law]

State	Average weekly insured unemployment		Initial claims (weekly average) <sup>1</sup>	All types of compensated unemployment				Average weekly benefit for total unemployed <sup>2</sup>	Number of claimants exhausting benefits	Funds available for benefits, end of period <sup>3</sup> (in thousands)
	Number of workers <sup>4</sup>	Percent of covered employment <sup>5</sup>		Number of first payments	Weeks compensated	Benefits paid <sup>6</sup> (in thousands)	Average weekly number of beneficiaries			
Total.....	1,834,106	2.9	268,063	370,222	6,292,696	333,362	1,473,174	\$62.50	159,155	\$10,029,941
Alabama.....	15,518	2.1	2,639	4,454	62,767	3,067	13,672	49.68	1,612	125,941
Alaska.....	4,517	6.5	645	580	19,324	1,239	4,831	66.96	873	35,494
Arizona.....	15,010	2.7	2,591	3,640	50,901	2,753	12,725	54.49	1,199	160,759
Arkansas.....	12,063	2.4	1,982	2,679	36,563	1,830	9,146	53.19	962	64,875
California.....	246,626	3.0	41,407	30,518	865,594	63,663	302,126	64.44	25,903	1,244,667
Colorado.....	8,053	1.1	1,353	1,816	23,708	1,674	5,942	70.95	693	111,059
Connecticut.....	39,253	3.3	5,210	7,635	141,154	8,533	35,289	71.87	2,735	40,359
Delaware.....	4,615	2.2	672	925	22,053	1,620	5,523	71.06	947	20,356
District of Columbia.....	6,271	2.3	834	1,370	22,490	2,703	8,153	83.37	760	44,871
Florida.....	41,600	1.8	6,343	9,545	119,183	5,546	23,296	62.33	3,159	361,506
Georgia.....	23,615	1.6	3,021	4,837	56,526	4,482	21,632	54.40	2,917	460,667
Hawaii.....	12,631	4.2	1,936	3,674	36,974	2,622	9,244	72.67	789	19,425
Idaho.....	5,755	2.0	1,252	1,337	16,691	855	3,923	57.26	489	54,143
Illinois.....	86,291	2.3	15,227	19,116	285,411	18,459	71,325	66.75	6,508	475,401
Indiana.....	82,351	1.9	8,635	7,704	126,093	6,101	31,523	49.35	6,235	378,751
Iowa.....	8,956	1.0	1,194	1,833	27,473	1,623	6,868	61.65	774	118,991
Kansas.....	9,855	1.7	1,180	2,227	37,329	2,294	9,332	61.46	1,035	124,485
Kentucky.....	17,074	2.1	2,433	4,414	69,362	3,703	14,841	67.63	1,608	210,832
Louisiana.....	28,909	3.0	3,390	6,643	95,362	5,369	24,591	64.59	2,272	129,298
Maine.....	9,712	3.5	1,697	2,414	35,059	1,752	8,765	82.94	1,311	26,633
Maryland.....	24,531	2.2	3,637	5,315	75,353	4,730	19,496	61.71	1,392	162,747
Massachusetts.....	92,443	4.7	10,393	15,160	330,339	22,116	82,555	68.58	9,946	195,243
Michigan.....	131,154	4.8	14,544	21,094	436,412	29,377	114,611	64.32	11,671	500,632
Minnesota.....	26,631	2.3	3,223	5,295	67,651	5,359	21,913	62.05	3,249	66,335
Mississippi.....	8,661	1.6	1,370	2,328	24,110	873	6,020	41.17	546	120,408
Missouri.....	35,210	2.5	6,433	9,189	126,611	6,773	31,403	56.54	2,802	239,020
Montana.....	5,230	3.1	778	971	16,554	916	4,120	52.53	658	19,853
Nebraska.....	6,227	1.5	908	1,664	22,203	1,232	5,551	56.02	767	58,269
Nevada.....	8,180	4.1	1,668	2,295	32,237	2,140	8,059	67.14	906	29,672
New Hampshire.....	4,936	2.0	671	2,039	18,908	1,003	4,737	68.31	2	63,069
New Jersey.....	110,263	4.8	14,426	26,614	420,400	29,363	105,100	73.04	11,540	120,442
New Mexico.....	5,837	3.6	1,170	1,591	26,769	1,811	6,690	80.40	811	42,566
New York.....	226,954	3.8	33,395	37,577	810,005	49,093	302,726	61.51	15,504	1,372,224
North Carolina.....	22,748	1.3	4,181	6,728	85,300	3,413	20,825	42.84	1,181	546,968
North Dakota.....	2,077	1.6	227	401	7,650	462	1,913	53.14	291	17,173
Ohio.....	52,413	1.8	5,560	12,168	217,161	15,679	84,288	72.98	4,177	772,881
Oklahoma.....	15,769	2.3	2,194	3,611	61,916	2,390	12,970	66.32	1,378	61,806
Oregon.....	25,952	3.9	4,046	4,474	82,810	4,356	29,703	53.09	2,052	113,947
Pennsylvania.....	132,109	3.4	20,246	25,320	473,549	31,458	118,387	71.59	5,737	565,952
Puerto Rico.....	149,364	1.8	4,715	8,047	139,752	4,929	34,038	36.83	5,090	19,283
Rhode Island.....	19,424	4.2	2,649	2,889	45,159	2,933	11,290	65.61	1,412	24,569
South Carolina.....	15,283	1.9	2,604	3,143	47,457	2,399	11,359	53.44	1,045	259,720
South Dakota.....	1,535	1.3	237	428	5,765	273	1,441	49.46	142	22,822
Tennessee.....	24,355	1.9	3,024	5,377	90,060	3,842	20,015	48.84	2,228	316,100
Texas.....	31,949	4.9	5,113	7,358	104,471	5,295	29,118	61.57	3,414	343,375
Utah.....	7,457	2.4	928	1,673	24,171	1,403	6,043	58.55	651	51,002
Vermont.....	5,371	4.1	622	830	16,189	1,109	4,797	60.33	479	62,727
Virginia.....	11,157	2.8	1,772	2,370	38,166	2,106	9,512	84.67	957	247,881
Washington.....	35,996	5.8	8,990	9,920	170,020	10,874	44,755	63.05	4,912	—12,801
West Virginia.....	10,724	2.4	1,289	2,205	36,370	1,650	9,093	43.42	801	113,344
Wisconsin.....	26,196	1.8	3,494	5,050	82,616	5,931	20,654	65.85	1,859	300,949
Wyoming.....	816	1.9	100	172	2,647	143	662	51.75	69	25,732

<sup>1</sup> Workers reporting completing at least 1 week of unemployment.<sup>2</sup> Based on average covered employment for most recent 12-month period.<sup>3</sup> Notices filed by workers to indicate they are starting periods of unemployment. Excludes transitional claims.<sup>4</sup> Voided benefit checks and transfers under interstate combined-wage plan not deducted. Excludes payments made under temporary unemployment insurance provisions.<sup>5</sup> Includes dependents in States that provide such benefits.<sup>6</sup> Sum of balances in State clearing accounts, benefit-payment accounts, and State accounts in Federal unemployment trust fund.<sup>7</sup> Includes data under the Puerto Rican sugarcane workers' program for average insured unemployment and initial claims (sugarcane data not available for other items).

Source: Department of Labor, Manpower Administration, Office of Administration and Management, based on data submitted by State agencies.

TABLE 11.—Unemployment insurance: Selected data on State programs, 1940-74

[Excludes programs for Federal employees and for ex-servicemen; includes unemployment compensation for State and local government employees where covered by State law]

Period	Average weekly insured unemployment <sup>1</sup>		Initial claims (weekly average) <sup>2</sup>	Number of first payments	All types of compensated unemployment			Average weekly benefit for total unemployment <sup>4</sup>	Number of claimants exhausting benefits	Funds available for benefits, end of period <sup>5</sup> (in thousands)
	Number of workers <sup>3</sup>	Percent of covered employment <sup>3</sup>			Weeks compensated	Benefits paid (in thousands)	Average weekly number of beneficiaries			
1940.....	1,282,385	5.6	214,231	5,220,073	81,084,375	\$318,700	982,392	\$10.56	2,596,128	\$1,817,108
1945.....	589,110	2.1	116,332	2,361,190	24,173,769	445,366	494,996	18.77	254,271	6,914,009
1950.....	1,503,164	4.6	235,590	5,211,883	67,859,529	1,378,114	1,304,661	20.76	1,846,336	6,372,295
1955.....	1,253,836	3.6	225,861	4,507,894	56,099,729	1,350,268	1,099,466	23.04	1,272,232	8,263,850
1960.....	1,905,722	4.8	331,027	6,759,857	85,630,399	2,726,456	1,940,429	32.87	1,603,872	6,843,257
1961.....	2,290,311	5.6	349,745	7,066,467	104,217,226	3,422,698	2,004,177	33.60	2,370,833	5,302,038
1962.....	1,763,118	4.4	302,112	6,073,668	79,324,955	2,675,447	1,525,481	34.56	1,638,359	6,272,863
1963.....	1,805,816	4.3	297,099	6,040,535	80,137,101	2,774,668	1,541,093	35.28	1,568,558	6,646,314
1964.....	1,605,395	3.8	263,015	5,497,903	71,389,122	2,622,100	1,372,693	35.96	1,370,557	7,290,220
1965.....	1,327,629	3.0	231,632	4,813,229	58,813,298	2,166,024	1,181,025	37.19	1,035,977	8,357,350
1966.....	1,061,395	2.6	203,351	4,140,026	46,546,925	1,771,298	895,133	39.78	780,700	9,828,244
1967.....	1,204,507	2.6	228,126	4,628,083	52,902,553	2,062,338	1,017,356	41.25	897,403	10,778,158
1968.....	1,110,640	2.2	201,200	4,107,699	48,665,357	2,031,617	955,630	43.43	848,179	11,717,246
1969.....	1,101,429	2.1	199,693	4,213,803	47,948,702	2,127,677	922,503	46.17	811,532	12,637,503
1970.....	1,804,831	3.4	293,911	6,401,732	76,557,922	3,948,467	1,316,500	60.34	1,295,319	11,835,401
1971.....	2,150,473	4.1	294,945	6,540,358	94,312,380	4,957,026	1,818,700	54.02	2,008,700	9,703,424
1972.....	1,848,484	3.5	261,161	6,356,999	76,437,329	4,470,969	1,469,949	58.82	1,808,525	9,422,769
1973.....	1,632,312	2.7	246,535	6,267,153	71,301,417	4,007,561	1,371,181	58.93	1,494,753	11,943,767
1973										
June.....	1,383,638	2.4	203,974	332,938	5,082,110	284,639	1,210,028	58.12	118,764	10,410,075
July.....	1,504,776	2.5	274,848	451,996	5,290,471	296,334	1,202,380	57.42	118,891	10,183,376
August.....	1,486,215	2.4	211,814	504,787	5,532,086	316,321	1,229,843	57.46	123,839	10,578,212
September.....	1,269,186	2.1	183,690	293,453	4,407,888	245,345	1,101,072	58.19	99,759	10,813,466
October.....	1,288,561	2.4	209,719	336,048	4,923,126	280,717	1,070,245	58.97	110,868	10,806,459
November.....	1,502,333	2.4	265,532	374,799	5,005,290	289,379	1,127,560	59.61	110,109	11,078,884
December.....	1,922,028	3.1	394,821	496,222	5,725,280	335,897	1,363,162	60.40	111,933	10,963,767
1974										
January.....	2,560,788	4.1	446,370	1,031,213	9,485,192	570,769	2,062,216	62.28	146,800	10,450,128
February.....	2,630,177	4.2	338,725	790,285	8,920,745	553,267	2,230,187	63.35	128,517	10,419,828
March.....	2,502,167	4.0	293,199	634,223	9,818,262	593,946	2,268,233	63.85	146,742	10,727,721
April.....	2,317,096	3.5	285,963	499,789	8,897,834	535,622	2,022,340	63.62	167,285	10,073,299
May.....	1,933,754	3.0	230,860	434,443	7,967,038	486,403	1,731,965	62.69	177,686	11,172,371
June.....	1,834,106	2.9	268,663	370,222	6,292,696	383,362	1,573,174	62.50	159,185	10,969,841

<sup>1</sup> Beginning July 1963, includes Puerto Rican sugarcane workers' program.<sup>2</sup> Workers reporting completion of at least 1 week of unemployment.<sup>3</sup> Annual rates based on average covered employment in specified year; monthly rates on average for most recent 12-month period.<sup>4</sup> Notices filed by workers to indicate they are starting periods of unemployment. Excludes transitional claims.<sup>5</sup> Annual data, but not monthly data, adjusted to exclude voided benefit checks and transfers under interstate combined-wage plan. Through 1970,

includes payments under State (but not Federal) temporary extended unemployment insurance provisions; beginning 1971, excludes such payments.

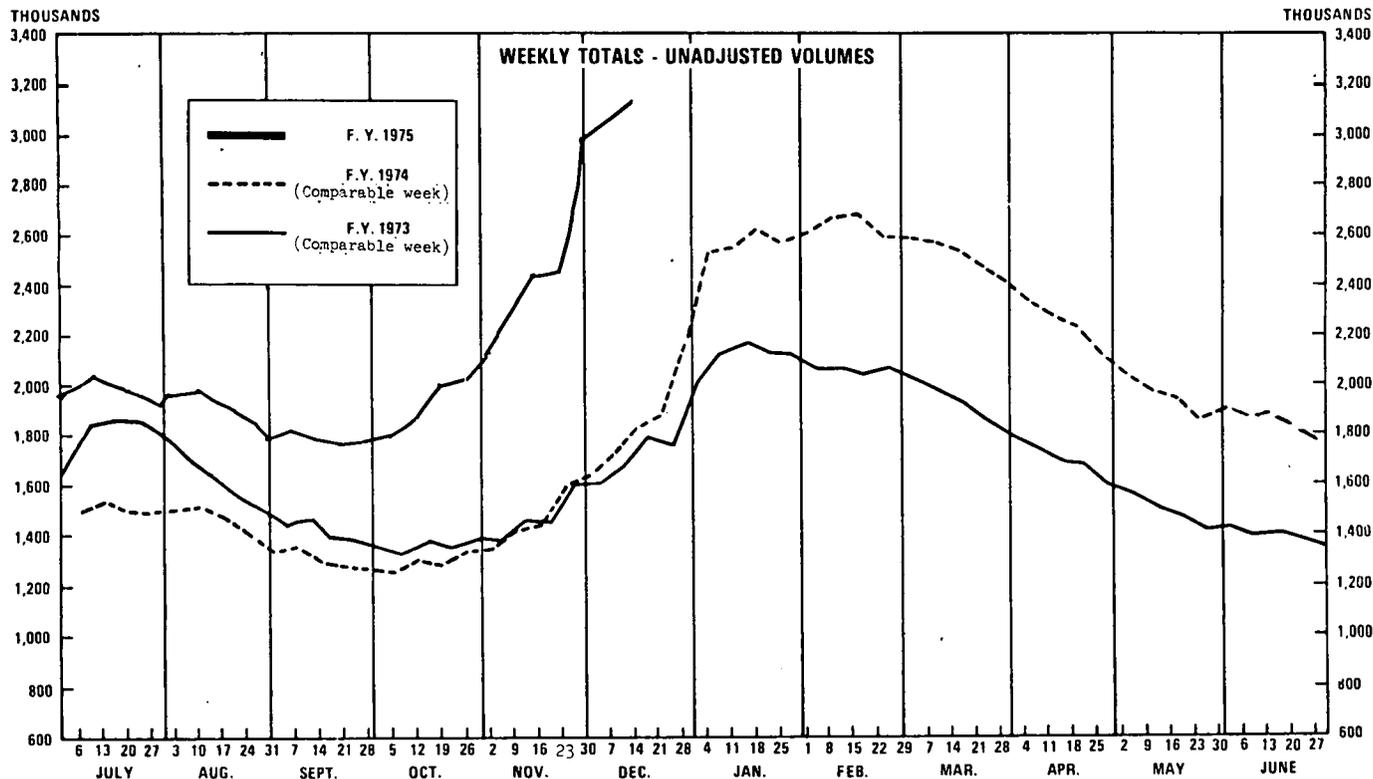
<sup>6</sup> Includes dependents' allowances in States that provide such benefits.<sup>7</sup> Sum of balances in State clearing accounts, benefit-payment accounts, and State accounts in Federal unemployment trust fund.<sup>8</sup> Excludes States for which data are not available.

Source: Department of Labor, Office of Administration and Management, based on data submitted by State agencies.

CHART 1

**STATE INSURED UNEMPLOYMENT**  
Fiscal Years 1973, 1974, and 1975

OAM  
December 14, 1974





# RAILROAD UNEMPLOYMENT INSURANCE

## BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To restore part of the wages lost by railroad workers because of involuntary unemployment or sickness.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—The Railroad Unemployment Insurance Act was enacted in 1938. Amendments in 1946 established a program of cash sickness benefits for railroad workers paralleling the unemployment benefits and financed from the same taxes. In 1948, the fixed employer contribution rate was replaced by a sliding scale of contribution rates, depending on the balance in the railroad unemployment insurance account. The maximum contribution rate has increased from 3 to 4 percent. The maximum daily benefit rate has increased from \$3 to \$12.70. A benefit rate guarantee was established in 1954 at 50 percent of the daily wage rate and has risen to 60 percent. The taxable earnings base has risen from \$300 to \$400 of each employee's monthly earnings. The base-year earnings needed by an employee to qualify for benefits has risen from \$150 to \$1,000.

**ADMINISTERING AGENCY.**—The program is administered by the Federal Railroad Retirement Board through regional and district offices.

**FINANCING.**—The program is financed by a payroll tax paid by railroad employers. The taxable earnings base is the first \$400 of each employee's monthly earnings. The contribution rate is determined from a schedule in the law and may vary from 1.5 to 4 percent. For any particular calendar year, the contribution rate depends upon the balance in the railroad unemployment insurance account, including the balance in the administration fund, on the preceding September 30:

Balance in railroad unemployment insurance account on Sept. 30 (in millions):	Rate for next calendar year (percent)
\$450 or more.....	1.5
\$400 but less than \$450.....	2.0
\$350 but less than \$400.....	2.5
\$300 but less than \$350.....	3.0
Less than \$300.....	4.0

Of each year's contribution receipts, 0.25 percent of taxable payroll is earmarked for administration. Annual appropriations from Congress are not required. Excess funds allocated but not needed for administration are transferred to the benefit account at the end of each fiscal year.

The Railroad Retirement Board has the authority to borrow from the railroad retirement account in order to insure the payment of all unemployment and sickness benefits when due. The Board repays money plus interest as soon as unemployment funds are available. Indebtedness to the railroad retirement account of \$314 million in June 1963, was liquidated in fiscal year 1974.

## Costs

<i>Fiscal year</i>	<i>Total benefits</i>	<i>Number of beneficiaries</i>
1973.....	\$73, 000, 000	121, 000
Estimated 1974.....	50, 000, 000	110, 000
Estimated 1975.....	69, 000, 000	150, 000

Estimated administrative costs in 1974 were \$6,600,000 or 11.7 percent of total program costs.

## ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—Must (1) be a railroad worker in covered employment, (2) be unemployed or unable to work because of illness or injury, (3) earn creditable compensation of at least \$1,000 in the base year, (4) have some employment in at least 7 months of the year if the base year is the first one in which the claimant has worked in the railroad industry, (5) be able to work and be available for work (unless sick or injured), (6) be registered at an unemployment office, and (7) be free of any disqualifications.

*Coverage.*—Covered employers include railroads engaged in interstate commerce, the REA Express, railroad associations, and national railway labor organizations. (See supplementary material.)

*Unemployment.*—A day of unemployment means a calendar day with respect to which no remuneration is payable or accrues to an employee. Any calendar day on which no remuneration is payable or accrues solely because of mileage or work restriction agreements or because the employee is standing by or laying over between regularly assigned trips or tours is not considered a day of unemployment.

*Sickness.*—A day of sickness means a calendar day with respect to which no remuneration is payable or accrues to an employee and for which he has filed a statement of sickness.

Maternity benefits are no longer payable as such. A qualified woman employee may receive sickness benefits if she is unable to work or if working would be injurious to her health because of pregnancy, miscarriage, or childbirth.

*Disqualifications.*—A claimant for unemployment benefits is disqualified for 30 days if, without good cause, he (1) refuses to accept suitable work, or (2) fails to follow instructions from the Board to apply for work or to report to an employment office. If, without good cause, the claimant does not comply after the 30 days, he is again disqualified.

A claimant who leaves work voluntarily without good cause is disqualified until after he has returned to railroad employment and been paid at least \$1,000.

A claimant is disqualified for any day of unemployment due to a strike begun in violation of the Railway Labor Act or of the rules and practices of a labor organization of which he is a member.

A claimant is disqualified for 75 days if he makes a false or fraudulent statement or claim in order to get unemployment or sickness benefits (flagrant offenses are subject to a fine or imprisonment).

A claimant who is paid a separation allowance is disqualified for both unemployment and sickness benefits for the number of consecutive 14-day periods most nearly equal to the allowance divided by his usual earnings in a 14-day period.

**PERSONS INCLUDED.**—Eligible railroad employees.**INCOME TEST**

*Income limits.*—There is no income limit as such. Earnings from employment are considered in determining whether an individual is unemployed. Generally, a person is unemployed in a day in which he earns no more than \$3 at less than full-time work which does not interfere with holding full-time employment in another job.

*Treatment of unearned income.*—In relation to the payment of benefits, no day may be considered a day of unemployment or sickness if employment or sickness benefits have been or will be paid for that day under any other law. If certain other types of benefits are payable, railroad unemployment and sickness benefits may be paid to the extent that they exceed the other benefits for the same days. These "other types of benefits" include monthly payments under the Railroad Retirement Act, the Social Security Act, or any other special insurance law, and benefits for total disability under a workmen's compensation law. Receipt of unemployment or sickness benefits under a nongovernmental insurance plan or of a supplemental annuity under the Railroad Retirement Act has no effect on payments under the Railroad Unemployment Insurance Act (see table 1).

TABLE 1.—TREATMENT OF INCOME UNDER RAILROAD UNEMPLOYMENT INSURANCE (RUI) PROGRAM

Sources of income	In determining eligibility for and amount of RUI benefits, current income is taken into account as follows—	
	Income considered	Income not considered
<b>I. Income of recipient:</b>		
(a) From gross earnings.....	× <sup>1</sup>	
(b) From property income.....		×
(c) From public transfers:		
(i) Railroad retirement.....	× <sup>2</sup>	
(ii) Social security.....	× <sup>2</sup>	
(iii) Special unemployment insurance.....	× <sup>2</sup>	
(iv) Workman's compensation.....	× <sup>2</sup>	
(v) Other.....		×
(d) From private transfers.....		×
Uses of income: Uses of income by recipients have no direct effect on RUI eligibility or benefit levels.		

<sup>1</sup> Earnings above \$3 per day disqualify the recipient from benefits for that day.

<sup>2</sup> Railroad unemployment benefits decline \$1 for each \$1 received for that day from railroad retirement, social security, other unemployment insurance, or workman's compensation.

*Accounting period.*—Payments are made for days of unemployment or sickness in a benefit year, a 12-month period which begins July 1. There is no waiting period for unemployment; for sickness there is a 7-day waiting period. Benefits are payable on a daily basis for days of unemployment or sickness in excess of 4 within a 2-week registration period. A registration period is a period of 14 days, beginning with the first day claimed by the employee or the first day claimed after the end of a preceding registration period.

**ASSETS TEST.**—There is none.

**OTHER CONDITIONS FOR ELIGIBILITY**

*Work requirements.*—A claimant for unemployment benefits must be able to work and be available for work. A claimant is disqualified for 30 days if, without good cause, he (1) refuses to accept suitable

work or (2) fails to follow instructions from the Board to apply for work or to report to an employment office.

*Acceptance of training or rehabilitation.*—There is no requirement. A claimant is still considered as available for work if he is taking training covered by the provisions of the Manpower Development and Training Act of 1962.

*Citizenship requirement.*—There is none.

*Lien, recovery or assignment.*—If an employee is awarded damages or receives a settlement because of an injury, any sickness benefits already paid for the same injury may be recovered and any benefits due for later periods may be withheld. The amount recoverable or withheld in such cases cannot exceed the net amount of the damages or settlement after medical and legal expenses have been deducted.

*Residence requirement.*—There is none.

## BENEFITS AND SERVICES

### CASH BENEFITS

*Primary determinants of amount of benefit.*—The amount of the benefit depends upon the claimant's daily benefit rate and the number of days for which he can be paid benefits. In each registration period (14 days) a claimant can be paid for up to 10 days of unemployment. For sickness a claimant can be paid up to 7 days in his first claim period in each benefit year and for up to 10 days in later claim periods. The benefit rate is determined by either (1) his total taxable compensation in the base year, using a schedule in the law, or (2) the daily rate of pay for his last base-year employment. (See supplementary material for compensation schedule for determining amount of benefit.) If the benefit rate as shown in the schedule is less than 60 percent of the claimant's daily rate of pay, it is increased to 60 percent, subject to a daily maximum benefit of \$12.70. Days of unemployment and days of sickness may not be combined in computing benefits for a registration period, but receipt of one type of benefit has no effect on later eligibility or on the amount of benefits of the other type. Normal unemployment and sickness benefits may each be paid for a maximum of 130 compensable days (26 weeks) in a benefit year. However, the total amount of benefits of each type may not exceed the employee's creditable earnings in the base year.

A claimant who exhausts his normal benefits is eligible for extended benefits if he (1) has 10 or more years of service, (2) has not voluntarily retired, (3) has not left work voluntarily without good cause, and (4) in the case of sickness benefits, has not attained age 65. An extended benefit period begins with an eligible employee's first day of unemployment or sickness after he has exhausted normal benefits. For an employee with 10 to 14 years of service, the extended period continues for 14 consecutive weeks, and he may be paid up to a maximum of 65 days (\$825.50). For an employee with 15 or more years of service, the extended period continues for 26 consecutive weeks, and he may be paid for up to 130 days (\$1,650). An employee may receive sickness benefits in a benefit period extended for unemployment or unemployment benefits in a benefit period extended for sickness, and it is possible to have benefit periods extended for both unemployment and sickness with respect to the same benefit year.

*Relationship of benefit amount to family size.*—There is none.

*Relationship of benefit amount to place of residence.*—There is none.  
OTHER SERVICES PROVIDED.—A free employment placement service.

## SUPPLEMENTARY MATERIAL

### EMPLOYMENT AND EMPLOYEES COVERED BY RAILROAD UNEMPLOYMENT INSURANCE

The coverage of the Railroad Unemployment Insurance Act is identical to that of the Railroad Retirement Act. Service performed by an employee for a covered employer or by an employee representative in the railroad industry is covered. "Covered employers include interstate railroads and their affiliates engaged in railroad-connected operations, as well as employer associations and national railroad labor organizations and their subordinate units. Railroads which conduct the principal part of their business within the United States are covered employers also with respect to service performed by their employees outside the United States. However, service of employees of the Canadian National and Canadian Pacific Railways is covered only when performed in the United States." Railroad Retirement Board, "Handbook on Railroad Retirement 1971."

An individual is in the service of an employer whether his service is rendered within or without the United States if (i) he is subject to the continuing authority of the employer to supervise and direct service, or he is rendering professional or technical service and is integrated into the staff of the employer, or he is rendering, on the property used in the employer's operations, other personal services the rendition of which is integrated into the employer's operations, and (ii) he renders such service for compensation.

However, an individual is deemed to be in the service of an employer, other than a local lodge or division or a general committee of a railway-labor-organization employer, not conducting the principal part of its business in the United States only when he is rendering service to it in the United States.

An individual who is not a citizen or resident of the United States shall not be deemed to be in the service of an employer when rendering service outside the United States to an employer who is required under the laws applicable in the place where the service is rendered to employ therein, in whole or in part, citizens or residents thereof.

### COMPENSATION SCHEDULE FOR DETERMINING AMOUNT OF BENEFIT

The schedule in the law is as follows:

Taxable base-year earnings:	<i>Daily benefit rate</i>
\$1,000 to \$1,299.99	\$8. 00
\$1,300 to \$1,599.99	8. 50
\$1,600 to \$1,899.99	9. 00
\$1,900 to \$2,199.99	9. 50
\$2,200 to \$2,499.99	10. 00
\$2,500 to \$2,799.99	10. 50
\$2,800 to \$3,099.99	11. 00
\$3,100 to \$3,499.99	11. 50
\$3,500 to \$3,999.99	12. 00
\$4,000 and over	12. 70

## TRADE READJUSTMENT ALLOWANCES (TRA)

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To provide allowances to workers who are unemployed or underemployed because of the adverse effect of increased imports resulting from trade agreement concessions.

**DATE ENACTED.**—The current program is authorized under the Trade Act of 1974. The program was initially authorized in 1962 under the Trade Expansion Act.

**ADMINISTERING AGENCY.**—The Department of Labor through State employment security agencies.

**FINANCING.**—States are responsible for meeting the costs of benefits for which workers would be eligible under existing State unemployment insurance. Benefit amounts over and above that level are paid by the Federal Government out of general revenues.

<i>Calendar year</i>	<i>Costs</i>	<i>Total benefits (in thousands)</i>	<i>Number of beneficiaries</i>
1972-----		\$12, 110	5, 503
1973-----		17, 236	8, 882
1974 estimated-----		8, 200	4, 000

### ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—(1) The individual's unemployment or underemployment must have begun (a) on or after the date certified as the beginning of the import-caused unemployment affecting his group, (b) within a 2-year period following the date of certification for his group, and (c) before the termination date (if any) of such certification. (2) The individual must have been employed at a minimum of \$30 per week by an import-affected firm for at least 26 of the 52 weeks immediately preceding total or partial separation. (3) An individual must have been totally separated from his employment or partially separated—that is, the individual's hours of work must have been reduced to 80 percent or less of his average weekly hours of work and his wages must have been reduced to 80 percent or less of his average weekly wages.

Eligibility determinations are initiated when a group of workers from a firm or their authorized representative petition the Secretary of Labor for a determination of eligibility to apply for adjustment assistance. The Secretary will certify a group of workers as eligible to apply for adjustment assistance if he determines—(1) that a significant number or proportion of the workers in a firm have become totally or partially separated, or are threatened to become totally or partially separated, (2) that sales or production of the firm have decreased, and (3) that increases of imports of articles like or directly competitive with articles produced by the workers' firm contributed importantly to

such total or partial separation or threat of separation and to the decline in sales or production.

**PERSONS INCLUDED.**—Eligible persons are included in the program.

### INCOME TEST

*Income limits.*—The earnings plus unemployment insurance, trade readjustment allowance, and training allowance of the affected worker must not exceed 80 percent of his previous average weekly wage (or 130 percent of the average weekly manufacturing wage if less).

*Treatment of income.*—The trade allowance is reduced (1) by 50 percent of the amount of remuneration for services performed during the week, and (2) by 100 percent of the amount of Federal-State unemployment compensation (UC) or training allowance the individual has received or is seeking for the week. If the total amount payable (from UC, training allowances, remuneration for services performed, and trade readjustment allowances) to a worker for a week exceeds 80 percent of his average weekly wage, his trade readjustment allowance for the week is reduced by the amount of excess (see table 1).

TABLE 1.—TREATMENT OF INCOME UNDER TRADE READJUSTMENT ALLOWANCES (TRA) PROGRAM

Sources of income	In determining eligibility for and amount of TRA benefits, current income is taken into account as follows—	
	Income considered	Income not considered
<b>1. Income of recipient:</b>		
(a) From gross earnings.....	X <sup>1</sup>	
(b) From property income.....		X
(c) From public transfers:		
(i) Unemployment compensation.....	X <sup>2</sup>	
(ii) Training programs.....	X <sup>2</sup>	
(iii) Other.....		X
(d) From private transfers.....		X
Uses of income	The current income considered for purposes of eligibility and benefit determination may be reduced through deductions for certain expenses, as follows—	
	Deducted	Not deducted
1. Training expenses.....	X <sup>3</sup>	
2. Transportation expenses.....	X <sup>4</sup>	
3. Relocation expenses.....	X <sup>5</sup>	

<sup>1</sup> Benefits decline by 50 cents for each dollar of gross earnings. Further, the trade allowance plus earnings cannot exceed 80 percent of the previous average weekly wage.

<sup>2</sup> Benefits decline by \$1 for each dollar of UC and training allowances.

<sup>3</sup> Subsistence benefits to a maximum of \$15 per day are available to those engaged in training programs.

<sup>4</sup> Reimbursements for transportation to training facilities outside commuting range are available at the rate of 12 cents per mile.

<sup>5</sup> Relocation allowances on a lump-sum basis are payable to a totally separated worker, who has no reasonable expectation of securing work in the area in which he lives, who has a bona fide offer of work which is neither seasonal nor temporary, in the area in which he desires to locate.

*Accounting period.*—The accounting period for this program is weekly.

**ASSETS TEST.**—There is none.

## OTHER CONDITIONS

*Work requirement.*—Provisions of the unemployment insurance law of the TRA-paying State regarding the worker's availability for work and conditions leading to disqualification from benefits apply to any worker who files a TRA claim. (See section on the Federal-State unemployment compensation system for further information.)

*Acceptance of training or rehabilitation.*—An individual who, without good cause, refuses to accept or continue, or fails to make satisfactory progress in suitable training to which he has been referred by the State agency is disqualified from receiving TRA payments.

*Citizenship.*—There is no requirement.

*Residence requirement.*—The paying State is the State under which the individual is entitled to unemployment insurance or if he is not entitled to unemployment insurance, the State in which he was last totally or partially separated from adversely affected employment. Once determined, the paying State remains the same unless the claimant subsequently becomes eligible for unemployment insurance in another State, or unless he subsequently has another total or partial separation from adversely affected employment in another State.

## BENEFITS AND SERVICES

### CASH BENEFITS

*Primary determinants of amount of benefit.*—The weekly allowance equals 70 percent of an individual's average weekly wage but not in excess of the average weekly manufacturing wage.<sup>1</sup> In December 1974 the maximum allowance was \$108 per week.<sup>2</sup> The average weekly wage is one-thirteenth of the individual's total high quarter wages. The high quarter is that quarter among the first four of the last five completed calendar quarters in which the individual's total wages were highest.

*Reduced trade readjustment allowance.*—The trade allowance is reduced (1) by 50 percent of the amount of remuneration for services performed during the week, and (2) by 100 percent of the amount of unemployment insurance or training allowance the individual has received or is seeking for the week.

*Allowances are payable up to 52 weeks.*—A worker 60 years of age or older who has been separated from adversely affected work may receive up to 26 additional weeks of allowances. Up to 26 additional weeks of benefits may be paid to permit the completion of approved training if the training begins before the end of the 52-week period. The maximum weeks of TRA entitlement are reduced 1 week for each week in which the individual has received unemployment insurance or training allowances under any Federal law. In 1973, the average weekly benefit was \$55, and benefits were received for an average duration of 35 weeks.

*Other benefits.*—Supplemental benefits include subsistence and transportation allowances related to training and job search and relocation allowances. An adversely affected worker may receive

<sup>1</sup> The average weekly manufacturing wage is the national gross average weekly earnings of production workers in manufacturing industries for the latest calendar year as officially published annually by the Bureau of Labor Statistics of the Department of Labor and which is most recently published before the period for which assistance is furnished.

<sup>2</sup> Based on national average weekly earnings in 1973 of \$165.65.

subsistence and transportation allowances while attending training to which he has been referred if such training is conducted at a facility which is not within commuting distance of his residence and if he is not receiving such assistance under another Federal law. The maximum rate of subsistence pay is \$15 per day. The transportation rate is 12 cents per mile.

Job search allowances of up to 80 percent of expenses or a maximum of \$500 may be granted to assist an adversely affected worker in securing a job in the United States if the worker has no reasonable expectation of securing suitable employment in the commuting area in which he resides.

Relocation allowances of up to 80 percent of expenses or a maximum of \$500 are payable to a totally separated worker, who has no reasonable expectation of securing work in the area in which he lives, and who has a bona fide offer of work, which is neither seasonal nor temporary, in the area in which he wishes to locate. Relocation allowances consist of a lump-sum payment and expenses incurred in moving the worker, his family, and household effects to the location of his new job.

**OTHER SERVICES PROVIDED OR AVAILABLE.**—Counseling, testing, training, referral service, and placement service are provided to recipients.

# COMPENSATION TO VETERANS WITH A SERVICE CONNECTED DISABILITY

## BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To compensate veterans for disabilities incurred because of military service.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—This program derives from the War Risk Insurance Act of 1917. Since 1958 benefits have been raised six times, increasing payments for a veteran with a 100-percent disability and no dependent by 160 percent, as follows: \$225 per month in 1958, \$250 in 1962, \$300 in 1965, \$400 in 1970, \$495 in 1972, and \$584 in 1974. An amendment effective in 1973 equalized compensation rates for disabilities incurred in wartime<sup>1</sup> and in peacetime.<sup>2</sup> Previously rates had been 20 percent lower for peacetime disabilities.

**ADMINISTERING AGENCY.**—The Veterans' Administration, Department of Veterans Benefits, through regional offices.

**FINANCING.**—Open-ended Federal appropriations that provide for direct payment to beneficiaries.

### *Costs and caseloads*

<i>Fiscal year</i>	<i>Benefit costs</i>	<i>Number of veteran beneficiaries (monthly average)</i>
1973.....	\$3, 113, 133, 000	2, 192, 423
Estimated 1974.....	3, 172, 909, 000	2, 200, 024
Projected 1975.....	3, 183, 368, 000	2, 197, 120

Administrative costs (chiefly salaries) were estimated at \$23,431,000 in fiscal year 1973, \$24,384,000 in fiscal year 1974, and are projected at \$25,295,000 in fiscal year 1975.

In June 1974, benefits were paid to 2,210,756 disabled veterans and 731,407 dependents of disabled veterans (of whom 335,385 were wives, 379,902 children, 13,131 dependent mothers, and 2,989 dependent fathers). The total number of veterans in civilian life in June 1974 was 29,265,000, of whom 7.5 percent received disability compensation. It is not known how many other veterans qualified but did not apply for these benefits.

### ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—A veteran must have contracted a disease, suffered a nonmisconduct injury, or aggravated an existing disease or injury, in the line of active duty, and have been discharged under conditions other than dishonorable. Drug addiction as a primary condition is not considered a service-connected disability by this program.

<sup>1</sup> Wartime duty: the Mexican border period, the Spanish-American War, World Wars I and II, the Korean conflict, and the Vietnam era.

<sup>2</sup> Peacetime service: periods from July 5, 1902, through May 8, 1916; Nov. 12, 1918, through Dec. 6, 1941; Jan. 1, 1947, through June 26, 1950; and Feb. 1, 1955, through Aug. 4, 1964.

**PERSONS INCLUDED.**—Eligible veterans and dependents (wife, including dependent husband;<sup>3</sup> child under 18 years of age; child over 18 who became disabled before age 18; child under age 23 and pursuing his education at an accredited institution; dependent parents).

**INCOME TEST.**—None for a veteran, his wife, and his children. The income of parents is considered in determining their eligibility as dependents (see section on Dependency and Indemnity Compensation).

**ASSETS TEST.**—None.

#### OTHER CONDITIONS

*Work requirements.*—The employment of a veteran and his dependents has no direct bearing on eligibility.

*Acceptance of training or rehabilitation.*—There is no requirement, but services are available to veterans.

*Citizenship.*—No requirement.

*Lien, recovery, assignment or relative responsibility.*—No provisions.

*Institutional status.*—Compensation in excess of \$30 per month for a veteran with no dependents is reduced on the first day of the seventh month of institutionalization to \$30 per month or 50 percent of the benefit amount otherwise payable, whichever is greater, unless the veteran is hospitalized for Hansen's disease or imprisoned in a penal institution—in both of which cases full benefits continue. If the institutionalized veteran has a wife or children, benefits ordinarily paid to him continue without reduction.

*Residence requirements.*—None.

*Examination and reexamination.*—At least one physical examination must be made of each veteran receiving compensation. In prestabilization cases an examination must be conducted within 12 months after the veteran's discharge. Following the initial examination, reexamination in nonstatic cases is scheduled in 2 to 5 years. If, after initial reexamination, the case is determined to be static, no further examination is required. Changes in the degree of disability result in changes in benefit amounts.

### BENEFITS AND SERVICES (AS OF JANUARY 1975)

**NATURE OF CASH BENEFITS.**—Cash.

*Primary determinants of amounts of benefits.*—The amount of benefit is determined by: (1) Percentage of disability based on the average impairment that such disability would cause in a civilian occupation; (2) marital status and sex of spouse; (3) number of entitled children; (4) dependency of parents (defined by income criteria); (5) need for special care and attendance; and (6) certain anatomical losses or loss of use of limbs or bodily functions.

*Relationship of benefit amount to family size.*—Benefits are extended for wives, children, or dependent parents only if the veteran is entitled to compensation for a disability rated 50 percent or greater. See "Amount of benefits" below for dependents' allowances. When a dependent is lost because of marriage, divorce, or death, the benefit is not reduced until the end of the calendar year.

<sup>3</sup> The term "wife" includes the husband of any female veteran if such husband is incapable of self-maintenance and permanently incapable of self-support because of physical or mental disability. Wives of eligible male veterans need meet only the valid marital relationship.

*Relationship of benefit amount to place of residence.*—Benefits are uniform throughout the 50 States and in the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

*Relationship of benefit amount to cost of living.*—The legislation provides no automatic adjustments for higher living costs, but Congress periodically increases benefits.

*Amount of benefits.*—Benefits range from \$32 per month for a 10-percent disability to \$584 for a total disability. Total disability does not mean that a veteran cannot work, only that his disability would totally impair the average man.

Benefit payments may be raised for a veteran who suffers anatomical loss or loss of use or function, such as loss of a limb, vision, hearing, or loss of a creative organ. An additional \$52 per month for each loss may be given up to a total of \$727 per month, unless the veteran suffers from legislatively specified combinations of such disabilities, in which case the veteran may receive benefits up to a total of \$1,454 per month.

For dependents of veterans with a 100-percent disability, the veteran's monthly benefit is increased as follows: (1) Wife, \$36; (2) wife plus children, from \$61 for a wife with one child to \$95 for a wife and three children, plus \$17 for each child after the third child; (3) children of the veteran where there is no wife, from \$24 for one child to \$61 for three children, plus \$17 for each after the third child; (4) dependent parents, \$29 for each dependent parent; and (5) children 18 to 23 years of age attending an accredited educational institution, \$55 for each child.

For dependents of veterans whose disability is partial, but at least 50 percent, these allowances are reduced to reflect the degree of disability.

In June 1973, 79 percent of veteran beneficiaries had rated disabilities of less than 50 percent. The average monthly payment to these veterans was \$50.30. The average monthly payment to veterans whose disability was rated at least 50 percent was \$362.97, including dependents' allowances. Annual disability compensation payments per case, including dependents' allowances, averaged \$1,420 in fiscal year 1973 and were estimated at \$1,442 in fiscal year 1974 and projected at \$1,449 for fiscal year 1975.

*Perspectives on benefit amounts.*—A veteran with a 10-percent disability and no dependents would receive \$384 annually in veterans' compensation, 83 percent below the poverty level for a single person. If the disability were measured at 100 percent, the same veteran would receive \$7,008, more than triple the poverty level, without regard to any other income. With a wife and two children, a veteran with a 100-percent disability would receive \$7,932, 75 percent above the poverty level. Veterans' benefits are not subject to income tax.

**OTHER SERVICES PROVIDED OR AVAILABLE.**—All veterans with service-connected disabilities become eligible for free hospitalization, nursing home care, domiciliary and restoration center care, outpatient services, prosthetic appliances (and an annual \$150 clothing allowance if the prosthetic or orthopedic device including a wheelchair, tends to wear out or tear clothing,<sup>4</sup> rehabilitation services for themselves, their wives,

<sup>4</sup> This clothing allowance was enacted in 1972 and \$7.1 million was spent for the purpose in fiscal year 1973, its first year.

and their children. The wife and child of a totally disabled veteran also are eligible for medical care from the Veterans' Administration unless they have entitlement under CHAMPUS (Civilian Health and Medical Program of the Uniformed Services) or medicare. All veterans are eligible for housing programs, and special housing benefits are available for disabled veterans (see section on "Housing Benefits for Veterans"). All veterans are eligible for preference in Federal employment. Certain disabled veterans also may receive assistance in buying automobiles with adaptive equipment, and guide dogs are available to blind beneficiaries.

## SUPPLEMENTARY MATERIAL

### *Disability compensation schedule for veterans with no dependents*

Where the disability is rated:	Compensation (monthly)
10 percent.....	\$32
20 percent.....	59
30 percent.....	89
40 percent.....	122
50 percent.....	171
60 percent.....	211
70 percent.....	250
80 percent.....	289
90 percent.....	325
100 percent.....	584

### DISABILITY COMPENSATION—ADDITIONS FOR DEPENDENTS

Dependents	Monthly compensation by percentage rate of disability						
	100	90	80	70	60	50	40-0
Compensation:							
Wife and no child.....	\$36	\$32	\$29	\$25	\$22	\$18	.....
Wife with 1 child.....	61	55	49	43	37	31	.....
Wife and 2 children.....	77	69	62	54	46	39	.....
Wife and 3 children <sup>1</sup> .....	95	86	76	67	57	48	.....
No wife, but 1 child.....	24	22	19	17	14	12	.....
No wife, but 2 children.....	41	37	33	29	25	21	.....
No wife, but 3 children <sup>1</sup> .....	61	55	49	43	37	31	.....
Dependent parents <sup>2</sup> .....	29	26	23	20	17	15	.....

<sup>1</sup> Plus \$17 for each additional child.

<sup>2</sup> Each.

# DEATH COMPENSATION AND DEPENDENCY AND INDEMNITY COMPENSATION TO SURVIVORS OF VETERANS FOR SERVICE-CONNECTED DEATHS

## BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To compensate surviving widows,<sup>1</sup> children, and dependent parents for the death of a veteran from service-connected causes.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—Two programs exist to compensate survivors of veterans whose death was service-connected: Death compensation, enacted in 1917, and dependency and indemnity compensation (DIC), enacted in 1956. Dependents eligible for compensation for deaths prior to 1957 may elect to receive death compensation benefits, but for widows and children DIC generally is more advantageous, and the death compensation program is rarely chosen by them.

The basic differences between the two programs are as follows:

DEATH COMPENSATION	DEPENDENCY AND INDEMNITY COMPENSATION
Available only to survivors of veterans who died before Jan. 1, 1957. <sup>1</sup>	Available to survivors of all veterans, regardless of date of death.
Pays flat rate compensation unrelated to pay grade of the deceased veteran.	Pays compensation based on the pay grade of the deceased veteran.

<sup>1</sup> Plus survivors of veterans who died on or after Apr. 30, 1957, and before Jan. 1, 1972, holding a policy of Government life insurance under an inservice waiver of premiums. These persons, like survivors of veterans who died before 1957, may choose death compensation or DIC. For some parents, death compensation is more generous than DIC.

In 1969 basic rates of DIC for widows were established, replacing individual computations. The minimum basic monthly rate for a widow without children was raised from \$167 in 1969 to \$184 in 1972 and \$215 in 1974. In the same period the minimum basic monthly rate for a single dependent parent was raised from \$87 to \$110, and in 1975 in basic monthly rate for a single parent was raised to \$123. Amendments in 1969 and 1971 established a special allowance for widows and dependent parents, respectively, who require regular care and attendance. DIC amendments effective in 1974 raised benefits—including the aid and attendance allowance—and equalized compensation for wartime and peacetime deaths (previously compensation for peacetime deaths that occurred before 1957 was 20 percent below that for wartime deaths).

<sup>1</sup> The term "widow" means a person whose marriage to a veteran is valid and who was the lawful spouse (male or female) of a veteran at the time of the veteran's death. The term includes the widower of any female veteran if such widower is incapable of self-maintenance and was permanently incapable of self-support because of physical or mental disability at the time of the veteran's death. Widows need not meet the requirement of incapacity for self-maintenance. A remarried widow may be eligible if the remarriage was void, has been annulled, or terminated in death or divorce.

ADMINISTERING AGENCY.—The Veterans Administration, Department of Veterans Benefits, through regional offices.

FINANCING.—Open-ended Federal appropriations that provide for direct payments to beneficiaries.

### Costs and caseloads

<i>Fiscal year</i>	<i>Amount of benefits</i>	<i>Number of veterans whose survivors were aided (monthly average)</i>
1973.....	\$737, 343, 000	374, 575
Estimated 1974.....	747, 224, 000	374, 594
Projected 1975.....	760, 400, 000	374, 672

Administrative costs (chiefly salaries) were estimated at \$3,814,000 in fiscal year 1973, \$3,970,000 in fiscal year 1974, and are projected at \$4,118,000 in fiscal year 1975.

In June 1974 survivors' compensation was paid to 506,073 persons—203,175 widows, 117,190 children, and 185,708 dependent parents. Of these, only 239 widows and 54 children, but more than 116,000 parents, chose death compensation benefits rather than DIC payments.

### ELIGIBILITY CRITERIA

MAJOR ELIGIBILITY CONDITIONS.—A beneficiary must be a widow (including widower who is incapable of self-maintenance and permanently incapable of self-support), a child, or a dependent parent of a veteran whose death was due to service.

PERSONS INCLUDED.—Eligible widow or widower, children (under 18 years of age, disabled before age 18, or under 23 years of age if attending an accredited educational institution), or dependent parents (defined by monthly income under the death compensation law and by annual income criteria under DIC).

INCOME TEST.—None for widows or children. Benefits for parents are income-tested.

*Income limits.*—Income limits for eligibility apply to dependent parents. Under death compensation, dependency is presumed for dependent parents if counted income does not exceed \$105 per month for a mother or father not living together; \$175 per month for a mother and father, or remarried parent and spouse, living together; and \$45 per month for each additional dependent of the parents. A parent with higher income may nevertheless qualify for benefits if he or she is determined not to have enough income for "reasonable maintenance."

DIC imposes these annual limits on countable income of dependent parents: (1) Single parent, \$3,000; (2) parents living separately, \$3,000 each; (3) parents living together, \$4,200 combined; and (4) remarried parent who lives with his spouse, \$4,200 combined.

*Definition of income.*—Countable income of dependent parents is shown below. Excluding (not counting) income is, in effect, to subject it to a zero benefit-loss rate for persons otherwise eligible. Note that public assistance and private charity benefits are excluded, and retirement, disability, and survivors' benefits are counted at 90 percent of their face value. Once countable income is determined it offsets maximum benefits payable at rates specified under "Treatment of Income" below.

	Death compensation	Death and indemnity compensation
<b>Income of dependent parents:</b>		
(a) Earnings.....	Included.....	Included.
(b) Investments.....	Included except for insurance dividends.	Included except for insurance dividends and capital gains on property sale.
(c) Gifts and inheritances.....	Included.....	Included.
(d) Welfare:		
(i) Public assistance.....	Excluded.....	Excluded.
(ii) VA pensions.....	do.....	Do.
(iii) Private contributions and maintenance.....	Excluded, except for serviceman's family allowance.	Excluded, except for serviceman's family allowance.
(iv) Other public or private relief.....	Excluded.....	Excluded.
(e) Retirement, disability and survivors' benefits:		
(i) Railroad retirement, social security, public and private employee retirement systems.	Benefits completely excluded until employee's prior contributions exceeded, 10 percent of benefits excluded thereafter; retirement pay waived also excluded; excludes RSFPP <sup>1</sup> annuities.	Same as death compensation for persons entitled to such income prior to Dec. 3, 1964; 10 percent exclusion applies to all such income for other pensioners; all waived retirement pay excluded.
(ii) VA compensation.....	Excluded.....	Excluded, except for World War I adjusted compensation.
(iii) Life insurance proceeds.	Federal life insurance excluded; 10 percent of proceeds from commercial policies excluded.	Federal life insurance excluded; 10 percent of proceeds from all other life insurance excluded.
(iv) Burial allowances and death gratuities.	Not applicable.....	Excluded, except for death gratuity under Public Law 89-214.
(f) Unemployment benefits.....	Included.....	Included.
(g) Other income.....	Excludes mustering out pay, State veterans' bonuses, fire insurance proceeds, relocation payments.	Excludes State Veterans' bonuses, fire insurance proceeds, pay for obligatory civic duties, relocation payments.
(h) Income spent for:		
(i) Unusual medical expenses.	Included.....	Excluded.
(ii) Final expenses—parents, spouse.	do.....	Excludes costs of final illness, burial, and just debts of parents deceased spouse.

<sup>1</sup> Retired Servicemen's Family Protection Plan (10 U.S.C. ch. 73).

*Treatment of income.*—Since January 1972 benefits for DIC parents have been reduced according to a formula that imposes increasing marginal benefit-loss rates as income rises, but provides a minimum payment (\$4 per month beginning January 1975) when the maximum limit is reached. As a result, the first dollar gained above the maximum countable income limit causes a net loss of \$3 in monthly income.

Maximum benefits for dependent parents are reduced by the following percentages of countable income effective January 1, 1975:

Status of dependent parent and annual countable income	Annual <sup>1</sup> benefit-loss rate within income bracket (percent)	Annual benefits lost when income exceeds eligibility limits <sup>2</sup>
<b>Single parent:</b>		
0 to \$800.....	0	
\$801 to \$1,000.....	36	
\$1,001 to \$1,300.....	48	
\$1,301 to \$1,600.....	60	
\$1,601 to \$1,800.....	72	
\$1,801 to \$2,000.....	84	
\$2,001 to \$3,000.....	96	
\$3,001 plus.....	(3)	\$48
<b>Two parents, living separately (each parent):</b>		
0 to \$800.....	0	
\$801 to \$1,100.....	24	
\$1,101 to \$2,100.....	48	
\$2,101 to \$2,500.....	60	
\$2,501 to \$3,000.....	72	
\$3,001 plus.....	(3)	\$48
<b>Two parents living together (joint):</b>		
0 to \$1,000.....	0	
\$1,001 to \$1,100.....	12	
\$1,101 to \$2,500.....	24	
\$2,501 to \$3,500.....	36	
\$3,501 to \$4,200.....	48	
\$4,201 plus.....	(3)	\$48

<sup>1</sup> These annual rates may be divided by 12 to yield benefit-loss rates applied each month to annual income.

<sup>2</sup> When income rises \$1 or more above the eligibility limits shown the annual residual benefits shown are lost. If beneficiaries also qualified for the \$64 monthly aid and attendance allowance, \$768 annually would be lost as well.

<sup>3</sup> Ineligible.

*Accounting period.*—The death compensation program (generally for pre-1957 deaths) confirms parents' dependency every 3 years.

DIC counts parents' income in the calendar year in which it is received. Income limits, which are established proportionately to determine initial entitlement or renewed payments, are based on anticipated income from the date of entitlement to the end of the calendar year. If there is doubt about the amount of anticipated income, benefits are allowed at the lowest appropriate rate or, when determined appropriate by the Veterans Administration, withheld until the end of the calendar year, when entitlement can be computed on the basis of actual income received. Provision is made for payment during the subsequent year of benefits withheld.

Accounting of income is based on an annual income questionnaire. Benefits are halted on the first day of the year for which income is not reported or on the effective date of a future award, whichever is later. Overpayment caused by beneficiaries' fraud or misreporting may be recouped by the Treasury Department, but those caused by administrative error are not recouped.

When conditions of entitlement (marital status, living arrangements, or income of dependent parents) change after initial computation of benefits, benefits are generally continued at the same rate until the end of the year, unless an upward rather than downward adjustment of benefits is indicated. Entitlement to benefits for the next year is redetermined at the end of the calendar year on the basis of total countable income received during the previous calendar year and anticipated income.

When a dependent is lost because of divorce or death, the benefit to a widow with dependent children continues without reduction until the end of the calendar year.

**ASSETS TEST.**—Parents who receive death compensation benefits are subject to a net worth test.

**OTHER CONDITIONS**

*Work requirements.*—None.

*Acceptance of training or rehabilitation.*—No requirement. However, educational assistance is available for widows and children.

*Citizenship.*—No requirement.

*Lien, recovery, assignment, or relative responsibility.*—No provision.

*Institutional status.*—Benefits are unchanged if the beneficiary is institutionalized.

*Residence requirements.*—None.

**BENEFITS AND SERVICES (AS OF JANUARY 1975)**

**NATURE OF BENEFITS.**—Cash.

*Primary determinants of amounts of benefits.*—The size of benefits is determined by: (1) The number of eligible children; (2) the sex and health of the surviving spouse (that is, whether the widow needs regular aid and attendance or the widower is totally disabled); (3) the number, marital status, health, living arrangements and income of dependent parents; and (4) under DIC, the pay grade of the deceased veteran.

*Relationship of benefit amount to family size.*—Total benefit amounts increase with family size. DIC benefits increase by an equal amount per child if there is a widow, but otherwise by a declining amount for the second, third, and fourth children. Family size differentials are different in the death compensation program. See supplementary material for schedules.

*Relationship of benefits to place of residence.*—Benefits are uniform throughout the 50 States and in the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

*Relationship of benefit amount to cost of living.*—The legislation provides no automatic adjustments for higher living costs, but Congress periodically increases benefits.

*Amount of benefits.*—Maximum monthly benefits (for persons with little or no countable income) as of January 1975 were as follows:

**DEATH COMPENSATION PROGRAM**

Widow with no child, \$87; widow with one child, \$121 (plus \$29 per month additional for each extra child); children without mother entitled to widows' benefits, \$67 for one child, \$94 for two children, \$122 for three children (plus \$23 per month for each additional child, total amounts divided equally); dependent parents, \$75 for a dependent mother or father, \$40 each for a dependent mother and father; and if the widow or dependent parent is in a nursing home or so nearly helpless or blind as to require regular aid and attendance, \$64 additional.

## DEPENDENCY AND INDEMNITY COMPENSATION

Widow, from \$215 per month to \$549, depending on deceased veteran's pay grade; plus \$26 for each child; children without mother entitled to widow's benefits, \$108 for one child, \$156 for two children; \$201 for three children, plus \$40 for each additional child (total amounts divided equally);

Adult child who became disabled before reaching age 18, compensation increased by \$64 per month (by \$108 if his mother is entitled to widow's benefits); dependent parents, compensation varies with income; maximums are \$123 for one parent, \$86 for each of two parents living separately, \$83 for each of two parents living together; and if the widow or dependent parent is in a nursing home or so nearly helpless or blind as to require regular aid and attendance, \$64 month additional.

As noted, these are maximum benefits payable for persons or families with little or no other income. However, most persons and families do have other income, such as earnings or social security, so it is useful to look at how benefits supplement these other income sources. A widow with children, for example, may supplement benefits with earnings or other income without limit.

Annual payments per case averaged \$1,968 in fiscal year 1973 and were estimated at \$2,001 in fiscal year 1974 and projected at \$2,030 in fiscal year 1975. In June 1973 the average monthly payment to a widow was \$217.29, to a widow with children, \$267.89, and to one dependent parent, approximately \$80.

*Perspectives on benefit amounts.*—A widow can receive a maximum of \$549 monthly in DIC benefits, \$6,588 per year, almost triple the poverty line for a single person. A family of four can receive as much as \$7,524 annually in DIC benefits, almost 50 percent above the July 1974 poverty line, or as little as \$3,516, 30 percent below the poverty line, depending on the deceased veteran's pay grade.

Under the death compensation program, a family unit of four would receive only \$2,148 annually, less than half the poverty line, but it could elect instead to receive DIC benefits of at least \$3,516. These benefits could be supplemented by cash aid from the aid to families with dependent children program in many States, and by food stamps in all States.

Maximum benefits for dependent parents are well below the poverty line. Nearly all such parents, however, would be eligible for another income-tested Federal program, supplemental security income (SSI). SSI guarantees a single aged individual almost as much as the maximum DIC payment to a dependent parent couple with little or no other countable income. The bulk of dependent parents would have social security income, and hence would not be totally dependent upon DIC or death compensation benefits. In various combinations, DIC death compensation plus social security, SSI, State supplementals to SSI, and food stamps would yield more adequate total incomes.

Veterans' benefits are tax free and expense free, and hence, are worth more than the same amount of gross earnings.

**OTHER BENEFITS PROVIDED OR AVAILABLE.**—Widows and children of a veteran who died because of service-connected disabilities are eligible for educational assistance. Unremarried widows of veterans of World War II and the Korean conflict, whose deaths were service-connected, are eligible for a GI home loan. Along with unremarried widows, mothers of deceased veterans are eligible for preference in Federal employment. The wife and child of a totally disabled veteran also are eligible for medical care from the Veterans Administration unless they have entitlement under CHAMPUS (Civilian Health and Medical Program of the Uniformed Services) or medicare.

## SUPPLEMENTARY MATERIAL

### DEATH COMPENSATION (MONTHLY BENEFITS)

Widow but no child.....	\$87.
Widow with 1 child.....	\$121 (plus \$29 for each additional child).
No widow, but 1 child.....	\$67.
No widow, but 2 children.....	\$94 (equally divided).
No widow, but 3 children.....	\$122 (equally divided—with \$23 for each additional child).
Dependent parent (1 parent).....	\$75.
Dependent parents (couple).....	\$40 (each).

### DEPENDENCY AND INDEMNITY COMPENSATION (MONTHLY BENEFITS) (EFFECTIVE MAY 1, 1974)

A. Widow, but no child—based on pay grade of deceased veteran as set forth below:

<i>Pay grade</i>	<i>Monthly rate</i>	<i>Pay grade</i>	<i>Monthly rate</i>
E-1.....	\$215	W-4.....	\$307
E-2.....	221	O-1.....	271
E-3.....	228	O-2.....	281
E-4.....	241	O-3.....	301
E-5.....	248	O-4.....	318
E-6.....	254	O-5.....	350
E-7.....	266	O-6.....	394
E-8.....	281	O-7.....	427
E-9.....	<sup>1</sup> 294	O-8.....	467
W-1.....	271	O-9.....	502
W-2.....	282	O-10.....	<sup>2</sup> 549
W-3.....	291		

<sup>1</sup> Where veteran served as sergeant major of the Army or Marine Corps, senior enlisted adviser of the Navy, chief master sergeant of the Air Force, the widow's monthly rate is \$316.

<sup>2</sup> Where veteran served as chairman of Joint Chiefs of Staff or Chief of Army, Air Force, or Marine Corps, the widow's monthly rate is \$589.

#### Additions:

	<i>Monthly addition</i>
Widow with one or more children under 18 years of age.	\$26 for each child.
Widow in nursing home or helpless or blind (or so nearly so as to require regular aid and attendance.)	\$64.

B. Where there is no widow, but there are entitled children:

	<i>Monthly rate</i>
One child.....	\$108.
Two children.....	\$156.
Three children.....	\$201.
More than three children.....	\$201 (plus \$40 per month for each child in excess of three).

*Monthly  
additions*

## Supplements to children:

Child entitled who is over 18 but was rendered totally incapable of self-support before age 18.....	\$64
If there is a widow and child over 18, but who was rendered totally incapable of self-support before age 18.....	108
If there is a widow and child, child between ages of 18 and 23 years is attending an accredited educational institution.....	55

## C. Dependent parents.

One dependent parent (or, one dependent parent remarried and living with his spouse <sup>1</sup>):

Annual countable income:	<i>Monthly benefit</i>
\$0 to \$800.....	\$123.
\$801 to \$1,000.....	\$123, less 3 percent of annual income in excess of \$800.
\$1,001 to \$1,300.....	\$117, less 4 percent of annual income in excess of \$1,000.
\$1,301 to \$1,600.....	\$105, less 5 percent of annual income in excess of \$1,300.
\$1,601 to \$1,800.....	\$90, less 6 percent of annual income in excess of \$1,600.
\$1,801 to \$2,000.....	\$78, less 7 percent of annual income in excess of \$1,800.
\$2,001 to \$3,000.....	\$64, less 8 percent of annual income in excess of \$2,000.
\$3,000.....	\$4.
\$3,001 and above.....	\$0.

## Two dependent parents not living together:

Annual countable income of each parent:	<i>Monthly benefit for each parent</i>
\$0 to \$800.....	\$86.
\$801 to \$1,100.....	\$86, less 2 percent of annual income in excess of \$800.
\$1,101 to \$2,100.....	\$80, less 4 percent of annual income in excess of \$1,100.
\$2,101 to \$2,500.....	\$40, less 5 percent of annual income in excess of \$2,100.
\$2,501 to \$3,000.....	\$20, less 6 percent of annual income in excess of \$2,500.
\$3,000.....	\$4.
\$3,001 and above.....	\$0.

Two dependent parents living together (or, one dependent parent, remarried and living with his spouse <sup>1</sup>):

Combined annual countable income of both parents:	<i>Monthly benefit for each parent</i>
\$0 to \$1,000.....	\$83.
\$1,001 to \$1,100.....	\$83, less 1 percent of annual income in excess of \$1,000.
\$1,101 to \$2,500.....	\$82, less 2 percent of annual income in excess of \$1,100.
\$2,501 to \$3,500.....	\$54, less 3 percent of annual income in excess of \$2,500.
\$3,501 to \$4,200.....	\$24, less 4 percent of annual income in excess of \$3,500.
\$4,200.....	\$4.
\$4,201 and above.....	\$0.

<sup>1</sup> A dependent parent who has remarried and lives with his spouse can choose to be treated either as a single parent or as a married couple living together.

# SPECIAL BENEFITS FOR DISABLED COAL MINERS

## BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To replace income lost to persons working in coal mines because they have become totally disabled because of pneumoconiosis (black lung disease) and to replace income lost to widows,<sup>1</sup> children, parents, brothers, and sisters of miners<sup>2</sup> died of this disease or who were totally disabled from it at the time of their death.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—The original legislation enacted in 1969 provided for temporary Federal administration of the program, with a termination date of December 30, 1976. Major changes were enacted in 1972, one of which extended the termination date to December 30, 1981. During the period prior to 1981, individual States have the option of assuming administrative responsibility for the program through their workmen's compensation mechanisms, provided they enact legislation which meets the standards in the law. None of the States have yet come into complete compliance.

**ADMINISTERING AGENCIES.**—The Social Security Administration of the Department of Health, Education, and Welfare is responsible for the payment and administration of all benefit claims filed before July 1, 1973, and for certain survivors' claims filed thereafter, through district and branch offices. The Department of Labor is responsible for new miners' claims filed on or after July 1, 1973, and for certain survivors' claims filed on or after January 1, 1974. Claims for miners' and survivors' benefits (either with SSA or DOL) may be filed through social security district and branch offices.

**FINANCING.**—Benefits payable by the Social Security Administration are financed through open-ended Federal appropriations. Coal mine operators or their insurers are liable after December 31, 1973, for payment of benefits for new miners' claims filed after June 30, 1973, and for certain survivors' claims filed after December 31, 1973. Where the Department of Labor cannot affix operator liability or where a State has not enacted legislation to provide adequate coverage for pneumoconiosis, payments to beneficiaries are made from Federal general funds.

### *Costs and caseloads*

(Social Security Administration)

<i>Fiscal year</i>	<i>Amount of benefits</i>	<i>Number of beneficiaries</i>	<i>Administrative expenses</i>
1973-----	\$914, 639, 000	401, 000	\$37, 054, 000
1974-----	907, 004, 000	481, 000	36, 543, 000
Estimated 1975-----	886, 000, 000	489, 000	10, 089, 000

(Department of Labor)

<i>Fiscal year</i>	<i>Costs</i>	<i>Number of beneficiaries</i>
1974-----	\$36, 000, 000	38, 390
Estimated 1975-----	20, 000, 000	32, 000

<sup>1</sup> The term "widow" means the wife living with or dependent for support on the deceased at the time of his death, or living apart for reasonable cause or because of his desertion, or who is the mother of his child, or who was married to him for 9 months, and who is not married.

<sup>2</sup> The term "miner" means any individual who is or was employed in a coal mine.

## ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—To be eligible for the program a beneficiary must be (1) a coal miner who is totally disabled due to pneumoconiosis arising out of employment in one or more of the Nation's coal mines; or (2) a widow, orphan, dependent parent, brother, or sister of a coal miner who was totally disabled from pneumoconiosis at the time of his death or whose death was due to pneumoconiosis (death is determined to be due to pneumoconiosis where an autopsy, biopsy, chest roentgenogram, or similar diagnosis indicates the disease, or where the miner has worked in coal mines for 10 years or more and dies of a respiratory disease). Miners' and widows' benefits are increased where there are dependents.

**PERSONS INCLUDED.**—Eligible coal miners, widows, and dependent children are included in the program. Dependent children are children of miners who are unmarried and (1) under 18 years of age; or (2) incapable of self-support because of physical or mental disability arising before age 18 or before the child ceased to be a student; or (3) a student under 23 years of age.

The priority of survivors' eligibility for benefits are as follows: An orphan is eligible for benefits for every month for which no entitlement to widow's benefits has been established, a parent is eligible if at the time of the miner's death there is no surviving widow or child, and a brother or sister is eligible if at the time of the miner's death there is no surviving widow, child, or parent.

**INCOME TEST**

*Income limits.*—Countable income from specified sources may not exceed the amount of the benefit. Benefit amounts as of November 1974 are as follows: \$187.40 per month for a miner with no dependents, \$281.10 for a miner or widow with one dependent, \$328.00 for a miner or widow with two dependents, and \$374.80 for a miner or widow with three or more dependents.

*Treatment of earned income.*—Benefits are subject to reduction on account of the miner's excess earnings or the miner's parent's, brother's, or sister's excess earnings as indicated under the social security retirement test; that is, benefits are reduced by one-half of annual earnings in excess of \$2,400 (or \$200 per month). This provision does not apply to earnings of wives, widows, or children of miners receiving benefits, or to miners receiving part C benefits under the Department of Labor program.

*Treatment of unearned income.*—Benefits of a miner, widow, child, parent, brother, or sister are reduced by the amount of the State workmen's compensation payments, unemployment compensation, or State disability insurance payments received because of the miner's disability. Other unearned income is ignored<sup>3</sup> (see table 1). Benefits under the Department of Labor's part C program are only reduced by State workmen's compensation awards paid on account of pneumoconiosis.

<sup>3</sup> Disabled miners may receive social security benefits as well as coal miners' disability benefits. Black lung benefits are not considered to be workmen's compensation for purposes of the offset provisions of the social security law.

TABLE 1.—TREATMENT OF INCOME UNDER PART B BENEFITS FOR DISABLED COAL MINERS PROGRAM

Sources of income	In determining eligibility for and amount of these benefits, current income is taken into account as follows—	
	Income considered	Income not considered
1. Income of primary beneficiary:		
(a) From gross earnings.....	×	
(b) From property.....		×
(c) From public transfers:		
(i) Workman's compensation.....	×	
(ii) Unemployment compensation.....	×	
(iii) State disability insurance.....	×	
(iv) Other.....		×
(d) From private transfers.....		×
2. Income of dependents:		
(a) From gross earnings.....	×	
(b) From other sources.....		×
Uses of income: Uses of income by beneficiaries or dependents have no effect on benefit levels or eligibility.		

<sup>1</sup> Benefit levels do not decline for annual earnings up to \$2,400; decline 50¢ for each dollar earned above \$2,400 in each month in which earnings exceed \$200.

<sup>2</sup> Benefits are reduced by the amount of workmen's compensation, unemployment compensation, and State disability insurance.

<sup>3</sup> The same treatment as in (a) applies to earnings of miner's parents, brothers, and sisters. Earnings of wives, widows, or children are not subject to benefit reductions.

*Accounting period.*—The accounting period is monthly, except that when State compensation or unemployment benefits are not paid at monthly intervals, the most appropriate period is used.

*ASSETS TEST.*—There is none.

#### OTHER CONDITIONS

*Rebuttable presumption.*—If a miner had been employed for 15 years in underground coal mining or in equally dusty surface coal mining, and if evidence shows totally disabling respiratory or pulmonary impairment, it is presumed that he is, or at the time of his death was, totally disabled from pneumoconiosis.

*Acceptance of training or rehabilitation.*—There is none required, but may be made available to the beneficiary.

*Citizenship.*—There is no requirement.

*Institutional status.*—There is no limitation of benefits for persons in institutions.

*Residence requirements.*—There are none.

### BENEFITS AND SERVICES

#### CASH BENEFITS

*Primary determinants of the amount of benefit.*—The basic benefit paid to a miner or widow with no dependents and no countable income is 50 percent of the minimum monthly benefit payable to a totally disabled Federal employee in grade GS-2 under the Federal Employee's Compensation Act.

*Relationship of benefit amount to family size.*—The basic benefit payable to a miner or widow is increased by 50 percent if the miner or widow has one qualified dependent, by 75 percent if there are two dependents; and by 100 percent for three or more dependents. If there is no widow, the basic benefit for a child is the same as for a miner. Where there are additional children, the benefits are increased but the total benefit amount (not to exceed 200 percent of the basic

amount) is divided equally among the children. Benefits for parents, brothers, and sisters are the same as those payable to the children.

*Relationship of benefit amount to place of residence.*—Benefits are uniform nationally.

*Relationship of benefit amount to cost-of-living changes.*—Benefits are increased as the cost-of-living increases or other adjustments are made in the Federal GS-2 salary schedule. Since its enactment in 1969, the basic benefit has increased from \$144.50 to \$187.40 per month.

*Amount of benefits.*—The basic monthly benefit to a disabled miner or widow with no countable income and no dependents is \$187.40; to a miner or widow with one dependent, \$281.10; with two dependents, \$328.00; with three or more dependents, \$374.80. The average monthly payment to miners and their families was \$252.00 in August 1974.

*Comparison of amounts of benefits to the poverty level.*—For a coal miner or widow with no other income, the amount of benefit received is equivalent to the poverty level. However, since more than 80 percent of the beneficiaries also receive social security benefits, the majority of beneficiaries have total incomes above the poverty level. (See supplementary tables 1-3.) For example, in December 1971, miners and their wives receiving both black lung and social security benefits averaged \$2,755 annually from black lung and \$2,630 annually from social security, for an average total of \$5,385.

## SUPPLEMENTARY MATERIAL

TABLE 1.—BLACK LUNG BENEFITS TO MINERS AND WIDOWS IN CURRENT-PAYMENT STATUS ALSO RECEIVING BENEFITS UNDER THE SOCIAL SECURITY PROGRAM, DECEMBER 1971

Type of beneficiary	Total	Miner or widow		Number of dependents	
		Number	Individual only		With dependents
Total.....	231,729	144,571	77,960	66,611	87,158
Not entitled to OASDHI.....	34,843	25,215	18,126	7,089	9,628
Entitled to OASDHI.....	196,886	119,356	59,834	59,522	77,530
Percent entitled to OASDHI.....	85.0	82.6	76.7	89.4	89.0
Miners.....	155,209	77,213	16,829	60,384	77,996
Not entitled to OASDHI.....	16,572	8,090	2,009	6,081	8,482
Entitled to OASDHI.....	138,637	69,123	14,820	54,303	69,514
Retired workers.....	100,056	53,595	13,049	40,546	46,461
Disabled workers.....	38,258	15,314	1,636	13,678	22,944
Other.....	323	214	135	79	109
Percent entitled to OASDHI.....	89.3	89.5	88.1	89.9	89.1
Widows.....	76,520	67,358	61,131	6,227	9,162
Not entitled to OASDHI.....	18,271	17,125	16,117	1,008	1,146
Entitled to OASDHI.....	58,249	50,233	45,014	5,219	8,016
Widows.....	39,511	37,785	36,803	982	1,726
Widowed mothers.....	9,949	3,998	-----	3,998	5,951
Retired workers.....	6,918	6,679	6,523	156	239
Disabled workers.....	350	311	285	26	39
Disabled widows.....	595	595	595	-----	-----
Other.....	926	865	808	57	61
Percent entitled to OASDHI.....	71.6	74.6	73.6	83.8	87.5

TABLE 2.—AMOUNT OF BLACK LUNG AND RETIRED WORKER AVERAGE SOCIAL SECURITY BENEFITS PAYABLE TO MINERS AND THEIR WIVES ENTITLED UNDER BOTH PROGRAMS, DECEMBER 1971<sup>1</sup>

Monthly social security benefit	Number	Percentage distribution	Total annual benefit	Average annual social security benefit <sup>2</sup>	Annual black lung benefit <sup>3</sup>
Total .....	36,500	100.0	\$5,385	\$2,630	\$2,755
Under \$125 .....	1,200	3.3	4,015	1,260	2,755
\$125 to \$149 .....	900	2.6	4,455	1,700	2,755
\$150 to \$174 .....	4,200	11.4	4,735	1,980	2,755
\$175 to \$199 .....	6,500	17.9	4,995	2,240	2,755
\$200 to \$224 .....	8,900	24.4	5,345	2,590	2,755
\$225 to \$249 .....	8,300	22.7	5,625	2,870	2,755
\$250 to \$274 .....	5,600	15.3	5,815	3,060	2,755
\$275 and over .....	900	2.5	6,175	3,420	2,755

<sup>1</sup> Based on a sample of miner beneficiaries under the black lung program.

<sup>2</sup> Reflects 1971 social security benefit increase of 10 percent.

Black lung benefit level, December, 1971.

TABLE 3.—AMOUNT OF BLACK LUNG AND AVERAGE SOCIAL SECURITY BENEFITS PAYABLE TO WIDOWS ENTITLED UNDER BOTH PROGRAMS, DECEMBER 1971<sup>1</sup>

Monthly social security benefit	Number	Percentage distribution	Total annual benefit	Average annual social security benefit <sup>2</sup>	Annual black lung benefit <sup>3</sup>
Total .....	45,000	100.0	\$3,120	\$1,285	\$1,835
Less than \$70 .....	2,900	6.5	2,585	750	1,835
\$70 to \$79 .....	4,800	10.7	2,695	860	1,835
\$80 to \$89 .....	3,600	7.9	2,855	1,020	1,835
\$90 to \$99 .....	6,100	13.6	2,975	1,140	1,835
\$100 to \$109 .....	6,500	14.4	3,095	1,260	1,835
\$110 to \$119 .....	6,700	14.8	3,205	1,370	1,835
\$120 to \$129 .....	5,000	11.2	3,335	1,500	1,835
\$130 to \$139 .....	5,900	13.2	3,420	1,585	1,835
\$140 and over .....	3,500	7.7	3,565	1,730	1,835

<sup>1</sup> Based on a sample of widow beneficiaries without dependents under the black lung program.

<sup>2</sup> Reflects 1971 social security benefit increase of 10 percent.

<sup>3</sup> Black lung benefit level, December 1971.

TABLE 4.—BLACK LUNG BENEFITS TO MINERS, WIDOWS, AND DEPENDENTS IN CURRENT-PAY STATUS: NUMBER AND MONTHLY AMOUNT BY STATE, JUNE 1974<sup>1</sup>

State	Number				Monthly amount		
	Total	Miners	Widows	De- pendents	Total	Miners	Widows
<b>Total:</b>							
<b>December:</b>							
1970.....	111,976	43,921	24,989	43,166	\$12,515,000	\$8,785,000	\$3,730,000
1971.....	231,729	77,213	67,358	87,158	27,250,000	16,430,000	10,820,000
1972.....	298,963	101,802	88,067	109,094	37,860,000	22,920,000	14,940,000
1973.....	461,491	159,837	124,154	177,500	63,700,000	40,400,000	23,300,000
<b>June 1974, total.....</b>	<b>480,532</b>	<b>168,113</b>	<b>129,119</b>	<b>183,300</b>	<b>66,600,000</b>	<b>42,300,000</b>	<b>24,300,000</b>
Alabama.....	22,236	7,789	5,758	8,689	3,107,000	2,010,000	1,097,000
Alaska.....	22	13	6	3	4,000	3,000	1,000
Arizona.....	1,041	399	235	407	164,000	103,000	43,000
Arkansas.....	2,919	1,135	688	1,096	419,000	292,000	127,000
California.....	3,441	1,211	1,144	1,086	514,000	305,000	209,000
Colorado.....	3,340	1,253	896	1,191	484,000	317,000	167,000
Connecticut.....	1,027	319	411	297	156,000	80,000	76,000
Delaware.....	494	164	157	173	72,000	42,000	30,000
District of Columbia.....	333	80	106	147	39,000	19,000	20,000
Florida.....	5,891	2,276	1,290	2,325	822,000	582,000	240,000
Georgia.....	611	199	194	218	88,000	51,000	37,000
Hawaii.....	25	6	8	11	3,000	1,000	2,000
Idaho.....	124	45	37	42	19,000	12,000	7,000
Illinois.....	30,005	10,749	9,882	9,374	4,508,000	2,704,000	1,804,000
Indiana.....	12,119	4,215	3,693	4,211	1,766,000	1,082,000	684,000
Iowa.....	3,428	1,317	979	1,132	509,000	330,000	179,000
Kansas.....	1,571	551	576	444	241,000	137,000	104,000
Kentucky.....	51,571	17,515	10,948	23,108	6,529,000	4,387,000	2,142,000
Louisiana.....	198	62	59	77	27,000	16,000	11,000
Maine.....	24	10	5	9	4,000	3,000	1,000
Maryland.....	4,803	1,686	1,517	1,600	705,000	424,000	281,000
Massachusetts.....	233	61	59	113	26,000	15,000	11,000
Michigan.....	5,695	1,857	1,960	1,878	838,000	473,000	365,000
Minnesota.....	112	43	29	40	16,000	11,000	5,000
Mississippi.....	209	73	58	78	29,000	18,000	11,000
Missouri.....	1,845	670	601	574	278,000	168,000	110,000
Montana.....	849	287	229	333	112,000	70,000	42,000
Nebraska.....	52	16	17	19	7,000	4,000	3,000
Nevada.....	265	101	67	97	38,000	26,000	12,000
New Hampshire.....	56	14	24	18	8,000	4,000	4,000
New Jersey.....	4,649	1,490	1,783	1,376	700,000	373,000	327,000
New Mexico.....	1,151	441	291	419	164,000	110,000	54,000
New York.....	3,673	1,130	1,463	1,080	551,000	281,000	270,000
North Carolina.....	1,572	547	404	621	218,000	140,000	78,000
North Dakota.....	102	38	27	37	14,000	9,000	5,000
Ohio.....	27,457	9,746	7,592	10,119	3,846,000	2,415,000	1,431,000
Oklahoma.....	2,795	1,055	722	1,018	402,000	269,000	133,000
Oregon.....	287	93	92	102	41,000	24,000	17,000
Pennsylvania.....	147,510	51,819	45,232	50,459	20,940,000	12,572,000	8,368,000
Rhode Island.....	94	27	27	40	13,000	7,000	6,000
South Carolina.....	329	102	91	136	45,100	27,000	18,000
South Dakota.....	32	14	5	13	5,000	4,000	1,000
Tennessee.....	14,818	5,115	3,509	6,194	2,017,000	1,349,000	668,000
Texas.....	628	220	172	236	88,000	56,000	32,000
Utah.....	2,290	897	499	894	326,000	233,000	93,000
Vermont.....	30	9	11	10	5,000	3,000	2,000
Virginia.....	25,897	8,746	5,419	11,732	3,409,000	2,346,000	1,063,000
Washington.....	844	307	253	284	123,000	77,000	46,000
West Virginia.....	87,678	30,736	18,587	38,355	11,578,000	7,956,000	3,622,000
Wisconsin.....	227	71	83	73	33,000	18,000	15,000
Wyoming.....	1,398	516	457	425	211,000	127,000	84,000
Other.....	2,532	878	767	887	357,000	215,000	142,000

<sup>1</sup> Benefits payable under the "black lung" program established by the Federal Coal Mine Health and Safety Act of 1969. The program is administered by the Social Security Administration but is financed from the general funds of the Treasury.

# INCOME-TESTED CASH TRANSFER PROGRAMS

## SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED (SSI)

### Federal SSI Program

#### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To establish a national program providing a uniform minimum cash income to aged, blind, and disabled individuals. SSI replaced the State administered, federally reimbursed programs of old age assistance, aid to the permanently and totally disabled, aid to the blind, and aid to the aged, blind, and disabled.<sup>1</sup>

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—The SSI program was authorized in the Social Security Amendment of 1972, Public Law 92-603, October 1972, and was initiated nationwide in January 1974.

**ADMINISTERING AGENCY.**—The Bureau of Supplemental Security Income (BSSI), Social Security Administration, U.S. Department of Health, Education, and Welfare, administers the SSI program through regional and district SSA offices in 50 States and the District of Columbia.

**FINANCING.**—All costs of benefits and administration of the Federal SSI program are funded through open-ended appropriations from Federal general revenues.<sup>2</sup>

#### *Costs and caseloads*

	<i>Fiscal year 1974 estimates<sup>1</sup></i>	<i>Fiscal year 1974 actual<sup>1</sup></i>	<i>Fiscal year 1975 estimated</i>
Federal expenditures (in thousands):			
Benefits.....	\$1, 644, 498	\$1, 839, 472	\$4, 092, 000
Contributions toward State sup- plementation <sup>2</sup> .....	159, 000	36, 434	140, 000
Vocational rehabilitation services..	39, 674	24, 990	43, 461
Administration.....	368, 464	302, 267	471, 890
Beneficiaries, June each year:			
Aged.....	2, 700, 000	1, 896, 225	2, 800, 000
Blind and disabled.....	1, 600, 000	1, 445, 622	1, 710, 000
Total.....	4, 300, 000	3, 341, 847	4, 510, 000

<sup>1</sup> Benefits paid for 6 months of fiscal year 1974.

<sup>2</sup> See provision for protecting States against increased costs, optional State supplementation of SSI benefits.

<sup>3</sup> Includes 10,800 children.

<sup>1</sup> The SSI program is not extended to Puerto Rico, Guam and the Virgin Islands. These jurisdictions continue to administer the aid to the aged, blind, or disabled program with partial Federal funding as authorized under the original title XVI of the Social Security Act. Individuals receiving assistance under these programs in the 50 States and the District of Columbia were transferred to the SSI program in January 1974.

<sup>2</sup> See below for provisions for State supplementation of SSI benefits.

## ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—Individuals who are age 65 or over, or blind or disabled as defined in the Social Security Act, and who have income and resources within the limits specified in the act are eligible to receive SSI benefits.

*Definition of blindness.*—An individual is considered to be blind if he or she has a central visual acuity of 20/200 or less in the better eye with corrective lens, or a limitation in the field of vision such that the widest diameter of the visual field subtends on angle of no more than 20 degrees.<sup>3</sup>

*Definition of disability.*—The SSI definition of disability is comparable to the definition used for entitlement to social security disability insurance benefits. Under the SSI definition a person is considered to be disabled “if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.” “An added qualification is that the impairments are of such severity that the person is not only unable to do his previous work but cannot, considering his age, education and work experience, engage in any other kind of substantial gainful work which exists in the national economy, regardless of whether such work exists in the immediate area in which he lives.” “Work which exists in the national economy” is defined as work which exists in significant numbers either in the region where the individual lives or in several regions of the country.<sup>4</sup>

There is no specific statutory definition of disability related to children except for a statement in reference to the work-related definition that a child under 18 is considered disabled if he “suffers from any medically determinable physical or mental impairment of comparable severity.”

*Persons included.*—Eligible individuals are included in the program. The spouse of an eligible individual is included if the spouse is also eligible as an aged, blind, or disabled person.<sup>5</sup> A man and woman are considered to be married if they are legally married under appropriate State law, or if they hold themselves out as husband and wife in the community in which they live.

## INCOME TEST

*Income limit.*—Effective July 1974, an individual is eligible for benefits if countable income (income other than allowable exclusions

<sup>3</sup> An individual is also considered to be blind for SSI purposes if he met the definition of blindness under the aid to the blind plan in the State in which he lived and was receiving aid for the blind benefits in December 1973.

<sup>4</sup> An individual also is considered to be disabled for SSI purposes if he met the definition of disability under the aid to the permanently and totally disabled plan in the State in which he lived and was receiving benefits under that plan in December 1973, and for at least 1 month prior to July 1973. Other individuals who were receiving APD benefits in December 1973 but had received such benefits for less than 7 months were transferred to the SSI program in January 1974, but their eligibility under the SSI disability definition must be determined by December 1974.

<sup>5</sup> Under the previous State assistance program, the needs of an ineligible spouse or other person could be included in the benefit if the person's presence in the home was essential to the beneficiary's well-being. As a transitional provision applicable only to beneficiaries transferred from State programs to SSI in January 1974, SSI includes the “essential” person when such person's needs were included in the December 1973 State assistance payment. The amount added is equivalent to the amount added for a spouse, or \$73 as of July 1974.

described below) is at a rate of no more than \$1,752 in a calendar year (\$146 per month); or, for an eligible individual and an eligible spouse, at a rate of no more than \$2,628 in a calendar year (\$219 per month). Spouses are treated as individuals if they have been separated for at least 6 months.

If an individual is in a medical institution or an intermediate care facility longer than 30 days and the institution or facility receives payment for his care from the medicaid program, the countable income limit is \$300 a year. In the case of an eligible couple when one of them is in such institution or facility, the countable income limit for the couple is at the annual rate of \$2,052 (\$1,752 for an individual plus \$300 for the spouse in a health facility). If both spouses are in a qualified medical institution, the countable income limit is \$600 a year.

*Treatment of earned income.*—Earned income includes wages and net earnings from self-employment. Infrequently or irregularly received earned income up to \$30 in a calendar quarter are excluded. Other exclusions from earned income are:

\$85 per month plus one-half of the remainder of monthly earnings, except that if \$20 per month has been excluded from unearned income (see next section), \$65 per month plus one-half of the remainder of monthly earnings is excluded. For *blind* persons the amount of expenses reasonably attributable to earning income is also excluded; and for *blind* and *disabled* persons, amounts needed to carry out an approved plan for achieving self-support are also excluded.<sup>6</sup>

The first \$1,200 of quarterly earnings, not to exceed \$1,620 in a calendar year, of a child beneficiary who is a student regularly attending school.

*Treatment of unearned income.*—Unearned income means all income other than earnings, including:

Support and maintenance furnished in cash or in kind. The fair market value of in-kind support and maintenance is considered as income except that when an eligible individual or couple is living in another person's household, the benefit level is reduced by one-third in lieu of determining the value of support and maintenance furnished by the head of the household. (See "Determination of Amount of Benefit.")

Any payments received as an annuity, pension, retirement, disability, or unemployment benefit.

Prizes, awards, gifts, and inheritances. (The fair market value of noncash items is considered as income. An inheritance is counted as income when it is available for support.)

Proceeds of a life insurance policy in excess of amounts spent for the last illness and burial of the beneficiary or \$1,500, whichever is less.

Support and alimony payments.

Rent, dividends, interest, and royalties.

Home produce used for personal consumption and infrequently or irregularly received unearned income up to \$60 in a calendar quarter

<sup>6</sup> For blind persons who were receiving aid to the blind benefits in December 1973, income exclusions applicable under the States AB program apply if they are greater than those applicable in the SSI program.

are excluded in determining income. Other exclusions of unearned income are:

\$20 per month.<sup>7</sup>

Refund of taxes paid on real property or food purchases.

Assistance based on need which is paid by a State or political subdivision to supplement SSI benefits.

Any portion of a grant, scholarship or fellowship received for payment of tuition and fees at an educational institution.

One-third of any support payment from an absent parent received by a child beneficiary.

Foster care payments for a child (who is not an SSI beneficiary) placed by a public or nonprofit private child-care agency.

Income needed by a blind or disabled beneficiary to fulfill a self-support plans.

*Treatment of income of other family members.*—The nonexcluded income of an ineligible spouse and parents of a child beneficiary (under age 21) with whom he is living is counted as income available to the eligible individual. Assistance based on need paid by a State or political subdivision (or by the Bureau of Indian Affairs) and any other income taken into account in determining the amount of the assistance payment is not considered as income for this purpose. Also excluded are tuition and fees provided by an educational grant, scholarship, or fellowship; foster care payments for an ineligible child; home produce grown for personal consumption; refund of taxes paid on real property or food purchases; income needed to fulfill an approved plan for self-support; and all earned income of an ineligible child who is a student unless the child actually makes the income available to the family.

From income not excluded by the above provisions, the following exclusions are made:

*Ineligible spouse.*—The first \$65 per month of the ineligible spouse's earned income is excluded. In addition, \$73 per month of earned or unearned income is excluded plus \$73 for each ineligible child under age 21 of the eligible individual and/or the ineligible spouse living in the household. Any countable income of an ineligible child reduces the \$73 allocation for that child. The remainder of the ineligible spouse's income is considered to be unearned income of the eligible individual.

*Parent(s) living with a child beneficiary.*—The first \$65 per month of the parent'(s) earned income is excluded. In addition, \$146 per month of the parent'(s) earned or unearned income is excluded if there is one parent in the home (\$219 per month if both parents, or a parent and stepparent, are in the home) plus \$73 for each ineligible child under age 21 of the parent (or spouse) living in the household. Any countable income of an ineligible child reduces the \$73 allocation for that child. The remainder of the parents' income is considered to be unearned income of the eligible child.

*Accounting period.*—A quarterly accounting period (prospective) is used. All income expected to be received in a calendar quarter is applied to the quarterly benefit rate to determine the quarterly entitle-

<sup>7</sup> \$20 per month may be excluded from either earned or unearned income. If a beneficiary has both types of income, \$20 is excluded from the unearned income and the initial-earnings disregard is \$65 per month. If he has earnings only, the initial-earnings disregard is \$85 a month.

ment (the monthly payment is one third of the quarterly entitlement); except that if an application for benefits is made in the second or third month of a calendar quarter, income received in the months prior to the month of application is not counted in determining the benefit for that quarter. Beneficiaries are expected to report changes in income. Eligibility is redetermined at intervals not exceeding 12 months.

**ASSETS TESTS.**—Assets (or resources) are cash or other liquid assets or any real or personal property that an individual (or spouse, if any) own and could convert to cash to be used for his support and maintenance. An individual is eligible for SSI if the value of his non-excluded assets is no more than \$1,500. An individual with an ineligible or eligible spouse living with him (or her) is eligible if the value of their combined nonexcluded assets is no more than \$2,250.

In the case of a child under age 21, the nonexcluded assets of the parent(s) in excess of \$1,500, if one parent is living in the home with the child, or \$2,250, if both parents, or a parent and stepparent are in the home, are considered to be the child's assets in determining his eligibility on this factor.

Excluded assets are:

The value of a home (owned by the individual and used as his principal place of residence) up to \$25,000 (or \$35,000 in Alaska and Hawaii). "Value" is defined as the fair market value, regardless of encumbrances, based on the assessed value for tax purposes taking into consideration the ratio between the assessed value and the market value.

Other income-producing property if relied upon by the individual as a significant factor in producing income on which he can live or to produce items for home consumption that are a significant factor in support and maintenance. Liquid assets, such as cash savings, stocks, bonds, mutual funds, or mortgages, are not excluded under this provision even though they may be producing income.

Assets of a blind or disabled individual necessary to fulfill an approved plan for self-support.

The value of household goods and personal effects up to \$1,500.

The retail market value of an automobile up to \$1,200. An automobile is totally excluded if used for employment or is regularly used to obtain medical treatment.

Property used in a trade or business if such property is essential for self-support.

Cash surrender value of life insurance if the total face value of life insurance policies on the individual (or spouse) does not exceed \$1,500.

Stock in regional or village corporations held by natives of Alaska during the 20-year period in which the stock is inalienable pursuant to the Alaska Native Claims Settlement Act.

Restricted allotted land owned by an enrolled member of an Indian tribe.

Cash reimbursement received from indemnity insurance due to loss or damage to property, providing the reimbursement is used to replace or repair the property within 3 months of receipt.

Any assets not excluded, such as liquid assets or non-income-producing real property, and the value of items in excess of the specified limits, such as household goods and personal effects, automobile, and the cash surrender value of life insurance with a face value over \$1,500, are counted against the asset limitation. The individual is not eligible for benefits if the total includable assets exceed \$1,500 for an individual or \$2,250 for a couple.

However, SSI benefits may be paid pending disposition of excess nonliquid property if the individual agrees in writing to dispose of the assets within a specified time and to use the proceeds to repay benefits received prior to disposition of the property; provided that the total includable assets (other than a home) do not exceed \$3,000 for an individual or \$4,500 for a couple, and total includable liquid assets do not exceed \$390 for an individual and \$585 for a couple.

The beneficiary must agree to dispose of real property within 6 months and other property within 3 months. These periods may be extended another 3 months if there is good cause for failure to dispose of the property within the original time period. No benefits are paid if the individual disposes of liquid property since these assets are readily converted to cash.<sup>8</sup>

#### OTHER CONDITIONS

*Work requirements.*—There is no work requirement.

*Acceptance of rehabilitation or training.*—A blind or disabled individual under age 65 must be referred to the State administered vocational rehabilitation service. He is ineligible to receive SSI benefits if he refuses recommended services without good cause.

A disabled individual under age 65 who is a drug addict or alcoholic must accept appropriate treatment, if available, if the drug addiction or alcoholism is a contributing factor to his disability.

*Citizenship.*—An eligible individual must be a citizen of the United States or an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law.

*Residence.*—An eligible individual must be a resident of the United States. The benefit payment is suspended for any month in which the beneficiary is outside of the United States for the entire month. Payment may be reinstated when the beneficiary has returned and resided in the United States for 30 consecutive days.

*Institutional status.*—In general a person is not eligible for benefits in any month during which he is an inmate of a public institution. A public institution is defined as an establishment operated or controlled by a governmental unit which furnishes food and shelter to four or more persons and, in addition, provides treatment or services which meet some need beyond the provisions of food and shelter. Exceptions to the general rule are that benefits may be paid to persons in an educational or vocational training institution; and a reduced payment may be made to persons in a public or private hospital, nursing home, extended care facility, or intermediate care facility receiving payment for the persons's care under the State's medicaid program. (See below. Primary determinants of amount of benefits.)

<sup>8</sup> SSI beneficiaries who received assistance in December 1973 under the previous assistance programs are considered to meet the assets test as long as their assets do not exceed the allowable limit applicable under the States' plan effective in December 1972. This exception applies as long as the beneficiary continues to live in the State where he received assistance in December 1973.

*Application for other benefits.*—Beneficiaries are required to apply for benefits from any other source for which they might be eligible.

*Liens on property or recovery of benefits paid.*—There is no provision for placing a lien on the beneficiary's property. Amounts of overpayments may be recovered from the estate of a deceased beneficiary, but amounts of benefits correctly received may not be recovered.<sup>9</sup>

*Relative responsibility.*—There is no provision for holding relatives responsible for the support of a beneficiary, except for the ineligible spouse or parent of a child beneficiary living in the home with the eligible individual.<sup>10</sup>

## BENEFITS AND SERVICES

### CASH BENEFITS

*Primary determinants of amount of benefits.*—Except as noted below, benefits to an eligible individual with no other income are paid at an annual rate of \$1,752 (\$438 per quarter or \$146 per month); and to an eligible couple with no other income at an annual rate of \$2,628 (\$657 per quarter or \$219 per month). These amounts took effect July 1974 and are scheduled to remain in effect until July 1975, when the first cost-of-living increase will occur automatically under present law.

For persons with other income, the quarterly benefit is reduced by the amount of countable income received by an individual or couple in a calendar quarter. The monthly benefit is one-third of the quarterly entitlement.

### *Exceptions*

1. When the initial application is filed in the second or third month of a calendar quarter, benefits are determined for the month of application and the following month, if any, in the quarter. Only countable income received in those months is countable.

2. For any month during which an individual is in a medical institution (hopsital, extended care facility or nursing home) or an intermediate care facility, and more than half of the cost of services is paid from medicaid funds, the SSI benefit is paid at the annual rate of \$300 (\$75 per quarter or \$25 per month), reduced by countable income. In the case of an eligible couple, when one of them is in such institution or facility, the benefit is at an annual rate equivalent to the benefit for an individual (\$1,752) plus \$300 (a total of \$2,052) or \$171 a month reduced by countable income. If both spouses are in a qualified medical institution, the benefit is at an annual rate of \$600 (\$50 per month).

3. When an individual or an eligible couple lives in another person's household, the benefit level is reduced by one third in lieu of including the value of support and maintenance furnished by the head of the household. In this circumstance, the monthly benefit for an individual is \$97.33 (or \$146 for an eligible couple), reduced by other countable income of the individual or couple.

<sup>9</sup> In general, overpayments or underpayments are corrected by adjusting subsequent benefits paid to the individual, or by direct payment of the amount of the underpayment or recovery of the amount of any overpayment from the individual or spouse.

<sup>10</sup> States that supplement SSI benefits have the option of imposing liens or relative responsibility requirements in respect to the State supplemental payment.

*Relationship of benefit amount to family size.*—The benefit level for an eligible couple is  $1\frac{1}{2}$  times the benefit level for an individual. No benefit is paid for an ineligible spouse (i.e. a spouse who is under age 65 and is not blind or disabled) or for dependent children of the beneficiary.<sup>11</sup>

**TOTAL INCOME ATTAINABLE**

*Beneficiaries with unearned income.*—\$20 a month from any income is always excluded.<sup>12</sup> Therefore, beneficiaries with \$20 a month or more will have a total income of at least \$166 per month for an individual, or \$239 for an eligible couple. For instance, if an individual receives a social security benefit of \$120 per month, \$100 would be counted against the benefit level of \$146, and the SSI benefit would be \$46, resulting in a total monthly income of \$166. An eligible couple with \$180 in social security benefits would receive an SSI benefit of \$59 (\$219 reduced by \$160) and would have a total income of \$239.

Monthly SSI benefit and total income of beneficiaries receiving specified amounts of social security benefits:

	<i>Individual</i>	<i>Couple</i>
Social security benefits.....	\$120	\$180
SSI benefit level.....	146	219
Countable income.....	- 100	- 160
SSI benefit.....	46	59
Total income.....	166	239

Beneficiaries with unearned income of less than \$166 (\$239 for a couple) will receive an SSI payment that will bring their total income up to these levels. When unearned income is equal to or greater than the "break-even" level, the person (or couple) is not eligible to receive any SSI benefit.

*Beneficiaries with earned income.*—If the beneficiary's income consists only of earnings, total income is the amount of the benefit level plus the amount of the excluded earnings (\$85 and one-half of the remainder of monthly earnings) until the break-even point is reached. For an individual, the break-even point (amount of earnings at which the individual is not eligible for an SSI benefit) is \$377 a month. The earnings break-even for a couple is \$523.

If a beneficiary has both earned and unearned income, \$20 a month of unearned income is excluded and \$65 of earned income plus one-half of the remainder of monthly earnings is also excluded. The break-even level for total income (applicable to earnings only) is reduced by the amount of countable unearned income. For instance, if the individual receives \$120 social security benefits, the monthly SSI benefit is \$46. Earnings of \$157 will reduce the benefit to zero. At this point the beneficiary has a total income of \$277 and is not eligible for any SSI benefit.

<sup>11</sup> When an essential person's needs are included, the benefit level is increased by an amount equal to that included for an eligible spouse. This provision applies only to beneficiaries transferred from State assistance programs when the needs of an essential person were included in the assistance payment in December 1973.

<sup>12</sup> Additional income may be excluded under specified conditions. Illustrations used here apply to the majority of SSI beneficiaries who live independently, who have regular sources of unearned income from social security, or other retirement or disability benefits or pensions.

Monthly break-even income for SSI beneficiaries with specified type of income:

	<i>Individual</i>	<i>Eligible couple</i>
Unearned income.....	\$166	\$239
Earned income.....	377	523
Unearned and earned.....	277	363
<hr/>		
Social security.....	120	180
Earnings.....	157	183

Monthly break-even level of ineligible spouses' or parents' income when the eligible individual has no other income:

	<i>Ineligible spouse</i>	<i>Parent(s) of disabled child under age 21</i>	
		<i>One parent</i>	<i>Two parents</i>
Unearned income.....	\$239	\$312	\$385
Earned income or earned and unearned income <sup>1</sup> .....	304	377	450

<sup>1</sup> Break-even levels are increased by \$73 for each dependent child in the home.

*Relationship of benefit amounts to cost of living.*—An amendment to the Social Security Act in July 1974 authorizes automatic increases in the SSI benefit level in the future at the same time and with the same percentage increase as the automatic cost-of-living increase in social security benefits. The first increase under this amendment is scheduled for July 1975.

*Relationship of benefit amount to place of residence.*—Benefit levels (SSI payment plus countable income) are uniform regardless of the place of residence. (See below for discussion of variations in State supplemental payments.)

*Amount of benefits.*—The average monthly Federal SSI payment in July–September 1974 was \$97.98 (aged—\$78.67; blind—\$114.27; disabled—\$123.30). Data represent average payments to all persons eligible for SSI benefits, including eligible spouses. Payments include retroactive payments and refunds of underpayments. Separate data for individuals and couples are not available. Higher average amounts for blind and disabled persons reflect differences in other income received by these individuals. (See tables 3 and 6 in the Supplementary Material for the number of beneficiaries and average payments by State.)

*Comparison of benefit amounts to the poverty level.*—The benefit level (July 1974) is 74 percent of the July 1974 nonfarm poverty level for a single person, and 88 percent of the poverty level for a couple. With OASDI or other unearned income, individuals have total income of 84 percent of the poverty level and couples have 96 percent of the poverty level.

	<i>Annual benefits</i>			<i>July 1974 poverty level<sup>2</sup></i>	<i>1972 median income age 65 and over</i>	
	<i>SSI with no other income</i>	<i>SSI plus OASDI<sup>1</sup></i>	<i>Break-even earnings</i>		<i>Male<sup>3</sup></i>	<i>Female</i>
Single person.....	\$1, 752	\$1, 992	\$4, 524	\$2, 373	\$2, 881	\$2, 786
Couple.....	2, 628	2, 868	6, 276	2, 994	5, 879	-----

<sup>1</sup> Or SSI plus any type of unearned income.

<sup>2</sup> Nonfarm poverty level for individuals 65 and over and for couples with head 65 and over. Poverty levels for individuals and couples under age 65 are about 10 percent higher.

<sup>3</sup> Median income for individuals 65 and over and for couples with head 65 and over.

**OTHER SERVICES PROVIDED OR AVAILABLE.**—Vocational rehabilitation services are available for blind and disabled beneficiaries under age 65, by referral to State agencies administering such services. The vocational rehabilitation agencies are reimbursed by BSSI for the costs of services to SSI beneficiaries.

Disabled beneficiaries under age 65 who are drug addicts or alcoholics are referred to appropriate facilities for treatment, if available.

Beneficiaries are referred for other social services to local agencies (departments of public welfare or social services) responsible for administering services under title VI of the Social Security Act, grants to the States for services to the aged, blind, or disabled.<sup>13</sup>

**BENEFITS FROM OTHER PROGRAMS WHICH ACCRUE BY VIRTUE OF ELIGIBILITY FOR SSI.**—All SSI beneficiaries are eligible for medical care services under the medicaid program in 33 States and the District of Columbia. In 16 States, SSI beneficiaries transferred from State assistance programs in January 1974 are eligible for medicaid and newly eligible SSI beneficiaries are eligible for medicaid if they would have been eligible under the States' medicaid plan as effective in January 1972 (or after they have spent for medical care any income in excess of the States' 1972 eligibility standards). States which have elected this option are: Colorado, Connecticut, Illinois, Indiana, Kansas, Maryland, Minnesota, Mississippi, Missouri, Nebraska, New Hampshire, North Carolina, Ohio, Oklahoma, Utah, and Hawaii. Arizona does not administer a medicaid program but plans to initiate the program in 1975.

SSI beneficiaries are eligible for food stamps in all States (and D.C.) except California, Massachusetts, Nevada, New York, and Wisconsin. In these States, the State supplemental payment level includes an amount equivalent to the cash value of the food stamp bonus.

In other States, SSI beneficiaries are automatically eligible to participate in the food stamp program regardless of income if all members of the household receive some form of public assistance (SSI, AFDC or general assistance). If some household members are not assistance recipients, the SSI benefit is included in the total household income to determine household eligibility for food stamps. In all instances, a separate application to the agency administering food stamps is necessary.

## **State Supplementation of the Federal SSI Benefit**

### **BASIC PROGRAM INFORMATION**

**LEGISLATIVE OBJECTIVE.**—To prevent reduction of income of persons transferred to SSI who were receiving assistance payments under the State administered programs of old age assistance, aid to the blind, and aid to the permanently and totally disabled; and to permit and encourage States to make supplementary payments to all SSI beneficiaries in order to maintain combined benefit levels for new applicants as well as former recipients comparable to those paid in the State under the previous assistance programs.

<sup>13</sup> An amendment to the Social Security Act (Public Law 93-647, Jan. 4, 1975) repealed title VI and included provisions for services to SSI recipients in Title XX: Grants to States for Services, effective October 1975.

DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.—Public Law 92-603 (Social Security Amendments of 1972) which authorized the SSI program, provided for State supplementary payments to SSI beneficiaries, at the option of the State; that is, any payments by a State or political subdivision based on need, regularly paid to SSI beneficiaries, is not counted as income and does not reduce the SSI benefit.

In July 1973, an amendment (Public Law 93-66) required States to make supplementary payments to all persons receiving assistance in December 1973 under the former assistance programs whose income would otherwise be reduced by transfer to the SSI program. Such supplements are called mandatory. Other supplements are called optional.

ADMINISTERING AGENCY.—The mandatory and optional supplemental payments can be administered by the State or by the Federal agency. If a State agrees to Federal administration of an optional supplement, the Federal agency also administers the mandatory supplement in that State.

*Mandatory supplements.*—The Federal agency (Social Security Administration) administers the mandatory supplement in 31 States and the District of Columbia. The remaining States administer their own mandatory supplements. (Even though the SSI benefit level is higher than the benefit level used in the former assistance programs in about one-half of the States, some recipients in all States received benefits above the SSI level in December 1973 because of special needs, cost of institutional care, etc., included in the assistance payment.)

*Optional supplement.*—The SSA administers an optional State supplement in 17 States; 17 States administer their own optional supplement, and 17 States provide no optional supplement to SSI recipients. See table 9 in the supplementary material.

FINANCING.—In general, States are responsible for the cost of State supplementary payments. However, if a State agrees to Federal administration of the optional supplement, the State is protected against increased costs above the State's share of assistance expenditures in the former programs for the comparable quarter in 1972. This "hold harmless" provision applies to supplemental benefit levels up to the payment levels in effect in the State in January 1972. If the State's supplemented benefit level exceeds the January 1972 level, the State is responsible for the additional cost. This has the effect of protecting States against costs of increased caseloads under SSI but requires States to meet the costs of benefits they elect to pay which exceed the January 1972 levels.

States which administer their own mandatory and/or optional supplements are responsible for the total cost of administration. When the mandatory supplement only is administered by the Federal agency, the cost of administration is met by the Federal agency, and the State is charged the full cost of the supplement. When the Federal agency administers the optional and mandatory supplements in a State, the cost of administration is met by the Federal agency, and the State is charged the cost of the supplemental benefit up to the amount

of State assistance expenditures for the comparable program in 1972. Any excess costs are met from Federal funds. In the first 6 months of 1974, six States<sup>14</sup> received "hold harmless" payments totaling \$36,434,000. As noted above any portion of the State supplement which exceeds the January 1972 payment levels in the comparable assistance program is also charged to the State.

*Cost and caseloads*

	<i>Federal admin- istration, July- September 1974 (monthly average for quarter)</i>	<i>State administra- tion, September 1974</i>
Number of beneficiaries receiving supplemental pay- ments <sup>1</sup> -----	1, 531, 223	274, 580
Aged-----	805, 454	189, 646
Blind-----	32, 938	5, 655
Disabled-----	642, 831	79, 279
Amount of State supplementation (in thousands)----	\$110, 478	\$9, 554
Aged-----	54, 239	6, 300
Blind-----	2, 981	295
Disabled-----	53, 258	2, 959

<sup>1</sup> Includes recipients of mandatory and optional supplements. Separate data not available.

The calendar year 1974 cost of State supplementation of SSI will probably be about \$1.3 billion.

*Mandatory supplement-eligibility criteria and amount of supplemental benefits.*—Persons who received assistance payments as aged (65 years or over), blind or disabled persons under State assistance programs in December 1973 are eligible for a supplementary payment if their total income from other sources, including SSI, is less than they received (or would have received if their circumstances changed subsequently) in December 1973, and they continue to meet the basic eligibility conditions for receipt of SSI benefits.

The amount of the supplementary benefit is individually determined since it is based on the amount of income received in December 1973. The supplementary benefit for any month is the difference between the assistance payment plus other income of the recipient in December 1973, and the SSI payment plus other income of the recipient in the current month. If the beneficiary's circumstances change, the amount the individual would have received in December 1973 is recalculated and the supplemental benefit adjusted accordingly. If the supplemental benefit is decreased because of reduction of amounts included for special needs, shelter costs or an essential person, the supplemental payment is not increased subsequently because of changes in these needs.

The number of persons entitled to a mandatory supplement will decrease over time as the SSI benefit level increases and supplements are discontinued because of death or changes in circumstances. Among 18 States in which mandatory supplement recipients can be identified, 10 percent or fewer SSI recipients received a mandatory supplement in 9 States in August 1974. See table 7 for average supplementary

<sup>14</sup> Massachusetts, California, New York, Wisconsin, Hawaii, and Nevada.

payments and table 4 for average combined SSI and federally administered supplements, in the Supplementary Material at the end of this section.

#### ELIGIBILITY CRITERIA—OPTIONAL SUPPLEMENTS

**FEDERAL ADMINISTRATION.**—If the optional supplement is administered by the Federal agency, the basic eligibility conditions (disability definition, assets test, acceptance of vocational training, treatment for drug addiction, and other conditions) for receipt of the supplement are the same as for receipt of the Federal SSI benefit except that the States may impose a durational residence requirement, may file liens on property for recovery of the amount of the State supplement, or may require specified relatives to contribute to the recipient's support. The Federal agency will not administer the lien or relative responsibility provisions or reduce benefits because of them. No federally administered State has elected these options in respect to recipients of a supplementary benefit.

**STATE ADMINISTRATION.**—States which administer their own supplement are free to establish eligibility conditions for receipt of supplementary benefits.

#### INCOME TEST

*Federal administration.*—The States are required to establish an adjusted payment level based on the average amount paid to an individual with no other income under the former assistance programs in January 1972. The adjusted payment level for a couple may be from 1.5 to 2 times the amount for an individual. The adjusted payment level may vary by category (aged, blind or disabled) by as many as five living arrangements (alone, with an ineligible spouse, in an institution, etc.), and by two or three geographic areas within the State.

The selected benefit level determines the income limit for eligibility of persons in each classification defined by the State.

The income limit for an aged individual living independently varies from \$156 in Maine to \$269 in Massachusetts. (An individual living independently in Massachusetts receives a payment of \$123 a month to supplement the SSI benefit level of \$146, and is eligible for a State supplementary payment if countable income does not exceed \$269.) See tables 9 and 10 for variations in amounts of State supplements and income limits by classification of recipients.

The selected benefit level applies to all persons in a classification but States are not required to supplement the benefit of all SSI recipients within the State. For instance, Nevada does not supplement SSI benefits of disabled recipients because Nevada had no former assistance program for disabled persons. The federally administered optional supplement in Delaware, Montana and the District of Columbia is limited to persons requiring care outside their own homes.

*State administration.*—States which administer their own supplements are not required to establish uniform adjusted payment levels. Some of these States base the payment level on an individual determination of need. Therefore, income limits may vary by amounts paid for shelter or by amounts included for other special needs. Four

States (Kentucky, Missouri, North Carolina, and South Carolina) do not supplement SSI beneficiaries living independently but limit the optional supplement to persons requiring other types of care.

#### TREATMENT OF INCOME

*Federal administration.*—Income is subject to the same exclusions as for SSI. States may exclude larger amounts than those applicable to SSI but none are known to do this.

*State administration.*—States are not required to apply SSI exclusions to income. Details on State practices are not available.

### BENEFITS AND SERVICES

#### CASH BENEFITS

##### *Primary determinants of amount of supplemental benefits*

*Federal administration.*—The amount of the supplement is the applicable supplemental benefit level reduced by the total of the SSI payment plus countable income. For persons who do not receive SSI payments because their income exceeds the SSI benefit level, the amount of the State supplement is the supplemental benefit level reduced by countable income.

Since the SSI payment plus countable income is a uniform amount (\$146 for individuals and \$219 for couples) and the State supplemental benefit level is a uniform amount for individuals or couples in specified living arrangements or categories, the amount of the supplemental benefit is the same for all SSI recipients in the same classification. When income exceeds the income level for SSI eligibility, the supplement varies according to the amount of countable income. For instance, in Wisconsin, the supplemental benefit level for an individual is \$216 per month and the supplemental benefit is \$70 (\$216 less \$146) as long as the individual receives any SSI benefit. The supplement will be reduced if the individual is not eligible for SSI because of income.

*Examples.*—SSI and State supplemental benefits to individuals with different amounts of social security benefits (no other income).

	I	II	III
Social security .....	0	\$100	\$186
SSI .....	\$146	<sup>1</sup> 66	0
State supplement .....	70	70	<sup>2</sup> 50
Total income .....	216	236	236

<sup>1</sup> \$20 of social security benefits is excluded. The SSI payment is \$146 less countable income of \$86. The State supplement is \$216 less SSI payment and countable income (\$216—\$146—\$70).

<sup>2</sup> The State supplement is \$216 less countable income of \$166 (\$20 of social security benefits is excluded).

States in which the supplement is federally administered have established supplemental benefit amounts for individuals and couples which vary by type of living arrangements and by geographic area in a few States. See tables 9 and 10, supplementary material.

*State administration.*—The method of determining the amount of the State supplement varies among the States. A few States use a flat grant method (a uniform supplemental benefit level) and the supplemental benefit is the flat amount reduced by the SSI payment and countable income. Other States establish the benefit level on a case budget basis; that is, need is individually determined by including the rent actually paid or other special need items in addition to stand-

ard amounts for basic needs such as food and clothing; and income exclusions may be lower for the State supplement than for SSI. Therefore, supplemental amounts may vary among individuals and some SSI recipients may receive no supplement.

*Relationship of benefit amount to family size*

*Federal administration.*—The supplemental benefit level for a couple varies from 1.4 to 1.9 times the level for an individual (living independently) in the same State. However, benefit levels vary considerably. The supplemental benefit level for couples in 8 States out of 13 federally administered States is lower than the level for an individual in Massachusetts.

*State administration.*—The supplemental benefit level for a couple varies from 1.2 to 2 times the level for an individual in the same State.

*Relationship of benefit amount to place of residence*

*Federal administration.*—Supplemental benefits vary by State of residence. The States which supplement the SSI benefits of individuals and couples living independently are Northern and Western States that had higher levels of payments in the previous assistance programs for the aged, blind, and disabled. In Vermont and Washington benefit levels vary by two geographic areas within the State.

*State administration.*—Supplemental benefits vary among the States and may vary within States. States that supplement the SSI benefits of individuals and couples living independently generally are Northern and Western States where payment levels in the previous assistance programs were greater than the SSI benefit level. Southern States generally limit supplemental benefits to SSI recipients who require care outside their own home.

*Relationship of benefit amounts to cost of living.*—There is no Federal requirement that States adjust supplemental benefit levels as the cost-of-living changes, or that they pass along the automatic SSI cost-of-living adjustment. Among federally administered States, California, Hawaii, and Massachusetts have automatic cost-of-living increases in their supplemental benefit levels; Maine provides an adjustment corresponding to the increase in cost of fuel; and Pennsylvania increases the benefit level to pass along the SSI increase.

*Relationship of benefit amounts to the poverty level*

*Federal administration.*—Supplemental benefit levels for aged individuals living independently vary from about 80 percent to about 140 percent of the July 1974 nonfarm poverty level. Four States have supplemental benefit levels above the poverty level and 13 are below the poverty level, including Iowa, Montana, Delaware, and the District of Columbia where aged SSI recipients living independently receive no supplement. Individuals with unearned income would have total income at or above the July 1974 poverty level in 10 States.

The supplemental benefit levels for aged couples, when added to the basic SSI allowances, vary from about 90 to about 170 percent of the July 1974 poverty levels for couples. The benefit levels are above the poverty level in seven States. Aged couples with unearned income would have total incomes at or above the poverty level in 13 States.

*State administration.*—Supplemental benefit levels for individuals, when added to the basic SSI allowances, vary from about 80 to about 120 percent of the July 1974 poverty level. Benefits for couples vary from about 90 to about 130 percent of the level. Benefits in three States exceed the July 1974 poverty level for individuals living independently and five States exceed the poverty level for couples.

*Amount of benefits*

*Federal administration.*—Separate data are not available for the optional supplement only. The combined optional and mandatory supplemental payments in the federally administered States varied in July–September 1974 from \$117.25 in Massachusetts to \$25.61 in Pennsylvania. The proportion of beneficiaries receiving a supplemental payment varied from 8 percent in Iowa to 99 percent in Massachusetts. See table 7 in the supplementary material.

*State administration.*—The combined mandatory and optional supplements reported by States administering both supplements varied in September 1974 from \$20.59 in Oklahoma to \$95.59 in North Carolina. Oklahoma makes a supplemental payment to a large proportion of beneficiaries while North Carolina pays a supplement only to persons requiring special care. Table 8, Supplementary Material, shows the number of persons receiving a State supplement, and the average supplemental payment to person receiving a State payment.

**BENEFITS FROM OTHER PROGRAMS WHICH OCCUR BY VIRTUE OF ELIGIBILITY FOR A STATE SUPPLEMENT**

*Federal administration.*—Recipients of supplemental benefits are automatically eligible for medical care services under the States medicaid program except that in Hawaii, newly eligible recipients are eligible if they meet the medicaid eligibility conditions which were in effect in January 1972.

Recipients are eligible for food stamps in all States except California, Massachusetts, Nevada, New York, and Wisconsin since the supplemental benefit level in these States includes an amount equivalent to the value of the food stamp bonus.

*State administration.*—Recipients are automatically eligible for medical care services except for newly eligible recipients in States which have elected the option to apply the January 1972 medicaid eligibility conditions. The States are Colorado, Connecticut, Illinois, Minnesota, Missouri, Nebraska, New Hampshire, North Carolina, and Oklahoma.

Recipients are eligible to participate in the food stamp program in all of the States which administer optional supplemental benefits.

**OTHER SERVICES PROVIDED OR AVAILABLE.** Same as for SSI.

## SUPPLEMENTARY MATERIAL

TABLE 1.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED: NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS AND TOTAL AMOUNT, 1974

Month	Number of persons <sup>1,2</sup>				Benefits (in thousands) <sup>1</sup>		
	Total	Aged	Blind	Disabled	Total	Federal SSI	State supplementation <sup>3</sup>
1974							
January.....	3,215,632	1,865,109	72,390	1,278,133	\$365,149	\$260,159	\$104,989
February.....	3,236,167	1,882,690	72,584	1,280,893	405,050	311,686	93,364
March.....	3,333,017	1,944,966	74,048	1,314,003	416,841	313,171	103,670
April.....	3,334,493	1,953,693	73,189	1,307,611	392,122	290,020	102,092
May.....	3,425,891	2,016,177	71,833	1,337,881	410,240	307,322	102,918
June.....	3,583,894	2,093,301	72,883	1,417,710	448,142	332,776	115,366
July.....	3,653,466	2,115,358	73,951	1,464,157	439,244	334,205	105,040
August.....	3,734,349	2,156,523	74,132	1,503,694	449,110	341,189	107,921

<sup>1</sup> Excludes emergency advance payments made by Social Security Administration district offices. Figures have not been adjusted for returned checks and refunds of overpayments.

<sup>2</sup> Does not include persons receiving State supplementation only under State-administered programs.

<sup>3</sup> Does not include payments for State supplementation under State-administered programs.

TABLE 2.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED: TOTAL PAYMENTS, FEDERAL SSI PAYMENTS, AND FEDERALLY ADMINISTERED STATE SUPPLEMENTARY PAYMENTS BY STATE, AUGUST 1974

[In thousands]

State	Total	Federal SSI	State supplementation <sup>1</sup>	State	Total	Federal SSI	State supplementation <sup>1</sup>
Total.....	\$449,110	\$341,189	\$107,921	Missouri.....	9,306	9,306	-----
Alabama.....	12,289	12,289	-----	Montana.....	748	707	42
Alaska.....	300	300	-----	Nebraska.....	1,337	1,337	-----
Arizona.....	2,612	2,612	-----	Nevada.....	479	331	148
Arkansas.....	7,078	6,814	264	New Hampshire.....	407	407	-----
California.....	95,103	40,724	54,378	New Jersey.....	7,973	6,131	1,842
Colorado.....	3,345	3,345	-----	New Mexico.....	2,392	2,392	-----
Connecticut.....	2,052	2,052	-----	New York.....	55,758	34,955	20,803
Delaware.....	584	484	100	North Carolina.....	11,805	11,805	-----
District of Columbia.....	1,871	1,777	94	North Dakota.....	674	674	-----
Florida.....	14,108	13,825	283	Ohio.....	12,502	12,115	387
Georgia.....	13,795	13,393	402	Oklahoma.....	7,672	7,672	-----
Hawaii.....	1,157	716	441	Oregon.....	2,315	2,315	-----
Idaho.....	734	734	-----	Pennsylvania.....	15,422	12,475	2,947
Illinois.....	14,725	13,393	1,332	Rhode Island.....	1,567	1,018	548
Indiana.....	3,400	3,245	155	South Carolina.....	6,218	6,175	43
Iowa.....	2,190	1,988	201	South Dakota.....	702	655	47
Kansas.....	1,966	1,863	103	Tennessee.....	11,575	11,451	124
Kentucky.....	9,453	9,453	-----	Texas.....	21,194	21,194	-----
Louisiana.....	13,597	12,943	653	Utah.....	970	921	50
Maine.....	2,049	1,610	439	Vermont.....	( <sup>2</sup> )	640	( <sup>2</sup> )
Maryland.....	5,246	5,048	198	Virginia.....	5,403	5,403	-----
Massachusetts.....	19,551	6,591	12,960	Washington.....	6,538	5,194	1,344
Michigan.....	12,570	9,374	3,195	West Virginia.....	4,005	4,005	-----
Minnesota.....	3,538	3,147	391	Wisconsin.....	6,049	2,833	3,216
Mississippi.....	11,376	11,106	270	Wyoming.....	214	204	10
				Unknown.....	66	46	20

<sup>1</sup> Does not include payments for State supplementation under State-administered programs; data not available. National total includes all Federal disbursements of State supplementation.

<sup>2</sup> Data for Vermont not shown because of a computation problem with State supplementary payments.

TABLE 3.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED: NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS BY STATE, AUGUST 1974

State	Total	Aged	Blind	Disabled
Total <sup>1</sup> .....	3, 734, 349	2, 156, 523	74, 132	1, 503, 694
Alabama <sup>2</sup> .....	135, 303	102, 901	2, 004	30, 398
Alaska <sup>2</sup> .....	2, 524	1, 094	75	1, 355
Arizona <sup>2</sup> .....	24, 615	13, 036	430	11, 149
Arkansas.....	80, 191	58, 718	1, 660	19, 813
California.....	570, 245	306, 127	13, 085	251, 033
Colorado <sup>2</sup> .....	35, 800	21, 831	307	13, 662
Connecticut <sup>2</sup> .....	19, 827	8, 296	239	11, 292
Delaware.....	5, 851	3, 134	301	2, 416
District of Columbia.....	15, 087	5, 128	192	9, 767
Florida.....	126, 265	83, 583	2, 291	40, 391
Georgia.....	144, 703	92, 229	3, 073	49, 401
Hawaii.....	7, 827	4, 582	112	3, 133
Idaho <sup>2</sup> .....	7, 925	3, 938	99	3, 888
Illinois.....	130, 795	43, 699	1, 654	85, 442
Indiana.....	38, 273	21, 450	1, 174	15, 649
Iowa.....	23, 743	16, 143	935	6, 665
Kansas.....	21, 419	12, 049	374	8, 996
Kentucky <sup>2</sup> .....	88, 199	57, 945	2, 056	28, 198
Louisiana.....	138, 890	100, 076	2, 117	36, 697
Maine.....	20, 285	11, 570	282	8, 433
Maryland.....	44, 199	16, 340	483	27, 376
Massachusetts.....	110, 617	71, 984	2, 894	35, 739
Michigan.....	103, 935	45, 068	1, 682	57, 185
Minnesota.....	35, 645	17, 778	756	17, 111
Mississippi.....	122, 498	85, 936	2, 054	34, 508
Missouri <sup>2</sup> .....	101, 285	71, 054	2, 609	27, 622
Montana.....	7, 460	3, 596	155	3, 709
Nebraska <sup>2</sup> .....	15, 177	8, 325	238	6, 614
Nevada.....	4, 344	3, 157	119	1, 068
New Hampshire <sup>2</sup> .....	4, 850	2, 987	183	1, 680
New Jersey.....	62, 886	32, 605	936	29, 345
New Mexico <sup>2</sup> .....	22, 565	10, 956	404	11, 205
New York.....	343, 605	154, 263	4, 076	185, 266
North Carolina <sup>2</sup> .....	120, 728	67, 641	4, 114	48, 973
North Dakota <sup>2</sup> .....	7, 354	4, 733	55	2, 566
Ohio.....	113, 939	50, 559	2, 427	60, 953
Oklahoma <sup>2</sup> .....	81, 636	53, 623	1, 090	26, 923
Oregon <sup>2</sup> .....	22, 894	9, 793	611	12, 490
Pennsylvania.....	120, 274	58, 556	5, 500	56, 218
Rhode Island.....	13, 461	6, 059	176	7, 226
South Carolina.....	62, 445	38, 227	1, 985	22, 233
South Dakota.....	7, 842	5, 288	104	2, 450
Tennessee.....	113, 602	70, 314	1, 671	41, 617
Texas <sup>2</sup> .....	242, 169	187, 405	3, 822	50, 942
Utah.....	8, 802	3, 381	164	5, 257
Vermont.....	7, 889	4, 382	98	3, 409
Virginia <sup>2</sup> .....	54, 539	32, 282	1, 313	20, 944
Washington.....	49, 837	20, 102	487	29, 248
West Virginia <sup>2</sup> .....	34, 770	18, 505	589	15, 676
Wisconsin.....	52, 546	32, 587	845	19, 114
Wyoming.....	2, 367	1, 327	29	1, 011
Unknown.....	422	181	3	238

<sup>1</sup> Includes persons with Federal SSI payments and/or Federally administered State supplementation, unless otherwise indicated.

<sup>2</sup> Data for Federal SSI payments only. State has State-administered supplementation but data for such payments are not available.

TABLE 4.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED: AVERAGE MONTHLY AMOUNT OF COMBINED FEDERAL AND STATE PAYMENTS IN STATES WITH FEDERALLY ADMINISTERED STATE SUPPLEMENTATION, BY STATE, AUGUST 1974

State	Average monthly amount			
	Total	Aged	Blind	Disabled
Arkansas.....	\$88.27	\$80.05	\$116.13	\$110.27
California.....	166.78	134.68	200.83	204.15
Delaware.....	99.86	79.85	120.46	123.26
District of Columbia.....	124.01	97.42	133.88	137.78
Florida.....	111.74	99.67	126.90	135.84
Georgia.....	95.34	83.63	117.79	115.81
Hawaii.....	147.82	124.52	178.00	180.82
Illinois.....	112.59	78.54	126.94	129.72
Indiana.....	88.84	73.16	109.67	108.77
Iowa.....	92.23	78.27	119.73	122.19
Kansas.....	91.80	76.78	121.68	110.68
Louisiana.....	97.90	87.75	127.00	123.90
Maine.....	101.02	79.23	131.24	129.90
Maryland.....	118.69	88.16	130.76	136.69
Massachusetts.....	176.75	149.86	216.52	227.69
Michigan.....	120.94	91.53	140.17	143.56
Minnesota.....	99.26	78.70	130.93	119.23
Mississippi.....	92.87	81.57	122.45	119.26
Montana.....	100.30	72.36	102.67	127.29
Nevada.....	110.39	94.58	175.77	149.82
New Jersey.....	126.79	98.82	138.30	157.51
New York.....	162.28	122.37	176.26	195.20
Ohio.....	109.73	79.32	121.83	134.47
Pennsylvania.....	128.23	103.87	128.87	153.54
Rhode Island.....	116.38	81.88	146.96	144.57
South Carolina.....	99.58	83.85	118.03	124.98
South Dakota.....	89.51	75.85	144.75	116.66
Tennessee.....	101.90	83.81	129.80	131.34
Texas.....	110.26	91.60	136.91	121.44
Vermont <sup>1</sup> .....				
Washington.....	131.19	93.60	154.07	156.64
Wisconsin.....	115.13	103.18	147.45	134.08
Wyoming.....	90.61	71.71	104.45	115.02

<sup>1</sup> Data for Vermont not shown because of a computational problem with State supplementary payments.

TABLE 5.—NUMBER AND PERCENT OF PERSONS RECEIVING FEDERALLY ADMINISTERED SSI PAYMENTS AND CONCURRENT OASDI BENEFITS AND AVERAGE AMOUNT OF OASDI BENEFIT, JUNE 1974, BY REASON FOR SSI ELIGIBILITY

Reason for eligibility	Total number	With OASDI benefits		Average monthly OASDI benefit <sup>2</sup>
		Number <sup>1</sup>	Percent of total	
Total.....	3,583,900	1,880,100	52.5	\$116.91
Aged.....	2,093,300	1,462,900	69.8	114.86
Blind.....	72,900	25,900	35.5	121.94
Disabled.....	1,417,700	391,300	27.6	124.27

<sup>1</sup> Partly estimated.

<sup>2</sup> Reflects OASDI benefit increase effective June 1974, which was payable July 3.

TABLE 6.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED: AVERAGE MONTHLY AMOUNT OF FEDERAL SSI PAYMENTS, BY STATE, JULY–SEPTEMBER 1974

State	Average monthly amount			
	Total	Aged	Blind	Disabled
Total.....	\$97.98	\$78.67	\$114.27	\$123.30
Alabama.....	90.15	79.88	117.31	122.15
Alaska.....	117.31	85.43	140.14	141.26
Arizona.....	105.42	87.23	124.26	125.95
Arkansas.....	86.02	77.43	112.43	108.72
California.....	100.05	74.22	103.51	123.20
Colorado.....	92.73	74.79	109.51	120.88
Connecticut.....	103.05	72.83	111.91	125.26
Delaware.....	88.76	67.68	90.05	114.78
District of Columbia.....	117.18	91.39	124.15	130.58
Florida.....	106.73	96.47	120.86	126.92
Georgia.....	93.46	81.82	116.85	113.40
Hawaii.....	97.85	80.61	123.14	121.51
Idaho.....	89.82	70.03	106.61	109.31
Illinois.....	104.64	73.35	119.16	120.39
Indiana.....	83.31	67.02	108.90	104.09
Iowa.....	83.90	71.25	103.32	111.08
Kansas.....	84.18	72.73	109.11	98.49
Kentucky.....	104.59	90.08	143.86	130.94
Louisiana.....	94.71	83.98	126.39	121.45
Maine.....	88.76	66.82	107.90	116.69
Maryland.....	113.75	82.38	127.06	132.21
Massachusetts.....	89.05	66.25	93.31	120.24
Michigan.....	97.03	73.52	119.11	114.58
Minnesota.....	86.77	72.17	109.42	100.89
Mississippi.....	91.89	80.25	122.01	118.77
Missouri.....	90.22	78.31	97.06	119.74
Montana.....	93.93	66.48	100.60	121.02
Nebraska.....	86.65	68.19	110.71	109.27
Nevada.....	89.97	69.23	102.49	132.83
New Hampshire.....	83.12	59.70	109.04	121.40
New Jersey.....	103.04	78.19	113.62	128.51
New Mexico.....	105.87	86.07	117.83	124.97
New York.....	115.77	81.66	125.46	138.83
North Carolina.....	95.45	74.98	117.54	121.96
North Dakota.....	88.76	73.93	117.14	115.33
Ohio.....	105.06	76.35	119.34	128.36
Oklahoma.....	93.33	82.05	122.87	114.34
Oregon.....	98.64	70.92	107.62	119.91
Pennsylvania.....	101.51	78.06	96.62	126.32
Rhode Island.....	88.74	59.33	109.03	108.25
South Carolina.....	95.94	79.66	118.90	121.66
South Dakota.....	81.59	69.67	126.42	105.44
Tennessee.....	98.16	80.91	128.29	126.21
Texas.....	86.83	77.37	121.11	118.03
Utah.....	100.90	80.92	114.23	113.53
Vermont.....	92.46	70.71	120.35	117.07
Virginia.....	93.38	74.71	124.28	120.31
Washington.....	109.82	74.39	132.25	132.84
West Virginia.....	100.45	86.50	137.99	137.04
Wisconsin.....	73.54	62.64	96.70	87.03
Wyoming.....	86.70	68.44	107.66	110.86

TABLE 7.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED: AVERAGE MONTHLY AMOUNT OF FEDERALLY ADMINISTERED STATE SUPPLEMENTATION, BY STATE, JULY–SEPTEMBER 1974

State	Percent of recipients receiving supplementary payments	Average monthly amount			
		Total	Aged	Blind	Disabled
Total.....	1 41	\$72.15	\$67.34	\$90.50	\$76.87
Arkansas 2.....	25	15.21	13.02	21.27	27.76
California.....	97	99.03	91.41	129.33	106.97
Delaware.....	51	35.81	24.87	50.52	76.68
District of Columbia.....	18	33.48	27.57	36.29	36.46
Florida 2.....	6	40.82	35.23	54.61	49.83
Georgia 2.....	9	30.87	27.92	35.38	37.99
Hawaii.....	93	59.80	53.58	61.57	68.62
Illinois 2.....	27	38.82	37.10	48.71	39.04
Indiana 2.....	11	37.44	32.29	49.64	43.73
Iowa.....	8	91.68	102.73	48.16	111.66
Kansas 2.....	8	66.57	51.56	66.79	78.09
Louisiana 2.....	19	24.78	23.44	36.91	55.36
Maine.....	41	52.79	43.48	66.07	69.11
Maryland 2.....	9	60.92	61.11	47.94	61.48
Massachusetts.....	99	117.25	111.91	161.37	124.56
Michigan.....	92	37.73	29.91	36.70	44.17
Minnesota 2.....	20	59.61	43.01	60.67	69.40
Mississippi 2.....	10	20.65	16.20	37.08	38.32
Montana.....	10	66.63	66.64	35.47	69.53
Nevada.....	73	48.79	46.22	51.15	.....
New Jersey.....	79	35.65	32.63	38.74	39.17
New York.....	94	68.35	63.08	69.86	72.78
Ohio 2.....	5	56.77	35.22	55.43	76.74
Pennsylvania.....	93	25.61	23.21	44.22	26.23
Rhode Island.....	90	44.13	37.05	47.60	50.32
South Carolina 2.....	2	46.43	34.69	22.14	77.93
South Dakota 2.....	13	49.65	42.86	57.89	57.30
Tennessee 2.....	3	37.65	24.42	51.59	51.62
Utah 2.....	7	69.74	119.06	67.02	51.63
Vermont 3.....	92	.....	.....	.....	.....
Washington.....	90	29.62	24.57	34.70	32.94
Wisconsin.....	86	69.98	64.19	76.76	81.84
Wyoming 2.....	7	57.64	51.97	37.17	64.03

<sup>1</sup> Average for 33 States with federally administered supplements.

<sup>2</sup> Amounts represent mandatory supplements in these States. For remaining States, amounts represent mandatory and optional supplements.

<sup>3</sup> Data for Vermont not shown because of of computational problem with supplementary payments.

TABLE 8.—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED: NUMBER OF PERSONS TOTAL AND AVERAGE STATE PAYMENT AMOUNT PAID TO PERSONS UNDER STATE-ADMINISTERED STATE SUPPLEMENTATION PROGRAMS, BY STATE, SEPTEMBER 1974<sup>1</sup>

State	Total	Aged	Blind	Disabled
<b>Number of persons:</b>				
Total.....	274,580	189,646	5,655	79,279
Alabama.....	29,679	27,080	386	2,213
Alaska.....	3,739	1,998	84	1,657
Arizona.....	1,567	1,449	10	108
Colorado.....	31,899	22,626	209	9,064
Connecticut.....	9,932	3,641	124	6,167
Idaho.....	3,143	1,380	35	1,728
Illinois <sup>2</sup> .....	9,891	2,503	141	7,247
Kentucky.....	10,714	7,769	131	2,814
Missouri.....	64,538	53,857	2,018	8,663
Nebraska.....	5,206	2,303	140	2,763
New Hampshire.....	3,178	1,835	142	1,201
New Mexico.....	49	5	2	42
North Carolina.....	10,845	6,235	579	4,031
North Dakota.....	692	396	6	290
Oklahoma.....	68,567	47,535	875	20,157
Oregon.....	18,284	7,779	708	9,797
Virginia.....	2,657	1,255	65	1,337
<b>Amount of State payments (in thousands):</b>				
Total.....	\$9,554	\$6,300	\$295	\$2,959
Alabama.....	922	815	16	91
Alaska.....	225	134	4	86
Arizona.....	136	133	( <sup>3</sup> )	3
Colorado.....	975	631	13	331
Connecticut.....	536	189	7	340
Idaho.....	82	33	1	48
Illinois <sup>2</sup> .....	217	36	4	177
Kentucky.....	640	458	6	176
Missouri.....	2,541	2,003	137	401
Nebraska.....	226	76	7	142
New Hampshire.....	133	60	7	66
New Mexico <sup>3</sup> .....	.....	.....	.....	.....
North Carolina.....	1,037	594	42	401
North Dakota.....	17	10	( <sup>3</sup> )	7
Oklahoma.....	1,398	949	18	430
Oregon.....	394	140	29	224
Virginia.....	77	39	2	35
<b>Average payment:</b>				
Total.....	\$34.79	\$33.22	\$52.10	\$37.33
Alabama.....	31.07	30.10	41.59	41.03
Alaska.....	60.10	66.99	52.55	52.17
Arizona.....	86.98	91.97	( <sup>4</sup> )	25.61
Colorado.....	30.56	27.90	61.26	36.49
Connecticut.....	53.94	51.89	53.87	55.16
Idaho.....	25.96	23.80	31.71	27.56
Illinois <sup>2</sup> .....	21.95	14.19	29.89	24.47
Kentucky.....	59.71	58.93	45.25	62.52
Missouri.....	39.37	37.18	67.93	46.31
Nebraska.....	43.41	33.13	53.11	51.49
New Hampshire.....	41.72	32.48	45.81	55.35
New Mexico <sup>4</sup> .....	.....	.....	.....	.....
North Carolina.....	95.59	95.28	72.77	99.36
North Dakota.....	24.82	24.31	( <sup>4</sup> )	25.55
Oklahoma.....	20.39	19.97	20.66	21.36
Oregon.....	21.53	18.04	41.48	22.85
Virginia.....	28.99	31.30	36.74	26.46

<sup>1</sup> Data reported to the Social Security Administration by individual States. All data subject to revision. Excludes mandatory supplementation data for West Virginia and optional supplementation data for Maryland, Minnesota, South Carolina, and South Dakota.

<sup>2</sup> Data for optional supplementation only; mandatory supplementation administered by the Social Security Administration.

<sup>3</sup> Less than \$500.

<sup>4</sup> Not computed on base of less than \$500.

TABLE 9.—SUMMARY OF STATE SSI SUPPLEMENTATION FOR THE AGED, EFFECTIVE JULY 1, 1974

Monthly State supplemental payments to aged recipients with no countable income and no special needs are shown below in column, "State payment amounts." State payment amounts may actually vary for individual recipients because of special needs payments made by the State under former or current State programs. The supplement is shown as "none" when Federal base payment equals or exceeds State minimum required or optional payment levels for recipients without special needs.]

State	Administration of State supplements		State payment categories	State payment amounts <sup>1</sup>			
	Mandatory	Optional		Recipients transferred from State rolls		Newly eligible recipients	
				Individuals	Couples	Individuals	Couples
Alabama	State	State	Living independently	None	\$11	None	\$11
			In nursing or foster care home	2	\$4	2	\$4
Alaska	State	State	Living independently and actual cost of shelter is:				
			Less than \$35	39	66	39	66
			\$35 or more	104	131	104	131
			Room and board (individual)	104	(3)	104	(3)
Arizona	State	State	Living independently	None	None	None	None
Arkansas	Federal	None	Living independently	None	10	None	None
California	Federal	Federal	Living independently	89	221	89	221
			Out-of-home care	137	347	137	347
			In household of another	94	229	94	229
			Living independently without cooking facilities	114	271	114	271
Colorado	State	State	Living independently	19	111	19	111
Connecticut	State	State	Living independently	92	67	92	67
Delaware	Federal	Federal	Living independently	4	29	None	None
			Adult foster care	63	199	63	199
District of Columbia	Federal	Federal	Living independently	None	None	None	None
			Living in foster care home	24	121	24	121
Florida	Federal	None	Living independently	None	None	None	None
Georgia	Federal	None	Living independently	None	None	None	None
Hawaii	Federal	Federal	Living independently	27	41	27	41
			In household of another	2	3	2	3
			In public housing	6	9	6	9
			With ineligible spouse in household of another	43	(2)	43	(2)
			With ineligible spouse in own household	87	(2)	87	(2)
			In domiciliary care I	102	277	102	277
			In domiciliary care II	152	377	152	377
			In domiciliary care III	214	501	214	501
Idaho	State	State	Living independently	54	30	54	30
Illinois	Federal	State	Living independently	29	None	29	None
Indiana	Federal	None	Living independently	None	None	None	None
Iowa	Federal	Federal	Living independently	None	None	None	None
			Living with dependent person	73	(3)	73	(3)
			In licensed adult foster or boarding home	44	181	44	181
			Custodial care (licensed private facility)	104	301	104	301
			In family life home (approved by State)	34	161	34	161
Kansas	Federal	None	Living independently	57	23	None	None
Kentucky	State	State	Living independently	None	None	None	None
			In personal care facility (nontitle XIX):				
			Class I	91	255	91	255
			Class II	76	225	76	225
			Class III	61	195	61	195
			In licensed mini-home (serving 3 or fewer)	23	119	23	119
			Caretaker required in home	23	53	23	53
			And with ineligible spouse	88	(3)	88	(3)
Louisiana	Federal	None	Living independently	None	None	None	None
Maine	Federal	Federal	Living independently	10	15	10	15
			Living with others	8	12	8	12
			In household of another	8	12	8	12
			Foster or licensed boarding home: I	64	201	64	201
			Licensed boarding home: II	79	231	79	231
Maryland	Federal	None	Living independently	None	None	None	None
Massachusetts	Federal	Federal	Living independently	123	191	123	191
			Shared living expenses	59	191	59	191
			In household of another	95	185	95	185
			Boarding	71	191	71	191
			Domiciliary care	196	465	196	465

See footnotes at end of table, p. 137.

TABLE 9.—SUMMARY OF STATE SSI SUPPLEMENTATION FOR THE AGED, EFFECTIVE JULY 1, 1974—Continued

State	Administration of State supplements		State payment categories	State payment amounts <sup>1</sup>			
	Mandatory	Optional		Recipients transferred from State rolls		Newly eligible recipients	
				Individuals	Couples	Individuals	Couples
Michigan	Federal	Federal	Living independently	\$14	\$21	\$14	\$21
			In household of another	9	14	9	14
			Domiciliary care	72	217	72	217
			Personal care	132	337	132	337
			In home for aged	( <sup>2</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Minnesota	Federal	State	Living independently	32	39	32	39
Mississippi	Federal	None	Living independently	None	None	None	None
Missouri	State	State	Living independently	None	None	None	None
			In licensed domiciliary nursing home	2 150	2 300	2 150	2 300
			In licensed practical or professional nursing home	2 200	2 400	2 200	2 400
Montana	Federal	Federal	Living independently	None	None	None	None
			Adult foster care home or home for disabled	49	171	49	171
			Licensed rest home with boarding care	4	81	4	81
Nebraska	State	State	Living independently	67	70	67	70
			Individual and essential person	140	( <sup>3</sup> )	140	( <sup>3</sup> )
			Room and board	2 54	2 179	2 54	2 179
			Adult foster home	2 69	2 209	2 69	2 209
Nevada	Federal	Federal	Living independently	39	79	39	79
			In household of another	26	53	26	53
			Domiciliary care	110	293	110	293
New Hampshire	State	State	Living independently	27	9	24	16
			Individual and essential person	89	( <sup>3</sup> )	89	( <sup>3</sup> )
			Individual in supervised living arrangement	47	( <sup>3</sup> )	47	( <sup>3</sup> )
New Jersey	Federal	Federal	Living independently	36	31	36	31
			Licensed boarding home	44	161	44	161
			With ineligible spouse	104	( <sup>3</sup> )	104	( <sup>3</sup> )
			With others (1 of 2)	26	75	26	75
			With others (3 or more)	1	35	1	35
New Mexico	State	None	Living independently	None	None	None	None
New York	Federal	Federal	Living independently	61	76	61	76
			Living with others	8	27	8	27
			In household of another	14	35	14	35
			Congregate care:				
			Level I:				
			Area A	134	341	134	341
			Area B	79	231	79	231
			Area C	79	231	79	231
			Level II	229	531	229	531
			Level III:				
			Area A	493	1,059	493	1,059
			Area B	469	1,011	469	1,011
			Area C	154	381	154	381
North Carolina	State	State	Living independently	None	None	None	None
			With ineligible spouse or essential person	4	( <sup>3</sup> )	4	( <sup>3</sup> )
			Domiciliary group care (nontitle XIX)	2 113	2 299	2 113	2 299
			Attendant care at home	2 79	2 41	2 79	2 41
North Dakota	State	State	Living independently	None	None	None	None
Ohio	Federal	None	Living independently	None	None	None	None
Oklahoma	State	State	Living independently	15	30	15	30
			In household of another	15	30	15	30
			In health facility recognizing medical payments	40	80	40	80
			Meals at restaurant	30	60	30	60
Oregon	State	State	Living independently	17	17	17	17
			With ineligible spouse or essential person	90	( <sup>3</sup> )	90	( <sup>3</sup> )
Pennsylvania	Federal	Federal	Living independently	20	30	20	30
			In household of another	20	30	20	30
			With 1 essential person	30	45	None	None
			With 1 essential person in household of another	30	45	None	None
Rhode Island	Federal	Federal	Living independently	37	68	37	68
			In household of another	43	76	43	76
South Carolina	Federal	State	Living independently	None	None	None	None
South Dakota	Federal	None	Living independently	44	11	None	None
Tennessee	Federal	None	Living independently	None	None	None	None
Texas	None	None	Living independently	None	None	None	None
Utah	Federal	None	Living independently	None	None	None	None

See footnotes at end of table, p. 137.

TABLE 9.—SUMMARY OF STATE SSI SUPPLEMENTATION FOR THE AGED, EFFECTIVE JULY 1, 1974—Continued

State	Administration of State supplements		State payment categories	State payment amounts <sup>1</sup>			
	Mandatory	Optional		Recipients transferred from State rolls		Newly eligible recipients	
				Individuals	Couples	Individuals	Couples
Vermont	Federal	Federal	Living independently:				
			Area 1	\$29	\$41	\$29	\$41
			Area 2	49	61	49	61
			Living independently with essential person:				
			Area 1	114	126	114	126
			Area 2	134	146	134	146
			In household of another	23	29	23	29
			In household of another with essential person	78	114	78	114
			In custodial care facility:				
			Licensed	84	241	84	241
			Unlicensed	59	191	59	191
Virginia	State	None	Living independently	6	None	None	None
Washington	Federal	Federal	Living independently:				
			Area 1	30	33	30	33
			Area 2	16	6	16	6
			In household of another: Areas 1 and 2	12	14	12	14
			With ineligible spouse or essential person:				
			Area 1	106	(?)	106	(?)
			Area 2	79	(?)	79	(?)
			With ineligible spouse or essential person in household of another: Areas 1 and 2	14	(?)	(?)	(?)
			Board and room: Areas 1 and 2	3	71	3	71
			Adult family home: Areas 1 and 2	56	186	56	186
West Virginia	State	None	Living independently	None	None	None	None
Wisconsin	Federal	Federal	Living independently	70	110	70	110
			In household of another	75	118	75	118
Wyoming	Federal	None	Living independently	None	None	None	None

<sup>1</sup> For total payment to recipients, add Federal SSI payment of \$146 for individuals and \$219 for couples, except if living "in household of another" add reduced (because of income in kind—room and board) Federal SSI payment of \$97 for individuals and \$146 for couples. In the case of transferred recipients with essential persons, an additional Federal payment of \$73 (reduced to \$49 if living "in household of another") will be made which may reduce the State supplement. (All payment amounts are rounded off; e.g., 51 cents or more is raised to \$1.) The amounts specified in this table are basic amounts and may be further supplemented on a special needs basis in some States, or may be based on specific shelter allowances, or subject to special exceptions or to special provisions for "essential persons." In North Dakota and North Carolina, supplementation of aged persons living independently is optional by counties. Texas has no mandatory or optional supplementation; it was excepted from the mandatory provision because of State constitutional barrier. Rate schedules are subject to change over time. For further details see source or inquire with State agencies.

<sup>2</sup> Up to.

<sup>3</sup> Not applicable.

Source: U.S. Department of Health, Education, and Welfare, Social Security Administration, Bureau of Supplemental Security Income for the Aged, Blind and Disabled, "Summary of State Supplementation and Medicaid Decisions," June 26, 1974.

TABLE 10.—SUMMARY OF STATE SSI SUPPLEMENTATION FOR THE BLIND AND DISABLED, EFFECTIVE JULY 1, 1974<sup>1</sup>

[Monthly State supplemental payments to blind and disabled recipients with no countable income and no special needs are shown below in columns, "State payment amounts to blind (disabled)." State payment amounts may actually vary for individual recipients because of special needs payments made by the State under former or current State programs. The supplement is shown as "none" when Federal base payment equals or exceeds State minimum required or optional payment levels for recipients without special needs. Payments to couples may also vary when the category (aged, blind, or disabled) of eligibility of the spouses differ.]

State	Administration of State supplements		State payment categories	State payment amounts to blind <sup>2</sup>				State payment amounts to disabled <sup>3</sup>			
				Recipients transferred from State rolls		Newly eligible recipients		Recipients transferred from State rolls		Newly eligible recipients	
				Mandatory	Optional	Individuals	Couples	Individuals	Couples	Individuals	Couples
Alabama	State	State	Living independently	None	\$31	None	\$31	None	None	None	None
			In Nursing or foster care home	\$4	\$81	\$4	\$81	\$4	\$81	\$4	\$81
California	Federal	Federal	Living independently	119	311	119	311	89	221	89	221
			And without cooking facilities	119	311	119	311	114	271	114	271
			Out-of-home care	137	347	137	347	137	347	137	347
			In household of another	124	319	124	319	94	229	94	229
			Disabled minor in house of parent/relative	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Colorado	State	State	Living independently	9	91	9	91	9	91	9	91
			Individual with essential person	\$74	( <sup>1</sup> )	\$74	( <sup>1</sup> )	\$74	( <sup>1</sup> )	\$74	( <sup>1</sup> )
			Home care	\$225	\$307	\$225	\$307	\$225	\$307	\$225	\$307
Delaware	Federal	Federal	Living independently	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	None	4	None	4
			Adult foster care	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )	63	199	63	199
Indiana	Federal	None	Living independently	None	69	None	None	None	None	None	None
			Living independently	18	36	18	36	None	None	None	None
Iowa	Federal	Federal	In household of another	18	36	18	36	None	None	None	None

			Living with dependent person.....	91	( <sup>1</sup> )	91	( <sup>1</sup> )	73	( <sup>1</sup> )	73	( <sup>1</sup> )
			In licensed adult foster or boarding home.....	44		181		44		181	
			Custodial care (licensed private facility).....	104		301		104		301	
			In family life home (approved by State).....	34		161		34		161	
Massachusetts.....	Federal.....	Federal.....	Living independently.....	146		365		113		175	
			Shared living expenses.....	146		365		51		175	
			Living in household of another.....	195		438		83		170	
			Boarding.....	146		365		59		175	
			Domiciliary care.....	146		365		202		477	
Missouri.....	State.....	State.....	Living independently.....	None		10		None		None	
			In licensed domiciliary nursing home.....	<sup>3</sup> 150		<sup>3</sup> 300		<sup>3</sup> 150		<sup>3</sup> 300	
			In licensed practical of professional nursing home.....	<sup>3</sup> 200		<sup>3</sup> 400		<sup>3</sup> 200		<sup>3</sup> 400	
Nevada.....	Federal.....	Federal.....	Living independently.....	69		211		( <sup>2</sup> )		( <sup>2</sup> )	
			In household of another.....	118		284		( <sup>2</sup> )		( <sup>2</sup> )	
			Domiciliary care.....	109		291		( <sup>2</sup> )		( <sup>2</sup> )	
North Carolina.....	State.....	State.....	Living independently.....	None		None		None		None	
			With ineligible spouse or essential person.....	10	( <sup>4</sup> )	10	( <sup>4</sup> )	4	( <sup>4</sup> )	4	( <sup>4</sup> )
			Domiciliary group care (non-title XIX).....	<sup>3</sup> 113		<sup>3</sup> 299		<sup>3</sup> 113		<sup>3</sup> 299	
			Attendant care at home.....	<sup>3</sup> 94		<sup>3</sup> 11		<sup>3</sup> 79		<sup>3</sup> 6	
Oregon.....	State.....	State.....	Living independently.....	37		29		17		17	
			With ineligible spouse or essential person.....	102	( <sup>4</sup> )	102	( <sup>4</sup> )	90	( <sup>4</sup> )	90	( <sup>4</sup> )
South Carolina.....	Federal.....	State.....	Living independently.....	None		1		None		None	
Utah.....	Federal.....	None.....	Living independently.....	None		43		None		None	

<sup>1</sup> For States not listed, the blind and disabled supplement is the same level as for the aged in table 9.  
<sup>2</sup> Table 10 displays the supplementation levels for the blind and disabled in only those States where the State supplemental payment levels to these recipients differ from the supplements to the aged. For source and footnotes, see table 9.

<sup>3</sup> Up to.  
<sup>4</sup> Not applicable.  
<sup>5</sup> Same as for aged.  
<sup>6</sup> Nevada has had no APTD program.

## AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC)

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To encourage the care of dependent children in their own homes or in the homes of relatives by enabling each State to furnish financial assistance, rehabilitation, and other services to needy dependent children and the parents or relatives with whom they are living, to help maintain and strengthen family life, and to help such parents or relatives to attain or retain a capability for self-support.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—This program was enacted in 1935 to provide financial assistance to needy children under the age of 16 years who were deprived of parental support because of the death, incapacity, or absence from the home of a parent. Amendments in 1939 extended the age to under 18 if the child age 16 or 17 was regularly attending school. The Federal requirement for such school attendance was dropped by an amendment effective July 1, 1957. Amendments extended coverage to a needy parent or other relative with whom a child was living (1950), to a second parent (incapacitated or spouse of an unemployed parent, if the State elects to include the unemployed father) when both are in the home (1962), and to children 18 and under 21 when attending school, college, or university, or a vocational or technical training course (1964-65). Amendments in 1961 permitted States to assist families in which the father was in the home and unemployed if the State so elected, and extended coverage to children placed in foster homes following removal from AFDC homes through court action (at first permissive, and made mandatory in 1969). A 1967 amendment provided Federal participation in emergency assistance to families with children who were not necessarily AFDC-type families.

Amendments in 1962 required States to take into account work-related expenses in determining eligibility and amount of payment and permitted States to disregard certain income and earnings to be conserved for future identifiable needs of children. From July 1, 1965 to June 30, 1969, a State could disregard \$50 per month of income earned by a child under the age of 18 but no more than \$150 per month per family. Effective July 1, 1969, States were required to disregard all earnings of a dependent child who was a full-time student or a part-time student not fully employed plus the first \$30 and one-third of the remainder of monthly earnings of other individuals included in a recipient family in determining the amount of payment. The earnings disregard did not apply to determining eligibility of an applicant who had not received AFDC within 4 months preceding the application.

In 1967, a work incentive program (WIN) was initiated to provide training and employment services. An amendment in 1971 (effective, July 1, 1972) strengthened requirements for registration for WIN services and placement in public service employment.

A 1950 amendment required States to notify appropriate law enforcement officials when assistance is provided for children deserted or abandoned by a parent. Effective July 1, 1975, a new Part IV-D is added to the Social Security Act, requiring the Department of Health, Education, and Welfare to establish a separate organizational unit to assist and oversee the operations of State child support programs; provide technical assistance; and, in certain instances, give direct assistance to the States in locating absent parents and obtaining support payments from them. The amendment requires the States to obtain an assignment of support rights and to make incentive payments to those involved in actually obtaining support. Effective July 1, 1975, Federal financial participation in support activities will be increased from 50 percent to 75 percent.

Federal financial participation at a 75 percent level in the costs of certain defined social services to recipients was made possible in 1962 and was extended to include former and potential recipients in 1965. A 1967 amendment (effective 1968) required provision of a newly defined group of services for which 75 percent matching was available and allowed reimbursement for services purchased from other agencies. Legislation signed into law in 1975, effective October 1, 1975, removes the general social services provisions from Title IV-A (and Title VI) and reestablishes the social services program under a new Title XX.

AFDC programs were initiated in 40 States<sup>1</sup> in 1936 and 1937; in 10 States between 1938 and 1945; and in one State, Guam, Puerto Rico, and the Virgin Islands between 1950 and 1959. As of December 31, 1973, 24 States included assistance to families with unemployed fathers in their AFDC program (3 additional States had either submitted a plan for such coverage, were preparing a plan, or had enacted legislation allowing for the program) and 29 States had programs for emergency assistance (under title IV-A) to needy families with children.

**ADMINISTERING AGENCIES.**—Initially administered by the Federal Security Agency. Transferred to the Department of Health, Education, and Welfare in 1953 (Federal Security Agency was dissolved). The Social and Rehabilitation Service of the DHEW currently administers grants to States. The AFDC program is administered by a State agency through district or county offices in 34 States and administered by local agencies with State supervision in 20 States. The program is statewide in all States.

**FINANCING.**—States are required to participate in financing; local participation is optional. Two financing formulas are available to the States (with the exception of Arizona, which does not yet have a medicaid program). Under one formula, the Federal Government pays five-sixths of the average monthly grant per recipient up to \$18. Of the amount of the average grant above \$18 and up to \$32 (up to \$100 for recipients of foster care), the Federal Government pays the "Federal percentage" which varies, by law, from 50 percent to 65 percent and is based on a formula which relates the average per capita income of the State to the average per capita income of the United

<sup>1</sup> "State" refers to the 50 States and the District of Columbia, Guam, Puerto Rico, and the Virgin Islands. It should be noted in making any comparisons to the previous Handbook that the latter three jurisdictions were not included as "States."

States. The maximum Federal share per recipient is \$24.10 per month. As of January 1, 1974, 12 States used this formula, although this number is subject to quarterly change.

The second formula may be employed by States with an approved medicaid plan and is referred to as the "Federal medical assistance percentage." The FMAP varies from 50 percent to 83 percent with no maximum on the Federal share of dollar amounts based on the average grant. As of January 1, 1974, 42 States employed this computation method.

On the average, the Federal Government pays 55 percent of financial assistance, with States, and in some cases State and local governments, paying the remaining 45 percent.

Guam, Puerto Rico, and the Virgin Islands are subject to upper limits on Federal financial participation (as prescribed by law), although they may employ either the Federal percentage or the Federal medical assistance percentage in computing Federal matching for cash payments.

The Federal Government pays 75 percent of expenditures for required services and approved optional social services. All States provide social services. Federal funds are provided through an essentially open-ended appropriation, up to a maximum of \$2.5 billion, allocated by population. Under Title XX, effective October 1, 1975, financial participation is unchanged, with the exception of a provision for reallocation of unused funds to Guam, Puerto Rico, and the Virgin Islands.

Effective July 1, 1975, the Federal Government will pay 75 percent of costs of establishing paternity and obtaining child support. Fifty percent of other administrative costs are paid from the Federal Treasury. Federal funds pay 90 percent of the employment support services to WIN participants. The Federal Government pays 50 percent of aid under the emergency assistance program under AFDC, with assistance to such family not to exceed 30 days in any 12-month period.

Fiscal sanctions provided for in the law and HEW regulations limit the open-ended nature of funding. Under the quality control system, the Federal Government may withhold funds from States based on expected achievements of reductions in the number of ineligible cases on State assistance rolls and in the number of overpayments to recipients. Legislation provides for a one percent reduction in amounts payable to States if a State (1) does not provide for family planning services or for the carrying out of these services; or (2) does not inform AFDC families of the availability of child health screening services, provide for such services where requested, or arrange for necessary corrective treatment. A 1 percentage point reduction in payments is also required for each percentage point by which the number of WIN certified individuals is less than 15 percent of the average number of individuals in the State who are required to be registered for WIN. Effective January 1, 1977, a 5 percent penalty may be imposed for failure to maintain an effective program for obtaining child support as determined by HEW audit.

*Costs and caseloads*

<i>Fiscal year</i>	<i>AFDC payments</i>	<i>Federal share</i>	<i>Average monthly number individuals receiving benefits</i>
1973.....	\$6, 954, 554, 000	\$3, 865, 109, 000	10, 131, 000
Estimated 1974 <sup>1</sup> .....	7, 455, 575, 000	4, 100, 566, 000	10, 846, 000
Estimated 1975.....	<sup>2</sup> 8, 066, 525, 000	<sup>2</sup> 4, 470, 506, 000	11, 361, 000

<sup>1</sup> Total payments determined from published monthly data on actual payments. Federal share determined by multiplying by 0.55.

<sup>2</sup> Budget estimates, unadjusted for savings from management improvement through quality control efforts.

Total costs of State and local administration of the program in fiscal year 1974 were estimated at \$844,687,000, with the Federal share being \$416,180,000. Total program costs in fiscal year 1974 were therefore an estimated \$8,300,262,000.

## ELIGIBILITY CRITERIA

## MAJOR ELIGIBILITY CONDITIONS

*Federal requirements.*—Children must be under age 18 (or, if regularly attending school, college, or university, or vocational or technical training courses, under 21), must be lacking parental support or care because of a parent's death, continued absence, or physical or mental incapacity (or, at State option, because the father is unemployed), and must be needy (as defined by the State). In addition, the child must be living with a parent or other relative within specified degrees of relationship by blood or marriage; except that a child is eligible for foster care payments if the child was removed from the home of parents or relatives receiving AFDC payments following a judicial determination that continued living in the home would be contrary to the welfare of the child. Under legislation to take effect July 1, 1975, as a condition of eligibility each applicant must report a social security number to welfare officials and must assign any rights to child support to the State.

In 29 States, a family consisting of one or more children and a parent (or both parents) or specified relatives may receive emergency assistance to needy families with children (money payment, in kind, or voucher). Assistance may not be granted in excess of 30 days in a 12-month period. It must be provided to avoid destitution or to provide living arrangements if the family is without available resources for reasons other than refusal of the child, parent, or relative of employment or training for employment.

*Student regularly attending school.*—A child is considered to be a student in regular attendance if he is enrolled in and physically attending (1) a full-time program; (2) a half-time program and is regularly employed or available for employment; or (3) a half-time program and precluded from full-time attendance by a physical handicap. Full-time and part-time attendance are based on the Veterans' Administration standards.

*Continued absence.*—Parent is out of the home, the nature of the absence is such as either to interrupt or to terminate the parent's functioning as a provider, and the known or indefinite duration of the

absence precludes counting on the parent to perform the function of planning for the support or the care of the child.

*Incapacity.*—One parent has a physical or mental defect, illness, or impairment. Incapacity must be supported by competent medical testimony and must be of such a debilitating nature as to reduce substantially or eliminate the parent's ability to support or care for the otherwise eligible child. The incapacity must be expected to last for a period of at least 30 days.

*Unemployed father.*—AFDC benefits may be made available to a needy child whose father is unemployed only in a State which has elected to cover such fathers (24 States) and only when the father (1) has been unemployed for at least 30 days prior to the receipt of such benefits, (2) has not without good cause refused a bona fide offer of employment or training for employment, (3) has 6 or more quarters of work in any 13 calendar-quarter period ending within 1 year prior to the application for benefits (or the father received, or was qualified to receive, unemployment compensation within 1 year prior to the application for such benefits), (4) is registered with the State employment offices, and (5) is not receiving unemployment compensation for the week in which AFDC assistance is received.

A State's definition of an unemployed father must include any father who is employed less than 100 hours per month, or whose unemployment exceeds that standard for a particular month only if his work is intermittent and the excess is of a temporary nature as evidenced by the fact that the father was under the 100-hour standard for the 2 prior months and is expected to be under the standard during the next month.

#### STATE OPTIONS IN APPLICATION OF ELIGIBILITY CONDITIONS (AS OF JAN. 31, 1973)

*Age of children.*—Only children under the age of 18 are included in AFDC payments in 11 States. In 37 States, children under 21 years are included if those aged 18 to 21 are attending a school, college (or university), or a course in vocational or technical training. In 4 States, children under 21 may be eligible if those aged 16 or 17 are regularly enrolled in and attending school and those aged 18 to 21 are attending a school, college (or university), or a course in vocational or technical training. One State limits eligibility to those under 19, and if 18 must meet attendance criteria (State claims no Federal matching for 18-year-olds). In one State, children under 21 are included if living in a licensed foster home or licensed child-caring or child-placing institution, if physically or mentally incapacitated, or if regularly attending a school, college (or university), or course in vocational or technical training. Two of the above States specify that a child cannot be married and 20 States include an unborn child if there are no other eligible children.

*School attendance.*—Fifty States have no school attendance requirements for children under 18. In 42 States which include children up to age 21, attendance at school, college or university, or vocational or technical training is required. In State with age limit of under 19, 18-year-olds are required to be in attendance. Four States require students to be obtaining passing grades. In 3 States, 16- to 17-year-olds otherwise required to attend school are excused if physically or mentally incapacitated. In one State, 16- to 17-year-olds not attending

school must accept employment if offered. In one State, 18- to 20-year-olds attending school must be determined to be in programs leading to gainful employment.

*Unemployed father.*—Twenty-four States administer a plan for providing assistance to families with unemployed fathers. As of December 31, 1973, one State had approved extension of the program to the State and submitted plan material; one State was preparing plan material; and one State had passed enabling legislation. Legal authority for UF exists in five additional States, but these States have not implemented a program.

In 10 States a father whose unemployment is due to participation in a labor dispute is eligible. In six States, a father ineligible for unemployment compensation due to misconduct or other specified circumstances is eligible for AFDC-UF.

*Emergency assistance.*—Twenty-nine States provide emergency assistance to needy families under plans approved for Federal financial participation. One State provides assistance only to families who are needy as a direct result of civil disorders; another provides assistance only in cases resulting from civil disorders or for active AFDC cases with emergency needs from other causes. One State covers needs resulting from civil disorders and natural disasters. In one State, needs must be due to circumstances beyond the control of a relative or caretaker of a child (for example, natural disaster, draught, flood, fire, or riot). In 21 States, migrant workers and their families are included.

*Persons included.*—Eligible children and their parents or other needy relatives caring for eligible children are included in the program. Five States do not claim Federal financial participation in aid for second parent when both are in the home and one is incapacitated or unemployed (in States with unemployed father coverage). One State which does not do so at the present time has shown an interest in covering the second parent.

#### INCOME TEST

*Income limit.*—Countable income may not exceed the standard of assistance defined by the State. Assistance standards vary by size of family, living arrangement, amount of rent paid, and other family circumstances. Income limits, as reported by the States, generally represent the highest amount of countable income a family of a specified size would have at the point they become ineligible for AFDC.

State-defined countable income limits for a family of four persons in July 1974 varied from \$456 per month to \$184 per month, with a median of \$315 per month. (In the Virgin Islands the countable income limit was \$166 per month and in Puerto Rico, \$132 per month.) For a two-person family in July 1974, the median income limit was \$217 per month, with a range from \$323 per month to \$115 per month (\$78 in Puerto Rico). Nearly three out of four AFDC families have four or fewer members. In about 3 out of 10 cases, the assistance group is 2 or fewer persons (35 percent of the cases).

*Definition of income.*—All income of the applicant or recipient is considered. Income disregarded or set-aside is described below.

*Treatment of earned income.*—All earned income is counted in determining need except for the following: (1) Up to \$5 of monthly income from any source (earned or unearned); (2) all earned income of children receiving AFDC who are full-time students or who are

part-time students who are not full-time employees; (3) income set aside for future identifiable needs, as allowed by the State (earned or unearned income); (4) WIN incentive payments; (5) the first \$30 of a household's monthly earned income and one-third of the monthly earned income over \$30; (6) work expenses (as allowed by States); and effective July 1, 1975; (7) 40 percent of the first \$50 a month collected as child support payments and paid to the recipient family. (The latter provision will be applied only through September 30, 1976.) In determining initial eligibility for AFDC, the earnings disregard (item 5) is not allowed unless the family has received AFDC during one of the 4 months preceding the present application for AFDC. If the family is eligible on this basis, the earnings disregard is allowed in determining the amount of benefit.

*State options with respect to items (1), (3), and (6) as of January 31, 1973.*—(1) Eight States disregard \$5 per month from income from any source; one State disregards \$5 per month of any child with income; and one State disregards \$5 of income received by each family member. Forty-four States allow no disregard under this option.

(3) Twenty States have provisions for conservation of a child's earnings for future identifiable needs. The majority of States add a qualifying condition that disregarded amount must be earmarked for future education. One State limits to future education purposes of 18- or 19-year-olds attending secondary school. One State provides child must have reached grade 7 with an indication from school records that student may be expected to graduate from high school and would benefit from advanced training. Two States require child to be beyond second year of high school with approved plans for higher education. One State disregards savings accumulated from employment to be used for education or training beyond high school if placed in a joint account with the county welfare board. One State includes amount in allowable reserve of resource test. In five States, income of family members other than the child may be conserved for child's future needs.

(6) All States are required to disregard reasonable work expenses such as mandatory payroll deductions, transportation, uniforms, and cost of child care. However, States vary in definitions of work expenses.

*Treatment of unearned income.*—All unearned income other than amounts excluded above is counted in determining need except: (1) the value of food stamp coupons and commodity distributions; (2) relocation assistance; and (3) undergraduate grants and loans.

*Accounting period.*—The accounting period is monthly. Only such net income and resources as are actually available for current use on a regular basis will be considered, except that income received at one time for services rendered over a period of time, such as income from the sale of produce, may be considered available in the period in which it is earned.

**ASSETS TEST.**—In addition to the home, personal effects, automobile needed for transportation, and income-producing property allowed by the State, the amount of real and personal property that can be reserved for each AFDC recipient may not exceed \$2,000. There is considerable variation among the States in the extent to which and conditions under which the home, income-producing property, life

insurance, automobiles, and other real and personal property may be held in applying asset limits as defined by the States. The value of nonexcluded assets which may be held by an eligible recipient family varies, generally, from \$250 for a family of four to \$3,000 with a median of \$1,000 (see supplementary material). Effective June 17, 1975, the amount which may be reserved by an AFDC family of up to four persons—other than the reasonable value of a home as determined by the State agency, wedding and engagement rings, heirlooms, an automobile with a retail market value of \$1,200 or less, and equipment and material of reasonable value necessary to implement a plan for employment or rehabilitation approved by the welfare agency—may not exceed a market value of \$2,250. If the retail market value of the automobile exceeds \$1,200, the excess may be counted against the reserve. For each additional person, an additional \$100 in personal property reserves above the \$2,250 limit may be allowed. Real and personal property is to be valued at its gross market value including encumbrances. Policies may allow reasonable portions of income from businesses or farms to be used to increase capital assets, so that income may be increased.

#### OTHER CONDITIONS

##### *Work requirements*

*Participation in the WIN program.*—The needs of any nonexempt individual who fails to register for manpower services, training, and employment as required by the Department of Labor are not taken into account in determining need, and assistance will only be furnished to eligible family members. The needs of any recipient certified to the Department of Labor for participation in WIN who refuses without good cause to accept training or employment offered by the State employment agency or refuses other bona fide offers of employment will not be considered in determining the family's need for assistance. Good cause for refusal is not defined, except that a mother may not refuse available child care services (see supplementary material).

*Unemployed fathers.*—A family is not eligible for AFDC in a State electing to offer UF if the father is not registered with the public employment offices of the State or has refused without good cause a bona fide offer of employment or training within a 30 day period prior to receipt of assistance. (See supplementary material for definition of good cause and bona fide offer of employment.)

Seventeen States have work requirements in excess of those which are mandatory for work incentive program participants—that is, work requirements which refer to acceptance of employment regardless of whether it is offered through a WIN project or whether a WIN project is available to the recipient. In these States, a family is not eligible for AFDC if an employable parent refuses suitable or available employment, usually with the condition that adequate child care be available. Six States also require that a child included in the payment, usually 16 or over and not in school, accept suitable or available employment. In three States, specified conditions under which an individual is exempted from requirements are included. One State places additional work requirements only on incapacitated persons. One State, not included in the above, requires registration with the State employment service but does not specify acceptance of employment.

*Acceptance of training or rehabilitation.*—See work requirements above for Federal requirements with respect to acceptance of training. In addition to the mandatory Federal requirements for acceptance of training through WIN, 17 States require that an incapacitated parent accept recommended medical or corrective treatment and/or rehabilitative training as an eligibility condition for receipt of AFDC by the family. One State limits acceptance of training or rehabilitation requirements to incapacitated fathers; one State excepts specified cases of mental illness or retardation from training or rehabilitation; and two States require that the parent accept treatment of a controllable disease or enter a public hospital for treatment of tuberculosis or mental illness (only the parent is excluded from grant for refusal). One State requires participation in State sponsored educational programs, but has no rehabilitation requirement.

*Citizenship.*—There is not a Federal requirement. States must include residents of the United States who are (1) citizens or (2) aliens lawfully admitted for permanent residence or otherwise residing in the United States under color of law.

*Lien, recovery, or assignment.*—Effective July 1, 1975, as a condition for AFDC eligibility each applicant or recipient must assign to the State any rights to support payments from any person which the applicant or recipient may have in his/her own behalf or in behalf of any other family member for whom application for assistance is being made or for whom assistance is being received. There is no Federal requirement related to lien or recovery. Eleven States either take a lien or may make other claims against property to recover all or part of assistance paid. Three States may take liens against property. Two States allow discretionary application of claims against estates. One State provides for enforceable claims on personal injury damages awarded to offset assistance paid from the date of injury to the payment of damages. One State makes assistance paid to an abandoned or deserted wife or children recoverable against the husband or parent as a debt due the State. Two States provide for assignment to the agency of bank accounts, life insurance, or other property as a condition of eligibility.

*Transfer of property.*—There is no Federal requirement. Thirty-one States have requirements that the applicant has not disposed of property prior to application without fair consideration in order to make the family eligible for AFDC. In 10 States, transfer or assignment of property within 3 years of application without adequate consideration cannot be made in order to qualify for assistance; in 9 States the limit is 4 or 5 years; and 12 States do not specify a limit. Twenty-three States have no requirements with respect to prior transfer.

*Relative responsibility.*—Each State is required to have a program for establishing paternity of children born out of wedlock and for securing financial support for them and other children receiving AFDC who have been deserted by their parents or other legally liable persons. States must give prompt notice to appropriate law enforcement officials of the furnishing of AFDC to children who have been abandoned or deserted by a parent. States must cooperate with each other in locating parents against whom support actions have been filed and in securing compliance with support orders.

Federal regulations (now enacted into Public Law 93-647, to take effect July 1, 1975) require that the mother cooperate in locating the absent parent. The mother is excluded from the assistance unit for failure to cooperate. Twelve States require as a condition for eligibility that the parent, or in some instances the other relative with whom the child is living take action or cooperate in a nonsupport action to obtain support from the absent parent. One State requires the mother, under oath and in writing, to give the name and the last known address of the father of each illegitimate child. One State requires referral to the county attorney when absence of a parent is due to divorce, legal separation, desertion, or abandonment, or to the fact that the parents of the children are not married.

*Institutional status.*—Federal regulations require that children must live with parents or specified relatives except that assistance may be provided to otherwise eligible children receiving foster care (in foster families or child-care institutions) who have been removed from a relative's home as a result of a judicial determination that continuation in such a home would be contrary to the child's welfare and whose placement and care are the responsibility of a public agency. Certain kinds of temporary absence such as boarding school or hospitalization do not violate the "living with" concept.

*Residence requirement.*—A State may not impose a residence requirement which excludes any resident of the State. This is usually defined as a person who is living in the State voluntarily with the intention of making his home there. Twenty States may make payments to a mother on behalf of an unborn child.

*Suitable home provisions.*—A State may not deny assistance to a child because of the conditions in the home in which he is living unless other provisions are made for adequate care of the child. Sixteen States require that the child be living in a suitable home usually defined as a home which meets agency or legal standards of health and care (14 States) or in terms of the applicant being a fit person to care for children (2 States). In these States assistance is supposed to be continued until other arrangements are made for the care of the children.

## BENEFITS AND SERVICES

### CASH BENEFITS

*Primary determinants of amounts of benefits.*—All States are required to establish cost standards for total maintenance needs. In all States these include the basic needs; that is, the amounts needed, as determined by the State, to purchase basic maintenance items. Basic needs include clothing, food, shelter, and the like. Cost standards, as applied to individual families, vary by family size (in some cases, to a maximum) and may vary by living arrangements, amount of rent paid, age and sex of children, and, in most States, by inclusion of amounts for common special needs (for example, telephone or school supplies). Special items, such as special diets, are included under certain conditions in some States.

Because of these variables, comparisons between States are often made in terms of State cost standards for basic needs.<sup>2</sup> Cost standards

<sup>2</sup> Cost standards are also referred to as "needs standards" (e.g., in Assistance Payments Administration materials) and as "full standards" (e.g., in National Center for Social Statistics materials).

for basic needs for a family of four recipients as reported by the States represent the highest amount considered necessary for these basic elements for a family living in rented housing, with no other persons in the household, and paying the maximum allowed for rent. The established cost standards for a family of four persons living in the continental United States varied from \$184 per month to \$456 per month in July 1974. The cost standard in July 1974 for Puerto Rico was \$132 and for Alaska was \$400. The median for the States was \$315.

States are not required to pay up to their cost standards. In July 1974, 20 States paid 100 percent of the full cost standard for basic needs. The lowest State paid 22 percent of its cost standard. The median percent of the full cost standard paid was 88 percent.

In 12 States, as of July 1973, the amount of benefits paid was the difference between the family's need as determined by the full cost standard and the family's countable income.

Nineteen States employed maximums in computing benefits. Among these, 5 States paid a maximum or the difference between the cost standard and countable income, whichever was less; 3 States applied a ratable reduction to the deficit between the standard and countable income and paid a percent of the deficit or the maximum, whichever was less; 5 States applied a ratable reduction to the cost standard, subtracted countable income, and paid the lesser of the deficit or the maximum; and 6 States employed other calculations involving maximums (for example, applying income to the smaller of the reduced standard or overall family maximum and paying the deficit). The maximum payment standards ranged up to \$181 less than the cost standard for basic needs.

In 17 States, the ratable reduction is applied to the cost standard; income is applied to the reduced standard; and the deficit is paid. States may apply the ratable reduction to the cost standard exclusive of rent, and then add a rent allowance.

Four States reduce the cost standard by countable income. A ratable reduction is applied to the deficit. A percentage of the deficit is paid.<sup>3</sup>

For all States, the median payable amount of benefits to a family of four in July 1974 was \$262, varying from \$60 to \$400 per month (including Alaska and Hawaii). In Puerto Rico, the maximum was \$52. (See Supplementary Material for State cost standards and illustrations of method of payment calculation.)

Cost standards for a family of two persons varied in July 1974 from \$115 per month to \$323 per month, with a median of \$217. The largest payable amount to a family of two with no other income had a median of \$181 in July 1974, varying from \$30 to \$292 per month (\$31 in Puerto Rico, \$300 in Alaska, and \$311 in Hawaii).

*Relationship of benefit amount to family size.*—Benefit payments vary by family size as cost standards include specified amounts for individual needs of each person included in the assistance unit. In some States, the maximum amount allowed for rent also varies by family size. In States with a maximum on money payments, the maximum may be adjusted per child up to a set amount of money (for example, \$100 for the first child and \$10 per additional child to a

<sup>3</sup> Two States are not accounted for in the above groupings.

family maximum of \$170) or up to a limit on the number of children (for example, "six or more"). One State expresses maximums in terms of child's age (for example, for child 1 to 4 years—\$50).

Twelve States set maximum family payments, ranging from \$108 per month (7 children) to \$320 per month (7 or more persons). Two States actually set larger payments, but cover family sizes of 14 and 16. In seven States there is no family maximum, with grants increasing by payment amount associated with each additional child.

*Relationship of benefit amount to place of residence*

*Variation within States.*—Cost standards for individuals needs, such as food and clothing, are usually applied on a statewide basis but benefit amounts for the same family size may vary between urban and nonurban areas in a State as families living in urban areas are more likely to be budgeted for the maximum rental allowance than are families in other areas of the State where rental costs are lower.

Consolidated standards have served to reduce variations within States. Thirty-three States have consolidated assistance standards. Twelve States have included all need items in their consolidated standard (that is, have adopted a flat grant); 12 States have consolidated all items except for special needs; 1 State has consolidated all items except for shelter; and 8 States have consolidated all items except for shelter and utilities. As of December 1969, only 7 States had adopted a consolidated standard; by 1972, the number of States had risen to 16; and the remaining States consolidated standards over the next 2 years.

*Variations among regions.*—In general, the highest payable benefits to a family of four are found in the Pacific and the Middle Atlantic States and the lowest in the East and West South Central States. The median highest monthly amounts payable to a family of four persons in July 1973 by region were: New England, \$294; Middle Atlantic, \$324; North Central, \$279; South Atlantic, \$151; South Central, \$130; Mountain, \$223; and Pacific, \$328. Intraregion variation may also be substantial, ranging up to \$190 in New England.

*Relationship of benefit amount to cost of living.*—Three States have enacted automatic cost-of-living increases for AFDC. (For reaction of States to increase in 1973–74, see supplementary material.)

There is no Federal requirement that cost standards or benefit amounts be related to the present cost of living. The 1967 amendments to the Social Security Act, however, required States to adjust their cost standard by July 1969 to reflect changes in living costs since the standard figures were established, and required that any maximums or amounts paid were also proportionately adjusted. However, any State which was not able to meet full need could apply a reduction to the cost standard for payment purposes.

Between 1961 and 1967, the median cost standard for a family of four persons increased by 12.5 percent, from \$191 to \$215 per month. Between January 1967 and July 1974, the median cost standard for a family of four was increased from \$215 to \$315 per month, or an increase of 47 percent. The median payable amount was increased from \$182 to \$262 per month, or an increase of about 44 percent. During the 1967 to 1971 period, the number of States meeting 100 percent of the reported cost standard declined from 22 to 13 States, but rose to 20 in July 1974.

*Amount of benefits.*—In July 1974 (the latest month for which average payment per family is available), the average payment to a family receiving AFDC benefits was \$204.70. The average payment per recipient was \$60.80. In January 1973 the average number of persons in an AFDC assistance group was 3.6 (3.4 in July 1974). Thirty-four percent of the families receiving assistance had one or two members in the assistance group, 40 percent included three or four persons, 17 percent included five or six persons, and 9 percent included seven or more persons. In July 1974 average monthly payments varied from \$14.32 per person and \$50.48 per family in the lowest State (\$9.35 and \$46.05 in Puerto Rico) to \$90.83 and \$315.35 in the highest State (\$92.13 per recipient in Hawaii).

*Comparison of benefits to poverty level.*—In July 1974, highest payable amounts to a family of four persons with no other income were above the poverty level of \$418 per month (July 1974 nonfarm poverty level for a female-headed family of four) in no State but were within 10 percent of the poverty level in five States, including Alaska and Hawaii. In 19 States, including Puerto Rico and the Virgin Islands, the highest payable amount was less than one-half the poverty level. The median payable amount, \$262, was 37 percent lower than the July 1974 poverty level for a family of four.

#### OTHER SERVICES PROVIDED OR AVAILABLE

*Work incentive program (WIN).*—The Department of Labor is required to establish programs in each State and in each political subdivision of a State in which there are a significant number of AFDC families to provide employment placement services, employment training, or public service employment for AFDC recipients referred by agencies administering AFDC programs. In fiscal year 1973, \$296.2 million was required for registration, training, and provision of supportive services. As of the end of fiscal year 1973, 1,235,000 individuals had been registered for WIN and 136,800 individuals were claimed to have entered employment through the program.<sup>4</sup> In January 1974, 308,000 cases were reviewed for referral to WIN and 78,800 individuals were registered. There were about 850,000 ongoing mandatory registrants in January 1974.

*Employment support services and other social services.*—Agencies administering AFDC programs are required to provide services to assist recipients to achieve employment and self-sufficiency, including health services, day care for children of WIN participants and other employed parents, and family planning services. Other required social services are services to establish paternity and to secure support from parents, reunite families, improve housing and money management; protective services for abused and neglected children; foster care services for children removed from the home and services to improve the family home or make other permanent plans for children; and utilization of other community services, such as health, consumer education, rehabilitation, legal services, and so forth.

Title XX social services, effective October 1, 1975, retain requirements with respect to mandatory supportive services for WIN recipients and requirement that States make family planning services available to recipients of SFDC who voluntarily request such services.

<sup>4</sup> There is a growing body of evidence that job entries attributable to WIN may be overstated, perhaps by as much as 40 percent.

Beyond this, States must provide at least one service directed at each of the five following goals: (1) achieving and maintaining economic self-support to prevent, reduce or eliminate dependency; (2) achieving or maintaining economic self-support, including reduction or prevention of dependency; (3) preventing or remedying neglect, abuse or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families; (4) preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; or (5) securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions. State expenditures for persons who are recipients of (or eligible for) AFDC, SSI, or medicaid must be equal to at least 50 percent of the Federal matching funds the State receives for all services.

**OTHER BENEFITS WHICH OCCUR BY VIRTUE OF ELIGIBILITY FOR AFDC.**—Medicaid is available in all States except Arizona.

Food Stamps are available (if all persons in the household are public assistance recipients) in virtually all counties. (Program was to be available in all counties after July 1, 1974, but two counties have not implemented.) Donated food commodities may be available in transition from commodity distribution program to food stamp program. In January 1973, about 60 percent of AFDC families participated in food stamp program and an additional 9 percent participated in commodity distribution. About 26 percent of AFDC families lived in areas where a food plan was in effect but did not participate in either food program.

### SUPPLEMENTARY MATERIAL

**FEDERAL, STATE, AND LOCAL SHARE OF PROGRAM COSTS.**—States are required to participate in financing; local participation is optional. The proportion of Federal, State, and local funds varied among the States. In fiscal year 1974 the Federal share of total program costs varied from 49.7 to 77.4 percent. The State's share varied from 16.2 percent (14.2 percent in Guam) in a State in which the local unit of government shared program costs to 50.0 percent. Twenty-seven States use no local funds; in 10 States the local share was less than 1.0 percent; in 17 States the local share varied from 1.6 to 27.1 percent of total program costs.

The sharing formulas between State and local units range from the State and local unit both paying 50 percent of assistance and administrative costs; to a variable sharing in which the State pays an amount varying from 45 to 80 percent of assistance and administrative costs with county paying the remainder; to a system in which the State pays 67.5 percent and the local unit pays 32.5 percent of assistance costs up to a State participation limit, beyond which the local unit pays 100 percent, and to a system in which the State pays 100 percent of the cost of State agency administrative functions, with 50 percent sharing for additional administrative costs.

**TRENDS.**—The general upward trend in the AFDC caseload was interrupted by decreases during the war years, 1942 to 1945, and the Korean conflict, 1950 to 1953, and was marked by a rapid rate of

growth in the late 1960's, a continued expansion in the early 1970's, and a leveling off at the present. The number of recipient families decreased to 547,000 in 1953 from 651,000 in 1950; this increased to 803,000 in 1960; 2,552,000 in 1970; 3,123,000 in 1972; 3,156,000 in 1973 (December of each year); and 3,190,000 in July 1974.

The total number of recipients has shown a recent decline. The total number of recipients, including children and parents or other adult relatives increased from 2,233,000 in 1950; to 9,657,000 in December 1971; to 11,069,000 in December 1972; but dropped to 10,741,000 in July 1974. The decline can be explained, at least in part, by an improved labor market, a decrease in average family size, transfer of recipients to other assistance programs, and administrative actions.

The number of families receiving AFDC because of the unemployment of the father increased from 48,200 in December 1961; to 120,000 in December 1972; but decreased to 86,000 by July 1974. The decrease in the number of families was concentrated in large States (for example, from 42,200 families in California in December 1972 to 27,300 families in July 1974). The number of States with unemployed father programs increased from 15 in December 1961 to 24 in December 1973.

The total cost of assistance payments increased from \$520,330,000 in 1950 to \$7,455,575,000 in fiscal year 1974. During the same period, the average monthly payment per recipient increased from \$20.85 per recipient in December 1950 to \$56.95 in December 1973. The Federal share of assistance payments increased from 43.7 percent in 1950 to 60 percent in 1960 and declined to about 55 percent at the present.

#### THE WORK INCENTIVE PROGRAM

*Mandatory referrals to DOL for participation in the WIN program.*—As a condition of eligibility for AFDC, all individuals must register for work or training under WIN, unless the individual is: (1) a child under 16 years of age or attending school full time; (2) a person who is ill, incapacitated, or of advanced age; (3) a person who is so remote from a work incentive project that his effective participation is precluded; (4) a person whose presence in the home is required because of illness or incapacity of another member of the household; (5) a mother or other relative of a child under six who is caring for the child; and (6) the mother or other female caretaker of a child if the father or other adult male relative in the home is unemployed or required to participate in WIN (unless he refused to participate). Mothers with children under 6 years of age may volunteer for WIN.

The WIN registration requirement is a responsibility of the Income Maintenance Unit. Responsibility is delegated through contracts between DOL and the IMU's in State welfare agencies. Individuals are registered for WIN when application for AFDC is made.

*Priorities for certification to DOL as ready for employment on training and for provision of WIN services by DOL.*—Information gathered in the application process is used for initial determination of "employability potential" of registrants. After initial screening, appraisal staff call in identified registrants for interviews and development of an employability plan where the individual is found suitable for employ-

ment or training. Registrants are considered WIN "participants" at this point. (Where registrant lacks employability potential, as determined in interview, the individual is returned by the registrant pool.) For each participant, determination of needed supportive services, such as child care, is made on the basis of appraisal interview. Participants are certified when the employability plan is developed and necessary services identified in the following order of priority: (1) unemployed fathers (certification to DOL is required within 30 days of approval of AFDC payments); (2) mothers who volunteer, whether or not they are required to register; (3) other mothers and pregnant women under 19 years of age; (4) children and other relatives included in the AFDC payment aged 16 years and over who are not in school, not employed, or not in a training program; and (5) all other persons.

Once certified, participants may be placed in jobs directly if appropriate work is available, or they may be assigned to various program components, depending upon degree and types of services identified as necessary. Available components include on-the-job training, public service employment, skill training, work experience, classroom training, and referral to other manpower programs. Primary emphasis is on immediate unsubsidized employment and, alternatively, on-the-job training or public service employment.

*Unemployed fathers—Refusal of a bona fide offer of employment.*—Before it is determined that a father has refused a bona fide offer of employment or training for employment without good cause, the agency must determine that such an offer was actually made. (In the case of offers made through the public employment or manpower agencies, the determination as to whether the offer was bona fide, or whether there was good cause to refuse it, will be made by that office or agency.) The father must be given an opportunity to explain why such an offer was not accepted. Questions with respect to the following factors must be resolved: (1) that there was a definite offer of employment at wages meeting any applicable minimum requirement and which are appropriate for such work in the community; (2) any questions as to the father's inability to engage in such employment for physical reasons or because he has no way to get to or from a particular job; and (3) any questions of working conditions, such as risks to health or safety.

*The proposed redesign of the WIN program.*—The Departments of Labor and Health, Education, and Welfare have issued proposed regulations which would redesign the WIN program. It is anticipated these regulations will be finalized early in 1975. The redesign involves two basic ingredients in the WIN program: (1) registration in the WIN program for non-exempted individuals as a condition of eligibility for AFDC benefits and (2) participation in periodic job search activities will be required of all registrants as a condition for continued AFDC eligibility. AFDC applicants would be exposed to the labor market at the time of WIN registrations. The individual would register with the WIN sponsor for manpower services, training, and employment, following determination by the State or local agency that she appeared AFDC eligible.

TABLE 1.—CHARACTERISTICS OF STATE PLANS

State	Age		Unemployed fathers	Emergency assistance	Work requirements in excess of WIN	Training or rehabilitation required	Citizenship requirements	Lien, recovery, or assignment policy	Transfer of property considered	Relative responsibility provisions	Suitable home provisions	Unborn child covered
	Under 18	Under 21										
Alabama		X			X	X		X	X		X	
Alaska	X			X								
Arizona		X			X							
Arkansas		X		X								
California		X	X		X	X		X	X		X	
Colorado		X	X								X	
Connecticut						X					X	
Delaware	X		X				X	X	X	X		
District of Columbia		X	X	X		X		X			X	
Florida	X					X		X				
Georgia	X				X	X			X			
Guam		X	X								X	
Hawaii		X	X	X		X	X				X	
Idaho		X									X	
Illinois		X	X	X	X	X <sup>1</sup>	X			X	X	
Indiana	X											
Iowa		X						X	X	X		
Kansas		X	X	X	X		X	X		X	X	
Kentucky		X		X		X		X			X	
Louisiana		X				X		X				
Maine		X									X	
Maryland		X	X	X	X			X	X	X		
Massachusetts		X	X	X				X	X	X	X	
Michigan		X	X	X	X	X		X	X	X		
Minnesota	(2)	(2)	X	X					X			
Mississippi	X					X		X		X		



TABLE 2.—RESOURCE LIMITS, FAMILY OF FOUR

State	Home			Reserve			Insurance		Automobile	
	Valuation			Limit * (in dollars)	Liquid limit	Property limit	In reserve	Excluded		Excluded fully or to a maximum
	Excluded	Equity	Market					To maximum \$1,500 per person	Over maximum \$1,500 per person	
Alabama		X		\$1,000			X		X	
Alaska	X			1,500			X		X	
Arizona		X		1,200	X		X		X	
Arkansas			X	1,500				X		X
California		X <sup>1</sup>		1,600	X	X	X			X
Colorado	X			1,500			X		X	
Connecticut		X		2,250				X		X <sup>4</sup>
Delaware	X			3,300	X			X		X <sup>4</sup>
District of Columbia	X			5,500	X		X			X <sup>4</sup>
Florida	X			1,200		X		X	X	
Georgia	X			800		X		X		X
Guam			X	Unknown	X	X		X	X	
Hawaii			X	Unknown	X	X	X		X	
Idaho	X			72,100	X			X	X	
Illinois				300				X		X
Indiana	X			2,100	X	X		X		X
Iowa	X			1,100				X		X
Kansas		X		3,500	X			X		X <sup>6</sup>
Kentucky	X			1,500	X	X	X			X
Louisiana	X			800			X		X	
Maine	X			1,000				X		X
Maryland	X			2,600	X			X		X
Massachusetts	X			1,000		X			X	
Michigan	X			2,000			X			X
Minnesota		X		1,000		X			X	
Mississippi				1,200		X			X	
Missouri		X <sup>10</sup>		1,200	X	X	X	X	X	
Montana			X	1,350		X	X			X
Nebraska	X			1,550	X			X	X	
Nevada	X			800			X		X	
New Hampshire	X			500				X	X	
New Jersey	X			(12)			X		X	
New Mexico	X			1,350	X	X		X		X

New York	XX			Unknown	X			X			X
North Carolina	XX			1,200							X
North Dakota		(15)	(15)	1,350		X	X				X
Ohio	X			14,300	X						X
Oklahoma			X	600		X			XX		X
Oregon	XX			1,000	X				XX		X
Pennsylvania	XX			18 Unknown					XX		X
Puerto Rico	XX			16 1,000	X		X				X
Rhode Island	XX			17 400	X				X		X
South Carolina	XX			2,000	X		X				X
South Dakota	XX			2,200		X			X		X
Tennessee		X		1,000		X					X
Texas	XX			3,000					XX		X
Utah	XX			1,200					XX		X
Vermont	XX			1,800					XX		X
Virgin Islands	XX			2,000	X				XX		X
Virginia	XX			21 400		X			XX		X
Washington	XX			1,600	X		X				X
West Virginia	XX			1,000							X
Wisconsin	X			500	X						X
Wyoming			X	500			X				X
<b>Total</b>	<b>38</b>	<b>9</b>	<b>6</b>		<b>NA 24</b>	<b>20</b>	<b>24</b>	<b>28</b>	<b>2</b>	<b>21</b>	<b>33</b>

\*Limit is generally sum of liquid and property limit where such exist, and does not include value of excluded items (e.g., insurance or automobile). Where no liquid or property limits are established, limit does not exclude value of excluded items.

<sup>1</sup> California limits real property to \$5,000 assessed value less encumbrances, including the home.

<sup>2</sup> Personal property only. Real property, other than home, must be liquidated.

<sup>3</sup> Cash reserve only. Real property, other than home, must be liquidated if not producing income reasonably related to its value. Cash reserve may exceed \$300 if 1 month's budgeted need exceeds this amount.

<sup>4</sup> Automobile is totally excluded, if public transportation is not available.

<sup>5</sup> Cash reserve only. Real property subject to conversion to cash in reasonable time.

<sup>6</sup> Car must be 4 years old or older.

<sup>7</sup> Cash reserve only. Real property, if marketable, considered negotiable for cash.

<sup>8</sup> Cash reserve only.

<sup>9</sup> Does not include maximum of \$5,000 in income-producing, nonhomestead property.

<sup>10</sup> All property, real (including home) and personal, is limited to \$10,500 in market value less encumbrances. Within this total amount, combined market value of cash surrender value of life insurance, real property not used as a home, certain personal property not being used, and any cash or securities may not exceed \$1,500 in any combination.

<sup>11</sup> Does not include materials and equipment to a value of \$3,000 used by a recipient in a plan for achieving self-support.

<sup>12</sup> Cash and convertible personal property are limited to an amount less than the client's budgeted requirements for 1 month.

<sup>13</sup> Limit on value of home is determined by size and needs of family.

<sup>14</sup> Cash reserve only. May hold real or personal property (in addition to home) if producing reasonable income; if not producing, estimated market value less encumbrances considered part of cash reserve.

<sup>15</sup> Policy is that all property is considered in determination of eligibility.

<sup>16</sup> Real property which is not producing income must be put to use or disposed of within 12 months. Cash or savings may be held only if there are specific plans to expend the money for such things as future educational needs; purchase, construction, or repair of the homestead; or to establish a business enterprise.

<sup>17</sup> No cash, stocks, or bonds may be retained by an applicant. A recipient may accumulate cash up to a \$200 maximum from earned income. Dollar limit assumes 2-earner recipients.

<sup>18</sup> Automobile 3 years old or older is excluded.

<sup>19</sup> Automobile must be producing net income of at least \$60 per year.

<sup>20</sup> Exempt unless the current year's model.

<sup>21</sup> Income producing property up to \$5,000 is allowable, and nonincome producing property valued at less than \$400 need not be liquidated if sale would involve unreasonable loss, or renewal of productivity is anticipated in the near future.

<sup>22</sup> Automobile must be essential to family.

Source: Characteristics of State Public Assistance Plans under the Social Security Act, 1973 edition.

*The quality control system in AFDC.*—The quality control system in AFDC (and initially, for the adult categories) was designed to identify incorrect determinations of eligibility and payment level and to provide information which can be used to identify administrative actions that will reduce the incidence of such determinations through a statistically reliable sample of cases (representative of the entire caseload). While use of quality control techniques in AFDC dates back to the early 1960's, in 1970 regulations were published requiring participating States to use a scientific method of determining the size and nature of errors in the AFDC caseload. In 1973, these regulations were revised to provide that between January 1, 1974, and June 30, 1975, States must reduce the rate of incorrect determination (error rates) to at least 3 percent for ineligibility and 5 percent for overpayment (the "tolerance levels"). In order to provide an incentive (or, from the State's point of view, a sanction) for achieving these goals, the regulations provided for a withholding of a percentage of the individual State's grant awards in each of the three 6-month periods between January 1, 1974 and June 30, 1975, based on anticipated achievement of target levels in each period. The target levels for each period were based on the error rate measured by the States between April 1973 and September 1973 (the "base period") and incremental movements toward the tolerance levels. To the extent that States failed to meet their 6-month target level, fiscal sanctions occur through exclusion from Federal financial participation in excess reported costs. The regulations were revised again in October 1974. The major changes were (1) an extension in the base period to include the April-September period plus the January 1974 to June 1974 error rate measurements; (2) a provision for reducing the difference between the base period rates and the tolerance levels over the period from July 1, 1974, to June 30, 1975; and, (3) a revision in grant estimate reductions to provide that, in essence, States are required to achieve only the mid-point between their base period and target error rate in the first 6-month period and the mid-point between the target rate and the tolerance level in the second 6-month period. In addition, the 1974 regulations added a 5-percent tolerance level for underpayments. The Federal Government also draws a sample from the full State sample in order to monitor, and potentially adjust, State findings.

In the initial April to September measurement period, nearly 4 out of 10 AFDC cases (41.1 percent) were found to be in error. In the sample, 10.2 percent of AFDC families were not eligible for the benefits they were receiving; 22.8 percent of the families were eligible but received more than they should have received; and, 8.1 percent of the AFDC families were eligible but received less than they should have received. The January-June 1974 period of measurement indicated a slight decrease in error rates, to about 38 percent (37.9 percent). In this period, 9.3 percent of families were determined not to be eligible; 20.6 percent were found to be overpaid; and, 8.0 percent were found to be underpaid.

TABLE 3.—QUALITY CONTROL: AFDC BASE PERIOD ERROR RATES BY STATE:<sup>1</sup>  
 [12-mo. period, April–September 1973 and January–June 1974]

State	Cases with errors as a percent of total cases			Amount of payment errors as a percent of total payments		
	Ineligible	Eligible but overpaid	Eligible but underpaid	Ineligible	Overpaid	Underpaid
National average..	9.7	21.7	8.1	8.6	6.8	1.4
Alabama.....	10.4	14.6	9.2	8.9	5.5	2.7
Alaska.....	10.6	12.1	7.1	9.4	4.8	1.4
Arizona.....	11.5	25.2	7.2	9.0	7.5	1.5
Arkansas.....	2.5	8.0	6.7	2.2	2.1	1.7
California.....	7.3	17.0	7.4	5.9	5.0	1.3
Colorado.....	4.5	16.4	4.8	3.5	5.2	.7
Connecticut.....	6.2	16.7	4.8	5.2	4.3	.9
Delaware.....	11.8	26.7	9.9	9.5	7.9	1.7
District of Columbia.....	12.6	25.4	4.2	11.7	8.2	.7
Florida.....	10.8	25.8	8.8	9.7	10.4	2.3
Georgia.....	7.1	26.4	10.2	5.3	9.3	2.5
Hawaii.....	5.7	22.9	6.7	5.4	5.7	1.5
Idaho.....	4.5	11.3	3.3	4.6	2.5	1.5
Illinois.....	12.3	33.1	7.9	10.1	11.4	1.1
Indiana.....	6.7	18.4	3.9	5.7	6.3	.9
Iowa.....	9.7	19.7	8.6	7.6	6.6	2.3
Kansas.....	11.6	24.8	11.3	9.7	7.6	2.3
Kentucky.....	9.6	25.5	8.0	8.1	8.3	1.3
Louisiana.....	11.9	17.0	4.8	10.5	6.6	1.2
Maine.....	5.6	9.0	2.4	4.4	3.1	.7
Maryland.....	15.6	28.3	10.7	14.0	7.9	2.0
Massachusetts.....	10.0	28.0	12.2	9.2	7.0	.8
Michigan.....	6.8	22.6	6.9	6.5	5.8	.8
Minnesota.....	7.3	23.6	9.3	6.6	5.4	1.1
Mississippi.....	2.6	8.6	4.5	6.5	2.8	1.3
Missouri.....	6.9	13.7	6.1	1.4	4.9	1.9
Montana.....	11.1	17.4	5.2	6.4	7.8	1.6
Nebraska.....	7.2	15.5	3.0	5.6	4.6	.3
Nevada.....	1.6	6.0	6.5	1.6	1.6	2.1
New Hampshire.....	11.1	37.2	9.5	8.8	10.7	1.3
New Jersey.....	4.4	19.6	6.5	3.5	5.6	1.2
New Mexico.....	4.3	13.5	5.2	3.1	4.5	1.1
New York.....	16.7	31.4	11.9	15.6	9.2	1.7
North Carolina.....	6.6	22.3	20.7	5.3	6.9	4.8
North Dakota.....	2.8	7.5	3.6	1.7	2.3	.5
Ohio.....	13.6	20.9	5.7	12.6	7.6	.9
Oklahoma.....	2.7	10.3	2.5	2.1	3.4	.5
Oregon.....	5.6	16.0	4.2	5.2	4.3	.8
Pennsylvania.....	14.5	23.4	7.8	13.2	6.8	1.2
Puerto Rico.....	17.3	21.4	7.9	15.0	8.7	2.6
Rhode Island.....	3.7	20.7	2.8	2.5	5.7	.2
South Carolina.....	8.5	24.6	13.9	7.2	8.8	3.9
South Dakota.....	4.5	14.5	3.7	3.8	3.8	.6
Tennessee.....	8.5	13.8	7.0	7.3	4.8	1.9
Texas.....	8.8	14.3	3.3	7.4	5.8	.9
Utah.....	7.2	14.6	4.9	6.8	3.9	1.0
Vermont.....	9.8	24.7	6.3	10.1	6.6	.7
Virgin Islands.....	6.9	16.0	10.5	4.7	5.9	1.9
Virginia.....	5.7	26.3	14.6	4.3	7.6	2.6
Washington.....	4.1	9.1	3.5	3.9	2.7	.5
West Virginia.....	5.5	9.7	4.1	4.9	3.0	1.0
Wisconsin.....	5.3	13.9	16.1	4.9	2.2	1.8
Wyoming.....	7.2	15.5	8.2	6.0	4.3	2.4

<sup>1</sup> Weighted data based on State quality control reviews of approximately 44,000 cases in each 6-month reporting period from an average national AFDC caseload of over 3,000,000 families.

*Methods of benefit determination in AFDC.* As there is considerable variance among the 54 jurisdictions in the method of computing benefit payments, this material is provided to illustrate the various methods. Some hypothetical figures have been selected for the purpose of illustrating the computations. In addition, figures of actual States are employed. All examples are for an AFDC family of four in

July 1973 with no special needs. (Special needs calculations are omitted for the sake of simplicity.)

Constants:

Need (full) standard.....	\$300
Ratable reduction (percent).....	80
Maximum payment.....	\$210
Countable income.....	\$100

*Method 1—Used by 12 jurisdictions (including Illinois)*

- A. No ratable reduction and no maximum.  
B. Pay full budget deficit.

Constant figures:

		<i>Illinois</i>
Full Standard.....	\$300	\$279
Income.....	100	-100
Deficit.....	200	179
Payment.....	200	179

*Method 2—Used by 5 jurisdictions (including Maine)*

- A. Apply income to full standard.  
B. Pay deficit or maximum, whichever is less.

Constant figures:

		<i>Maine</i>
Full Standard.....	\$300	\$349
Income.....	100	100
Deficit.....	200	249
Maximum.....	210	168
Payment.....	200	168

*Method 3—Used by 4 jurisdictions (including Florida)*

- A. Apply income to full standard.  
B. Apply ratable reduction to deficit.  
C. Pay percentage of deficit.

Constant figures:

		<i>Florida</i>
Full standard.....	\$300	\$223
Income.....	-100	-100
Deficit.....	200	123
Ratable reduction.....	× .80	× .68
Payment.....	160	84

*Method 4—Used by 3 jurisdictions (including Mississippi)*

- A. Apply income to full standard.  
B. Apply ratable reduction to deficit.  
C. Pay percentage of deficit or maximum, whichever is less.

Constant figures:

		<i>Mississippi</i>
Full standard.....	\$300	\$277
Income.....	-100	-100
Deficit.....	200	177
Ratable reduction.....	× .80	× .40
Payment.....	160	71
Maximum.....	210	60
Payment.....	160	60

*Method 5—Used by 17 jurisdictions (including New York)*

- A. Apply ratable reduction to full standard (some States, e.g., New York, apply ratable reduction to standard exclusive of rent, then add rent allowance.)  
 B. Apply income to reduced standard.  
 C. Pay deficit.

		<i>New York</i>
Constant figures:		
Full standard .....	\$300	\$380
Ratable reduction .....	×. 80	×. 90
Reduced standard .....	240	<sup>1</sup> 354
Income .....	-100	-100
Deficit .....	140	254
Payment .....	140	<sup>1</sup> 254

<sup>1</sup> Add rent.*Method 6—Used by 5 jurisdictions (including Oklahoma)*

- A. Apply ratable reduction to full standard.  
 B. Apply income to reduced standard.  
 C. Pay deficit or maximum, whichever is less.

		<i>Oklahoma</i>
Constant figures:		
Full standard .....	\$300	\$226
Ratable reduction .....	×. 80	×. 85
Reduced standard .....	240	192
Income .....	-100	-100
Deficit .....	140	92
Maximum .....	210	315
Payment .....	140	92

*Method 7—California*

- A. Apply income to maximum.  
 B. Pay deficit.

		<i>California</i>
Constant figures:		
Full standard .....	\$300	\$322
Maximum .....	210	290
Income .....	-100	-100
Deficit .....	110	190
Payment .....	110	190

*Method 8—West Virginia*

- A. Apply income to reduced standard or overall family maximum, whichever is less.  
 B. Pay deficit.

		<i>West Virginia</i>
Constant figures:		
Full standard .....	\$300	\$270
Ratable reduction .....	×. 80	×. 54
Reduced standard .....	240	146
Family maximum .....	210	182
Income .....	-100	-100
Deficit .....	110	46
Payment .....	110	46

Source: Assistance Payments Administration, information memorandum, July 1973.

TABLE 4.—AID TO FAMILIES WITH DEPENDENT CHILDREN: MONTHLY AMOUNT FOR BASIC NEEDS UNDER FULL STANDARD AND PAYMENT STANDARD AND LARGEST AMOUNT PAID FOR BASIC NEEDS FOR A FAMILY CONSISTING OF TWO RECIPIENTS, BY STATE, JULY 1974

State	Monthly amount for basic needs				Largest amount paid for basic needs	
	Full standard	Payment standard <sup>1</sup>			Amount	Percent of full standard for basic needs in column (1)
		Total	Other than rent	Rent		
(1)	(2)	(3)	(4)	(5)	(6)	
*Alabama <sup>6</sup>	\$133	\$73	\$57	\$16	\$73	55
*Alaska <sup>5</sup>	300	300	(?)	(?)	300	100
Arizona	180	180	124	56	117	65
Arkansas	195	195	155	40	105	54
*California	232	232	(?)	(?)	212	91
*Colorado <sup>3</sup>	164	164	86	4 78	164	100
*Connecticut <sup>5</sup>	223	223	(?)	(?)	223	100
Delaware	181	181	133	6 48	145	80
*District of Columbia	226	181	(?)	(?)	181	80
Florida	143	143	81	62	98	68
*Georgia	161	161	121	40	85	53
Guam	(?)	(?)	(?)	(?)	(?)	(?)
*Hawaii	311	311	131	16 180	311	100
Idaho	229	217	145	72	217	95
*Illinois	196	196	(?)	(?)	196	100
Indiana	247	247	147	100	150	61
Iowa	234	234	174	60	184	79
Kansas	260	254	129	125	254	98
*Kentucky	146	146	110	36	107	73
*Louisiana	118	71	(?)	(?)	71	60
Maine	205	205	137	68	98	48
Maryland	192	148	102	46	148	77
Massachusetts <sup>7</sup>	215	215	131	84	215	100
Michigan	286	286	131	155	286	100
*Minnesota <sup>6</sup>	262	262	(?)	(?)	262	100
Mississippi	205	205	155	50	30	15
Missouri	247	247	193	6 54	120	49
*Montana <sup>4</sup>	223	223	153	70	223	100
Nebraska	217	217	(?)	(?)	210	97
*Nevada	229	140	(?)	(?)	140	61
*New Hampshire	263	263	138	125	263	100
*New Jersey	235	235	(?)	(?)	235	100
New Mexico	160	160	113	47	138	86
*New York	268	268	150	6 118	268	100
North Carolina	147	147	75	4 72	147	100
*North Dakota <sup>5</sup>	200	200	(?)	(?)	200	100
Ohio	204	141	(?)	(?)	141	69
*Oklahoma	155	155	(?)	(?)	155	100
Oregon	229	212	114	4 98	212	93
*Pennsylvania	243	243	157	86	243	100
Puerto Rico	78	78	58	20	31	40
*Rhode Island	226	226	148	6 78	226	100
*South Carolina	138	138	94	44	75	54
South Dakota	248	248	145	103	248	100
Tennessee	142	109	109	33	59	70
*Texas	115	86	(?)	(?)	86	75
*Utah	231	178	124	54	178	77
Vermont	292	263	154	109	263	90
Virgin Islands	92	92	(?)	(?)	92	100
Virginia	248	223	(?)	(?)	223	90
*Washington	236	236	(?)	(?)	236	100
West Virginia	188	156	111	45	156	83
*Wisconsin	323	292	162	130	292	90
*Wyoming	200	200	90	110	193	97

\*Denotes State has wholly or partially consolidated its full standard.

<sup>1</sup> Payment standard for the specified type of family living by itself in rented quarters for which monthly rental, unless otherwise indicated, is at least as large as the maximum amount allowed by the State for this item.

<sup>3</sup> Data not reported.

<sup>3</sup> Allowance for summer months; winter allowance higher.

<sup>4</sup> Utilities included in rent.

<sup>5</sup> Includes recurrent special needs.

<sup>6</sup> Estimated average.

<sup>7</sup> Excludes grant for special needs. This grant was included in the data published for July 1973.

Note.—The full standard is the amount with which income from all sources (after allowance for appropriate disregards provided by law) is compared to determine whether or not initial financial eligibility exists. The payment standard is the amount from which income "available for basic needs" is subtracted to determine the amount of assistance to which a family is entitled. The largest amount paid is the total monthly payment for basic needs made under State law or agency regulations to families with no other income.

Source: U.S. Department of Health, Education, and Welfare, National Center for Social Statistics.

TABLE 5.—AID TO FAMILIES WITH DEPENDENT CHILDREN: MONTHLY AMOUNT FOR BASIC NEEDS UNDER FULL STANDARD AND PAYMENT STANDARD AND LARGEST AMOUNT PAID FOR BASIC NEEDS FOR A FAMILY CONSISTING OF 4 RECIPIENTS, BY STATE, JULY 1974

State	Monthly amount for basic needs				Largest amount paid for basic needs	
	Full standard	Payment standard <sup>1</sup>			Amount	Percent of full standard for basic needs in column (1)
		Total	Other than rent	Rent		
(1)	(2)	(3)	(4)	(5)	(6)	
*Alabama.....	\$225	\$124	\$102	22	\$124	55
*Alaska.....	400	400	(-)	(?)	400	100
Arizona.....	282	282	201	81	184	65
Arkansas.....	275	275	235	40	125	45
*California.....	347	347	(?)	(?)	311	90
*Colorado <sup>3</sup> .....	262	262	171	4 91	262	100
*Connecticut <sup>5</sup> .....	332	332	(?)	(?)	332	100
Delaware.....	287	287	226	6 61	230	80
*District of Columbia.....	349	279	(?)	(?)	279	80
Florida.....	223	223	142	81	151	68
*Georgia.....	227	227	181	46	160	70
Guam.....	(?)	(?)	(?)	(?)	(?)	(?)
*Hawaii.....	399	399	201	4 6 198	399	100
Idaho.....	314	298	226	72	298	95
*Illinois.....	288	288	(-)	(-)	288	100
Indiana.....	363	363	253	100	250	69
Iowa.....	376	376	288	88	296	79
Kansas.....	343	332	207	125	332	97
*Kentucky.....	234	234	182	52	171	73
*Louisiana.....	203	122	(?)	(?)	122	60
Maine.....	349	349	234	115	168	48
Maryland.....	316	226	180	46	226	72
Massachusetts <sup>7</sup> .....	304	304	220	84	304	100
Michigan.....	400	400	245	155	400	100
*Minnesota <sup>5</sup> .....	370	370	(-)	(-)	370	100
Mississippi.....	277	277	227	50	60	22
Missouri.....	337	337	283	6 54	183	54
*Montana <sup>3</sup> .....	274	274	207	67	274	100
Nebraska.....	307	307	(?)	(?)	280	91
*Nevada.....	329	201	(?)	(?)	201	61
*New Hampshire.....	346	346	221	125	346	100
*New Jersey.....	356	356	(-)	(-)	356	100
New Mexico.....	239	239	178	61	205	86
*New York.....	392	392	258	6 134	392	100
North Carolina.....	184	184	112	4 72	184	100
*North Dakota <sup>5</sup> .....	315	315	(?)	(?)	315	100
*Ohio.....	389	201	(?)	(?)	201	52
*Oklahoma.....	236	236	(?)	(?)	236	100
Oregon.....	365	338	230	4 108	338	93
*Pennsylvania.....	349	349	256	93	349	100
Puerto Rico.....	132	132	112	20	53	40
*Rhode Island.....	311	311	233	6 78	311	100
*South Carolina.....	217	217	173	44	117	54
South Dakota.....	328	328	225	103	328	100
Tennessee.....	217	217	184	33	132	61
*Texas.....	187	140	(?)	(?)	140	75
*Utah.....	356	274	191	83	274	77
Vermont.....	400	360	251	109	360	90
Virgin Islands.....	166	166	(-)	(-)	166	100
Virginia.....	346	311	(?)	(?)	311	90
*Washington.....	336	336	(?)	(?)	336	100
West Virginia.....	270	217	171	46	217	80
*Wisconsin.....	456	403	273	130	403	88
*Wyoming.....	260	260	165	95	227	87

For sources and footnotes, see table 4.

TABLE 6.—AID TO FAMILIES WITH DEPENDENT CHILDREN: RECIPIENTS OF MONEY PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, JULY 1974<sup>1</sup>

[Excludes vendor payments for medical care and cases receiving only such payments]

State	Number of families	Number of recipients		Payments to recipients		
		Total <sup>2</sup>	Children	Total amount	Average per—	
					Family	Recipient
Total <sup>3</sup> .....	3,190,046	10,740,609	7,731,295	\$653,014,184	\$204.70	\$60.80
Alabama.....	45,448	152,276	114,216	4,101,290	90.24	26.93
Alaska.....	4,231	11,822	8,781	1,085,172	256.48	91.79
Arizona.....	20,591	72,667	55,144	2,567,056	124.67	35.33
Arkansas.....	28,049	93,976	69,911	3,211,510	114.50	34.17
California <sup>4</sup> .....	407,170	1,296,827	902,169	94,160,724	231.26	72.61
Colorado <sup>5</sup> .....	429,707	94,583	68,138	5,597,455	188.42	59.18
Connecticut.....	37,168	121,752	89,563	9,567,540	257.41	78.58
Delaware <sup>6</sup> .....	8,899	29,259	21,432	1,459,674	164.03	49.89
District of Columbia <sup>3</sup> .....	30,076	101,220	73,734	6,976,280	231.96	68.92
Florida.....	81,700	276,505	209,205	8,697,304	106.45	31.45
Georgia.....	107,215	345,348	254,269	11,242,290	104.86	32.55
Guam.....	700	2,803	2,196	130,295	186.14	46.48
Hawaii <sup>7</sup> .....	13,288	43,560	30,424	4,013,256	302.02	92.13
Idaho.....	6,139	19,423	13,717	1,236,964	201.49	63.69
Illinois <sup>8</sup> .....	205,616	757,747	550,743	53,510,608	260.25	70.62
Indiana.....	50,377	160,936	118,492	7,198,035	142.88	44.73
Iowa <sup>9</sup> .....	24,544	80,230	55,881	5,622,367	229.07	70.08
Kansas <sup>9</sup> .....	21,110	64,894	48,910	4,124,494	195.38	63.56
Kentucky.....	45,355	148,463	105,900	5,584,088	123.12	37.61
Louisiana.....	65,157	236,594	178,798	6,248,591	95.90	26.41
Maine.....	22,204	74,655	51,910	3,000,452	135.13	40.19
Maryland.....	65,530	216,429	158,061	11,240,478	171.53	51.94
Massachusetts <sup>3</sup> .....	97,118	321,653	227,755	25,050,762	257.94	77.88
Michigan <sup>3</sup> .....	187,888	626,746	445,939	46,744,641	248.79	74.58
Minnesota <sup>3</sup> .....	40,583	121,094	87,052	10,058,492	247.85	83.06
Mississippi.....	52,516	185,127	143,777	2,651,125	50.48	14.32
Missouri <sup>3</sup> .....	80,135	258,001	190,171	9,849,739	122.91	38.18
Montana.....	7,165	20,976	15,383	1,063,073	148.37	50.68
Nebraska <sup>3</sup> .....	11,743	38,465	28,147	2,009,211	171.10	52.23
Nevada.....	4,537	13,560	10,076	622,941	137.30	45.94
New Hampshire.....	7,527	23,971	16,943	1,748,845	232.34	72.96
New Jersey.....	121,834	422,559	304,274	33,676,746	276.42	79.70
New Mexico.....	18,087	60,444	44,738	2,550,317	141.00	42.19
New York <sup>3</sup> .....	336,842	1,169,449	833,767	106,223,000	315.35	90.83
North Carolina.....	49,852	153,166	114,119	6,456,766	129.52	42.16
North Dakota.....	4,411	13,645	10,030	913,366	207.07	66.94
Ohio <sup>3</sup> .....	151,910	493,691	348,384	26,649,647	175.43	53.98
Oklahoma <sup>3</sup> .....	28,692	94,542	72,046	5,209,189	181.56	55.10
Oregon <sup>3</sup> .....	28,740	87,251	59,734	6,380,640	222.01	73.13
Pennsylvania <sup>3</sup> .....	172,999	610,971	419,919	45,993,302	265.86	75.28
Puerto Rico.....	49,425	243,337	178,194	2,275,820	46.05	9.35
Rhode Island <sup>3</sup> .....	14,849	49,712	35,460	3,776,645	254.34	75.97
South Carolina.....	37,141	127,056	94,634	3,368,506	90.70	26.51
South Dakota.....	7,262	23,853	17,434	1,542,045	212.34	64.65
Tennessee.....	59,298	191,354	142,943	6,243,869	105.30	32.63
Texas.....	118,069	409,148	302,501	12,709,051	107.64	31.06
Utah <sup>3</sup> .....	11,011	32,532	21,579	2,385,516	216.65	73.33
Vermont <sup>3</sup> .....	5,928	20,203	13,720	1,477,277	249.20	73.12
Virgin Islands.....	1,055	3,960	3,212	143,339	135.87	36.20
Virginia.....	51,190	164,993	119,123	9,909,111	193.58	60.06
Washington <sup>3</sup> .....	45,392	139,336	92,800	10,428,882	229.75	74.85
West Virginia <sup>3</sup> .....	17,585	62,878	43,458	2,646,674	150.51	42.09
Wisconsin <sup>3</sup> .....	46,673	147,890	107,199	11,303,301	242.18	76.43
Wyoming.....	2,315	7,077	5,190	376,423	162.60	53.19

<sup>1</sup> All data subject to revision. Data include AFDC-foster care.<sup>2</sup> Includes as recipients the children and one or both parents or one caretaker relative other than a parent in families in which the requirements of such adults were considered in determining the amount of assistance.<sup>3</sup> Includes data on unemployed-father segment; see table 7.<sup>4</sup> Does not include AFDC-foster care.<sup>5</sup> Payments for some months fluctuate noticeably due to the influence of cancellations and refunds in Connecticut and retroactive payments in New York.<sup>6</sup> Estimated by State.

TABLE 7.—AID TO FAMILIES WITH DEPENDENT CHILDREN, UNEMPLOYED-FATHER SEGMENT: RECIPIENTS OF MONEY PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, JULY 1974<sup>1</sup>

[Excludes vendor payments for medical care and cases receiving only such payments]

State	Number of families	Number of recipients		Payments to recipients		
		Total <sup>2</sup>	Children	Total amount	Average per—	
					Family	Recipient
Total .....	85,986	392,087	234,756	\$25,539,474	\$297.02	\$65.14
California .....	27,268	119,136	73,336	7,662,441	281.00	64.32
Colorado .....	1,141	5,074	2,830	298,746	261.83	58.88
Delaware .....	63	269	144	13,631	216.37	50.67
District of Columbia .....	2,989	11,298	8,149	604,567	202.26	53.51
Hawaii .....	515	2,331	1,328	187,146	363.39	80.29
Illinois .....	11,561	58,156	35,668	3,852,102	333.20	66.24
Iowa .....	110	502	282	32,633	296.66	65.01
Kansas .....	150	715	418	39,156	261.04	54.76
Maryland .....	498	2,118	1,213	108,801	218.48	51.37
Massachusetts .....	2,182	9,708	5,650	701,421	321.46	72.25
Michigan .....	10,962	53,261	31,430	3,831,872	349.56	71.95
Minnesota .....	894	4,138	2,410	297,867	333.18	71.98
Missouri <sup>4</sup> .....	7	28	14	1,030	( <sup>5</sup> )	( <sup>5</sup> )
Nebraska .....	18	106	70	4,811	( <sup>5</sup> )	45.39
New York .....	4,656	22,668	13,757	1,864,599	400.47	82.26
Ohio <sup>6</sup> .....	10,528	47,923	27,371	2,326,094	220.94	48.54
Oklahoma .....	65	332	211	16,492	253.72	49.67
Oregon .....	2,781	11,635	6,370	761,350	273.77	65.44
Pennsylvania .....	2,128	9,157	4,909	662,316	311.24	72.33
Rhode Island .....	252	1,199	709	85,380	338.81	71.21
Utah .....	870	4,476	2,834	290,949	334.42	65.00
Vermont .....	684	3,176	1,822	219,970	321.59	69.26
Washington .....	3,799	15,496	8,303	1,087,289	286.20	70.17
West Virginia .....	378	1,890	1,187	94,052	248.81	49.76
Wisconsin <sup>8</sup> .....	1,487	7,295	4,341	494,759	332.72	67.82

<sup>1</sup> Data for this segment of the program, shown separately here, are included in data for the total program. All data subject to revision.

<sup>2</sup> Includes as recipients the children and one or both parents or one caretaker relative other than a parent in families in which the requirements of such adults were considered in determining the amount of assistance.

<sup>3</sup> Decrease of less than 0.05 percent.

<sup>4</sup> Program initiated January 1974.

<sup>5</sup> Average payment not computed on base of fewer than 50 families or recipients; percentage change on fewer than 100 recipients.

<sup>6</sup> Program reinstated October 1973.

<sup>7</sup> Payments for some months fluctuate noticeably due to the influence of retroactive payments.

<sup>8</sup> Estimated by State.

TABLE 8.—EMERGENCY ASSISTANCE: FAMILIES RECEIVING ASSISTANCE AND AMOUNT OF PAYMENTS, BY STATE  
MAY 1974<sup>1</sup>

State	Number of families			Amount of assistance payments			
	Total	AFDC money payment cases	Other	Total			
				Amount	Average per family	Mainte- nance	Medical care
Total.....	28,076	19,693	8,383	\$4,958,371	\$176.61	\$4,865,772	\$92,599
Arkansas.....	179	45	134	5,259	29.38	5,259	0
Guam.....	3	3	0	519	(?)	519	0
Kansas.....	2	0	2	535	(?)	535	0
Kentucky.....	528	79	449	51,636	97.80	51,636	0
Maryland.....	1,767	1,693	74	336,566	190.47	336,566	0
Massachusetts.....	5,092	5,092	0	1,587,841	311.83	1,587,841	0
Michigan.....	5,584	5,403	181	861,954	154.36	849,185	12,779
Minnesota.....	1,125	548	577	220,113	195.66	205,541	14,572
Montana.....	41	14	27	2,610	(?)	2,578	32
Nebraska.....	195	74	121	15,706	80.54	15,696	10
New Jersey.....	133	133	0	58,260	438.05	58,260	0
New York.....	2,514	2,514	0	740,184	294.42	724,513	15,671
Ohio.....	8,050	3,084	4,966	722,617	89.77	680,285	42,332
Oklahoma.....	98	15	83	14,928	152.33	14,928	0
Oregon.....	261	1	260	18,350	70.31	15,484	2,866
South Dakota.....	0	0	0	0	-----	0	0
Utah.....	17	17	0	783	(?)	783	0
Vermont.....	355	18	337	28,102	79.16	24,027	4,075
Virgin Islands.....	3	3	0	479	(?)	479	0
Virginia.....	76	6	70	14,230	187.24	14,174	56
Washington.....	541	19	522	49,152	90.85	49,152	0
West Virginia.....	872	387	485	36,923	42.34	36,717	206
Wisconsin.....	545	545	0	186,407	342.03	186,407	0
Wyoming.....	95	0	95	5,207	54.81	5,207	0

<sup>1</sup> All data subject to revision. Such emergency assistance authorized to needy families with children under title IV-A. Alaska, District of Columbia, Illinois, Pennsylvania, and Puerto Rico have program but reported no expenditures for emergency assistance.

<sup>2</sup> Average payment not computed on base of fewer than 50 families.

<sup>3</sup> Payments for some months fluctuate noticeably due to the influence of retroactive payments.

TABLE 9.—PUBLIC ASSISTANCE: RECIPIENTS AND AVERAGE MONTHLY PAYMENTS PER RECIPIENT, BY PROGRAM, 1940-74

[Data subject to revision. Except for emergency assistance, excludes vendor payments for medical care and cases receiving only such payments]

Period	Old-age assistance <sup>1</sup>	Aid to the blind <sup>1,2</sup>	Aid to the permanently and totally disabled <sup>1</sup>	Aid to families with dependent children			General assistance <sup>4</sup>		Emergency assistance <sup>5</sup>	Institutional services in intermediate-care facilities
				Families	Total recipients <sup>3</sup>	Children	Cases	Recipients		
Number of recipients (in thousands)										
December:										
1940.....	2,070	73.4	-----	372	1,222	895	1,239	3,618	-----	-----
1945.....	2,056	71.5	-----	274	943	701	257	507	-----	-----
1950.....	2,786	97.5	69	651	2,233	1,661	413	866	-----	-----
1955.....	2,538	104.1	241	602	2,192	1,661	314	743	-----	-----
1960.....	2,305	106.9	369	803	3,073	2,370	431	1,244	-----	-----
1961.....	2,229	102.7	389	916	3,566	2,753	411	1,069	-----	-----
1962.....	2,183	98.7	428	932	3,789	2,844	354	900	-----	-----
1963.....	2,152	96.9	464	954	3,930	2,951	352	872	-----	-----
1964.....	2,120	95.5	509	1,012	4,219	3,170	346	779	-----	-----
1965.....	2,087	85.1	557	1,054	4,396	3,316	310	677	-----	-----
1966.....	2,073	83.7	588	1,127	4,666	3,526	298	663	-----	-----
1967.....	2,073	82.7	646	1,297	5,309	3,986	352	782	-----	-----
1968.....	2,027	80.7	702	1,522	6,086	4,555	391	826	-----	13.6
1969.....	2,074	80.6	803	1,875	7,313	5,413	422	860	8.0	92.2
1970.....	2,082	81.0	935	2,552	9,659	7,033	547	1,056	9.7	163.0
1971.....	2,024	80.3	1,068	2,918	10,653	7,707	566	982	13.3	195.8
1972.....	1,934	79.8	1,168	3,122	11,065	7,984	541	864	14.0	( <sup>6</sup> )
1973.....	1,820	77.9	1,275	3,156	10,814	7,812	462	668	24.2	( <sup>6</sup> )
Average monthly payment										
December:										
1940.....	\$20.25	\$25.35	-----	\$32.40	\$9.85	-----	\$24.30	\$8.30	-----	-----
1945.....	30.90	33.50	-----	52.05	15.15	-----	32.70	16.55	-----	-----
1950.....	43.05	46.00	\$44.10	71.45	20.85	-----	46.65	22.25	-----	-----
1955.....	50.05	55.55	48.75	85.50	23.50	-----	55.05	23.30	-----	-----
1960.....	58.90	67.45	56.15	108.35	28.35	-----	71.60	24.85	-----	-----
1961.....	57.60	68.05	57.05	114.65	29.45	-----	67.95	26.15	-----	-----
1962.....	61.55	71.95	58.50	119.10	29.30	-----	66.80	26.30	-----	-----
1963.....	62.80	73.95	59.85	122.40	29.70	-----	67.95	27.45	-----	-----
1964.....	63.65	76.15	62.25	131.30	31.50	-----	68.60	30.50	-----	-----
1965.....	63.10	81.35	66.50	136.95	32.85	-----	68.95	31.65	-----	-----
1966.....	68.05	86.85	74.75	150.10	36.25	-----	80.40	36.20	-----	-----
1967.....	70.15	90.45	80.60	161.70	39.50	-----	87.65	39.40	-----	-----
1968.....	69.55	92.15	82.65	168.15	42.05	-----	94.45	44.70	-----	\$153.05
1969.....	73.95	98.75	90.20	176.05	45.15	-----	101.65	50.05	\$113.00	246.80
1970.....	77.65	104.35	97.65	187.95	49.65	-----	111.60	57.85	151.35	261.16
1971.....	77.50	106.50	102.25	190.90	52.30	-----	112.40	64.80	151.08	284.02
1972.....	80.00	112.85	106.10	191.20	53.95	-----	115.30	72.20	195.06	( <sup>6</sup> )
1973.....	76.15	112.00	109.75	195.21	56.96	-----	120.86	83.58	149.28	( <sup>6</sup> )

<sup>1</sup> Represents data for payments to recipients of the specified type of assistance under separate programs and under the combined State audit assistance programs. Superseded by supplemental security income program in the 50 States and the District of Columbia, beginning January 1974.

<sup>2</sup> Beginning September 1965, excludes State blind pension program in Pennsylvania administered under State law without Federal participation.

<sup>3</sup> Includes as recipients the children and 1 or both parents or 1 caretaker relative other than a parent in families in which the requirements of such adults were considered in determining the amount of assistance.

<sup>4</sup> Data incomplete.

<sup>5</sup> Represents average per family. Beginning January 1972, includes New York City.

<sup>6</sup> Beginning January 1972, included under medical assistance, in accordance with Public Law 92-223.

Source: Social and Rehabilitation Service.

TABLE 10.—PUBLIC ASSISTANCE: TOTAL MONEY PAYMENTS, BY PROGRAM, EMERGENCY ASSISTANCE, AND PAYMENTS TO INTERMEDIATE-CARE FACILITIES, 1940-74

[In thousands of dollars]

Period	Money payments							Emergency assistance payments	Institutional services in intermediate-care facilities
	Total <sup>1</sup>	Total <sup>1</sup>	Old-age assistance <sup>2</sup>	Aid to the blind <sup>3</sup>	Aid to the permanently and totally disabled <sup>4</sup>	Aid to families with dependent children	General assistance		
1940.....	\$1,020,115	\$1,020,115	\$472,778	\$21,735	-----	\$133,393	\$392,209	-----	
1945.....	987,934	987,934	725,683	26,515	-----	149,475	86,262	-----	
1950.....	2,354,485	2,354,485	1,453,917	52,567	38,042	547,174	292,786	-----	
1955.....	2,516,590	2,516,590	1,487,991	67,804	134,630	612,209	213,956	-----	
1960.....	3,262,769	3,262,769	1,626,021	86,080	236,402	994,425	319,521	-----	
1961.....	3,410,548	3,410,548	1,568,987	84,506	255,645	1,148,838	351,395	-----	
1962.....	3,512,128	3,512,128	1,566,121	83,856	281,117	1,289,824	289,538	-----	
1963.....	3,647,906	3,647,906	1,610,310	85,122	317,656	1,355,538	277,432	-----	
1964.....	3,817,446	3,817,446	1,606,561	86,189	355,643	1,496,525	270,260	-----	
1965.....	3,995,907	3,995,907	1,594,183	77,308	416,765	1,644,096	260,612	-----	
1966.....	4,305,507	4,305,507	1,630,131	84,708	487,212	1,849,886	251,877	-----	
1967.....	4,931,681	4,931,681	1,698,145	86,950	573,575	2,249,673	323,060	-----	
1968.....	5,672,143	5,660,441	1,673,191	87,828	655,792	2,823,841	\$2,445	\$9,257	
1969.....	6,866,956	6,632,806	1,746,714	91,300	786,757	3,533,281	11,030	223,120	
1970.....	8,860,998	8,428,639	1,866,087	97,496	975,504	4,857,178	16,563	415,796	
1971.....	10,863,635	10,196,704	1,919,693	100,691	1,185,314	6,230,447	29,021	638,910	
1972.....	11,199,945	11,152,262	1,893,982	104,736	1,392,896	7,019,621	761,559	(4)	
1973.....	11,388,198	11,349,036	1,743,464	104,374	1,609,573	7,211,517	47,683	(4)	
						680,108	39,162	(4)	

<sup>1</sup> Includes money payments under medical assistance for the aged.

<sup>2</sup> Superseded by supplemental security income program in the 50 States and the District of Columbia, beginning January 1974.

<sup>3</sup> Money payments to families and medical vendor payments to needy families with children authorized under title IV of the Social Security Act.

<sup>4</sup> Beginning January 1972, included under medical assistance.

Source: Social and Rehabilitation Service.

# PENSIONS FOR VETERANS WITH NON-SERVICE-CONNECTED DISABILITIES

## BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To assist wartime veterans whose income and resources are insufficient and who have non-service-connected disabilities that are permanent and total or who are aged.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—The old law, which covers veterans who were on pension rolls prior to July 1, 1960, became effective in 1933. The current, or new law, which became effective July 1, 1960, takes account of the number of a veteran's dependents and scales benefits to his other income. Maximum monthly pensions for a single veteran rose from \$110 in 1969 to \$143 in 1974, and \$160 in 1975. Over the same period maximum eligibility limits for an unmarried veteran climbed from \$2,000 to \$3,000 in annual countable income. An amendment effective in 1965 provided supplemental payments: (1) to permanently and totally disabled veterans who are housebound, and (2) under certain conditions, to veterans who have more than one ratable disability.

**ADMINISTERING AGENCY.**—The Veterans Administration Department of Veterans Benefits, through regional offices.

**FINANCING.**—Open-ended Federal appropriations providing for direct payment to beneficiaries.

### *Costs and caseloads*

<i>Fiscal year</i>	<i>Benefit amounts</i>	<i>Number of veteran beneficiaries (monthly average)</i>
1973.....	\$1, 476, 651, 000	1, 072, 338
Estimated 1974.....	1, 373, 418, 000	1, 067, 040
Projected 1975.....	1, 430, 907, 000	1, 029, 560

Administrative costs (chiefly salaries) were estimated at \$11,114,000 in fiscal year 1973, \$11,566,000 in fiscal year 1974, and are projected at \$11,998,000 in fiscal year 1975.

In June 1974 benefits were paid to 1,030,046 needy veterans, plus an estimated 893,363 dependents (wives, children, and dependent parents). The total number of veterans in civilian life in June 1974 was 29,265,000, of whom 3.5 percent received an income-tested pension, but it is unknown how many other veterans also were eligible for this aid.

### ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—A recipient must be (1) a veteran who has 90 days or more of active wartime duty, or must have been released or discharged after shorter wartime service because of a service-related disability; and (2) permanently and totally disabled—that is, he must be unable to engage in a substantially gainful occupation—for reasons not caused by service. Persons who are at least 65 years old are considered to be permanently and totally disabled.

As of June, 1973 there were 650,842 veterans over 65 and 402,364 veterans under 65 receiving pensions.

Active wartime duty includes the Mexican border period, the Spanish-American War, World Wars I and II, the Korean conflict, and the Vietnam era. The wartime requirement produces gaps in coverage from July 5, 1902 through May 8, 1916; November 12, 1918 through December 6, 1941; January 1, 1947 through June 26, 1950; and February 1, 1955 through August 4, 1964. Exceptions may apply in some periods for extended service in hostile areas.

**PERSONS INCLUDED.**—Eligible veterans and their dependents, defined as a spouse, including dependent husband;<sup>1</sup> a child under 18 years of age; an adult child who became disabled before age 18; and a child under age 23 pursuing his education at an accredited institution.

#### INCOME TEST

*Income limits.*—The old law (for those receiving pensions on June 30, 1960 and electing to remain under that law) imposes these annual limits on countable income: an unmarried veteran with no dependent children, \$2,600; a married veteran who has children, \$3,900.

The new law imposes these annual limits on countable income: a veteran with no dependents, \$3,000; a veteran with dependents, \$4,200. Income limits apply equally to male and female veterans.

*Definition of income.*—Under both the old and new laws, eligibility is determined by the amount of the veteran's countable income. For new law pensions, the benefit amount also is decided by the veteran's countable income. The following list shows what income is excluded and what counted by the pension program:

	Old law	New law
(1) Income of spouse.....	Excluded.....	Excludes all income up to \$1,200, or the spouse's total earnings, whichever is greater. <sup>1</sup>
(2) Income of children.....	Earned income included.....	Earned income excluded.
(3) Income of veteran:		
(a) Earnings.....	Included.....	Included.
(b) Investments.....	Included, except for insurance dividends.	Included, except for insurance dividends.
(c) Gifts and inheritances.....	Included.....	Included, except for gift or inheritance of property.
(d) Welfare:		
(i) Public assistance.....	Included.....	Excluded.
(ii) VA pensions.....	Excluded.....	Do.
(iii) Private contributions for maintenance.	Excluded, except for serviceman's family allowance.	Excluded, except for serviceman's family allowance.
(iv) Other public or private relief.....	Included.....	Excluded.
(e) Retirement, disability, and survivors benefits:		
(i) Railroad retirement.....	Excluded.....	(See ii.)
(ii) Social security, public and private employee retirement systems.	Benefits completely excluded until employee's prior contributions exceeded, 10 percent of benefits excluded thereafter; military retirement pay and other limited types waived are also excluded; excludes RSFPP <sup>2</sup> annuities but not refunds.	Same as old law for persons entitled to such income on December 31, 1964; 10 percent exclusion applies to all such income for other pensioners, including waived retirement pay except for waived military retirement. <sup>3</sup>
(iii) VA compensation.....	Excluded <sup>4</sup> .....	Excluded, <sup>4</sup> except for W.W.I. adjusted compensation.
(iv) Life insurance proceeds.....	Federal life insurance excluded; 10 percent of proceeds from commercial policies excluded.	Federal life insurance excluded; 10 percent of proceeds from all other life insurance excluded.
(v) Burial allowances, death gratuities.	Excluded, except for social security lump sum death payment which is subject to only 10 percent exclusion.	Excluded, except for death gratuity under Public Law 89-214.

See footnotes at end of table. p. 173.

<sup>1</sup> A dependent husband of a female veteran is one who is incapable of self-maintenance and is permanently incapable of self-support because of physical or mental disability. When used hereafter, the terms wife and spouse include such a husband. Wives of eligible veterans need not meet the requirements of incapacity for self-support.

	Old law	New law
(3) Income of veteran—Continued		
(f) Unemployment benefits.....	Included.....	Included.
(g) Stipends and allowances.....	Educational assistance allowance in excess of amounts expended for training included; subsistence allowance included.	Educational assistance allowance in excess of amounts expended for training included; subsistence allowance included.
(h) Income in kind <sup>8</sup> .....	Included.....	Included.
(i) Other income.....	Excludes mustering out pay, State veterans bonuses, government overtime pay, fire insurance proceeds, relocation payments.	Excludes State veterans bonuses, fire insurance proceeds, pay for obligatory civic duties, relocation payments.
(j) Income spent for:		
(i) Unusual medical expenses.....	Included.....	Excluded.
(ii) Final expenses.....	Included.....	Excludes expenses of last illness and burial of deceased spouse of child.

<sup>1</sup> The program's treatment of the income of a veteran's spouse permits the same pension payment to families of vastly different income. Under the law, the program disregards all of a wife's earnings no matter how large (and, if her earnings are small, it also disregards her unearned income so long as her total income is below \$1,200 per year). This means that a veteran with no income of his own whose wife earns \$10,000 or \$15,000 or more is eligible for the same pension—\$2,064 per year if they have no child—as one who together with his wife has no outside income at all. This preferential treatment of the working wife contrasts with the pension program's treatment of the widow. (See "Pensions for Widows and Children of Veterans.")

<sup>2</sup> Retired Servicemen's Family Protection Plan (U.S.C. ch. 73).

<sup>3</sup> Veteran may not receive both military retirement and pension unless he has waived an amount of military pay equal to the amount of the pension.

<sup>4</sup> A veteran cannot receive compensation and pension concurrently based on his own service record. Exclusion could only apply in an instance when the beneficiary or another member of the family is also entitled to compensation on another veteran's record.

<sup>5</sup> Rarely applied and does not include food stamps, medicaid or housing subsidies that are excluded under item (d).

*Treatment of income.*—Under the old law a flat amount of monthly benefit is paid as long as the veteran's annual countable income is below the maximum income limit. This is, in effect, a zero benefit-loss rate below the eligibility ceiling. It means that a small increment in income—to just above the ceiling—results in total loss of benefits and a reduction in total income as well.

Under the new law, benefit amounts are reduced by a formula that imposes increasingly marginal benefit-loss rates as income rises, but instead of tapering benefits to zero, provides a minimum payment when the maximum income limit is reached. As a result, the first dollar earned above the countable income cutoff causes a net loss in income.

For a veteran with no dependents, the maximum basic benefit is cut by 3 cents per month (36 cents per year) for each dollar of annual countable income in excess of \$300 through \$500. This is a 36-percent marginal benefit-reduction rate. For higher countable income brackets, the marginal benefit-loss rates are shown below.

The minimum payment for a veteran with \$3,000 in annual countable income is \$5 monthly. But if countable income rises to \$3,001, no benefit is paid. The extra dollar causes loss of \$60 in annual benefits. Prior to enactment of Public Law 93-527, effective January 1, 1975, the minimum payment for the veteran with \$2,600 in annual countable income was \$28 monthly. If countable income rose to \$2,601, the veteran would lose \$336 in annual benefits.

For veterans with dependents, the maximum basic benefit is cut by 2 cents per month (24 cents per year) for each dollar of annual countable income in excess of \$500 through \$700. This is a 24-percent

marginal benefit-loss rate. The marginal benefit-loss rates for higher income brackets are shown below:

<i>Annual countable income</i>	<i>Annual benefit-loss rates within specific income brackets (percent) <sup>1</sup></i>	<i>Annual countable income</i>	<i>Annual benefit-loss rates within specific income brackets (percent) <sup>1</sup></i>
<b>Veterans with no dependents:</b>		<b>Veterans with dependents:</b>	
\$501 to \$900-----	48	\$701 to \$1,800-----	36
\$901 to \$1,500-----	60	\$1,801 to \$3,000-----	48
\$1,501 to \$1,900-----	72	\$3,001 to \$3,500-----	60
\$1,901 to \$2,300-----	84	\$3,501 to \$3,800-----	72
\$2,301 to \$3,000-----	96	\$3,801 to \$4,000-----	84
\$3,001 plus-----	( <sup>2</sup> )	\$4,001 to \$4,200-----	96
		\$4,201 plus-----	( <sup>2</sup> )

<sup>1</sup> These annual rates may be divided by 12 to yield benefit-loss rates applied each month to annual income.

<sup>2</sup> Ineligible.

At the maximum income limit of \$4,200, these minimum monthly benefits are paid: To a veteran with one dependent, \$14; with two dependents, \$19; and with three or more dependents, \$24. But if countable income rises to \$4,201 no benefit is paid. For the veteran with a wife and two children, the first dollar earned above the eligibility limit can cause a loss of \$288 per year. These benefit losses, when eligibility ceases for single veterans or those with dependents, would be increased by \$1,476 if the veteran also had qualified earlier for an aid and attendance allowance, or by \$588 if the veteran were housebound.

**ACCOUNTING PERIOD.**—Under both the old and new laws, income is counted in the calendar year in which it is received or anticipated. In the year of application proportionate income limits are established based on anticipated income from the date of entitlement to December 31, and income received before entitlement is ignored. If there is doubt about the amount of anticipated income, benefits are allowed at the lowest appropriate rate or, when determined appropriate by the Veterans Administration, withheld until the end of the year, when entitlement can be computed on the basis of actual income received. Provision is made for payment during the subsequent year of benefits withheld in the past year.

Accounting of income is based on an income and net worth questionnaire, distributed each autumn, that covers the current and following year. Failure to return the questionnaire causes suspension of benefits and, effective the next January 1, their termination. The effective date of a benefit reduction or termination caused by increased income is the last day of the calendar year in which the change occurred. Overpayments because of fraud can be recovered by the Treasury; overpayments due to inaccurate income projections by the beneficiary can be but rarely are recouped; and those due to administrative error are not recouped.

When conditions of entitlement change after the initial computation of benefits, entitlement to benefits for the next year is recomputed on the basis of total countable income received during the previous calendar year and anticipated income for the current or next calendar year. When a dependent is lost because of marriage, divorce, or death, benefits continue without reduction until the end of the calendar

year. In general, benefit adjustments are made immediately when changes are reported that permit a benefit boost, but deferred until the end of the year if a decrease seems indicated. As a consequence of lagged downward adjustments, pensioners may become accustomed to a higher income for several months (if, for example, social security benefits are increased in midyear), and therefore be disgruntled and confused when the adjustment does occur.

**ASSETS TEST.**—The new law applies an assets test, which defines a veteran's estate as all real and personal property, except for his dwelling, a reasonable lot, and personal effects. In general, a pension is allowed if a veteran can be expected to deplete assets in his remaining lifetime. The Veterans Administration determines the conversion of the estate for maintenance of veterans on the basis of these factors: (1) Income; (2) ease of converting the property to cash; (3) the limitations of community property laws; (4) life expectancy of the veteran; (5) number of dependents; and (6) potential rate of depletion of the estate. For old law pensions the size of a veteran's estate is ignored.

#### OTHER CONDITIONS

*Work requirements.*—None.

*Acceptance of training or rehabilitation.*—None required.

*Citizenship.*—No requirement.

*Loan, recovery, or assignment.*—No provisions.

*Institutional status.*—A pension in excess of \$30 per month for a veteran who has no wife or dependent child is reduced on the first day of the third month of institutional care in a Veterans Administration hospital or at the expense of the Veterans Administration (unless the care is for Hansen's disease) to a maximum of \$30 monthly. While the veteran is institutionalized, pension grants for regular aid and attendance are discontinued except for designated paraplegics and victims of Hansen's disease. Benefits are discontinued on the 61st day of imprisonment to veterans in penal institutions, but benefits for their dependents may continue to be paid.

*Residence requirements.*—None.

### BENEFITS AND SERVICES (AS OF JANUARY 1975)

#### CASH BENEFITS

*Primary determinants of amounts of benefits.*—Basic benefits are set by law. Under the old law they depend upon age, physical condition, tenure as a veteran, and existence of dependents. Veterans who are blind or in need of regular aid and attendance may receive a total of \$135.45 per month; veterans who are housebound may receive \$100 per month in lieu of other payments.

Under the new law benefits depend on physical condition, number of dependents, and countable income. This law reduces benefits as countable income rises (See "Treatment of income" above.) If a veteran is in medically determined need of regular aid and attendance, he may receive \$123 in extra monthly payments; or, a veteran may receive \$49 in extra benefits if (1) he has an additional disability or disabilities (over a disability that is rated on the VA schedule as permanent and total) that is rated independently at 60 percent or more, or (2) if he is housebound.

*Relationship of benefit amount to family size.*—Under the old law benefits do not increase with family size, but the income eligibility cutoff is higher for a veteran with dependents than without. Under the new law the amount of monthly benefits payable to a veteran rises \$5 per month each for the second and third dependents, but zero beyond that.

*Relationship of benefits to place of residence.*—Benefits are uniform throughout the 50 States and in the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

*Relationship of benefit amount to cost of living.*—The legislation provides no automatic adjustments for higher living costs, but Congress periodically increases benefits.

*Benefit amounts.*—Monthly benefits as of January 1975 are shown below for old and new law pensions.

Under the old law basic benefits are set at \$66.15 per month. Benefits are increased to \$78.75 per month after continuous receipt of the pension for 10 years or at age 65. No benefit is paid to a veteran without dependents when annual countable income reaches \$2,600. The income cutoff for a veteran with dependents is \$3,900. Thus, the extra dollar that ends eligibility causes a minimum benefit loss of \$793.80 a year and a maximum loss of \$1,625.40, the payment available for regular aid and attendance.

Under the new law the maximum benefit for a veteran with no dependents is \$160 per month, and the minimum benefit, received at the annual countable income limit of \$3,000, is \$5 per month. For a veteran with one dependent the maximum payment is \$172 per month, and the minimum, reached at the annual countable income limit of \$4,200, is \$14 per month. Maximum and minimum benefits are \$177 and \$19 for the veteran with two dependents, and \$182 and \$24 for the veteran with three or more dependents. (See table in "Supplementary Material.")

Annual pension benefits averaged \$1,377 per case, including dependents' allowances, in fiscal year 1973 and were estimated at \$1,335 in fiscal year 1974 and projected at \$1,469 in fiscal year 1975.

In 1973, more than half the unmarried veteran pensioners had less than \$1,500 in annual countable income (which does not include cash welfare), and thus were eligible for pension payments of \$1,068. Approximately 43 percent of pensioners with dependents had annual countable income below \$2,000.

*Perspectives on benefit amounts.*—The maximum new law benefit for the unmarried veteran, \$160 per month, is 25 percent below the July 1974 poverty level for a single veteran under 65 years of age. At this pension level, he was eligible, as of January 1975 for \$13 in bonus food stamps, bringing him to within 19 percent of the July 1974 poverty level. A single veteran 65 years or older with the maximum new law benefit of \$160 per month would have income 18 percent below the estimated poverty line for July 1974. If the veteran obtained the available food stamp bonus of \$13 per month, his income would rise to within 12 percent of the estimated July 1974 poverty line for a nonfarm individual. The \$182 maximum monthly benefit for a veteran with three dependents is 56 percent below the July 1974 poverty line for a nonfarm family of four. To his pension he could add \$107 in bonus food stamps, bringing his

family to within 31 percent of the poverty standard estimated for July 1974. However, since over three-quarters of veterans' pensioners also have income from such other sources as social security, combined income in most cases will rise nearer "adequate" levels.

Both old and new law benefits are tax free and expense free, and hence are worth more than the same amount of gross earnings. All pensions provided by the old law are below the poverty level.

**OTHER BENEFITS PROVIDED OR AVAILABLE.**—Veterans may receive health services, housing, and educational assistance administered by the Veterans Administration, and all are eligible for preference for Federal employment.

**PARTICIPATION IN OTHER PROGRAMS.**—In 1973, approximately 77 percent of veterans who received pensions also received social security payments. Some pensioners also receive benefits from the supplemental security income (SSI) program, another federally administered, income-tested program.<sup>2</sup>

## SUPPLEMENTARY MATERIAL

*Benefit Schedules (effective January 1, 1975)*

Veterans with no dependents:

Annual countable income:

	<i>Monthly benefit</i>
\$0 to \$300.....	\$160.
\$301 to \$500.....	\$160, less 3 percent of annual income in excess of \$300.
\$501 to \$900.....	\$154, less 4 percent of annual income in excess of \$500.
\$901 to \$1,500.....	\$138, less 5 percent of annual income in excess of \$900.
\$1,501 to \$1,900.....	\$108, less 6 percent of annual income in excess of \$1,500.
\$1,901 to \$2,300.....	\$84, less 7 percent of annual income in excess of \$1,900.
\$2,301 to \$3,000.....	\$56, less 8 percent of annual income in excess of \$2,300.
\$3,000.....	\$5.
\$3,001 and above.....	0.

Veterans with dependents:

Annual countable income:

	<i>Monthly benefit</i>
\$0 to \$500.....	\$172. <sup>1</sup>
\$501 to \$700.....	\$172, less 2 percent of annual income in excess of \$500.
\$701 to \$1,800.....	\$168, less 3 percent of annual income in excess of \$700.
\$1,801 to \$3,000.....	\$135, less 4 percent of annual income in excess of \$1,800.
\$3,001 to \$3,500.....	\$87, less 5 percent of annual income in excess of \$3,000.
\$3,501 to \$3,800.....	\$62, less 6 percent of annual income in excess of \$3,500.
\$3,801 to \$4,000.....	\$44, less 7 percent of annual income in excess of \$3,800.
\$4,001 to \$4,200.....	\$30, less 8 percent of annual income in excess of \$4,000.
\$4,200.....	\$14.
\$4,201 and above.....	\$0.

<sup>1</sup> A veteran with 1 dependent gets \$172; with two dependents, \$177; and with 3 or more dependents, \$182.

<sup>2</sup> SSI's basic cash guarantee is lower than that of the pension programs for individuals but higher for couples. SSI guaranteed \$146 per individual and \$219 per couple, as of September 1974, compared with the veterans' pension maximums of \$160 and \$172 respectively, for those with no other countable income.

The following table summarizes these rates at \$100 increment levels:

MONTHLY PENSION RATES FOR VETERANS (EFFECTIVE JAN. 1, 1975)

Yearly countable income not more than—	Veteran alone	Veteran, 1 dependent	Veteran, 2 dependents	Veteran, 3 dependents or more	Yearly countable income not more than—	Veteran alone	Veteran, 1 dependent	Veteran, 2 dependents	Veteran, 3 dependents or more
\$300 .....	\$160	\$172	\$177	\$182	\$2,300 .....	\$56	\$115	\$120	\$125
\$400 .....	157	172	177	182	\$2,400 .....	48	111	116	121
\$500 .....	154	172	177	182	\$2,500 .....	40	107	112	117
\$600 .....	150	170	175	180	\$2,600 .....	32	103	108	113
\$700 .....	146	168	173	178	\$2,700 .....	24	99	104	109
\$800 .....	142	165	170	175	\$2,800 .....	16	95	100	105
\$900 .....	138	162	167	172	\$2,900 .....	8	91	96	101
\$1,000 .....	133	159	164	169	\$3,000 .....	5	87	92	97
\$1,100 .....	128	156	161	166	\$3,100 .....		82	87	92
\$1,200 .....	123	153	158	163	\$3,200 .....		77	82	87
\$1,300 .....	118	150	155	160	\$3,300 .....		72	77	82
\$1,400 .....	113	147	152	157	\$3,400 .....		67	72	77
\$1,500 .....	108	144	149	154	\$3,500 .....		62	67	72
\$1,600 .....	102	141	146	151	\$3,600 .....		56	61	66
\$1,700 .....	96	138	143	148	\$3,700 .....		50	55	60
\$1,800 .....	90	135	140	145	\$3,800 .....		44	49	54
\$1,900 .....	84	131	136	141	\$3,900 .....		37	42	47
\$2,000 .....	77	127	132	137	\$4,000 .....		30	35	40
\$2,100 .....	70	123	128	133	\$4,100 .....		22	27	32
\$2,200 .....	63	119	124	129	\$4,200 .....		14	19	24

# PENSIONS FOR WIDOWS AND CHILDREN OF VETERANS

## BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To provide a partial means of support for widows<sup>1</sup> and children of deceased veterans whose deaths were not a result of active service.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—The old law, which covers veterans' survivors who were on pension rolls prior to July 1, 1960, and who elected to remain under that law, became effective in 1933. The current or new law became effective July 1, 1960. The maximum monthly benefit for a childless widow rose from \$70 in 1967 to \$96 in 1974, and \$108 in 1975. During the same period the eligibility limit for a lone widow rose from \$1,800 to \$3,000 in annual countable income. The old law provides flat monthly payments, but the new law varies payments by income. Except as otherwise noted, material refers to the new law.

**ADMINISTERING AGENCY.**—The Veterans Administration; Department of Veterans Benefits, through regional offices.

**FINANCING.**—Open-ended Federal appropriations that provide for direct payments to beneficiaries.

### *Costs and caseloads*

<i>Fiscal year</i>	<i>Amount</i>	<i>Number of veterans whose survivors were aided (monthly average)</i>
1973-----	\$1, 097, 847, 000	1, 272, 241
Estimated 1974-----	1, 085, 866, 000	1, 302, 354
Projected 1975-----	1, 169, 602, 000	1, 310, 254

Administrative costs (chiefly salaries) were estimated at \$13,047,000 in fiscal year 1973, \$13,578,000 in fiscal year 1974, and are projected at \$14,085,000 in fiscal year 1975.

In June 1974 a total of 1,788,443 needy survivors received benefits, 950,827 widows and 837,616 children, but the total number of other eligible persons not claiming benefits is unknown.

### ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—To be eligible under the old law, a beneficiary must be needy and a not presently married widow or a child (see definition below) who was on the pension rolls prior to July 1, 1960, and who elected to remain covered under the old rather than the new law.

<sup>1</sup> The term "widow" means a person whose marriage to a veteran is valid and who was the lawful spouse (male or female) of a veteran at the time of the veteran's death. The term includes the widower of any female veteran if such widower is incapable of self-maintenance and was permanently incapable of self-support because of physical or mental disability at the time of the veteran's death. Widows need not meet the requirement of incapacity for self-maintenance. A remarried widow may be eligible if the remarriage was void, has been annulled, or terminated in death or divorce.

To be eligible under the new law, a beneficiary must be needy and a not presently married widow or a child of a deceased veteran who: (1) had 90 days or more of active wartime duty, or was released or discharged after shorter wartime duty because of a service-related disability; or (2) at the time of death was receiving compensation or military retirement pay (or was entitled to receive such) for a service-connected disability.

The veteran must have served during the Mexican border period, the Spanish-American War, World Wars I and II, the Korean conflict, or the Vietnam era. The wartime requirement produces gaps in coverage from July 5, 1902, through May 8, 1916; November 12, 1918, through December 6, 1941; January 1, 1947, through June 26, 1950; and February 1, 1955, through August 4, 1964. Exceptions may apply in some periods for extended service in hostile areas.

**PERSONS INCLUDED.**—Not presently married widows and children of deceased veterans. Children are defined as persons under 18 years of age, or persons over 18 years of age who became disabled before age 18, or persons under age 23 who attend an accredited educational institution.

#### **INCOME TEST**

*Income limits.*—The old law imposes these annual eligibility limits on countable income: for a widow with no children, \$2,600; for a widow with one or more children, \$3,900. (See below for definition of countable income.)

The new law imposes these annual eligibility limits on countable income: for a widow with no children, \$3,000; for a widow with one or more children, \$4,200. If there is no widow, or if the widow is ineligible because of remarriage or excess income, payments are made to or for the child if the child's own unearned income does not exceed \$2,400 annually.

*Definition of income.*—Under both the old and new laws, eligibility for a pension is determined by the amount of countable income attributable to the widow. For new law pensions, the benefit amount also is decided by the widow's countable income. The following list shows what income is excluded and what counted by the survivors' pension program; it will be noted that under the new law public assistance and private charity are not counted as income, and that retirement, disability, and survivors' benefits are counted at only 90 percent of their total.

	<i>Old law</i>	<i>New law</i>
(1) Income of children-----	Earned income excluded-----	Earned income excluded.
(2) Income of widow:		
(a) Earnings-----	Included-----	Included.
(b) Investments-----	Included, except for insurance dividends--	Included, except for insurance dividends.
(c) Gifts and inheritances-----	Included-----	Included, except for gift or inheritance of property.
(d) Welfare:		
(i) Public assistance-----	do-----	Excluded.
(ii) Private contributions for maintenance.	Excluded, except for serviceman's family allowance.	Excluded, except for serviceman's family allowance.
(iii) Other public or private relief.	Included-----	Excluded.
(e) Retirement, disability, and survivors' benefits:		
(i) Railroad retirement, social security, public and private employee retirement systems.	Benefits completely excluded until employee's prior contributions exceeded, 10 percent of benefits excluded thereafter; retirement pay waived also excluded; excludes RSFFP <sup>1</sup> annuities.	Same as old law for persons entitled to such income on Dec. 31, 1964; 10 percent exclusion applies to all such income for other pensioners; waived retirement pay included except for military retirement.
(ii) VA compensation-----	Excluded-----	Excluded, except for World War I adjusted compensation.
(iii) Life insurance proceeds-----	Federal life insurance excluded; 10 percent of proceeds from commercial policies excluded.	Federal life insurance excluded; 10 percent of proceeds from all other life insurance excluded.
(iv) Burial allowances, death gratuities.	Not applicable-----	Excluded, except for death gratuity under Public Law 89-214.
(f) Unemployment benefits-----	Included-----	Included.
(g) Other income-----	Excludes mustering out pay, State veterans' bonuses, fire insurance proceeds, relocation payments.	Excludes State veterans' bonuses, fire insurance proceeds, pay for obligatory civic duties, relocation payments.
(h) Income spent for:		
(i) Unusual medical expenses---	Included-----	Excluded.
(ii) Final expenses-----	do-----	Excludes expenses of last illness, burial, and just debts of deceased veterans in excess of other VA reimbursements.

<sup>1</sup> Retired Servicemen's Family Protection Plan (10 U.S.C. ch. 73).

Excluding income has the same effect as subjecting it to a zero benefit-loss rate for persons otherwise eligible under the new law. Counted income then is subject to the benefit-loss rates noted below under "Treatment of income."

*Treatment of income.*—Under the old law a flat monthly benefit is paid as long as the widow's annual countable income is below the income cutoff. Thus, a small change in income can make the difference between receiving full benefits or no benefits.

Under the new law, benefit amounts are reduced by a formula that imposes increasing marginal benefit-loss rates as income rises. The schedule provides for a minimum payment when the maximum income limit is reached. As a result, the first dollar earned above the countable income cutoff causes a net loss in income.

The rates at which benefits are reduced and the income ranges over which they are applied are different for a widow with no dependents than for a widow with dependents, as shown below:

<i>Annual countable income</i>	<i>Annual benefit-loss rates within specific income brackets (percent)</i> <sup>1</sup>	<i>Annual countable income</i>	<i>Annual benefit-loss rates within specific income brackets (percent)</i> <sup>1</sup>
<b>Widows with no children:</b>		<b>Widows with children:</b>	
\$0 to 300.....	0	\$0 to \$700.....	0
\$301 to 600.....	12	\$701 to \$1,100.....	12
\$601 to \$900.....	36	\$1,101 to \$2,100.....	24
\$901 to \$2,100.....	48	\$2,101 to \$3,000.....	36
\$2,101 to \$3,000.....	60	\$3,001 to \$4,200.....	48
\$3,001.....	(?)	\$4,201 plus.....	(?)

<sup>1</sup> These annual rates may be divided by 12 to yield benefit-loss rates applied each month to annual income.

<sup>2</sup> Ineligible.

*Accounting period.*—Under both the old and new laws, income is counted in the calendar year in which it is received or anticipated. In the year of application proportionate income limits are established based on anticipated income from the date of entitlement to December 31, and income received before entitlement is ignored. If there is doubt about the amount of anticipated income, benefits are allowed at the lowest appropriate rate or, when determined appropriate by the Veterans Administration, withheld until the end of the year, when entitlement can be computed on the basis of actual income received. Provision is made for payment during the subsequent year of benefits withheld.

Accounting of income is based on an income and net worth questionnaire, distributed each autumn, that covers the current and following year. Failure to return the questionnaire causes suspension of benefits, and, effective the next January 1, their termination. The effective date of a benefit reduction or termination caused by increased income is the last day of the calendar year in which the change occurred. Overpayments because of fraud can be recovered by the Treasury; overpayments due to inaccurate income projections by the beneficiary can be but rarely are recouped; and those due to administrative error are not recouped.

When conditions of entitlement change after the initial computation of benefits, entitlement to benefits for the next year is recomputed on the basis of total countable income received during the previous

calendar year and anticipated income for the current or next calendar year. When a child dependent is lost because of age or death, benefits continue without reduction until the end of the calendar year. In general, benefit adjustments are made immediately when changes are reported that permit a benefit boost, but deferred until the end of the year if a decrease seems indicated (as, for example, if social security benefits—to which many widows are entitled—are increased in midyear).

**ASSETS TEST.** The new law applies an assets test, which defines "estate" of the recipient as all her real and personal property, except for her dwelling, a reasonable lot, and personal effects. In general, a pension is allowed if the survivor can be expected to deplete assets in her remaining lifetime. The Veterans Administration determines the conversion of the estate on the basis of these factors: (1) income; (2) cost of selling assets; (3) liquidity of assets; (4) life expectancy of the wife or child; and (5) the potential rate of depletion of the estate. For old law pensions there is no assets test.

#### OTHER CONDITIONS

*Work requirement.*—None.

*Acceptance of training or rehabilitation.*—None required.

*Citizenship.*—No requirement.

*Lien, recovery or assignment, and relative responsibility.*—No provisions.

*Institutional status.*—Program benefits are discontinued to widows or children who are confined to penal institutions on the 61st day of imprisonment. Payments continue when a widow or child is so disqualified under the following conditions: (1) if the widow is disqualified, to a child or children at the rate of death pension payable if there were no such widow; or (2) if the child is disqualified, to a widow or other child or children at the rate of death pension payable if there were no such child. The income limitation applicable to eligible persons is that which would apply if the imprisoned person did not exist.

*Residence requirement.*—None.

### BENEFITS AND SERVICES (AS OF JANUARY 1975)

**NATURE OF BENEFITS.**—Cash.

*Primary determinants of benefit amounts.*—Basic benefits are set by law and are related primarily to income and family size. The basic payment for a widow is increased if it is medically determined that she needs regular aid and attendance.

*Relationship of benefit amount to family size.*—Under both the old and new law, benefits are increased for family size. The old law provides more for the first than for subsequent children. Under the new law, the allowance for the first child ranges from \$20 to \$72 per month; but the extra benefit for each additional child is \$20. (See section below on "Amount of benefits.")

*Relationship of benefits to place of residence.*—Benefits are uniform throughout the 50 States and in the District of Columbia, Guam, Puerto Rico, and the Virgin Islands.

*Relationship of benefit amount to cost of living.*—The legislation provides no automatic adjustments for higher living costs, but Congress periodically increases benefits.

*Amount of benefits.*—Monthly benefits as of January 1975 are shown below for old and new law survivors' pensions.

Under the old law benefits are \$50.40 per month for an unremarried widow with no child; \$63 for a widow with one child; and \$7.56 more for each additional child. Widows in medically determined need of regular aid and attendance may receive \$50 more per month. In families where no widow is entitled to a pension, one eligible child receives \$27.30 per month; two eligible children \$40.95 (divided equally), and three eligible children \$54.60 (divided equally). For each additional eligible child, another \$7.56 is paid.

The new law provides a maximum monthly benefit to a widow with no eligible children of \$108, and a minimum benefit of \$5, received at the maximum annual countable income level of \$3,000. No benefit is paid if annual countable income exceeds \$3,000. The maximum benefit payable to a widow with an eligible child is \$128 per month plus \$20 for each additional eligible child. If the widow is in need of regular aid and attendance, the benefit is increased by \$64 a month. No benefit is paid for the widow with a child if her annual countable income exceeds \$4,200. If the widow is disqualified because of excess income, or if there is no widow, eligible children receive \$49 monthly for the first child, plus \$20 for each additional child, with the total divided equally among the children.

Annual payments averaged \$863 per case in fiscal year 1973, and were estimated at \$885 in fiscal year 1974 and projected at \$1,021 in fiscal year 1975. In June 1973, survivors' pensions averaged \$63.73 for a widow, \$104.72 for a widow with children. In 1973, 49 percent of the childless widows on the pension rolls had less than \$1,500 in annual countable income, which excludes cash welfare, and thus received \$1,044 in annual pension payments.

*Perspectives on benefit amounts.*—Survivors' benefits under both the old and new law fall far short of poverty levels, based on a July 1974 estimate of the poverty line. The old law provides \$50.40 monthly to a penniless widow, 76 percent below the poverty level for a single person, and \$78.12 for a penniless family of four, 81 percent below the estimated poverty level. The childless widow was eligible, as of January, 1975, for \$38 in bonus food stamps, and the mother of three for \$138 in bonus food stamps, but their incomes still were below the poverty level. The income of a penniless widow under 65 years of age would be 59 percent below the poverty line and 55 percent below the poverty line for a widow 65 years or over. A widow with three children receiving food stamps would still have an income 49 percent below the poverty line.

The new law provides \$108 monthly to a penniless and childless widow, 49 percent below the estimated July 1974 poverty line for a widow under 65; 45 percent below the poverty line for a widow over 65 years old. She was eligible in January 1975 for \$28 in bonus food stamps per month, resulting in combined pension-food stamp income of 36 percent below the poverty level for a widow under 65; 31 percent below the poverty line for a widow over 65. For a penniless family of four, the maximum pension was \$168 per month, 60 percent below the poverty line, and with the available food stamp bonus, 33 percent below the poverty line.

These individuals and families may also be eligible to receive other cash benefits, such as social security and aid to families with dependent children, which may raise their incomes above the poverty level.

Both old and new law benefits are tax free and expense free, and hence are worth more than the same amount of gross earnings.

**OTHER SERVICES PROVIDED OR AVAILABLE.**—Unremarried widows of veterans are eligible for Federal job preference.

**PARTICIPATION IN OTHER PROGRAMS.**—In 1973, approximately 76 percent of widows and children who received survivors' pensions also received social security payments.

### SUPPLEMENTARY MATERIAL

The following table shows application of this benefit schedule in \$100 increments of countable income.

#### REGULAR PENSION (NEW LAW) (EFFECTIVE JAN. 1, 1975)

Annual countable income not more than	Monthly benefits for widow alone	Monthly benefits for widow and 1 child	Monthly benefits for widow and 2 children <sup>1</sup>	Annual countable income not more than	Monthly benefits for widow alone	Monthly benefits for widow and 1 child	Monthly benefits for widow and 2 children <sup>1</sup>
\$300	\$108	\$128	\$148	\$2,300	\$38	\$98	\$118
\$400	107	128	148	\$2,400	33	95	115
\$500	106	128	148	\$2,500	28	92	112
\$600	105	128	148	\$2,600	23	89	109
\$700	102	128	148	\$2,700	18	86	106
\$800	99	127	147	\$2,800	13	83	103
\$900	96	126	146	\$2,900	8	80	100
\$1,000	92	125	145	\$3,000	5	77	97
\$1,100	88	124	144	\$3,100		73	93
\$1,200	84	122	142	\$3,200		69	89
\$1,300	80	120	140	\$3,300		65	85
\$1,400	76	118	138	\$3,400		61	81
\$1,500	72	116	136	\$3,500		57	77
\$1,600	68	114	134	\$3,600		53	73
\$1,700	64	112	132	\$3,700		49	69
\$1,800	60	110	130	\$3,800		49	69
\$1,900	56	108	128	\$3,900		49	69
\$2,000	52	106	126	\$4,000		49	69
\$2,100	48	104	124	\$4,100		49	69
\$2,200	43	101	121	\$4,200		49	69

<sup>1</sup> Plus \$20 per month for each additional child.

## GENERAL ASSISTANCE TO INDIANS

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To provide general financial assistance to Indians living on reservations.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—Legislation in 1921 authorized assistance for the “general support” and “relief of distress” of Indians, and legislation in 1934 authorized the Secretary of the Interior to contract with States and private organizations for the social welfare of Indians.

**ADMINISTERING AGENCY.**—The Bureau of Indian Affairs (BIA) of the Department of the Interior, through area offices.

**FINANCING.**—The financing of the program is by annual closed end appropriations from general revenues of the U.S. Treasury.

#### *Costs and caseloads*

<i>Fiscal year</i>	<i>Total benefits (in thousands)</i>	<i>Number of beneficiaries (monthly average)</i>
1973-----	\$38, 534	69, 000
1974-----	34, 892	75, 000
Estimated 1975-----	44, 953	75, 000

### ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—General assistance is available, when such assistance is not available from State or local public agencies, to needy Indians who reside on reservations, near reservations (if they have close social and economic ties to the reservation), or in jurisdictions under the BIA in Alaska or Oklahoma.

**PERSONS INCLUDED.**—Eligible individuals and all members of a family group living together with a common family head who are related to or accepted by the family head as members of his family group are included in the program.

#### **INCOME TEST**

*Income limits.*—Income limitations are equivalent to the State’s needs standard in the State in which the reservation is located for basic needs and special needs, if applicable, in the public assistance category to which the individual or family group is most closely related. No application of any payment maximums or other payment limitations used in the State programs is made.

*Definition of income.*—All cash or in-kind income, including home produce when it is in substantial or predictable amounts,<sup>1</sup> is considered in determining eligibility.

<sup>1</sup> This provision is implemented only in certain parts of Alaska where hunting and fishing provides a major portion of the regular food supply.

*Treatment of earned income.*—The net earnings from wages and self-employment of all members of the assistance group are included as income. However, the earnings of minor children continuing in school may be excluded if there is a feasible plan for use of such earnings for current or future educational or training needs. The net earnings from wages are determined by deducting costs of transportation, tools, social security deductions, and other work-related expenses from gross earnings. Net income from self-employment in farming, stock raising, business\* or service enterprises, silversmith, arts and crafts, and so forth, is determined by deducting the costs of production or operation from gross income of the enterprise. Benefit payments are reduced by the total amount of net earnings and net income from self-employment (100 percent tax rate).

*Treatment of unearned income and in-kind income.*—All unearned income, except for the value of donated food commodities or food stamps, is included as income. When a basic consumption item is provided by a contribution and is free to the individual or family, or is provided through their own efforts such as provision of fuel, the cost of the item is considered as met by income in kind. The money value of home-produced meat and farm produce, after deduction of production costs, is considered as income only when such food resources are available in substantial and predictable amounts so as to reduce the need to purchase food.<sup>2</sup> Small amounts of food, such as from a small garden, are disregarded.

Cash income recurring in annual or periodic payments or lump-sum payments such as tribal per capita payments, lease rentals, royalties, sale of timber of real estate, and so forth, after allowing for necessary expenses such as improved housing, purchase of household items, or costs of a plan for education and training for self support, is considered as income to meet need; and the individual or family is ineligible for general assistance until the funds are expended at a reasonable rate for living needs.

**ACCOUNTING PERIOD.**—The income of the recipient is reviewed monthly, except that income which is received periodically—other than monthly—or in a lump sum, is considered available during the time that it would meet the individual's or family's needs.

**ASSETS TEST.**—The possession of convertible or liquid assets, other than those which are excluded, are considered in the same category as a lump-sum payment and may be utilized for certain necessary purposes, after which the individual or family is ineligible for general assistance during the period such resources are expended for maintenance needs.

Assets which are excluded in determining eligibility are the following:

The home owned and occupied by the applicant. This does not affect eligibility but is considered as meeting all or part of the consumption item of shelter.

Income-producing property or equipment which is currently producing income or which is to be used for future production.

Household furnishings and personal effects.

Motor vehicles required for transportation.

Life insurance policies.

<sup>2</sup> This provision is implemented only in certain parts of Alaska where hunting and fishing provides a major portion of the regular food supply.

The convertible value of assets such as stocks, bonds, and securities, cash on hand, and savings are considered as income available in meeting current needs.

#### OTHER CONDITIONS

*Work requirements.*—Applicants and recipients are expected to seek and accept available employment which they are able and qualified to perform. This includes seasonal work away from the reservation if Indians living on the reservation have been accustomed to going off the reservation for such employment. The criteria which are applied in determining whether an individual may be reasonably expected to work are the following: Availability of employment; physical and mental capacity and adequate skill to perform the work available; accessibility of employment without undue hardship, serious disorganization of the family, or interruption of school attendance of children; availability of transportation and consideration of whether families in similar circumstances are accepting similar employment; rates of pay and working conditions commensurate with community rates and conditions; and existence of family or child care problems or illness precluding employment.

*Acceptance of training or rehabilitation.*—There is no requirement. However, the head of the household, or another family member if the household head is not available for employment, may be referred on a voluntary basis to a tribal work experience program where such programs are in operation. This program may include work training and adult education. The participants of the program are paid the amount of the general assistance benefit plus \$30 a month.

*Citizenship.*—The requirements of Indian descent and residence on or near a reservation imply a citizenship requirement.

*Lien, recover, or assignment.*—There is no provision.

*Transfer of property.*—There is no provision.

*Relative responsibility.*—There is no provision.

*Institutional status.*—Payments may be made to or in behalf of persons who require institutional or custodial home care. Skilled nursing home care is provided through the Indian Health Service of the U.S. Public Health Service.

*Residence requirement.*—To be eligible for assistance an Indian must reside on a reservation, near a reservation (and have a close social and economic tie to the reservation), or in a jurisdiction under the BIA in Alaska or Oklahoma.

### BENEFITS AND SERVICES

#### CASH BENEFITS

*Primary determinants of amount of benefits.*—The amount of the general assistance benefit is the difference between 100 percent of the budgetary standard for basic needs, as established by the State for its public assistance program, and countable cash and inkind income available to the individual or family.

*Relationship of benefit amount to family size.*—The amounts included for basic needs vary according to the number of persons in the assistance group. State maximums used in public assistance programs do not apply.

*Relationship of benefit amount to place of residence.*—General assistance for Indians is available only on or near reservations and in jurisdictions under the BIA in Alaska and Oklahoma. In addition, as explained above, eligibility criteria and benefit amounts vary depending upon the State in which the reservation or jurisdiction is located.

*Relationship of benefit amount to cost-of-living changes.*—There is no direct relationship. However, benefit amounts are subject to change as State public assistance budgetary standards are increased or modified.

*Amount of benefit.*—The estimated average payment per month per person in fiscal year 1974 was \$47. This amount is lower than the national average of about \$57 per month per AFDC recipient. Although State limitations on payments do not apply, Indians on reservations are more likely to own their homes or pay lower rent than nonreservation assistance recipients. Also, in many cases, general assistance is given to supplement lease income or earnings.

*Comparison to poverty level.*—Among the 17 States in which most reservation Indians live, all have needs standards<sup>3</sup> for a family of 4 which are below the July 1974 nonfarm poverty level of \$422 per month; 14 States have cost standards below the poverty level of \$359 per month for families living on farms. Since general assistance payments are lower because of low rental costs or homeownership and since there is no earnings disregard other than work expenses, most general assistance beneficiaries would have incomes below the poverty level for farm and nonfarm families.

**BENEFITS FROM OTHER PROGRAMS WHICH ACCRUE BY VIRTUE OF ELIGIBILITY FOR TARGET PROGRAM.**—Recipients are eligible for food commodities or food stamps and for health services through the U.S. Public Health Services for Indians. Housing services may be available through the Indian housing improvement program or other HUD low-income housing programs under tribal sponsorship.

**OTHER SERVICES PROVIDED OR AVAILABLE.**—Vocational rehabilitation may be available through State programs, through tribal work experience and protected work opportunities, or through a variety of BIA or other training programs. Social services (such as counseling and guidance for family problems, money management, home improvement, and services to unmarried mothers) and child welfare services (such as protection and care of neglected, dependent, or handicapped children, foster home placement, and adoption) are provided by BIA social service staff, if they are not available from other sources. Foster home care of children is contracted from State welfare departments in five States. Services are available to assist Indians to secure assistance and services for which they are eligible from State and local welfare programs.

<sup>3</sup> As of July 1974.

## SUPPLEMENTARY MATERIAL

TABLE 1.—UNDUPLICATED CASE COUNT OF GENERAL ASSISTANCE TO INDIANS CASELOAD, BY AGE AND EMPLOYMENT STATUS OF FAMILY HEAD, FISCAL YEAR 1974

Areas	Under 21		21 to 34		35 to 49		50 to 64		65 and over		Total cases	Total persons
	Cases	Persons	Cases	Persons	Cases	Persons	Cases	Persons	Cases	Persons		
Total.....	3,276	5,240	15,187	41,082	11,632	48,559	6,883	20,830	2,203	4,176	39,181	119,887
Unemployable.....	478	679	1,448	3,459	1,879	5,875	2,480	5,546	995	1,871	7,280	17,430
Employable.....	2,201	3,463	11,599	31,832	8,485	38,108	3,546	13,146	466	1,121	26,297	87,670
Pending P.A.....	579	1,080	2,051	5,702	1,196	4,504	789	2,065	500	940	5,115	14,291
Adult inst. care.....	18	18	89	89	72	72	68	73	242	244	489	496
Aberdeen.....	801	1,148	2,892	7,341	2,112	7,162	1,208	2,868	387	561	7,400	19,080
Unemployable.....	128	153	265	472	374	854	476	920	218	294	1,461	2,693
Employable.....	496	680	2,050	5,384	1,448	5,432	572	1,609	34	68	4,600	13,173
Pending P.A.....	167	305	540	1,448	281	867	156	335	128	192	1,272	3,147
Adult inst. care.....	10	10	37	37	9	9	4	4	7	7	67	67
Albuquerque.....	207	296	800	1,981	534	2,104	242	856	87	211	1,870	5,448
Unemployable.....	21	37	59	172	95	382	123	295	59	157	357	1,043
Employable.....	163	215	680	1,689	413	1,610	96	475	14	31	1,366	4,020
Pending P.A.....	23	44	59	118	26	112	23	81	8	16	139	371
Adult inst. care.....			2	2				5	6	7	8	14
Anadarko.....	121	222	765	1,782	387	1,384	216	549	67	126	1,556	4,063
Unemployable.....	15	21	38	72	39	91	45	92	20	25	157	301
Employable.....	63	108	577	1,262	230	879	102	265	6	14	978	2,528
Pending P.A.....	43	93	150	448	118	414	69	192	41	87	421	1,234
Adult inst. care.....												
Billings.....	311	451	1,008	2,424	521	1,942	277	641	96	161	2,213	5,619
Unemployable.....	42	54	100	246	96	293	105	210	37	52	380	855
Employable.....	176	262	697	1,705	313	1,313	106	313	12	38	1,304	3,631
Pending P.A.....	93	135	211	473	112	336	65	117	45	69	526	1,130
Adult inst. care.....							1	1	2	2	3	3
Juneau.....	438	528	1,792	3,994	1,373	5,646	811	2,835	68	161	4,482	13,164
Unemployable.....	29	34	41	95	61	127	94	232	24	41	249	529
Employable.....	395	480	1,665	3,638	1,244	5,259	644	2,367	25	64	3,973	11,808
Pending P.A.....	14	14	86	261	68	260	73	236	19	56	260	827
Adult inst. care.....												

Minneapolis.....	9	14	94	300	79	350	48	77	13	18	243	759
Unemployable.....	5	6	27	41	31	85	35	48	10	14	108	194
Employable.....	3	7	54	214	43	236	11	27	1	1	112	485
Pending P.A.....	1	1	13	45	5	29	2	2	2	3	23	80
Adult inst. care.....												
Muskogee.....	273	469	1,279	3,838	941	3,664	608	1,456	163	254	3,264	9,681
Unemployable.....	54	75	259	662	272	869	252	526	96	148	933	2,280
Employable.....	175	301	842	2,597	521	2,233	250	667	15	20	1,803	5,818
Pending P.A.....	44	93	177	578	148	562	106	263	49	83	524	1,579
Adult inst. care.....			1	1					3	3	4	4
Navajo.....	610	1,253	4,203	12,741	3,892	19,727	2,414	9,128	984	2,168	12,103	45,017
Unemployable.....	80	150	410	1,048	558	2,233	895	2,426	390	897	2,333	6,754
Employable.....	377	795	3,126	9,808	2,971	15,883	1,282	6,001	326	809	8,082	33,296
Pending P.A.....	150	305	658	1,876	351	1,599	209	673	175	369	1,543	4,822
Adult inst. care.....	3	3	9	9	12	12	28	28	93	93	145	145
Phoenix.....	422	715	1,940	5,387	1,418	5,112	823	1,867	263	384	4,866	13,465
Unemployable.....	100	145	237	624	323	869	352	625	95	164	1,107	2,427
Employable.....	285	501	1,536	4,341	980	3,943	359	1,059	18	44	3,178	9,888
Pending P.A.....	32	64	129	384	70	255	78	149	29	55	338	907
Adult inst. care.....	5	5	38	38	45	45	34	34	121	121	243	243
Portland.....	11	16	66	179	39	125	21	39	6	7	143	366
Unemployable.....	2	2	2	7	6	20	16	30	5	5	31	64
Employable.....	8	11	59	162	29	95	5	9	1	2	102	279
Pending P.A.....	1	3	5	10	4	10					10	23
Adult inst. care.....												
Cherokee.....	23	45	124	404	117	538	53	171	31	60	348	1,218
Unemployable.....					1	1	11	18	17	29	29	48
Employable.....	16	30	103	346	106	487	38	140	11	23	274	1,026
Pending P.A.....	7	15	121	58	10	50	4	13	3	8	45	144
Adult inst. care.....												
Choctaw.....	50	83	224	711	219	805	162	343	38	65	693	2,007
Unemployable.....	2	2	10	20	23	51	76	124	24	45	135	242
Employable.....	44	73	210	686	187	738	81	214	3	7	525	1,718
Pending P.A.....	4	8	2	3	3	10	4	4	1	2	14	27
Adult inst. care.....			2	2	6	6	1	1	10	11	19	20

## ASSISTANCE TO CUBAN REFUGEES

Federal legislation was enacted in 1962, providing financial assistance, health services, and resettlement assistance to needy Cuban nationals granted asylum in the United States and registered with the Cuban Refugee Center in Miami, Fla. The program is administered by Social and Rehabilitation Service, Department of Health, Education, and Welfare, through State and local agencies administering categorical public assistance programs; through the State of Florida or Dade County health offices (for special health services in Dade County, Fla.); or through one of four private agencies sponsored by Protestant, Catholic, Jewish, and nonsectarian groups (as selected by the beneficiaries) for resettlement services.

Health services, including medical screening upon arrival, clinic services, maternal and child health and school health services, and care for tuberculosis and mental illness, are provided in Dade County; resettlement services are provided to assist individuals and families to relocate where employment is available in other parts of the country; and financial assistance and medical assistance is available to Cuban refugees under the eligibility conditions which apply in the categorical public assistance programs in the State in which the refugee is residing.

Federal funds are used to pay the full cost of special health services in Dade County and the cost of resettlement from Dade County. States are reimbursed in full for assistance expenditures to Cuban refugees. By the end of October 1974, 459,835 refugees had been registered in Miami, of which 299,167 had been resettled to other locations in the United States. Cuban refugees had been entering the country at the rate of about 42,000 a year until the airlift from Cuba was substantially reduced by the Cuban Government beginning in August 1971. The airlift was discontinued April 6, 1973. It is estimated that about 6,000 Cubans per year will continue to enter the country through other means.

In recent years there have been several attempts to phase out this program. In his budget cut message to Congress on November 26, 1974, President Ford proposed that the program be phased out beginning January 1, 1975. This plan would limit reimbursements to States to financial and medical assistance to needy refugees who have been in the United States for less than 5 years. Under the Ford proposal the program's total cost in fiscal year 1975 would amount to \$78 million. As of mid-January, Congress had not acted on the President's proposal. Instead, Congress authorized expenditures on an interim basis at the level of \$100 million per year in its resolution on continuing appropriations, Public Law 93-570, passed at the end of the 1974 session. A final congressional decision on the future of the program during the remainder of fiscal year 1975 will take place when Congress completes action on the Foreign Assistance and Related Programs Appropriations Act for fiscal year 1975.

*Costs and caseloads*

[Amounts in thousands]

<i>Fiscal year</i>	<i>Total costs</i> <sup>1</sup>	<i>Health costs (Dade County)</i>	<i>Resettlement costs</i>	<i>Financial and medical assistance</i>	<i>Education</i>	<i>Airlift</i>
1973 -----	\$141,760	\$3,322	\$1,135	\$120,076	\$16,987	\$240
1974 -----	113,252	3,000	749	95,077	14,426	0
Estimated <sup>2</sup>						
1975 -----	100,000					

*Number of beneficiaries, June each year*

	<i>Total</i>	<i>Florida</i>	<i>Other States</i>
1973 -----	\$86,822	\$39,622	\$47,200
1974 -----	<sup>3</sup> 33,972	<sup>3</sup> 14,882	<sup>3</sup> 19,150
Estimated <sup>4</sup> 1975 -----	<sup>3</sup> 30,800	<sup>3</sup> 15,200	<sup>3</sup> 15,600

<sup>1</sup> Excludes administrative costs.<sup>2</sup> No breakdown of total available.<sup>3</sup> Excludes an additional 28,000 refugees in Florida and 20,000 in other States estimated to be eligible only for medical assistance from the Cuban refugee program.<sup>4</sup> Assuming no phaseout and continuing activity at the \$100,000,000 level. Under the phaseout proposed by President Ford, the number of beneficiaries in June 1975 would fall to 10,000 in Florida and 10,000 in other States, with an additional 10,000 and 5,000 persons receiving medical assistance only.

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**IN-KIND PROGRAMS**

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# HEALTH CARE: NON-INCOME-TESTED

## MEDICARE—HOSPITAL INSURANCE (HI)<sup>1</sup>

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To provide hospital insurance for persons who are: (1) age 65 and over and eligible for social security or railroad retirement; (2) disabled and eligible for social security or railroad retirement for at least 24 consecutive months; or (3) chronic renal disease patients who have social security coverage either as worker, spouse, or dependent.

**DATE ENACTED AND MAJOR CHANGES.**—The program was enacted in 1965 to cover the hospital expenses of the aged. Coverage was extended to disability insurance beneficiaries and chronic renal disease patients in 1972.

**ADMINISTERING AGENCY.**—The Social Security Administration of the Department of Health, Education, and Welfare, with the assistance of other Federal agencies, State health agencies, and intermediaries—Blue Cross plans and private insurance companies—which determine the amount of payments due and process claims.

**FINANCING.**—Medicare hospital insurance is financed by an earmarked payroll tax paid half by the covered employee and half by his employer and a tax paid by self-employed people on their earnings. The combined health insurance tax rate for employee and employer is 1.8 percent paid on all earnings up to \$14,100 (effective Jan. 1, 1975), and the tax rate for the self-employed is 0.9 percent on the same amount. Benefits for persons enrolled who reach age 65 before 1975 and who have insufficient coverage for full entitlement but meet a transitional insured status requirement are financed from general revenues of the U.S. Treasury (See section on old-age, survivors, and disability insurance—OASDI.). Other aged can enroll by paying a premium of \$36 a month. Premiums are redetermined annually.

### *Costs and caseloads*

<i>Fiscal years</i>	<i>Net benefit costs<sup>1</sup></i>	<i>Administrative costs</i>	<i>Total disbursements</i>	<i>Number of beneficiaries (monthly average)</i>
Actual 1973.....	\$6,649,000,000	\$193,000,000	\$6,842,000,000	4,700,000
Estimated 1974..	7,731,000,000	285,000,000	8,016,000,000	5,400,000
Estimated 1975..	9,436,000,000	335,000,000	9,771,000,000	5,600,000

<sup>1</sup> Total 1973 benefit payments paid directly from the trust fund for health services were \$6,653,977,000 incentive reimbursement costs for experiments and projects designed to determine various methods of increasing efficiency and economy in providing health care services, while maintaining the quality of such services, totaled \$842,000; and \$6,000,000 was received from SMI as reimbursement for certain costs of radiology and pathology services that were initially paid by HI, but were actually liabilities of SMI, leaving net benefit costs of \$6,649,000,000.

<sup>1</sup> Much of this information, including the supplementary materials, was taken from the "1974 Annual Report of the Board of Trustees of the Federal Hospital Insurance Fund," 93d Cong., 2d sess., House Doc. No. 93-314.

Administrative costs in fiscal year 1973 were \$192,842,000 or 2.8 percent of total program costs, up from 2.7 percent in 1971.

### Population coverage

Fiscal year	Persons with hospital insurance protection (monthly average)	
	Aged	Disabled
1973-----	20, 900, 000	-----
Estimated 1974-----	21, 200, 000	1, 800, 000
Estimated 1975-----	21, 600, 000	1, 900, 000

Virtually all persons in the population who are age 65 and over are covered.

### ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—To be eligible to receive benefits, individuals must be: (1) age 65 or over and receiving or entitled to social security or railroad retirement benefits as an insured worker or a dependent or survivor of an insured worker; (2) disabled and eligible for social security or railroad retirement benefits for 24 or more consecutive months; or (3) chronic renal disease patients who have social security coverage either as worker, spouse or dependent.

*Special temporary provision.*—In addition to the above, persons are eligible for hospital insurance who reached age 65 before 1968 and who had insufficient coverage for entitlement to cash benefits. Persons who reach age 65 after 1967 and have three quarters of covered employment for each additional year after 1967 until 1975 for men and 1974 for women are also eligible. At those times, the coverage requirement will be the same as for social security cash benefits. Persons 65 and over not eligible under any other entitlement provisions can get medicare coverage by paying a premium of \$36 a month. Excluded from the program are persons eligible for Federal employees' health benefits, aliens admitted for permanent residence who have resided in the United States less than 5 consecutive years immediately preceding application, and persons convicted of certain subversive activities.

**PERSONS INCLUDED.**—Only the eligible individuals noted above are included in the program.

**INCOME TEST.**—There is none.

**ASSETS TEST.**—There is none.

### OTHER CONDITIONS

*Citizenship.*—There is no requirement except under the special temporary provision for persons not fully entitled. See major eligibility conditions above.

*Residence requirement.*—Payments ordinarily are made only for services provided in the United States, Puerto Rico, the Virgin Islands, Guam, and American Samoa. However, payments may be made for emergency hospital services provided in border areas outside the United States for persons who become ill or are injured in this country if the foreign hospital to which they are admitted is closer or more accessible than the nearest U.S. hospital.

*Institutional status.*—There is no limitation on benefits for persons in institutions. Persons residing in institutions may qualify if they are otherwise eligible.

## BENEFITS AND SERVICES

**NATURE OF BENEFITS.**—Hospital and posthospital services are covered by insurance as specified in legislation. Payment is made to providers of inpatient hospital services, health maintenance organizations, posthospital extended care in a skilled nursing home or other qualified extended-care facility, and for posthospital home health services for the reasonable cost of such services, within specified limits, reduced by fixed deductible amounts charged to the beneficiary.

Inpatient hospital services are provided up to 90 days in each benefit period. A benefit period begins when the individual receives hospital or extended-care services and ends when he has not received such care for 60 consecutive days.

*Determinants of benefit amounts.*—The beneficiary pays an inpatient hospital deductible amount applicable to all hospitalization in a benefit period and a daily coinsurance amount for the 61st through the 90th day. The inpatient hospital deductible was originally \$40; however, the medicare law requires an annual review of the deductible by the Secretary of Health, Education, and Welfare and provides a specific formula for redetermining the deductible. In general, the inpatient hospital deductible rises as hospital costs rise; for 1974, the deductible was \$84. All coinsurance amounts under hospital insurance are a percentage of the inpatient hospital deductible. Thus, for the 61st through the 90th day of covered hospital care in a benefit period, there is a daily coinsurance amount equal to one-fourth the inpatient hospital deductible; for 1974, the amount was \$21 per day. In addition, each beneficiary has a lifetime reserve of 60 inpatient hospital days for optional use with a daily coinsurance amount equal to one-half the inpatient hospital deductible; for 1974, this amount is \$42 per day. For instance, if a beneficiary is in the hospital for any length of time up to 61 days in a benefit period, he pays \$84 toward the hospital costs. If he is in the hospital for 90 days, he pays \$21 per day for the 61st through the 90th day, or a total of \$714. If he stays in the hospital another 10 days and uses part of his lifetime reserve, he pays an additional \$420.

Posthospital extended care is allowed for up to 100 days in each benefit period with a daily coinsurance amount equal to one-eighth of the inpatient hospital deductible (for 1974 this amount is \$10.50) for each day after the first 20 days.

Posthospital home health services for homebound persons (visiting nurse services and various types of therapy) are allowed for a maximum of 100 visits during the year following 3 days or more of hospitalization or extended care.

Hospital insurance payments are not made to the extent that payment is made, or can reasonably be expected to be made, under a workmen's compensation plan of the United States or an individual State.

*Benefit amounts.*—The average payment per beneficiary receiving services in fiscal year 1973 was \$1,414; the average for all enrolled persons was \$318 per year. These amounts were up from \$1,210 and \$260, respectively, in 1971.

## SUPPLEMENTARY MATERIAL

TABLE 1.—HOSPITAL INSURANCE TRUST FUND: STATUS, 1966-74

[In thousands]

Period	Receipts				Expenditures		Assets at end of period		
	Net contribu- tion income <sup>1</sup>	Transfers from general revenues <sup>2</sup>	Transfers from railroad retirement account <sup>3</sup>	Net interest <sup>4</sup>	Net hospital and related service benefits <sup>5</sup>	Adminis- trative expenses <sup>6</sup>	Invested in U.S. Govern- ment securities <sup>7</sup>	Cash balances <sup>8</sup>	Total assets
January 1966-August 1974.....	\$46, 475, 755	\$4, 374, 106	\$459, 318	\$1, 330, 933	\$43, 273, 431	\$1, 302, 647	\$8, 058, 227	\$5, 808	\$8, 064, 035
<b>Fiscal year:</b>									
1966.....	908, 797			5, 970		63, 564	785, 758	65, 446	851, 204
1967.....	2, 688, 684	337, 850	16, 200	45, 903	2, 507, 773	88, 848	1, 298, 168	45, 053	1, 343, 221
1968.....	3, 514, 049	283, 631	43, 613	61, 091	3, 736, 322	78, 647	1, 370, 276	60, 360	1, 430, 636
1969.....	4, 423, 236	770, 968	53, 776	96, 063	4, 653, 976	104, 182	2, 001, 444	15, 078	2, 016, 521
1970.....	4, 784, 789	628, 262	61, 307	139, 423	4, 804, 242	148, 660	2, 653, 322	24, 079	2, 677, 401
1971.....	4, 897, 979	873, 849	63, 255	183, 027	5, 442, 971	149, 434	3, 029, 856	73, 250	3, 103, 106
1972.....	5, 225, 891	551, 351	63, 782	190, 105	6, 109, 139	166, 370	2, 883, 958	-25, 233	2, 858, 725
1973.....	7, 663, 119	429, 415	61, 222	197, 844	6, 648, 819	192, 839	4, 222, 365	146, 301	4, 368, 666
1974.....	10, 606, 551	498, 780	96, 163	408, 273	7, 806, 687	258, 048	7, 864, 355	49, 344	7, 913, 699

<sup>1</sup> Represents amounts appropriated (estimated tax collections with suitable subsequent adjustments), after deductions for refund of estimated amount of employee-tax overpayment; and, beginning July 1973, premiums for coverage of uninsured individuals aged 65 and over.

<sup>2</sup> Represents Federal Government transfers from general funds appropriations to meet costs of benefits for persons not insured for cash benefits under OASDI or railroad retirement and for costs of benefits arising from military wage credits.

<sup>3</sup> Transfers (principal only) from the railroad retirement account with respect to contributions for hospital insurance coverage of railroad workers.

<sup>4</sup> Interest and profit on investments after transfers of interest on reimbursed administrative expenses (see footnote 6) and interest on amounts transferred from railroad retirement account (see footnote 3).

<sup>5</sup> Represents (1) payment vouchers on letters of credit issued to fiscal intermediaries under sec. 1816 and (2) direct payments to providers of services under sec. 1815 of the Social Security Act.

<sup>6</sup> Subject to subsequent adjustment among all 4 social security trust funds for allocated cost of each operation.

<sup>7</sup> Book value: Includes net unamortized premium and discount, and, when applicable, accrued interest purchased and repayments on account of interest accrued on bonds at time of purchase.

<sup>8</sup> Minus figures represent overdrafts which are covered by redemption of securities on first working day of following month.

Source: Unpublished Treasury reports keyed to Final Statement of Receipts and Expenditures of U.S. Government.

TABLE 2.—MEDICARE: NUMBER OF HOSPITAL AND SUPPLEMENTARY MEDICAL INSURANCE ENROLLEES, BY AGE, SEX, RACE, AND CENSUS REGION, JULY 1 OF EACH YEAR, 1966-72

[In thousands]							
Age, sex, race, and area of residence	1966	1967	1968	1969	1970	1971	1972
<b>HOSPITAL INSURANCE</b>							
Total enrollment.....	19,082	19,494	19,770	20,014	20,361	20,742	21,115
Age:							
65-74.....	11,990	12,116	12,158	12,195	12,316	12,462	12,641
75 and over.....	7,092	7,378	7,611	7,819	8,045	8,280	8,474
Sex:							
Men.....	8,133	8,243	8,318	8,396	8,507	8,628	8,744
Women.....	10,950	11,251	11,452	11,618	11,855	12,114	12,371
Race:							
White.....	17,042	17,385	17,632	17,859	18,187	18,582	18,930
All other races.....	1,445	1,496	1,525	1,558	1,608	1,672	1,693
Race unknown.....	596	613	613	597	566	489	493
Census region:							
United States <sup>1</sup> .....	18,798	19,189	19,458	19,684	20,015	20,375	20,731
Northeast.....	5,021	5,082	5,130	5,156	5,202	5,247	5,294
North Central.....	5,548	5,621	5,671	5,699	5,750	5,813	5,866
South.....	5,402	5,584	5,694	5,807	5,966	6,146	6,316
West.....	2,813	2,893	2,953	3,014	3,087	3,162	3,242
<b>SUPPLEMENTARY MEDICAL INSURANCE</b>							
Total enrollment.....	17,736	17,893	18,805	19,195	19,584	19,975	20,351
Age:							
65-74.....	11,186	11,114	11,561	11,705	11,873	12,050	12,248
75 and over.....	6,550	6,779	7,244	7,490	7,711	7,924	8,104
Sex:							
Men.....	7,534	7,547	7,878	8,010	8,132	8,250	8,360
Women.....	10,202	10,346	10,927	11,185	11,452	11,724	11,991
Race:							
White.....	15,938	16,124	16,877	17,229	17,576	17,974	18,325
All other races.....	1,264	1,245	1,368	1,406	1,472	1,532	1,557
Race unknown.....	534	524	560	560	537	469	469
Census region:							
United States <sup>1</sup> .....	17,626	17,781	18,693	19,075	19,459	19,843	20,214
Northeast.....	4,782	4,796	4,959	5,015	5,062	5,107	5,155
North Central.....	5,172	5,186	5,453	5,535	5,594	5,664	5,722
South.....	5,012	5,076	5,425	5,589	5,786	5,978	6,156
West.....	2,653	2,718	2,851	2,933	3,012	3,088	3,169

<sup>1</sup> Represents the 50 States, the District of Columbia, and those with residence unknown.

TABLE 3.—HOSPITAL INSURANCE: NUMBER OF CLAIMS APPROVED FOR PAYMENT AND AMOUNTS REIMBURSED, BY TYPE OF BENEFIT, 1966-72

[Covers only claims approved and recorded in Social Security Administration records before June 30, 1973]

Year approved	Total <sup>1</sup>	Inpatient hospital	Home health	Skilled-nursing facility <sup>2</sup>
<b>Claims approved for payment:</b>				
1966.....	1,979,014	1,865,777	34,464	784,426
1967.....	7,104,532	5,387,740	347,982	1,017,763
1968.....	7,854,098	5,954,340	509,866	916,782
1969.....	7,662,266	6,114,351	628,464	610,262
1970.....	7,430,031	6,255,543	564,137	440,259
1971.....	7,283,601	6,356,516	486,828	343,759
1972.....	7,329,562	6,486,747	499,055	
<b>Amount reimbursed (in thousands):</b>				
1966.....	\$824,367	\$821,362	\$2,113	\$240,662
1967.....	3,134,886	2,863,980	23,293	348,331
1968.....	3,947,078	3,556,509	37,758	333,245
1969.....	4,472,875	4,090,838	48,762	223,564
1970.....	4,800,228	4,530,399	46,264	170,850
1971.....	5,230,436	5,078,211	41,375	135,552
1972.....	5,676,873	5,495,531	45,789	
<b>Average amount per claim:</b>				
1966.....		440	61	307
1967.....		532	67	342
1968.....		597	74	363
1969.....		669	78	366
1970.....		724	82	388
1971.....		799	85	394
1972.....		847	92	

<sup>1</sup> Included in the total but not shown separately are data on approved claims for outpatient diagnostic services rendered up to Apr. 1, 1968. Beginning April 1968, outpatient diagnostic services, formerly covered under hospital insurance, are covered under medical insurance.

<sup>2</sup> Coverage of skilled-nursing facilities began Jan. 1, 1967.

TABLE 4—HOSPITAL INSURANCE: NUMBER OF CLAIMS FOR INPATIENT HOSPITAL CARE APPROVED FOR PAYMENT, COVERED DAYS, TOTAL CHARGES, AND AMOUNTS REIMBURSED, BY TYPE OF HOSPITAL, 1966-72

[Covers only claims approved and recorded in the Social Security Administration records before June 30, 1973]

Period claim approved	Approved claims			Hospital charges					
	Number	Covered days of care		Total (in thousands)	Per claim	Per day	Amount reimbursed		Percent of total charges
		Total	Average per claim				Total (in thousands)	Percent of total charges	
<b>All hospitals:<sup>1</sup></b>									
1966	1,865,777	24,017,304	12.9	\$1,029,389	\$552	\$43	\$821,362	79.8	
1967	5,387,740	73,886,706	13.7	3,569,718	663	48	2,863,980	80.2	
1968	5,954,340	79,980,678	13.4	4,442,154	746	56	3,556,509	80.1	
1969	6,114,351	80,642,709	13.2	5,171,983	846	64	4,090,838	79.1	
1970	6,255,543	78,963,579	12.6	5,880,773	940	74	4,530,399	77.0	
1971	6,356,516	76,898,562	12.1	6,628,886	1,043	86	5,078,211	76.6	
1972	6,486,747	75,899,410	11.7	7,237,460	1,116	95	5,495,531	75.9	
<b>Short-stay:</b>									
1966	1,828,141	22,809,244	12.5	1,003,320	549	44	799,523	79.7	
1967	5,266,638	70,055,113	13.3	3,489,616	663	50	2,798,693	80.2	
1968	5,798,341	75,780,660	13.1	4,330,321	747	57	3,475,829	80.3	
1969	5,989,072	77,241,355	12.9	5,064,500	846	66	4,013,415	79.2	
1970	6,194,858	76,148,862	12.4	5,776,757	939	76	4,456,203	77.1	
1971	6,264,633	74,468,148	11.9	6,519,164	1,041	88	4,999,737	76.7	
1972	6,400,503	73,688,964	11.5	7,124,817	1,113	97	5,414,767	76.0	
<b>Long-stay:</b>									
1966	32,700	1,154,578	35.3	24,080	736	21	20,421	84.8	
1967	97,928	3,571,514	36.5	69,794	713	20	57,881	82.9	
1968	115,063	3,775,600	32.8	94,206	819	25	69,726	74.0	
1969	113,881	3,281,890	28.8	101,765	894	31	73,871	72.6	
1970	100,442	2,811,417	28.0	103,893	1,034	37	74,041	71.3	
1971	94,626	2,426,773	26.5	109,568	1,196	45	78,351	71.5	
1972	86,088	2,208,292	25.7	112,513	1,307	51	80,704	71.7	

<sup>1</sup> Includes some claims with type of hospital unknown.TABLE 5.—HISTORICAL AND PROJECTED LONG-RANGE INCREASES IN SHARE OF INCURRED HOSPITAL COSTS PAID BY HI<sup>1</sup>

[In percent]

Calendar year	Proportion of population covered	Relative amount of care paid by HI	HI share of aggregate inpatient hospital costs
<b>Historical data:</b>			
1968	0.3	7.1	7.4
1969	.3	-3.4	-3.1
1970	.3	-5.4	-5.1
1971	.3	.9	1.2
1972	.3	-1.9	-2.2
<b>Projection:</b>			
1973	<sup>2</sup> 5.1	-5	4.6
1974	<sup>2</sup> 5.2	.4	5.6
1975	1.1	0	1.1
1980	.8	0	.8
1985	.7	0	.7
1990	.5	0	.5
1995	.1	0	.1

<sup>1</sup> Increase in year indicated over previous year.<sup>2</sup> Reflects the extension of HI coverage to new classes of beneficiaries under the 1972 amendments.

TABLE 6.—PROJECTED INCREASES IN HI COST PER CAPITA FOR SKILLED NURSING FACILITIES AND HOME HEALTH AGENCIES<sup>1</sup>

[In percent]

Calendar year	Skilled nursing facilities	Home health agencies
1974.....	16.8	7.1
1975.....	8.3	7.1
1980.....	8.1	7.1
1985.....	6.0	6.0
1990.....	6.0	6.0
1995.....	6.0	6.0

<sup>1</sup> Increase in year indicated over previous year.

TABLE 7.—PROJECTION OF HOSPITAL INSURANCE BENEFIT OUTLAYS, BY TYPE OF BENEFICIARY, CALENDAR YEARS 1974-76

[In millions]

Calendar year	Aged beneficiaries	Disabled beneficiaries	Chronic kidney disease beneficiaries
1974.....	\$7,555	\$1,085	\$4
1975.....	8,867	1,332	5
1976.....	10,092	1,562	5

TABLE 8.—PROJECTION OF EXPENDITURES<sup>1</sup> OF THE HOSPITAL INSURANCE PROGRAM, BY TYPE OF BENEFICIARY AS A PERCENT OF TAXABLE PAYROLL

Calendar year	Aged beneficiaries <sup>2</sup>	Disabled beneficiaries	Chronic kidney disease beneficiaries
1974.....	1.29	0.20	0.01
1975.....	1.35	.21	.01
1980.....	1.68	.28	.01
1985.....	2.06	.34	.01
1990.....	2.45	.40	.01
1995.....	2.86	.48	.01

<sup>1</sup> Benefits and administrative expenses.<sup>2</sup> Excludes expenditures for uninsured beneficiaries which are reimbursed from general revenues.

TABLE 9.—RATIO OF ADMINISTRATIVE EXPENSES TO BENEFIT PAYMENTS

Calendar year	Ratio (percent)
Historical data:	
1967.....	2.3
1968.....	2.4
1969.....	2.5
1970.....	3.1
1971.....	2.6
1972.....	2.9
1973.....	3.3
Projection:	
1974.....	3.8
1975.....	3.4
1976.....	3.2

TABLE 10.—MEDICARE COST SHARING AND PREMIUMS FOR INDIVIDUALS

Beginning—	Hospital benefits in "benefit period"				Outpatient hospital diagnostic services		Supplementary medical			
	Inpatient hospital deductible (IHD)	Inpatient hospital daily coinsurance		Skilled-nursing facility daily coinsurance after 20 days ( $\frac{1}{2} \times$ IHD)	Deductible	Coin-surance (percent)	Hospital insurance monthly premium <sup>1</sup>	Annual deductible	Coin-surance (percent)	Monthly premium
		After 60 days ( $\frac{1}{4} \times$ IHD)	After 90 days ( $\frac{1}{2} \times$ IHD)							
July 1966	\$40	\$10	( <sup>2</sup> )	( <sup>2</sup> )	<sup>3</sup> \$20	20		\$50.	20	\$3.00
January 1967			( <sup>2</sup> )	\$5.00						
January 1968			\$20							
April 1968					( <sup>4</sup> )			( <sup>5</sup> )	( <sup>5</sup> )	4.00
January 1969	44	11	22	5.50				( <sup>6</sup> )	( <sup>6</sup> )	
January 1970	52	13	26	6.50						
July 1970										5.30
January 1971	60	15	30	7.50						
July 1971										5.60
January 1972	68	17	34	8.50						
July 1972										5.80
January 1973	72	18	36	9.00				60	( <sup>6</sup> )	
July 1973							\$33.00			6.30
January 1974	84	21	42	10.50						
July 1974							36.00			6.70

<sup>1</sup> Voluntary participation of individual aged 65 and over not otherwise entitled to hospital insurance.

<sup>2</sup> Benefit not provided.

<sup>3</sup> Deductible applied to supplementary medical deductible.

<sup>4</sup> Transferred to supplementary medical insurance.

<sup>5</sup> Professional inpatient services of pathologists and radiologists not subject to deductible or coinsurance.

<sup>6</sup> Home health services not subject to coinsurance.

<sup>7</sup> Monthly premium of \$5.80 continued in accordance with Executive Order 11723, effective through Aug. 12, 1973.

# MEDICARE—SUPPLEMENTARY MEDICAL INSURANCE (SMI)<sup>1</sup>

## BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To provide medical insurance for persons who elect this coverage and who are: (1) age 65 and over; (2) disabled and eligible for social security or railroad retirement for at least 24 consecutive months; or (3) chronic renal disease patients who have social security coverage as worker, spouse, or dependent.

**DATE ENACTED AND MAJOR CHANGES.**—This program was enacted in 1965 to cover the medical expenses of the aged. Coverage was extended to disability insurance beneficiaries and chronic renal disease patients in 1972.

**ADMINISTERING AGENCY.**—The Social Security Administration of the U.S. Department of Health, Education, and Welfare, with the assistance of "carriers" including Blue Shield plans, commercial insurance companies, and group practice prepayment plans.

**FINANCING.**—Supplementary medical insurance is financed half by the premiums paid by those enrolled in the program and half by general revenues of the Federal Government. The enrollee premium effective June 1974 is \$6.70 per month, usually deducted automatically from social security, railroad retirement, or civil service benefits. The individual's premium may be paid from medicaid funds in behalf of persons eligible for both medicaid and medicare.

### Costs and caseloads

<i>Fiscal year</i>	<i>Net benefit costs<sup>1</sup></i>	<i>Administrative costs</i>	<i>Administrative costs as percent of benefits</i>	<i>Average monthly number of beneficiaries</i>
1973-----	\$2,391,232,000	\$245,861,000	10.3%	10,500,000
Estimated 1974....	2,900,000,000	441,000,000	15.2	11,600,000
Estimated 1975....	3,623,000,000	445,000,000	12.3	12,200,000

<sup>1</sup> Net benefit costs in 1973 are broken down as follows: \$2,385,128,000 for health services; \$104,000 for incentive reimbursement arrangements (experiments and programs to devise the best methods in terms of efficiency, economy, and quality); and \$6,000,000 reimbursed to HI for services initially charged to HI.

Some of the increase in 1974 administrative expenses are due to the understatement of \$26 million in the fiscal 1973 administrative expenses allocated to the SMI trust fund.

### Population coverage

<i>Fiscal year</i>	<i>Persons with supplementary medical insurance protection (monthly average)</i>	
	<i>Aged</i>	<i>Disabled</i>
1973-----	20,400,000	-----
Estimated 1974....	20,800,000	1,700,000
Estimated 1975....	21,200,000	1,800,000

<sup>1</sup> Much of this information, including the supplementary materials, was taken from the "1974 Annual Report of the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund," 93d Cong., 2d sess., House Doc. No. 93-315.

The 20.6 million persons age 65 and over who were enrolled in July 1973 represent 96 percent of the 21.4 million persons in the population age 65 and over. About three-fourths of disabled social security beneficiaries are enrolled.

### ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—An individual must pay monthly premiums and be (1) entitled to medicare hospital insurance, or (2) age 65 or over and a citizen and resident of the United States or an alien lawfully admitted for permanent residence who has resided in the United States for the 5 years immediately preceding application. Beginning July 1, 1973, eligibility was extended to disabled persons under 65 who have been entitled to disability insurance for 24 months or more, and to persons who have been receiving renal dialysis for 3 months or more (coverage terminated 1 year after a successful kidney transplant). No one who has been convicted of certain subversive activities such as treason may enroll for supplementary medical insurance.

An individual generally may not enroll more than 3 years after his first opportunity to do so and may not enroll more than twice. The premium rate for a person who does not elect to come into the system at his first opportunity is increased by 10 percent for each full year he stays out of the program. The premium for aged persons receiving public assistance—either money payments or medical assistance—may be paid for them by State public assistance agencies, under agreement with the State.

**PERSONS INCLUDED.**—Only the eligible individuals noted above who elect to enroll are included in the program.

**INCOME TEST.**—There is none.

**ASSETS TEST.**—There is none.

### OTHER CONDITIONS

*Citizenship.*—See major eligibility conditions above.

*Residence requirements.*—See major eligibility conditions above.

*Institutional status.*—There is no limitation for benefits to persons in institutions.

### BENEFITS AND SERVICES

**NATURE OF BENEFITS.**—Beneficiaries receive health services covered by the insurance as specified in legislation. Insured services include the following: (1) Physicians' (including surgeons and the professional component of anesthesiologist, pathologist, radiologist, and physical medicine in a hospital) services, except for routine physical examinations, eye examinations to determine the refractive state of the eye, examinations for hearing aids, immunizations, elective cosmetic surgery, and routine foot care; (2) services and supplies normally furnished in a physician's office incident to his professional services (including drugs which can not be self-administered); (3) out-patient hospital services; (4) services of independent clinics; (5) home health services up to 100 visits per year; (6) diagnostic X-ray and laboratory tests; (7) X-ray, radium, and radio-active isotope therapy; (8) surgical dressings and splints and other devices used for reduction

of fractures and dislocations; (9) rental of durable medical equipment (or purchase thereof if not more expensive); (10) ambulance services in certain circumstances; (11) prosthetic devices; (12) braces and artificial limbs where required due to a change in the patient's physical condition; and (13) manual manipulation of the spine to correct a subluxation (demonstrated by X-rays to exist) by a chiropractor.

*Determinants of benefit amounts.*—Payment is made by reimbursement to the beneficiary or directly to the provider, for 80 percent of the excess of reasonable charges for services (100 percent for radiology or pathology services provided by a physician in a hospital; and 100 percent for home health services after the first \$60 in a calendar year). The beneficiary pays the deductible of \$60 annually for all services plus 20 percent of the reasonable charges for covered services after the first \$60 is paid. The payment for out-of-hospital physician's treatment of mental, psychoneurotic, and personality disorders is limited to \$250 or 50 percent of expenses, whichever is less, in a calendar year.

The determination of reasonable charge takes into consideration the customary charges for similar services generally made by the physician or other provider, the prevailing charges in the locality for similar services, and whether services were delivered in an efficient manner. Benefits are not paid to the extent that payment is made, or may reasonably be expected to be made, under a workmen's compensation plan of the United States or of an individual State.

*Benefit amounts.*—The average payment per beneficiary receiving services in fiscal year 1973 was \$228; the average cost per enrolled individual was \$117. These amounts were up from \$197 and \$104, respectively, in 1971.

In fiscal year 1973, \$1,193 million in premiums were deducted from monthly benefit checks, \$149 million were deposited by States, and \$84 million were paid by individuals to the Social Security Administration.

## SUPPLEMENTARY MATERIAL

TABLE I.—SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND: STATUS, 1966-74

[In thousands]

Period	Receipts		Expenditures			Assets at end of period		
	Premium income <sup>1</sup>	Transfers from general revenues <sup>2</sup>	Net interest <sup>3</sup>	Net medical service benefits <sup>4</sup>	Administrative expenses <sup>5</sup>	Invested in U.S. Government securities <sup>6</sup>	Cash balances <sup>7</sup>	Total assets
July 1966-Aug. 1974.....	\$9,221,653	\$9,656,121	\$239,092	\$15,774,911	\$1,959,551	\$1,359,427	\$22,978	\$1,372,405
Fiscal year:								
1967.....	646,682	623,000	14,052	664,261	133,682	478,849	6,942	485,791
1968.....	698,465	634,000	20,677	1,389,622	142,608	281,413	25,290	306,703
1969.....	902,821	984,287	23,466	1,644,842	194,660	357,971	19,803	377,774
1970.....	936,000	928,151	11,536	1,979,287	216,993	13,417	43,764	57,181
1971.....	1,252,936	1,245,282	17,268	2,034,999	247,612	257,427	32,629	290,056
1972.....	1,340,052	1,365,295	28,993	2,255,069	288,619	478,075	2,634	480,709
1973.....	1,426,607	1,430,451	45,049	2,391,232	245,861	699,631	46,091	745,722
1974.....	1,704,371	2,028,926	75,924	2,873,649	409,117	1,230,685	41,492	1,272,177

<sup>1</sup> Represents voluntary premium payments from and in behalf of the insured aged and (beginning July 1973) disabled.

<sup>2</sup> Represents Federal Government transfers from general funds appropriations to match aggregate premiums paid.

<sup>3</sup> Represents interest and profit on investments, after transfers of interest on reimbursed administrative expenses (see footnote 5).

<sup>4</sup> Represents payment vouchers on letters of credit issued to carriers under section 1842 of the Social Security Act.

<sup>5</sup> Subject to subsequent adjustment among all 4 social security trust funds for allocated cost of each operation.

<sup>6</sup> Book value: Includes net unamortized premium and discount, and, when applicable, accrued interest purchased and repayments on account of interest accrued on bonds at the time of purchase.

<sup>7</sup> Minus figures represent overdrafts that are covered by redemption of securities on first working day of following month.

Source: Unpublished Treasury reports keyed to Final Statement of Receipts and Expenditures of the U.S. Government.

TABLE 2.—SUPPLEMENTARY MEDICAL INSURANCE: NUMBER OF REIMBURSED BILLS FOR PHYSICIANS' AND RELATED MEDICAL SERVICES, CHARGES, AND AMOUNT REIMBURSED, BY TYPE OF SERVICE, JANUARY-DECEMBER 1972

Covers only bills for which reimbursements were made by carriers and recorded in Social Security Administration records during calendar year 1972]

Type of service	Bills		Charges <sup>1</sup>		Reimbursement <sup>2</sup>	
	Number	Percentage distribution	Total (in thousands)	Percentage distribution	Total (in thousands)	Percent of total charges
All services <sup>3</sup> .....	51,753,986	100.0	\$3,040,386	100.0	\$2,227,043	100.0
Physicians' .....	42,164,485	81.5	2,680,067	88.1	1,974,579	88.7
Surgical <sup>4</sup> .....	6,233,631	12.0	1,065,159	35.0	809,962	36.4
Medical <sup>4</sup> .....	35,930,854	69.4	1,614,908	53.1	1,164,617	52.3
Home health .....	277,948	.5	20,134	.7	15,228	.7
Outpatient hospital .....	5,687,582	11.0	203,515	6.7	135,629	6.1
Independent laboratory .....	1,277,663	2.5	22,240	.7	16,508	.7
All other services .....	2,305,535	4.5	111,606	3.7	82,951	3.7

<sup>1</sup> Except for outpatient hospital and home services, represents allowed charges as determined by the carriers on the basis of customary charges for similar services generally made by the physician or supplier of covered services and also on prevailing charges in the locality for similar services. Charges for outpatient hospital and home health services are amounts actually billed by providers.

<sup>2</sup> Amount reimbursed to or on behalf of the beneficiary—generally 80 percent of the allowed charges, once the beneficiary has satisfied the \$60 deductible in the current year. Some radiology and pathology services are reimbursed at a 100-percent rate, regardless of the beneficiary's deductible status.

<sup>3</sup> Includes some bills and charges with type of service unknown.

<sup>4</sup> Where both medical and surgical charges are included on a single bill, the highest-priced service is the determining factor in classifying the bill.

TABLE 3.—COMPARISON OF INCOME AND EXPENDITURES INCURRED PER CAPITA PER MONTH IN FISCAL YEARS 1972-75

Fiscal year	Income				Expenditures			Net
	Aged	Rate <sup>1</sup>	Interest	Total	Benefits	Adminis- trative	Total	
1972 .....	\$5.60	\$11.20	\$0.12	\$11.32	\$9.48	\$1.24	\$10.72	\$0.60
1973 .....	5.80	11.60	.18	11.78	10.10	1.32	11.42	.36
1974 .....	6.30	12.60	.22	12.82	10.90	1.42	12.32	.50
1975 .....	6.70	13.40	.24	13.64	12.18	1.58	13.76	-.12
Disabled:								
1974 .....		29.00	.04	29.04	25.73	3.21	28.94	<sup>2</sup> .10
1975 .....		36.00	.05	36.05	33.38	3.32	36.70	<sup>2</sup> -.65

<sup>1</sup> Combined monthly premium and general revenue matching payments.

<sup>2</sup> Margin included for contingencies in financing for fiscal year 1975.

TABLE 4.—BENEFITS PAID FOR SERVICES ON PAYMENT RECORDS

Calendar year	Average enrollment (millions)	Incurred		Cash	
		Total (millions)	Per capita	Total (millions)	Per capita
1966 .....	17.7	472.1	\$26.67	\$120.9	\$6.82
1967 .....	17.9	1,324.0	73.97	1,134.2	63.40
1968 .....	18.5	1,446.1	78.17	1,425.9	76.93
1969 .....	19.1	1,617.6	84.69	1,599.8	83.75
1970 .....	19.5	1,769.2	90.73	1,702.5	87.11
1971 .....	19.9	1,914.8	96.22	1,867.7	93.85
1972 .....	20.3	2,096.8	103.29	2,025.8	99.79

TABLE 5.—BENEFITS PAID FOR INSTITUTIONAL SERVICES

Calendar year	Average enrollment (millions)	Incurred		Cash			
		Total (millions)	Per capita	Interim	Final	Total	Per capita
1966.....	17.7	\$22.0	\$1.24	\$2.7	0	\$2.7	\$0.15
1967.....	17.9	67.6	3.78	42.0	\$0.3	42.3	2.36
1968.....	18.5	99.9	5.40	71.6	2.1	73.7	3.98
1969.....	19.1	134.4	7.04	102.6	9.9	112.5	5.89
1970.....	19.5	134.6	6.90	108.0	39.6	147.6	7.57
1971.....	19.9	174.9	8.79	123.9	68.5	192.4	9.67
1972.....	20.3	212.1	10.45	150.5	58.0	208.5	10.27

TABLE 6.—SUMMARY OF INCURRED BENEFITS PER CAPITA

Calendar year	All services	Physician services <sup>1</sup>	Inpatient radiology and pathology <sup>2</sup>	Group practice plan	Home health agencies	Hospital and clinics
1966.....	\$28.27	\$25.67	\$0.97	\$0.39	\$0.46	\$0.78
1967.....	78.95	71.53	2.48	1.16	1.30	2.48
1968.....	86.03	75.59	3.72	1.34	1.69	3.69
1969.....	94.90	81.59	4.85	1.44	1.96	5.06
1970.....	101.05	87.15	5.69	1.34	1.00	5.87
1971.....	109.03	92.46	6.35	1.45	1.11	7.66
1972.....	118.25	99.17	6.99	1.64	1.25	9.20

<sup>1</sup> Includes all services on payment records other than for inpatient radiology and pathology.

<sup>2</sup> Includes services on payment records and those using combined billing.

TABLE 7.—PROJECTED BENEFITS INCURRED PER CAPITA <sup>1</sup>

Calendar year	Benefits	Administration	Total
1973.....	\$124.37	\$16.17	\$140.54
1974.....	138.36	17.99	156.35
1975.....	156.14	20.30	176.44
1976.....	175.99	22.88	198.87

<sup>1</sup> For aged beneficiaries only.

TABLE 8.—PROJECTED INCREASES IN RECOGNIZED CHARGES AND COSTS INCURRED PER CAPITA FOR THE AGED <sup>1</sup>  
[In percent]

Calendar year	Physician services <sup>2</sup>	Inpatient radiology and pathology	Group practice plans	Home health agencies	Hospital service
1973.....	5.1	10	5.1	10	18
1974.....	7.3	10	7.3	10	18
1975.....	9.8	10	9.8	10	18
1976.....	9.8	10	9.8	10	18

<sup>1</sup> Increase over prior year.

<sup>2</sup> Includes all services paid on the basis of reasonable charges except those for inpatient professional radiology and pathology.

TABLE 9.—INCURRED RECOGNIZED CHARGES AND COSTS PER CAPITA FOR THE AGED: PROJECTION

Calendar year	All services	Physician services <sup>1</sup>	Inpatient radiology and pathology	Group practice plans	Home health agencies	Hospitals and clinics
1973.....	\$192.93	\$163.47	\$7.69	\$2.69	\$2.15	\$16.93
1974.....	210.12	176.42	8.46	2.89	2.37	19.98
1975.....	232.40	193.76	9.30	3.17	2.60	23.57
1976.....	257.17	212.78	10.23	3.48	2.86	27.82

<sup>1</sup> Includes all services paid on the basis of reasonable charges except those for inpatient radiology and pathology.

TABLE 10.—COMPONENTS OF INCREASES IN REASONABLE CHARGES PER CAPITA FOR PHYSICIAN AND MISCELLANEOUS SERVICES<sup>1</sup>

Year	Actual fees (percent)	Effect of screens <sup>2</sup>	Recognized fees (percent)	Residual causes	Effect of denials <sup>3</sup> (percent)	Net residual	Recognized charges
1973.....	2.5	0	2.5	2.5	0	2.5	5.1
1974.....	5.1	0	5.1	2.1	0	2.1	7.3
1975.....	8.0	0	8.0	1.7	0	1.7	9.8
1976.....	8.0	0	8.0	1.7	0	1.7	9.8

<sup>1</sup> Increase over prior year.<sup>2</sup> Change in reduction due to screen from previous to current year.<sup>3</sup> Change in denials from previous to current year.

## INDIAN HEALTH SERVICES

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To meet the health needs of American Indians and Alaskan Natives.

**DATE ENACTED AND MAJOR CHANGES.**—The provision of health services originally grew out of early treaties between the United States and Indian tribes. Legislation in 1954 transferred responsibility for Indian health services from the Bureau of Indian Affairs of the Department of Interior to the Public Health Service of the Department of Health, Education, and Welfare. Legislation in 1957 authorized the Public Health Service (now the Health Services Administration) to participate jointly with communities to furnish health facilities to Indians.

**ADMINISTERING AGENCY.**—The Health Services Administration of the Department of Health, Education, and Welfare, through Indian health service area projects.

**FINANCING.**—The program is financed through fixed appropriations from general revenues of the U.S. Treasury.

#### *Costs and caseloads*

<i>Fiscal year</i>	<i>Patient care (hospital)</i>	<i>Field health services</i>	<i>Program management</i>	<i>Per capita</i>
1973-----	\$115,349,000	\$52,162,000	\$2,539,000	\$327.34
Estimated 1974-----	130,472,000	60,113,000	2,990,000	354.65
Estimated 1975-----	153,253,000	69,643,000	3,147,000	406.19

Hospital and outpatient care is provided to 488,000 American Indians and Alaskan Natives.

The following table provides examples of the level of effort and accomplishments of the program.

	Base year	1973	1974 estimated	1975 estimated
Infant mortality per 1,000 births (1960-62 average)-----	48.0	1 24.0	22.0	20.0
Tuberculosis mortality per 100,000 population (1960-62 average).....	26.6	1 7.0	5.5	3.9
Number of new active tuberculosis cases (1962).....	907	1 582	557	531
Percent of Indian women ages 15 to 44 rendered family planning services each year (1968)-----	16.0	23.3	24.4	25.0
Birth rate per 1,000 women ages 15 to 44 (1965)-----	230.2	1 151.3	149.3	147.0

<sup>1</sup> Provisional.

Note.—Year(s) in parentheses represents base year. Data taken from Appendix, the Budget of the U.S. Government: Fiscal year 1975.

### ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—Services are available to persons of Indian descent who belong to Indian communities served by the program. These communities include Indians in the Continental

United States and Indians, Aleuts, and Eskimos in Alaska. An individual is considered to be an Indian if he is regarded as an Indian by the community in which he lives, as evidenced by such factors as tribal membership or enrollment, residence on tax-exempt land, ownership of restricted property, and active participation in tribal affairs. Among eligible individuals priorities for care and treatment are determined on the basis of relative medical need and access to other arrangements for obtaining the necessary care. In order to make the most effective use of available funds and facilities, Indians who are clearly able to pay the costs of hospital care and other major items of service are encouraged to do so. In appropriate cases, services may be conditioned upon payment.

**PERSONS INCLUDED.**—Eligible individuals and non-Indian wives (but not husbands) of such individuals may receive benefits.

**INCOME TEST.**—No standardized income test is applied. Whenever the medical officer in charge determines that an eligible applicant is able to pay for the needed health care without impairing his prospects for economic independence, he may be asked to do so. But the charges may be reduced or payment waived in full if, in the judgment of the medical officer in charge, the health objectives in the area served will be advanced thereby.

No charge may be made for any eligible person for immunizations, health examinations of schoolchildren, or similar preventive services, or for the hospitalization of Indian patients for tuberculosis.

**ASSETS TEST.**—There is no formal assets test. Presumably assets are considered in the informal income test described above.

#### OTHER CONDITIONS

*Work requirement.*—There is none.

*Acceptance of training or rehabilitation.*—There is no requirement.

*Citizenship.*—To receive benefits, a person must be of Indian descent in a tribe resident in the United States. For further clarification see major eligibility conditions.

*Residence.*—To be eligible for benefits, a recipient must live in an area served by the program. The Indian health program serves Federal reservations, Indian communities in Oklahoma and certain parts of California, and Indian, Eskimo, and Aleut communities in Alaska.

*Institutional status.*—Services are available to persons in hospitals and tuberculosis sanatoriums.

*Lien, recovery, or assignment.*—There is no requirement.

*Relative responsibility.*—There is no formal requirement.

### BENEFITS AND SERVICES

**NATURE OF BENEFITS.**—Hospital care and clinic facilities are provided for the health care of American Indians, in addition to health education, sanitation, and other public health services.

*Patient care.*—Indians receive medical care through 51 Indian Health Service hospitals, 27 tuberculosis sanatoriums, 76 health centers, 300 health stations, or by contract with private facilities and physicians or State and local health organizations.

*Field health services.*—Services provided through the various outlets previously mentioned include sanitation, health education, nutrition, maternal and child health, school health, tuberculosis and other

communicable disease control, medical social services, public health nursing, oral health, family planning, and mental health.

*Determinants of benefit amount.*—The cash value of the benefit to the recipient is the cost to him for the medical care provided if he had obtained the services through private sources. This value is reduced by fees actually charged those patients deemed capable of paying for care.

*Relationship to family size.*—All persons of Indian descent in a family are eligible, as are non-Indian wives (but not husbands) of Indians. The relationship between services received and family size is dependent on the medical needs of the family and how many members obtain services.

*Relationship to place of residence.*—To receive benefits, an Indian must live in an area served by the program. (See residence requirements above.) The variation in benefits will be dependent upon the type of facility available in the area in which the beneficiary resides.

# HEALTH CARE: INCOME-TESTED

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## HEALTH ASSISTANCE FOR VETERANS WITH NON-SERVICE-CONNECTED HEALTH NEEDS<sup>1</sup>

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To provide a broad spectrum of health services for veterans with both service-connected and non-service-connected health problems.

**DATE ENACTED AND MAJOR CHANGES.**—The program was first enacted in 1930. The present law was enacted in 1958. Major amendments in 1962 provided for the following: (1) Hospital care to any veteran in need because of a service-connected disability (this eliminated the requirement of wartime service); (2) outpatient medical services needed because of service-connected disabilities; and (3) an end to State attachments of assets from estates of deceased veterans residing in State homes to offset against cost of such care. Major amendments in 1970 provided that: (1) Hospital services may be furnished to any veteran over age 65 for a non-service-connected disability; (2) medical services for a non-service-connected disability may be furnished where a veteran of any war has a total disability permanent in nature from a service-connected disability; and (3) any veteran in receipt of a VA pension is exempt from making any statement under oath regarding his inability to defray necessary expenses.

Public Law 93-82 (1974) expanded care to include outpatient medical services to any veteran eligible for hospital care under VA law where such care is reasonably necessary to prevent hospital admission. This law also provides for hospital and medical care for the wife or child of a totally and permanently disabled service-connected veteran and to surviving widows and children of veterans who died as a result of service-connected disability (unless care is provided under CHAMPUS or medicare). In the case of veterans who are at least 80 percent service-connected disabled, outpatient care is provided for any disability requiring treatment. The bill also extends mental health services, consultation, professional counseling and training to members of the immediate family of a disabled veteran and such home health services as may be necessary or appropriate for the effective and economical treatment of a VA beneficiary. It also places peacetime veterans on the same basis as wartime veterans for hospital and

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<sup>1</sup> In addition to the medical and related services provided to veterans with a service-connected disability, the VA provides services to persons with non-service-connected health needs in order to maintain fuller utilization of its facilities. In this section only non-service-connected health services will be considered as income maintenance-related.

Specific programs included in this section are as follows: (1) Community nursing home care; (2) domiciliary care and restoration; (3) hospitalization; (4) nursing home care; (5) outpatient care; (6) prescription services; (7) prosthetic appliances; (8) State domiciliary care; (9) State nursing home care; and (10) State hospital care.

medical benefits. Public Law 93-82 also authorizes reimbursement of hospital care and medical services rendered to veterans who have service-connected disabilities when there is a medical emergency and VA or other Federal facilities are not available. This law also provides specific authority for a VA program of screening, counseling, and treatment of sickle cell anemia.

**ADMINISTERING AGENCY.**—The programs are administered by the Veterans Administration, Department of Medicine and Surgery.

**FINANCING.**—The programs are financed under closed-end appropriations by Federal payments under contract, under grants, and for direct operational costs.

### Costs<sup>1</sup>

[In thousands of dollars]

	Fiscal year 1973	Fiscal year estimate 1974	Fiscal year estimate 1975
Medical care.....	\$2, 512, 316	\$2, 847, 070	\$3, 079, 000
Administrative and operating expenses.....	24, 885	33, 845	37, 540

<sup>1</sup> Includes expenditures on service-connected health care needs.

### CASELOADS FOR VETERANS' MEDICAL PROGRAMS, FISCAL YEARS 1966-75

	Actual					Estimated	
	1966	1968	1970	1972	1973	1974	1975
<b>MEDICAL PROGRAMS</b>							
<b>Hospital care (VA and non-VA):</b>							
Admissions.....	641, 972	672, 079	709, 201	795, 156	932, 481	960, 500	1, 029, 500
ADPC <sup>1</sup> .....	110, 158	100, 059	88, 127	83, 822	84, 556	83, 633	84, 685
Patients treated.....	767, 766	790, 093	815, 503	878, 718	1, 014, 894	1, 044, 300	1, 112, 100
<b>Nursing home care (VA and non-VA):</b>							
Admissions.....	10, 543	12, 946	14, 426	18, 038	19, 326	23, 000	26, 300
ADPC.....	3, 854	8, 067	9, 773	12, 765	14, 328	16, 862	18, 316
Patients treated.....	12, 037	20, 514	24, 744	29, 593	32, 789	39, 900	44, 100
<b>Domiciliary care (VA and non-VA):</b>							
Admissions.....	21, 629	21, 955	18, 192	17, 094	17, 459	17, 574	17, 400
ADPC.....	21, 318	20, 059	18, 680	17, 324	16, 286	16, 135	15, 400
Patients treated.....	45, 448	43, 876	38, 815	35, 878	34, 793	34, 100	32, 720
<b>Outpatient medical visits (thousand's)</b>							
.....	6, 182	6, 564	7, 312	9, 527	10, 858	12, 061	14, 974

<sup>1</sup> ADPC is average daily patient census in VA hospitals.

In calendar year 1973 approximately \$1.4 billion was spent for 813,000 veterans receiving care for non-service-connected health problems. This amounts to more than half the total spending for veterans' medical care. There were 29 million living veterans in June 1973.

### ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—The following types of veterans, released or discharged from service under conditions other than dishonorable, are eligible for the services listed—generally on a space available basis. The types of veterans are listed in approximate order of descending priority for services.

*Veterans with service-connected disability and non-service-connected medical needs may receive:*

Prehospitalization, hospitalization, posthospitalization, prosthetic devices and nursing home care for medically determined needs;

Domiciliary care (the veteran must be able to function without assistance) when suffering from a permanent disability or tuberculosis or neuropsychiatric ailment and if incapacitated from earning a living and has no adequate means of support (this generally means less than \$265 per month income from any source);

Nursing home care for persons attaining maximum hospital benefit, or no longer requiring domiciliary care;

Medical services while receiving hospitalization or non-service-connected disabilities;

Outpatient care for non-service-connected disability provided the veteran has a permanent and total service-connected disability or the veteran is receiving or is eligible to receive increased compensation based on the need for regular aid and attendance or by reason of being permanently housebound;

Medical services on an outpatient basis to any veteran eligible for hospital care under VA laws, where such care is reasonably necessary to prevent the need for hospital admission. These services may include medical examinations and treatment, optometrists' services, dental and surgical services, pre-hospital and posthospital treatment in connection with the treatment received while hospitalized;

Prescribed drugs and medicine as part of authorized hospital or outpatient care, and other prescriptions ordered by private doctor if the person is receiving additional compensation, allowance, or pension because he is housebound or needs regular aid and attendance; and

Transportation services.

*Veterans of any war, or of service after January 31, 1955, with non-service-connected disabilities for which they swear that they cannot defray medical expenses are eligible for the following:*

Prehospital, hospital, posthospital, nursing home or domiciliary care, transportation services, and prosthetic devices when there is a medically determined need for such;

Medical services while receiving hospitalization for non-service-connected disabilities; and

Prescribed drugs and medicine as part of authorized hospital or outpatient care.

*Veterans over 65 years of age or in receipt of a VA pension are eligible for the following:*

Hospital, pre- and post-hospital nursing home, domiciliary care, prosthetic devices, and transportation when there is a medically determined need for such services (these veterans are not required to state under oath that they are unable to defray the costs of such care);

Outpatient treatment and prescriptions where the aged veteran is a person who served in the active military or naval service during the Spanish-American War or Indian wars, or receives or is eligible for an increased pension based on the need for regular aid and attendance or by reason of being permanently housebound; and

Prescribed drugs and medicine as part of authorized hospital or outpatient care, and other prescriptions ordered by a private doctor if the person is receiving an additional pension

because he is housebound or in need of regular aid and attendance.

**PERSONS INCLUDED.**—Eligible veterans are included in the programs. Their dependents or survivors are not included.

#### INCOME TEST

*Income limits.*—For nursing home care, domiciliary and, restoration center care, and hospitalization there are variable income limits. A statement under oath that a veteran cannot defray necessary medical expenses (or without an oath for those receiving pensions) establishes the income limit for hospitalization, outpatient care, and nursing home care for any veteran of war or of service after January 31, 1955, for a non-service-connected disability. The income limit for domiciliary care and restoration for persons suffering permanent disability, tuberculosis, or a neuropsychiatric ailment where the person is incapacitated from earning a living is \$265 per month when the veteran has been discharged or released for a disability incurred or aggravated in the line of duty or where a person is in receipt of compensation for a service-connected disability.

A veteran who qualifies under any of the above provisions also qualifies for prosthetic appliances.

A veteran receiving aid and attendance whose pension has been reduced will continue to get prescription service if his income is no more than \$500 over the income limit for the pension.

*Definition of income.*—For domiciliary care, total income from all sources is considered. For prescription services, treatment of income is the same as for non-service-connected disability pensions.

*Treatment of earned/unearned income.*—All income regardless of source is considered in determining ability to pay for care; this determination is very informal in most cases.

*Accounting period.*—For domiciliary care the period over which care is needed is considered. For prescription services the accounting period is the same as for non-service-connected disability pensions.

**ASSETS TEST.**—There is no assets test for veterans with service-connected disabilities. In other cases an assets test is applicable to the extent that for hospitalization, domiciliary, and restoration center care, nursing home care, and prosthetic appliances, the veteran (except for a veteran over age 65 and veterans receiving pension payments) must sign a poverty oath stating that he is unable to defray expenses.

The determination by the VA on whether the estate of a veteran should be used to defray expenses is based on: (1) Income; (2) ease with which the estate may be converted to cash; (3) limitations imposed by community property laws; (4) life expectancy of the veteran; (5) number of dependents; and (6) the potential rate of depletion of resources of the veteran. The estate is defined as all real or personal property, except the veteran's dwelling, a reasonable lot, and personal effects.

#### OTHER CONDITIONS

*Acceptance of training or rehabilitation.*—No acceptance is required, but training and rehabilitation are available to the veteran. Community nursing home and domiciliary care provide rehabilitation in preparing veterans for return to the community.

*Citizenship.*—There is no requirement.

## BENEFITS AND SERVICES

**NATURE OF BENEFITS.**—In-kind benefits provide hospital care, domiciliary and restoration center care, nursing home care, outpatient care (including dental care services), prescription services, and prosthetic appliances, as specified above under major eligibility conditions.

Services are provided through VA facilities (166 hospitals, 202 outpatient clinics, and 85 domiciliaries, restoration centers, or nursing care units) and through hometown medical care programs. Under hometown medical care programs the VA provides payments on a fee basis to physicians and dentists who treat eligible veterans in their hometown area. (Fee basis care is not available to all veterans but is authorized on an individual basis, taking into consideration distance from a VA facility and type and urgency of care required.) In addition, State-run facilities for domiciliary and restoration center care, nursing home care, and hospital care may receive VA grants to provide services to eligible veterans. Treatment for drug addiction and alcoholism is provided in special units in some VA hospitals, clinics, and restoration centers.

*Determinants of benefit amounts.*—The value of the benefit is the cost of the same medical aid provided on the open market. There is no limitation imposed on the duration of hospitalization, except that a veteran will be transferred to a nursing home facility when hospitalization is no longer necessary. The maximum period for contract nursing home care is 6 months but may be extended by the administrator if he determines it is necessary. There is no time limit in a VA or State nursing home.

*Relationship to place of residence.*—The utilization of some services may be constrained by the availability of a VA facility.

**OTHER SERVICES PROVIDED OR AVAILABLE.**—Rehabilitation programs are available through restoration centers and community nursing home facilities. Outpatient services provide a wide range of social services. Placement in a foster home is also available.

## MEDICAID (MA)

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To enable each State, at its option, to furnish (1) medical assistance on behalf of needy families with dependent children and needy individuals who are aged, blind, or permanently and totally disabled, and (2) rehabilitation and other services to help such families and individuals attain or retain capability for independence or self-care.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—The program was enacted in the present form in 1965 as title XIX of the Social Security Act. Amendments in 1967 limited Federal financial participation to payments on behalf of certain categories of persons whose income does not exceed 133½ percent of the highest amount payable to a comparable AFDC family; also Federal financial participation was withdrawn for medical assistance costs that would have been covered under medicare, part B (supplementary medical insurance) if eligible beneficiaries had been enrolled. In 1972, States were permitted to make nominal charges for selected services and drugs. Persons covered as “medically needy” can be charged enrollment fees related to their income.

*Prior provisions for medical assistance.*—An amendment to the Social Security Act in 1950 provided for Federal financial participation in direct vendor payments for medical care for public assistance recipients; an amendment to title I in 1960 authorized additional Federal matching for medical care payments for OAA recipients and also authorized programs of medical assistance for the aged which provided for medical care payments in behalf of medically needy aged who were not receiving public assistance. By the end of 1965, all States and jurisdictions had programs of vendor payments for medical care (limited to types of care and amounts specified by each State) for public assistance recipients, with a few States limited to the OAA category only, and 47 States had programs of medical assistance for the aged. By 1974 all States and jurisdictions except Arizona had initiated title XIX medicaid programs which replaced the vendor payment and medical assistance for the aged programs; Arizona will start a title XIX program in 1975. Federal participation in medical vendor payments under the public assistance titles was not available after December 31, 1969.

**ADMINISTERING AGENCIES.**—The Social and Rehabilitation Service, Department of Health, Education, and Welfare, administers grants to States. In 42 States, the District of Columbia, and Guam the responsible State agency is the same agency which administers or supervises public assistance programs. In seven States, Puerto Rico, and the Virgin Islands, the State agency responsible for administration

of the medicaid program is the Department of Health, or in one State, a medicaid commission. In these States eligibility for medical assistance is determined by the public assistance agency.

**FINANCING.**—Federal funds are appropriated from general revenues on an open-ended basis. The Federal Government pays the "Federal medical assistance percentage" (FMAP) of the amount expended by a State as medical assistance. The FMAP ranges from 50 percent to 83 percent based on a formula which takes into consideration the State's per capita income. The Federal Government also pays 75 percent of the costs of compensating and training skilled professional medical personnel and the staff directly supporting such personnel of public agencies; 100 percent of the costs of compensating and training long-term care facility inspectors; 90 percent of the costs of development and 75 percent of the costs of operation of management information systems; and 50 percent of other necessary administrative costs.

In 38 States, the District of Columbia, and Guam the total non-Federal costs of medical assistance payments are met from State funds; in 36 States total non-Federal costs of administration are met from State funds; and in other States both State and local funds share in costs of payments and/or administration.

#### *Costs and caseloads*

<i>Fiscal year</i>	<i>Total benefits (in millions)</i>	<i>Federal share (in millions)</i>	<i>Number of beneficiaries (estimated unduplicated count)</i>
1973.....	\$8,714	\$4,783	23,537,000
Estimated 1974.....	9,756	5,563	24,279,000
Estimated 1975.....	12,167	6,513	24,732,000

#### ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CRITERIA.**—All States and jurisdictions opting to provide medicaid programs must, in general, provide medical assistance to recipients of categorical money payments (under AFDC and SSI). They must cover all recipients of money payments under AFDC; however, they may opt to limit coverage of SSI recipients to those who would have been eligible under the medical assistance standards in effect on January 1, 1972. Sixteen States have chosen to limit coverage in this manner. States opting to limit coverage must allow all aged, blind, and disabled persons to qualify for medical assistance by spending on medical care that portion of their income which is in excess of the medical assistance standard. Aged, blind, and disabled persons and their essential spouses, including those who were inpatients in institutions, who were eligible for medicaid in December of 1973 are protected from loss of their medicaid eligibility as long as they continue to meet the December 1973 criteria.

Additional mandatory coverage groups are: persons who would be eligible for money payments except for an eligibility condition or requirement that is prohibited under title XIX, such as a lien imposed on the property of an individual prior to his death; children under 21 who would be eligible for AFDC except for an age or school attendance requirement; persons receiving a State supplement to their SSI payment mandated by the requirement that they receive at least as

much as they would have received under the old cash assistance titles; and persons who would have lost their eligibility solely because of the 20 percent increase in social security benefits.

In addition to the above mandatory components of medicaid programs, States have elected to include the following optional categorically needy groups in their medicaid programs.

Persons in a medical facility who are not receiving financial assistance but who would be eligible for SSI or AFDC if they left the facility—49 States and jurisdictions.

Persons eligible for but not receiving assistance under one of the above categories—31 States and jurisdictions.

Essential spouse who is essential to the well-being of a recipient of SSI—27 States and jurisdictions.

Children under 21 in foster homes or institutions for whom public agencies are assuming some financial responsibility—31 States and jurisdictions.

All financially eligible children under 21—14 States.

Twenty-five States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands also extend coverage to the medically needy—that is, persons meeting the basic eligibility conditions for coverage of the categorically needy (aged, blind, disabled, or families with children deprived of parental support) whose income and resources exceed the levels for eligibility for financial assistance but are insufficient to meet the cost of medical care. Groups excluded are nondisabled adults under age 65 and intact families with children with an employed father in the home.

#### INCOME TEST

*Income limits.*—For the categorically needy, income limits are the same as those set by the State or Federal Government for the receipt of cash benefits under the category of assistance to which the applicant is characteristically related, except for those States returning to some aspect of their January 1972 medical assistance standard for their SSI recipients. For the medically needy, Federal financial participation in medicaid payments is not available for any member of a family with annual countable income which exceeds 133½ percent of the highest amount which would ordinarily be paid by the State under AFDC to a family of the same size without any income or resources. In the case of a single individual, annual countable income may not exceed 133½ percent of the highest amount which would ordinarily be paid to an AFDC family of two persons.

In the 29 States and jurisdictions which provide medical assistance to the medically needy, income limits varying by family size are established which represent amounts considered necessary for basic maintenance needs. Federal regulations require that the income level must be at least as high as the most liberal money payment standard used by the State since January 1966, or the level at which Federal participation is available, whichever is less. Persons or members of families with income at or below these amounts are eligible for the full cost of specified medical services provided under the State plan. Payments for medical assistance on behalf of persons with income above these amounts are reduced by the amount of the excess income. (See the following section on treatment of income.)

The median annual income level as of July 1973 for one person for eligibility for full cost of medical care in the 29 States and jurisdictions with such plans was \$2,052, with amounts varying from \$1,400 to \$3,000; for a four-person family the median was \$3,636, with amounts varying from \$2,800 to \$5,000.

For persons residing in institutions, a lower income level is used which is related to cost of clothing and personal needs.

#### *Treatment of income*

(1) *Categorically needy.*—All income is considered except for required and allowable disregards applied in determining eligibility for cash benefits under the appropriate category of financial assistance (SSI or AFDC). In States opting to return to their January 1972 medical assistance standard for aged, blind, and disabled persons, income is reduced by costs incurred for medical care. States may impose nominal cost-sharing charges on optional services for cash assistance recipients. When a person is no longer eligible for public assistance, he generally faces a benefit reduction rate of over 100 percent in those States in which there is no medicaid program for the medically needy; that is, when the additional income which makes him ineligible for public assistance is less than the cost of medical care he would have received under medicaid.

(2) *Medically needy.*—Total gross earned and unearned income, subject to any disregards or deductions allowed by the States and further reduced by the costs incurred by the individual or family for medical care, is considered as available in determining eligibility for medicaid. The legal liability of third parties to pay for medical services arising out of injury, disease, or disability, is also considered as a resource.

Federal regulations state that disregards of income applied by the States under each categorical cash benefit program are to be applied in determining eligibility for medicaid.

Full medicaid benefits are provided for individuals and families with incomes at or below the level established by the State as necessary for basic maintenance needs. Any excess income must be applied to medical care costs. This represents a 100-percent tax rate on income above the basic maintenance level. Since earnings disregards and other deductions from income are allowed in determining eligibility for public assistance cash benefits but not for medicaid for the medically needy in most States, total family income of assistance recipients in these States may exceed the income level for eligibility for the medically needy. Therefore, when a family becomes ineligible for cash assistance, or ineligible for medicaid as categorically needy, tax rates up to 100 percent or more may apply before the family is eligible for any medicaid benefits as medically needy. For instance, a State with cost standards of \$3,600 for an AFDC family of four may have an income eligibility level of \$4,800 for medicaid eligibility for a medically needy family of four persons; that is, if the medically needy family's income is \$4,800 or less, they would receive full medicaid benefits under the program. If the family's income is \$5,000, they would be eligible for medicaid payments when they have spent \$200 for medical care. However, the AFDC family is eligible for medicaid benefits as long as they receive AFDC. When the earnings disregard (\$360 plus

one-third of the remainder of annual earnings) is applied, the AFDC family is eligible for an AFDC supplement until earnings reach \$5,800 a year or more depending on amounts allowed for work expenses. Therefore, if AFDC payments are discontinued when earnings reach \$5,800, the family would have to spend \$1,000 (in a year) before they are again eligible for medicaid benefits.

**ACCOUNTING PERIOD.**—Only such income and resources will be considered as will be “in hand” within a period up to 6 months ahead, including the month in which medical services for which payment would be made under the plan were rendered.

#### ASSETS TEST

(1) **Categorically needy.**—Excluded resources and allowable reserves are the same as for determination of eligibility for money payments in the appropriate category, except for those States returning to some aspect of their January 1, 1972, medical assistance standard in determining the medical eligibility of SSI recipients.

(2) **Medically needy.**—Resources which may be retained must be at least as great as the highest level used in any money payment program in the State since January 1966, and the amount of liquid assets which may be held must increase with an increase in the family size.

The 29 States and jurisdictions which provide medical assistance to the medically needy have established asset limits which are generally more liberal than those applicable to cash benefit recipients. Assets considered include: Home owned and occupied by the applicant; income-producing property and other real property; automobiles; and life insurance or burial reserve.

#### OTHER CONDITIONS

*Work requirement.*—There is none.

*Acceptance of training or rehabilitation.*—There are no requirements.

*Citizenship.*—A State may not impose a citizenship requirement which excludes any citizen of the United States.

*Lien, recovery, or assignment.*—No lien or encumbrance of any individual prior to his death may be applied on account of medical assistance rightfully received or at any time if he was under age 65 when he received such assistance, unless a court decides benefits have been incorrectly paid. Nor may there be any adjustment or recovery of medical assistance correctly paid, except from the estate of an individual who was age 65 or older when he received such assistance, and then only after the death of his surviving spouse, if any, and only at a time when he has no surviving child who is under age 21 or who is blind or permanently and totally disabled.

*Transfer of property.*—There is no Federal provision; it is optional with the States. Information on State practices in respect to medicaid eligibility is not available.

*Relative responsibility.*—A State may hold only the following relatives financially responsible for the medicaid applicant or recipient: The spouse of the individual who needs medical care or services, and the parent of the individual if such individual is under 21, or is permanently and totally disabled.

All States consider spouses to be financially responsible for each other and parents to be responsible for minor children or children

under 21 years of age. Of the 35 States and jurisdictions reporting, parents are considered responsible for children over 21 who are blind in 11 States and for disabled children in 9 States; 3 of these States provide specific exceptions to the responsibility.

*Institutional status.*—Medicaid is not available to an individual who is an inmate of a public institution (except as a patient in a public medical institution) or to an individual under age 65 who is a patient in an institution for tuberculosis or mental diseases; however, persons under 21 may receive inpatient mental hospital care.

*Residence requirement.*—A State may not impose a residence requirement which excludes any resident of the State. Generally, States define this as a person who is living in the State voluntarily with the intention of making his home there.

### BENEFITS AND SERVICES

**CASH BENEFITS.**—There are none. Payments are made to providers of services.

#### IN-KIND BENEFITS

*Nature of benefits.*—The benefits are medical care services, specified in the State's plan, for which full or partial payment is made on behalf of eligible beneficiaries. (See supplementary material for description of mandatory services and State practices in coverage of optional services.) States may also make per capita premium payments to a health insurance agency for coverage of specified medical services and may pay medicare supplementary medical insurance premiums to the Social Security Administration on behalf of specified groups of eligible beneficiaries.

*Primary determinants of amount of benefit.*—The cash value of the basic medicaid benefit is determined by the reasonable cost of medical care which may be reduced by a deduction reasonably related to the medicaid recipient's income and resources as provided in State plans. No deduction may be imposed with respect to inpatient hospital services furnished to recipients of AFDC or SSI.

No State reported a deductible for assistance recipients in 1970 and only one State reported a deductible in respect to the medically needy (relating to physicians' charges for nursing home patients). Current State practice is not known. However, the "spend down" provisions for the medically needy with income above the eligibility level amounts to a deductible for these beneficiaries.

*Cash value.*—The cash value of vendor payments is the amount paid for medical care services in behalf of the individual. The average monthly vendor payments in calendar year 1973 for all persons age 65 and over who received medical services was \$154: for money-payment recipients, \$71 and for nonrecipients, \$278. For all disabled persons who received services the average monthly payment was \$198; for money-payment recipients it was \$162; and for nonrecipients it was \$341. For all members of families with dependent children who received services, the average monthly payment was \$64; for money payment recipients it was \$60; and for nonrecipients it was \$95. Amounts are higher for non-money-payment recipients as such persons are more likely to apply for medicaid when their medical costs are high.

Premiums paid for medicare supplementary medical insurance are currently \$6.70 per month. Payments are made by State medicaid agencies for medicaid eligibles under a buy-in agreement with the Social Security Administration.

*Relationship of benefit amount to family size.*—The benefit amount depends on the individual need for specified medical care services for which payments are made.

*Relationship of benefit amount to place of residence.*—The benefit amount varies by State of residence because of the difference in the scope of services provided and in fees charged by medical vendors, as well as differences in groups of persons covered.

*Participation in other programs.*—For aged, blind, and disabled persons eligible for medicaid and entitled to medicare, medicaid pays the deductible and coinsurance charged under the medicare program, and pays for any services covered by the States' medical assistance plan which are not covered under medicare (for example, nursing home care beyond the 100-day limitation imposed under medicare). Almost all States also paid supplementary medical insurance premiums on behalf of specified groups of eligible beneficiaries.

## SUPPLEMENTARY MATERIAL

**TRENDS IN COSTS.**—The total medical vendor payments for public assistance recipients in federally aided public assistance categories increased from \$48 million in 1951 to \$1.3 billion in 1965. Medicaid expenditures increased from \$2 billion in fiscal year 1967, the first full year of operation, to \$8.7 billion in fiscal year 1973. In November 1973, 72 percent of medicaid beneficiaries were also recipients of public assistance maintenance payments, and 52 percent of medical care expenditures were paid on behalf of categorical aid recipients. About 44 percent of all expenditures for public assistance payments—that is, cash assistance payments and medical vendor payments—in fiscal year 1973 were for costs of medical care, as compared to 26 percent in 1965, 13 percent in 1960, and 4 percent in 1951.

**REQUIRED AND OPTIONAL MEDICAL CARE SERVICES.**—States are required to include provision for inpatient hospital services (other than in institutions for treatment of tuberculosis or mental diseases); outpatient hospital services; other laboratory and X-ray services; skilled nursing home services for persons age 21 or over, and home health care services to persons entitled to skilled nursing home services; physician's services; early screening, diagnostic and treatment services for children under age 21, as provided by the Secretary's regulations; family planning services; and, as of July 1970, transportation to obtain medical care services.

Services may be limited in scope such as the number of days of hospitalization for which payment will be made or the number of physician's visits or maximum amounts paid for laboratory and X-ray services over a period of time; or outpatient hospital and physician's services may be limited to specified types of services.

Optional services provided under State plans include prescribed drugs, dental services, eye glasses, physical therapy, prosthetic devices, private duty nursing, nursing home services for persons under 21, care for persons age 65 or over in institutions for the treatment of

tuberculosis or mental illness, family planning services, and clinical services other than outpatient hospital services. The number and scope of optional services vary among the States as do the groups of persons eligible for the particular services.

Since January 1972, the payment for care of individuals in intermediate care facilities has been included as an optional service under medicaid. Such costs were previously met under financial assistance programs of OAA, AB, or APTD. As of January 1974, 46 States reported expenditures for such care under these programs. Intermediate care facilities are defined as institutions providing health-related care and services to individuals requiring institutional care but not the degree of care provided by a hospital or skilled nursing home.

In calendar year 1973, 67 percent of medical assistance payments were for hospital, nursing home and intermediate facility care, 11 percent for physicians' services, 7 percent for drugs, and 15 percent for all other services.

PER CAPITA PAYMENTS TO A HEALTH INSURANCE AGENCY OR PAYMENTS TO THE SOCIAL SECURITY ADMINISTRATION FOR SUPPLEMENTARY MEDICAL INSURANCE PREMIUMS (TITLE XVIII, PART B).—As of January 1970, three States paid monthly premiums to health insurance agencies under contracts to cover the cost of specified services such as medicare deductibles and coinsurance for persons over 65 or physician's services, hospital care, and other identified services for persons under 65 or recipients of categorical cash assistance. As of July 1971, seven States paid health insurance premiums for some beneficiaries.

As of April 1, 1972, 46 States had buy-in agreements with the Social Security Administration for payment of supplementary medical insurance premiums on behalf of specified groups of eligible beneficiaries. The buy-in agreement in 27 States covered all persons eligible for both medicare and medicaid, and in 22 States covered only money payment recipients who were also eligible for medicare. Four States had no buy-in agreement.



TABLE 1.—DISTRIBUTION OF MEDICAL VENDOR PAYMENTS FINANCED UNDER TITLE XIX OF THE SOCIAL SECURITY ACT, BY SPECIFIED TYPE OF SERVICE, CALENDAR YEAR 1973

Type of service	Payments (in millions)	Percent of payments
Inpatient hospital services—total.....	\$3,372	35.4
In general hospitals.....	3,001	31.5
In mental hospitals.....	371	3.9
Skilled nursing home services.....	1,893	19.9
Intermediate care facility services.....	1,320	13.9
In public institutions for mentally retarded, etc.....	172	1.8
All other.....	1,149	12.1
Physicians' services.....	1,042	11.0
Dental services.....	238	2.5
Other practitioners' services.....	88	0.9
Outpatient hospital services.....	295	3.1
Clinic services.....	250	2.6
Laboratory and radiological services.....	79	0.8
Home health services.....	28	0.3
Prescribed drugs.....	44	7.0
Screening services <sup>1</sup> .....	10	0.1
Family planning services.....	19	0.2
Other care.....	215	2.3
Total.....	9,513	100.0

<sup>1</sup> Represents data for July–December only.

Source: Based on table 2 in this section, which supplied to subcommittee by National Center for Social Statistics, U.S. Department of Health, Education, and Welfare. Problems in individual State reports are noted in footnotes to table 2.

TABLE 2.—DISTRIBUTION OF MEDICAL VENDOR PAYMENTS FINANCED UNDER TITLE XIX OF THE SOCIAL SECURITY ACT, BY SPECIFIED TYPE OF SERVICE AND STATE, CALENDAR YEAR 1973<sup>1</sup>

[Does not include premium payments into Social Security Administration system]

State	Total	Type of service								
		Inpatient hospital services					Intermediate care facility services			
		Total	In general hospital	In mental hospital	Skilled nursing home services	Total	In public institutions for mentally retarded or persons with related conditions	All other	Physicians' services	Dental services
Total <sup>2</sup> .....	\$9,513,043,880	\$3,372,358,564	\$3,001,174,271	\$371,184,293	\$1,892,960,015	\$1,320,915,049	\$171,623,403	\$1,148,571,646	\$1,042,254,263	\$238,233,735
Alabama.....	86,631,292	19,898,751	19,898,679	72	24,899,311	11,061,519		11,061,519	12,339,937	880,120
Alaska.....	5,582,501	1,050,046	1,050,046		2,480,685	736,286		736,286	1,043,010	35,515
Arkansas.....	53,906,764	9,348,660	9,291,418	57,242	11,282,499	23,648,835	4,241,612	19,407,223	5,724,494	1,262,682
California.....	1,373,417,529	528,066,453	483,627,567	44,438,886	266,641,084	28,778,301		28,778,301	223,988,087	53,230,993
Colorado.....	75,827,792	18,739,672	18,739,672	(*)	20,136,050	19,315,424	(*)	19,315,424	6,683,459	
Connecticut.....	125,627,554	31,307,029	28,861,619	2,445,410	65,365,028				9,710,862	2,088,466
Delaware.....	12,042,800	4,811,934	4,214,487	597,447	1,282,124	1,357,692		1,357,692	2,243,673	
District of Columbia <sup>6</sup> .....	63,295,579	28,855,711	28,855,711		1,966,965	8,087,990		8,087,990	9,490,761	
Florida.....	105,278,661	36,299,631	31,745,238	4,554,393	39,411,987	2,749,832		2,749,832	8,495,493	249,884
Georgia.....	178,395,457	49,703,399	49,703,399		54,512,831	9,447,492	1,262,903	8,184,589	29,579,142	1,129,878
Guam.....	1,074,197	703,691	703,691						83,352	2,870
Hawaii <sup>7</sup> .....	32,100,983	8,141,719	8,141,719		10,522,421	333,102		333,102	5,167,261	2,168,383
Idaho.....	16,221,744	3,707,297	3,707,297		6,344,162	1,086,722	1,037,398	49,324	2,712,386	315,120
Illinois.....	607,819,779	249,355,165	234,001,289	15,353,876	27,283,309	127,571,608		127,571,608	65,133,393	20,705,521
Indiana.....	130,704,537	26,631,774	26,631,774		15,773,487	50,419,580		50,419,580	12,219,945	2,849,843
Iowa.....	52,734,439	8,461,620	8,461,620		236,640	26,880,076		26,880,076	6,369,918	2,361,428
Kansas.....	77,259,180	19,988,957	19,168,141	820,816	3,970,679	28,886,812	6,846,242	22,040,570	10,408,306	2,726,579
Kentucky.....	80,737,285	28,217,420	25,932,327	2,285,093	16,775,957	3,331,430		3,331,430	12,638,133	2,435,676

Louisiana.....	94, 939, 123	29, 336, 088	28, 471, 058	865, 030	11, 617, 046	28, 226, 396	2, 425, 997	25, 800, 399	6, 133, 388	36, 876
Maine.....	47, 691, 367	11, 986, 980	11, 986, 986	(*)	2, 144, 862	18, 432, 610	-----	18, 432, 610	8, 588, 526	350, 281
Maryland <sup>o</sup> .....	180, 447, 856	80, 150, 162	72, 527, 240	7, 622, 922	20, 507, 726	17, 396, 504	-----	17, 396, 504	13, 963, 580	9, 816, 309
Massachusetts <sup>a</sup> .....	412, 634, 872	144, 097, 015	131, 929, 735	12, 167, 280	126, 253, 904	38, 356, 458	-----	38, 356, 458	26, 523, 691	19, 342, 895
Michigan.....	475, 869, 774	158, 342, 250	148, 173, 624	10, 168, 626	109, 741, 746	68, 672, 750	4, 822, 837	63, 849, 913	72, 228, 483	2, 898, 528
Minnesota <sup>a</sup> .....	197, 380, 439	43, 432, 904	40, 622, 494	2, 810, 410	38, 822, 696	64, 097, 970	20, 411, 924	43, 686, 046	17, 077, 795	5, 644, 850
Mississippi.....	65, 265, 710	15, 830, 888	15, 830, 888	-----	17, 142, 119	2, 539, 086	3, 060	2, 536, 026	12, 449, 193	724, 903
Missouri.....	73, 261, 986	30, 576, 138	27, 748, 879	2, 827, 259	12, 347, 243	-----	-----	-----	13, 048, 213	1, 652, 408
Montana.....	17, 240, 221	4, 357, 795	4, 122, 488	235, 307	4, 642, 241	2, 803, 389	300, 138	2, 503, 251	2, 013, 858	691, 302
Nebraska.....	44, 070, 432	8, 582, 252	8, 546, 084	36, 168	3, 909, 403	19, 845, 102	3, 128, 224	16, 716, 878	3, 574, 870	1, 209, 351
Nevada.....	12, 289, 206	4, 171, 640	3, 949, 182	222, 458	2, 935, 925	701, 074	-----	701, 074	1, 804, 281	557, 953
New Hampshire.....	16, 890, 262	4, 294, 530	4, 294, 530	-----	1, 358, 849	3, 809, 918	-----	3, 809, 918	2, 743, 913	1, 105, 974
New Jersey.....	264, 458, 611	99, 143, 319	66, 726, 044	32, 417, 275	71, 694, 229	-----	-----	-----	33, 982, 037	13, 263, 607
New Mexico.....	22, 612, 713	7, 574, 072	7, 574, 072	-----	391, 325	4, 862, 584	(*)	4, 862, 584	3, 718, 747	505, 395
New York.....	2, 298, 917, 857	993, 386, 897	789, 230, 703	204, 156, 194	518, 109, 175	238, 621, 046	40, 927, 821	197, 693, 225	124, 013, 669	42, 154, 242
North Carolina.....	112, 708, 187	47, 103, 763	44, 171, 290	2, 932, 473	20, 881, 058	461, 178	-----	461, 178	16, 551, 689	1, 934, 569
North Dakota <sup>o</sup> .....	14, 658, 286	4, 161, 236	3, 510, 982	650, 254	5, 835, 544	-----	-----	-----	1, 251, 326	442, 754
Ohio <sup>2</sup> .....	280, 963, 204	92, 981, 349	92, 535, 181	446, 168	43, 849, 868	35, 466, 658	-----	35, 466, 658	30, 550, 421	13, 282, 460
Oklahoma.....	120, 230, 110	33, 389, 177	33, 389, 177	-----	1, 627, 275	62, 429, 397	6, 195, 914	56, 233, 483	16, 501, 440	1, 256, 469
Oregon <sup>o</sup> .....	48, 699, 205	9, 796, 856	8, 963, 728	833, 128	881, 585	26, 275, 361	8, 686, 184	17, 589, 177	3, 896, 647	1, 182, 509
Pennsylvania.....	433, 614, 712	164, 246, 501	164, 246, 501	-----	136, 831, 000	35, 811, 848	15, 780, 597	20, 031, 251	35, 626, 852	7, 523, 826
Puerto Rico.....	92, 183, 892	29, 512, 145	29, 512, 145	-----	5, 989, 877	12, 051, 312	5, 882, 286	6, 169, 026	23, 080, 291	799, 269
Rhode Island <sup>o</sup> .....	59, 279, 319	26, 583, 513	23, 835, 176	2, 748, 337	13, 436, 725	5, 007, 569	-----	5, 007, 569	4, 550, 685	1, 628, 056
South Carolina.....	48, 702, 783	15, 679, 309	13, 255, 390	2, 423, 919	4, 581, 243	5, 158, 051	-----	5, 158, 051	6, 742, 910	603, 216
South Dakota.....	15, 324, 583	3, 093, 850	3, 093, 850	-----	839, 084	34, 418, 229	8, 591, 724	25, 826, 505	1, 791, 270	67, 777
Tennessee.....	78, 405, 526	16, 970, 526	16, 959, 354	11, 172	25, 102, 421	7, 023, 327	4, 266, 017	149, 407, 257	10, 322, 619	-----
Texas.....	350, 730, 392	70, 952, 807	67, 227, 336	3, 725, 471	5, 816, 301	6, 520, 286	-----	6, 082, 914	50, 922, 155	3, 674, 307
Utah.....	30, 673, 715	7, 295, 271	7, 295, 271	(*)	4, 604, 476	-----	-----	-----	3, 674, 307	1, 496, 631
Vermont.....	26, 425, 171	8, 783, 747	6, 516, 569	2, 267, 178	-----	-----	-----	-----	3, 339, 042	314, 236
Virgin Islands.....	2, 251, 340	1, 251, 984	1, 251, 984	-----	3, 173, 161	28, 533, 853	3, 881, 728	24, 652, 125	33, 638	125
Virginia.....	112, 362, 943	35, 459, 623	30, 324, 195	5, 135, 428	45, 324, 470	7, 638, 108	640, 915	6, 997, 193	18, 908, 196	556, 010
Washington.....	141, 753, 262	39, 555, 458	36, 848, 674	2, 706, 784	-----	-----	-----	-----	18, 489, 886	7, 674, 318
West Virginia.....	30, 536, 724	15, 086, 789	15, 086, 789	-----	596, 789	2, 128, 958	-----	2, 128, 958	5, 567, 135	707, 229
Wisconsin.....	206, 479, 512	40, 889, 476	37, 667, 659	3, 221, 817	62, 418, 867	43, 703, 463	30, 977, 469	12, 725, 994	23, 797, 408	6, 305, 699
Wyoming.....	4, 432, 512	1, 013, 325	1, 013, 325	-----	666, 563	1, 836, 589	-----	1, 836, 589	760, 490	60, 750

See footnotes at end of table, p. 233.

TABLE 2.—DISTRIBUTION OF MEDICAL VENDOR PAYMENTS FINANCED UNDER TITLE XIX OF THE SOCIAL SECURITY ACT, BY SPECIFIED TYPE OF SERVICE AND STATE, CALENDAR YEAR 1973—Continued

State	Type of service—Continued								
	Other practitioners' services	Out-patient hospital services	Clinic services	Laboratory and radiological services	Home health services	Prescribed drugs	Screening services	Family planning services	Other care
Total <sup>2</sup> .....	\$88,192,248	\$295,158,631	\$249,276,177	\$78,960,656	\$27,995,237	\$664,157,134	\$9,740,611	\$18,625,629	\$214,935,931
Alabama.....	491,149	2,546,190	.....	1,836,253	273,648	11,363,389	341,210	530,888	168,927
Alaska.....	.....	111,754	.....	8,619	1,576	.....	82,270	.....	32,740
Arkansas.....	.....	426,993	.....	8,570	.....	1,596,777	193,646	45,346	368,262
California.....	20,852,001	81,265,834	1,721,674	40,204,828	1,375,043	85,502,686	94,687	13,746,099	27,949,759
Colorado.....	.....	1,935,808	.....	951,047	140,155	7,143,954	367,432	126,469	288,322
Connecticut.....	( <sup>6</sup> )	6,540,555	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	6,580,109	27,367	.....	\$ 4,008,138
Delaware.....	7,570	792,695	10,827	91,386	48,843	1,215,900	88,734	60,558	30,864
District of Columbia <sup>6</sup> .....	1,001,029	6,735,570	1,689,048	365,368	259,217	4,309,554	.....	.....	534,366
Florida.....	46,523	5,135,457	1,648	352,296	47,748	12,076,993	408,690	631	10,848
Georgia.....	.....	7,847,479	.....	229,721	271,921	17,485,619	982,918	.....	7,205,057
Guam.....	7,173	45,257	.....	11,161	.....	45,691	2,325	.....	172,677
Hawaii <sup>7</sup> .....	.....	1,769,417	.....	993,890	67,351	2,055,434	5,667	.....	876,338
Idaho.....	102,786	479,559	.....	38,379	17,979	1,293,320	.....	41,038	82,996
Illinois.....	9,735,817	19,599,924	17,813,995	3,671,624	1,089,193	53,192,071	.....	.....	12,668,159
Indiana.....	1,637,426	4,400,761	317,091	1,610,666	579,358	12,161,430	43,228	200,911	1,859,037
Iowa.....	833,941	1,275,968	12,017	28,725	16,678	5,252,858	229,999	261,073	513,498
Kansas.....	1,111,388	2,254,851	.....	118,906	49,388	7,124,374	38,159	.....	699,687
Kentucky.....	95,558	3,013,243	1,730,676	614,197	11,436,993	11,010,291	67,200	218,577	43,319
Louisiana.....	.....	2,613,391	2,759,033	1,235,397	157,561	3,467,937	1,331,845	.....	481,811
Maine.....	.....	1,752,654	.....	332,369	301,426	15,842,053	765,246	.....	532,726
Maryland <sup>6</sup> .....	15,312	17,785,112	.....	27,118	1,456,131	23,760,741	216	.....	3,877,308
Massachusetts <sup>6</sup> .....	7,304,685	15,009,348	1,868,326	1,560,979	1,456,131	35,201,669	765,246	408,610	7,100,483
Michigan.....	3,071,645	18,032,698	.....	1,278,529	480,303	13,128,723	2,207,516	46,676	3,305,047
Minnesota <sup>6</sup> .....	1,306,195	4,536,635	.....	792,746	145,592	.....	235,973	.....	8,111,684

Mississippi	53,158	1,371,429	83,106	89,775	14,400,361	308,989	134,016	138,687
Missouri	714,571	3,541,249	33,211	18,235	11,244,659	380,283	185,192	235,155
Montana	149,615	467,722	19,531	67,185	46,120	1,011,488	55,741	333,082
Nebraska	358,743	1,154,510	91,496	761,138	39,133	3,997,395	64,573	482,466
Nevada	248,026	630,443	5,701	34,850	43,281	899,664	136,369	218,410
New Hampshire	1,231,666	492,985	59,795			1,051		469,281
New Jersey	274,542	20,081,935	1,133,330	1,226,016	542,539	18,645,164		3,514,769
New Mexico	19,422,503	1,005,628	656,530	508,185	13,450	2,619,427	64,801	418,027
New York	1,242,839	883,011	195,791,833	(*)	15,106,254	67,155,673	(*)	82,933,656
North Carolina	213,894	4,651,407	997,220	1,018	178,223	18,705,223		443,824
North Dakota *	5,207,057	174,821	5,612	245,909	9,889	1,805,755	58,383	9,339
Ohio *	140,252	17,608,222	504,837	737,248	350,963	36,158,241		4,265,880
Oklahoma	343,413	360,948		149,978		160,041		4,215,133
Oregon *		1,436,352		947,293	41,062	2,810,128	11,741	200,759
Pennsylvania		233,148	19,731,567	3,613,125	1,849,963	27,408,610		738,272
Puerto Rico				3,824,610		16,778,970		18,188,607
Rhode Island *	184,866	2,578,403		173,135	178,785	4,796,198	16,140	548,349
South Carolina	6,532	1,321,084		190,718	268,861	4,756,052	341,960	343,180
South Dakota	282,988	1,225,883			8,532		838	106,428
Tennessee	1,538,218	3,573,258		6,461	138,799	11,458,723	313,088	364,739
Texas	28,919	6,946,180		7,285,030	39,212	31,634,650		1,907,475
Utah		1,316,165			151,539	2,288,254	728,970	1,763,459
Vermont		637,010				2,045,341	575	
Virgin Islands		629,753		359		311,540		23,941
Virginia	1,163,787	7,586,221	179,489	74,873	416,430	13,547,803	152,598	2,610,899
Washington	1,043,077	4,158,431	2,174,901	3,491,818	566,191	9,468,586	8,548	2,009,512
West Virginia	910,390	4,799,472				3,957,000	183,888	902,243
Wisconsin	5,804,574	5,633,373		80,707	17,283	11,709,983	10,575	5,962,895
Wyoming	8,420	72,435		8,475	1,735		3,720	10

<sup>1</sup> Arizona has no program.

<sup>2</sup> Total and specified types of service include estimated fourth quarter payments for Ohio.

<sup>3</sup> For Colorado, Maine, and Utah, general hospital care includes mental; for Colorado and New Mexico, "all other" intermediate care facility includes institutions for the mentally retarded.

\* Represents data for July-December only.

<sup>4</sup> Other care includes where indicated one or more types of the specified services.

<sup>6</sup> Does not include payments to medical vendors by health-insuring or health maintenance organizations.

<sup>7</sup> Includes general assistance medical vendor payments.

<sup>8</sup> Delta Plan Insurance premiums.

TABLE 3.—AVERAGE MONTHLY NUMBER OF RECIPIENTS OF MEDICAL ASSISTANCE FOR WHOM PAYMENTS WERE MADE TO VENDORS DIRECTLY OR THROUGH FISCAL AGENT AND AMOUNTS OF SUCH PAYMENTS, BY BASIS OF ELIGIBILITY AND MONEY PAYMENT STATUS, SELECTED MONTHS 1973 <sup>1</sup>

[Does not include premium payments into Social Security Administration system, payments for medical screening, and persons in whose behalf only such payments were made]

Basis of eligibility of recipients	Total		Money payments authorized		Money payments not authorized			
	Number or amount	Percent	Number or amount	Percent	Financially eligible for maintenance assistance		Not eligible for maintenance assistance	
					Number or amount	Percent	Number or amount	Percent
	Average monthly number of recipients							
Total <sup>2</sup> .....	7,455,000	100.0	5,431,000	100.0	518,000	100.0	1,507,000	100.0
Age 65 or over .....	1,861,000	25.0	1,119,000	20.6	297,000	57.3	445,000	29.5
Blindness .....	47,500	.6	41,300	.8	2,300	.5	3,300	.2
Permanent and total disability .....	912,000	12.2	727,000	13.4	59,600	11.5	125,000	8.3
Membership in family with dependent children under 21 .....	3,981,000	53.4	3,544,000	65.3	139,000	26.9	298,000	19.8
Adults <sup>3</sup> .....	1,528,000	20.5	1,368,000	25.2	46,900	9.1	114,000	7.6
Children <sup>3</sup> .....	2,453,000	32.9	2,176,000	40.1	92,400	17.8	184,000	12.2
Other title XIX recipients .....	654,000	8.8	-----	-----	19,000	3.7	635,000	42.1
Age 21-64 <sup>3</sup> .....	380,000	5.1	-----	-----	-----	-----	380,000	25.2
Under age 21 <sup>3</sup> .....	274,000	3.7	-----	-----	19,000	3.7	255,000	16.9

Total <sup>2</sup> .....	Average monthly amount of payments							
	<sup>4</sup> \$784,182,000	100.0	\$413,072,000	100.0	\$95,891,000	100.0	\$274,023,000	100.0
Age 65 or over .....	285,798,000	36.5	79,750,000	19.3	72,473,000	75.6	133,575,000	48.7
Blindness .....	5,819,000	.7	4,115,000	1.0	830,000	.9	874,000	.3
Permanent and total disability .....	180,417,000	23.0	117,512,000	28.4	15,404,000	16.1	47,500,000	17.3
Membership in family with dependent children under 21 .....	253,407,000	23.4	211,694,000	51.2	4,878,000	5.1	36,835,000	13.4
Other title XIX recipients .....	57,545,000	7.4	-----	-----	2,306,000	2.4	55,239,000	20.2
Age 21-64 <sup>3</sup> .....	34,972,000	4.5	-----	-----	-----	-----	34,972,000	12.8
Under age 21 <sup>3</sup> .....	22,573,000	2.9	-----	-----	2,306,000	2.4	20,267,000	7.4

<sup>1</sup> Data represent average for February, May, August, and November 1973.

<sup>2</sup> Data incomplete.

<sup>3</sup> Estimated.

<sup>4</sup> Total includes payments for which breakdown by basis of eligibility and money payment status was not reported. Percentages computed on data excluding these payments.

TABLE 4.—AMOUNT OF MEDICAL ASSISTANCE BY PROGRAM, FORM OF PAYMENT, AND STATE, JULY 1974 1

State	Medical assistance (title XIX)							General assistance 2
	Total	Form of payment					General assistance 2	
		Total	Payments to vendors directly or through fiscal agent	Premium or per capita payments into/to:				
				Social Security Administration	Health insuring agency	Health maintenance organization		
Total.....	3 4 \$945,249,829	4 \$993,558,963	\$889,436,295	3 \$18,814,935	2 \$17,556,529	4 \$7,751,204	\$11,690,866	
Alabama.....	10,143,861	10,143,861	9,274,131	869,730				
Alaska.....	608,144	478,494	478,494					
Arkansas.....	6,319,016	6,319,016	4,404,801	1,009,724	904,491		129,650	
California.....	139,586,424	139,586,424	129,669,506	3,192,243				
Colorado.....	7,288,970	7,249,025	6,915,668	233,134				
Connecticut.....	13,162,483	12,889,812	12,889,812				39,945	
Delaware.....	952,852	952,852	921,666				272,671	
District of Columbia 6	7,805,680	7,805,680	7,714,305	31,186				
Florida.....	11,860,587	11,860,587	10,090,130	91,375				
Georgia.....	22,795,960	22,795,960	21,953,439	601,747	1,168,710			
Hawaii.....	3,563,739	3,563,739	3,517,983	842,521				
Idaho.....	1,447,887	1,447,887	1,412,309	45,756		(*)		
Illinois.....	65,219,455	60,886,621	60,624,025	35,578				
Indiana.....	13,862,485	13,862,485	13,665,107	262,596			4,332,834	
Iowa.....	6,890,594	6,890,594	6,703,482	197,378				
Kansas 6	3,464,985	3,464,985	3,334,589	187,112				
Kentucky.....	6,965,128	6,965,128	6,522,492	130,396				
Louisiana.....	8,438,768	8,387,456	8,387,456	442,636				
Maine.....	3,688,998	3,633,597	3,499,422				51,312	
Maryland 6 7	16,732,859	16,732,859	16,292,821	134,175			55,401	
Massachusetts 6	38,673,183	34,887,103	34,873,506	300,935		139,103		
Michigan 6	54,514,117	54,220,548	53,074,957	2,345		11,252	3,786,080	
Minnesota.....	18,897,028	18,477,978	18,336,128	559,142		586,449	293,569	
				110,551		31,299	419,050	

Mississippi .....	7,725,652	7,725,652	7,182,513	543,139			
Missouri .....	7,057,661	7,057,661	6,440,370	617,291			
Montana <sup>1</sup> .....	1,825,654	1,575,324	1,528,690	46,634			250,330
Nebraska .....	4,978,084	4,978,084	4,931,859	46,225			
Nevada .....	741,193	741,193	717,681	23,512			
New Hampshire .....	2,244,230	2,244,230	2,223,509	20,721			
New Jersey <sup>2</sup> .....	27,151,791	27,151,791	26,338,827	812,964			
New Mexico .....	1,923,737	1,923,737	1,923,737				
New York .....	<sup>3</sup> 204,631,892	204,631,892	202,370,268	2,261,624		( <sup>4</sup> )	
North Carolina .....	10,812,131	10,737,137	8,707,441	538,697	1,490,999		74,994
North Dakota .....	1,677,694	1,675,753	1,603,193	26,488	46,072		1,941
Ohio <sup>5</sup> .....	<sup>3</sup> 29,869,017	29,869,017	29,869,017	( <sup>6</sup> )			
Oklahoma .....	9,990,380	9,990,380	4,511,086	353,524	<sup>7</sup> 5,125,770		
Oregon .....	6,518,874	5,808,970	5,808,970				709,904
Pennsylvania .....	51,664,474	51,664,474	51,174,265	490,209		( <sup>4</sup> )	
Puerto Rico <sup>8</sup> .....	8,487,982	8,487,982	8,487,982				
Rhode Island .....	4,635,409	4,165,468	4,104,657	60,811			469,941
South Carolina .....	5,723,763	5,723,763	5,469,439	254,324			
South Dakota .....	1,564,775	1,433,054	1,388,466	44,588			131,721
Tennessee .....	8,098,739	8,098,739	7,518,722	580,017			
Texas .....	31,665,228	31,665,228	21,411,224	1,562,771	8,691,233		
Utah .....	2,259,830	2,259,450	2,040,313		128,833	90,304	380
Vermont .....	2,475,283	2,475,283	2,401,577	73,706			
Virgin Islands <sup>9</sup> .....	7,607	7,607		7,607			
Virginia .....	9,304,731	9,304,731	8,547,083	757,648			
Washington .....	13,348,956	13,348,956	13,039,040	241,596	421	67,899	
West Virginia .....	2,792,909	2,792,909	2,666,620	126,289			
Wisconsin .....	22,801,404	22,130,261	22,085,971	44,290			671,143
Wyoming <sup>8</sup> .....	387,546	387,546	387,546				

<sup>1</sup> Amounts represent primarily bills paid during the month and therefore are subject to fluctuations unrelated to provisions of medical services. All data subject to revision. Arizona has no program. Data for Guam not reported.

<sup>2</sup> Data incomplete for general assistance. Some States do not report these data and for some the data represent only partial reporting.

<sup>3</sup> Data incomplete. For Ohio, premiums paid to the Social Security Administration were not reported; also premiums paid to health maintenance organizations for New York were not reported. Data for New York do not include expenditures for medical care under the States cooperative programs. Ohio data estimated.

<sup>4</sup> Data incomplete. Premiums paid to health maintenance organizations not reported by Hawaii, New York, and Pennsylvania.

<sup>5</sup> Includes payments into an agency pooled fund in Oklahoma.

<sup>6</sup> No expenditures for early and periodic screening, diagnosis and treatment program were reported.

<sup>7</sup> Data incomplete; do not include payments for skilled nursing homes and intermediate care facilities.

<sup>8</sup> Represents data for June; July data not reported.

TABLE 5.—PUBLIC ASSISTANCE: TOTAL MEDICAL VENDOR PAYMENTS, BY PROGRAM, 1951-74

[Data subject to revision]

Period	Total amount of payments (in thousands)				
	Total	Federally aided programs <sup>1</sup>			
		Medical assistance <sup>2</sup>	Medical assistance for the aged	Other	General assistance <sup>3</sup>
1951.....	\$103,179			\$56,782	\$46,397
1955.....	231,544			163,417	68,127
1960.....	522,228		\$5,348	414,896	101,983
1961.....	688,320		113,387	464,671	110,262
1962.....	924,978		250,830	572,034	102,115
1963.....	1,064,664		329,391	632,068	103,206
1964.....	1,255,131		444,970	699,338	110,823
1965.....	1,480,119		585,501	773,555	121,063
1966.....	2,007,626	\$1,193,768	293,442	435,932	84,484
1967.....	2,872,696	2,510,531	63,916	232,143	66,106
1968.....	4,096,133	3,783,095	65,267	171,783	75,989
1969.....	4,681,110	4,360,445	58,873	178,481	83,311
1970.....	5,605,610	5,506,940			98,670
1971.....	6,953,129	6,842,098			111,031
1972.....	8,804,716	8,707,524			97,192
1973.....	9,814,479	9,706,549			107,929
1973:					
June.....	817,791	809,136			8,654
July.....	760,349	751,484			8,865
August.....	843,210	833,671			9,539
September.....	818,511	811,430			7,081
October.....	849,529	840,629			8,900
November.....	841,225	831,477			9,747
December.....	875,381	864,835			10,546
1974:					
January.....	859,261	853,718			5,543
February.....	846,527	841,642			4,885
March.....	927,738	916,118			11,620
April.....	1,005,270	995,617			9,653
May.....	1,006,887	995,430			11,457
June.....	949,359	942,059			7,300

<sup>1</sup> Federal participation in medical vendor payments, beginning October 1950, was authorized by the Social Security Amendments.

<sup>2</sup> Beginning January 1970, medical assistance for the aged and medical vendor payments under the categorical programs were replaced by the medical assistance program. Beginning January 1972, includes payments to intermediate-care facilities formerly listed separately.

<sup>3</sup> Data incomplete.

Source: Social and Rehabilitation Service.

TABLE 6.—AMOUNT EXPENDED ON MEDICAL ASSISTANCE PER INHABITANT, BY JURISDICTION, FISCAL YEAR 1973

States and jurisdictions, in order of per capita payments	Rank	Amount expended per inhabitant <sup>1</sup>	Total expenditures <sup>1</sup> (in thousands)	Civilian resident population, Jan. 1, 1973 (in thousands)
New York	1	\$125.87	\$2,308,164	18,338
District of Columbia	2	87.02	63,957	735
California	3	66.95	1,353,740	20,221
Massachusetts	4	65.52	378,596	5,778
Rhode Island	5	61.44	58,003	944
Vermont	6	56.74	26,328	464
Minnesota	7	49.93	194,963	3,905
Michigan	8	49.31	448,359	9,092
Maryland	9	47.95	192,701	4,019
Oklahoma	10	47.45	124,421	2,622
Illinois	11	46.59	523,067	11,227
Wisconsin	12	41.98	190,198	4,531
Maine	13	41.47	42,509	1,025
Hawaii	14	40.76	31,389	770
Washington	15	40.20	137,231	3,414
Georgia	16	40.05	187,856	4,651
Connecticut	17	38.06	116,837	3,070
Colorado	18	37.41	87,641	2,343
New Jersey	19	36.31	266,978	7,353
Pennsylvania	20	35.51	423,410	11,923
Kansas	21	33.85	75,496	2,230
Puerto Rico	22	33.03	92,554	2,802
Nebraska	23	31.65	48,108	1,520
Texas	24	31.52	365,115	11,585
Mississippi	25	28.36	63,771	2,249
Arkansas	26	25.19	49,820	1,978
Alabama	27	25.07	87,688	3,498
North Dakota	28	25.00	15,547	622
Utah	29	24.99	28,340	1,134
Nevada	30	24.86	13,089	527
Montana	31	24.66	17,682	717
Kentucky	32	24.65	81,000	3,286
Indiana	33	24.41	129,252	5,295
Virginia	34	24.28	12,451	4,631
North Carolina	35	24.25	124,882	5,149
South Dakota	36	23.14	15,620	675
Virgin Islands	37	22.58	1,599	71
Louisiana	38	22.24	82,298	3,701
Oregon	39	22.16	48,617	2,194
Idaho	40	21.92	16,659	760
Delaware	41	21.00	11,801	562
Ohio	42	20.88	224,564	10,775
New Mexico	43	19.97	21,148	1,059
Tennessee	44	18.14	73,158	4,032
South Carolina	45	16.64	43,454	2,612
Missouri	46	15.92	75,394	4,735
New Hampshire	47	14.96	11,552	772
West Virginia	48	14.41	25,720	1,785
Florida	49	14.16	102,728	7,255
Wyoming	50	13.34	4,587	343
Iowa	51	13.01	37,589	2,889
Guam	52	12.32	918	75
Alaska	53	11.60	3,550	306
Arizona <sup>2</sup>	54	0.0	0	1,952
Total United States		44.60	9,262,494	210,240

<sup>1</sup> Based on all FY 1973 medical assistance payments by States and territories, including \$548 million not computable for Federal funding, hence not part of medicaid.

<sup>2</sup> Arizona had no medicaid program.

Source: National Center for Social Statistics.

## PUBLIC HEALTH SERVICES TO INDIVIDUALS

The Health Services Administration and the Alcohol, Drug Abuse, and Mental Health Administration of HEW, through grants to public and private nonprofit agencies, provide a variety of special health services to certain population groups most in need of the services. This mechanism for provision of health care primarily serves lower income groups. Some of these services are listed in table 1 together with actual 1973 costs and estimated costs for fiscal years 1974 and 1975.

The family planning project grants are made mostly to State and local health agencies for the delivery of family planning services to female clients. Grants are also made for the training of family planning workers and for the development of educational and informational materials.

Migrant health grants are used to fund the delivery of comprehensive health services to migratory farmworkers and their families. Grants may be made to public or private nonprofit agencies. In 1975, 355,000 persons are expected to receive services.

Community health center project grants are to upgrade ambulatory health services, especially in underserved areas.

Comprehensive public health services are strengthened through Federal formula grants to State health and mental health agencies. The funds are used to establish and maintain adequate community, mental, and environmental public health services. Funds may be used to train State and local public health workers.

Health Maintenance Organization (HMO) grants and loans are to promote the expansion of health maintenance organizations as a health care option. Grants and contracts will be available only to public and nonprofit HMO's.

The National Health Service Corps provides health professionals to communities which are designated as critical health manpower shortage areas. In 1975, the program will support approximately 531 health professionals in about 245 communities, an increase of 45 communities over the 1974 level.

Maternal and child health services are financed through formula grants to State health agencies and project grants to State health agencies and to institutions of higher learning. The funds are used to provide a wide variety of health services to mothers and children in need of care. The purpose of the program is to reduce infant mortality and improve the health status of mothers and children, especially in rural areas and in economically depressed areas, and to improve services for crippled children. In 1975 approximately 520,000 women will receive prenatal and postpartum care in maternity clinics.

Mental health community assistance project grants are made to public or private nonprofit community agencies to aid in general mental health and prevention and control of narcotic addiction and alcoholism. Services provided include outreach, rehabilitation, and informational services.

TABLE 1.—SELECTED HEALTH SERVICE PROGRAM COSTS

	Costs (thousands of dollars)		
	1973 actual	1974 estimated	1975 estimated
Health Services Administration:			
Community health centers.....	\$110,770	\$217,100	\$200,400
Comprehensive health grants to States.....	89,092	90,000	90,000
Maternal and child health:			
(1) Grants to States.....	113,239	132,678	243,951
(2) Project grants.....	93,100	104,595	-----
(3) Research and training.....	19,473	21,917	21,917
Family planning.....	104,437	150,024	100,615
Migrant health.....	22,223	23,750	24,000
HMO grants and contracts.....	-----	-----	45,000
HMO loans and loan guarantees.....	-----	-----	15,000
National Health Service Corps.....	11,974	9,787	9,255
Total.....	564,308	749,851	750,138
Administrative costs.....	23,538	33,588	35,783
Alcohol, Drug Abuse, and Mental Health Administration:			
General mental health.....	294,964	469,636	365,219
Drug abuse.....	156,926	272,742	216,615
Alcoholism.....	57,753	218,385	99,866
Total.....	509,643	906,763	681,700

## HOUSING: INCOME-TESTED

### U.S. Department of Housing and Urban Development Programs

#### LOW RENT PUBLIC HOUSING

##### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To provide decent, safe, and sanitary low-rent housing and related facilities for low-income families.

**TYPE OF ASSISTANCE.**—Loans and grants to local public housing agencies for acquisition, construction, or leasing of housing; grants (annual contributions) to housing authorities to guarantee debt service, to assure the low-rent character of the projects and to achieve and maintain adequate operating and maintenance services and reserve funds. For leased housing annual contributions are made to cover the difference between rents paid by tenants and rent payable to the owner plus the local public housing agency's operating expenses.

Tenants benefit from low rents for adequate housing not otherwise available to them.

**DATE ENACTED.**—1937, with subsequent amendments.

**FINANCING.**—This program is funded through annual budget appropriations.

**ADMINISTRATIVE AGENCY.**—Department of Housing and Urban Development, through area offices and local public housing authorities established under State laws. A local housing authority (LHA) may contract out the management of its projects to a qualified group ranging from a private profitmaking management firm to a nonprofit, tenant-organized management cooperative.

##### *Costs and caseloads*

<i>Fiscal year</i>	<i>Annual contributions</i>	<i>Number of housing units (cumulative)</i>
1973.....	\$1, 101, 810, 000	1, 047, 000
1974.....	1, 234, 607, 000	1, 109, 000
Estimated 1975.....	1, 536, 000, 000	1, 174, 000

##### PROJECT ELIGIBILITY CRITERIA

**TYPE OF HOUSING.**—Housing may be new or rehabilitated multi-family, semidetached or detached units. High-rise, elevator-type projects for families with children may not be constructed unless it is determined that there is no other practical alternative. Projects may be developed for elderly, disabled, or handicapped persons only, for nonelderly families with children, or for both type families with provision for separate facilities for the elderly. Congregate housing may be constructed for elderly tenants; that is, housing with central kitchen and dining facilities and in which some or all of the units do not have kitchen facilities. Single-room occupant housing may be constructed for single nonelderly displaced persons.

**LOCATION OF HOUSING.**—Housing sites are selected by the local housing authority, subject to HUD approval, taking into consideration such factors as the need for such housing, suitability of the site in relation to the surrounding neighborhood and city plans, proximity to public transportation and community facilities, feasibility of relocating site occupants, and compliance with equal opportunity requirements. Local housing authorities are expected to consider the use of HUD- or VA-owned housing acquired through their mortgage insurance or loan guaranty programs. A project may be on a single site or on scattered sites; that is, one or more sites with one or more dwelling units on each site. The proposed program must be approved by the local governing body. New criteria for approval of housing assistance applications have been added by the Housing and Community Development Act of 1974. These are described in the section on the lower income housing assistance program.

**LIMIT ON COST.**—Costs of construction and equipment may not exceed by more than 10 percent the appropriate prototype cost for the area (costs of comparable new construction in the area taking into consideration durability design features and related facilities needed for the project).

#### TENANT ELIGIBILITY CRITERIA

**FAMILY COMPOSITION.**—Families must consist of two or more related persons, or a single elderly, disabled, handicapped, or displaced person, or the remaining member of a tenant family (the last member of an eligible family after other members, such as children, have left the home). An “elderly” person is one who has attained 62 years of age or is disabled or handicapped. The term “elderly families” includes two or more elderly, disabled, or handicapped individuals living together, or one or more such individuals living with another person who is determined under regulations of the HUD Secretary to be a person essential to their care or well-being. Disability means “inability to engage in any gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or which can be expected to last for a continuous period of not less than 12 months.” Handicapped is defined to mean “determined to have a physical impairment which (1) is expected to be of long continued and indefinite duration, (2) substantially impedes his ability to live independently, and (3) is of such nature that such ability could be improved by more suitable housing conditions.” A displaced person is one who has been displaced by urban renewal or other Government action or by the occurrence of a natural disaster.

#### INCOME TEST

*Income limits.*—Families must be unable to afford decent, safe and sanitary housing supplied by private enterprise. Income limits are set by local housing authorities and vary according to housing costs in the area. In 1972 the median income of families moving into public housing was \$1,990 for elderly families and \$2,816 for all families.

At least 20 percent of the dwelling units in any project placed under annual contribution contracts should be occupied by “very low income families.” These are families whose incomes do not exceed 50 percent

of the median income for the area—with adjustments for smaller and larger families.

*Definition of income.*—Definitions and determinations of family income for eligibility and rental purposes (other than in connection with the statutory rent ceiling) are the responsibility of local housing authorities. In connection with the statutory rent ceiling, family income is defined as income from all sources of each member of the family residing in the household. Exclusions include: the income of any family member (other than the household head or his spouse) who is under 18 or is a full-time student; the first \$300 of the income of a secondary wage earner who is the spouse of the head of the household; an amount equal to \$300 for each member of the family residing in the household (other than the head of the household or his spouse) who is under 18 or who is 18 or older and disabled, handicapped, or a full-time student; nonrecurring income; 5 percent of gross family income (10 percent in the case of elderly families); certain extraordinary expenses and child care payments.

*Accounting period.*—Prospective annual income based on current and anticipated income is determined at the time of initial occupancy. Redetermination is required at yearly intervals except for the elderly, which may be every 2 years at the option of the LHA. Tenants may be required by the LHA's to report any changes in income during the year.

**ASSETS TEST.**—No Federal requirement—optional with local housing authorities. However, HUD strongly urges LHA's to establish assets limitations. Assets usually considered are real property, savings, and other liquid personal property excluding personal effects and household furnishings.

#### BENEFITS

**NATURE OF BENEFITS.**—Low rental charges to tenants are made possible through Federal assistance to local housing authorities in the development, acquisition and management of housing projects through loans, capital grants, and annual contributions.

**LOANS.**—The HUD Secretary makes loans to local housing agencies to assist with development and acquisition of housing projects.

**ANNUAL CONTRIBUTIONS.**—The HUD Secretary makes an annual contribution to public housing agencies to cover debt retirement and interest expense on bonds issued by the local authority to assure the low-rent character of the projects and achieve and maintain adequate operating and maintenance services and reserve funds. An additional subsidy of up to \$120 per year per dwelling unit may be paid for units occupied by elderly persons, a large family, a family with unusually low income, or a family displaced by urban renewal or a public housing project.

For leased housing, the annual contribution covers the deficiency between the rent payable to the owner (including the LHA operating costs) and the rent paid by tenants.

The annual contribution may also include assistance with costs of providing certain tenant services.

**RENTAL CHARGES.**—Rental charges are fixed by local housing authorities after taking into consideration family income, family size and composition, age, physical handicap and other factors which might affect the rent-paying ability of the family. Gross rents may be no

more than 25 percent of the family's adjusted income. However, rental cannot be less than 5 percent of gross income or, if the family receives a welfare payment a part of which is specifically designated for housing, the higher of 5 percent of gross income or the amount so designated. Rental payments are used to meet maintenance and operating expenses and a payment of 10 percent of shelter rentals to the local governing body in lieu of taxes. Amounts charged vary by locality—roughly 20 to 25 percent of family income. In 1972, the median rent for initial occupancy for an elderly family was \$38 per month and for nonelderly families was \$48 per month.

**OTHER SERVICES PROVIDED OR AVAILABLE.**—The housing authority may provide the following services: Development and maintenance of tenant organizations which participate in the management of low-rent housing projects, the training of tenants to manage and operate such projects and utilization of their services in project management and operation; counseling on household management, housekeeping, budgeting, money management, child care, and similar matters; advice as to resources for job training and placement, education, welfare, health, and other community services; services which are directly related to meeting tenant needs and providing a wholesome living environment; and referral to appropriate agencies when necessary for the provision of such services.

### SUPPLEMENTARY MATERIAL

In its study, "Welfare in the 70's: A National Study of Benefits Available in 100 Local Areas," the Subcommittee on Fiscal Policy examined a nationally representative sample of 100 counties to arrive at a profile of welfare benefits nationwide. The following material on low-rent public housing is based on the information from questionnaires completed by State welfare agencies and information from the U.S. Department of Housing and Urban Development for that study.

Not all areas are served by public housing. Based on the 100 sampled counties, it appears that public housing is available in counties that contain 85 percent of the AFDC caseload and 74 percent of the poverty population. Some of the counties have only a few units, however, as table 1 shows.

TABLE 1—NUMBER OF PUBLIC HOUSING UNITS IN EACH OF THE 100 LOCATIONS STUDIED

State	City or town	Number of low-rent public housing units	
		Total	Elderly only
Alabama.....	Birmingham.....	5,859	136
Arizona.....	Tucson.....	555	96
Arkansas.....	Benton.....	0	0
California.....	Los Angeles.....	11,134	914
	San Francisco.....	7,546	1,579
	Oakland.....	4,340	275
	San Diego.....	978	48
	Sacramento.....	2,492	750
	San Bernardino.....	592	0
	Riverside.....	1,059	297
	Santa Ana.....	0	0
	Ventura.....	0	0
	Bakersfield.....	460	0
	Fresno.....	1,830	0
	Redding.....	0	0
	Martinez.....	102	50
	San Jose.....	1,446	121
Colorado.....	Denver.....	4,207	700
	Pueblo.....	574	174

TABLE 1.—NUMBER OF PUBLIC HOUSING UNITS IN EACH OF THE 100 LOCATIONS STUDIED—Continued

State	City or town	Number of low-rent public housing units	
		Total	Elderly only
Connecticut	Hartford	2,794	87
Delaware	Wilmington	1,998	486
District of Columbia	Washington	11,819	2,242
Florida	Miami	6,000	1,949
	Jacksonville	2,717	201
	Orlando	2,034	479
Georgia	Atlanta	13,382	1,092
	Augusta	1,957	356
	Waynesboro	186	0
	McRae	30	0
Illinois	Chicago	39,653	7,727
	Pekin	150	50
	Carthage	0	0
Indiana	Gary	1,985	183
Iowa	Bedford	0	0
Kansas	Leavenworth	0	0
Kentucky	Murray	142	80
	Whitesburg	40	8
Louisiana	New Orleans	13,778	696
	Plaquemine	0	0
	Abbeville	156	50
Maine	Augusta	0	0
Maryland	Baltimore	12,371	1,466
Massachusetts	Boston	13,377	1,044
	Lowell	1,422	348
	Brockton	964	518
	Lawrence	936	409
Michigan	Detroit	9,040	738
	Ann Arbor	213	14
	Monroe	263	148
	Bessemer	60	30
Minnesota	Minneapolis	7,005	5,247
	Hastings	0	0
Mississippi	Cleveland	0	0
	Ripley	9	0
Missouri	St. Louis	9,365	1,174
	Caruthersville	184	60
New Jersey	Newark	12,869	2,770
	Jersey City	3,974	286
	Camden	2,137	202
	Hackensack	344	150
	Morristown	300	100
New Mexico	Albuquerque	737	0
New York	New York	79,192	8,418
	Buffalo	4,739	388
	Rochester	1,230	286
	Albany	1,303	213
	Troy	930	0
	Riverhead	0	0
	Mineola	0	0
North Carolina	Waynesville	0	0
Ohio	Cleveland	11,353	3,586
	Columbus	5,880	1,633
	Dayton	3,318	802
	Cambridge	0	0
Oklahoma	Tulsa	2,135	472
Oregon	Portland	3,808	1,261
	Eugene	771	207
Pennsylvania	Philadelphia	13,618	1,122
	Pittsburgh	10,117	1,109
	Harrisburg	1,697	125
	York	412	28
	Allentown	672	150
Puerto Rico	Ponce	3,848	12
	Caguas	2,245	0
	Providence	2,972	440
Rhode Island	Beaufort	0	0
South Carolina	Pine Ridge	114	23
South Dakota	Memphis	6,113	0
Tennessee	Chattanooga	2,983	510
Texas	Houston	2,868	0
	Dallas	7,215	433
	San Antonio	5,277	987
	Sinton	84	24
	Plainview	0	0
Virginia	Richmond	3,925	215
	Clintwood	0	0
Washington	Seattle	6,588	2,656
	Everett	551	151
West Virginia	Hamlin	0	0
Wisconsin	Milwaukee	4,311	2,113

The benefit derived from public housing is calculated here as the difference between the rent the tenant pays and the market rent of the unit. But since welfare cash and food benefits depend on rent paid in some cases, the net benefit from public housing must take such changes into account. The average net benefits for different family types are shown in table 2. Of course, the public housing tenant may not view the benefit the same way, perhaps preferring cash benefits instead. Thus, the housing benefits shown here may be overstated, especially where the housing projects are in undesirable locations or have a stigma associated with them.

TABLE 2.—Average annual net public housing benefits by family type and amount of earnings, based on county data weighted by each county's representation of the poverty population

Family type and amount of earnings	Average annual net benefit from public housing <sup>1</sup>
Single individual:	
\$0.....	\$155
\$1,600.....	161
\$3,200.....	167
\$4,000.....	141
Couple:	
\$0.....	518
\$1,600.....	368
\$3,200.....	339
\$4,000.....	282
Mother and child:	
\$0.....	533
\$1,600.....	392
\$3,200.....	346
\$4,000.....	297
Mother and 2 children:	
\$0.....	649
\$1,600.....	514
\$3,200.....	383
\$4,000.....	373
Mother and 3 children:	
\$0.....	656
\$1,600.....	521
\$3,200.....	362
\$4,000.....	377
Father, mother, and child:	
\$0.....	773
\$1,600.....	601
\$3,200.....	551
\$4,000.....	478
Father, mother, and 2 children:	
\$0.....	762
\$1,600.....	615
\$3,200.....	531
\$4,000.....	481
Father, mother, and 3 children:	
\$0.....	731
\$1,600.....	625
\$3,200.....	525
\$4,000.....	485

<sup>1</sup> The net benefit from public housing is the rent subsidy, plus or minus changes in AFDC, GA, food benefits or State tax credits that occur as a result of moving from private to public housing. The rent subsidy is the rental value of a unit on the private market less the rent the public housing tenant actually pays.

## SECTION 235 HOMEOWNERSHIP ASSISTANCE FOR LOW-INCOME FAMILIES<sup>1</sup>

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVES.**—To assist lower-income families in purchasing homes.

**TYPE OF ASSISTANCE.**—Insured mortgages and monthly interest subsidy payments to the mortgage lender in behalf of lower-income families.

**DATE ENACTED.**—1968.

**FINANCING.**—Funds are appropriated from general revenues for interest subsidy payments. Mortgage insurance costs are financed through a revolving special risk insurance fund in which insurance premiums, fees and service charges are deposited, with authorization for an appropriation to cover losses of the fund.

**NUMBER OF HOME MORTGAGES INSURED AND ASSISTANCE COSTS.**—By June 30, 1974, a total of 464,997 home mortgage contracts with a total value of \$8,300,836,756 were in force under the 235 program.

#### *Costs and caseloads*

<i>Fiscal year</i>	<i>Interest subsidy</i>	<i>Number of units</i>
1973-----	\$278, 416, 000	411, 670
1974-----	243, 624, 000	422, 908
Estimated 1975-----	258, 000, 000	439, 000

#### ELIGIBILITY CRITERIA

**TYPE OF HOUSING.**—New, substantially rehabilitated or existing single-family or two-family homes or units in a multifamily structure approved for condominium or cooperative purchase. Under present legislation, 30 percent of funds may be used for existing structures [and by statute at least 10 percent of contract authority must be used for rehabilitation].

**LOCATION OF HOUSING.**—In the past, new construction has been largely outside of central cities and existing and rehabilitated housing purchased under this program has been generally located in inner city areas.

**MORTGAGE LIMITS.**—The mortgage limit per unit is \$21,600 or \$25,200 in a high-cost area. For a large family requiring four bedrooms, the limit for a single family home is \$25,200 or \$28,800 in a high-cost area.

**FAMILY ELIGIBILITY.**—Family composition—eligible purchasers must be a family of two or more related persons, a handicapped individual or a single person age 62 or over.

<sup>1</sup> The secs. 235 and 236 subsidized mortgage programs were suspended Jan. 5, 1973. Since that time no new commitments have been made. The Housing and Community Development Act of 1974, however, extends the authorization of both of these programs, and increases the amount of contract authority available to the 236 program.

**INCOME LIMITS.**—The family or individual's adjusted income may not exceed 80 percent of the median income for the area, as determined by the Secretary with adjustments for small and large families. The Secretary may, however, establish income ceilings higher or lower than the 80-percent level on the basis of prevailing levels of construction costs, unusually high or low median family incomes, or other unspecified factors.

Adjusted income is 95 percent (90 percent in the case of elderly families) of annual gross income from all sources of all family members over 21 years of age residing in the property, less \$300 for each family member under 21 years of age living in the dwelling, excluding the income of full-time students, the first \$300 of the income of a secondary wage-earner who is the spouse of the head of the household, non-recurring income and extraordinary medical expenses.

**ASSETS TEST.**—Assets may not exceed \$2,000 (\$25,000 if age 62 to 64, \$35,000 if 65 over, \$50,000 if handicapped and over 62 years of age) plus \$300 per dependent plus mortgagor's share of mortgage payment for coming year. The value of household furnishings, personal effects and automobiles are excluded. Assets considered include other real property, savings, and liquid personal property.

**ACCOUNTING PERIOD AND PROCEDURES.**—Annual accounting is required. Information and documentation regarding the income and employment of the purchaser are obtained by the mortgage lender and submitted to the local HUD-FHA office and central office. The purchaser is required to recertify his income and family status at least once a year or as may be required by the mortgage lender. The purchaser's payment and interest subsidy are adjusted at the time of recertification. HUD reserves the right to audit the accounts of mortgage lenders to determine compliance with regulations and standards.

### BENEFITS

The minimum downpayment is 3 percent of the Secretary's estimate of acquisition costs. Families may obtain credit for labor contributed in lieu of cash if arrangements are made with the builder according to FHA procedures.

The purchaser pays 20 percent of his adjusted income toward mortgage payments and a monthly mortgage assistance payment is made to the lender on behalf of the purchaser. The assistance payment is the lesser of the following amounts: (1) the difference between (a) the total monthly mortgage payment (for principal, interest, mortgage insurance premium, taxes, and hazard insurance) and (b) 20 percent of the mortgagor's adjusted annual income; or (2) the difference between (a) the monthly payment for principal, interest, and mortgage insurance at market rate and (b) the monthly payment for principal and interest that would be required at an interest rate of 1 percent excluding mortgage insurance premium. The mortgage term may extend for 30 years, or 35 to 40 years where the purchaser is unacceptable under a 30-year term. The assistance payment and amount of the purchaser's obligation is adjusted annually as income or family composition changes. The assistance payment is suspended when the purchaser's obligation (20 percent of adjusted annual income) is equivalent to the required total mortgage payment.

The estimated average annual subsidy payment in 1974 was \$595. The average insured mortgage was estimated to be \$18,500 in 1974.

**OTHER BENEFITS AND SERVICES.**—Section 518(b) of the National Housing Act, added by section 104 of the Housing and Urban Development Act of 1970, authorizes the Secretary to make expenditures to correct or to compensate an owner of a dwelling, which when insured under section 235 was more than 1 year old, and which has the use or livability of such dwelling seriously affected by structural and other defects. Use of this provision is limited as it requires evidence that the defect was present at the time of purchase and that the seller failed to meet his responsibility for repair prior to purchase.

Counseling and technical assistance for lower-income tenants and homeowners is also available. The intent is to provide knowledge of property maintenance, financial management, and such other matters as may be appropriate to assist in improving housing conditions, and in meeting the responsibilities of tenancy or homeownership. HUD provides this assistance directly or through contracts, or grants to private or public organizations which provide such counseling.

## SECTION 101 RENT SUPPLEMENT PROGRAM (HOUSING AND URBAN DEVELOPMENT ACT OF 1965)

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To make good quality rental housing available to lower-income families at a cost they can afford.

**TYPE OF ASSISTANCE.**—Rent supplement payments are made to owners of approved private housing projects on behalf of eligible low-income families.

**DATE ENACTED.**—1965.

**FINANCING.**—Funds are provided from a close-end appropriation from general revenues.

#### *Costs and caseloads*

<i>Fiscal year</i>	<i>Rent supplements</i>	<i>Number of units</i>
1973.....	\$108, 143, 000	118, 184
1974.....	139, 827, 000	147, 000
Estimated 1975.....	189, 000, 000	181, 000

### ELIGIBILITY CRITERIA

**TYPE OF HOUSING.**—Projects eligible for rent supplements must be (1) five or more units of detached, semidetached, row, walkup, or elevator structures which are: (2) new units or existing units which will undergo extensive rehabilitation; (3) modest in design, suitable for the market and location; (4) built in conformity with FHA minimum property standards; and (5) regulated by FHA established maximum rents, rates of return, and methods of operation.

**LOCATION OF HOUSING.**—Section 101 projects may be located wherever the HUD Secretary determines that certain factors relating to need for assisted housing are satisfied. See the section on lower income housing assistance for an explanation of these factors.

**ELIGIBLE SPONSORS.**—Housing owners of above projects eligible for rent supplement projects are: (1) nonprofit organizations; (2) cooperative corporations; (3) builder-seller or investor-sponsor arrangements; and (4) limited distribution corporations. Public bodies do not qualify. Housing must be financed under certain HUD programs or under State or local programs that provide loans, loan insurance, or tax abatements. Most construction is under the section 221(d)(3) market interest rate program.

**FAMILY ELIGIBILITY.**—To be eligible for rent supplements, tenants must be aged 62 or over or handicapped; displaced by governmental action or natural disaster; occupants of substandard housing; or military personnel serving on active duty, or their spouses.

**INCOME LIMITS.**—Generally, the same as for admission to public housing in the locality. Income for purposes of determining eligibility and

amount of rent is gross family income excluding earnings of minors and temporary and unusual income reduced by \$300 for each minor child in the family.

**ASSET LIMITATIONS.**—\$2,000 for nonelderly families; \$5,000 for elderly families. Assets include real property, savings, and other liquid personal property except personal effects and household furnishings.

**ACCOUNTING PERIOD AND PROCEDURES.**—Tenants apply directly to the owner of the housing project and supply information regarding their current income and other eligibility conditions which is submitted to the HUD area or FHA insuring office for review and approval. Annual recertification is required, except for the elderly, who are recertified every 2 years. In addition, tenants are required to report any substantial changes in income (any increase resulting in a monthly income four or more times the full monthly rental for the unit) to the housing owner as it occurs. The housing owner must report change to administering agency. Amounts of rent charged to the tenant and rent supplement are changed as changes in income are reported or as indicated at the time of the annual recertification.

### BENEFITS

Rent supplement payments are equal to the difference between the fair market rental established for the unit occupied and 25 percent of adjusted family income except that the supplement cannot exceed 70 percent or be less than 10 percent of the market rent. When family income increases to the point that it is no longer eligible for a supplement, it may continue living in the same unit and pay the market rent. Since the minimum supplement is 10 percent of the market rent, it is possible for a small increase in income above the amount which permits the minimum supplement to result in a loss of benefits equal to 100 percent or more of the increased income.

## SECTION 236 INTEREST REDUCTION PAYMENTS—RENTAL AND COOPERATIVE HOUSING FOR LOWER INCOME FAMILIES <sup>1</sup>

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To provide good quality rental and cooperative housing at reduced rents for lower-income families.

**TYPE OF ASSISTANCE.**—Interest reduction payments to a mortgagee on behalf of the mortgagor which reduce the debt service requirements of a market rate mortgage. Mortgages may be insured by the FHA or projects may be financed through a State or local program of loans, loan insurance, or tax abatement. Benefits are passed on to tenants in the form of lowered rents. Up to 20 percent of tenants may also receive rent supplement assistance, although this percentage may be increased or decreased by the Secretary of HUD to assure the economic viability of the project, to assure, insofar as is practicable, a reasonable range in income levels of tenants, or to meet the housing needs of elderly or handicapped families.

**DATE ENACTED.**—1968.

**FINANCING.**—Loan insurance is provided through the special risk insurance fund. The amount of outstanding contracts is limited by appropriation legislation. Interest reduction payments are financed through an appropriation from general revenues. Rents collected in excess of basic rental costs are deposited in a fund used for additional rent supplement assistance payments.

### *Costs and caseloads*

<i>Fiscal year</i>	<i>Interest subsidy</i>	<i>Number of units</i>
1973.....	\$171, 902, 000	191, 261
1974.....	273, 544, 000	294, 000
Estimated 1975.....	403, 000, 000	436, 000

### ELIGIBILITY CRITERIA

**TYPE OF HOUSING.**—Projects consist of (1) five or more units of detached housing (not necessarily contiguous), semidetached housing, row housing, walkup housing, or elevator structures which are (2) new structures or existing structures undergoing extensive rehabilitation and (3) primarily residential (but may include nondwelling commercial units).

**LOCATION OF HOUSING.**—Section 236 projects may be located wherever the HUD Secretary determines that certain factors relating to need for assisted housing are satisfied. See the section on lower income

<sup>1</sup> The secs. 235 and 236 subsidized mortgage programs were suspended Jan. 5, 1973. Since that time no new commitments have been made. The Housing and Community Development Act of 1974, however, extends the authorization for both of these programs, and increases the amount of contract authority available to the 236 program.

housing assistance for an explanation of these factors. In addition, the Secretary is expected to approve commitment of available funds for new 236 projects when the community has identified its special housing needs and shown that these needs cannot be met through the leased housing program.

**ELIGIBILITY OF SPONSORS.**—Eligible mortgagor or sponsor must be (1) a private, nonprofit organization; (2) limited distribution corporation; (3) cooperative housing corporation; or (4) a builder who has made a prior agreement to sell to a nonprofit or cooperative organization. Public bodies do not qualify as mortgagors under this program.

#### **FAMILY ELIGIBILITY**

*Family composition.*—Eligible rental and cooperative tenants who pay less than the fair market rental must meet one of the following conditions: (1) Be a family (two or more persons related by blood, marriage, or operation of law); (2) be single and at least 62 years of age; (3) be single and under 62 years of age (but no more than 10 percent of the eligible units may be occupied by this class of people); or (4) be handicapped (no age requirement). At least 20 percent of the total amount of contracts for assistance payments after June 30, 1974, must be in whole or in part for use by the elderly or handicapped.

**INCOME LIMITS.**—Tenant incomes cannot exceed 80 percent of the median family income for the area. The HUD Secretary determines eligible income levels with adjustments for smaller or larger families, and may make further adjustments above or below the 80-percent level on the basis of prevailing levels of construction costs, unusually high or low median family incomes, or other factors.

**DEFINITION OF INCOME.**—Adjusted income is 95 percent of gross family income (90 percent in the case of elderly families), excluding the income of minors and full-time students, the first \$300 of income of a secondary wage earner who is the spouse of the head of the household, nonrecurring income, extraordinary medical expenses, and \$300 for each minor child in the family.

**ASSETS TEST.**—Tenants who receive rent supplement assistance must meet the assets test for that program (\$5,000 limit for elderly families and \$2,000 for nonelderly families). There is no asset limit for market rate tenants.

**ACCOUNTING PERIOD AND PROCEDURES.**—Income is reported to the owner of the project and is verified by a written certification from the employer. For self-employed persons, the latest Federal income tax return or other acceptable verification is subject to review by FHA. Recertification is required at 2-year intervals for tenants not in the rent supplement program. Tenants receiving rent supplements are recertified annually. Rents are adjusted according to income changes at the time of recertification.

#### **BENEFITS**

**RENTAL CHARGES.**—A basic monthly rental charge is established for each unit which is determined by the costs of operating the project with the debt service requirements of a mortgage bearing a 1-percent interest rate. A fair market monthly rental charge is established for

each unit based on costs of operation plus meeting the full debt service requirements of a market rate mortgage.

The tenant family pays the amount of the basic rental charge or an amount equal to 25 percent of adjusted family income, whichever is greater.

Families eligible for rent supplement assistance pay 25 percent of adjusted income and a rent supplement assistance payment is made by HUD to the project owner which is equal to the difference between the tenant's payment and the basic rent charge.

Amounts paid by tenants, and rent supplement to tenants receiving this assistance, are adjusted appropriately when income is recertified. Families may continue to live in the project when their income allows payment of the fair market rental.

Rents paid by tenants in excess of the basic rental charge are returned to HUD by the project owner.

Additional assistance payments may also be authorized by the Secretary of HUD to reflect increased property taxes and utility outlays, from a predetermined initial operating expense level.

## SECTION 8 LOWER INCOME HOUSING ASSISTANCE <sup>1</sup>

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To aid lower income families in obtaining a decent place to live and to promote economically mixed housing.

**TYPE OF ASSISTANCE.**—Housing assistance payments made with respect to existing, newly constructed and substantially rehabilitated housing on behalf of eligible families. Assistance payment contracts are made with owners (who may be private owners, cooperatives, or certain public housing agencies).

**DATE ENACTED.**—1974, as an amendment to the U.S. Housing Act of 1937.

**FINANCING.**—This program is funded through annual budget appropriations.

**ADMINISTERING AGENCY AND MANAGEMENT.**—Department of Housing and Urban Development and local public housing agencies. With regard to existing housing, the HUD Secretary is authorized to enter into annual contributions contracts with public housing agencies which, in turn, may enter into contracts for assistance payments to owners. Under certain circumstances (that is, in cases where no public housing agency exists) the HUD Secretary is authorized to enter into contracts and perform other functions assigned to public housing agencies. With regard to new or substantially rehabilitated housing, the HUD Secretary can contract directly with owners or prospective owners (which may be public housing agencies) who agree to build or rehabilitate.

Contracts to make assistance payments entered into by a public housing agency with an owner of existing housing units provide that the selection of tenants is the function of the owner; the agency has the sole right to give notice to vacate, with the owner having the right to make representation to the agency for termination of tenancy; maintenance and replacement (including redecoration) is in accordance with the standard practice for the building concerned; and the agency and owner carry out other terms and conditions as may be mutually agreed to by them.

The contract between HUD and the owner of new or rehabilitated units provides that all ownership, management, and maintenance responsibilities, including tenant selection and termination of tenancy, are assumed by the owner.

**COSTS AND CASELOADS.**—The act authorized expenditures of \$1,225 million on section 8 and other public housing contract programs beginning January 1, 1975 and with no specified cutoff date. Estimates have been made that a maximum of 400,000 housing units could be made available to eligible families under the program. The exact number of units supplied will depend on the extent of participation in the program by private developers and owners of rental housing.

<sup>1</sup> The homeownership for low-income families program, described in the 1st edition of this handbook, has been inactive since 1973. The sec. 8 program is intended to replace it.

## PROJECT ELIGIBILITY CRITERIA

**TYPE OF HOUSING.**—Rental units eligible for assistance under the program may be new, existing or substantially rehabilitated. New or rehabilitated units are eligible for mortgage insurance under FHA programs; and assistance with respect to such units may not be withheld or made subject to preferences because of the availability for such units of mortgage insurance on a coinsurance basis or by reason of the tax exempt status of the bonds or other obligations used to finance construction or rehabilitation. Assistance is available with respect to (1) units in cooperatives (occupancy charges are deemed to be rent for purposes of making assistance payments) and (2) in accordance with regulations of the Secretary, some or all of the units in a section 202 project for the elderly or handicapped.

**LOCATION OF HOUSING.**—The 1974 Housing and Community Development Act contains a section (213) which affects the location of assisted housing provided under the public housing program, the homeowner and rental interest subsidy programs, rent supplements and the elderly housing assistance program. This is done via the HUD Secretary's application approval power. The Secretary, upon receiving an application for housing assistance under these programs, is directed to take certain actions.

If the unit of general local government, where the proposed assistance is to be provided, has an approved housing assistance plan, required by the community development block grant provisions of the 1974 Act, or certain similar plans, the Secretary is directed to: (1) not later than 10 days after receipt of the application, notify the local chief executive officer that the application is under consideration; and (2) afford the unit of government 30 days to object to the application's approval on the grounds that the application is inconsistent with the local housing plan.

In the event that the unit of government objects, the HUD Secretary may not approve the application unless he determines that the application is consistent with the local plan. If the Secretary decides the application is consistent with the plan, he notifies the local government of this in writing. If the Secretary concurs with the objection, he notifies the applicant, stating the reasons in writing.

If no objections are raised, the Secretary may still disapprove the application if it is inconsistent with the relevant local plan, notifying the applicant of the reasons for the disapproval. The act specifies limited time periods in which the HUD Secretary is to make these determinations.

These procedures, however, do not apply to all applications. Exceptions include applications for certain small projects, applications for housing in federally aided new communities and applications with respect to certain housing financed by States and State agencies, under certain circumstances.

The act sets out a number of criteria to be used in the housing assistance approval process. These include the relative housing needs of different areas and communities reflected in population, poverty, housing overcrowding, vacancies, and substandard housing.

For areas where an approved plan is not applicable, the HUD Secretary is directed not to approve applications unless he sees a need for assistance, taking into consideration any applicable State

housing plan. He also should consider whether adequate public facilities and services are or will be available to serve the assisted housing. The HUD Secretary is directed to afford the local governmental unit concerned an opportunity to advise him on these matters.

The 1974 act directs that not less than 20 nor more than 25 percent of the total amount of housing assistance approved under the programs listed above shall be for nonmetropolitan areas. It also provides that an unspecified amount of housing assistance can be reserved for federally assisted new towns and for use by States or State agencies.

#### TENANT ELIGIBILITY CRITERIA

**INCOME TEST.**—Eligible families are those who, at the time of initial renting of units, have total annual family incomes not in excess of 80 percent of area median income, with adjustments for smaller and larger families, but the HUD Secretary may establish higher or lower income ceilings if he finds such variations necessary because of prevailing levels of constructions costs, unusually high or low median family incomes, or other factors. At least 30 percent of the families assisted with annual contract authority allocations must be families with gross incomes not in excess of 50 percent of area median income, subject to adjustment by the HUD Secretary.

#### BENEFITS

**RENTAL CHARGES.**—Assistance contracts establish maximum monthly rent (including utilities, maintenance and management charges) to be paid to eligible owners. Monthly rent generally cannot exceed by more than 10 percent the fair market rental established by the HUD Secretary periodically for existing or new units in market areas. Assistance contracts are adjusted annually or more frequently in the maximum monthly rents for units to reflect changes in fair market rentals.

**MONTHLY ASSISTANCE PAYMENTS.**—Assistance payments, generally, amount to the difference between 15 and 25 percent of family income and the maximum rent, taking into consideration the income of the family, the number of minor children, and the extent of unusual family expenses. In the case of a large very low-income family, a very large lower income family, or a family with exceptional medical or other expenses, the monthly payment is the difference between 15 percent of income and maximum monthly rent. Assistance contracts provide that assistance payments are made only for leased units for lower income families. However, payments may be made for unoccupied units for up to 60 days (1) if a family vacates a dwelling unit before the expiration date of the lease for occupancy, or (2) where a good faith effort is being made to fill an unoccupied unit. Assistance payments may be made with respect to up to 100 percent of the units in any structure upon the application of the owner. The HUD Secretary may give preference to applications for assistance involving not more than 20 percent of the units in certain projects.

Each contract for an existing structure entered into is for a term of from 1 to 180 months.

The HUD Secretary does not normally contract to make assistance payments for a new or rehabilitated dwelling unit for less than 1 month or more than 240 months.

## U.S. Department of Agriculture Programs

### SECTION 502 USDA LOW- TO MODERATE-INCOME HOUSING LOANS (HOUSING ACT OF 1949)

#### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To assist rural families to obtain decent, safe, and sanitary dwellings and related facilities.

**TYPE OF ASSISTANCE.**—Loans are insured or made to low- and moderate-income families to buy, build, improve, or relocate homes or farm service buildings. Loans may also be made to buy building sites and to refinance debts under certain conditions. Interest credits may be granted to low-income families which reduce the effective interest rates paid to as low as 1 percent.

**DATE ENACTED.**—This program was enacted in 1949. It has been periodically amended.

**ADMINISTERING AGENCY.**—The Farmers Home Administration of the U.S. Department of Agriculture through State directors of Farmers Home Administration, county Farmers Home Administration supervisors, and county Farmers Home Administration committees appointed by the Secretary of Agriculture.

**FINANCING.**—The program is funded through the revolving rural housing insurance fund, established in 1965 with an initial appropriation of \$100 million. Legislation in December 1969 provided that the rural housing direct loan account be transferred to the fund.

#### *Costs and caseloads*

<i>Fiscal year</i>	<i>Total value of new insured loans</i>	<i>Number of loans</i>	<i>Interest credit on loans</i>	<i>Number of loans receiving interest credit</i>
1973-----	\$1, 735, 688, 490	116, 705	\$853, 692, 550	51, 853
1974-----	1, 589, 883, 200	94, 371	705, 437, 630	38, 166
Estimated 1975----	(1)	(1)	(1)	(1)

<sup>1</sup> Not available.

In the first 6 months of fiscal year 1975, the Department insured 35,446 new loans worth \$585,766,940. Interest credit amounting to \$174,012,930 on 10,058 loans was granted.

In fiscal year 1971, a total of 1,656 direct loans at a cost of \$5,800,000 were made. No direct loans have been made since 1971, nor are any anticipated at least through 1975.

#### ELIGIBILITY CRITERIA

**TYPE OF HOUSING.**—Loans may be used for the following: Construction, repair, or purchase of housing including a building site;

installation of essential equipment; provision of adequate sewage disposal; or refinancing of housing debts under certain circumstances.

The home must be modest in size, design, and cost. Generally a house with about 1,200 square feet of living area is considered adequate with additional sleeping space provided for large families. The design should be varied but should not include features that are not customarily included in other modest houses in the area. For a family with above moderate income, the home may be somewhat larger and include features such as two bathrooms, a family room, or double garage, not usually associated with modest homes; however, the program for loans to above moderate-income families was last funded in 1970, when 1,667 loans valued at \$21.6 million were insured.

**LOCATION OF HOUSING.**—The housing must be on a farm or non-farm tract in a rural area. A rural area is defined as open country or a village or town with a population of no more than 10,000 which is not part of or associated with an urban area and is rural in character.

**LOAN LIMITS.**—In general, the loan may not exceed the applicant's repayment ability or the value of the security for the loan (usually the home but may include other real and personal property) minus any debts against the property.

**FAMILY ELIGIBILITY.**—The applicant must be the owner of a farm or a person who is or after the loan is closed, will become the owner of a home or a nonfarm tract of minimum adequate size for construction of a home in a rural area. At the time of application the applicant must be without decent, safe, and sanitary housing for his own use.

**INCOME LIMITS.**—To participate in the program families must have low-to-moderate income, as determined by the county committee, and must be without sufficient resources to provide on their own account the necessary housing and related facilities, and be unable to secure credit from other sources upon terms which they reasonably could be expected to fulfill (including a HUD section 235 insured mortgage). Families in the low- to moderate-income group are those whose incomes are not significantly greater than the amount needed, considering the size and composition of the family, to enable them to have a reasonable level of living and meet necessary obligations and expenses. In any case the adjusted family income may not exceed the maximum income limits established for each State except that, when funds are available, loans may be approved for families with above moderate income if they are unable to obtain credit from other sources.

For families applying for interest credit assistance, family income may not exceed \$8,500 (unless exceptions are authorized by the national office).

**DEFINITION OF INCOME.**—The adjusted family income is 95 percent of all income of family members (excluding temporary and nonrecurring income and earnings of members under 21 years of age) reduced by \$300 for each minor child in the family.

**ASSETS.**—There is no limit on assets for direct and insured loans. Families must have adequate security for the loan. For families applying for interest credit assistance, assets (net worth excluding value of household goods and debts against them) may not exceed \$5,000, unless an exception is made by the State director.

**ACCOUNTING PERIOD AND PROCEDURES.**—Information on current annual income and other conditions is submitted to the county Farmers Home Administration supervisor. The loan application must be reviewed and approved by the county committee. Recertification for interest credit assistance is required at 2-year intervals, and the amount of credit assistance is adjusted on the basis of the borrower's circumstances at that time.

### BENEFITS

Loans assist families by providing credit for housing purchase or improvements not otherwise obtainable. Repayments may be scheduled for periods up to 33 years.

Families approved for interest credit assistance receive credit for a portion of interest on the loan which would be payable at regular interest rates. The amount of credit, as determined by the county committee, varies by family income, size of family, and the amount of the loan. Interest credits may not exceed an amount which reduces the borrower's obligation to an interest rate of less than 1 percent on the loan principal. Repayments on the loan are scheduled for 33 years. Interest credit assistance is discontinued when the family's income is sufficient to meet the full monthly payment due. Furthermore, the borrower is required to refinance the loan when his financial condition will enable him to obtain credit from other lenders.

## SECTION 515 RURAL RENTAL HOUSING LOANS

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To provide rural residents with economically designed and constructed rental housing and related facilities suited to their living requirements.

**TYPE OF ASSISTANCE.**—This program provides insured loans to individuals or to public or private profit or nonprofit organizations who will provide rental housing for eligible occupants. Loans are also provided to cooperatives which will provide cooperative housing for eligible occupants. No direct subsidy is made to tenants but adequate housing at reasonable rent is provided which would not otherwise be available.

**DATE ENACTED.**—The program was enacted in 1949. It was expanded rapidly in the late 1960's and early 1970's.

**ADMINISTERING AGENCY.**—The Farmers Home Administration of the U.S. Department of Agriculture, through State directors of Farmers Home Administration housing programs, county Farmers Home Administration supervisors and county Farmers Home Administration committees appointed by the Secretary of Agriculture.

**FINANCING.**—The program is funded through the revolving rural housing insurance fund.

#### *Costs and caseloads*

<i>Fiscal year</i>	<i>Value of new insured loans</i>	<i>Number of new loans</i>	<i>Number of new rental units (estimated)</i>
1973-----	105, 062, 630	730	8, 839
1974-----	173, 314, 030	879	12, 590
Estimated 1975-----	146, 000, 000	650	10, 000

On June 30, 1974, 2,953 loans were still outstanding, amounting to \$209,844,000. The cumulative number of loans which had been made as of that date was 3,115, and their cumulative value was \$417,351,473.

#### ELIGIBILITY CRITERIA

**TYPE OF HOUSING.**—Loans may be used for construction, purchase, improvement, alteration or repair of residential housing which is economical in construction and not of elaborate or extravagant design or materials. Housing may consist of apartments—efficiency, one-, two-, or three-bedroom units—duplex homes, or detached dwellings.

**LOCATION OF HOUSING.**—Housing must be in rural communities which have a population of not more than 10,000 and which have service facilities and social activities readily available. The need for the proposed housing must be demonstrated through a survey show-

ing the effective market for the housing and the number of eligible occupants in the area willing and able to pay the required rental rates.

**ELIGIBLE BORROWERS.**—To be eligible for benefits, applicants must be unable to provide the housing from their own resources and unable to obtain credit from private or cooperative sources upon terms which they could reasonably be expected to fulfill. Applicants also must have sufficient operating capital and other assets needed for a sound loan and income sufficient to meet operating expenses and loan repayment. Applicants must have the ability and intention to maintain and operate the housing for the purpose for which the loan is made.

For insured loans the applicant must be (1) an individual who is a citizen of the United States and who resides in the community where the housing will be located, or (2) an organization whose members own a majority of the voting interest and reside in the community where the housing will be located. Loans are also made to private nonprofit corporations or housing cooperatives, each of whose members is limited to one vote in the affairs of the organization and a majority of whose members reside in the community where the housing will be located.

**MORTGAGE LIMITS.**—There are no dollar mortgage limits, although the repayment period for insured loans may not exceed 40 years, except for senior citizen projects.

**TENANT ELIGIBILITY.**—For the purposes of a loan to a nonprofit applicant, tenants may be senior citizens with low or moderate income, or any other family resident with a low income. For the purposes of a loan to a profit-motivated applicant, tenants may be senior citizens who have no income limit imposed or any other person with a low or moderate income.

A senior citizen is a person age 62 or over, and the wife or husband regardless of age. A senior citizen's household may also include other family members under 62 years of age or a person under 62 if the younger person's occupancy is necessary for the well-being of the senior citizen.

**INCOME LIMITS.**—See section on Section 502 USDA Low-To-Moderate-Income Housing Loans.

**DEFINITION OF INCOME.**—Family income means gross income received by the family, as defined by the Internal Revenue Service for income tax purposes, plus any retirement, social security, pension, or similar payments, and any interest received on State and municipal bonds.

**ASSETS TEST.**—There is none.

**ACCOUNTING PERIOD.**—Income is determined at the time of application for occupancy by the previous year's gross income, plus relevant additions, as reported for income tax purposes. Redetermination of income of tenants is required at least every 2 years.

#### BENEFITS

Benefits to tenants consist of modest adequate housing at reasonable rent, which would not otherwise be available to them at comparable costs.

# FARM LABOR HOUSING LOANS AND GRANTS

## BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To provide decent, safe, and sanitary low-rent housing for domestic farm laborers.

**TYPE OF ASSISTANCE.**—This program provides insured loans to farmers and associations of farmers. Loans and grants may be awarded to nonprofit organizations of farmworkers and public bodies who are unable to obtain credit through a labor housing loan or through other sources. Benefits to tenants consist of adequate housing at low rents.

**DATE ENACTED.**—The program originated with legislation in 1949.

**ADMINISTERING AGENCY.**—The Farmers Home Administration of the U.S. Department of Agriculture, through State directors of Farmers Home Administration housing programs, county Farmers Home Administration supervisors, and county Farmers Home Administration committees appointed by the Secretary of Agriculture.

**FINANCING.**—The program is financed through funds provided from the rural housing insurance fund.

### *Costs and caseloads*

<i>Fiscal year</i>	<i>Value of new loans</i>	<i>Number of new loans</i>	<i>Number of new rental units (estimated) <sup>1</sup></i>
1973-----	\$10, 214, 260	60	1, 736
1974-----	10, 000, 000	76	1, 751
Estimated 1975-----	0	0	0

<sup>1</sup> Includes family housing and dormitory spaces for individuals.

### ELIGIBILITY CRITERIA

**TYPE OF HOUSING.**—Loans may be used for construction or repair of modestly designed housing which may include single-family homes, apartments, dormitory-type units, or multiuse housing and for related facilities such as central cooking and dining facilities, laundry facilities, and recreation areas.

**LOCATION OF HOUSING.**—Housing must be on a farm or in or as part of a rural community in which there is need for housing for farm laborers as demonstrated by a survey showing the following: The number of farmers in the area using farm labor; the number of laborers used; the number of laborers likely to use the housing; and the rental levels and availability of other housing for laborers in the area.

**ELIGIBLE BORROWERS.**—For loans, the applicant must be a farmowner, an association of farmers, or of farmworkers, a State or political subdivision, or a private broad-based nonprofit organization which will own the housing and operate it on a nonprofit basis. If the applicant is an individual farmowner or an association, the housing must be for labor which is to be used in farming operations other than on the

land owned or operated by the applicant. The term "applicant" is defined as an individual or any members of an applicant organization.

The applicants must be unable to provide the necessary housing from their own resources and unable to obtain credit from other sources. The recipients also must have sufficient resources for a sound loan in order to meet operating expenses and to repay the loan.

To be eligible for a grant, the applicant must be a broad-based nonprofit corporation, a nonprofit corporation of farmworkers, or a public organization with an assured life sufficient to carry out the purposes of the housing—ordinarily at least 50 years. The applicant also must be unable to provide the housing from its own resources or to obtain the necessary credit through a labor housing loan or other resources; and it must have sufficient assets needed for sound operation and repayment of debts, including a labor housing loan, if applicable.

**LOAN LIMIT AND TERMS.**—The amount of a loan is related to the value of a farm improved with the loan; or for an organization, related to the value of the completed housing and related facilities, less other debts against the property. The interest rate is 1 percent and repayments are scheduled for a period not to exceed 33 years.

**GRANT LIMITS.**—The amount of a grant is the lesser of (1) 90 percent of the cost of the project, or (2) the amount needed in excess of the amount the applicant can provide through its own resources, plus the amount of a loan the applicant can be expected to repay, with interest, from rentals within the reach of low-income families. The applicant must contribute at least 10 percent of the cash development costs from its own resources which may include a labor housing loan.

**TENANT ELIGIBILITY.**—Tenants must be domestic farm laborers and their families who are citizens of the United States or persons legally admitted for permanent residence.

**INCOME LIMITS.**—There are no specified income limits in legislation.

**ASSETS TEST.**—There is none.

**ACCOUNTING PERIOD.**—The accounting period is not applicable to this program.

### BENEFITS

Tenants obtain adequate housing at reasonable rentals which might not otherwise be available to them. Tenants pay the established rentals which are approved by FHA. For housing which is assisted by loans, a schedule of proposed rental rates is submitted with the application, along with information regarding rental levels for comparable housing and charges made to laborers in the area. The housing must be operated on a nonprofit basis.

For housing which is assisted by a grant, rental rates are established with consideration for earnings of farm labor in the area, prospective earnings of occupants, and the necessary cost of operating and maintaining the housing. The general guide for rental rates is that rents should not exceed 25 percent of the occupant families' estimated annual income. Scheduled rental charges may be adjusted subsequently if justified by a substantial change in the occupants' income, living costs, and other pertinent factors. A change in rent schedules requires FHA approval.

# U.S. Department of the Interior Programs

## INDIAN HOUSING IMPROVEMENT PROGRAM

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To provide housing improvement assistance for Indians (repairs, renovation, and enlargement) and to construct new housing in isolated areas where other programs are not applicable.

**DATE ENACTED.**—The Indian housing improvement program began operating in 1965, under the authority of legislation enacted in November 1921.

**ADMINISTERING AGENCY.**—The Bureau of Indian Affairs of the U.S. Department of the Interior, through area offices.

**FINANCING.**—The program is financed by annual fixed appropriations from general revenues of the Treasury.

### *Costs and caseloads*

<i>Fiscal year</i>	<i>Total cost</i>	<i>Number of units</i>	
		<i>New</i>	<i>Rehabilitated</i>
1973-----	\$10,475,000	514	4,460
1974-----	12,906,000	500	4,400
Estimated 1975-----	12,908,000	500	4,400

### ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—To be eligible for the program, families must be Indians living on reservations or on trust lands operating under some degree of Federal responsibility, who are in need of housing assistance and who are unable to obtain such assistance under any other Federal program. Among eligible families, preference is given to those with the greatest need and in the most crowded conditions.

#### INCOME TEST

**Income limits.**—To be eligible for grants to repair or renovate existing substandard housing, or provide new<sup>1</sup> housing, families must meet income limits for continued occupancy in public housing and must be determined by the BIA agency superintendent to be living in substandard housing and to have insufficient resources to accomplish the housing improvements without assistance. To be eligible for grants to reduce the amount of housing loans needed, families must be determined by the BIA agency superintendent to be otherwise unable to obtain them because of low income and limited financial resources. To

<sup>1</sup> New housing is that which constitutes more adequate shelter but does not meet the full standards for families living in unrepaired houses until they can obtain adequate housing.

be eligible for original occupancy of newly constructed permanent housing, families must meet the income limits for public assistance in the area in which they live.

[For definition of income, treatment of earned income, treatment of unearned income, and accounting period, see sections on "Public Housing" and "Public Assistance."]

**ASSETS TEST.**—A family must have insufficient resources to accomplish housing improvements or to obtain new housing. The maximum amount of resources allowed is determined by the local BIA agency superintendent.

#### OTHER CONDITIONS

*Work requirements.*—There are none.

*Acceptance of training or rehabilitation.*—There is no requirement. However, materials and technical assistance may be provided for persons who are able to provide their own labor or labor may be provided in conjunction with a tribal work experience program.

*Citizenship.*—The requirements of Indian descent and residence on a reservation imply a citizenship requirement.

*Lien, recovery, or assignment.*—There is no requirement except with newly constructed permanent housing, the ownership of which must be turned over to the tribe or a tribal organization.

*Residence requirement.*—To be eligible, Indians must reside on reservations.

#### BENEFITS AND SERVICES

**CASH BENEFITS.**—There are none.

#### IN-KIND BENEFITS

*Nature of benefit.*—The benefits of the program are in the form of grants to repair or renovate existing housing, to provide new housing, or to reduce the amounts of housing loans.

*Cash value of benefit.*—Grants to temporarily repair substandard housing may not exceed \$2,000 per dwelling unit; grants to repair or renovate existing housing, or to reduce the amounts of housing loans may not exceed \$10,000 per dwelling; grants to provide a downpayment to obtain a loan may not exceed \$5,000; and grants to provide new permanent housing may not exceed \$25,000 per dwelling.<sup>2</sup>

*Relationship of benefit amount to family size.*—Among eligible families, preference is given to those with the greatest need and in the most crowded conditions.

*Relationship of benefit amount to place of residence.*—The program is available only to Indians residing on reservations or on trust lands operating under some degree of Federal responsibility.

<sup>2</sup> Based on proposed regulations scheduled for implementation prior to Jan. 1, 1975.

# HOUSING: NON-INCOME-TESTED

## HOUSING ASSISTANCE FOR VETERANS<sup>1</sup>

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To assist veterans in purchasing, constructing, altering, improving, or repairing residential dwellings, with special grants given to certain disabled veterans.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—The first housing program for veterans was enacted in 1944. The present law was enacted in 1958 and codified in title 38, United States Code. An amendment in 1966 extended eligibility for loan benefits to veterans of service after January 31, 1955. An amendment in 1967 increased the maximum direct loan amount from a maximum of \$17,500 to a maximum of \$25,000. An amendment in 1968 increased the home loan entitlement to \$12,500; changed the function of Veterans Administration appraisals to a control on the loan amount, rather than on the purchase price; and removed the statutory ceiling on the interest rate for the loan. A 1970 amendment revived unused, expired loan guaranty entitlements of World War II and Korean veterans, made all loan guarantee entitlement available until used, and authorized the mobile home loan program. Amendments in 1974 codified and expanded the conditions under which veteran loan entitlement could be restored after it has been used up by the veteran. Previous to this, loan entitlements could be restored only under comparatively limited circumstances, including situations difficult to administer where there were "compelling reasons devoid of a fault." Among other things, new amendments also permit nonsupervised lenders (e.g., consumer credit companies) to process loans on an "automatically guaranteed" basis; permit veterans to pay mortgage discounts or points under certain circumstances; liberalize VA's authority to guarantee loans for residential condominiums; increase the maximum home loan guarantee entitlement to \$17,500 and revise VA mobile home maximum loans and mortgage maturities.

**ADMINISTERING AGENCY.**—The program is administered by the Veterans Administration, Department of Veterans' Benefits, through regional offices.

**FINANCING.**—Funds for grants to eligible disabled veterans for specially adapted housing are provided by appropriations from general revenues of the U.S. Treasury. The costs of the guaranteed and insured loan program are met from a loan guarantee revolving fund, plus appropriations from general revenues. The costs of the direct loan program are met from a direct loan revolving fund.

<sup>1</sup> Programs included under Housing Assistance for Veterans are as follows: (1) Specially adapted housing for disabled veterans; (2) guaranteed and insured loans; (3) direct loans; (4) direct loans for disabled veterans; and (5) mobile home loans.

## COSTS

*Housing grants for disabled veterans.*—In fiscal year 1973, 676 grants were made at a total cost of \$12,891,000; in 1974, 672 grants were made at a cost of \$11,254,000; and the estimate for 1975 is for 650 grants at a cost of \$11,375,000.

*Guaranteed and insured loans.*—In fiscal year 1973, the expenditures from the loan guarantee revolving fund totaled \$372,580,000; in fiscal year 1974 the total was \$449,102,000; and the estimate for 1975 is \$444,700,000. The budget appropriation for payment of participation sales insufficiencies in 1973 was \$5,000,000; in 1974 was \$4,400,000; and the estimate for 1975 is \$1,828,000. The number of guaranteed or insured loans in 1973 was 365,132; in 1974 was 311,260; and the estimate for 1975 is 350,000 which brings the total amount of guaranteed loans outstanding to \$51.6 billion.

*Direct loans.*—In fiscal year 1973, 2,851 loans were approved for an amount of \$46,440,000; in 1974, 2,437 loans for \$41,658,000; and the estimate for 1975 is 2,650 for \$51,150,000. There are no current budget appropriations and none anticipated for this program at the present time. The total outstanding amount of direct loans in 1973 was \$772,316,000; in 1974 was \$696,092,000; and the estimate for 1975 is \$589,325,000.

## ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—For guaranteed and insured loans, for direct loans, and for mobile home loans: (1) a claimant must be a veteran of World War II or the Korean conflict who served on active duty 90 days or more and was released under conditions other than dishonorable; or, a veteran who served on active duty 181 days or more, part of which occurred after January 31, 1955, and who was released or discharged under other than dishonorable conditions; or, any veteran meeting the above criteria, except for length of service, but who was discharged for a service-connected disability; or a service person on active duty who has served at least 181 days; or, an unmarried surviving spouse of an otherwise eligible veteran who died in service or whose death was attributable to a service-connected disability; or, the spouse of a service person who is listed by the Department of Defense as missing in action or a prisoner of war; and (2) a claimant must have sufficient present and prospective income to meet loan repayment terms, be a satisfactory credit risk, and have available GI loan entitlement. The property to be acquired must also meet certain standards relating to structural soundness, safety, and sanitation. The maximum guarantee entitlement is \$17,500 for home loan purposes. In this connection such entitlement does not apply to mobile home loans. If the mobile home is disposed of and the loan is paid off in full, the veteran has entitlement for a loan to purchase a conventionally built home. Entitlement means the guarantee or insurance benefits which are available to an eligible veteran. Each veteran has an entitlement of \$17,500 for loans on conventionally built homes, and it is available until it is used, or if part of it is used; with a loan guarantee of less than \$17,500, the remaining amount is available for later use. Once used, entitlement may be restored under certain conditions.

Amendments in 1974 modify mobile home maximum loans and loan maturities. Maximum loans for single-wide mobile homes, for example, are raised to \$12,500. Loans for double-wides cannot exceed \$20,000 with a term of 20 years. Single-wide maximum permissible loan amounts, with developed lot, cannot exceed \$20,000 with a 15-year term; double-wide mobile home loans, with developed lot, cannot exceed \$27,500 with a 20-year term. The maturity maximum for only an undeveloped or developed lot is \$7,500 for 12 years. New amendments eliminate the terminal date of the mobile home program.

Additionally, to be eligible for a direct loan, the property must be located in a rural area or a small city where it is determined that private capital is not available on regular loan terms.

For specially adapted housing and for direct loans for totally disabled veterans eligible for a grant for specially adapted housing: (1) A claimant must be a veteran with permanent, compensable, and total disability based on service after April 20, 1898, because of (a) loss or loss of use of both lower extremities such as to preclude locomotion without braces, canes, crutches, or wheelchairs, or (b) blindness in both eyes, having only light perception, plus loss or loss of use of one lower extremity or (c) because of the loss or loss of use of one lower extremity together with residuals of organic disease or injury affecting balance or propulsion so as to preclude locomotion without resort to a wheelchair; and (2) the Veterans Administration must find that it is feasible for him to reside in the proposed or existing housing unit and in the locality and that the cost of the housing unit bears a proper relation to the veteran's present and anticipated income and expenses and is suitable to his physical needs.

In addition, to be eligible for a direct loan, the disabled veteran must have sufficient present and prospective income to repay the loan. The recipient of the grant for specially adapted housing must be able to meet the remaining cost of maintaining the housing.

**PERSONS INCLUDED.**—Eligible veterans, unmarried surviving spouses, and spouses of those missing in action and prisoners of war are included in the program.

**INCOME TEST.**—A veteran, widow, widower, or spouse must have sufficient present and anticipated income to meet loan repayment terms and other living costs. Sufficient present and anticipated income is defined by standards normally applied in the area in which the dwelling is to be situated.

#### **OTHER CONDITIONS**

*Citizenship.*—There is no requirement.

*Residence requirement.*—Any real property purchased, constructed, altered, improved, or repaired with the proceeds of direct, guaranteed, or insured loans must be situated within the United States including the District of Columbia, Puerto Rico and Guam. In addition, no veteran, widow or widower is eligible for a direct loan unless he or she resides in a rural area or small city where it is determined that private capital is not generally available. Lastly, every veteran obtaining a home loan must certify that he or she personally intends to occupy the property as his home.

## BENEFITS AND SERVICES

## IN-KIND BENEFITS

*Nature of benefits.*—The nature of the benefits are direct, guaranteed, and insured loans for purchase of dwellings, including mobile homes and condominium units, and for construction, repair, alteration, or improvement of dwellings or for refinancing of existing home loans.

Loans other than direct loans are obtained by a veteran through regular private lending channels. The Veterans Administration does not require that a downpayment be made unless the purchase price exceeds the Veterans Administration appraised value, in which case the veteran must pay the difference in cash without additional borrowing. The repayment period may be as long as 30 years for a home or a lesser period for mobile homes. The lender is guaranteed against loss up to 60 percent of a home loan or a maximum of \$17,500. On mobile homes the guarantee is 30 percent of the loan. Interest rates are set by Veterans Administration regulations under statutory authority. The closing costs must be paid in cash.

Direct loans are made from Veterans Administration funds to eligible veterans who are living in areas in which private capital is not available, in amounts of no more than the appraised value of the home up to a maximum of \$25,000.

Amendments in 1974 increased to \$25,000 the maximum grant for specially adapted housing for disabled veterans. This special grant is limited to 50 percent of the total cost of the home.

*Basis for determination of cash value.*—In each program except the grant program, the cash value to the beneficiary, assuming other avenues of financing were available, is the difference between the total cost of obtaining the loan on the open market and its total cost under this program. The primary factors accounting for the difference will be the rate of interest and absence of any fee or charge for the guaranty. Low or no downpayment and long-term loan provisions may result in savings of current income. The interest rate may be much more favorable than the market rate. Once made, a Veterans Administration home loan may be paid off at any time without penalty.

## OTHER HOUSING PROGRAMS

### HOUSING REPAIR ASSISTANCE FOR LOW-INCOME FAMILIES

HUD administers section 312 (loans) and section 115 (grants) which assist low-income homeowners in federally aided urban renewal and code enforcement areas who are unable to obtain needed funds for home repair from normal credit sources. Families with incomes under \$3,000 per year may receive grants up to \$3,500. Families with income greater than \$3,000 may receive assistance if their housing expenses exceed 25 percent of their income. This assistance is in the form of direct 20 year loans up to \$12,000 (or \$17,000 in high cost areas) at 3 percent interest. Loans may be used to refinance mortgages if payments or existing debts plus a repair loan exceed 20 percent of the family's income. Since the passage of the Housing and Community Development Act of 1974 urban homesteading areas and community development areas are eligible for 312 loans. The section 115 program is to end January 1, 1975, when the community development block grant program becomes operational.

Cumulative loans and grants as of March 1974:

Section 312—35,329 loans valued at \$242,959,982.

Section 115—53,227 grants at a cost of \$151,991,117.

USDA, Farmers Home Administration, also has a program of low interest direct loans for housing repair for families with very low incomes who cannot qualify for insured loans under the USDA low- to moderate-income housing loan program (section 504). Loans up to \$2,500, or up to \$3,500 if repairs include an improved water supply or sanitary facilities, are made at 1 percent interest repayable in 10 years. A total of 2,635 families received loans in fiscal year 1974 valued at \$4,430,000, down from 3,078 loans valued at \$4,515,000 in fiscal year 1973.

### NONSUBSIDY CREDIT ASSISTANCE PROGRAMS

Section 237, enacted in 1968, provides mortgage insurance for low- and moderate-income families who do not meet the normal credit requirement because of their credit history or irregular income patterns but who appear to be able to achieve home ownership. There is no direct subsidy under this program although it may be used in conjunction with the section 235 interest subsidy program for persons who qualify under that program. Preference is also given to families required to leave public housing because their income had risen above the occupancy limits.

As of May 1974, a total of 2,947 loans valued at \$44 million were insured under this program.

Section 223(e), enacted in 1968, provides mortgage insurance on housing located in older, declining urban areas which is reasonably viable but not necessarily considered to be economically sound for normal credit purposes. There is no direct subsidy and family income must be sufficient to make the required mortgage payments.

As of May 1974, there were more than 99,075 loans insured under this program with a total value in excess of \$1.3 billion.

Section 221(d)(2) was enacted in 1954 to assist families displaced by urban renewal programs to purchase homes. It was amended in 1961 to include all families with low or moderate incomes seeking homes within the prescribed mortgage limits (\$21,600 for a single family home or \$25,200 in a high-cost area). There is no direct subsidy but purchasers are assisted by a low downpayment requirement and long-term loans. Section 223(e) considerations as to location are often applied.

As of May 1974, there were 483,449 loans insured under this program in the amount of \$6.3 billion.

### OTHER NONSUBSIDY PROGRAMS

The Federal Housing Administration (FHA) was created by the National Housing Act of 1934 with principal purposes of improving home financing, encouraging improved housing standards, furthering homeownership, and stabilizing the mortgage market. This is done through insurance of loans for financing construction, purchase, repair, and improvement of residential properties. At present FHA administers about 40 programs under which loans are insured for various types of housing including multifamily rental apartments, cooperatives, condominiums, and mobile home courts as well as for home purchase. The majority of the programs are not subsidized and are financed through borrower's insurance premiums paid into revolving insurance funds. Construction and home purchase is assisted through generally low downpayment requirements and long-term loans at competitive interest rates.

#### ACTIVE FHA RESIDENTIAL LOAN INSURANCE

[Summary of amounts and number of loans; dollar amounts in millions]

	Insured loans as of June 30, 1974		
	Amount (all written)	In force	
		Amount	Number of loans
Home programs.....	129,547	65,456	5,092,794
Subsidized.....	8,039	6,797	385,929
Not subsidized.....	121,508	58,659	4,706,865
Multifamily programs.....	23,883	17,593	11,120
Subsidized.....	7,374	6,951	3,971
Not subsidized.....	16,509	10,642	7,149
Total.....	153,498	83,080	5,103,944
Subsidized.....	15,413	13,748	389,900
Not subsidized.....	138,085	69,332	4,714,044

In all, about 15,000,000 residential units, including units in public housing and other multifamily projects, have been constructed, improved, or purchased under HUD programs, and 2,300,000 of these are subsidized units. As of August 1974, about 85,000 units or 8 percent of new residential units started in 1974, were subsidized through Federal housing subsidy programs. In 1973 181,000 units or 9 percent of all new residential starts were subsidized through Federal subsidy programs, down from 332,000 units or 14 percent in 1972.

# FOOD PROGRAMS

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## FOOD STAMP PROGRAM

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To alleviate hunger and malnutrition by permitting low-income households to purchase a nutritionally adequate diet and to expand the market for domestically produced food by supplementing the food purchasing power of eligible low-income households.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—The food stamp program was enacted in 1964 (Public Law 88-525). The program was amended in 1971 (Public Law 91-671) to require national standards and benefits; to permit certain elderly persons to purchase delivered meals with food stamps; and to establish work registration requirements. The 1971 changes allowed households with little or no income to receive coupons free, and there was a requirement that a household pay no more than 30 percent of its income for food stamps.

The Agriculture and Consumer Protection Act of 1973, enacted August 10, 1973, as Public Law 93-86, provided for implementation of a nationwide food stamp program by July 1, 1974, as well as semi-annual adjustment of coupon allotments and income eligibility standards to reflect changes in food prices. This law also made SSI (supplementary security income) recipients eligible to continue receiving food stamps if benefits from SSI and State supplementation were less than the sum of December 1973 welfare benefits and current food stamp benefits. Public Law 93-335 (July 8, 1974) extended SSI recipients' eligibility in 45 States and the District of Columbia until July 1, 1975. (These were States that had not "cashed out" food stamps in their State supplementary programs.)

The 1973 amendments also redefined eligible foods to include imported items, in addition to seeds and plants for use in home gardens to produce food for personal consumption. Eligibility categories were broadened to include the elderly in certain federally subsidized congregate housing, as well as drug addicts and alcoholics in private, nonprofit treatment centers. Another provision allowed elderly persons to purchase meals in senior citizens' centers with food stamps. Public Law 93-335 required food coupons to be issued at least twice a month and gave AFDC recipients the option of having food stamp costs withheld from their public assistance checks. Finally, the law required that in-kind housing payments received from employers be taken into account for food stamp eligibility.

Public Law 93-347 (July 12, 1974) raised the Federal share of administering the food stamp program to 50 percent of all administrative costs. This law also extended the food commodity distribution

program until July 1, 1975, to Indian reservations not requesting the food stamp program. Additionally, the law required each State to submit annual reports on its administration of the food stamp program.

**ADMINISTERING AGENCY.**—The Food and Nutrition Service of the U.S. Department of Agriculture (USDA) administers the food stamp program through State and local welfare offices. Participation is required of all areas in all States, effective July 1, 1974, pursuant to Public Law 93-86.

**Fraud.**—Despite efforts of administrators, some people have fraudulently obtained food stamps and States have established claims against approximately 11,000 such participants. Collection action is underway on most of these claims. State and local courts have prosecuted and convicted over 525 recipients who fraudulently participated in the food stamp program. These sentences ranged from restitution only to a 14-year prison sentence.

Since a majority of States only implemented food stamp quality control systems in 1973, it is not possible to report any reliable statistical data on error rate at this time.

**FINANCING.**—The food stamp program is financed through open-ended Federal appropriations with indirect payments for bonus coupons to food outlets. The Federal Government pays 100 percent of the cost of bonus coupons. The Federal share of State and local administrative costs now includes 50 percent of all administrative costs, "including but not limited to, the cost of: (1) certification of households; (2) the acceptance, storage, and protection of coupons after their delivery to receiving points within the States; (3) issuance of such coupons to eligible households; (4) the outreach and fair hearings requirements \* \* \*; and (5) the control and accounting of coupons." Federal payment is contingent upon the Secretary's receipt of States' food stamp program reports and compliance with regulations. The remaining half of administrative costs are borne by the States and localities.

Until the recent enactment of Public Law 93-347, the Federal Government was required to reimburse States for only 62.5 percent of direct salary, travel and travel-related costs of personnel involved in: (1) Certification of households not receiving public assistance; (2) outreach; (3) fair hearings; and (4) quality control. All other costs, such as storage, security, and issuance of coupons were paid by State and local offices. According to a survey taken by the Senate Select Committee on Nutrition and Human Needs in 1973, the Federal reimbursement of 62.5 percent of some administrative functions averaged out to only 28 percent of overall costs.<sup>1</sup> The high administrative costs precluded participation of many low tax-base counties with a high percentage of low-income persons. The legislation requiring participation of all counties by July 1974 placed many of these counties in a dilemma. With the revamping of administrative financing, the burden should be eased and compliance possible.

<sup>1</sup> U.S. Congress, Senate, Select Committee on Nutrition and Human Needs, "Food Program Technical Amendments," 93d Cong., 2d sess., 1974, p. 103.

## Costs and caseloads

<i>Fiscal year</i>	<i>Total value of bonus coupons</i>	<i>Average number of beneficiaries</i>
1973-----	\$2, 135, 655, 443	12, 638, 885
Estimated 1974-----	2, 887, 000, 000	13, 600, 000
Estimated 1975-----	3, 830, 000, 000	15, 000, 000

*Federal administrative costs (program costs and operating expenses)*

1973-----	\$81, 483, 927
Estimated 1974-----	113, 000, 000
Estimated 1975-----	159, 600, 000

In September 1974 there were 3,068 food stamp projects with 14.3 million participants. The total Federal cost was \$302.4 million, \$296 million for bonus coupons and \$6.4 million for other program costs. The average bonus per person in September was \$20.70.

*Population coverage.*—The food stamp program has universal coverage—including intact families with a working member, single adults, and childless couples. About two-thirds of food stamp beneficiaries have always come from the welfare rolls. However, in 1973 it was estimated that “only about 28 percent of elderly, blind, and disabled welfare recipients and a little more than half of all AFDC recipients used food stamps.”<sup>2</sup>

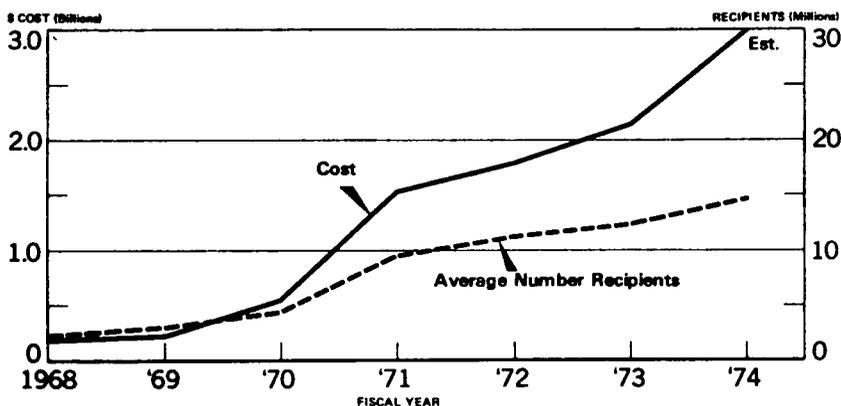
In March 1974, it was estimated that between 37 and 50 million persons would be eligible on income grounds to receive food stamps at some time during the year. However, this program serves only about 1 in 16 Americans. According to unpublished studies, as many as 60 million Americans might be eligible on income grounds at some time in fiscal 1977, and costs could rise to \$10 billion a year. Several reasons may account for the less than full participation: (1) Purchase requirement of food stamps which compels households to give up a sizable portion of income in order to participate; (2) stigma attached to food stamps; (3) insufficient outreach programs; (4) long lines at certification offices and complexity of applications; (5) inability to afford living quarters with cooking facilities; (6) or transient status, exemplified by a great number of potentially eligible migrant workers.

Even though the number of actual participants falls far below the number eligible, the food stamp program is growing at a rapid rate (see chart 1).

<sup>2</sup> U.S. Congress, Senate, “National Nutrition Policy Study, Report and Recommendations—VIII,” prepared by the Panel on Nutrition and Special Groups to the Select Committee on Nutrition and Human Needs, 93d Cong., 2d sess., 1974, p. 41.

CHART 1

## GROWTH OF FOOD STAMP PROGRAM, 1968 - 74



## ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—Nonpublic assistance households must meet the uniform national income and resource eligibility requirements established by the Food and Nutrition Service of USDA. Public assistance and certain general assistance recipients are eligible for benefits without regard to income and resources of the household if all members of the household receive public assistance. Victims of a major disaster who are in need of food because of the disaster are also eligible for benefits.

**Persons included.**—All persons in a household—not necessarily families—who are living as one economic unit, sharing common cooking facilities, and purchasing food in common are included (other than boarders, roomers, and unrelated live-in attendants necessary for medical, housekeeping, or child care reasons). In general, persons must not be residents of an institution or a boarding house. (An institution is defined for food stamp purposes as serving its residents with the majority of their meals. A boarding house is defined as a place where three or more individuals are furnished meals or meals and lodging for compensation.) However, 1973 amendments broadened eligibility categories to include the elderly in congregate housing, and drug addicts and alcoholics in private nonprofit residential treatment centers.

A household may include legally assigned foster children or other children under age 18 when an adult member of the household acts *in loco parentis* to such children. Also included in the household definition are single individuals living alone who purchase and prepare food for home consumption and certain elderly persons and their spouses whether or not they have cooking facilities, if they participate in delivered meals or communal dining programs.

Recent regulations make ineligible a postsecondary student 18 or older who is claimed as a tax dependent by an ineligible household.

However, if other members of the household where the student resides are eligible for food stamps, they will remain eligible even if the student is dropped from the program.

#### INCOME TEST

*Income limits.*—Households in which all members are recipients of public assistance or general assistance benefits are eligible without regard to income. Thus, there does not have to be an eligibility determination, but it is necessary to do a separate income calculation to determine the purchase requirement for each household's food stamps. Income limits for participants other than public assistance recipients are the higher of (1) the maximum allowable monthly income standards for each household size which were in effect in the State prior to July 29, 1971; or (2) the following maximum allowable monthly income standards. The monthly income limits are net amounts—countable income after specified exclusions and deductions.

TABLE 1.—MAXIMUM ALLOWABLE MONTHLY INCOME FOR FOOD STAMP ELIGIBILITY, BY HOUSEHOLD SIZE

Number of persons in household	Maximum allowable monthly income, Jan. 1, 1975					
	48 States and District of Columbia	Alaska	Hawaii	Virgin Islands	Puerto Rico	Guam
1.....	\$194	\$229	\$218	\$194	\$194	\$218
2.....	280	380	360	353	273	380
3.....	406	546	520	507	393	546
4.....	513	693	660	640	500	693
5.....	606	826	786	760	593	826
6.....	700	964	900	873	680	946
7.....	793	1,066	1,013	987	767	1,066
8.....	886	1,186	1,120	1,100	853	1,186
Each additional member.....	+73	+100	+93	+93	+73	+100

*Definition of income.*—Income is any money received by all members of the household, except students under 18-years old, including wages and income from self-employment; public assistance; retirement and disability benefits; pensions; veterans', workmen's or unemployment compensation; old-age, survivors, or strike benefits; support payments, alimony; scholarships, educational grants, fellowships and veterans' educational benefits; dividends, rents, interest; and all other payments from any sources which may be considered a gain or a benefit, such as royalties and access to income in the form of credit cards of a non-household member. Scholarships, educational awards, and the like are averaged over the time they are intended to cover.

The following are not included as income:

Certain relocation payments;

Irregular income not exceeding \$30 in a 3-month period;

In-kind income, except housing (not to exceed \$25 per month);

Loans, except deferred-payment student loans; and

Ten percent of income from wages or salaries or training allowances not to exceed \$30 per household per month.

Exclusions and deductions from income include:

Mandatory deductions from earned income such as income and social security taxes, and union dues as paid;

Shelter costs as paid, including rent or costs of homeownership (mortgage principal and interest payments, taxes and required

- special assessments), utilities, basic service fee for one telephone, in excess of 30 percent of the household's income after all other deductions;  
 Total amount of medical expenses if more than \$10 per month per household;  
 Payments for care of a child or invalid when necessary for employment of a household member;  
 Tuition and mandatory educational fees;  
 Payor's court-ordered alimony and child support payments; and  
 Unusual and unanticipated expenses which are due to an individual household's disaster or casualty loss, such as repair of essential damaged property or nonreimbursable, reasonable funeral costs.

TABLE 2.—*Example of how net income for food stamp recipient is derived*

Household with gross earnings of \$400 per month:	
(a) 10 percent of earned income not to exceed \$30 per month.....	-\$30. 00
(b) Mandatory deductions (e.g. taxes).....	-35. 00
(c) Medical expenses (actual expenses \$15; if medical expenses are over \$10 per month, the total amount is deducted).....	-15. 00
(d) Child care.....	-25. 00
(e) Total expenses other than shelter.....	105. 00
(f) Monthly household income.....	400. 00
Less above expenses.....	-105. 00
Remaining income.....	295. 00
(g) Shelter costs per month.....	110. 00
30 percent of remaining income (\$295).....	-88. 50
Allowable shelter deduction.....	21. 50
(h) Remaining income.....	295. 00
Shelter deduction.....	-21. 50
Net income.....	273. 50

If this were a household of four, it would be entitled to \$154.00 in food stamps per month with a purchase price of \$77.00, giving a bonus value of \$77.00.

**ASSETS TEST.**—The value of nonexcluded resources of a household may not exceed \$1,500, except for households of two or more persons with a member age 60 or over, in which case the limit is \$3,000.

Resources which are included in determining eligibility are the following: Liquid resources such as cash on hand, savings or checking accounts, U.S. savings bonds, stocks and bonds, personal property such as boats, more than one licensed automobile, and aircraft; nonrecurring lump-sum payments from insurance settlements, inheritances, retroactive social security benefits, prizes, gifts, and any other resources not specifically excluded.

Nonrecurring lump-sum payments are considered as resources at the time of the next scheduled recertification or no more than 3 months following receipt of such payments. The amount which is actually available at the time of recertification is considered in determining eligibility at that time.

Resources which are excluded in determining eligibility are the following: The home and lot; one currently licensed automobile and any unlicensed automobile; personal effects and household goods; cash value of life insurance policies; property which is producing income and other property essential to self-support (for example, farm machinery, tools, equipment, etc.); and certain relocation payments. Also excluded are Indian lands held jointly with the tribe or property which can be sold only with the approval of the Bureau of Indian Affairs, and money which has been prorated or averaged as income for self-employed persons or students.

**ACCOUNTING PERIOD.**—Anticipated income is usually averaged over the certification period. Certification periods for public assistance households coincide with the period of their assistance grants. For other households, the usual period for certification is 3 months but may be 1 month for unemployed persons, persons on strike, and other households where a change in income is likely. The certification period may be 6 months for households that have stable employment or other income, and it may be as long as 12 months for households with unemployable members dependent on regularly received pensions or benefits and for households dependent on self-employment, farm labor, or farming.

#### **OTHER ELIGIBILITY CONDITIONS**

*Work requirements.*—Each able-bodied person between the ages of 18 and 65, including a person not working because of a strike or lock-out, must (1) register for work at the time of application and at recertification (except mothers or members of a household who are caring for dependent children under 18 or incapacitated adults; students enrolled at least half time in school or training program; persons working at least 30 hours per week; and narcotics addicts and alcoholics participating in treatment and rehabilitation programs); and (2) accept a bona fide offer of suitable employment, including reporting for interviews and supplying supplemental information as necessary.

Employment is not considered suitable if wages offered are less than the applicable Federal or State minimum wage or \$1.30 per hour; union membership or nonmembership is required; or work is at the site of a strike or lockout. Suitability of employment for a particular registrant also includes health and safety factors, the individual's major field of experience (unless it is apparent that such work is not available), and reasonable distance from the residence. Suitability of work is determined by the State employment service in cooperation with food stamp certification personnel, based on U.S. Department of Agriculture guidelines. A person who believes a job is unsuitable has recourse through a fair hearing where suitability is determined.

The whole household shall become ineligible for benefits if any member refuses to work. It shall remain ineligible until the member complies with the work requirement or for 1 year from the date of refusal. Benefits cannot be denied solely on the grounds that a member is not working because of a strike.

*Acceptance of training or rehabilitation.*—There is no such requirement, but a person participating in a recognized training program is exempt from the work requirement.

*Citizenship.*—Must be a U.S. citizen or an alien admitted for permanent residence.

*Transfer of property.*—No requirement.

*Relative responsibility.*—No requirement.

*Institutional status.*—Residents of an institution, except drug addicts and alcoholics in private, nonprofit residential treatment facilities, are not eligible to receive food stamps.

*Residence requirements.*—A beneficiary must be certified in the food stamp project area in which the household lives. If moving, the household may have continuing coverage for 60 days if the household head reports residence change to certification office prior to moving and receives appropriate forms to present to next project center. The household will then have 60 days to be recertified at the new location.

#### BENEFITS AND SERVICES

**NATURE OF BENEFITS.**—Households buy stamps or “coupons” worth more than the purchase amount and use them to buy any food (except alcoholic beverages and tobacco) in authorized retail stores. Food coupons may also be used to purchase plants and seeds for use in home gardens to produce food for personal consumption; and in Alaska certain hunting and fishing equipment for procuring food may be bought with food stamps.

Persons over 60 who are members of an eligible household or who live alone or only with their spouses (whether or not they have cooking facilities) and who are disabled to the extent that they cannot prepare their own meals may use food stamps to purchase meals prepared and delivered by authorized meal delivery services (“meals on wheels”), or they may purchase meals in specified communal dining situations.

*Cash value.*—The value of benefits to the household is the difference between the value of the monthly coupon allotment and the amount the household pays for this amount of coupons. For example, a family of four with income of \$200 per month (net) would pay \$53 per month for food stamps worth \$154, so the cash bonus value would be \$101. The monthly coupon allotment varies by family size, and the purchase requirement varies by monthly net income and by family size but is no more than 30 percent of net monthly income. Monthly net income for purchase requirement purposes is determined as described above under “Definition of Income” for households with all members receiving public assistance benefits as well as for nonassistance households.

Effective January 1, 1975, the monthly coupon allotment in 48 States and the District of Columbia for a one-person household is \$46. The allotment is increased by \$38 for each of the second and third additional persons, by \$32 for the fourth person, and by \$28 for the fifth through eighth persons. The monthly allotment is \$154 for a family of four and \$266 for a family of eight. (See supplementary material for schedule of monthly coupon allotments and purchase requirement.)

One- and two-person households with less than \$20 monthly net income and households of three or more persons with less than \$30 net income receive the monthly coupon allotment at no charge. For these families the cash value or benefit to the family is equal to the face value of the coupons. As the purchase requirement increases with

increasing income, the amount of free or bonus coupons, decreases accordingly. For instance, a single person with \$50 net income pays \$8 for \$46 worth of coupons and receives a benefit of \$38 in bonus coupons. With \$100 in income he pays \$18 and receives a benefit of \$28 in bonus coupons. With income of \$170 or more up to the maximum allowed (\$209.99), he pays \$36 and receives \$10 in bonus coupons.

Similarly, a family of four persons with \$100 monthly net income pays \$25 and receives \$129 in bonus coupons; with \$200 monthly net income the purchase requirement is \$53 and the bonus value is \$101; with a monthly net income of \$450 or more (up to a maximum of \$539.99) the value of the bonus coupons is \$24.

In general, the marginal benefit-loss rate (tax rate) on net income is about 30 percent; that is, the purchase requirement increases and the value of bonus stamps decreases by \$3 for each \$10 in additional net income. A schedule of purchase requirements by \$10, \$20, and \$30 intervals of increasing income is used so there are some small notches or instances in which an additional dollar of income decreases the bonus coupons by \$2 to \$9.

*Amount of benefits.*—The breakeven point, point at which benefits reach zero, for a single person is \$210 net income per month (\$2,520 net annually). This income is \$50 under the July 1974 non-farm poverty level for a single person under age 65. The breakeven point for a family of four is \$540 net earnings per month (\$6,480 net annually), \$1,422 above the July 1974 nonfarm poverty level.

Currently (January 1975), a male-headed family of four without any income can receive \$154 per month in tax free food coupons. A similar family of four with net earnings of \$50 per month can receive a \$144 monthly food stamp bonus. This family's countable annual income may be \$6,480, and with exclusions and deductions its gross annual earnings may be slightly over \$8,000, and the family may still be eligible to receive the minimum \$24 monthly food stamp bonus. In this case, the family's net income is almost \$3,000 above the poverty level. In a few high-income States, a female-headed household of four receiving AFDC may have a total income as high as \$9,000 per year. Such a family will still be automatically eligible for food stamps by virtue of its receipt of public assistance.

*Relationship of benefit amount to family size.*—Benefits are directly related to family size in that benefits increase with an increase in family size. The coupon allotment for a family of two with a net income of \$100 is \$84 with a \$23 purchase requirement; the coupon allotment for a family of four with a \$100 income is \$154 with a \$25 purchase requirement. The two-person family receives bonus coupons worth \$61 and the four-person family receives bonus coupons worth \$129. Purchase requirements range from about 13 to 30 percent of net income, but only a small percentage of households, some of those at the maximum income limit, actually pay 30 percent.

*Relationship of benefit amount to place of residence.*—The monthly coupon allotment is uniform in the 48 contiguous States and the District of Columbia, with higher allotments in Alaska, Hawaii, Virgin Islands, and Guam, which reflect the higher cost of living in these areas. Puerto Rico has lower allotments due to the lower cost of living there.

*Relationship to benefit amount to changes in cost of living.*—The monthly coupon allotment is an amount equivalent to the cost of a nutritionally adequate diet, as determined by the Secretary of Agriculture, based on the economy food plan, and it is adjusted semi-annually to reflect changes in the prices of food published by the Bureau of Labor Statistics, Department of Labor. Benefits are updated every January and July, based on food prices 6 months prior, but even with this cost-of-living escalator, food stamp benefits cannot keep pace with the inflationary rate of food prices over the 6-month period.

**OTHER SERVICES PROVIDED.**—Unemployed persons receive employment services through registration for employment.

**BENEFITS FROM OTHER PROGRAMS WHICH ACCRUE BY VIRTUE OF ELIGIBILITY FOR TARGET PROGRAM.**—There are none.

## SUPPLEMENTARY MATERIAL

FOOD STAMP PROGRAM ANALYSIS (AS OF OCTOBER 1974)

	Fiscal year		Change (in percent)
	1974	1975	
<b>Monthly data (October):</b>			
Projects.....	2,384	3,042	+27.6
Participation (millions).....	12.4	14.7	+18.7
Total Federal cost (millions).....	\$200.4	\$311.1	+55.2
Bonus coupons (millions).....	\$188.2	\$304.3	+61.7
All other program costs (millions).....	\$12.2	\$6.8	-44.3
Average bonus per person per month.....	\$15.19	\$20.70	+36.3
Total value of coupons (millions).....	\$345.9	\$511.5	+47.9
Percent bonus to total value.....	54.4	59.5	+5.1
<b>Cumulative data (July-October):</b>			
Average participation (millions).....	12.2	14.3	+17.8
Bonus coupons (millions).....	\$743.3	\$1,187.6	+59.8
Average bonus per person/month.....	\$15.27	\$20.70	+35.6
Total value of coupons (millions).....	\$1,354.8	\$1,996.2	+47.3
Percent bonus to total value.....	54.9	59.5	+4.6
Annual total funds for bonus coupons (millions).....	\$2,967.0	\$3,955.5	+33.3
Percent of available funds utilized through current month.....	25.1	30.0	+4.9
Percent fiscal year elapsed.....	33.3	33.3	.....

### HIGHLIGHTS

With the addition of 8 new projects this month (October 1974), we now have a total of 3,042, up 28 percent from last October. With all of Puerto Rico in, there are only four counties without the program and all four have been designated to enter.

During the first 4 months of fiscal year 1975, expenditures for bonus coupons totaled \$1,187.6 million—up almost 60 percent above a year ago. Therefore, with a third of the year gone we have utilized 30 percent of the available bonus funds. Because the monthly value of bonus coupons is expected to increase during the balance of the year, there is some question as to the adequacy of the funds available.

*Puerto Rico.*—With the entire island now in the program, our October estimates are as follows: Participation—352,000; bonus coupons—\$9.5 million; and average bonus per person—\$27. The former 78 projects in food distribution have been realigned into 9 project regions as of July 1, 1974.

TABLE 1.—MONTHLY COUPON ALLOTMENTS AND PURCHASE REQUIREMENTS—48 STATES AND DISTRICT OF COLUMBIA

[Effective Jan. 1, 1975]

Monthly net income	For a Household of—							
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
	The monthly coupon allotment is—							
	\$46	\$84	\$122	\$154	\$182	\$210	\$238	\$266
	And the monthly purchase requirement is—							
\$0 to \$19.99	0	0	0	0	0	0	0	0
\$20 to \$29.99	1	1	0	0	0	0	0	0
\$30 to \$39.99	4	4	4	4	5	5	5	5
\$40 to \$49.99	6	7	7	7	8	8	8	8
\$50 to \$59.99	8	10	10	10	11	11	12	12
\$60 to \$69.99	10	12	13	13	14	14	15	16
\$70 to \$79.99	12	15	16	16	17	17	18	19
\$80 to \$89.99	14	18	19	19	20	21	21	22
\$90 to \$99.99	16	21	21	22	23	24	25	26
\$100 to \$109.99	18	23	24	25	26	27	28	29
\$110 to \$119.99	21	26	27	28	29	31	32	33
\$120 to \$129.99	24	29	30	31	33	34	35	36
\$130 to \$139.99	27	32	33	34	36	37	38	39
\$140 to \$149.99	30	35	36	37	39	40	41	42
\$150 to \$169.99	33	38	40	41	42	43	44	45
\$170 to \$189.99	36	44	46	47	48	49	50	51
\$190 to \$209.99	36	50	52	53	54	55	56	57
\$210 to \$229.99		56	58	59	60	61	62	63
\$230 to \$249.99		62	64	66	66	67	68	69
\$250 to \$269.99		64	70	71	72	73	74	75
\$270 to \$289.99		64	76	77	78	79	80	81
\$290 to \$309.99			82	83	84	85	86	87
\$310 to \$329.99			88	89	90	91	92	93
\$330 to \$359.99			94	95	96	97	98	99
\$360 to \$389.99			100	104	105	106	107	108
\$390 to \$419.99			104	113	114	115	116	117
\$420 to \$449.99				122	123	124	125	126
\$450 to \$479.99				130	132	133	134	135
\$480 to \$509.99				130	141	142	143	144
\$510 to \$539.99				130	150	151	152	153
\$540 to \$569.99					154	160	161	162
\$570 to \$599.99					154	169	170	171
\$600 to \$629.99					154	178	179	180
\$630 to \$659.99						178	188	189
\$660 to \$689.99						178	197	198
\$690 to \$719.99						178	202	207
\$720 to \$749.99							202	216
\$750 to \$779.99								225
\$780 to \$809.99							202	226
\$810 to \$839.99								226
\$840 to \$869.99								226
\$870 to \$899.99								226

Maximum allowable monthly income standards—48 States and District of Columbia

Household size:

1	\$194
2	280
3	406
4	513
5	606
6	700
7	793
8	886
Each additional member	+ 73

<sup>1</sup> Poverty guideline.

TABLE 2.—MONTHLY COUPON ALLOTMENTS AND PURCHASE REQUIREMENTS—ALASKA

[Effective Jan. 1, 1975]

Monthly net income	For a Household of—							
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
	The monthly coupon allotment is—							
	\$62	\$114	\$164	\$208	\$248	\$284	\$320	\$356
	And the monthly purchase requirement is—							
\$0 to \$19.99	0	0	0	0	0	0	0	0
\$20 to \$29.99	1	1	0	0	0	0	0	0
\$30 to \$39.99	4	4	4	4	5	5	5	5
\$40 to \$49.99	6	7	7	7	8	8	8	8
\$50 to \$59.99	8	10	10	10	11	11	12	12
\$60 to \$69.99	10	12	13	13	14	14	15	16
\$70 to \$79.99	12	15	16	16	17	17	18	19
\$80 to \$89.99	14	18	19	19	20	21	21	22
\$90 to \$99.99	16	21	21	22	23	24	25	26
\$100 to \$109.99	18	23	24	25	26	27	28	29
\$110 to \$119.99	21	26	27	28	29	31	32	33
\$120 to \$129.99	24	29	30	31	33	34	35	36
\$130 to \$139.99	27	32	33	34	36	37	38	39
\$140 to \$149.99	30	35	36	37	39	40	41	42
\$150 to \$159.99	33	38	40	41	42	43	44	45
\$160 to \$169.99	39	44	46	47	48	49	50	51
\$170 to \$179.99	45	50	52	53	54	55	56	57
\$180 to \$189.99	48	56	58	59	60	61	62	63
\$190 to \$199.99		62	64	65	66	67	68	69
\$200 to \$209.99		68	70	71	72	73	74	75
\$210 to \$219.99		74	76	77	78	79	80	81
\$220 to \$229.99		80	82	83	84	85	86	87
\$230 to \$239.99		86	88	89	90	91	92	93
\$240 to \$249.99		88	94	95	96	97	98	99
\$250 to \$259.99		88	103	104	105	106	107	108
\$260 to \$269.99			112	113	114	115	116	117
\$270 to \$279.99			121	122	123	124	125	126
\$280 to \$289.99			130	131	132	133	134	135
\$290 to \$299.99			139	140	141	142	143	144
\$300 to \$309.99			142	149	150	151	152	153
\$310 to \$319.99			142	158	159	160	161	162
\$320 to \$329.99				167	168	169	170	171
\$330 to \$339.99				176	177	178	179	180
\$340 to \$349.99				180	186	187	188	189
\$350 to \$359.99				180	195	196	197	198
\$360 to \$369.99				180	204	205	206	207
\$370 to \$379.99					313	214	215	216
\$380 to \$389.99					216	223	224	225
\$390 to \$399.99					216	232	233	234
\$400 to \$409.99					216	241	242	243
\$410 to \$419.99						248	251	252
\$420 to \$429.99						248	260	261
\$430 to \$439.99						248	269	270
\$440 to \$449.99						248	278	279
\$450 to \$459.99							280	288
\$460 to \$469.99							280	297
\$470 to \$479.99							280	306
\$480 to \$489.99							280	312
\$490 to \$499.99								312
\$500 to \$509.99								312
\$510 to \$519.99								312
\$520 to \$529.99								312
\$530 to \$539.99								312
\$540 to \$549.99								312
\$550 to \$559.99								312
\$560 to \$569.99								312
\$570 to \$579.99								312
\$580 to \$589.99								312
\$590 to \$599.99								312
\$600 to \$609.99								312
\$610 to \$619.99								312
\$620 to \$629.99								312
\$630 to \$639.99								312
\$640 to \$649.99								312
\$650 to \$659.99								312
\$660 to \$669.99								312
\$670 to \$679.99								312
\$680 to \$689.99								312
\$690 to \$699.99								312
\$700 to \$709.99								312
\$710 to \$719.99								312
\$720 to \$729.99								312
\$730 to \$739.99								312
\$740 to \$749.99								312
\$750 to \$759.99								312
\$760 to \$769.99								312
\$770 to \$779.99								312
\$780 to \$789.99								312
\$790 to \$799.99								312
\$800 to \$809.99								312
\$810 to \$819.99								312
\$820 to \$829.99								312
\$830 to \$839.99								312
\$840 to \$849.99								312
\$850 to \$859.99								312
\$860 to \$869.99								312
\$870 to \$879.99								312
\$880 to \$889.99								312
\$890 to \$899.99								312
\$900 to \$909.99								312
\$910 to \$919.99								312
\$920 to \$929.99								312
\$930 to \$939.99								312
\$940 to \$949.99								312
\$950 to \$959.99								312
\$960 to \$969.99								312
\$970 to \$979.99								312
\$980 to \$989.99								312
\$990 to \$999.99								312
\$1,000 to \$1,009.99								312
\$1,010 to \$1,019.99								312
\$1,020 to \$1,029.99								312
\$1,030 to \$1,039.99								312
\$1,040 to \$1,049.99								312
\$1,050 to \$1,059.99								312
\$1,060 to \$1,069.99								312
\$1,070 to \$1,079.99								312
\$1,080 to \$1,089.99								312
\$1,090 to \$1,099.99								312
\$1,100 to \$1,109.99								312
\$1,110 to \$1,119.99								312
\$1,120 to \$1,129.99								312
\$1,130 to \$1,139.99								312
\$1,140 to \$1,149.99								312
\$1,150 to \$1,159.99								312
\$1,160 to \$1,169.99								312
\$1,170 to \$1,179.99								312
\$1,180 to \$1,189.99								312
\$1,190 to \$1,199.99								312

*Maximum allowable monthly income standards—Alaska*

Household size:	
1	\$229
2	380
3	546
4	693
5	826
6	946
7	1,066
8	1,186
Each additional member	+ 100

1 Poverty guideline.

TABLE 3.—MONTHLY COUPON ALLOTMENTS AND PURCHASE REQUIREMENTS—HAWAII

[Effective Jan. 1, 1975]

Monthly net income	For a Household of—							
	1	2	3	4	5	6	7	8
	Person	Persons						
	The monthly coupon allotment is—							
\$60	\$108	\$156	\$198	\$236	\$270	\$304	\$336	
And the monthly purchase requirement is—								
\$0 to \$19.99	0	0	0	0	0	0	0	0
\$20 to \$29.99	1	1	0	0	0	0	0	0
\$30 to \$39.99	4	4	4	4	5	5	5	5
\$40 to \$49.99	6	7	7	7	8	8	8	8
\$50 to \$59.99	8	10	10	10	11	11	12	12
\$60 to \$69.99	10	12	13	13	14	14	15	16
\$70 to \$79.99	12	15	16	16	17	17	18	19
\$80 to \$89.99	14	18	19	19	20	21	21	22
\$90 to \$99.99	16	21	21	22	23	24	25	26
\$100 to \$109.99	18	23	24	25	26	27	28	29
\$110 to \$119.99	21	26	27	28	29	31	32	33
\$120 to \$129.99	24	29	30	31	33	34	35	36
\$130 to \$139.99	27	32	33	34	36	37	38	39
\$140 to \$149.99	30	35	36	37	39	40	41	42
\$150 to \$169.99	33	38	40	41	42	43	44	45
\$170 to \$189.99	39	44	46	47	48	49	50	51
\$190 to \$209.99	45	50	52	53	54	55	56	57
\$210 to \$229.99	46	56	58	59	60	61	62	63
\$230 to \$249.99		62	64	65	66	67	68	69
\$250 to \$269.99		68	70	71	72	73	74	75
\$270 to \$289.99		74	76	77	78	79	80	81
\$290 to \$309.99		80	82	83	84	85	86	87
\$310 to \$329.99		80	88	89	90	91	92	93
\$330 to \$359.99		80	94	95	96	97	98	99
\$360 to \$389.99		80	103	104	105	106	107	108
\$390 to \$419.99			112	113	114	115	116	117
\$420 to \$449.99			121	122	123	124	125	126
\$450 to \$479.99			130	131	132	133	134	135
\$480 to \$509.99			134	140	141	142	143	144
\$510 to \$539.99			134	149	150	151	152	153
\$540 to \$569.99				158	159	160	161	162
\$570 to \$599.99				167	168	169	170	171
\$600 to \$629.99				170	177	178	179	180
\$630 to \$659.99				170	186	187	188	189
\$660 to \$689.99				170	195	196	197	198
\$690 to \$719.99					204	205	206	207
\$720 to \$749.99					204	214	215	216
\$750 to \$779.99					204	223	224	225
\$780 to \$809.99					204	232	233	234
\$810 to \$839.99						234	242	243
\$840 to \$869.99						234	251	252
\$870 to \$899.99						234	260	261
\$900 to \$929.99						234	264	270
\$930 to \$959.99							264	279
\$960 to \$989.99							264	288
\$990 to \$1,019.99							264	292
\$1,020 to \$1,049.99								292
\$1,050 to \$1,079.99								292
\$1,080 to \$1,109.99								292
\$1,110 to \$1,139.99								292

*Maximum allowable monthly income standards—Hawaii*

Household size:	
1	<sup>1</sup> \$218
2	360
3	520
4	660
5	786
6	900
7	1,013
8	1,120
Each additional member	+93

<sup>1</sup> Poverty guideline.

TABLE 4.—MONTHLY COUPON ALLOTMENTS AND PURCHASE REQUIREMENTS—PUERTO RICO

[Effective Jan. 1, 1975]

	For a Household of—							
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
	The monthly coupon allotment is—							
	\$46	\$82	\$118	\$150	\$178	\$204	\$230	\$256
Monthly net income	And the monthly purchase requirement is—							
\$0 to \$19.99	0	0	0	0	0	0	0	0
\$20 to \$29.99	1	1	0	0	0	0	0	0
\$30 to \$39.99	4	4	4	4	5	5	5	5
\$40 to \$49.99	6	7	7	7	8	8	8	8
\$50 to \$59.99	8	10	10	10	11	11	12	12
\$60 to \$69.99	10	12	13	13	14	14	15	16
\$70 to \$79.99	12	15	16	16	17	17	18	19
\$80 to \$89.99	14	18	19	19	20	21	21	22
\$90 to \$99.99	16	21	21	22	23	24	25	26
\$100 to \$109.99	18	23	24	25	26	27	28	29
\$110 to \$119.99	21	26	27	28	29	31	32	33
\$120 to \$129.99	24	29	30	31	33	34	35	36
\$130 to \$139.99	27	32	33	34	36	37	38	39
\$140 to \$149.99	30	35	36	37	39	40	41	42
\$150 to \$169.99	33	38	40	41	42	43	44	45
\$170 to \$189.99	36	44	46	47	48	49	50	51
\$190 to \$209.99	36	50	52	53	54	55	56	57
\$210 to \$229.99		56	58	59	60	61	62	63
\$230 to \$249.99		62	64	65	66	67	68	69
\$250 to \$269.99		64	70	71	72	73	74	75
\$270 to \$289.99		64	76	77	78	79	80	81
\$290 to \$309.99			82	83	84	85	86	87
\$310 to \$329.99			88	89	90	91	92	93
\$330 to \$359.99			94	95	96	97	98	99
\$360 to \$389.99			100	104	105	106	107	108
\$390 to \$419.99			104	113	114	115	116	117
\$420 to \$449.99				122	123	124	125	126
\$450 to \$479.99				130	132	133	134	135
\$480 to \$509.99				130	141	142	143	144
\$510 to \$539.99					150	151	152	153
\$540 to \$569.99					154	160	161	162
\$570 to \$599.99					154	169	170	171
\$600 to \$629.99						178	179	180
\$630 to \$659.99						178	188	189
\$660 to \$689.99						178	197	198
\$690 to \$719.99							202	207
\$720 to \$749.99							202	216
\$750 to \$779.99							202	225
\$780 to \$809.99								226
\$810 to \$839.99								226
\$840 to \$869.99								226

*Maximum allowable monthly income standards—Puerto Rico*

## Household size:

1	\$194
2	273
3	393
4	500
5	593
6	680
7	767
8	853
Each additional member	+ 73

<sup>1</sup> Poverty guideline.

TABLE 5.—FOOD STAMP DISTRIBUTION BY STATE, BY NUMBER OF PARTICIPANTS RECEIVING OR NOT RECEIVING PUBLIC ASSISTANCE, AND BY TOTAL AND BONUS VALUE OF COUPONS DISTRIBUTED, SEPTEMBER 1974

By State/region	Coupons distributed								
	Participants, September 1974			September 1974				Fiscal year to date	
	PA	Non-PA	Total	Total value	Bonus value	B/T (percent)	Average bonus	Total coupons	Bonus coupons
Connecticut.....	87,881	\$51,651	139,532	\$4,971,608	\$2,543,415	51	\$18.23	\$14,922,264	\$7,789,325
Delaware.....	13,347	7,867	21,214	641,137	381,479	60	17.98	1,965,838	1,203,416
Washington, D.C.....	83,830	32,562	116,392	4,288,314	2,426,671	57	20.85	12,624,769	7,023,069
Maine.....	31,066	65,067	96,133	2,975,567	1,754,502	59	18.25	7,764,319	4,577,022
Maryland.....	179,233	65,868	245,101	9,193,988	5,986,667	65	24.43	27,166,767	17,755,046
Massachusetts.....	55,844	31,930	87,774	2,720,637	1,360,319	50	15.50	8,002,918	4,001,460
New Hampshire.....	16,814	13,463	30,277	977,830	522,929	53	17.27	1,691,942	906,487
New Jersey.....	281,844	153,343	435,187	15,984,367	8,807,772	55	20.24	46,209,654	25,413,717
New York.....	1,030,896	164,889	1,195,785	40,545,779	15,922,520	39	13.32	117,454,299	46,176,397
Pennsylvania.....	504,377	240,519	744,896	26,530,669	12,325,504	46	16.55	79,171,774	37,103,244
Rhode Island.....	55,579	22,302	77,881	2,807,760	1,350,995	48	17.35	8,259,197	3,974,034
Vermont.....	16,309	21,856	38,165	1,280,652	643,180	50	16.85	3,908,883	1,965,160
Virginia.....	91,642	123,696	215,338	7,125,292	4,119,364	58	19.13	20,654,405	12,027,672
West Virginia.....	84,297	129,477	213,774	6,320,881	3,941,125	62	18.44	19,277,541	12,137,578
Puerto Rico.....	102,186	52,314	154,500	5,004,720	4,171,822	83	27.00	7,173,133	5,972,801
<b>Northeast.....</b>	<b>2,635,145</b>	<b>1,176,804</b>	<b>3,811,949</b>	<b>131,369,201</b>	<b>66,258,264</b>	<b>50</b>	<b>17.38</b>	<b>376,247,703</b>	<b>188,026,428</b>
Alabama.....	84,056	254,451	338,507	11,617,422	7,688,334	66	22.71	33,966,580	22,583,357
Florida.....	174,927	339,920	514,847	18,248,322	13,127,201	72	25.50	53,573,295	38,519,590
Georgia.....	169,496	255,334	424,830	14,260,745	8,727,794	61	20.54	41,008,357	25,046,209
Kentucky.....	94,218	306,437	400,655	14,305,080	9,945,000	70	24.82	42,538,148	29,693,556
Mississippi.....	95,151	253,170	348,321	11,940,546	8,008,028	67	22.99	35,280,781	23,781,947
North Carolina.....	71,218	270,179	341,397	11,495,041	7,002,226	61	20.51	33,053,311	20,236,318
South Carolina.....	69,582	284,902	354,484	12,272,696	8,608,460	70	24.28	36,624,872	25,877,458
Tennessee.....	90,295	239,161	329,456	11,634,748	7,625,849	66	23.15	34,953,674	23,017,667
<b>Southeast.....</b>	<b>848,943</b>	<b>2,203,554</b>	<b>3,052,497</b>	<b>105,774,600</b>	<b>70,732,692</b>	<b>67</b>	<b>23.17</b>	<b>310,999,318</b>	<b>208,756,102</b>
Illinois.....	693,992	146,908	840,900	31,571,311	17,422,038	55	20.72	96,058,068	52,911,822
Indiana.....	90,704	103,332	194,036	6,465,735	4,053,522	63	20.89	19,146,254	12,039,099
Iowa.....	53,996	51,649	105,645	3,720,315	2,168,853	58	20.53	11,283,930	6,610,461
Kansas.....	31,796	21,311	53,107	1,847,203	919,725	50	17.32	5,203,681	2,600,356
Michigan.....	439,430	128,361	567,791	18,894,805	8,996,671	48	15.85	57,092,434	27,730,743
Minnesota.....	79,949	85,981	165,930	5,599,396	2,968,965	53	17.89	17,079,072	9,170,017
Missouri.....	154,266	134,087	288,353	10,407,331	6,428,784	62	22.29	30,824,964	19,084,535
Nebraska.....	21,916	22,416	44,332	1,493,064	788,867	53	17.79	4,516,632	2,434,527
Ohio.....	457,818	292,956	750,774	27,023,790	18,166,138	67	24.20	81,723,747	55,379,949
Wisconsin.....	77,162	52,241	129,403	4,271,780	2,029,908	48	15.69	12,618,451	6,004,866
<b>Midwest.....</b>	<b>2,101,029</b>	<b>1,039,242</b>	<b>3,140,271</b>	<b>111,294,730</b>	<b>63,943,471</b>	<b>57</b>	<b>20.36</b>	<b>335,547,233</b>	<b>193,966,375</b>

See footnotes at end of table, p. 290.

TABLE 5.—FOOD STAMP DISTRIBUTION BY STATE, BY NUMBER OF PARTICIPANTS RECEIVING OR NOT RECEIVING PUBLIC ASSISTANCE, AND BY TOTAL AND BONUS VALUE OF COUPONS DISTRIBUTED, SEPTEMBER 1974—Continued

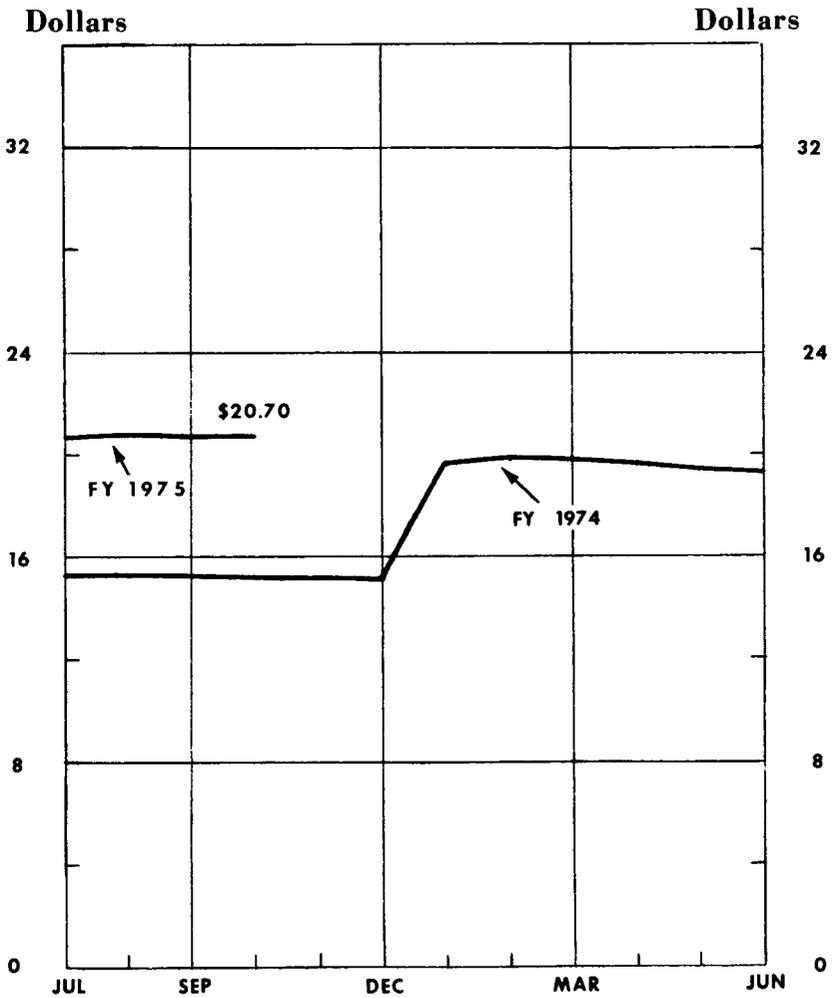
By State/region	Participants, September 1974			Coupons distributed					
	PA	Non-PA	Total	September 1974				Fiscal year to date	
				Total value	Bonus value	B/T (percent)	Average bonus	Total coupons	Bonus coupons
Alaska.....	3,885	10,320	14,205	537,413	406,610	76	28.62	1,711,020	1,307,024
Arizona.....	29,532	80,868	110,400	3,615,855	2,551,694	71	23.11	11,317,354	8,107,937
California.....	955,729	387,644	1,343,373	46,185,161	26,862,768	58	20.00	138,431,250	81,333,884
Hawaii.....	47,472	24,068	71,540	3,006,623	1,705,263	57	23.84	8,844,164	5,016,133
Idaho.....	15,153	16,542	31,695	1,083,077	686,059	63	21.65	3,332,525	2,150,320
Nevada.....	7,484	19,684	27,168	972,029	745,057	77	27.42	2,611,694	2,005,317
Oregon.....	80,720	82,897	163,617	5,685,950	3,660,353	64	22.37	17,167,104	11,099,880
Washington.....	113,991	114,907	228,898	8,493,035	5,144,609	61	22.48	25,992,916	15,894,784
Guam.....	236	958	1,194	39,800	29,850	75	25.00	39,800	29,850
Western.....	1,254,202	737,888	1,992,090	69,618,943	41,792,263	60	20.98	209,447,827	126,945,129
Arkansas.....	52,670	193,270	245,940	8,706,437	5,590,538	64	22.73	25,803,827	16,622,489
Colorado.....	68,762	62,389	131,151	4,686,209	3,078,953	66	23.48	13,778,411	9,068,971
Louisiana.....	172,716	329,563	502,279	17,554,691	12,156,374	69	24.20	53,074,690	36,996,906
Montana.....	13,858	18,963	32,821	1,153,478	764,439	66	23.29	3,435,769	2,290,205
New Mexico.....	39,182	110,649	149,831	5,286,356	3,634,603	69	24.26	16,203,644	11,233,990
North Dakota.....	4,995	13,366	18,361	638,399	358,201	56	19.51	1,917,445	1,080,371
Oklahoma.....	93,793	61,670	155,463	5,354,005	2,791,021	52	17.95	15,466,468	8,138,405
South Dakota.....	11,129	19,144	30,273	1,051,170	590,552	56	19.51	3,110,588	1,773,566
Texas.....	266,189	791,787	1,057,976	36,243,601	24,293,811	67	22.96	107,663,397	72,205,784
Utah.....	29,982	9,847	39,829	1,468,049	820,888	56	20.61	4,360,499	2,442,825
Wyoming.....	3,946	5,326	9,272	314,728	193,344	61	20.85	942,541	577,020
West-central.....	757,222	1,615,974	2,373,196	82,457,123	54,272,724	66	22.87	245,757,379	162,430,532
U.S. total.....	7,596,541	6,773,462	14,370,003	500,514,597	296,999,414	59	20.67	1,477,999,460	880,124,566

NOTES:

PA = Participants receiving cash public assistance.  
 Non-PA = Participants not receiving cash public assistance.  
 B/T = Ratio of bonus value of food stamps to total value of stamps.

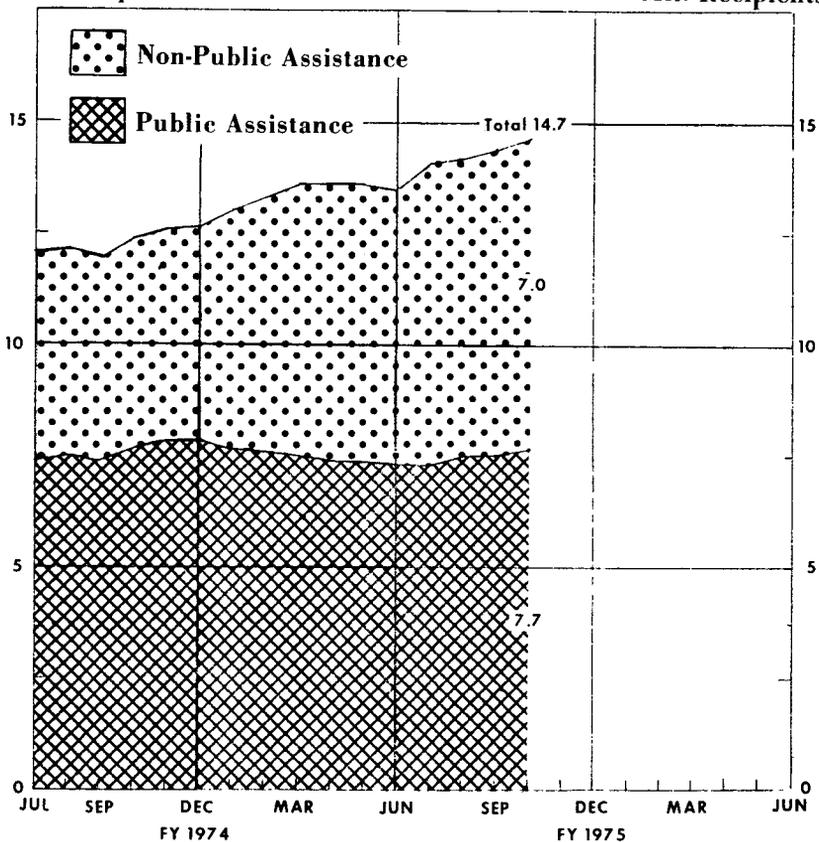
# FOOD STAMP PROGRAM

## AVERAGE BONUS PER PERSON



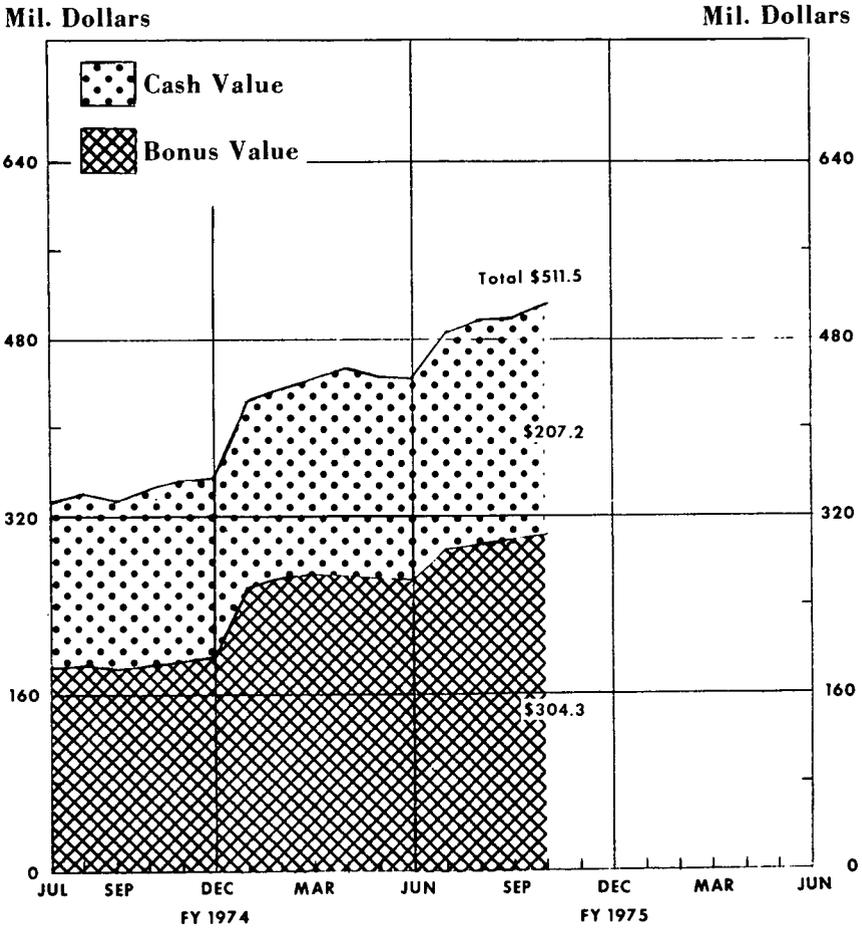
# FOOD STAMP PROGRAM PARTICIPATION

Mil. RecipientsMil. Recipients



# FOOD STAMP PROGRAM

## COUPON ISSUANCE



## NATIONAL SCHOOL LUNCH PROGRAM

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—To help safeguard the health and well-being of the Nation's children and to encourage the consumption of domestic agricultural commodities through educational agencies to assist them in helping schools provide adequate school lunches.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—Enacted in 1946. Amendments in 1947, 1951, and 1955 changed the formula grant and matching fund ratios for Federal and State participation. An amendment in 1962, known as the "Special Assistance Clause," authorized separate funds to be directed specifically to schools drawing attendance from areas in which poor economic conditions exist. However, provision for funding of this amendment was not made until 1966. Amendments in 1966 also provided funds to schools in low-income areas to purchase food preparation and serving equipment. An amendment in 1968 authorized a food service program for children in child day care institutions outside the school in low-income areas and areas with many working mothers. An amendment in 1970 authorized special assistance funds to reimburse all schools for free or reduced-price lunches served to children who are determined by local school officials to be unable to pay the full price for lunches.

The special milk program, providing Federal subsidies for milk served in schools and child-care programs, was made permanent in 1970. The USDA was given the authority to purchase nonsurplus food commodities for schools participating in the child-feeding program.

Legislation in 1971 and 1972 established the principle of performance funding for the school lunch and breakfast programs. The eligibility requirements set by States for free and reduced-price lunches and breakfasts were made more liberal. Specific authority was given for a supplemental food program and a pilot certificate program to give aid to new and pregnant mothers and infants in need of special nutritional assistance. In addition, the special supplemental food program for women, infants, and children (WIC program) was established to give food aid to pregnant and lactating women, infants, and children up to 4 years of age determined to be nutritional risks.

Legislation in 1973 made free milk available for children qualifying for free lunches. Another amendment required that USDA grant "cash in lieu of commodities" to States in which the Department could not provide at least 90 percent of the assistance it promised.

In 1974, the Department was granted "special purchasing authority," until 1977, to purchase needed commodities at market price for donation to schools. A minimum Federal subsidy for milk served under the special milk program was established, to be adjusted annually to reflect rising costs. Other 1974 amendments required that Federal subsidies for school lunches and breakfasts be adjusted semiannually to reflect food price changes.

**ADMINISTERING AGENCY.**—The Food and Nutrition Service of the U.S. Department of Agriculture (USDA) through the State educational agency, or through the regional food and nutrition service of USDA for nonprofit private schools or child day care institutions in such States where the State educational agency is prohibited by State statute from disbursing Federal funds to such schools.

**FINANCING.**—Federal appropriations from the general fund of the Treasury and from section 32 funds of the Agriculture Adjustment Act of 1935. Federal funds for general and special assistance cash grants are distributed on the basis of performance funding. Each State is guaranteed an average rate of reimbursement per meal served; this rate is adjusted semiannually. (For the period, January 1–June 30, 1975, the reimbursement to States for each lunch served is 11.75 cents plus an additional 52.5 cents for each free lunch served and an additional 42.5 cents for each reduced-price lunch served.)

For a State whose per capita income is equal to or greater than the national average, \$3 in matching funds is required from the State for every \$1 of Federal funds contributed to the program. For States whose per capita income is below the national average, the amount of matching funds required is reduced by the percentage by which the State's income is below the national average. Funds from within the State may include funds derived from State and local tax revenues which are used for food service programs and funds received from children for lunch payments.

For the fiscal years, 1975 and 1976, State revenues (other than revenues derived from the program) appropriated or specifically reserved and used for program purposes, shall constitute at least 8 percent of the matching requirement. For each fiscal year thereafter at least 10 percent from State revenues shall be specifically appropriated for such matching requirement.

### *Costs and caseloads*

<i>Fiscal year</i>	<i>Federal payments to States</i>	<i>Number of children</i>	
		<i>Total in lunch program</i>	<i>Free or reduced-price</i>
1973-----	\$879, 427, 308	24, 300, 000	8, 500, 000
Preliminary 1974-----	1, 068, 300, 845	24, 998, 240	9, 400, 000
Estimated 1975-----	1, 148, 000, 000	24, 900, 000	9, 500, 000

The program in October 1974 was available in 87,171 schools out of a total number of 110,746 schools. See supplementary material for information regarding other programs.

### ELIGIBILITY CRITERIA

#### MAJOR ELIGIBILITY CONDITIONS

*School eligibility for general assistance and special assistance.*—To be eligible, a school must agree to operate a nonprofit lunch program which is made available to all children regardless of race, color, creed, or national origin. The lunches served must meet minimum nutritional standards as established by the Secretary of Agriculture and must be priced as a unit. Lunches must be served free or at a reduced price to children who are determined by local school authorities to be unable to pay the full price for their lunches. The school authorities must follow specified regulatory criteria in making such determinations

under a publicly announced plan and make no physical segregation of, or discrimination against, any child because of his inability to pay the full price of the lunch.

Schools not participating in the national school lunch program, but which operate a food service under agreement with State educational agencies or with the food and nutrition service regional office, may receive certain surplus commodities if they meet minimum USDA requirements. The requirements are similar to, but not as stringent as, requirements for participation in the national school lunch program. This program operated in only 1 percent of the Nation's schools in 1970 and is in the process of being phased out by USDA.

*Selection of schools.*—All public and private nonprofit elementary and secondary schools may participate.

#### PERSONS INCLUDED

*General lunch program.*—All children of high school grade or under in attendance at a school participating in the national school lunch program (or one receiving surplus commodities) who pay the price of lunch regardless of their family's income are eligible to participate in the program.

*Free or reduced-price lunches.*—Any child who is a member of a family which has an annual income not above the applicable family-size income level set forth in the income poverty guidelines prescribed by the Secretary of Agriculture is eligible for a free lunch. The State may also provide free lunches for those children whose family income is not more than 25 percent above the family-size income level. The State may establish income guidelines for reduced-price lunches not to exceed 75 percent above the family-size income level. (No State may charge more than 20 cents for a reduced-price lunch.)

#### INCOME TEST FOR FAMILIES WITH CHILDREN PARTICIPATING IN THE FREE OR REDUCED-PRICE LUNCH PROGRAM

*Income limits.*—Income standards are based on poverty levels reported by the Census Bureau's Current Population Reports Variations for Alaska and Hawaii are consistent with the Office of Economic Opportunity poverty guidelines. Under the Secretary's guideline for fiscal year 1975, the maximum allowable yearly income for a four-member household is \$4,510, with higher levels for Alaska and Hawaii. The guideline is based on the poverty level for the previous calendar year, and is announced in May of each year to reflect changes in the consumer price index over the preceding year. However, States may establish income limits which exceed the guideline, as long as these limits fall within the 25- and 75-percent provisions described above.

*Treatment of income.*—"Income" means income before deductions for income taxes, employees' social security taxes, insurance premiums, bonds, and so forth (see table 1). It includes the following:

Monetary compensation for services, including wages, salary, commissions, or fees.

Net income from nonfarm self-employment.

Net income from farm self-employment.

Social security benefits.

Dividends or interest on savings or bonds, income from estates or trusts, or net rental income.

- Public assistance or welfare payments.  
 Unemployment compensation.  
 Government civilian employee or military retirement, or pensions,  
 or veterans' payments.  
 Private pensions or annuities.  
 Alimony or child support payments.  
 Regular contributions from persons not living in the household.  
 Net royalties.  
 Other cash income. Other cash income would include cash amounts  
 received or withdrawn from any source, including savings, in-  
 vestments, trust accounts, and other resources, which would be  
 available to pay the price of a child's meal.

TABLE 1.—TREATMENT OF INCOME UNDER FREE AND REDUCED-PRICE SCHOOL LUNCH PROGRAM

	In determining eligibility for and amount of free and reduced-price school lunch benefits, current income is taken into account as follows:	
	Income considered	Income not considered
<b>Sources of income:</b>		
1. Income of adult household members:		
(a) From earnings.....		X
(b) From property.....		X
(c) From public transfers.....		X
(d) From private transfers.....		X
2. Income of dependent children in household:		
(a) From earnings.....		X
(b) From property.....		X
(c) From public transfers.....		X
(d) From private transfers.....		X
Uses of income: No deductions are specified for any particular uses of income.		

*Accounting period.*—In applying these guidelines, school food authorities may consider both the income of the family during the past 12 months and the family's current rate of income to determine which is the better indicator of the need for free and reduced-price meals. Varying degrees of rigor are used by school authorities in applying the income test.

**ASSETS TEST** (for families with children participating in the free or reduced-price lunch program).—There is none specified in Federal regulations.

**OTHER CONDITIONS.**—There are none.

### BENEFITS AND SERVICES

**CASH BENEFITS.**—There are none.

#### IN-KIND BENEFITS

*Nature of benefit to children.*—Children who are attending schools participating in the program receive lunches at a cost below the value of the lunch. Children from needy families, as defined above, receive lunches free or at a reduced price from that charged to all other students. The lunches provide roughly one-third of the recommended dietary allowance for the children.

*Nature of benefit to schools.*—Benefits to schools which are participating in the program reduce the cost to the school for providing lunches in school and are in the form of both donated commodities and cash contributions.

*Cash value of benefits.*—Preliminary figures for fiscal year 1974 show that the total cost per lunch was 84.5 cents. The Federal contribution was 34.8 cents per lunch; the State and local contributions were 20.3 cents and children's payments were 29.4 cents per lunch.

*Relationship of benefit amount to family size.*—There is no relationship per child to the amount of benefit, but eligibility for the benefit is directly related to income and family size in that benefits increase by the number of children in school.

*Relationship of benefit amount to place of residence.*—A child may only receive a benefit if he attends a school which participates in the program. The type of benefit received varies with each school because different schools serve different meals and charge different prices for their meals.

**OTHER SERVICES PROVIDED.**—There are none specified.

**BENEFITS FROM OTHER PROGRAMS WHICH ACCRUE BY VIRTUE OF ELIGIBILITY FOR TARGET PROGRAM.**—In some schools children receiving free lunches automatically receive free breakfasts. Children receiving free lunches are eligible for free milk. (See supplementary material or description of other child nutrition programs.)

## SUPPLEMENTARY MATERIAL

### OTHER CHILD NUTRITION PROGRAMS

Other child nutrition programs for which Federal funds are provided include the school breakfast program, the nonschool food program, and the special milk program. In addition, the commodity procurement program provides donated foods for these programs and for the school lunch program.

*School breakfast program.*—The Child Nutrition Act of 1966 authorized a school breakfast program for 2 years on a pilot basis to assist States through grants-in-aid and other means to initiate, maintain, or expand nonprofit breakfast programs in schools. Public Law 92-433, approved September 26, 1972, extended the breakfast program through June 30, 1975.

Federal funds, as in the school lunch program, are granted on the basis of performance funding. For the period, January 1-June 30, 1975, the reimbursement for each breakfast served is 9.25 cents; for each free breakfast an additional 23.35 cents; or for each reduced-price breakfast served an additional 17.50 cents. In circumstances of severe need, financial assistance may be authorized up to 100 percent of the need for additional assistance.

Although all schools may participate in the program, first consideration is given to those schools drawing attendance from areas in which poor economic conditions exist, to those schools in which a substantial proportion of the children enrolled must travel long distances, and to those schools in which there is a special need to improve nutrition and dietary practices of children of working mothers and low-income families.

*Costs*

<i>Fiscal year</i>	<i>Federal payments to States</i>	<i>Number of children</i>
1973-----	\$37,002,209	1,175,000
Preliminary 1974-----	55,480,260	1,509,088
Estimated 1975-----	77,000,000	2,000,000

*Special food service program for children.*—The National School Lunch Act was amended in 1968 to authorize a pilot program for 3 years to assist States to initiate, maintain, or expand nonprofit food service programs for children in service institutions where children are not maintained in residence. Public Law 92-433, approved September 26, 1972, extended the nonschool food program through 1975. Preschool children receive year-round assistance in child day-care centers. These programs also reach school age children from areas of economic need and from areas with a high concentration of working mothers during the summer months in settlement houses, neighborhood houses, and recreation centers.

Each State may receive a basic grant of \$50,000. The remaining funds are apportioned by a formula determined by the ratio of the number of children (aged 3 to 17 inclusive) from families with income under \$3,000 per year in each State, to the total number of such children in all States. Up to 80 percent of the total cost of meals served may be paid in cases of severe need, and not more than 75 percent of the equipment costs may be paid to the institutions. All meals served must meet minimum nutritional standards as a condition for receiving assistance. The program provides a maximum reimbursement rate for each meal served.

*Costs*

<i>Fiscal year</i>	<i>Federal payments to States</i>	<i>Number of children (in thousands)</i>
1973:		
Year-round-----	\$19,380,000	195.0
Summer-----	34,718,000	1,175.0
1974:		
Year-round-----	27,771,735	366.0
Summer-----	34,278,396	1,400.0
1975:		
Year-round-----	59,000,000	425.0
Summer-----	50,600,000	1,700.0

*Commodity procurement.*—Commodity procurement under section 6 of the National School Lunch Act provides additional commodities to schools to supplement foods purchased locally or otherwise made available for the lunch program. As amended by Public Law 91-248, these commodities may also be used to supplement the school breakfast and nonschool food programs. Section 6 procurement helps to insure nutritionally adequate meals and appreciation for quality foods. It also broadens agricultural markets. Commodities are purchased by the Department on the basis of their nutritional value and acceptability to schools and service institutions.

Commodities acquired under price support and surplus removal programs are available to schools and child-care institutions. In addition, the USDA has the authority to purchase other commodities for donation to schools, even if surplus or price-support commodities are not available. USDA may also grant "cash in lieu of commodities" to States in a fiscal year when it is unable to provide at least 90 percent of the commodity assistance it had promised.

*Costs*

<i>Fiscal year</i>	<i>Value of food commodities</i>
1973 .....	<sup>1</sup> \$330,197,786
Preliminary 1974 .....	319,218,174
Estimated 1975 .....	290,000,000

<sup>1</sup> Includes \$70,000,000 cash in lieu of commodities.

*Special milk program.*—Designed to increase the consumption of fluid milk by children; this program is available to all nonprofit public and private schools and child-care institutions requesting it. Participating institutions receive a minimum subsidy of 5 cents per half pint of milk served. This rate is subject to an annual adjustment to reflect increased costs. In addition, children who qualify for free lunches are also eligible for free milk.

*Costs*

<i>Fiscal year</i>	<i>Federal payments to States</i>	<i>Half pints of milk served (in millions)</i>
1973 .....	\$90,761,627	2,534.0
Preliminary 1974 .....	52,404,389	1,500.0
Estimated 1975 .....	120,000,000	<sup>1</sup> 2,194.0

<sup>1</sup> This tentative figure is a very early projection.

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**OTHER PROGRAMS**

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# PROGRAMS FOR FEDERAL EMPLOYEES

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## INCOME MAINTENANCE PROVISIONS FOR FEDERAL CIVILIAN EMPLOYEES

### CIVIL SERVICE RETIREMENT SYSTEM

The civil service retirement system, initiated in 1920, is the major retirement system for Federal civilian employees. The system covers most Federal employees and includes Members of Congress and congressional employees. Other plans provide benefits for the Federal judiciary, Foreign Service officers, employees of the Tennessee Valley Authority, and most other Federal employees. (See supplementary material for a more complete listing of covered employees.) Those not covered, such as wage and hour and part-time employees, are covered by OASDHI.

The program is administered by the U.S. Civil Service Commission, Bureau of Retirement, Insurance, and Occupational Health.

The civil service retirement system is financed by an employee contribution of 7 percent of salary matched by the Government employer. In fiscal year 1971, \$3,024,481,000 were paid to 992,000 annuitants. Beginning with fiscal year 1972, dollar amounts are counted on an accrual basis. In fiscal year 1972, \$3,862,240,000 were paid to 1,001,000 annuitants; in fiscal year 1973, \$4,368,377,000 were paid to 1,200,000 annuitants; in fiscal year 1974, \$5,429,379,000 were paid to 1,306,000 annuitants.

Benefits (annuities) are paid to qualified employees who retire because of age or disability and to survivors under certain conditions. Employees may retire at age 62 after 5 years of service, at age 60 after 20 years of service, or at age 55 with 30 years of service. Employees involuntarily separated from Government service may draw retirement benefits at age 50 with 20 years of service or under age 50 with 25 years of service. Employees of an employing agency undergoing a "major" reduction in force may qualify for retirement benefits at age 50 or older with 20 years of Federal service or after 25 years of service at any age.

An employee who is totally disabled for the position he occupies is eligible for retirement benefits after completing 5 years of service.

There is no provision for dependents of retired individuals. A surviving spouse may receive benefits if the retired employee so designates and accepts a reduced annuity at the time of retirement. If there is no spouse, the retiree may designate another person to receive benefits. Dependent surviving children are eligible for benefits whether or not the retired employee elected a reduced benefit. If an employee with at least 18 months of service dies while he is employed, benefits are payable to the widow or widower (who has

not remarried before reaching age 60), an unmarried child under 18 (or under 22, if attending school), and an unmarried child over 18 who is incapable of self-support due to a disability incurred before reaching age 18. If an annuitant marries after retirement, he may elect a survivor designate and accept a reduced annuity as long as he notifies the Civil Service Commission within the first year of marriage. A spouse is eligible for survivor benefits after 1 year of marriage.

The amount of the employee's annuity depends on his length of service and his average salary for the 3 consecutive years of civilian service during which his salary was highest. (See supplementary material for benefit amounts.) The formula used provides an annuity amounting to 16¼ percent of the "high-three" average salary for the first 10 years of service, plus 2 percent for each additional year up to a maximum of 80 percent. At 30 years of service, the annuity would be 56¼ percent of the high-three average salary. A reduced benefit is paid if the employee retires before age 55, except for disability.

The same formula is used for a disability pension with a guaranteed minimum of 40 percent of the high-three salary, but not more than the employee would get if he had worked until age 60.

A widow's benefit is 55 percent of the retired employee's annuity or, in the case of a nonretired worker, the annuity the employee had earned at the time of death (with a guaranteed minimum). Child survivors usually receive a flat monthly amount regardless of the parent's salary or length of service. Since 1964, annuities are automatically adjusted for upward changes in the cost of living.

If a disabled retiree regains his earning capacity before reaching age 60, his annuity may be terminated. Other income and earnings from employment not covered by civil service retirement does not affect the amount of the annuity. The annuity is terminated if a retiree whose annuity is based on involuntary separation becomes employed in a civil service position and he gains new rights to retirement based on deductions from his salary. Other retired persons continue to receive their annuity upon reemployment in a civil service position but their salary is reduced by the amount of the annuity. No retirement deduction is made from the salary but the employee is entitled to a supplemental annuity if he quits his employment after 1 year; or if he serves continuously for 5 years and deposits an amount equivalent to the required deduction in the retirement fund, his annuity will be redetermined as if he were retiring for the first time.

**OTHER BENEFITS.**—A retiring employee may retain life insurance coverage and the retiring employee and survivors may continue group health membership under certain conditions.

When an employee leaves Government service before completing 5 years of employment, his contributions to the retirement system are refunded. If he leaves after 5 years, he may withdraw his contributions or leave them in the system for future entitlement at age 62.

If an employee dies with less than 18 months of service, or a retiree dies before receiving the amount of his contribution to the system and there are no eligible survivors, a death benefit in the amount of the contribution or unused portion is paid to the survivors or to his estate if there are no survivors.

*Other employee benefits.*—Civil service employees are allowed 13 days of paid sick leave per year. They may participate in group life insurance plans and group health insurance plans (including dependents) which are financed partly by contributions from the Government employer.

#### FEDERAL EMPLOYEE COMPENSATION

Federal civilian employees are covered against the risk of injury on the job through the Federal Employee's Compensation Act enacted in 1916 and administered by the Department of Labor. Compensation benefits are financed by Government employers.

In fiscal year 1974, an estimated 30,000 new cases were received and 30,100 cases were compensated on the periodic payrolls. The benefits paid in fiscal year 1974 amounted to an estimated \$246,000,000.

Compensation is payable to employees with temporary or permanent, partial or total disabilities resulting from job-related injuries. For temporary disabilities and for permanent and total disabilities, benefits are paid for the duration of the disability except for the first 3 days of temporary disability unless disability persists for over 14 days. For permanent but not total disabilities involving the loss of use of a member or function of the body, benefits are paid for scheduled periods of time.

The amount of the monthly benefit for total disability is two-thirds of the employee's monthly pay. For partial disability, the benefit is two-thirds of the difference between the individual's monthly pay at the time of the injury and his wage earning capacity after the beginning of the partial disability. (See supplementary material for additional information on methods of determining prior earnings and compensation schedules.) For an employee with dependents, the benefit is increased to 75 percent of monthly pay. Additional compensation, up to \$500 a month, may be paid if a totally disabled person requires the aid of an attendant. When compensation has been paid approximately 1 year or longer, the monthly amount is adjusted automatically in relation to upward changes in the cost of living.

If death results from an injury sustained in the performance of duty, benefits are paid to survivors in amounts ranging from 50 percent of the employee's monthly pay to a widow or widower with no dependent children up to 75 percent of monthly pay to a widow or widower with dependent children.

Eligible dependents are husband or wife living with or receiving support contributions from the employee, children under 18 (or under 23 if in school), a disabled child over 18 who is incapable of self-support, or a parent who is wholly dependent on and supported by the employee. If there are no eligible surviving spouse or children, reduced

benefits may be paid to dependent parents, siblings, grandparents or grandchildren.

Income, other than earnings of partially disabled employees, does not affect the amount of the benefit. A partially disabled employee may be required to accept suitable employment and a permanently disabled employee may be required to accept vocational rehabilitation services. Additional compensation, up to \$100 a month, may be paid for maintenance during the period the employee is undergoing rehabilitation training.

**OTHER BENEFITS.**—Medical care services, supplies, and appliances required as a result of the injury are provided.

### UNEMPLOYMENT INSURANCE

Federal civilian employees who become involuntarily unemployed are eligible for unemployment benefits under the provisions of the unemployment insurance program in the State in which they are located. State employment agencies, which administer the benefits, are fully reimbursed by the Federal Government. See the section on the Federal-State unemployment compensation programs for greater detail.

### SUPPLEMENTARY MATERIAL

#### EMPLOYMENT COVERED BY CIVIL SERVICE RETIREMENT

Service performed by an employee or a Member in the civilian service of the Government is covered by civil service retirement. For the purpose of civil service retirement, the terms "employee," "Member," and "government" are strictly defined as follows by Federal law.

The term "employee" includes civil service appointees, certain employees of the U.S. Naval Academy, the Architect of the Capitol, employees of the Architect of the Capitol, employees of the Botanic Garden, congressional employees who give written notice of their desire to become subject to civil service retirement, U.S. Commissioners whose pay for services performed as a Commissioner is not less than \$3,000 in each of the last 3 consecutive calendar years, employees of certain county agricultural conservation committees, employees of the District of Columbia government, employees of Gallaudet College, and appointees to the office staff of a former President under the act of August 25, 1958. The term "employee" explicitly does not include Federal judges and justices, employees subject to another retirement system for Government employees, employees in or under an executive agency (or employees of the District of Columbia government) excluded by the Civil Service Commission because their employment is temporary or intermittent, temporary employees of the administrative office of the U.S. courts or of a Federal court, construction employees or other temporary part-time, or intermittent employees of the Tennessee Valley Authority, employees of the Office of the Architect of the Capitol excluded by the Architect because their employment is temporary or of uncertain duration, employees of the Library of Congress excluded by the Librarian of Congress because their employment is temporary or of

uncertain duration, and student-employees assigned primarily for training purposes to a hospital, clinic, or medical or dental laboratory operated by a Government agency.

The term "Member" includes Members of Congress and Delegates to Congress who give written notice of their desire to become subject to civil service retirement.

The term "government" means the Government of the United States, the government of the District of Columbia, and Gallaudet College.

The accompanying table, effective since 1969, shows the pension due to retirees in their first months of retirement. In subsequent years, the pension is raised by the cost-of-living increase plus 1 percent whenever the cost-of-living increase is 3 percent or more.

# CIVIL SERVICE RETIREMENT SYSTEM MONTHLY ANNUITY RATES

## (For Employees Separated On and After October 20, 1969)

### KEY TO ANNUITY RATES IN TABLE

A—Monthly annuity to retired employee if survivor benefit is not elected.

B—Monthly annuity to retired employee with maximum benefit to surviving spouse.

The maximum benefit to surviving spouse of retired employee is approximately 55% of rate A. The benefit to widow or dependent widower of employee whose death occurs before retirement is the same, or may be larger under the guaranteed minimum provision.

NOTE.—1. Service for which retirement deductions were withheld and later refunded cannot be counted unless the refund is redeposited.

2. Rates shown are subject to reduction if—

(a) retirement (except on account of total disability) is before age 55. Reduction for this reason is  $\frac{1}{6}$  of 1% for each full month the retiring employee is under age 55.

(b) service includes any civilian time after August 1, 1920, for which no retirement deductions were withheld or deposited. Monthly reduction in retired employee's annuity for this reason is  $\frac{1}{12}$  of 10% of the amount due as deposit. Monthly reduction for surviving spouse is 55% of monthly reduction in retired employee's annuity.

3. If retirement is on account of total disability, the rates shown as payable to the retired employee (A and B) are subject to increase if he qualifies for the guaranteed minimum disability annuity.

4. "Years of Service" columns include credit for unused sick leave. Annuity based on actual service is limited to 80% of "high-3" average salary. This limit is reached with 41 years and 11 months of service (slightly less if "high-3" average salary is less than \$5,000). However, annuity in excess of the 80% which is produced by credit for unused sick leave is payable.

Years of Service	Average Annual Salary (Highest 3 Consecutive Years)																									Years of Service
	\$4,000	\$5,000	\$6,000	\$7,000	\$8,000	\$9,000	\$10,000	\$11,000	\$12,000	\$13,000	\$14,000	\$15,000	\$16,000	\$17,000	\$18,000	\$19,000	\$20,000	\$21,000	\$22,000	\$23,000	\$24,000	\$25,000				
5	A	\$27	\$31	\$38	\$44	\$50	\$56	\$63	\$69	\$75	\$81	\$88	\$94	\$100	\$106	\$113	\$119	\$125	\$131	\$138	\$144	\$150	\$156	A	5	
	B	26	30	37	43	49	55	61	67	73	79	85	91	98	104	110	116	122	128	134	140	146	152	B		
6	A	33	39	46	54	62	69	77	85	93	100	108	116	123	131	139	146	154	162	170	177	185	193	A	6	
	B	32	38	45	53	60	68	75	83	90	98	105	113	120	128	135	143	150	158	165	173	180	188	B		
7	A	39	46	55	64	73	83	92	101	110	119	128	137	147	156	165	174	183	193	202	211	220	229	A	7	
	B	38	45	54	63	71	80	89	98	107	116	125	134	143	152	161	170	179	188	197	206	215	223	B		
8	A	45	53	64	74	85	96	106	117	128	138	149	159	170	181	191	202	213	223	234	244	255	266	A	8	
	B	43	52	62	73	83	93	104	114	124	135	145	155	166	176	186	197	207	218	228	238	249	259	B		
9	A	50	60	73	85	97	109	121	133	145	157	169	181	193	205	218	230	242	254	266	278	290	302	A	9	
	B	49	59	71	82	94	106	118	130	141	153	165	177	189	200	212	224	236	247	259	271	283	294	B		
10	A	56	68	81	95	108	122	135	149	163	176	190	203	217	230	244	257	271	284	298	311	325	339	A	10	
	B	55	66	79	92	106	119	132	145	159	172	185	198	211	224	238	251	264	277	290	303	315	327	B		
11	A	63	76	91	106	122	137	152	167	183	198	213	228	243	259	274	289	304	319	335	350	365	380	A	11	
	B	61	74	89	104	119	133	148	163	178	193	208	222	237	252	267	282	296	310	324	337	351	365	B		
12	A	70	84	101	118	135	152	169	186	203	219	236	253	270	287	304	321	338	354	371	388	405	422	A	12	
	B	68	82	99	115	132	148	165	181	197	214	230	247	263	280	296	311	326	341	357	372	387	402	B		
13	A	76	93	111	130	148	167	185	204	223	241	260	278	297	315	334	352	371	389	408	426	445	464	A	13	
	B	74	90	108	127	145	163	181	199	217	235	253	271	289	306	323	340	356	373	390	406	423	440	B		
14	A	83	101	121	141	162	182	202	222	243	263	283	303	323	344	364	384	404	424	445	465	485	505	A	14	
	B	81	98	118	138	158	177	197	217	236	256	276	295	314	332	350	368	386	404	423	441	459	477	B		
15	A	90	109	131	153	175	197	219	241	263	284	306	328	350	372	394	416	438	459	481	503	525	547	A	15	
	B	87	107	128	149	171	192	213	235	256	277	298	318	338	357	377	397	416	436	456	475	495	515	B		
16	A	96	118	141	165	188	212	235	259	283	306	330	353	377	400	424	447	471	494	518	541	565	589	A	16	
	B	94	115	138	161	184	207	230	252	275	298	319	340	362	383	404	425	446	467	489	510	531	552	B		
17	A	103	126	151	176	202	227	252	277	303	328	353	378	403	429	454	479	504	529	555	580	605	630	A	17	
	B	100	123	147	172	197	221	246	270	295	317	340	363	386	408	431	454	476	499	522	544	567	590	B		

18	A	110	134	161	188	215	242	269	296	323	349	376	403	430	457	484	511	538	564	591	618	645	672	A	18
	B	107	131	157	183	210	236	262	288	313	337	361	385	410	434	458	482	506	530	555	579	603	627	B	
19	A	116	143	171	200	228	257	285	314	343	371	400	428	457	485	514	542	571	599	628	656	685	714	A	19
	B	113	139	167	195	223	250	278	305	331	356	382	406	434	459	485	511	536	562	588	613	639	665	B	
20	A	123	151	181	211	242	272	302	332	363	393	423	453	483	514	544	574	604	634	665	695	725	755	A	20
	B	120	147	177	206	236	265	294	322	349	376	403	430	458	485	512	539	566	593	621	648	675	702	B	
21	A	130	159	191	223	255	287	319	351	383	414	446	478	510	542	574	606	638	669	701	733	765	797	A	21
	B	126	155	186	218	249	280	309	338	367	395	424	453	482	510	539	568	596	625	654	682	711	740	B	
22	A	136	168	201	235	268	302	335	369	403	436	470	503	537	570	604	637	671	704	738	771	805	839	A	22
	B	133	164	196	229	262	294	324	355	385	415	445	475	506	536	566	596	626	656	687	717	747	777	B	
23	A	143	176	211	246	282	317	352	387	423	458	493	528	563	599	634	669	704	739	775	810	845	880	A	23
	B	139	172	206	240	275	308	339	371	403	434	466	498	530	561	593	625	658	688	720	751	783	815	B	
24	A	150	184	221	258	295	332	369	406	443	479	516	553	590	627	664	701	738	774	811	848	885	922	A	24
	B	146	180	216	252	288	321	354	388	421	454	487	520	554	587	620	653	686	719	753	786	819	852	B	
25	A	156	193	231	270	308	347	385	424	463	501	540	578	617	655	694	732	771	809	848	886	925	964	A	25
	B	152	188	225	263	300	335	369	404	439	473	508	543	578	612	647	682	716	751	786	820	855	890	B	
26	A	163	201	241	281	322	362	402	442	483	523	563	603	643	684	724	764	804	844	885	925	965	1,005	A	26
	B	159	196	235	274	312	348	384	421	457	493	529	565	602	638	674	710	746	782	819	855	891	927	B	
27	A	170	209	251	293	335	377	419	461	503	544	586	628	670	712	754	796	838	879	921	963	1,005	1,047	A	27
	B	165	204	245	286	324	362	399	437	475	512	550	588	626	663	701	739	776	814	852	889	927	965	B	
28	A	176	218	261	305	348	392	435	479	523	566	610	653	697	740	784	827	871	914	958	1,001	1,045	1,089	A	28
	B	172	212	255	297	336	375	414	454	493	532	571	610	650	689	728	767	806	845	885	924	963	1,002	B	
29	A	183	226	271	317	362	407	452	497	543	588	633	678	723	769	814	859	904	949	995	1,040	1,085	1,130	A	29
	B	178	220	264	307	348	389	429	470	511	551	592	633	674	714	755	796	836	877	918	958	999	1,040	B	
30	A	190	234	281	328	375	422	469	516	563	609	656	703	750	797	844	891	938	984	1,031	1,078	1,125	1,172	A	30
	B	185	229	274	318	360	402	444	487	529	571	613	655	698	740	782	824	866	908	951	993	1,035	1,077	B	
31	A	196	243	291	340	388	437	485	534	583	631	680	728	777	825	874	922	971	1,019	1,068	1,116	1,165	1,214	A	31
	B	191	237	284	328	372	416	459	503	547	590	634	678	722	765	809	853	896	940	984	1,027	1,071	1,115	B	
32	A	203	251	301	351	402	452	502	552	603	653	703	753	803	854	904	954	1,004	1,054	1,105	1,155	1,205	1,255	A	32
	B	198	245	294	339	384	429	474	520	565	610	655	700	746	791	836	881	926	971	1,017	1,062	1,107	1,152	B	
33	A	210	259	311	363	415	467	519	571	623	674	726	778	830	882	934	986	1,038	1,089	1,141	1,193	1,245	1,297	A	33
	B	204	253	303	349	396	443	489	536	583	629	676	723	770	816	863	910	956	1,003	1,050	1,096	1,143	1,190	B	
34	A	216	268	321	375	428	482	535	589	643	696	750	803	857	910	964	1,017	1,071	1,124	1,178	1,231	1,285	1,339	A	34
	B	211	261	312	360	406	456	504	553	601	649	697	745	794	842	890	938	986	1,034	1,083	1,131	1,179	1,227	B	
35	A	223	276	331	386	442	497	552	607	663	718	773	828	883	939	994	1,049	1,104	1,159	1,215	1,270	1,325	1,380	A	35
	B	217	269	321	370	420	470	519	569	619	668	718	768	818	867	917	967	1,016	1,066	1,116	1,165	1,215	1,265	B	
36	A	230	284	341	396	455	512	569	626	683	739	796	853	910	967	1,024	1,081	1,138	1,194	1,251	1,308	1,365	1,422	A	36
	B	224	277	330	381	432	483	534	586	637	688	739	790	842	893	944	995	1,046	1,097	1,149	1,200	1,251	1,302	B	
37	A	236	293	351	410	468	527	585	644	703	761	820	878	937	995	1,054	1,112	1,171	1,229	1,288	1,346	1,405	1,464	A	37
	B	230	285	339	391	444	497	549	602	655	707	760	813	866	918	971	1,024	1,078	1,129	1,182	1,234	1,287	1,340	B	
38	A	243	301	361	421	482	542	602	662	723	783	843	903	963	1,024	1,084	1,144	1,204	1,264	1,325	1,385	1,445	1,505	A	38
	B	237	293	348	402	456	510	564	619	673	727	781	835	890	944	998	1,052	1,106	1,160	1,215	1,269	1,323	1,377	B	
39	A	250	309	371	433	495	557	619	681	743	804	866	928	990	1,052	1,114	1,176	1,238	1,299	1,361	1,423	1,485	1,547	A	39
	B	243	301	357	412	468	524	579	635	691	746	802	858	914	969	1,025	1,081	1,136	1,192	1,248	1,303	1,359	1,415	B	
40	A	256	318	381	445	508	572	635	699	763	826	890	953	1,017	1,080	1,144	1,207	1,271	1,334	1,398	1,461	1,525	1,589	A	40
	B	250	306	366	423	480	537	594	652	709	766	823	880	936	995	1,052	1,109	1,166	1,223	1,281	1,338	1,395	1,452	B	
41	A	263	326	391	456	522	587	652	717	783	848	913	978	1,043	1,109	1,174	1,239	1,304	1,369	1,435	1,500	1,565	1,630	A	41
	B	256	316	375	433	492	551	609	668	727	785	844	903	962	1,020	1,079	1,138	1,196	1,255	1,314	1,372	1,431	1,490	B	
41-11 & over	A	267	333	400	467	533	600	667	733	800	867	933	1,000	1,067	1,133	1,200	1,267	1,333	1,400	1,467	1,533	1,600	1,667	A	41-11 & over
	B	260	323	383	443	503	563	623	683	743	803	863	923	983	1,043	1,103	1,163	1,223	1,283	1,343	1,403	1,463	1,523	B	

\*See note 4, above.

## DETERMINATION OF AVERAGE ANNUAL EARNINGS FOR FEDERAL EMPLOYEES COMPENSATION

Average annual earnings are determined as follows:

1. If the employee worked in the employment in which he was employed at the time of his injury during substantially the whole year immediately preceding the injury and the employment was in a position for which an annual rate of pay—

(a) Was fixed, the average annual earnings are the annual rate of pay; or

(b) Was not fixed, the average annual earnings are the product obtained by multiplying his daily wage for the particular employment, or the average thereof if the daily wage was fluctuated, by 300 if he was employed on the basis of a 6-day workweek, 280 if employed on the basis of a 5½-day week, and 260 if employed on the basis of a 5-day week.

2. If the employee did not work in employment in which he was employed at the time of his injury during substantially the whole year immediately preceding the injury, but the position was one which would have afforded employment for substantially a whole year, the average annual earnings are a sum equal to the average annual earnings of an employee of the same class working substantially the whole immediately preceding year in the same or similar employment in the same or neighboring place.

3. If either of the foregoing methods of determining the average annual earnings cannot be applied reasonably and fairly, the average annual earnings are a sum that reasonably represents the annual earning capacity of the injured employee in the employment in which he was working at the time of the injury having regard to the previous earnings of the employee in Federal employment, and of other employees in the same or most similar class and employment in the same or neighboring place, other previous employment of the employee, or other relevant factors. However, the average annual earnings may not be less than 150 times the average daily wage the employee earned in the employment during the days within 1 year immediately preceding his injury.

4. If the employee served without pay or at nominal pay, the preceding paragraphs apply as far as practicable, but the average annual earnings of the employee may not exceed the minimum rate of basic pay for GS-15. If the average annual earnings cannot be determined reasonably and fairly in the manner previously described, the average annual earnings shall be determined at the reasonable value of the service performed but not in excess of \$3,600 a year.

### COMPENSATION SCHEDULE FOR DISABILITY FOR FEDERAL EMPLOYEES

1. Arm lost, 312 week compensation.
2. Leg lost, 288 weeks compensation.
3. Hand lost, 244 weeks compensation.
4. Foot lost, 205 weeks compensation.
5. Eye lost, 160 weeks compensation.
6. Thumb lost, 75 weeks compensation.
7. First finger lost, 46 weeks compensation.
8. Great toe lost, 38 weeks compensation.

9. Second finger lost, 30 week compensation.
10. Third finger lost, 25 weeks compensation.
11. Toe other than great toe lost, 16 weeks compensation.
12. Fourth finger lost, 15 weeks compensation.
13. Loss of hearing:
  - (a) Complete loss of hearing of one ear, 52 weeks compensation,
  - or
  - (b) Complete loss of hearing of both ears, 200 weeks compensation.
14. Compensation for loss of binocular vision or for loss of 80 percent or more of the vision of an eye is the same as for the loss of an eye.
15. Compensation for the loss of more than one phalanx of a digit is the same as for loss of the entire digit.
16. If, in the case of an arm or a leg, the member is amputated above the wrist or ankle, compensation is the same as for the loss of the arm or leg, respectively.
17. Compensation for loss of use of two or more digits, or one or more phalanges of each of two or more digits, of a hand or foot, is proportioned to the loss of use of the hand or foot.
18. Compensation for permanent total loss of use of a member is the same as for loss of the member.
19. Compensation for permanent partial loss of use of a member may be for proportionate loss of use of the member. The degree of loss of vision or hearing under this schedule is determined without regard to correction.
20. In case of loss of use of more than one member or parts of more than one member as enumerated by this schedule, the compensation is for loss of use of each member or part thereof, and the awards run consecutively. However, when the injury affects only two or more digits of the same hand or foot, paragraph (17) of this schedule applies, and when partial bilateral loss of hearing is involved, compensation is computed on the loss as affecting both ears.
21. For serious disfigurement of the face, head, or neck of a character likely to handicap an individual in securing or maintaining employment, proper and equitable compensation not to exceed \$3,500 shall be awarded in addition to any other compensation payable under this schedule.

#### COMPENSATION IN CASE OF DEATH OF FEDERAL EMPLOYEES

(a) If death results from an injury sustained in the performance of duty, the United States shall pay a monthly compensation equal to a percentage of the monthly pay of the deceased employee in accordance with the following schedule:

1. To the widow or widower, if there is no child, 50 percent;
2. To the widow or widower, if there is a child, 45 percent, plus 15 percent for each child not to exceed a total of 75 percent for the widow or widower and children;
3. To the children, if there is no widow or widower, 35 percent for one child plus 15 percent for each additional child not to exceed a total of 75 percent, divided among the children share and share alike.
4. To the parents, if there is no widow, widower, or child:
  - A. 25 percent if one parent was wholly dependent on the employee at the time of death and the other was not dependent to any extent;

B. 20 percent to each if both were wholly dependent; or

C. A proportionate amount in the discretion of the Secretary of Labor if one or both were partly dependent.

If there is a widow, widower, or child, so much of the percentages are payable as, when added to the total percentages payable to the widow, widower, and children, will not exceed a total of 75 percent.

5. To the brothers, sisters, grandparents, and grandchildren, if there is no widow, widower, child, or dependent parent:

A. 20 percent if one was wholly dependent on the employee at the time of death;

B. 30 percent if more than one was wholly dependent, divided among the dependents share and share alike; or

C. 10 percent if no one is wholly dependent but one or more is partly dependent, divided among the dependents share and share alike.

If there is a widow, widower, child, or dependent parent, so much of the percentages are payable as when added to the total percentages payable to the widow, widower, children, and dependent parents, will not exceed a total of 75 percent.

(b) The compensation is paid from the time of death until:

1. A widow dies or remarries;

2. A widower dies or remarries;

3. A child, a brother, a sister, or a grandchild dies or marries or becomes 18 years of age, or if over 18 and incapable of self-support becomes capable of self-support; or

4. A parent or grandparent dies or marries or ceases to be dependent.

Payment that would otherwise end because a person has reached age 18 shall continue if he is a student as defined in section 8101 of title V.

## MILITARY RETIREMENT

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—The military retirement program provides protection against loss in income to members of the Armed Forces and their families due to retirement of military personnel.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—Piecemeal programs have been enacted over the past 200 years. Major legislation leading to the present system included:

- (1) The Officer Personnel Act of 1947, which fixes retirement points for Regular officers.
- (2) Army and Air Force Vitalization and Retirement Equalization Act of 1948, approved June 29, 1948.
- (3) Career Compensation Act of 1949, approved October 12, 1949.
- (4) Uniform Services Contingency Option Act of 1953, a contributory survivors' benefit program.
- (5) Servicemen's and Veterans' Survivors' Benefit Act of 1956, which provided for military personnel's full social security coverage effective January 1957. Up until this time social security had not been deducted from military pay, but service personnel were allowed to count time in service from 1940 until enactment of this law for social security or military retirement, but not both (1940-56).

Prior to 1958 military retirement pay was computed on the basic pay of a member on active duty of equal grade and service. When basic pay was increased, retired pay was correspondingly increased. Public Law 85-422 departed from this practice and on June 1, 1958 increased retired pay for all personnel by 6 percent. Public Law 88-132, October 2, 1963, provided for increases based on the consumer price index (see section on benefits).

A new survivor benefit plan (SBP) was enacted September 21, 1972 (Public Law 92-245). The new plan gives greater coverage at less cost to the retiree and is modeled after the civil service plan. The new law also provides an annual guaranteed income of at least \$2,100 to widows/widowers of deceased members who were receiving, or were entitled to receive, retired pay. Public Law 92-245 provides for supplemental payments to widows of retirement-eligible members who died on active duty, if the widow's Dependency and Indemnity Compensation (DIC) payments (from VA) are less than the maximum she would have received if the member had been retired. Survivor benefit payments covering the difference between the two will be paid (see chapter 73 of title 10, U.S. Code).

**ADMINISTERING AGENCIES.**—The Department of Defense administers the retirement systems for the Army, Navy, Air Force, and Marine Corps; for military members serving in the Coast Guard, Public Health Services, and the National Oceanic and Atmospheric Adminis-

tration, retirement systems are administered by the Department of Transportation; the Department of Health, Education, and Welfare; and the Department of Commerce, respectively. The Veterans Administration administers the dependency and indemnity compensation (DIC) program.

**FINANCING.**—The Federal Government finances all military personnel retirement benefits through annual appropriations authorized by Congress. Retirees contribute to survivors' benefits through a reduction in retirement pay.

### *Costs and caseloads*

(DEPARTMENT OF DEFENSE)

	<i>Actual fiscal year 1973</i>	
	<i>Recipients</i>	<i>Costs</i>
Retired personnel.....	912, 493	\$4, 375, 142, 000
Survivors.....	11, 142	17, 076, 000
<b>Total</b> .....	<b>923, 635</b>	<b>4, 392, 218, 000</b>
	<i>Estimate fiscal year 1974</i>	
Retired personnel.....	966, 508	5, 119, 291, 000
Survivors.....	17, 768	31, 409, 000
<b>Total</b> .....	<b>984, 276</b>	<b>5, 150, 700, 000</b>
	<i>Estimate fiscal year 1975</i>	
Retired personnel.....	1, 020, 245	5, 637, 633, 000
Survivors.....	25, 230	49, 967, 000
<b>Total</b> .....	<b>1, 045, 475</b>	<b>5, 687, 600, 000</b>

Source: U.S. Congress, House Committee on Appropriations, Department of Defense Appropriations for 1975, hearings before a subcommittee of the House Committee on Appropriations, 93d Cong., 2d sess., 1974, pt. 9, pp. 1107, 1115, 1128.

For a complete breakdown of categories, see supplemental tables.

### ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—Three major eligibility conditions exist: (1) age or length of service, (2) disability incurred during active service; or (3) eligibility for annuity payments (survivors of retired servicemen).

*1. Nondisability retirement—Conditions for eligibility.*—Any Regular or Reserve commissioned officer or warrant officer may be retired upon application and approval by the service secretary after 20 years of active service, at least 10 of which are commissioned service for commissioned officers. Enlisted members may request retirement after 20 years of service, either active or inactive.

Regular officers, except for a portion of those serving in flag or general officer rank, are subject to mandatory retirement based on the principle of "up or out." The mandatory retirement points vary by service and rank. There are also special provisions which eliminate regular officers prior to the time they would normally have been eliminated under the permanent provisions.

2. *Disability retirement—Conditions of eligibility.*—A member who has completed 20 years of service or has a disability of 30 percent or more by Veterans Administration rating may be retired for permanent disability if he is physically unfit to perform the duties of his grade and the disability is service-incurred.

If disability may not be permanent, the member is placed on the temporary disability retired list and subject to physical examination no less than once every 18 months. After 5 years the member must either be retired for permanent disability or removed from the disability list if disability is less than 30 percent and he/she has less than 20 years of service.

*Disability severance pay—Conditions for eligibility.*—A member found unfit for further service but not eligible for disability retired pay may receive disability severance pay in a lump sum.

3. *Annuities to dependents upon death of service member in retired status.*—(a) Members who retired before September 21, 1972, could elect to participate in the Retired Serviceman's Family Protection Plan (RSFPP) by voluntarily accepting a reduced amount of monthly retired pay in order to provide continuation of a portion of retired pay for his survivors. Those members already retired on September 21, 1972, who were participating in the Retired Serviceman's Family Protection Plan had three options to exercise within 18 months from September 21, 1972 (date new survivors' plan went into effect): (1) They could continue in the Retired Serviceman's Family Protection Plan and not join the new Survivor Benefit Plan; (2) they could drop the Retired Serviceman's Family Protection Plan and join the Survivor Benefit Plan; or, (3) they could continue in the Retired Serviceman's Family Protection Plan and join the Survivor Benefit Plan as long as the combined coverage does not exceed 100 percent of the retired pay.

The RSFPP program is designed to be self-financing.

(b) Members who retired after September 20, 1972, may not participate in the Retired Serviceman's Family Protection Plan described above. These members who have a spouse or children on the date of retirement will automatically be covered under the Survivor Benefit Plan for military retirees unless they elect to decline coverage before retirement.

*Base amount.*—Cost of providing coverage for a spouse and or children and the benefit to these survivors is based on an amount designated by the retiree at retirement. This is called the base amount. The base amount can be any amount of retired pay between \$300 and the full amount of retired pay. (If retired pay is less than \$300, the base amount must be the full amount of retired pay.)

*Cost.*—The cost to the member of providing a survivor benefit to the spouse is 2½ percent of the first \$300 of the base amount plus 10 percent of the remainder of the base amount. This cost continues for the life of the member. Cost for an annuity that flows to the spouse until she becomes ineligible and then to the children is the same as for the spouse plus an actuarial charge. It is dependent on the age of the member, the spouse, and the youngest child. Cost for an annuity for children only is based on an actuarial charge dependent on the age of the member and the youngest child.

The Survivor Benefit Plan is not self-financing.

**PERSONS INCLUDED.**—Participation is automatic for members of the uniformed services—the Army, Navy, Air Force, Marine Corps, Coast Guard, and the commissioned officers corps of the Public Health Service and of the National Oceanic and Atmospheric Administration.

Under both of the contributory benefits (Retired Servicemen's Family Protection Plan (RSFPP)—the old plan—and Survivor Benefit Plan (SBP)—the new plan), a member of the uniformed services may elect to provide annuities for (1) surviving spouse, (2) surviving children, (3) surviving family, including both spouse and children, or, (4) other natural persons with an insurable interest (under the new plan only).

**INCOME TEST.**—Does not apply to retired members, but under the SBP survivors' benefits are reduced by social security benefits attributable to military service.

**ASSETS TEST.**—Does not apply.

#### OTHER CONDITIONS

*Citizenship.*—Since enlisted men are not required to be U.S. citizens to serve in the Armed Forces, there may be retirees who are not U.S. citizens. However, if new citizenship (other than United States) is elected after retirement, the retiree becomes ineligible for military retirement benefits.

*Institutional status.*—Retirees in Government institutions for the disabled still receive full cash benefits.

*Residence requirements.*—There is no residence requirement.

### BENEFITS AND SERVICES

**NATURE OF BENEFITS.**—Cash benefits are provided to military retirees and their survivors based on years in service. Cash disability benefits are also available, in addition to medical care.

*Nondisability benefits.*—*Amount of benefit.*—The amount of retired pay is equal to the basic pay of the retired grade of the member multiplied by  $2\frac{1}{2}$  percent times the number of years of credited service. Maximum benefit is 75 percent of such basic pay.

Credited service for enlisted men is active service only. Officers are credited with all active service and may receive credit for inactive or constructive service according to the branch of service, and depending on whether retirement was voluntary or mandatory.

The retired grade of the member is generally the grade, whether temporary or permanent, in which he is serving on the date of retirement.

An enlisted individual or warrant officer retiring with less than 30 years of service who held a temporary higher grade than the grade in which he retired receives retired pay in the grade held at time of retirement until his total service (active plus retired) reaches 30 years. At that time he is advanced to the next higher grade and his retired pay is based on the higher grade.

An enlisted individual or a warrant officer holding a Reserve commission who completes 20 years of active service, of which 10 years is commissioned, may retire and receive retired pay on the basis of the commissioned rank.

*Employment.*—Before 1964 Regular officer retirees were not permitted to hold civil service jobs due to the Dual Compensation law.

However, this was amended in 1964 to allow them full civil service employment with certain reductions from retirement pay. At the present time Regular retired officers may keep \$3,054 of their retirement pay plus 50 percent of the remainder and maintain civil service jobs.

*Disability benefits—Amount of benefit.*—The benefit is determined by multiplying basic pay of the member's retired grade by the greater of:

- (1) the percentage of disability; or
- (2) 2½ percent multiplied by years of active service.

Maximum benefit is 75 percent of such basic pay; minimum benefit is 30 percent; however, minimum is 50 percent while on temporary disability retired list.

A member has the option of receiving disability compensation from the Veterans Administration rather than disability retired pay.

*Amount of disability severance pay* (conditions stated in eligibility section).—The amount of this pay is 2 months' basic pay for each year of service, but not to exceed 2 years of basic pay.

*Survivor benefits.*—Under the Retired Serviceman's Family Protection Plan a member elected to receive in lieu of his regular benefit an actuarially reduced benefit payable during his life, with amounts between one-half and one-eighth of his/her retired pay continued to his/her surviving designated beneficiaries. Payments to surviving spouse terminate upon death or remarriage. Payments to an eligible child cease at age 18 or at age 23 if a student.

Such an election had to have been made prior to completing 19 years of service or at least 2 years prior to receiving retired pay, if after the 19th year of service.

Under the Survivor Benefit Plan (new) the benefit paid to the survivor is 55 percent of the base amount (can be an amount of retired pay between \$300 and the full amount of retired pay, designated by the retiree at time of retirement). This benefit is reduced by the social security survivor benefit attributable to military service, after spouse's age 62. If children are eligible beneficiaries, the payment is divided equally among them.

Payments to the surviving spouse terminate upon death or upon remarriage before age 60. Payments to eligible children cease at age 18 or at age 22 if a student.

*Annuities to dependents upon death in active service.*—(a) There is no provision under the military retirement system for members with less than 20 years of service on the date of death; however, members are covered under servicemen's Dependency and Indemnity Compensation (DIC) administered by the Veterans Administration. DIC benefits are payable to survivors of members who died in line of active duty, or following service if death is result of service connected disability.

*Amount of benefit.*—Widow—Payment varies by member's pay grade, from \$215 for widow of an E-1 to \$549 for widow of an O-10. Payable until death or remarriage.

*Children (when widow is dead or remarried).*—One child, \$108 per month; two children, \$156 per month; three children, \$201 per month; more than three children, \$201 plus \$40 for each child in excess of three. Payable until age 18, or 23 if a student.

*Children (when widow receiving benefits).*—(a) Widow's benefit is increased by \$26 for each child. Payable until age 18, or 23 if a student.

(b) The new survivor benefit plan for military retirees, effective September 21, 1972, contains a provision for a payment to the surviving spouse of a member who dies on active duty after completing 20 years of service. The payment is equal to the difference between the amount of Dependency and Indemnity Compensation paid to the spouse and 55 percent of the retired pay to which the member would have been entitled had he retired on the date of death.

Both retirement and survivor annuities are automatically increased whenever the Consumer Price Index (CPI) rises at least 3 percent over the CPI of the last adjustment and remains up for 3 consecutive months. Such annuity increases are equal to the percentage rise in the CPI rounded to the nearest one-tenth of 1 percent, plus an additional 1 percent.

[Laws leading to present formula include: Public Law 88-132 (Oct. 2, 1963); Public Law 89-132 (Aug. 21, 1965); Public Law 90-207 (Dec. 16, 1967); and Public Law 91-179 (Nov. 1, 1969).]

**BENEFITS UNDER OTHER PROGRAMS.**—Military personnel are covered by the social security system and entitled to full benefits. Military retirement annuities to survivors are reduced by the amount of social security survivor benefit attributable to military service after spouse's age 62. There are numerous VA programs available to retirees.

**OTHER SERVICES PROVIDED OR AVAILABLE.**—Most benefits available to a member in active duty are retained in retired status. For example, medical care, commissary and exchange privileges, and space available air travel are still provided.

## SUPPLEMENTARY MATERIAL

TABLE 1.—SUMMARY OF RETIRED PAY PROGRAM, 1968-72

[Dollar amounts in millions]

	Fiscal year—				
	1968	1969	1970	1971	1972
<b>TOA for retired pay:</b>					
Nondisability.....	\$1,459.2	\$1,716.7	\$2,032.7	\$2,464.0	\$2,870.2
Temporary disability.....	37.7	46.7	56.9	69.8	73.6
Permanent disability.....	342.2	382.2	431.1	495.4	557.5
Fleet Reserve.....	246.5	288.3	322.2	348.1	374.3
Survivors' benefits.....	7.9	9.0	10.3	11.7	13.5
<b>Total.....</b>	<b>2,093.5</b>	<b>2,442.9</b>	<b>2,853.2</b>	<b>3,389.0</b>	<b>3,889.1</b>
<b>Average number receiving retired pay:</b>					
Nondisability.....	400,713	447,740	491,409	542,792	597,942
Temporary disability.....	14,380	17,472	21,929	23,797	22,430
Permanent disability.....	104,533	111,897	118,991	124,475	131,499
Fleet Reserve.....	98,754	107,746	110,255	106,759	106,186
Survivors' benefits.....	6,116	6,833	7,560	8,316	9,133
<b>Total.....</b>	<b>624,496</b>	<b>691,688</b>	<b>750,144</b>	<b>806,139</b>	<b>867,190</b>
Accrued past service cost <sup>1</sup> .....	\$77,228	\$86,269	\$103,426	\$113,389	\$121,392
Current service cost.....	2,365	2,736	2,957	3,191	3,378

<sup>1</sup> As of the end of the fiscal year, based on pay rates in effect on that date for fiscal years 1968, 1969, 1970, 1971, 1972, and Jan. 1, 1973, rates for subsequent years.

Note 1.—None of the above figures make any allowance for future increases in basic pay rates or for future increases in the Consumer Price Index.

Note 2.—No reduction in accruing or accrued costs has been made for nonpayment of retired pay by reason of VA waiver, dual compensation laws, etc. Accrual costs are calculated at 3½ percent interest.

TABLE 2.—ANALYSIS OF THE AVERAGE NUMBER OF RETIRED PERSONNEL AND OBLIGATIONS FOR THE DEPARTMENT OF DEFENSE, FISCAL YEARS 1973-75

[Dollars in thousands]

Activity and category	Actual fiscal year 1973		Estimated fiscal year 1974		Estimated fiscal year 1975	
	Average number of retirees	Obligations	Average number of retirees	Obligations	Average number of retirees	Obligations <sup>a</sup>
<b>Nondisability:</b>						
Regular officers.....	95,723	\$893,199	101,671	\$1,058,072	106,157	\$1,153,122
Regular enlisted.....	410,611	1,501,248	451,796	1,838,578	492,514	2,100,860
Nonregular officers.....	141,121	894,800	146,985	1,014,576	152,664	1,093,763
Nonregular enlisted.....	6,624	13,926	7,863	18,532	9,033	22,280
Subtotal.....	654,079	3,303,173	708,315	3,929,758	760,368	4,370,025
<b>Temporary disability:</b>						
Regular officers.....	1,796	19,900	1,881	23,277	1,971	27,084
Regular enlisted.....	14,820	41,318	13,439	40,647	11,488	41,986
Nonregular officers.....	1,310	9,452	1,059	8,205	882	8,443
Nonregular enlisted.....	1,537	3,109	718	2,587	378	2,718
Subtotal.....	19,463	73,779	17,097	74,716	14,719	80,231
<b>Permanent disability:</b>						
Regular officers.....	19,747	182,633	20,201	205,544	20,688	221,298
Regular enlisted.....	70,221	206,391	73,509	241,252	75,511	261,125
Nonregular officers.....	41,981	220,627	42,010	239,761	42,070	248,975
Nonregular enlisted.....	6,164	7,013	6,711	8,419	7,052	9,942
Subtotal.....	138,113	616,664	142,431	694,976	145,321	741,340
<b>Fleet Reserve.....</b>	100,838	381,526	98,665	419,841	99,837	446,037
<b>Survivors' benefits:</b>						
Old plan (RSPPP).....	10,013	15,153	10,612	16,606	11,236	17,751
New plan (SBP).....	439	1,295	3,815	11,422	9,224	27,881
Guaranteed min. inc.....	690	624	3,265	3,102	4,618	3,722
DIC supplemental payments.....		4	76	279	152	613
Subtotal.....	11,142	17,076	17,768	31,409	25,230	49,967
<b>Total.....</b>	923,635	4,392,218	984,276	5,150,700	1,045,475	5,687,600

TABLE 3.—MILITARY PERSONNEL RECEIVING RETIRED OR RETAINER PAY AS OF JUNE 30, 1973

Retired pay grade	All retirements <sup>1</sup>			Nondisability retirements <sup>1</sup>			Disability retirements		
	Number of persons	Monthly amount	Average monthly retirement pay	Number of persons	Monthly amount	Average monthly retirement pay	Number of persons	Monthly amount	Average monthly retirement pay
O-10.....	131	\$255,777	\$1,952	66	\$127,178	\$1,927	65	\$128,599	\$1,978
O-9.....	360	613,503	1,704	216	366,563	1,697	144	246,940	1,715
O-8.....	1,867	2,582,703	1,383	1,254	1,652,080	1,317	613	930,623	1,518
O-7.....	1,794	2,019,202	1,126	1,326	1,422,888	1,073	468	595,314	1,274
O-6.....	49,691	45,519,506	916	41,682	37,167,723	892	8,009	8,351,783	1,043
O-5.....	94,460	63,676,741	674	83,785	55,617,816	664	10,675	8,058,925	755
O-4.....	66,732	36,324,963	544	56,773	30,953,355	545	9,959	5,371,608	539
O-3.....	30,023	12,772,947	425	16,451	7,519,593	457	13,572	5,253,354	387
O-2.....	16,590	5,351,429	323	4,651	1,689,532	363	11,939	3,661,897	307
O-1.....	5,442	1,451,103	267	886	265,422	300	4,556	1,185,681	260
W-4.....	10,463	6,431,071	615	9,260	5,629,871	608	1,203	801,200	666
W-3.....	9,861	4,217,886	428	9,090	3,866,825	425	771	351,061	455
W-2.....	14,360	5,303,832	369	12,702	4,715,828	371	1,658	588,004	355
W-1.....	4,676	1,383,845	296	3,496	1,053,106	304	1,180	320,739	272
<b>Total officers.....</b>	306,450	187,904,508	613	241,638	152,057,780	629	64,812	35,846,728	553
E-9.....	28,655	14,842,943	518	25,832	13,317,353	516	2,823	1,525,530	540
E-8.....	65,281	26,478,074	406	59,848	24,197,645	404	5,433	2,280,429	420
E-7.....	240,225	75,949,619	316	220,678	69,793,693	316	19,547	6,155,926	315
E-6.....	171,691	45,662,300	266	153,814	41,287,800	268	17,877	4,374,500	245
E-5.....	83,397	17,807,301	214	64,646	14,296,767	221	18,751	3,510,534	187
E-4.....	24,440	3,807,752	156	8,820	1,522,739	173	15,620	2,285,013	146
E-3.....	10,240	1,476,107	144	1,294	208,569	161	8,946	1,267,538	142
E-2.....	3,951	347,489	88	252	31,676	126	3,699	315,813	85
E-1.....	942	100,543	107	71	11,321	159	871	89,222	102
<b>Total enlisted.....</b>	628,822	186,472,128	297	535,255	164,667,563	308	93,567	21,804,565	233
<b>Grand total.....</b>	935,272	374,376,636	400	776,893	316,725,343	408	158,379	57,651,293	364

<sup>1</sup> Includes Fleet Reserve.<sup>2</sup> Includes 12 NAVCADS.

TABLE 4.—FISCAL YEAR 1974 BUDGET FOR BASIC PAY AND MILITARY RETIRED PAY, DEPARTMENT OF DEFENSE

	Basic pay	Retired pay	Percent
<b>Active duty:<sup>1</sup></b>			
Army.....	\$5,243,075,000	\$1,559,433,000	29.7
Navy.....	3,720,477,000	1,093,094,000	92.4
Marine Corps.....	1,145,109,000	242,933,000	21.2
Air Force.....	4,845,785,000	1,589,732,000	32.8
<b>Total.....</b>	<b>14,954,446,000</b>	<b>4,485,192,000</b>	<b>30.0</b>
<b>Reserve Forces:<sup>2</sup></b>			
Army.....	913,647,000	102,172,000	11.2
Navy.....	162,283,000	44,801,000	27.6
Marine Corps.....	53,053,000	2,271,000	4.3
Air Force.....	252,391,000	28,809,000	11.4
<b>Total.....</b>	<b>1,381,374,000</b>	<b>178,053,000</b>	<b>12.9</b>

<sup>1</sup> Retired pay excludes survivors paid under RSFPP and retired pay under title III.

<sup>2</sup> Retired pay consists of payments under title III.

TABLE 5.—ACTUAL AND PROJECTED NUMBER OF RETIREMENTS AMONG MILITARY PERSONNEL ON ACTIVE DUTY, FISCAL YEARS 1960-78

Fiscal year		By category			By type of retirement	
		Total	Officers	Enlisted	Nondisability	Disability <sup>1</sup>
1960.....	Personnel reports...	29,353	6,823	22,530	22,626	6,727
1961.....	do.....	42,034	12,886	29,148	35,198	6,836
1962.....	do.....	40,929	10,153	30,776	34,110	6,819
1963.....	do.....	57,629	14,319	43,310	49,166	8,463
1964.....	do.....	57,384	13,609	43,775	48,900	8,484
1965.....	do.....	55,772	13,872	41,900	46,635	9,137
1966.....	Budget.....	54,750	13,101	41,649	43,533	11,217
1967.....	do.....	70,062	13,605	56,457	56,442	13,620
1968.....	do.....	72,326	13,728	58,598	55,973	16,353
1969.....	do.....	73,017	13,340	59,677	51,579	21,438
1970.....	do.....	75,728	17,586	58,142	51,232	24,496
1971.....	do.....	80,801	18,298	62,503	57,879	22,922
1972.....	do.....	77,618	14,479	63,139	59,547	18,071
1973.....	do.....	71,187	13,842	57,345	55,681	15,506
1974.....	do.....	68,699	13,015	55,684	54,044	14,655
1975.....	Projected.....	60,890	10,968	49,922	52,166	8,724
1976.....	do.....	56,927	10,603	46,324	48,396	8,531
1977.....	do.....	52,720	10,132	42,588	44,562	8,158
1978.....	do.....	49,735	9,930	39,805	41,876	7,859
*Normal <sup>1</sup> for an active force of present size with current re-ent rates.		47,104	7,975	39,129	39,944	7,160

<sup>1</sup> Projected numbers do not include combat disabilities.

Note.—The military retired pay appropriation request for fiscal year 1974 represents a consolidation of the current estimates of the military departments and provides for (1) the pay of retired military personnel on the retired lists of the Army, Navy, Marine Corps and Air Force, (2) retainer pay of members of the Navy and Marine Corps Fleet Reserves and (3) payments to eligible survivors pursuant to the retired serviceman's family protection plan and the survivor benefit plan.

The substantial increase in the number on the retired rolls can be directly attributed to the fact that a large number of personnel who entered the Armed Forces during the World War II period have attained eligibility for retirement after 20 or more years of active military service.

TABLE 6.—SURVIVORS' BENEFITS

[Dollar amounts in thousands]

Fiscal year	Number of retirees electing to participate <sup>1</sup>	Deduction in retired pay	Survivors receiving benefits <sup>1</sup>	Payment to survivors
<b>Retired serviceman's family protection plan (RSFPP):</b>				
1954 (last 8 months).....	11,243	\$1,597	149	\$67
1955.....	11,401	4,308	499	462
1960.....	22,967	7,786	2,312	2,422
1965.....	60,996	18,447	4,643	5,295
1970.....	108,272	36,680	7,891	10,283
1971.....	117,129	41,858	8,695	11,730
1972.....	124,563	46,297	9,578	13,474
1973.....	92,724	33,554	10,345	15,153
1974 (estimate).....	78,844	31,457	10,863	16,606
1975 (estimate).....	76,312	31,053	11,541	17,751
<b>Subtotal.....</b>		<sup>2</sup> 431,688		143,394

See footnotes at end of table, p. 321.

TABLE 6.—SURVIVORS' BENEFITS—Continued  
[Dollar amounts in thousands]

Fiscal year	Number of retirees electing to participate <sup>1</sup>	Deduction in retired pay	Survivors receiving benefits <sup>1</sup>	Payment to survivors
<b>Survivor benefit plan (SBP):</b>				
1973.....	260,777	29,528	936	1,295
1974 (estimate).....	406,267	69,935	6,315	11,422
1975 (estimate).....	447,181	75,815	11,989	27,881
Subtotal.....		175,278		40,598
<b>-Guaranteed minimum income (to current widows):</b>				
1973.....			1,689	624
1974 (estimate).....			4,336	3,102
1975 (estimate).....			4,849	3,722
<b>DIC supplemental payments (to future widows):</b>				
1973.....			2	4
1974 (estimate).....			140	279
1975 (estimate).....			162	618
<b>Total of all four categories:</b>				
1973.....	353,501	63,082	12,972	17,079
1974 (estimate).....	485,111	101,392	21,654	31,406
1975 (estimate).....	523,493	106,868	28,541	49,967

<sup>1</sup> Number at end of fiscal year.

<sup>2</sup> Annual amounts will not add to total due to rounding.

TABLE 7.—MONTHLY AMOUNT OF MILITARY RETIRED PAY FOR PERSONS RETIRING AFTER OCT. 1, 1974  
[Nondisability retirements]

Pay grade	Title	Years of service		
		20	25	30
<b>COMMISSIONED OFFICERS</b>				
O-10.....	Chief of Staff.....	\$1,594.50	\$1,993.12	\$2,391.75
O-10.....	General-admiral.....	1,594.50	1,993.12	2,391.75
O-9.....	Lieutenant general-vice admiral.....	1,577.12	1,971.40	2,391.75
O-8.....	Major general-rear admiral (JH).....	1,454.87	1,904.63	2,285.56
O-7.....	Brig. general-rear admiral (LH).....	1,324.87	1,656.09	1,987.31
O-6.....	Colonel-captain.....	1,014.26	1,341.57	1,745.74
O-5.....	Lieutenant colonel-commander.....	917.32	1,187.11	1,424.53
O-4.....	Major-lieutenant commander.....	794.06	992.58	1,191.09
<b>COMMISSIONED OFFICERS WITH LESS THAN 4 YEARS OF SERVICE</b>				
O-3.....	Captain-lieutenant.....	686.59	858.24	1,029.89
O-2.....	1st lieutenant-lieutenant (jg).....	509.60	637.00	764.40
O-1.....	2d lieutenant-ensign.....	402.13	502.67	603.20
<b>COMMISSIONED OFFICERS WITH MORE THAN 4 YEARS OF SERVICE</b>				
O-3.....	Captain-lieutenant.....	697.27	871.59	1,045.91
O-2.....	1st lieutenant-lieutenant (jg).....	590.28	737.85	885.43
O-1.....	2d lieutenant-ensign.....	499.08	623.85	748.62
<b>WARRANT OFFICERS</b>				
W-4.....	Chief warrant-commissioned warrant.....	659.64	851.86	1,101.64
W-3.....	Chief warrant-commissioned warrant.....	579.60	751.01	933.26
W-2.....	Chief warrant-commissioned warrant.....	520.44	676.87	812.24
W-1.....	Warrant officer-warrant officer.....	482.97	603.72	724.46
<b>ENLISTED MEMBERS</b>				
E-9.....	Senior enlisted member.....	764.88	956.10	1,147.32
E-9.....	Sergeant major-master chief petty officer.....	544.84	716.93	943.78
E-8.....	Master sergeant-senior chief petty officer.....	477.71	632.02	843.09
E-7.....	Sergeant 1st class-chief petty officer.....	421.43	562.06	758.42
E-6.....	Staff sergeant-petty officer 1st class.....	370.72	463.40	556.08
E-5.....	Sergeant-petty officer 2d class.....	314.75	393.44	472.13
E-4.....	Corporal-petty officer 3d class.....	251.34	326.67	392.01
E-3.....	Private first class-seaman.....	228.81	286.01	343.22
E-2.....	Private-seaman apprentice.....	193.09	241.37	289.64
E-1.....	Recruit-seaman recruit.....	173.32	216.65	259.98

Note.—These figures are based on the assumption that the years of service for pay purposes are the same as years of active service. Reflects CPI increase effective July 1, 1974.

# STATE AND LOCAL PROGRAMS

## STATE AND LOCAL GOVERNMENT EMPLOYEE RETIREMENT PROGRAMS

Over 80 percent of all full-time State and local government employees are covered under some type of retirement system, administered by the States or local governments, as a result of their public employment.

Retirement is generally permitted because of disability and advanced age. Persons retiring before age 60 or 65 and persons wishing to provide survivors' benefits to their widows usually must take reduced annuities.

Retirement benefits vary, depending upon length of service, level of contributions, and whether the plans were designed as primary retirement benefits or as supplements to OASDI. Amendments to the social security law have provided for voluntary coverage of State and local employees, so persons can be covered under State, State and Federal (OASDI), or both systems. More than half of all full-time State and local employees are covered by both systems.

### BENEFITS AND BENEFICIARIES UNDER STATE AND LOCAL EMPLOYEE RETIREMENT SYSTEMS, BY RISK, 1973 (PRELIMINARY)<sup>1</sup>

[Benefits (in thousands), calendar year]

	Total	Age and service	Disability	Survivor	
				Monthly	Lump sum
Benefits paid, fiscal year 1973 .....	\$5,450,000	\$4,590,000	\$350,000	\$275,000	\$235,000
Beneficiaries as of June 30, 1974 .....	1,550,000	1,320,000	95,000	135,000	.....

<sup>1</sup> Benefits estimated by Social Security Administration from Census of Governments data for fiscal years; beneficiaries estimated from the most recent (1972) quinquennial Census of Governments benchmarks. See "Research and Statistics Note No. 9-1972," Apr. 1, 1974, for details and for revised series 1967-72.

The 1972 Census of Governments reported 2,304 public employee retirement systems administered by State and local governments. The governmental breakdown is as follows:

State administered .....	176
Locally administered .....	2,128
Counties .....	165
Municipalities .....	1,818
Townships .....	119
School districts .....	16
Special districts .....	10

Source: U.S. Bureau of the Census, "Employee-Retirement Systems of State and Local Governments." (Vol. 6, No. 1, 1972 Census of Governments.)

Between the 1967 and 1972 Censuses of Governments, the membership of these State and local systems increased by 28 percent—from 7.1 to 9.1 million persons, or at an average rate of 5.6 percent a year. Their financial scale increased even more. In 1972 total financial assets totaled \$68.8 billion.

In fiscal year 1973 the employee retirement systems of State and local governments had receipts of \$14.9 billion, made benefit and withdrawal payments of \$5.8 billion, and held financial assets totaling \$78.4 billion.

RETIREMENT SYSTEM RECEIPTS<sup>1</sup>

Source	Amount (millions)	Percent
Employee contributions.....	\$4,166	28.0
Government contributions.....	6,649	44.7
States.....	2,993	20.1
Local governments.....	3,656	24.6
Earnings on investments.....	4,064	27.3

<sup>1</sup> "Finances of Employee-Retirement Systems of State and Local Governments in 1972-73," GF 73 No. 2, U.S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census (Washington, March 1974).

There were 1.6 million beneficiaries of \$5.4 billion in calendar year 1973.<sup>1</sup> Payments made by the retirement systems in fiscal years 1972-73 included \$4,948 million for benefits and \$864 million for withdrawals. The latter sum mainly represents the return to members leaving the systems before retirement of their contributions and any allowable amounts for interest, plus in some instances a portion of employer contributions.

## SUPPLEMENTARY MATERIAL

TABLE 1.—NATIONAL TOTALS OF EMPLOYEE-RETIREMENT SYSTEM FINANCES: 1972-73 AND 1971-72

[In millions of dollars]

Item	1972-73					1971-72				
	All systems	State-administered systems	Locally administered systems			All systems	State-administered systems	Locally administered systems		
			Total	Municipal	Other			Total	Municipal	Other
Receipts.....	14,878	11,148	3,730	2,793	938	12,620	9,285	3,336	2,505	831
Employee contributions.....	4,166	3,334	832	562	270	3,400	2,637	763	523	239
Government contributions.....	6,649	4,715	1,934	1,510	424	5,750	4,026	1,724	1,339	385
From States.....	2,993	2,884	109	28	81	2,530	2,428	102	25	76
From local governments.....	3,656	1,831	1,825	1,482	343	3,220	1,598	1,622	1,314	308
Earnings on investments.....	4,064	3,099	965	721	244	3,471	2,621	849	643	206
Benefits and withdrawal payments.....	5,812	3,930	1,882	1,534	348	4,768	3,187	1,581	1,284	297
Benefits.....	4,948	3,279	1,668	1,372	297	4,121	2,694	1,428	1,173	254
Withdrawals.....	864	651	213	162	52	647	493	154	111	43
Cash and security holdings at end of fiscal year, total.....	78,417	58,499	19,919	15,473	4,447	68,760	51,158	17,602	13,865	3,737
Cash and deposits.....	1,092	561	531	418	113	791	419	372	260	112
Governmental securities.....	4,985	2,499	2,486	1,511	975	6,142	2,925	3,217	2,404	813
Federal.....	3,459	2,164	1,295	987	308	3,721	2,241	1,480	1,213	266
State and local.....	1,526	336	1,191	524	667	2,422	684	1,738	1,191	547
Nongovernmental securities.....	72,340	55,438	16,902	13,542	3,359	61,827	47,814	14,013	11,201	2,812
Corporate bonds.....	43,333	33,895	9,438	7,654	1,784	37,915	29,570	8,345	6,840	1,505
Corporate stocks.....	17,063	12,059	5,004	4,029	975	12,616	9,209	3,407	2,757	650
Mortgages.....	6,817	5,960	857	467	390	7,001	6,138	863	496	367
Other.....	5,128	3,526	1,602	1,392	210	4,295	2,897	1,398	1,108	290

Note.—Because of rounding, detail may not add to totals.

Source: U.S. Bureau of the Census, "Finance of Employee Retirement Systems of State and Local Governments in 1972-73," GF 73, No. 2, March 1974.

<sup>1</sup> "Research and Statistics Note," U.S. Department of Health, Education, and Welfare, DHEW Publication No. (SSA) 74-11701, July 23, 1974.

TABLE 2.—FINANCES OF EMPLOYEE-RETIREMENT SYSTEMS, BY STATES: 1972-73

[In thousands of dollars]

State and level of government	Receipts						
	Total	Employee contributions	Government contributions		Earnings on investments	Benefits and withdrawal payments	Reserves at end of fiscal year
			From State	From local governments			
United States, total.....	14, 878, 220	4, 165, 628	2, 992, 535	3, 656, 394	4, 063, 663	5, 811, 586	78, 417, 391
State-administered.....	11, 147, 922	3, 333, 862	2, 883, 865	1, 831, 179	3, 099, 016	3, 930, 021	58, 498, 644
Locally administered.....	3, 730, 298	831, 766	108, 670	1, 825, 215	964, 647	1, 881, 565	19, 918, 747
Alabama, total.....	138, 510	31, 643	58, 135	10, 762	37, 970	51, 172	695, 829
State-administered.....	123, 583	27, 821	58, 135	4, 410	33, 217	46, 523	625, 319
Locally administered.....	14, 927	3, 822	-----	6, 352	4, 753	4, 649	70, 510
Alaska, total.....	46, 878	13, 962	16, 341	9, 689	6, 886	6, 875	160, 894
State-administered.....	44, 797	13, 457	16, 341	8, 472	6, 527	6, 571	154, 098
Locally administered.....	2, 081	505	-----	1, 217	359	304	6, 796
Arizona, total.....	105, 053	36, 082	11, 452	28, 718	28, 801	21, 760	625, 120
State-administered.....	93, 237	34, 276	11, 452	22, 870	24, 639	18, 880	560, 728
Locally administered.....	11, 816	1, 806	-----	5, 848	4, 162	2, 880	64, 392
Arkansas, total.....	64, 525	20, 233	20, 814	7, 031	16, 447	23, 424	295, 510
State-administered.....	61, 505	19, 775	20, 204	5, 652	15, 874	21, 637	284, 207
Locally administered.....	3, 020	458	610	1, 379	573	1, 787	11, 303
California, total.....	2, 710, 880	1, 074, 168	333, 718	646, 671	656, 323	832, 535	12, 805, 780
State-administered.....	2, 000, 493	903, 909	333, 718	301, 636	461, 230	569, 639	9, 037, 648
Locally administered.....	710, 387	170, 259	-----	345, 035	195, 093	262, 896	3, 768, 132
Colorado, total.....	172, 674	51, 687	25, 958	47, 834	47, 185	44, 982	883, 457
State-administered.....	136, 648	42, 856	24, 342	32, 042	37, 408	32, 330	694, 183
Locally administered.....	36, 026	8, 841	1, 616	15, 792	9, 777	12, 652	189, 274
Connecticut, total.....	187, 112	55, 062	64, 918	20, 876	46, 256	101, 935	873, 763
State-administered.....	157, 023	47, 273	64, 912	5, 497	39, 341	82, 270	714, 139
Locally administered.....	30, 089	7, 789	6	15, 379	6, 915	19, 665	159, 624
Delaware, total.....	4, 024	643	1, 748	1, 557	76	3, 391	2, 494
State-administered.....	1, 091	80	1, 011	-----	-----	1, 096	-----
Locally administered.....	2, 933	563	737	1, 557	76	2, 295	2, 494
District of Columbia: Locally administered.....	56, 546	14, 287	-----	39, 783	2, 476	55, 722	59, 273
Florida, total.....	361, 463	118, 626	31, 113	100, 342	111, 382	129, 590	1, 647, 238
State-administered.....	300, 116	102, 779	29, 039	73, 072	95, 226	104, 583	1, 343, 544
Locally administered.....	61, 347	15, 847	2, 074	27, 270	16, 156	25, 007	303, 694
Georgia, total.....	205, 824	64, 821	50, 959	34, 038	56, 006	74, 464	1, 105, 547
State-administered.....	172, 338	52, 117	50, 690	18, 305	51, 226	58, 253	1, 005, 247
Locally administered.....	33, 486	12, 704	269	15, 733	4, 780	16, 211	100, 300
Hawaii: State-administered.....	116, 770	32, 832	28, 086	8, 998	46, 854	37, 339	522, 856
Idaho, total.....	28, 250	9, 760	6, 575	9, 678	2, 237	10, 293	107, 454
State-administered.....	27, 971	9, 714	6, 575	9, 480	2, 202	10, 192	106, 591
Locally administered.....	279	46	-----	198	35	101	863
Illinois, total.....	806, 835	300, 505	173, 051	152, 078	181, 201	354, 250	3, 597, 772
State-administered.....	485, 761	187, 503	152, 731	39, 764	105, 763	199, 847	2, 108, 459
Locally administered.....	321, 074	113, 002	20, 320	112, 314	75, 438	154, 403	1, 489, 313
Indiana, total.....	185, 352	35, 784	81, 590	36, 269	31, 709	91, 789	576, 813
State-administered.....	161, 427	32, 857	81, 229	15, 776	31, 565	69, 284	571, 493
Locally administered.....	23, 925	2, 927	361	20, 493	144	22, 505	5, 320
Iowa, total.....	95, 233	28, 214	6, 093	28, 095	32, 831	34, 342	599, 478
State-administered.....	80, 383	25, 788	6, 092	20, 248	28, 255	28, 494	503, 636
Locally administered.....	14, 850	2, 426	1	7, 847	4, 576	5, 848	95, 842
Kansas, total.....	76, 356	25, 930	25, 212	13, 901	11, 313	24, 316	323, 849
State-administered.....	66, 135	23, 668	25, 009	8, 279	9, 179	19, 308	285, 348
Locally administered.....	10, 221	2, 262	203	5, 622	2, 134	5, 008	38, 501
Kentucky, total.....	124, 927	38, 423	43, 306	12, 306	30, 892	49, 601	637, 603
State-administered.....	115, 095	36, 440	43, 298	6, 598	28, 759	44, 886	595, 497
Locally administered.....	9, 832	1, 983	8	5, 708	2, 133	4, 715	42, 106

TABLE 2.—FINANCES OF EMPLOYEE-RETIREMENT SYSTEMS, BY STATES: 1972-73—Continued

[In thousands of dollars]

State and level of government	Receipts						Benefits and withdrawal payments	Reserves at end of fiscal year
	Total	Employee contributions	Government contributions		Earnings on investments			
			From State	From local governments				
Louisiana, total.....	229,261	68,187	67,569	16,084	77,421	97,755	1,370,941	
State administered..	206,671	62,935	67,082	2,606	74,048	84,237	1,306,633	
Locally administered....	22,590	5,252	487	13,478	3,373	13,518	64,308	
Maine, total.....	41,426	14,765	16,762	2,833	7,066	33,934	186,311	
State administered..	41,321	14,744	16,762	2,751	7,064	33,862	186,253	
Locally administered....	105	21	-----	82	2	72	58	
Maryland, total.....	238,611	83,223	48,924	35,074	71,390	94,525	1,516,620	
State administered..	173,232	67,293	48,924	2,643	54,372	65,313	1,135,060	
Locally administered....	65,379	15,930	-----	32,431	17,018	29,212	381,560	
Massachusetts, total.....	393,653	121,729	108,297	93,309	70,318	245,028	1,373,576	
State administered..	209,578	68,016	108,293	17	33,252	129,343	686,616	
Locally administered....	184,075	53,713	4	93,292	37,066	115,685	704,960	
Michigan, total.....	774,915	158,987	217,277	179,877	218,774	288,848	3,469,528	
State administered..	458,017	111,932	171,440	28,444	146,201	179,296	2,019,006	
Locally administered....	316,898	47,055	45,837	151,433	72,573	109,552	1,450,522	
Minnesota, total.....	247,721	68,385	57,707	61,734	59,895	70,216	1,187,674	
State administered..	178,879	55,032	49,006	31,376	43,463	41,689	927,696	
Locally administered....	68,842	13,353	8,701	30,356	16,432	28,527	259,978	
Mississippi, total.....	71,648	25,757	12,380	16,076	17,435	28,143	290,490	
State administered..	69,528	25,365	12,360	14,473	17,330	26,230	287,211	
Locally administered....	2,120	392	20	1,603	105	1,913	3,279	
Missouri, total.....	196,788	57,333	17,607	66,325	55,523	60,914	1,044,904	
State administered..	139,588	44,106	17,607	39,353	38,522	43,392	726,919	
Locally administered....	57,200	13,227	-----	26,972	17,001	17,522	317,985	
Montana, total.....	40,829	15,530	4,585	9,802	10,912	18,253	182,838	
State administered..	39,166	15,276	4,124	9,143	10,623	17,131	177,701	
Locally administered....	1,663	254	461	659	289	1,122	5,137	
Nebraska, total.....	30,073	10,246	4,148	8,295	7,384	10,067	152,627	
State administered..	14,447	5,967	3,569	1,374	3,537	5,536	67,463	
Locally administered....	15,626	4,279	579	6,921	3,847	4,531	85,164	
Nevada: State administered.....	42,232	16,309	3,470	13,054	9,399	13,751	205,498	
New Hampshire, total.....	26,661	8,788	3,794	3,096	10,983	9,668	172,299	
State administered..	26,529	8,732	3,794	3,040	10,965	9,987	171,928	
Locally administered....	132	56	-----	56	20	81	371	
New Jersey, total.....	484,650	137,471	103,989	82,802	160,388	170,717	2,868,882	
State administered..	470,668	134,626	103,989	72,354	159,699	159,040	2,855,515	
Locally administered....	13,982	2,845	-----	10,448	689	11,677	13,367	
New Mexico, total.....	62,242	16,905	7,878	15,440	22,019	20,373	281,732	
State administered..	62,204	16,905	7,878	15,440	21,981	20,319	280,949	
Locally administered....	38	-----	-----	38	38	54	783	
New York, total.....	2,572,442	260,174	274,321	1,246,692	791,255	1,222,352	16,824,499	
State administered..	1,394,047	55,613	273,045	637,332	428,057	479,307	8,752,157	
Locally administered....	1,178,395	204,561	1,276	609,360	363,198	743,045	8,072,342	
North Carolina, total.....	279,737	74,588	89,831	31,471	83,847	65,937	1,601,491	
State administered..	276,080	73,383	89,820	29,920	82,957	64,480	1,582,810	
Locally administered....	3,657	1,205	11	1,551	890	1,457	18,681	
North Dakota, total.....	14,577	5,642	1,756	3,970	3,209	5,660	64,308	
State administered..	13,572	5,404	1,739	3,472	2,957	5,366	58,264	
Locally administered....	1,005	238	17	498	252	294	6,044	
Ohio, total.....	932,581	274,787	275,768	123,549	258,477	329,952	5,362,406	
State administered..	914,000	270,736	275,768	114,898	252,598	324,093	5,225,633	
Locally administered....	18,581	4,051	-----	8,651	5,879	5,859	136,773	
Oklahoma, total.....	79,280	19,800	33,822	6,668	18,990	42,143	330,589	
State administered..	65,187	16,841	29,757	2,707	15,882	34,748	268,203	
Locally administered....	14,093	2,959	4,065	3,961	3,108	7,395	62,386	
Oregon, total.....	134,461	41,434	16,406	30,657	45,964	32,511	613,186	
State administered..	120,831	38,284	14,541	24,513	43,488	24,451	582,499	
Locally administered....	13,630	3,150	1,865	6,139	2,476	8,060	30,687	
Pennsylvania, total.....	755,880	211,036	191,836	161,068	191,943	376,561	4,034,142	
State administered..	603,066	170,694	181,150	80,342	170,880	299,715	3,569,914	
Locally administered....	152,814	40,342	10,686	80,726	21,060	76,846	464,228	
Rhode Island, total.....	55,829	17,616	10,544	14,544	13,125	30,471	260,687	
State administered..	45,526	14,665	10,498	9,789	10,574	24,577	200,213	
Locally administered....	10,303	2,951	46	4,755	2,551	5,894	60,474	

TABLE 2.—FINANCES OF EMPLOYEE-RETIREMENT SYSTEMS, BY STATES: 1972-73—Continued

[In thousands of dollars]

State and level of government	Receipts						
	Total	Employee contributions	Government contributions		Earnings on investments	Benefits and withdrawal payments	Reserves at end of fiscal year
			From State	From local governments			
South Carolina, total.....	129,204	35,008	41,751	10,009	42,436	33,323	728,143
State administered.....	127,909	34,733	41,619	9,436	42,121	32,914	722,127
Locally administered.....	1,295	275	132	573	315	409	6,016
South Dakota, total.....	7,614	3,039	117	3,125	1,333	1,779	39,867
State administered.....	6,785	2,842	67	2,791	1,085	1,434	35,000
Locally administered.....	829	197	50	334	248	345	4,867
Tennessee, total.....	159,940	37,125	53,791	31,681	37,343	67,266	774,108
State administered.....	113,261	25,622	51,555	7,140	28,944	43,713	569,028
Locally administered.....	46,679	11,503	2,236	24,541	8,399	23,553	205,080
Texas, total.....	478,588	164,556	143,238	30,862	139,932	160,704	2,686,807
State administered.....	414,081	147,765	143,121	-----	123,195	142,070	2,336,027
Locally administered.....	64,507	16,791	117	30,862	16,737	18,634	350,780
Utah, total.....	44,211	15,743	5,128	13,232	10,108	13,028	219,685
State administered.....	44,088	15,716	5,128	13,167	10,077	13,014	219,246
Locally administered.....	123	27	-----	65	31	14	439
Vermont, total.....	18,087	6,187	3,981	1,242	6,677	6,219	119,850
State administered.....	17,140	6,134	3,981	597	6,428	5,991	115,625
Locally administered.....	947	53	-----	645	249	228	4,225
Virginia, total.....	169,641	65,599	27,404	19,096	57,542	65,747	1,019,033
State administered.....	139,048	60,058	27,299	3,747	47,944	55,742	841,138
Locally administered.....	30,593	5,541	105	15,349	9,598	10,005	177,895
Washington, total.....	253,488	74,821	54,137	45,931	78,599	104,413	1,382,212
State administered.....	221,062	68,826	53,641	30,027	68,568	84,268	1,198,701
Locally administered.....	32,426	5,995	496	15,904	10,031	20,145	183,511
West Virginia, total.....	80,860	25,404	30,875	5,470	19,111	57,769	310,598
State administered.....	78,416	24,690	30,866	4,082	18,778	55,910	303,868
Locally administered.....	2,444	714	9	1,388	333	1,859	6,730
Wisconsin, total.....	326,615	70,726	81,847	60,989	113,053	82,010	2,136,874
State administered.....	260,252	55,475	76,582	36,377	91,818	54,697	1,704,924
Locally administered.....	66,363	15,251	5,265	24,612	21,235	27,313	431,950
Wyoming, total.....	17,263	6,056	2,526	3,711	4,970	4,369	84,256
State administered.....	17,138	5,998	2,526	3,668	4,946	4,273	83,826
Locally administered.....	125	58	-----	43	24	96	430

Source: Same as table 1.

TABLE 3.—NUMBER, MEMBERSHIP, AND BENEFIT OPERATIONS OF EMPLOYEE-RETIREMENT SYSTEMS, LAST MONTH OF FISCAL YEAR, BY STATES: 1971-72

State and level of administering government	Number of systems	Membership			Beneficiaries receiving periodic benefit payments				Periodic benefit payments for the month (\$1,000)					Average monthly payment per beneficiary
		Total	Current contributors	Other	Total	Persons retired on account of age or length of service	Persons retired on account of disability	Survivors of deceased former members (number of payees)	Total	To persons retired on account of age or length of service	To persons retired on account of disability	To survivors of deceased former members	Lump-sum benefit payments (\$1,000)	
United States.....	2,304	9,089,004	8,406,558	682,446	1,463,399	1,240,977	92,345	130,077	\$326,441	\$281,988	\$24,929	\$19,525	\$15,199	\$223
State.....	176	7,506,196	6,921,181	585,015	1,040,873	920,798	54,141	65,934	215,339	194,312	12,004	9,023	8,018	207
Local.....	2,128	1,582,808	1,485,377	97,431	442,526	320,179	38,204	64,143	111,103	87,676	12,925	10,502	7,180	263
Alabama.....	21	103,926	103,791	135	4,195	3,264	542	389	786	620	116	49	39	187
State.....	2	94,000	94,000	-----	12,686	12,371	1315	-----	1541	1464	176	-----	38	-----
Local.....	19	9,926	9,791	135	1,509	893	227	389	245	156	40	49	1	-----
Alaska.....	3	10,534	10,534	-----	561	510	19	32	110	100	3	7	-----	195
State.....	2	10,069	10,069	-----	528	480	17	31	199	191	12	6	-----	-----
Local.....	1	465	465	-----	33	30	2	1	10	9	1	-----	-----	-----
Arizona.....	5	99,859	87,811	12,048	7,131	6,924	61	146	716	693	9	15	80	100
State.....	2	92,069	80,069	12,000	6,347	6,338	1	8	607	603	1	4	80	-----
Local.....	3	7,790	7,742	48	784	586	60	138	110	90	9	11	-----	-----
Arkansas.....	47	77,382	74,320	3,062	9,418	7,931	975	512	1,352	1,188	112	52	1	143
State.....	42	75,348	72,290	3,058	8,508	7,381	885	242	1,219	1,098	96	26	1	-----
Local.....	5	2,034	2,030	4	910	550	90	270	133	90	17	26	-----	-----
California.....	58	995,792	988,063	7,729	170,647	143,135	17,039	10,473	47,559	40,321	4,274	2,964	1,861	278
State.....	5	770,208	769,393	815	121,129	105,922	10,778	4,429	30,937	27,789	2,201	947	1,314	-----
Local.....	53	225,584	218,670	6,914	49,518	37,213	6,261	6,044	16,622	12,532	2,073	2,017	547	-----
Colorado.....	46	93,835	92,578	1,257	11,714	10,121	540	1,053	2,513	2,082	205	226	4	214
State.....	1	73,800	72,720	1,080	8,425	7,924	-----	501	1,661	1,581	-----	80	4	-----
Local.....	45	19,935	19,858	77	3,289	2,197	540	552	852	501	205	147	1	-----
Connecticut.....	81	109,538	103,741	5,797	23,331	19,276	2,326	1,729	6,045	5,032	376	53	259	-----
State.....	5	88,693	83,043	5,650	18,017	16,000	1,786	231	4,669	4,115	465	89	49	-----
Local.....	76	20,845	20,698	147	5,314	3,276	540	1,498	1,376	917	172	287	4	-----
Delaware.....	9	1,586	1,584	2	753	617	98	38	230	234	41	16	-----	385
State.....	2	405	404	1	172	122	22	28	101	75	13	13	-----	-----
Local.....	7	1,181	1,180	1	581	495	76	10	189	159	28	3	-----	-----
District of Columbia (local).....	2	11,412	11,412	-----	6,674	4,552	1,552	570	3,654	2,281	1,116	257	28	547
Florida.....	114	318,029	317,789	240	31,534	29,177	948	2,409	7,631	7,141	168	321	45	241
State.....	1	288,000	288,000	-----	24,241	23,237	-----	944	6,068	5,928	-----	139	-----	-----
Local.....	113	30,029	29,789	240	7,293	4,880	948	1,465	1,563	1,213	168	181	45	-----
Georgia.....	47	177,555	150,773	26,782	19,225	14,749	1,696	2,850	1,213	343	181	45	-----	214
State.....	9	141,196	114,665	26,531	13,832	10,972	1,104	1,816	4,142	3,436	363	62	-----	-----
Local.....	38	36,359	36,108	251	5,403	3,777	592	1,034	3,055	2,556	244	255	61	-----
Hawaii (State).....	1	135,000	135,000	-----	14,800	14,000	700	100	1,087	880	99	108	1	-----

Idaho.....	7	34,095	30,330	3,765	5,040	4,799	184	57	699	658	31	10	12	138
State.....	3	33,953	30,188	3,765	5,000	4,778	180	42	691	653	30	8	12	
Local.....	4	142			40	21	4	15	8	5	1	2		
Illinois.....	280	475,256	422,558	52,698	102,343	77,755	4,610	19,978	21,634	18,032	1,258	2,345	615	211
State.....	6	331,640	295,023	36,617	54,870	44,746	2,643	7,481	11,195	9,687	630	878	437	
Local.....	274	143,616	127,535	16,081	47,473	33,009	1,967	12,497	10,439	8,344	628	1,467	178	
Indiana.....	129	137,650	137,597	53	31,086	27,489	1,499	2,098	6,091	5,295	317	477	62	195
State.....	5	128,203	128,184	19	25,316	24,434	751	131	4,347	4,218	93	36	35	
Local.....	124	9,447	9,413	34	5,770	3,055	748	1,967	1,744	1,077	226	441	27	
Iowa.....	77	111,062	110,911	151	28,033	27,374	220	439	1,781	1,641	76	64	42	63
State.....	3	106,040	106,040		26,126	26,073	14	39	1,366	1,355	6	5	40	
Local.....	74	5,022	4,871	151	1,907	1,301	206	400	415	286	70	58	3	
Kansas.....	44	99,619	96,657	2,962	15,690	15,224	174	292	1,259	1,170	38	52	36	80
State.....	5	91,191	89,252	1,939	13,746	13,731	10	5	938	933	4	1	36	
Local.....	39	8,428	7,405	1,023	1,944	1,493	164	287	321	237	34	50		
Kentucky.....	41	138,588	94,326	44,262	15,651	13,106	972	1,573	2,863	2,453	175	234	58	182
State.....	5	133,670	89,450	44,220	13,890	12,135	755	1,000	2,512	2,226	120	166	56	
Local.....	36	4,918	4,876	42	1,761	971	217	573	351	227	55	69	2	
Louisiana.....	34	139,752	126,488	13,264	21,677	18,228	1,556	1,893	6,490	5,916	290	285	187	299
State.....	4	122,760	110,760	12,000	16,636	14,655	1,251	730	5,487	5,111	230	146	174	
Local.....	30	16,992	15,728	1,264	5,041	3,573	305	1,163	1,003	805	60	139	13	
Maine.....	5	46,140	36,460	9,680	9,885	8,321	184	1,380	2,139	1,959	39	141	10	216
State.....	1	46,038	36,358	9,680	9,844	8,292	181	1,371	2,132	1,954	38	140	10	
Local.....	4	102	102		41	29	3	9	7	6	1			
Maryland.....	16	145,327	144,028	1,299	33,687	30,880	1,284	1,523	3,040	2,575	219	246	205	90
State.....	3	107,547	107,523	24	8,095	6,902	636	557	1,459	1,281	106	72	122	
Local.....	13	37,780	36,505	1,275	25,592	23,978	648	966	1,581	1,295	113	174	83	
Massachusetts.....	100	253,786	237,765	16,021	46,570	36,371	4,030	6,169	12,756	10,027	1,649	1,080	363	273
State.....	2	117,748	112,370	5,378	20,187	18,210	525	1,452	7,478	6,709	450	319	144	
Local.....	98	136,038	125,395	10,643	26,383	18,161	3,505	4,717	5,278	3,318	1,199	761	219	
Michigan.....	128	388,350	386,573	1,777	65,844	57,087	3,502	5,255	14,756	13,056	803	898	134	224
State.....	9	290,291	289,852	439	37,014	33,864	1,289	1,861	7,077	6,654	176	247	17	
Local.....	119	98,059	96,721	1,338	28,830	23,223	2,213	3,394	7,679	6,402	627	651	117	
Minnesota.....	52	208,317	189,456	18,861	28,691	22,896	840	4,955	4,503	3,761	173	569	96	156
State.....	4	189,606	171,034	18,572	20,060	16,066	524	3,470	2,344	2,008	51	284	76	
Local.....	48	18,711	18,422	289	8,631	6,830	316	1,485	2,159	1,753	122	284	21	
Mississippi.....	21	158,619	92,787	65,832	12,389	10,511	881	997	1,488	1,282	81	125	5	120
State.....	3	156,623	90,793	65,830	11,609	10,085	778	746	1,340	1,183	69	88	5	
Local.....	18	1,996	1,994	2	780	426	103	251	148	98	13	37		
Missouri.....	44	134,427	127,417	7,010	22,945	19,752	1,514	1,797	3,173	2,818	205	151	94	138
State.....	3	92,988	89,904	3,084	14,462	13,214	951	299	2,039	1,898	88	54	69	
Local.....	41	41,439	37,513	3,926	8,483	6,538	563	1,382	1,134	920	117	97	26	
Montana.....	30	35,695	35,613	82	6,570	5,474	631	465	1,580	917	598	60	240	
State.....	5	35,034	34,956	78	6,172	5,298	545	329	1,487	870	575	43	60	
Local.....	25	661	657	4	398	176	86	136	93	47	23			
Nebraska.....	32	34,030	28,468	5,562	4,783	4,488	135	160	488	429	38	21	15	102
State.....	3	24,614	19,083	5,531	3,027	2,976	35	16	191	188	2	1	9	
Local.....	29	9,416	9,385	31	1,756	1,512	100	144	297	241	36	19	6	
Nevada (State).....	1	30,713	26,198	4,515	2,650	2,316	103	231	781	727	27	28	12	294

See footnotes at end of table, p. 331.

TABLE 3.—NUMBER, MEMBERSHIP, AND BENEFIT OPERATIONS OF EMPLOYEE-RETIREMENT SYSTEMS, LAST MONTH OF FISCAL YEAR, BY STATES: 1971-72—Continued

State and level of administering government	Number of systems	Membership			Beneficiaries receiving periodic benefit payments				Periodic benefit payments for the month (\$1,000)					
		Total	Current contributors	Other	Total	Persons retired on account of age or length of service	Persons retired on account of disability	Survivors of deceased former members (number of payees)	Total	To persons retired on account of age or length of service	To persons retired on account of disability	To survivors of deceased former members	Lump-sum benefit payments (\$1,000)	Average monthly payment per beneficiary
New Hampshire	5	22,414	22,414		3,094	2,604	381	109	\$487	\$408	\$65	\$14	\$66	\$157
State	4	22,264	22,264		3,063	2,573	381	109	482	404	65	14	64	
Local	1	150	150		31	31			5	5			2	
New Jersey	36	278,861	273,860	5,001	44,372	29,777	6,545	8,050	10,839	7,046	2,268	1,525	426	244
State	6	272,659	267,690	4,969	41,836	28,300	6,257	7,279	10,033	6,488	2,173	1,371	424	
Local	30	6,202	6,170	32	2,536	1,477	288	771	806	558	94	154	2	
New Mexico	4	56,210	52,892	3,318	5,567	5,017	379	171	1,153	1,079	59	16	15	207
State	3	55,983	52,665	3,318	5,477	4,927	379	171	1,149	1,074	59	16	15	
Local	1	227	227		90	90			5	5				
New York	58	1,120,388	1,053,718	66,670	213,422	184,707	11,975	16,740	64,239	58,530	4,032	1,677	7,442	300
State	4	729,724	693,107	36,617	106,565	97,151	3,383	6,031	26,030	25,193	612	225	1,982	
Local	54	390,664	360,611	30,053	106,857	87,556	8,592	10,709	38,209	33,337	3,420	1,452	5,459	
North Carolina	17	222,392	216,062	6,330	21,997	19,198	1,543	1,256	3,583	3,230	222	131	477	162
State	4	219,235	212,915	6,320	21,271	18,691	1,413	1,167	3,485	3,162	199	124	464	
Local	13	3,157	3,147	10	726	507	130	89	89	68	23	8	13	
North Dakota	12	21,730	21,714	16	2,488	2,324	64	100	289	273	8	9	2	116
State	3	20,919	20,919		2,336	2,262	39	35	268	261	3	4	2	
Local	9	811	795	16	152	62	25	65	21	11	5	5		
Ohio	8	557,991	464,921	93,070	100,562	82,466	4,623	13,473	20,868	17,891	997	1,981	209	207
State	5	549,634	456,664	92,970	97,864	79,996	4,543	13,325	20,520	17,571	985	1,964	194	
Local	3	8,357	8,257	100	2,698	2,470	80	148	348	320	11	16	15	
Oklahoma	109	81,320	77,803	3,517	15,789	14,652	449	688	2,961	2,778	92	92	29	187
State	3	69,951	66,459	3,492	12,734	12,184	288	262	2,437	2,357	47	33	26	
Local	106	11,369	11,344	25	3,055	2,468	161	426	524	421	45	58	3	
Oregon	6	93,187	84,331	8,856	16,699	15,125	1,245	329	1,549	1,243	216	90	68	92
State	2	86,505	77,651	8,854	14,856	13,865	967	24	1,000	904	90	6	68	
Local	4	6,682	6,680	2	1,843	1,260	278	305	549	126	84			
Pennsylvania	279	462,402	441,085	21,317	85,242	76,483	5,780	2,979	23,498	21,458	1,602	438	928	275
State	3	363,523	361,323	2,200	61,635	59,138	2,497	2,781	18,219	17,763	457		746	
Local	276	98,879	79,762	19,117	23,607	17,345	3,283	2,979	5,279	3,696	1,145	438	182	

Rhode Island.....	18	39,584	33,509	6,075	6,938	6,333	425	180	1,933	1,817	91	25	83	278
State.....	2	34,068	28,018	6,050	5,115	4,775	269	71	1,481	1,421	49	10	75	-----
Local.....	16	5,516	5,491	25	1,823	1,558	156	109	452	396	42	15	8	-----
South Carolina.....	9	167,648	167,585	63	11,900	10,553	651	696	1,570	1,403	76	91	21	131
State.....	3	166,771	166,709	62	11,773	10,433	647	693	1,547	1,380	75	91	20	-----
Local.....	6	877	876	1	127	120	4	3	23	23	-----	-----	-----	-----
South Dakota.....	9	11,801	9,307	2,494	1,772	1,650	56	56	78	67	-----	-----	-----	-----
State.....	3	11,138	8,644	2,494	1,607	1,563	44	44	51	49	-----	-----	-----	-----
Local.....	6	663	663	-----	165	97	12	56	27	18	-----	-----	-----	-----
Tennessee.....	20	157,257	152,703	4,554	23,390	21,270	570	1,550	3,333	2,836	358	138	14	142
State.....	4	121,361	116,976	4,385	16,612	16,299	286	27	2,134	1,831	298	5	11	-----
Local.....	16	35,896	35,727	169	6,778	4,971	284	1,523	1,199	1,005	60	134	3	-----
Texas.....	51	419,661	387,597	32,064	50,680	41,755	2,556	6,369	9,829	8,743	345	741	360	193
State.....	2	382,108	350,433	31,675	43,790	37,786	1,849	4,155	8,625	7,958	203	464	357	-----
Local.....	49	37,553	37,164	389	6,890	3,969	707	2,214	1,205	786	142	277	4	-----
Utah.....	7	50,326	46,077	4,249	6,431	5,999	372	60	668	620	38	10	55	103
State.....	5	50,216	45,975	4,241	6,417	5,986	372	59	667	619	38	10	55	-----
Local.....	2	110	102	8	14	13	-----	1	1	1	-----	-----	-----	-----
Vermont.....	5	10,373	9,654	709	2,033	1,633	241	219	325	264	41	20	6	155
State.....	3	9,878	9,171	707	1,967	1,532	219	216	308	250	38	20	6	-----
Local.....	2	495	493	2	126	101	22	3	17	14	3	-----	-----	-----
Virginia.....	16	200,052	161,832	38,220	17,467	14,720	1,989	758	2,775	2,346	317	112	114	158
State.....	2	168,386	132,443	35,943	13,946	12,051	1,358	1,537	2,252	1,945	220	87	90	-----
Local.....	14	31,666	29,389	2,277	3,521	2,659	631	221	524	401	97	25	25	-----
Washington.....	44	190,941	165,614	25,327	33,120	30,124	1,508	1,488	6,263	5,512	506	245	85	189
State.....	6	177,401	152,185	25,216	27,825	26,927	481	417	4,930	4,737	146	47	54	-----
Local.....	38	13,540	13,429	111	5,295	3,197	1,027	1,071	1,332	774	360	198	31	-----
West Virginia.....	40	84,210	74,206	10,004	17,058	14,495	614	1,958	3,867	3,371	125	371	68	226
State.....	4	82,453	72,453	10,000	16,238	14,119	486	1,633	3,716	3,286	93	337	68	-----
Local.....	36	1,757	1,753	4	830	377	128	325	151	84	32	35	-----	-----
Wisconsin.....	70	219,620	173,875	45,745	37,536	32,626	1,536	3,374	4,761	4,196	227	338	523	126
State.....	3	183,795	145,220	44,575	28,344	25,554	1,176	1,614	2,939	2,676	159	104	408	-----
Local.....	67	29,825	28,655	1,170	9,192	7,072	360	1,760	1,822	1,520	68	234	115	-----
Wyoming.....	6	14,805	14,804	1	2,185	2,128	28	29	146	135	6	5	30	66
State.....	2	14,677	14,676	1	2,153	2,104	28	21	133	128	6	4	30	-----
Local.....	4	128	128	-----	32	24	-----	8	8	7	-----	-----	-----	-----

<sup>1</sup> Data estimated.

<sup>2</sup> As of June 30, 1972 includes all State-administered funds.

<sup>3</sup> Data for fiscal 1970-71.

Note.—Because of rounding, detail may not add to totals.

Source: U.S. Bureau of the Census, Census of Governments, 1972, vol. 6, "Topical Studies," No. 1, Employee Retirement Systems of State and Local Governments, tables 5 and 6.

# STATE WORKMEN'S COMPENSATION PROGRAMS AND TEMPORARY DISABILITY PROGRAMS

## BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—Every State has enacted laws to provide protection against loss of income, medical expenditures, or death due to injuries or death on the job. These programs are compulsory in some States, elective in others.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—The first effective workmen's compensation law was enacted in 1908, when Congress adopted a program for certain Federal civil service employees engaged in hazardous work. Similar laws were enacted in 10 States in 1911; by 1920 all but 6 States had such laws; and today every State has a workmen's compensation program. However, these laws differ materially in scope of coverage, benefit provisions, and administrative procedures. Since 1965 12 States have shifted from elective to compulsory protection and 13 States have removed all numerical size-of-firm exemptions. About a dozen States also extended some coverage to farmworkers. About 13 States have included occupational diseases and 9 States have amended their laws to make medical coverage unlimited.

**ADMINISTERING AGENCIES.**—Programs generally are administered by State departments of labor or independent workmen's compensation boards. In a few States the system is administered by courts.

**FINANCING.**—Workmen's compensation programs are financed almost entirely by employers. In a few States employees are required to contribute small amounts toward medical care and also some States supplement pensions from general revenues.

TABLE 1.—ADMINISTRATIVE COSTS OF STATE AGENCIES BY METHOD OF FINANCING, 1950-72<sup>1</sup>

[Amounts in millions]

Fiscal year	Total administrative costs	Financed through legislative appropriations		Financed through assessments on carriers	
		Amount	Percent	Amount	Percent
1950.....	\$12.4	\$4.6	37	\$7.8	63
1955.....	16.7	5.8	35	10.9	65
1960.....	23.9	8.1	34	15.8	66
1965.....	32.3	12.1	37	20.3	63
1969.....	49.1	18.8	38	30.3	62
1970.....	53.9	20.0	37	33.9	63
1971.....	58.5	20.4	35	38.1	65
1972.....	65.1	22.9	35	42.2	65

<sup>1</sup> Includes the District of Columbia. Excludes the States with exclusive funds (7 States through 1965, 6 States thereafter), where the task of administering the law is generally merged with that of providing insurance protection. Also excludes the Federal system, 4 States where the laws are court-administered, and before 1960, Alaska and Hawaii. Relates to expenditures of State administrative bodies in supervising the operations of insurance carriers and in exercising adjudicative and enforcement powers.

Source: Compiled from State budget, finance, and treasury documents and annual reports of State administrative agencies.

Source: U.S. Department of Health, Education, and Welfare, Social Security Administration, "Workmen's Compensation Under Scrutiny," by Alfred M. Skolnik and Daniel N. Price, Social Security Bulletin October 1974, vol. 37, No. 10.

TABLE 2.—ESTIMATED COSTS OF WORKMEN'S COMPENSATION TO EMPLOYERS AS PERCENT OF PAYROLL IN COVERED EMPLOYMENT, SELECTED YEARS, 1940-72

Year	Amount <sup>1</sup> (in millions)	Percent of payroll	Year	Amount <sup>1</sup> (in millions)	Percent of payroll
1940.....	\$421	1.19	1959.....	\$1,869	0.89
1946.....	726	.91	1960.....	2,055	.93
1948.....	1,013	.96	1961.....	2,156	.95
1949.....	1,009	.98	1962.....	2,323	.96
1950.....	1,013	.89	1963.....	2,510	.99
1951.....	1,185	.90	1964.....	2,713	1.00
1952.....	1,333	.94	1965.....	2,908	1.00
1953.....	1,483	.97	1966.....	3,279	1.02
1954.....	1,499	.98	1967.....	3,655	1.07
1955.....	1,532	.91	1968.....	4,034	1.07
1956.....	1,666	.92	1969.....	4,460	1.08
1957.....	1,734	.91	1970.....	4,894	1.12
1958.....	1,746	.91	1971.....	5,193	1.12
			1972.....	5,764	1.12

<sup>1</sup> Premiums written by private carriers and State funds and benefits paid by self-insurers increased by 5-10 percent to allow for administrative costs. Also includes benefit payments and administrative costs of Federal system. Where necessary, fiscal-year data converted to calendar-year data. Before 1959, excludes Alaska and Hawaii.

**COSTS AND CASELOADS.**—The total cost of workmen's compensation to employers is made up of several components. In addition to benefit costs (referred to as "pure premium"), there are the overhead costs (known as "expense loading") of insuring the risk. These costs are reflected in the premium rates that employers pay to insure or self-insure the risk of work injury. These overhead or administrative costs include expenses for policywriting, ratemaking, payroll audit, claims investigation, and general administration. In insurance provided by commercial carriers there are additional charges such as acquisition costs (commissions and brokerage fees), taxes and licenses, and allowances for underwriting profit.

The dollar cost of workmen's compensation has almost tripled since 1960 (see table 2.). Costs vary not only from one industry to another but also from one State to another. The major factors in the differences within a State are the employers' industrial classifications and the hazards of the industry. For instance, clerical operations insurance rates may be less than 0.1 percent of payroll, but in very hazardous occupations the rate may be as high as 20 percent or more. In 1972, the cost of workmen's compensation amounted to 1.12 percent of covered payroll, including benefit payments and administrative costs of the Federal system. This cost to employers is estimated at \$5.764 billion for 1972. For every dollar spent by employers in 1972 to insure or self-insure their work-injury risks, 60 cents were paid for medical and cash benefits. For fiscal year 1972 State administrative costs were \$65.1 million for the District of Columbia and 40 States with available data. The fiscal year 1973 cost of workmen's compensation is estimated at \$6 billion. The upward trend in the proportion of the labor force covered can be expected to continue as States attempt to comply with the recommendations of the National Commission on State Workmen's Compensation Laws. The Commission recommended that coverage should be compulsory rather than elective; no occupational group should be excluded from the laws; and the laws should cover all employers with one or more employees. Also, there is pending legislation in Congress that will give States a deadline to improve their workmen's compensation laws or face new Federal standards of adequacy and fairness. These activities have motivated a reform movement in States to increase

benefits, expand coverage, and generally make the system more equitable. In 1973 more than 400 workmen's compensation bills were passed to increase benefit levels and make the system fairer. These reform measures will naturally have the effect of greatly increasing costs.

Fiscal year 1972:

Benefit payments (billion) .....	\$4. 0
State administrative costs (million) .....	\$65. 1
Compensable cases, fiscal year 1970 (excludes cases receiving medical benefits only) (thousand) .....	896. 3

Private carriers accounted for 63 percent of benefits paid in 1972, State funds 23 percent, and self-insurers 14 percent.

<sup>1</sup> If black lung benefits are subtracted from the \$4.029 billion paid in workmen's compensation benefits during 1972, the remaining \$3.475 billion continues to be distributed as it has been for a number of years.

Coverage estimates are confined to specific benchmark years. The latest full calendar year for which private carrier payroll estimates could be computed for all States is 1969. This time lag is inevitable because data are for policy years that extend into succeeding calendar years and cannot be fully evaluated until 2 or 3 years after the end of the policy year.

**POPULATION COVERAGE.**—Nearly all persons eligible for workmen's compensation are also eligible for social security benefits. For a totally disabled worker, the social security benefit in combination with the workmen's compensation benefit may equal a maximum of 80 percent of his average monthly earnings before he became disabled.

When the 1969 (most recent available) data is projected to 1972, the coverage estimates are 61.9–62.3 million persons, comprising 84.4 percent of the 73.6 million civilian employed wage and salaried workers in the United States. However, from State to State actual coverage ranges from 60 to about 95 percent of total employed wage and salaried workers. Some 12 million workers are not covered due to gaps in State laws. Agricultural and domestic workers and casual laborers are commonly excluded, and there are generally exemptions for employers with fewer than a specified number of employees. Only 10 of the 30 jurisdictions covered agricultural workers in substantially the same way as other workers; 10 others provided some coverage of farmworkers. Only 8 of the 30 jurisdictions included domestic labor of any type. Many laws also exempt employees of nonprofit, charitable, or religious institutions. For State and local government employees, coverage differs among jurisdictions. Some laws specify no exclusions or exclude only such groups as elected or appointed officials. Others limit coverage to employees of specified political subdivisions or to employees engaged in hazardous occupations.

#### ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—Since State laws vary considerably, eligibility must be stated generally. To qualify for benefits, the employee must have sustained an injury or been killed in performing his duties, but the injuries generally must not have arisen due to the employee's gross negligence, willful misconduct, or intoxication. A number of States have broadened coverage to include occupational disease claims, such as those for pneumoconiosis (black lung), and asbestiosis.

**PERSONS INCLUDED.**—The worker who is disabled, and in the case of death, death and funeral benefits for the worker's survivors. Some States pay dependents' benefits.

**INCOME TEST.**—None.

*Income limits.*—None.

*Accounting period.*—Benefits are usually calculated as a percentage of weekly earnings at the time of injury, illness, or death. The payments are sometimes reduced by waiting periods, maximums on weekly benefits, and weeks for which benefits are payable.

**ASSETS TEST.**—None.

#### **OTHER CONDITIONS**

*Work requirement.*—A person must have been employed and covered under the State's workmen's compensation law in order to receive benefits.

*Citizenship.*—Usually a person must be a U.S. citizen; however, resident aliens admitted for certain jobs may be eligible.

*Lien, recovery or assignment, transfer of property and relative responsibility.*—No requirements.

### **BENEFITS AND SERVICES**

**NATURE OF BENEFITS.**—The benefits provided under workmen's compensation laws include periodic cash payments, lump-sum payments, and medical services to the worker during a period of disability, as well as death and funeral benefits for the worker's survivors. As of 1973, about two-thirds of the States provided for some type of rehabilitation facilities or benefits.

*Primary determinants of amounts of benefits.*—Length and nature of disability, that is, whether a worker is temporarily disabled or permanently and totally disabled, and weekly earnings at the time of worker's accident.

*Relationship of benefit amount to family size.*—Fourteen jurisdictions now pay dependents' allowances to workers whose earnings are at the State average weekly wage rate. On average, a worker with a wife and two children receives about 5 percent higher benefits.

*Relationship of benefit amount to place of residence.*—Benefit rates vary by State workmen's compensation laws.

#### *Amount of benefits*

(1) *Temporary total disability benefits.*—More than 7 out of 10 beneficiaries are disabled for fairly short periods. As of December 1973, in all but nine States, the statutory objective was to replace 65 percent or more of the weekly wage of a worker temporarily and totally disabled while at work; in one of the nine States the proportion was above 65 percent for workers with qualified dependents. In about two-thirds of the States the wage-replacement rate was exactly 66 percent. No State had a benefit replacing less than 55 percent of wages. The actual proportion of wage loss replaced varies among the State benefit formulas and wage levels, and within a State from one period to another (depending on the timing of statutory changes). The workmen's compensation benefit nationally for a worker earning \$155.79 weekly in 1972 (minus government and social security taxes

equal \$127.36 net income, as estimated by the Social Security Administration) was \$88.64, or about 70 percent of his take-home pay. However, basing wage replacement on net income does not take into account lost fringe benefits, etc. The wage-replacement based on gross income, an average of \$89 for a worker, is only 57 percent of the nationwide average weekly wage.

(2) *Death and permanent disability benefit.*—Only about 3 out of 10 workmen's compensation cases in which cash benefits are paid involve permanent disability or death. Yet, because of their long-range nature, these benefits have accounted for about four-fifths of the total amount paid out for workmen's compensation. As of December 1973, 13 States did not pay permanent total disability and death benefits. In the States where permanent disability benefits are paid and limited as to duration, amount, or both, the periods ranged from 330 weeks to 550 weeks, and monetary limitations were from \$21,000 to \$40,000.

(3) *Survivors' benefits.*—Nineteen jurisdictions, with about one-fourth of the workers covered under workmen's compensation, still paid survivors' benefits for a limited time (or only a lump sum) as of December 1973. Twenty-seven States paid survivors' benefits in 1969. Eleven States with almost one-third of the Nation's covered workers limited the total dollar amount. Thus, a minority of workers are entitled to death benefits. Generally, where death benefits are paid, cash is provided to the widow or dependent widower for life or until remarriage and to children until 18. Where benefits are limited, the maximum duration is 10 years or less, and the monetary maximums for widows with maximum number of dependent children covered, range from \$16,000 to \$45,000.

See supplemental tables for more details on benefits.

## SUPPLEMENTARY MATERIAL

TABLE I.—BENEFITS FOR TEMPORARY TOTAL DISABILITY PROVIDED BY WORKMEN'S COMPENSATION STATUTES OF U.S. JURISDICTIONS

Jurisdiction	Maximum percentage of wages	Maximum period	Payments per week		Total maximum stated in law
			Minimum	Maximum	
Alabama	66 $\frac{2}{3}$ %	300 weeks	\$30, or average wage if less	\$68 <sup>1</sup>	<sup>1</sup> \$20,400
Alaska	65	Duration of disability	\$65, or average wage if less	\$175	30,000
Arizona	66 $\frac{2}{3}$ %	do	\$30 if worker is 21 years of age or over, plus \$2.30 for total dependents.	\$153.85 plus \$2.30 for total dependents	
Arkansas	65	450 weeks	\$15	\$63 <sup>2</sup>	29,000
California	66 $\frac{2}{3}$ %	240 weeks	\$35	\$119	
Colorado	66 $\frac{2}{3}$ %	Duration of disability	25 percent of applicable maximum (\$21)	\$84 <sup>3</sup>	( <sup>3</sup> )
Connecticut	66 $\frac{2}{3}$ %	do	\$20 <sup>3</sup>	66 $\frac{2}{3}$ % percent of State's average production wage (\$112 to \$167.84). <sup>4</sup>	
Delaware	66 $\frac{2}{3}$ %	do	\$25, or actual wage if less	\$75	
District of Columbia	66 $\frac{2}{3}$ %	do	50 percent of national average weekly wage (\$70.18), or worker's actual wage if less.	\$210.54 <sup>21</sup>	
Florida	60	350 weeks	\$20, or actual wage if less	\$80 <sup>5</sup>	
Georgia	66 $\frac{2}{3}$ %	400 weeks	\$25, or actual wage if less	\$65	
Guam	66 $\frac{2}{3}$ %	Duration of disability	\$28, or actual wage if less	\$56	<sup>6</sup> 20,000
Hawaii	66 $\frac{2}{3}$ %	do	\$18, or average wage if less	\$112.50	
Idaho	<sup>4</sup> 60	52 weeks; thereafter 60 percent of the currently applicable average weekly State wage, for duration of disability.	45 percent of the currently applicable average weekly State wage (\$58.50).	60 to 90 percent of the currently applicable average weekly State wage (\$78-\$117). <sup>4</sup>	
Illinois	<sup>4</sup> 65-80	Duration of disability until equivalent of death benefit is paid, except in specific injury cases limited to 64 weeks.	\$31.50 to \$49 <sup>4</sup>	\$100.90 to \$124.30. <sup>4</sup> After first 64 weeks reduced to \$80.90 to \$96.90.	<sup>4</sup> 24,624-34,485
Indiana	60	500 weeks	\$21	\$60 to \$75 <sup>4</sup>	30,000
Iowa	<sup>7</sup> 80	Duration of disability	\$18, or actual wage if less	66 $\frac{2}{3}$ % percent of State's average weekly wage (\$91). <sup>7</sup>	
Kansas	60	415 weeks	\$7	\$56	23,240
Kentucky	<sup>4</sup> 55-62 $\frac{1}{2}$ %	Duration of disability	20 percent of the State's average weekly wage (\$28).	60 percent of the State's average weekly wage (\$84).	
Louisiana	65	300 weeks	\$17.50, or actual wage if less	\$65	
Maine	66 $\frac{2}{3}$ %	Duration of disability	\$18 <sup>8</sup>	$\frac{2}{3}$ of State's average weekly wage (\$83) <sup>9</sup>	
Maryland	66 $\frac{2}{3}$ %	do	\$25, or actual wage if less	$\frac{2}{3}$ of State's average weekly wage (\$102.30)	
Massachusetts	66 $\frac{2}{3}$ %	do	\$20, or average wage if less, but not less than \$10 if normal working hours are 15 or more.	\$30, plus \$6 for each total dependent; aggregate not to exceed worker's average weekly wage. <sup>9</sup>	<sup>9</sup> 22,500

See footnotes at end of table, p. 339.

TABLE 1.—BENEFITS FOR TEMPORARY TOTAL DISABILITY PROVIDED BY WORKMEN'S COMPENSATION STATUTES OF U.S. JURISDICTIONS—Continued

Jurisdiction	Maximum percentage of wages	Maximum period	Payments per week		Total maximum stated in law
			Minimum	Maximum	
Michigan	66 $\frac{2}{3}$	do.	\$27 or \$42 <sup>4</sup>	\$100 to \$129 <sup>10</sup>	
Minnesota	66 $\frac{2}{3}$	350 weeks	\$17.50	\$100	
Mississippi	66 $\frac{2}{3}$	450 weeks	\$10	\$56 <sup>11</sup>	21,000
Missouri	66 $\frac{2}{3}$	400 weeks	\$16, or actual wage if less	\$70	
Montana	66 $\frac{2}{3}$	Duration of disability	No statutory minimum	\$110 <sup>12</sup>	
Nebraska	66 $\frac{2}{3}$	do.	\$49, or actual wage if less	\$80	
Nevada	66 $\frac{2}{3}$	433 weeks	No statutory minimum	$\frac{2}{3}$ of State's average monthly wage (\$106.07 weekly).	
New Hampshire	(13)	Duration of disability	\$30, or average wage if less	\$115 <sup>13</sup>	
New Jersey	66 $\frac{2}{3}$	300 weeks	\$15	$\frac{2}{3}$ of State's average weekly wage (\$112)	
New Mexico	66 $\frac{2}{3}$	500 weeks	\$36, or actual wage if less	\$65 <sup>14</sup>	14 32,500
New York	66 $\frac{2}{3}$	Duration of disability	\$30, or actual wage if less	\$95	
North Carolina	66 $\frac{2}{3}$	400 weeks <sup>15</sup>	\$20	\$80	15 32,500
North Dakota	60	Duration of disability	Same as maximum	60 percent of State's average weekly wage (\$74), plus \$5 for each dependent child, but not to exceed worker's net wage after taxes and social security.	
Ohio	66 $\frac{2}{3}$	do.	33 $\frac{1}{3}$ percent of State's average weekly wage (\$56), or actual wage if less.	66 $\frac{2}{3}$ percent of State's average weekly wage (\$112).	
Oklahoma	66 $\frac{2}{3}$	300 weeks, may be extended to 500 weeks	\$20, or actual wage if less	\$60	
Oregon	66 $\frac{2}{3}$	Duration of disability	\$50 or 90 percent of actual wage if less	80 percent of State's average weekly wage (\$125.20)	
Pennsylvania	66 $\frac{2}{3}$	do.	50 percent of Statewide average weekly wage (\$78.35), with absolute minimum of $\frac{1}{2}$ maximum weekly rate (\$35.33).	66 $\frac{2}{3}$ Percent of Statewide average weekly wage (\$106).	
Puerto Rico	66 $\frac{2}{3}$	312 weeks	\$10	\$45	
Rhode Island	66 $\frac{2}{3}$	Duration of disability <sup>16</sup>	\$30	60 percent of State's average weekly wage (\$81.55), plus \$6 for each dependent; aggregate not to exceed worker's average weekly wage.	(16)
South Carolina	60		\$20	\$63	25,000
South Dakota	66 $\frac{2}{3}$	312 weeks	$\frac{1}{2}$ of maximum weekly average (\$32), or average weekly wage if less.	56 percent of State's average weekly wage (\$63). <sup>17</sup>	
Tennessee	66 $\frac{2}{3}$	Duration of disability	\$15	\$62	
Texas	66 $\frac{2}{3}$	401 weeks	\$15 <sup>18</sup>	\$63 <sup>18</sup>	
Utah	66 $\frac{2}{3}$	312 weeks	\$35 to \$60 <sup>4</sup>	66 $\frac{2}{3}$ percent of State's average weekly wage (\$89.33).	
Vermont	66 $\frac{2}{3}$	Duration of disability	30 percent of State's average weekly wage (\$41), plus \$5 for each dependent under 21, or average wage if less.	60 percent of State's average weekly wage (\$81), plus \$5 for each dependent under 21.	

Virginia.....	66 $\frac{2}{3}$ %	500 weeks.....	\$25.....	\$80.....	40,000
Washington.....	4	60-75	Duration of disability.....	\$43.19 to \$82.11 <sup>4</sup>	75 percent of State's average wage, adjusted annually (\$121.38).
West Virginia.....	66 $\frac{2}{3}$ %	208 weeks.....	\$40.....	60 percent of State's average weekly wage (\$91.80).	
Wisconsin.....	70	Duration of disability.....	\$21.....	\$100 <sup>19</sup>	
Wyoming.....	66 $\frac{2}{3}$ %	do.....	\$43.38 to \$62.08 <sup>4</sup>	\$54.92 to \$79.38 <sup>4</sup>	
United States:					
Federal Employees Compensation Act.....	4	66 $\frac{2}{3}$ -75	do.....	\$81.95, <sup>20</sup> or actual wage if less.....	\$519.23 <sup>20</sup>
Longshoremen's and Harbor Workers' Compensation Act.....	66 $\frac{2}{3}$ %	do.....	50 percent of national average weekly wage (\$70.18), or worker's actual wage if less.....	\$210.54 <sup>21</sup>	

<sup>1</sup> Alabama: Effective July 1, 1974, the maximum weekly benefits will be \$75, and the total maximum \$22,500.

<sup>2</sup> Arkansas: Effective July 1, 1974, the maximum weekly benefits will be \$66.50.

<sup>3</sup> Colorado: Effective July 1, 1974, maximum weekly benefits will be 66 $\frac{2}{3}$  percent of the State's average weekly wage. If periodic disability benefits are payable to the worker under the Federal OASDI, the workmen's compensation weekly benefits shall be reduced (but not below 0) by an amount approximating  $\frac{1}{4}$  such Federal benefits for such week. If disability benefits are payable under an employer pension plan, the workmen's compensation benefits shall be reduced in an amount proportional to the employer's percentage of total contributions to the plan.

<sup>4</sup> According to number of dependents. In Washington and Wyoming, according to marital status and number of dependents. In Illinois, according to number of dependent children under 16, or under 18 when not emancipated. In Connecticut, \$5 for each dependent child under 18, up to 50 percent the basic weekly benefit, total benefit not to exceed 75 percent of the average weekly wage. In Idaho, increased by 7 percent of currently applicable average weekly State wage for each child up to 5 children. In Utah, \$5 for dependent wife and each dependent child up to 4, but not to exceed 66 $\frac{2}{3}$  percent of State's average weekly wage.

<sup>5</sup> Florida: If periodic disability benefits are payable to the worker under the Federal OASDI, the workmen's compensation benefits and the Federal payment shall not exceed 80 percent of the employee's average weekly wage. Said offset shall not be applicable when worker reaches age of 62.

<sup>6</sup> Guam: Total maximum \$20,000 for temporary total and permanent partial disability.

<sup>7</sup> Iowa: Maximum percentage of wages based on employee's average weekly spendable earnings. Effective July 1, 1975, maximum weekly benefits will be 100 percent of the State's average weekly wage; July 1, 1977, 133 $\frac{1}{3}$  percent; July 1, 1979, 166 $\frac{2}{3}$  percent; and beginning July 1, 1981, 200 percent.

<sup>8</sup> Maine: Effective Nov. 30, 1974, maximum weekly benefits will be 100 percent of the State's average weekly wage, and minimum weekly benefits will be \$25.

<sup>9</sup> Massachusetts: Plus dependents' allowances. Total maximum \$22,500 for temporary total and permanent partial disability. Effective Nov. 1, 1974, maximum weekly benefits will be \$95, and total maximum will be \$23,750.

<sup>10</sup> Michigan: The maximum benefits rate is adjusted annually on the basis of a \$1 increase or decrease for each \$1.50 increase or decrease in the State's average weekly wage.

<sup>11</sup> Mississippi: Effective July 1, 1974, the maximum weekly benefits will be \$63.

<sup>12</sup> Montana: Effective July 1, 1974, maximum weekly benefits shall not exceed the State's average weekly wage. If periodic disability benefits are payable to the worker under the Federal OASDI, the workmen's compensation weekly benefits shall be reduced (but not below 0) by an amount approximating  $\frac{1}{4}$  such Federal benefits for such week.

<sup>13</sup> New Hampshire: Benefits set in accordance with a "wage and compensation schedule" up to average weekly wage of \$138 (maximum benefit \$92). If the average weekly wage is over \$138, compensation shall be 66 $\frac{2}{3}$  percent of such wage, not to exceed \$115.

<sup>14</sup> New Mexico: Effective July 1, 1974, maximum weekly benefits will be \$75, and the total maximum will be \$37,500.

<sup>15</sup> North Carolina: The 400 weeks and \$32,500 do not apply in cases of permanent total disability resulting from an injury to the brain or spinal cord or from loss of mental capacity caused by an injury to the brain.

<sup>16</sup> Rhode Island: After 500 weeks, or after \$32,500 has been paid, payments to be made from second-injury fund for period of disability.

<sup>17</sup> South Dakota: Effective July 1, 1974 to June 30, 1975, 60 percent of State's average weekly wage; effective July 1, 1975, 66 $\frac{2}{3}$  percent.

<sup>18</sup> Texas: Effective Sept. 1, 1974, maximum weekly benefits will be \$70, and the minimum \$16. Thereafter, each \$10 increase in the average weekly wage for manufacturing production workers will increase the maximum benefit by \$7 per week, and the minimum by \$1 per week.

<sup>19</sup> Wisconsin: Effective Jan. 1, 1975, the State's average weekly wage shall be used as the maximum weekly earnings upon which computation shall be based.

<sup>20</sup> Federal employees: Based on 75 percent of the pay of specified grade levels in the Federal civil service.

<sup>21</sup> LS/HWCA and D.C.: Based on 150 percent of national average weekly wage from Oct. 1, 1973 to Sept. 30, 1974; 175 percent from Oct. 1, 1974 to Sept. 30, 1975; and 200 percent beginning Oct. 1, 1975. "National average weekly wage," as determined by the Secretary of Labor, shall be based on the national average weekly earnings of production or nonsupervisory workers on private non-agricultural payrolls.

Source: U.S. Department of Labor, Employment Standards Administration, Office of Workmen's Compensation Programs. Operative Apr. 1, 1974.

TABLE 2.—PERCENTAGE DISTRIBUTION OF COMPENSABLE CASES AND OF AGGREGATE CASH BENEFITS (INCURRED LOSS), AND AVERAGE BENEFIT, BY DISABILITY CLASSIFICATION, SELECTED POLICY YEARS, 1939-70<sup>1</sup>

Disability classification	Compensable cases <sup>2</sup>				Cash benefit payments				Average benefit per compensable case			
	1939	1954	1966	1970	1939	1954	1966	1970	1939	1954	1966	1970
Number (in thousands).....	365.0	632.1	843.0	896.3								
Amount (in millions).....					\$84.0	\$393.5	\$886.5	\$1,263.1				
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0				
Death.....	1.0	.8	.7	.6	16.2	11.5	11.1	10.6	\$3,873	\$9,207	\$15,869	\$23,077
Disability:												
Permanent total <sup>3</sup> .....	.1	.1	.1	.1	3.9	2.0	2.1	2.8	9,415	16,758	28,128	28,914
Major permanent <sup>4</sup> .....	1.8	2.6	3.2	5.3	22.3	20.7	23.9	33.9	2,792	5,010	7,832	9,070
Minor permanent <sup>5</sup> .....	12.1	23.2	24.1	22.6	26.2	36.8	38.1	31.4	500	986	1,659	1,961
Temporary total.....	85.0	73.3	71.8	71.4	31.4	29.1	24.9	21.2	85	247	364	418

<sup>1</sup> Excludes cases receiving medical benefits only. Data for individual policy years not strictly comparable because of shift in States included and in definition of policy year.

<sup>2</sup> For permanent injury cases includes, in addition to compensation for loss of earning power, payments to those cases during periods of temporary disability. For temporary disability cases, includes only those closed cases known not to have involved any permanent injury and the open cases in which, in the carrier's judgment, the disability will be temporary only.

<sup>3</sup> Disability rate at 75-100 percent of total.

<sup>4</sup> Disability with severity equal to approximately 25-75 percent of total.

<sup>5</sup> Disability with severity equal to less than approximately 25 percent of total.

Source: Unpublished data from the National Council on Compensation Insurance.

TABLE 3.—ESTIMATED AVERAGE MONTHLY NUMBER OF WAGE AND SALARY WORKERS COVERED BY WORKMEN'S COMPENSATION, 1969 AND 1972

[In thousands of dollars]

State	1969	1972	State	1969	1972
Total.....	58,784-59,084	61,936-62,300	Missouri.....	1,150	1,180
Alabama.....	680	795	Montana.....	131	144
Alaska.....	62	74-78	Nebraska.....	365	430,440
Arizona.....	385	485	Nevada.....	170	198
Arkansas.....	385	470	New Hampshire.....	215	230
California.....	6,300-6,500	6,600-6,800	New Jersey.....	2,125	2,240
Colorado.....	550	670	New Mexico.....	173	205
Connecticut.....	975	1,000	New York.....	6,210	6,075
Delaware.....	164	175	North Carolina.....	1,360	1,495
District of Columbia.....	300	295	North Dakota.....	95	107
Florida.....	1,600-1,700	2,000-2,100	Ohio.....	3,340	3,390
Georgia.....	990	1,130	Oklahoma.....	425	465
Hawaii.....	235	265	Oregon.....	660	720
Idaho.....	152	176	Pennsylvania.....	3,800	3,900
Illinois.....	3,910	3,840	Rhode Island.....	260	270
Indiana.....	1,410	1,410	South Carolina.....	565	680
Iowa.....	775	865	South Dakota.....	119	140
Kansas.....	450	465	Tennessee.....	850	945
Kentucky.....	625	675	Texas.....	2,230	2,480
Louisiana.....	775	820	Utah.....	265	310
Maine.....	245	245	Vermont.....	120	125
Maryland.....	935	1,630	Virginia.....	1,150	1,325
Massachusetts.....	1,720	1,760	Washington.....	700	925-975
Michigan.....	2,690	2,670	West Virginia.....	465	505
Minnesota.....	1,040	1,050	Wisconsin.....	1,310	1,350
Mississippi.....	355	425	Wyoming.....	65	72
			Federal employees <sup>1</sup> .....	2,758	2,650

<sup>1</sup> Excludes employment outside the United States.TABLE 4.—BENEFIT PAYMENTS BY TYPE OF INSURANCE, 1939-71<sup>1</sup>

[Dollar amounts in thousands]

Year	Type of insurance							
	Total		Insurance losses paid by private insurance carriers <sup>2</sup>		State and Federal fund disbursements <sup>3</sup>		Self-insurance payments <sup>4</sup>	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
1939.....	\$234,723	100	\$122,183	52.0	\$68,464	29.2	\$44,067	18.8
1940.....	255,653	100	134,653	52.7	72,528	28.4	48,472	18.9
1945.....	408,374	100	252,570	61.9	91,255	22.3	64,549	15.8
1950.....	614,702	100	381,329	62.0	148,693	24.2	84,680	13.8
1955.....	915,665	100	562,515	61.4	238,445	25.9	114,705	12.5
1960.....	1,294,945	100	809,921	62.5	324,580	25.1	160,444	12.4
1965.....	1,813,807	100	1,124,013	62.0	445,382	24.5	244,412	13.5
1969.....	2,633,917	100	1,640,964	62.3	606,675	23.0	386,278	14.7
1970.....	3,030,603	100	1,843,264	60.8	754,892	24.9	432,447	14.3
1971.....	3,563,084	100	2,004,534	56.3	1,098,440	30.8	460,110	12.9
1972.....	4,028,581	100	2,178,618	54.1	1,351,662	33.6	498,301	12.4

<sup>1</sup> Before 1959, excludes Alaska and Hawaii.<sup>2</sup> Net cash and medical benefits paid by private insurance carriers under standard workmen's compensation policies. Data from the "Spectator (Insurance by States . . . of Casualty Lines)," from published and unpublished reports of State insurance commissions, and from A. M. Best Co.<sup>3</sup> Net cash and medical benefits paid by competitive and exclusive State funds and the Federal systems, including "black lung" benefits. Includes payment of supplemental pensions from general funds. Compiled from State reports (published and unpublished), and from the "Spectator, Argus Casualty and Survey Chart" or other insurance publications. Data for fiscal years for some funds.<sup>4</sup> Cash and medical benefits paid by self-insurers, plus the value of medical benefits paid by employers carrying workmen's compensation policies that do not include the standard medical coverage. Estimated from available State data.

TABLE 5.—BENEFIT PAYMENTS BY TYPE, 1939-72<sup>1</sup>

[In millions of dollars]

Year	Total	Medical and hospitalization payments	Type of benefit		
			Compensation payments		
			Total	Disability	Survivor
1939.....	235	85	150	120	30
1945.....	408	125	283	241	42
1950.....	615	200	415	360	55
1955.....	916	325	591	521	70
1960.....	1,295	435	860	755	105
1965.....	1,814	600	1,214	1,074	140
1969.....	2,634	920	1,714	1,529	185
1970.....	3,031	1,050	1,981	1,751	230
1971.....	3,563	1,130	2,433	2,068	365
1972.....	4,029	1,230	2,799	2,339	460

<sup>1</sup> Before 1959, excludes Alaska and Hawaii.

Source: Estimated by Social Security Administration on the basis of unpublished policy year data from the National Council on Compensation Insurance.

TABLE 6.—COMPARATIVE RATIOS OF BENEFITS TO PREMIUMS, PRIVATE CARRIERS, 1950-72<sup>1</sup>

[Dollar amounts in millions]

Year	Direct premiums written in relation to losses (benefits) paid <sup>2</sup>			Premiums earned in relation to losses (benefits) incurred <sup>3</sup>		
	Direct premiums written <sup>4</sup>	Direct losses paid	Loss ratio	Premiums earned <sup>4</sup>	Losses incurred	Loss ratio
	1950.....	\$721.5	\$381.3	52.8	\$696.6	\$427.7
1955.....	1,078.4	562.5	52.2	1,027.9	594.3	57.8
1960.....	1,452.3	809.9	55.8	1,367.9	874.2	63.9
1965.....	2,074.4	1,124.0	54.2	1,966.6	1,236.4	62.9
1969.....	3,255.0	1,641.0	50.4	3,089.9	1,930.3	62.5
1970.....	3,578.4	1,843.3	51.5	3,356.5	2,124.3	63.3
1971.....	3,749.3	2,004.5	53.5	3,516.3	2,396.3	68.1
1972.....	4,180.6	2,178.6	52.1	3,887.4	2,704.0	69.6

<sup>1</sup> Before 1959, excludes Alaska and Hawaii.<sup>2</sup> Data for 1950-58 from "Spectator: Insurance by States of Fire, Marine, Casualty, Surety and Miscellaneous Lines," annual issues. Data for 1959-66 compiled from published and unpublished reports of the State insurance commissions. Beginning 1967, data from A. M. Best Co.<sup>3</sup> From National Council on Compensation Insurance, "Insurance Expense Exhibit (Countrywide)," annual issues.<sup>4</sup> Excludes premium discounts and retrospective adjustments but not dividends.

TABLE 7.—COUNTRYWIDE WORKMEN'S COMPENSATION EXPERIENCE OF STOCK AND MUTUAL COMPANIES, 1939-72

[Dollar amounts in thousands]

Year	Premiums earned	Losses (benefits) incurred	Loss ratio	Expenses incurred	Expense ratio	Net gain ratio <sup>1</sup>
<b>Stock companies: <sup>2</sup></b>						
1939-47, total <sup>3</sup>	\$1,934,554	\$1,110,676	57.4	\$733,512	37.9	4.7
1948-56, total <sup>3</sup>	3,920,104	2,318,171	59.1	1,403,189	35.8	5.1
1957-64, total <sup>3</sup>	6,131,817	3,924,643	64.0	2,119,200	34.6	1.5
1965-68, total <sup>3</sup>	6,217,537	3,936,791	63.3	1,948,892	31.3	5.4
1969-72, total <sup>3</sup>	9,576,112	6,367,446	66.5	2,872,614	30.0	3.5
1969	2,068,226	1,299,447	62.8	619,701	30.0	7.2
1970	2,291,249	1,449,872	63.3	682,192	29.8	6.9
1971	2,454,414	1,675,246	68.3	727,870	29.7	2.0
1972	2,762,223	1,942,881	70.3	842,851	30.5	-1.5
<b>Mutual companies: <sup>2</sup></b>						
1939-47, total <sup>3</sup>	1,200,334	684,948	57.1	273,267	22.8	20.1
1948-56, total <sup>3</sup>	2,614,500	1,533,125	58.6	626,992	24.0	17.4
1957-64, total <sup>3</sup>	3,421,181	2,140,765	62.6	891,391	26.1	11.3
1965-68, total <sup>3</sup>	2,979,624	1,846,522	62.0	759,943	25.5	12.5
1969-72, total <sup>3</sup>	3,926,109	2,556,717	65.1	991,898	25.3	9.6
1969	940,320	579,225	61.6	232,968	24.8	13.6
1970	979,212	617,910	63.1	235,238	24.0	12.9
1971	976,915	660,577	67.6	249,892	25.6	6.8
1972	1,029,662	699,005	67.9	278,800	26.6	5.5

<sup>1</sup> Net gain ratio represents ratio before dividends to stockholders and policyholders and investment income.<sup>2</sup> All figures disregard dividends to policyholders, which if taken into consideration result in higher loss ratios and expense ratios.<sup>3</sup> Annual figures previously published in the articles on workmen's compensation that appeared in the "Social Security Bulletin," March 1954, August 1958, October 1966, and October 1970.

Source: Data for 1939-64 compiled from Annual Reports of the New York State Insurance Department and from the Annual Casualty-Surety Editions of the "Eastern Underwriter" and refer to countrywide business of private carriers operating in the State of New York (representing about 80 percent of all business underwritten for U.S. employers by insurance companies); data for 1965-72 are from annual issues of National Council on Compensation Insurance, "Insurance Expense Exhibit (Countrywide)" and refer to countrywide business of all private carriers operating in the United States.

TABLE 8.—ESTIMATED NUMBER OF WORKERS COVERED IN AN AVERAGE MONTH AND TOTAL ANNUAL PAYROLL IN COVERED EMPLOYMENT, SELECTED YEARS, 1940-72 <sup>1</sup>

Year	Workers covered in an average month		Total payroll in covered employment	
	Number (in millions)	Percent of employed wage and salary workers <sup>2</sup>	Amount (in billions)	Percent of civilian wages and salary disbursements <sup>1</sup>
1940	24.2-25.0	70.8	\$35-38	72.1
1946	32.2-33.2	76.8	79-81	76.8
1950	36.5-37.2	77.2	112-115	80.1
1955	41.2-41.6	80.0	167-169	83.4
1960	44.8-45.0	80.4	219-221	84.3
1965	50.5-50.9	81.5	291-293	84.2
1969	58.8-59.1	84.6	413-415	84.4
1970	59.0-59.3	83.9	436-438	83.6
1971	59.2-59.5	83.6	462-465	83.6
1972	61.9-62.3	84.4	513-515	84.7

<sup>1</sup> Before 1959, excludes Alaska and Hawaii.<sup>2</sup> Midpoints of range used in computing percentages. Starting with 1967, employed wage and salary workers exclude those aged 14 and 15 (as well as younger workers) and includes certain workers previously classified as self-employed.

Source: Employed wage and salary workers from "Current Population Survey," Bureau of Labor Statistics. Wage and salary disbursements from Bureau of Economic Analysis, Department of Commerce.

Five States have public temporary disability insurance (TDI) programs under which cash benefits are paid to workers for periods of up to 6 months for sickness or accident not originating in the work place. These programs were designed to cover risks to earning capacity not covered by workmen's compensation, which requires that injuries or death be incurred on the job, or by disability insurance (DI), which requires that the disability be relatively long lasting.

In these social insurance plans, workers generally must have earned a minimum amount and/or worked in a specified recent period to be eligible for benefits. The five State TDI programs are financed in part or wholly by worker contributions. A summary of the principal eligibility and benefit provisions of these provisions is given here:

TABLE 9.—SUMMARY OF STATE TEMPORARY DISABILITY INSURANCE PROGRAMS<sup>1</sup>

Provision as of Jan. 1	California	New Jersey	New York	Rhode Island	Hawaii <sup>1</sup>
<b>Coverage by number of employees in firm:</b>					
1951.....	1 or more.....	4 or more.....	4 or more.....	4 or more.....	
1969.....	do.....	1 or more.....	1 or more.....	1 or more.....	
1974 (September).....	do.....	do.....	do.....	do.....	1 or more.
<b>Weekly benefit amount provided by formula as percent of worker's wage:</b>					
1951.....	65 to 57.....	59.....	50.....	65.....	
1969.....	62 to 57.....	66½.....	50.....	55.....	
1974.....	62 to 57.....	66½.....	50.....	55.....	55.
<b>Minimum and maximum weekly benefit amount:</b>					
1951.....	\$10 to \$25.....	\$10 to \$26.....	\$10 to \$26.....	\$10 to \$25.....	
1969.....	\$25 to \$87.....	\$10 to \$65.....	\$20 to \$65.....	\$12 to \$53.....	
1974 (September).....	\$25 to \$119.....	\$10 to \$85.....	\$20 to \$95.....	\$12 to \$72.....	\$14 to \$98.
<b>Duration of benefits—minimum (weeks):</b>					
1951.....	+12 to 26.....	10 to 26.....	13.....	+5 to 26.....	
1969.....	6 to 26.....	+8 to 26.....	26.....	12 to 26.....	
1974 (September).....	6 to 26.....	+8 to 26.....	26.....	12 to 26.....	26.
<b>Taxable maximum wages per year:</b>					
1951.....	\$3,000.....	\$3,000.....	\$60 per week.....	\$3,000.....	
1969.....	\$7,400.....	\$3,600.....	do.....	\$4,800.....	
1974 (September).....	\$9,000.....	\$4,200.....	do.....	\$4,800.....	\$177 per week.

<sup>1</sup>Data for Hawaii not available (program enacted in 1969) until 1974.

TABLE 10.—CALIFORNIA STATE-OPERATED FUND FOR TEMPORARY DISABILITY INSURANCE, 1947-72

Calendar year	Average monthly covered employment (in thousands)	Net taxable payrolls <sup>1</sup> (in millions)	Average weekly number of basic beneficiaries <sup>2</sup>	Average weekly basic benefit amount <sup>2</sup>	Average basic duration (weeks) per period paid <sup>2</sup>
1947.....	2,001.1	\$4,876	15,462	\$18.99	9.0
1950.....	1,335.5	3,331	19,535	22.74	10.4
1955.....	1,809.1	4,900	25,154	30.38	9.5
1960.....	2,608.6	8,591	39,832	43.59	8.1
1965.....	4,424.4	23,018	65,979	53.80	7.9
1969.....	5,227.1	29,356	74,776	61.86	7.5
1970.....	5,200.1	29,698	78,616	65.72	8.0
1971.....	5,162.1	29,935	78,514	67.56	8.1
1972.....	5,309.6	35,609	76,118	71.25	8.0

<sup>1</sup> Net of wages on which refunds for overpayments were claimed.

<sup>2</sup> For periods terminating in given year.

TABLE 11.—CALIFORNIA STATE-OPERATED FUND FOR TEMPORARY DISABILITY INSURANCE, 1946-72

Calendar year	Administrative expenditures						
	Gross benefits paid <sup>1</sup>			Net worker contributions received	Assessments on private plan <sup>2</sup>		
	Total <sup>2</sup>	Basic <sup>2</sup>	Hospital		Total	State plan	Assessments on private plan <sup>2</sup>
1947.....	\$15,267,016	\$15,267,016	0	\$51,512,181	\$1,787,793	\$1,787,793	0
1950.....	25,275,830	23,095,366	\$2,180,464	32,981,125	2,229,008	1,902,412	\$326,596
1955.....	45,755,330	39,736,015	6,019,315	47,911,795	3,410,312	2,326,798	1,083,514
1960.....	107,748,358	90,269,626	17,451,732	84,206,258	5,498,626	5,498,626	0
1965.....	214,286,005	184,578,025	29,707,980	227,637,029	9,793,228	9,568,227	225,001
1969.....	271,933,912	240,542,464	31,409,448	307,744,151	11,648,447	11,513,421	171,026
1970.....	300,570,286	268,661,674	31,908,612	298,800,100	12,569,280	12,331,280	238,000
1971.....	306,569,452	275,842,756	30,726,696	301,879,482	11,511,762	11,267,638	244,124
1972.....	311,028,554	282,037,374	29,001,180	353,929,763	13,311,556	13,052,292	259,264

<sup>1</sup> For periods terminating in given year.

<sup>2</sup> Cash income-maintenance payments first payable Dec. 1, 1946.

<sup>3</sup> Amount assessed private plans to pay for the added cost of administration.

TABLE 12.—CALIFORNIA PRIVATE PLANS FOR TEMPORARY DISABILITY INSURANCE, 1947-72

Calendar year	Average monthly covered employment (in thousands)	Net taxable payrolls (in millions) <sup>1</sup>	Average weekly number of basic beneficiaries (in thousands)	Average weekly basic benefit amount <sup>2</sup>	Average basic duration (weeks) per period paid <sup>2</sup>	Gross benefits paid <sup>2</sup>		
						Total	Basic	Hospital
						1947.....	458.5	\$1,296
1950.....	1,189.5	3,362	13,006	29.08	6.5	21,775,153	19,669,114	\$2,106,039
1955.....	1,447.2	4,578	15,581	36.00	5.7	34,754,490	29,170,005	5,584,485
1960.....	1,224.1	4,678	13,529	55.68	4.4	47,207,526	39,169,084	8,038,442
1965.....	326.3	1,894	2,662	72.27	6.0	12,543,361	10,002,254	2,541,107
1969.....	413.7	2,672	3,842	82.00	5.5	19,634,694	16,382,326	3,252,368
1970.....	418.0	2,729	3,935	85.71	6.1	20,850,100	17,536,203	3,313,897
1971.....	386.7	2,528	3,930	90.71	6.2	20,983,106	18,536,550	2,446,556
1972.....	398.3	2,793	3,960	95.67	6.4	22,215,780	19,697,582	2,518,198

<sup>1</sup> Net of wages on which refunds for overpayments were claimed.

<sup>2</sup> For periods terminating in given year.

<sup>3</sup> Effective Nov. 11, 1961, self-insured employers were relieved of reporting basic claims of 7 or less days' duration when no hospital benefits were paid.

TABLE 13.—NEW JERSEY STATE-OPERATED FUND FOR TEMPORARY DISABILITY INSURANCE, 1949-72

Calendar year	Average monthly covered employment	Taxable payrolls (in thousands)	Average weekly number of beneficiaries	Average weekly benefit amount	Average duration (weeks) per period paid	Net benefits paid <sup>1</sup>	Contributions collected (net)	Administrative expenditures		
								Total	State plan	Cost of supervising private plans
1949 .....	(*)	(*)	3,290	\$19.98	7.3	\$3,865,483	\$8,419,081	\$1,561,448	\$1,264,149	\$297,299
1950 .....	401,000	\$906,489	4,686	20.53	8.9	4,915,307	9,582,213	1,056,642	683,589	373,053
1955 .....	535,336	1,404,471	6,849	26.93	8.5	9,474,072	9,459,799	1,374,001	902,688	471,313
1960 .....	633,843	1,807,578	7,542	31.87	8.4	12,326,903	13,260,969	1,423,665	902,285	521,380
1965 .....	889,522	2,657,512	13,059	38.77	8.1	25,944,899	19,871,778	1,837,493	1,170,201	667,292
1969 .....	1,214,413	4,337,294	18,928	54.25	8.5	52,708,431	35,381,431	2,729,427	1,937,930	791,497
1970 .....	1,268,456	4,640,067	20,967	57.31	8.9	61,715,647	45,326,804	2,765,584	<sup>2</sup> 2,146,584	<sup>2</sup> 619,000
1971 .....	1,320,272	5,001,955	20,660	59.86	9.0	64,308,923	66,404,735	4,188,117	<sup>2</sup> 3,532,117	<sup>2</sup> 656,000
1972 .....	1,451,807	5,843,807	20,549	62.88	8.9	67,192,953	80,203,212	4,436,629	<sup>2</sup> 3,767,629	<sup>2</sup> 669,000

<sup>1</sup> Benefits first payable Jan. 1, 1949.

<sup>2</sup> Estimated from fiscal year data.

TABLE 14.—NEW JERSEY PRIVATE PLANS FOR TEMPORARY DISABILITY INSURANCE, 1949-72

Calendar year	Average monthly covered employment	Taxable payrolls (in thousands)	Net benefits paid <sup>1</sup>
1949.....	(?)	(?)	\$12,300,000
1950.....	910,000	\$2,458,604	\$16,600,000
1955.....	926,962	2,787,659	25,664,187
1960.....	920,321	2,869,593	31,493,553
1965.....	839,027	2,711,632	33,137,051
1969.....	824,518	3,225,495	49,127,163
1970.....	809,994	3,175,227	54,261,716
1971.....	735,740	2,807,100	54,384,993
1972.....	750,635	3,318,993	61,368,109

<sup>1</sup> Benefits first payable Jan. 1, 1949.<sup>2</sup> Not available.<sup>3</sup> More detailed information not available.

TABLE 15.—NEW YORK STATE SPECIAL FUND FOR THE UNEMPLOYED FOR TEMPORARY DISABILITY INSURANCE, 1950-72

Calendar year	Average weekly number of beneficiaries	Average weekly benefit amount	Average duration (weeks) per period paid	Net benefits paid <sup>1</sup>	Contributions collected <sup>2</sup> (assessments)	Administrative expenditures <sup>3</sup>
1950.....	167	\$21.22	5.5	\$92,016	0	\$411,910
1951.....	515	20.41	7.3	546,657	0	1,541,193
1955.....	605	25.59	7.9	805,109	0	1,452,075
1960.....	907	34.26	8.3	1,616,563	2,539,371	1,791,911
1965.....	1,435	38.84	12.3	2,898,343	1,559,176	1,726,339
1969.....	1,117	49.06	13.1	2,848,858	2,780,166	2,098,490
1970.....	1,444	52.30	12.3	3,926,903	2,439,987	2,235,115
1971.....	1,823	56.95	13.4	5,398,315	2,126,051	2,462,686
1972.....	1,780	59.47	13.8	5,505,872	3,073,487	2,870,731

<sup>1</sup> Benefits first payable, July 1, 1950.<sup>2</sup> Data for year ending Mar. 31.<sup>3</sup> Includes expenses for administration of special fund for the unemployed, and for supervision of private plans.

TABLE 16.—NEW YORK PRIVATE PLANS (INCLUDING STATE INSURANCE FUND) FOR TEMPORARY DISABILITY INSURANCE, 1950-72

Calendar year	Average monthly covered employment	Taxable payrolls (in thousands)	Average weekly number of beneficiaries	Average weekly benefit amount	Average duration (weeks) per period paid	Net benefits paid <sup>1</sup>		
						Total	Cash	Medical
1950...	(?)	(?)	23,511	\$29.77	3.1	\$19,914,441	\$18,197,614	\$1,716,827
1951...	4,570,072	\$11,228,345	41,921	30.23	3.9	70,754,761	65,903,523	4,851,238
1955...	4,653,305	12,628,132	43,376	36.43	3.8	90,951,285	82,176,553	8,774,732
1960...	4,796,822	13,835,847	53,933	45.82	4.2	143,845,830	128,499,489	15,346,341
1965...	5,463,046	16,079,190	59,623	51.08	4.3	178,522,326	158,354,429	20,167,897
1969...	5,913,484	17,911,769	66,428	63.92	4.4	245,046,813	220,812,575	24,234,238
1970...	5,922,640	18,170,935	68,575	67.66	4.3	271,568,770	241,275,361	30,293,409
1971...	5,870,558	17,658,046	65,987	71.09	4.1	281,577,749	243,946,510	37,631,239
1972...	6,265,270	23,043,146	62,384	78.40	3.9	288,288,729	254,310,573	33,978,156

<sup>1</sup> Benefits first payable July 1, 1950.<sup>2</sup> Not available.

TABLE 17.—RHODE ISLAND STATE PROGRAM FOR TEMPORARY DISABILITY INSURANCE, 1942-72

Calendar year	Average monthly covered employment	Taxable payrolls	Average weekly number of beneficiaries	Average weekly benefit amount	Average duration (weeks) per period paid	Net benefits paid <sup>1</sup>	Contributions collected	Administrative expenses
1942---	(?)	(?)	(?)	(?)	(?)	(?)	\$1,584,527	\$1,593
1943---	250,350	\$428,440,869	4,667	\$16.00	7.2	\$2,857,168	4,672,443	66,038
1945---	214,866	401,442,023	5,332	16.84	(?)	4,668,796	4,388,557	141,483
1950---	234,431	559,666,313	5,478	21.85	8.4	6,213,065	5,373,511	293,949
1955---	226,519	593,560,254	4,765	22.85	8.3	5,646,432	5,896,588	346,610
1960---	229,753	703,974,853	5,383	28.58	7.8	7,921,454	7,018,203	588,668
1965---	253,635	943,984,281	6,126	34.63	7.8	11,032,762	9,301,736	778,576
1969---	280,198	1,154,591,341	6,993	41.64	7.6	15,143,488	11,502,890	1,014,674
1970---	277,452	999,842	5,798	47.08	6.8	14,194,972	11,681,144	1,094,367
1971---	274,318	1,082,602	5,524	49.39	6.9	14,185,434	11,640,347	1,111,515
1972---	297,390	1,108,572	5,516	51.30	6.7	14,714,065	12,554,266	1,227,683

<sup>1</sup> Benefits first payable Apr. 1, 1943.

<sup>2</sup> Not available.

<sup>3</sup> Not applicable.

<sup>4</sup> Data are for uniform benefit year ending March of following year.

<sup>5</sup> Estimated.

## GENERAL ASSISTANCE (GA)

### BASIC PROGRAM INFORMATION

**LEGISLATIVE OBJECTIVE.**—State legislation has developed from historical concepts of local responsibility for poor or destitute persons. All States except one have enacted general assistance programs for persons with emergency needs and/or persons who are ineligible for the federally subsidized assistance programs (mainly AFDC and SSI).

About one-third of the States provide only emergency or short-term assistance; most others also provide continuing assistance to families or individuals under specified conditions.

**DATE ENACTED AND MAJOR CHANGES SINCE ENACTMENT.**—State statutes generally have an historical basis dating back to early statehood (and colonial and territorial) legal provisions for care of paupers and indigents. Most State statutes have been revised following the enactment of social security programs and federally aided public assistance programs. A few States cite legal authority for general assistance in "poor laws" enacted in the 19th century.

**ADMINISTERING AGENCY.**—General assistance is administered in a variety of ways, including the following: (1) by State public assistance agencies through local offices; (2) by local political jurisdictions under supervision of State public assistance agencies; or (3) by local authorities only. The most common local administrative unit is the county. Some towns or municipalities administer programs, or there may be combinations of county and city administrative units.

**FINANCING.**—State funds only are used in some States; combinations of State and local funds finance some programs; and in other States only local funds are used to finance the programs.

#### *Costs and caseloads*

<i>Calendar years</i>	<i>Income maintenance</i>	<i>Medical care</i>	<i>Recipients</i>
1972-----	\$746, 383, 000	\$109, 136, 000	865, 000
1973-----	718, 762, 000	103, 421, 000	699, 000
Estimated 1974-----	701, 638, 000	109, 621, 000	-----

NOTE.—Data incomplete due to non-reporting in some States. States not reporting were: Florida, Idaho, Indiana, Iowa, Kentucky, Nebraska, Puerto Rico, Texas, and Vermont.

In May 1974, \$64,921,000 were paid out for general assistance. The average payment per case was \$129.20 and the average per recipient was \$91.25. Medical vendor payments totaled \$11,457,000 in May 1974.

## ELIGIBILITY CRITERIA

**MAJOR ELIGIBILITY CONDITIONS.**—The basic eligibility condition is need, but definitions of need vary considerably among States and often within States. Determination of need for emergency assistance may be based on the type and extent of need related to available income rather than on a uniform income criteria. States which provide continued assistance for maintenance needs generally apply income standards similar to (but often lower than) those applicable to the Federal categorical programs.

**PERSONS INCLUDED.**—In most States some type of assistance may be extended to families with minor children and couples or individuals with no children. However, in some States, families with children may receive assistance only if the head is unemployed but couples or individuals are eligible only if they are unemployable.

**INCOME TEST.**—Some States report that standards of assistance are the same as in one or more federally aided programs. Other States use similar standards which are less comprehensive. A few States' standards bear no relation to any Federal assistance program standards. Most States consider all income in determining need, with no disregard of earnings or exclusions for other purposes.

Generally GA benefits are much smaller than under AFDC for employed persons. This is due to the less generous income deductions under GA as compared to AFDC. Only two of the States studied in the subcommittee's nationally representative survey of public welfare benefits available in 100 counties<sup>1</sup> employ deductions in their GA programs similar to those in AFDC.

*Treatment of income.*—Most States have tight rules on income deductions because States and/or localities totally finance the GA programs. Unlike many other assistance programs, there are no Federal matching funds to help meet these costs. The main consequence is that GA, which is the only cash assistance offered to men working full time for low wages, is reduced nearly dollar for dollar by those wages, thereby creating or sustaining work disincentives. Only 16 percent of poor people in areas with long-term general assistance are in localities where all work expenses are deducted.<sup>2</sup>

<sup>1</sup> U.S. Congress, Joint Economic Committee, Subcommittee on Fiscal Policy, "Welfare in the 70's: A National Study of Benefits Available in 100 Local Areas," by James R. Storey, Paper No. 15 (Washington, D.C.: Government Printing Office, 1974).

<sup>2</sup> *Ibid.*

TABLE 1.—DISTRIBUTION OF POVERTY POPULATION BY TREATMENT OF TAXES AND OTHER WORK EXPENSES UNDER GENERAL ASSISTANCE (GA) JULY 1972

[Data apply only to areas with long-term aid under general assistance]

Manner in which expenses are deducted by GA program		Percent of poverty population in GA areas to which different methods apply
Taxes (Federal, State, and local)	Other work expenses (food, clothing, transportation)	
Not allowed.....	Not allowed.....	2
As paid.....	do.....	17
Do.....	As paid.....	16
Do.....	As paid for selected expenses.....	19
Do.....	On a uniform flat-rate basis.....	7
Do.....	Other miscellaneous treatments.....	19
As paid up to a maximum.....	As paid up to maximum.....	14
On a uniform flat-rate basis.....	On a uniform flat-rate basis.....	2
On a formula basis.....	On a formula basis.....	1
As a combination of flat-rate amount and formula.....	As a combination of flat-rate amount and formula.....	3
Total.....		100

Source: "Welfare in the 70's." Paper No. 15, p. 25.

For example, a man with a wife and three children in New York City would receive \$2,092 a year from "home relief" (name for general assistance in New York) if he worked full time at \$1.60 an hour. But if he found a job at \$2 an hour, his assistance would fall to \$1,292 a year, exactly offsetting his wage increase. After allowing for additional social security taxes on the higher wage, the family's net cash income would actually decline after the wage rate increase.

*Accounting period.*—For emergency assistance, current income (or ability to obtain credit in some States) is considered. For continuing assistance monthly income is considered.

*ASSETS TEST.*—Based on 1970 data,<sup>3</sup> property limitations are generally the same as in one or more of the federally aided programs in 23 States; more restrictive in 15 States; and no provisions are specified in 13 States. In most of the latter States, provisions vary at local discretion. Two States specify that the recipient must be indigent or adjudged a pauper.

*OTHER CONDITIONS.*—Since there is little current data available on other requirements, the source for the following is also from the above-mentioned 1970 HEW report.

*Work requirements.*—Thirty-two States provide some type of assistance to employable but unemployed persons. Twenty-two of these States require registration with the employment service, acceptance of assignment to a work project (eight States) or acceptance of available employment. Ten States reported no requirement. Four of these States meet emergency needs only and in most of them requirements are determined at local discretion.

<sup>3</sup> U.S. Department of Health, Education, and Welfare, Social and Rehabilitation Service, "Characteristics of General Assistance in the United States," Public Assistance Report No. 39, 1970 edition. This report is based on information provided by State public assistance agencies.

*Citizenship.*—One State requires U.S. citizenship, two States require that an applicant be a citizen or an alien meeting specified conditions. (One requires 15 years residence in the United States.)

*Liens, recovery or assignment.*—Twenty-nine States have no provisions for liens against property, assignment of resources or recovery of assistance paid. Nine States have claims against property secured by liens or other legal security. Thirteen States may file claims against the estate of recipients.

*Relative responsibility.*—Thirty-one States reported requirements for support by specified relatives, usually including spouses for each other and parents for minor children. Eleven consider adult children to be responsible for their parents and four extend responsibility to siblings and/or grandparents and grandchildren. Two States reported that general assistance is available only to persons with no relatives able to support and one specifies no relatives within the county able to support.

*Institutional status.*—Four States reported that they provide general assistance to persons living in specified types of institutions.

*Residence.*—Sixteen States have no residence requirements; that is, they assist eligible persons in the State, including transients and migrants. Sixteen States reported durational residence requirements; that is, the applicant must have lived for a specified period of time within the State, within the local jurisdiction or both. Typical periods of time were 1 year for the State and 6 months for a local jurisdiction. Nineteen States required that the applicant be residing in the State. Eleven States make exceptions for emergency assistance and 16 States make exceptions for short-time assistance to nonresidents, usually pending return to their place of residence. Eight States reported no exceptions for nonresidents, transients, or migrants.

## BENEFITS AND SERVICES

*NATURE OF BENEFITS.*—There is a wide variety of general assistance programs ranging from only free groceries and shelter on an emergency basis to statewide programs offering long-term cash supplements to any needy persons not covered by other assistance programs. In some States a combination of cash and in-kind benefits are available.

Some States set maximums and others limit assistance according to need and availability of State and/or local funds. Some States also limit the duration of time that benefits may be received, such as for emergency assistance, temporary illness, or assistance to employable persons.

Table 2 indicates that 60 percent of the poor live in areas offering only emergency-type aid through GA, but most of the other 40 percent live in areas where GA offers long-term aid to needy people without regard to family type or employment status.<sup>4</sup> Table 3 shows the average GA benefits in June 1972 for selected family types in areas offering long-term aid.<sup>5</sup>

<sup>4</sup> "Welfare in the 70's," Paper No. 15, p. 24.

<sup>5</sup> *Ibid.*

TABLE 2.—*Distribution of the poverty population by coverage of general assistance (GA) programs, June 1972*

<i>Coverage of GA program</i>	<i>Percent of poverty population in areas with each type of GA program</i>
Emergency aid only.....	60
Long-term aid to:	
All groups.....	36
Families only.....	1
Families with children only.....	2
All groups except employable male individuals or families headed by employable males.....	1
Total.....	100

TABLE 3.—*Average annual general assistance (GA) benefits in areas with programs offering long-term aid, by family type and amount of earnings, June 1972*

<i>Family type and amount of annual earnings</i>	<i>Average annual GA benefit<sup>1</sup></i>
Single individual:	
0.....	\$1, 487
\$1,600.....	492
\$3,200.....	3
\$4,000.....	0
Couple:	
0.....	2, 013
\$1,600.....	954
\$3,200.....	77
\$4,000.....	0
Father, mother, and child:	
\$3,200.....	291
\$4,000.....	51
Father, mother, and 2 children:	
\$3,200.....	571
\$4,000.....	191
Father, mother, and 3 children:	
\$3,200.....	913
\$4,000.....	444

<sup>1</sup> Averages were calculated by weighting a county's benefit level by its representation of the poverty population.

For cases with no income, GA long-term benefit levels are similar to AFDC benefits, reflecting the fact that payment standards for GA are usually the same as, or even higher than, AFDC standards in such cases. Of the poverty population living in areas with long-term GA programs, only 20 percent were in areas where GA benefits were consistently less than AFDC benefits.

**OTHER SERVICES PROVIDED OR AVAILABLE.**—Medical care costs may be paid from general assistance funds under certain conditions.

Some States use general assistance funds to pay transportation costs to return nonresidents to their place of residence.

Most States provide for indigent burials from State or local funds.

Eligibility for commodities or food stamps generally is determined on the same basis as for other assistance recipients. Commodities may be used to meet emergency needs in some localities.

## SUPPLEMENTARY MATERIAL

For further information on the amount of GA payments, see tables in the AFDC section of this handbook. For information on GA medical vendor payments, see tables in the medicaid section.

TABLE 1.—GENERAL ASSISTANCE: RECIPIENTS OF MONEY PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, AUGUST 1974<sup>1</sup>

[Excludes vendor payments for medical care and cases receiving only such payments]

State	Number of—		Payments to recipients			Percentage change from—			
			Total amount	Average per—		July 1974 in—		August 1973 in—	
	Cases	Recipients			Case	Recipient	Number of recipients	Amount	Number of recipients
Total, 44 States <sup>2</sup> .....	524,811	758,707	\$71,072,198	\$135.42	\$93.68	+1.0	+3.8	+2.9	+24.7
Alabama .....	42	42	525	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Alaska .....	61	187	6,180	101.31	33.05	-25.8	-43.3	-66.5	-68.5
Arizona .....	3,668	3,668	274,849	74.93	74.93	-.8	-1.0	+27.2	+34.6
Arkansas .....	288	888	4,777	16.59	5.38	-8.2	-14.0	-40.8	-45.8
California .....	43,858	48,456	4,444,128	101.33	91.71	+1.1	+3.0	-1.6	+18.3
Colorado .....	3,062	3,932	290,479	94.87	73.88	-1.4	-.8	+2.2	-8.8
Connecticut <sup>4</sup> .....	9,747	19,109	1,164,114	119.43	60.92	+2.0	+2.5	-8.3	-4.9
Delaware .....	1,875	3,200	107,010	57.07	33.44	-3.0	-.6	-6.7	-.8
District of Columbia .....	5,033	1,319	718,569	142.77	135.09	+3.2	+2.9	+35.6	+51.3
Georgia .....	1,942	3,624	98,547	50.75	27.19	-3.8	-7.6	+2.0	+3.2
Guam .....	47	47	3,583	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Hawaii .....	5,649	12,045	1,213,741	214.86	100.77	+3.3	+14.6	-15.1	+24.5
Illinois .....	56,775	72,128	7,681,126	135.29	106.49	+2.2	+2.2	+12.5	+24.7
Kansas .....	4,374	6,749	505,169	115.49	74.85	+7.7	+6.8	-11.5	-12.0
Louisiana .....	8,047	8,448	442,019	54.93	52.32	-2.9	-2.8	-11.5	-11.0
Maine .....	3,854	12,721	333,306	86.48	26.20	+5.8	+43.5	+17.6	+55.8
Maryland <sup>4</sup> .....	11,538	12,342	1,266,787	109.79	102.64	+1.9	+4.1	-5.8	+2.5

Massachusetts	31,929	38,003	4,493,402	140.73	118.24	+3.0	+7.7	-1.7	+21.1
Michigan	46,040	59,768	7,463,482	162.15	124.91	+9.0	+6.8	+19.0	+38.0
Minnesota <sup>4</sup>	8,950	12,540	1,114,470	124.52	88.87	+6	+5.2	+17.3	+75.5
Mississippi	901	1,148	14,021	15.56	12.21	+1.3	+1.8	+4	-1
Missouri	11,251	12,297	753,596	66.98	61.28	-3.3	-4.4	-14.7	-17.1
Montana	601	1,269	31,370	52.20	24.72	+11.4	+7.4	-11.4	+8.0
New Hampshire	1,369	3,581	116,482	85.09	32.53	+5.1	+1.6	+44.2	+89.5
New Jersey <sup>6</sup>	21,233	46,425	3,750,620	176.64	80.79	+3.0	+5.6	-1	+11.1
New Mexico	224	251	17,953	80.15	71.53	+4.6	+5.6	+32.1	+49.9
New York	89,824	163,833	16,194,682	180.29	98.85	(?)	+3.9	-1.4	+27.7
North Carolina	2,179	4,556	74,829	34.34	16.42	-19.5	-4.2	-7.2	+10.7
North Dakota	103	289	7,701	74.77	26.65	+68.0	+87.2	+21.9	+86.7
Ohio <sup>8</sup>	35,387	48,647	3,091,500	87.36	63.55				
Oklahoma	1,767	4,302	33,340	18.87	7.75	+5.5	+4.3	+23.7	+19.4
Oregon	2,490	2,711	301,565	121.11	111.24	-2.9	-1.9	+32.4	+62.5
Pennsylvania	80,191	92,719	11,559,834	144.15	124.68	+1.7	+2	+9.9	+26.0
Rhode Island	5,270	10,571	796,886	151.21	75.38	-11.0	+15.6	-12.3	+28.7
South Carolina	535	627	30,716	57.41	48.99	+11.0	+10.9	+23.2	+52.7
South Dakota	520	1,374	20,717	39.84	15.08	+25.4	+9.1	+14.3	+49.3
Tennessee	1,579	4,496	49,496	31.35	11.01	+4.1	-3	+13.3	+6.7
Utah	1,448	1,552	139,245	96.16	89.72	+10.9	-2.9	+65.0	+69.9
Virgin Islands	306	318	16,912	55.27	53.18	-3.0	-3.1	-14.5	-9.6
Virginia	6,995	9,054	764,748	109.33	84.47	+5.2	+4.8	-4.0	+11.9
Washington	6,590	10,064	991,724	150.49	98.54	+10.9	+10.9	+68.1	+148.9
West Virginia	1,710	5,908	77,182	45.14	13.06	+8.0	+9.6	+44.9	+53.9
Wisconsin	5,353	9,059	595,594	111.26	65.75	-1	+2.8	-12.9	+5.1
Wyoming	206	440	13,222	64.18	30.05	+46.7	+17.9	+38.4	+65.5

<sup>1</sup> All data subject to revision.

<sup>2</sup> Excludes Florida, Idaho, Indiana, Iowa, Kentucky, Nebraska, Nevada, Puerto Rico, Texas, and Vermont; data not reported.

<sup>3</sup> Average payment not computed on base of fewer than 50 recipients; percentage change on fewer than 100 recipients.

<sup>4</sup> Estimated by State.

<sup>5</sup> Payments for some months fluctuate noticeably due to the influence of cancellations and refunds in Connecticut and retroactive payments in New York.

<sup>6</sup> Includes assistance to families of the working poor program.

<sup>7</sup> Decrease of less than 0.05 percent.

<sup>8</sup> Represents data for July; August data not reported.

TABLE 2.—GENERAL ASSISTANCE: RECIPIENTS OF MONEY PAYMENTS AND AMOUNT OF PAYMENTS FOR SELECTED CITIES, AUGUST 1974<sup>1</sup>

[Excludes vendor payments for medical care and cases receiving only such payments]

City	Number of—		Payments to recipients			Percentage change from—			
			Total amount	Average per—		July 1974 in—		August 1973 in—	
	Cases	Re- cipients		Case	Re- cipient	Number of re- cipients	Amount	Number of re- cipients	Amount
Total, 17 cities..	263,036	344,268	\$40,099,807	\$152.45	\$116.48	+0.6	+2.8	-0.3	+24.1
Baltimore.....	8,077	8,470	895,061	110.82	105.67	+2.5	+4.3	-13.7	-6.1
Buffalo <sup>2</sup> .....	2,912	4,306	498,637	171.24	115.80	+25.9	+8.6	+12.1	+66.8
Chicago.....	44,327	48,769	6,709,047	151.35	137.57	+1.5	+1.5	+5.8	+23.5
Cincinnati <sup>3</sup> .....	3,739	4,954	376,505	100.70	76.00				
Cleveland <sup>2,3</sup> .....	11,238	15,844	1,329,312	118.29	83.90				
Detroit <sup>2</sup> .....	32,954	38,915	6,064,091	184.02	155.83	+4.7	+7.4	+13.1	+37.4
Dist. of Col.....	5,033	5,319	718,569	142.77	135.09	+3.2	+2.9	+35.6	+51.3
Los Angeles <sup>2</sup> .....	15,078	15,085	1,772,117	117.53	117.47	+1.6	+2.9	+6.0	+33.3
Milwaukee.....	2,689	4,223	372,158	138.40	88.13	-1.3	-.3	-23.3	-1.3
Minneapolis.....	4,187	5,317	426,337	101.82	80.18	+3.4	+1.0	+100.0	+117.1
New Orleans.....	2,127	2,204	121,430	57.09	55.10	+4	+1.1	-4.0	-3.7
New York.....	65,329	116,802	11,677,270	178.75	99.97	-1.5	+4.0	-6.8	+21.2
Philadelphia.....	38,441	43,822	5,713,870	148.64	130.39	+1.0	-.3	+4.7	+20.8
Pittsburgh <sup>3</sup> .....	16,213	17,899	2,376,502	146.58	132.77	+8	-.6	+6.6	+18.7
Rochester <sup>2</sup> .....	1,633	2,999	285,546	174.86	95.21	-5.3	+1.5	-1.1	+32.2
St. Louis.....	3,307	3,460	230,950	69.84	66.75	-2.5	-2.6	-.1	-.5
San Francisco.....	5,752	5,880	532,405	92.56	90.55	-2.8	-2.0	-23.0	+12.7

<sup>1</sup> All data subject to revision.<sup>2</sup> Data for county in which city is located.<sup>3</sup> Includes supplementation of categorical cases; not included in State data. Represents data for July; August data not reported.<sup>4</sup> Payments for some months fluctuate noticeably due to the influence of retroactive payments.

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