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*3954 P.L. 84-880, SOCIAL SECURITY AMENDMENTS OF 1956

Senate Report No. 84-2133,

June 5, 1956 (To accompany H.R. 7225)

House Report No. 84-1189,

July 14, 1955 (To accompany H.R. 7225)

Conference Report No. 84-2936,

July 26, 1956 (To accompany H.R. 7225)

The Senate Report and the Conference Report are set out.

(CONSULT NOTE FOLLOWING TEXT FOR INFORMATION ABOUT OMITTED MATERIAL. EACH COMMITTEE REPORT IS A SEPARATE DOCUMENT ON WESTLAW.)

CONFERENCE REPORT NO. 84-2936

July 26, 1956

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7225) to amend title II of the Social Security Act to provide disability insurance benefits for certain disabled individuals who have attained age 50, to reduce to age 62 the age on the basis of which benefits are payable to certain women, to provide for continuation of child's insurance benefits for children who are disabled before attaining age 18, to extend coverage, and for other purposes, submit the following statement in explanation *3955 of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The following Senate amendments made technical, clerical, clarifying, or conforming changes: 1, 3, 4, 5, 6, 7, 8, 16, 18, 28, 36, 37, 38, 39, 40, 43, 44, 45, 49, 50, 54, 56, 62, and 64. With respect to these amendments (1) the House either recedes or recedes with amendments which are technical, clerical, clarifying, or conforming in nature, or (2) the Senate recedes in order to conform to other action agreed upon by the committee of conference.

Amendment No. 2: Section 101(a) of the House bill amended section 202(d)(1) of the Social Security Act so as to provide for payment of child's insurance benefits to disabled children aged 18 or over who are receiving (or are eligible to receive) such benefits before attainment of age 18. The Senate amendment provided for payment of such benefits to such disabled children even if they were not receiving (and not eligible to receive) such benefits prior to attaining such age. In the case of both the House bill and the Senate amendment, however, the disability must have begun before attainment of age 18. The House recedes.

Amendment No. 9: Section 101(f) of the House bill provided the effective date for the provisions on child's insurance benefits for disabled children. Generally, these provisions would be effective January 1, 1956, in the case of children who attained age 18 after 1953. The provisions of the Senate amendment on this subject would be effective generally September 1, 1956.

The House recedes with an amendment making the provisions on child's insurance benefits for disabled children, as contained in the Senate amendment, effective generally January 1, 1957.

Amendment No. 10: Section 102(a) of the House bill reduced the age at which women could qualify under the old age and survivors insurance system for old-age insurance benefits, or for benefits as the wife, widow, or dependent mother of an insured worker, from 65 to 62. These provisions were generally effective after December 1955 (and lump-sum death payments in case of deaths after 1955).

The Senate amendment provided for the same reduction in the qualifying age. However, in the case of benefits payable to a woman as the wife of an insured worker (without having in her care a child of the worker entitled to child's benefits) and in the case of old-age insurance benefits payable to her, the benefits were to be reduced in order to take account of the earlier entitlement to the benefits. The reduction would be equal to 20 percent of the benefit which would be payable at age 65 in the case of old-age insurance benefits for which the woman qualifies at age 62 (with a proportionately lower reduction for each month after 62 that she delays in qualifying). In the case of wife's insurance benefits, the reduction for a woman qualifying for the full period between age 62 and 65 would be 25 percent of the benefit which would be payable at age 65.

The Senate amendment would generally be effective beginning September 1, 1956, in the case of widow's and parent's benefits and beginning January 1, 1957, in the case of wife's insurance benefits and old-age insurance benefits for women.

***3956** The House recedes with an amendment making the provisions effective generally November 1, 1956, and with technical amendments, including a technical amendment designed to simplify the computation of the actuarial reduction and the administration of these provisions in cases where a woman is entitled to both an old-age insurance benefit and a wife's insurance benefit. The effective date provided under the conference agreement would apply for purposes of all four types of benefits for women-- old-age, wife's, widow's, and parent's insurance benefits, and (in the case of lump-sum death payments) where the death occurs after October 1956.

The conferees have been advised of the great difficulty which the Department of Health, Education, and Welfare will have not only in beginning benefit payments for the month of November 1956 to the large number of women who will file applications for early retirement benefits after the enactment date, but also in handling the very substantial additional workloads resulting from the disability and other provisions of the 1956 amendments. The conferees urge the Department to take immediate measures to staff up, to train its employees, and to take all other immediate measures to insure that it will do the best possible job in discharging its increased responsibilities under these amendments.

Amendments Nos. 11 and 12: Section 103 of the House bill provided for payment of disability insurance benefits to certain insured disabled individuals who have attained age 50 but have not reached age 65 and whose disability has lasted not less than 6 months. It also provided for reduction of such benefits, and child's insurance benefits for a disabled child age 18 or over, if another Federal benefit or State workmen's compensation benefit is payable by reason of physical or mental impairment. In addition, the House bill provided for suspension of these benefits based on disability pending determination of whether the disability has, in fact, ceased in cases where the Secretary believes the beneficiary is no longer disabled, and for withholding of such benefits for refusal, without good cause, to accept rehabilitation services available under an approved Federal-State program.

The Senate amendment contained the same provisions except for (1) technical or clarifying changes; (2) the addition of a provision exempting an individual from loss of benefits for months for which he refuses to accept rehabilitation services where the refusal relates to surgery or medical services or where the refusal is based on adherence to the teachings of a church or sect that teaches its members to rely solely on spiritual means for curing impairments; and (3) the addition of a provision establishing a separate Federal disability insurance trust fund composed of amounts equal to one-half of 1 percent of wages and three-eighths of 1 percent of self-employment income.

In the case of the House bill the new disability insurance benefits would first be payable for months after December 1955. In the case of the Senate amendment they would first be payable for months after June 1957.

The House recedes with an amendment under which refusal to undergo surgery or medical services would not exempt an individual from loss of benefits unless such refusal is based on adherence to the teachings of a church or sect which teaches its members to rely solely on spiritual means for curing impairments. The amendment also makes technical and conforming changes.

***3957** In providing in the conference agreement that determinations of disability for cash disability benefits be made by State agencies under the same arrangements as are now utilized in making determinations for the disability freeze, it is understood and expected that the Secretary of Health, Education, and Welfare will fully utilize his authority to review and revise determinations of State agencies in order to assure uniform administration of the disability benefits and to protect the Federal

Disability Insurance Trust Fund from unwarranted costs.

Amendment No. 13: Section 104(a) of the House bill amended section 210(a)(1) of the Social Security Act so as to provide coverage under the old-age and survivors insurance system, on the same basis as other agricultural labor, for service performed in connection with the production and harvesting of gum resin products. The Senate amendment deleted this provision of the House bill, thereby continuing in effect the present exclusion from coverage of such service. The House recedes.

Amendment No. 14: This amendment added to the House bill a new section 104(b), which would amend section 210(a)(1)(B) of the Social Security Act so as to exclude from coverage under the old-age and survivors insurance system service performed by foreign agricultural workers lawfully admitted to the United States from any foreign country (or possession thereof) on a temporary basis to perform agricultural labor. Section 210(a)(1)(B) presently excludes from coverage such service performed by workers so admitted from the Bahamas, Jamaica, and the other British West Indies. The House recedes.

Amendment No. 15: Section 104(b) of the House bill amended section 210(a)(6) of the Social Security Act so as to provide coverage under the old-age and survivors insurance system for service performed in the employ of a Federal home loan bank (and subject to its retirement system) and for service performed in the employ of the Tennessee Valley Authority (and subject to its retirement system). The Senate amendment deleted this provision of the House bill, thereby continuing in effect the present exclusion from coverage of such service. Under the conference agreement the provisions of the House bill providing coverage for such service performed by employees of the Tennessee Valley Authority, and by employees of Federal home loan banks, are retained. As explained in connection with the explanation of amendment No. 25, the extension of coverage in the case of Federal home loan banks will become effective only if the conditions specified in subparagraph (B) of section 104(i)(2) of the bill as agreed to in conference are met, and the extension of coverage in the case of the Tennessee Valley Authority will become effective only if the conditions specified in subparagraph (C) of such section 104(i)(2) are met.

Amendment No. 17: Section 104(c)(2) of the House bill amended section 211(a)(1) of the Social Security Act so as to provide that income derived from a share-farming arrangement by the owner or tenant of land may be included in computing his net earnings from self-employment if the arrangement provides for his material participation in the production (by the other party to the arrangement) of agricultural or horticultural commodities and such participation in fact exists. The Senate amendment added language to make it clear that the income so derived by the owner or tenant of land may be included in his net earnings from self-employment *3958 where he participates materially in the 'management of the production' of such commodities. The House recedes.

Amendment No. 19: Section 104(d) of the House bill amended section 211(c)(5) of the Social Security Act so as to provide coverage under the old-age and survivors insurance system for self-employed lawyers, dentists, osteopaths, veterinarians, chiropractors, naturopaths, and optometrists. Under the House bill, of the professional self-employed individuals presently enumerated in section 211(c)(5), only physicians and Christian Science practitioners would continue to be excluded from such coverage. The Senate amendment provides for the exclusion of the performance of service by an individual in the exercise of his profession as a doctor of medicine, doctor of osteopathy, or Christian Science practitioner (or the performance of such service by a partnership). The House recedes with an amendment extending coverage to the performance of such service by an individual in the exercise of his profession as a doctor of osteopathy (or the performance of such service by a partnership).

Amendment No. 20: This amendment added to section 104 of the House bill a new subsection (d), which would amend section 218(d)(6) of the Social Security Act to allow certain States (Florida, Georgia, Indiana, New York, North Dakota, Pennsylvania, Tennessee, Washington, Wisconsin, and Hawaii), and the political subdivisions of such States, under certain conditions to divide their retirement systems into two divisions or parts, one consisting of the positions of members who desire old-age and survivors insurance coverage and the other consisting of the positions of members who do not, with each such division or part being treated as a separate retirement system. The provision added by this amendment would also allow employees of certain States (Florida, Georgia, Minnesota, North Dakota, Pennsylvania, Washington, and Hawaii) who are covered by a retirement system, and who are compensated in whole or in part from Federal grants for unemployment compensation administration under title III of the Social Security Act, to have their positions (or all other positions in the department in which they are employed, or all positions in such department) treated as a separate retirement system for purposes of old-age and survivors insurance coverage. The House recedes with a clerical amendment and with an amendment

deleting Indiana from the scope of the amendment.

Amendment No. 21: This amendment added to section 104 of the House bill a new subsection (e), which would permit certain States (Florida, Nevada, New Mexico, Minnesota, Oklahoma, Pennsylvania, Texas, Washington, and Hawaii) to modify their State agreements under section 218 of the Social Security Act at any time prior to July 1, 1957, without regard to certain requirements contained in section 218(d) of that act so as to provide old-age and survivors insurance coverage under such agreements for school district employees who are not required to hold teachers' or administrators' certificates. The House recedes with a clerical amendment.

Amendment No. 22: This amendment added to section 104 of the House bill a new subsection (f), which would amend section 218 of the Social Security Act so as to permit certain States (Florida, North Carolina, Oregon, South Carolina, and South Dakota) to modify their State agreements to provide old-age and survivors insurance coverage under such agreements *3959 for employees in any policeman's or fireman's position covered by a retirement system, notwithstanding the provisions of such section 218 which preclude old-age and survivors insurance coverage of employees in any such position. If the retirement system covers positions of policemen or firemen (or both) and other positions as well, the policemen or firemen (or both) may be treated as having a separate retirement system for these purposes. The House recedes with clerical amendments.

Amendment No. 23: This amendment added to section 104 of the House bill a new subsection (g), which would amend section 211(a)(7)(B) of the Social Security Act so as to permit inclusion, in the computation of net earnings from self-employment for purposes of old-age and survivors insurance, of certain remuneration received by any minister in a foreign country who is a United States citizen and whose congregation is composed predominantly of United States citizens. The House recedes with clerical amendments.

Amendments Nos. 24 and 25: Section 104(e) of the House bill contained the effective dates applicable to the provisions of the House bill which extended coverage under the old-age and survivors insurance system. Senate amendment No. 24 deleted section 104(e) of the House bill, and Senate amendment No. 25 inserted a new subsection containing the effective dates applicable to the coverage provisions in the bill as it passed the Senate.

The House recedes with an amendment. In view of the period of time which has elapsed since the passage of the bill in the House, the conference agreement retains the effective dates contained in the Senate amendment. In the case of coverage provided by section 104(b) of the House bill which was restored by the conference action on amendment No. 15, the conference agreement provides that the amendment made by paragraph (1) of such section 104(b) (relating to coverage of employees of Federal home loan banks) shall become effective only if the Federal Home Loan Bank Board submits to the Secretary of Health, Education, and Welfare, and the Secretary approves, before July 1, 1957, a plan for the coordination, on an equitable basis, of the benefits provided by the retirement system applicable to employees of Federal home loan banks with the benefits provided by title II of the Social Security Act, and such plan prescribes as the effective date thereof July 1, 1957, or the first day of a prior calendar quarter beginning not earlier than January 1, 1956. If the plan specifies July 1, 1957, as its effective date, the conference agreement provides that the amendment made by such paragraph (1) shall apply with respect to service performed on or after July 1, 1957. If the plan specifies as its effective date a day prior to July 1, 1957, the conference agreement provides that the amendment made by such paragraph (1) shall apply with respect to service performed on or after such day.

The conference agreement contains a similar requirement with respect to the amendment made by paragraph (2) of section 104(b), relating to coverage of employees of the Tennessee Valley Authority. The plan with respect to such employees must be submitted by the Board of Directors of the Tennessee Valley Authority. Otherwise, the conditions and provisions described above with respect to the amendment made by paragraph (1) of section 104(b) also apply with respect to the amendment made by paragraph (2) of section 104(b).

*3960 The conference agreement requires that, on or before July 31, 1957, the Secretary of Health, Education, and Welfare shall submit a report to the Congress setting forth the details of any plan, described above, approved by him.

Amendment No. 26: This amendment added to the House bill a new section 105. Subsection (a) of the new section 105 would amend section 209(h)(2) of the Social Security Act to provide that cash remuneration paid by any one employer in any

calendar year (after 1956) to an employee for agricultural labor will constitute ‘wages’ for old-age and survivors insurance purposes if such remuneration is \$200 or more (regardless of the basis on which paid) or if such employee performs agricultural labor for that employer (for cash remuneration computed on a time basis) on 30 days or more during the year. Under present law, such remuneration only constitutes ‘wages’ for old-age and survivors insurance purposes if it is \$100 or more during the year.

Subsection (b) of the new section 105 would amend section 210 of the Social Security Act (with respect to service performed after 1956) so as to provide that where a crew leader furnishes individuals to perform agricultural labor for another person such individuals would be deemed to be employees of the crew leader for old-age and survivors insurance purposes, and the crew leader would be deemed not to be an employee of such other person. The term ‘crew leader’ is defined as an individual who furnishes workers to perform agricultural labor for another person, if he pays their wages (either on his own behalf or on behalf of such person) and has not entered into a written agreement designating him an employee of such person.

Subsection (c) of the new section 105 would amend section 213(a)(2)(B)(iv) of the Social Security Act so that an individual receiving \$100 or more but less than \$200 as wages for agricultural labor during a year will receive (as under existing law) one quarter of coverage.

The House recedes with amendments changing the \$200 figure in the amended section 209(h)(2) of the Social Security Act to \$150 and changing the 30-day provision to 20 days.

Amendment No. 27: This amendment added to the House bill a new section 106, which would amend section 211(a) of the Social Security Act (effective with respect to taxable years ending after 1956) so as to change the optional method for the computation of farm self-employment income.

Under existing law a self-employed farmer who computes his income on a cash receipts and disbursements basis may deem 50 percent of his gross income from farming to be his net earnings from self-employment attributable to farming, if such gross income is \$1,800 or less; and he may deem \$900 to be his net earnings from self-employment attributable to farming if his gross income is more than \$1,800 and such net earnings as otherwise computed are less than \$900.

Under the new section 106, the optional method of computing net earnings from farm self-employment would be extended to self-employed farmers who report income under an accrual method, and to members of farm partnerships. In addition, such optional method of computing net earnings would be changed so that a farmer whose gross income from farming is \$1,200 or less may deem such gross income to be his net earnings from self-employment from farming, and a farmer whose gross income from farming is more than \$1,200 may deem \$1,200 to be his net earnings from farm self-employment if such net earnings as otherwise computed are less than \$1,200. This optional method of computing net earnings from farm self-employment would be extended on the same basis to a member of a farm partnership with respect to his distributive share of the gross income of the partnership.

The House recedes with amendments. Under the conference agreement, if the gross income derived by a self-employed farmer from his farming operations is not more than \$1,800, he may, at his option, deem his net earnings from self-employment derived from such farming operations to be $66 \frac{2}{3}$ percent of such gross income. If the gross income derived by a self-employed farmer from his farming operations is more than \$1,800 and the net earnings from self-employment derived by him from such farming operations are less than \$1,200, he may, at his option, deem his net earnings from self-employment from such farming operations to be \$1,200. The conference agreement provides similar rules with respect to a partner’s distributive share of the gross income of a partnership engaged in farming operations.

As under the Senate amendment, the conference agreement provides that, for purposes of applying this provision, the gross income derived by an individual from one or more farming operations and his distributive share of the gross income of one or more farm partnerships shall be aggregated and treated as having been derived from a single trade or business.

As under existing law, payments made to a partner which are guaranteed payments within the meaning of [section 707\(c\) of the Internal Revenue Code of 1954](#) will be treated as income from a trade or business separate from the partnership.

The Senate amendment would have applied to taxable years ending after 1956. Under the conference agreement, this

amendment will apply to taxable years ending on or after December 31, 1956 (including the calendar year 1956).

Amendment No. 29: This amendment added to the House bill a new section 108, which would amend section 214(a)(3) of the Social Security Act so as to provide a special fully insured status for an individual with respect to whom all but 4 of the quarters elapsing after 1954 and prior to July 1957 (or, if later, the quarter in which he attains retirement age or dies) are quarters of coverage as defined in section 213 of such act, but with a requirement of a minimum of 6 such quarters of coverage. Section 214(a)(3) presently provides such special insured status only where all of the quarters elapsing after 1954 and prior to July 1956 (or, if later, the quarter in which the individual attained retirement age or dies) are quarters of coverage, with the same six-quarter minimum. The House recedes.

Amendment No. 30: This amendment added to the House bill a new section 109, which would amend section 215(b)(4) of the Social Security Act so as to provide that up to 5 years of low earnings (or no earnings) may be dropped out in the computation of an insured individual's average monthly wage, regardless of the number of such individual's quarters of coverage; under present law only 4 such years may be dropped out unless *3962 the individual has 20 or more quarters of coverage. Subsection (b) of the new section 109 sets forth the conditions under which an individual may take advantage of the new 5-year dropout provision, limiting the application of such provision to those who become entitled in the future to old-age insurance benefits or (under specified circumstances) to recomputations of benefits on the basis of earnings after initial entitlement. The House recedes.

Amendment No. 31: This amendment added to the House bill a new section 110, providing that the primary insurance amount of an individual who dies or becomes entitled to old-age insurance benefits in 1957 shall be computed under section 215(a)(1)(A) of the Social Security Act with a starting date of December 31, 1955, and a closing date of July 1, 1957, if this method of computation would result in a higher primary insurance amount and the individual had not less than 6 quarters of coverage after 1955 and prior to the quarter following his death or entitlement to old-age insurance benefits. In any such computation (using July 1, 1957, as the closing date), the total of the individual's wages and self-employment income after 1956 would be reduced to \$2,100 if it exceeded that amount. The House recedes.

Amendment No. 32: This amendment added to the House bill a new provision (sec. 111), amending section 205(b) of the Social Security Act so as to provide that an applicant for benefits, or any other individual who believes that his or her rights may be prejudiced by a decision of the Secretary, must file his request for a hearing (if he desires to file such a request as permitted under present law) within a period of 6 months from the date on which notice of the Secretary's decision is mailed to him or within such longer period as the Secretary may prescribe. Where notice of any such decision has been mailed to an individual prior to the date of the enactment of the bill, the period within which such individual may file his request would run for at least 6 months after such date. The House recedes.

Amendment No. 33: This amendment added to the House bill a new section 112, which would amend section 203 of the Social Security Act (effective with respect to taxable years ending after 1955) so as to provide that service performed outside the United States as a member of the Armed Forces shall be considered for purposes of the 'work clause' as employment within the United States and not as noncovered remunerative activity outside the United States; the remuneration for such service would be included under the regular annual earnings test. Under the present provisions of section 203, a member of the Armed Force serving overseas is regarded as engaged in 'noncovered remunerative activity outside the United States' and as a result is subject under the work clause to the special 7-day test. The House recedes.

Amendment No. 34: This amendment added to the House bill a new section 113, which would amend section 202(e) of the Social Security Act so as to provide that if a widow remarries and such remarriage is terminated by the second husband's death but she is not his widow for purposes of entitlement to old-age and survivors insurance benefits, such remarriage shall be deemed not to have occurred and she may again become entitled to widow's insurance benefits based on the wages and *3963 self-employment income of her first husband. The House recedes with an amendment changing the effective date from, generally, September 1956 to November 1956.

Amendment No. 35: This amendment added to the House bill a new section 114, which would amend section 202 of the Social Security Act to provide that where an individual failed to file proof of support by the insured worker as required for husband's, widower's, or parent's insurance benefits, or to file application for a lump-sum death payment in the case of a death occurring after 1946, within the period prescribed by law, and there was good cause for such failure to file in time (as

determined by the Secretary of Health, Education, and Welfare), such proof of support or such application shall be deemed to have been filed within the prescribed period of time if filed within 2 years after the expiration of such period or within 2 years after August 1956, whichever is later. The amendment would apply only to lump-sum death payments, and monthly benefits for months after August 1956, based on applications filed after August 1956. The House recedes with a technical amendment.

Amendment No. 41: The Senate amendment added a new section 117 to the bill, amending section 205(c)(5) of the Social Security Act (relating to the time limitation for correction of earnings records) to provide that under specified circumstances an individual's earnings record could be corrected, even after the time limitation has run with respect to a given year, to include self-employment income for that year in any case where wages for that year were deleted from the records as having been erroneously reported. The amount of self-employment income to be included could not be in excess of the amount of wages deleted. The correction could be made only to the extent of the individual's self-employment income (or his net earnings from self-employment) not already included in his earnings record as self-employment income which is included in a tax return or statement filed before the expiration of the time limitation following the taxable year in which the deletion of wages is made.

The House recedes.

Amendment No. 42: This amendment added to the House bill a new section 118, amending section 202 of the Social Security Act to add a new subsection (t) at the end thereof, providing that no benefits may be paid to certain aliens who are outside the United States.

Paragraph (1) of the new subsection (t) provided that the prohibition against payment shall apply to any individual who is not a citizen or national of the United States for any month after the third consecutive calendar month during all of which the Secretary finds, on the basis of information furnished to him by the Attorney General or which otherwise comes to his attention, that such individual is outside the United States and prior to the first month for all of which he has been in the United States. The prohibition would not apply to individuals who are citizens of a foreign country which the Secretary finds has in effect a social insurance or pension system which is of general application in such country and which pays periodic benefits, or their actuarial equivalent, on account of old age, retirement, or death, if United States citizens who are not citizens of such foreign country and who qualify for such benefits ~~*3964~~ are permitted to receive such periodic benefits or their actuarial equivalent while they are outside of such foreign country for periods of 3 months or longer.

Paragraph (2) of the new subsection (t) provided that a person who is, or on application would be, entitled to a monthly benefit under section 202 for June 1956 would not, because of this provision, be deprived of such benefit or of any other benefit based on the wages and self-employment income of the individual on whose wages and self-employment income such monthly benefit for June 1956 is based.

Paragraph (3) provided that no lump-sum death payment may be made on the basis of the wages and self-employment income of an individual who died while outside the United States and whose benefits were not paid under paragraph (1) for the month preceding the month in which he died.

Paragraph (4) provided that the deductions under subsections (b) and (c) of section 203 of the Social Security Act on account of work or failure to have a child in the beneficiary's care would not be applied for any month with respect to the benefits of any individual if his benefits for such month are not payable by reason of paragraph (1).

Paragraph (5) provided that the Attorney General shall certify to the Secretary such information regarding aliens who depart from the United States to any foreign country (other than a country which is territorially contiguous to the United States) as may be necessary to enable the Secretary to carry out the purposes of this subsection, and shall otherwise aid, assist, and cooperate with the Secretary in obtaining such other information as may be necessary for this purpose.

The House recedes with an amendment which contains a substitute for the language proposed to be inserted by the Senate amendment. Under section 118(a) of the conference agreement, a new subsection (t) will be added to section 202 of the Social Security Act.

Paragraph (1) of the new subsection (t) provides that no monthly benefits will be paid under section 202 of the Social Security Act, and no disability benefits will be paid under the new section 223 of that act, to any individual who is not a citizen or national of the United States for any month which is (A) after the sixth consecutive calendar month during all of which the Secretary of Health, Education, and Welfare finds (on the basis of information furnished to him by the Attorney General or information which otherwise comes to his attention) that such individual is outside the United States (as defined in sec. 210(f) of the Social Security Act), and (B) before the first month during all of which such individual has been in the United States (as so defined).

Paragraph (2) of the new subsection (t) provides that the suspension of benefits described in paragraph (1) will not apply to any individual who is a citizen of a foreign country which the Secretary of Health, Education, and Welfare finds has in effect a social insurance or pension system which is of general application in that foreign country and under which (A) periodic benefits (or the actuarial equivalent thereof) are paid on account of old age, retirement, or death, and (B) individuals who are citizens of the United States but not citizens of such foreign country and who qualify for such benefits are permitted to receive such benefits (or *3965 the actuarial equivalent thereof) while outside such foreign country without regard to the duration of such absence. The requirement set forth in subparagraph (B) of the preceding sentence would not be met by an insurance system in any foreign country under which, for example, Americans are precluded from receiving benefits by reason of their absence from that foreign country (regardless of how lengthy the period is before the benefits are cut off). Another example of a situation in which a foreign insurance system might fail to meet the requirements of such subparagraph (B) would be a case where such system has conditions to the receipt of payment which, though not phrased in terms of absence from the country, have the same effect as if such system expressly required presence in the foreign country concerned for the benefits to continue.

Paragraph (3) of the new subsection (c) provides that the suspension of benefits provided in the new paragraph (1) will not apply in any case where its application would be contrary to any treaty obligation of the United States in effect on the date on which this bill becomes law.

Paragraph (4) of the new subsection (t) makes the suspension of benefits inapplicable to benefits for any month (including derivative benefits) if the wage earner on whose record the benefits are based has, before such month, either (A) had 40 quarters or more of coverage, or (B) resided in the United States (as defined in sec. 210(i) of the Social Security Act) for 1 or more periods aggregating 10 years or more.

In addition, paragraph (4) makes the suspension of benefits inapplicable to an alien who is outside the United States while in the active military or naval service of the United States.

Paragraph (5) of the new subsection (t) provides that no person who is, or upon application would be, entitled to a monthly benefit under section 202 of the Social Security Act for December 1956 shall be deprived, by reason of the provision in paragraph (1) suspending the benefits of aliens, of such benefit or any other benefit based on the wages and self-employment income of the individual on whose wages and self-employment income such monthly benefit for December 1956 was based.

Paragraph (6) of the new subsection (t) provides that if an individual is outside of the United States when he dies, and if no benefit may be paid to him for the month preceding the month in which he dies, no lump-sum death payment may be made on the basis of that individual's wages and self-employment income.

Paragraph (7) of the new subsection (t) provides that subsections (b) and (c) of section 203 of the Social Security Act (relating to deductions on account of work or failure to have a child in care) will not apply with respect to any individual for any month for which no monthly benefit may be paid by reason of paragraph (1) of the new subsection (t).

Paragraph (8) of the new subsection (t) provides that the Attorney General shall certify to the Secretary of Health, Education, and Welfare such information regarding aliens who depart from the United States to any foreign country (other than Canada or Mexico) as may be necessary to carry out the purposes of the new subsection (t). In addition, the Attorney General will be required to otherwise aid, assist, and cooperate with the Secretary in obtaining such other information as may be necessary *3966 to enable the Secretary to carry out the purposes of the new subsection (t).

Section 118(b) of the conference agreement provides the effective date for the new subsection (b). It will apply to monthly

benefits under title II of the Social Security Act for months after December 31, 1956, and to lump-sum death payments under section 202(i) of that act in the case of deaths occurring after December 31, 1956.

Amendment No. 46: This amendment adds, to the portion of the House bill preserving the relationship between railroad retirement and old-age and survivors insurance, a new subsection (c) amending section 5(k)(2) of the Railroad Retirement Act of 1937 (relating to financial interchange). The Senate amendment provides the same type of financial interchange provisions between the Railroad Retirement Account and the Federal Disability Insurance Trust Fund (established by amendment No. 12) as are presently provided with respect to such account and the Federal Old-Age and Survivors Insurance Trust Fund, with corresponding technical changes in other provisions of such section 5(k)(2).

The House recedes with technical amendments.

Amendment No. 47: This amendment added to the House bill a new section 121, amending section 216(e) of the Social Security Act (relating to the definition of 'child') and section 202(d) of that act relating to benefits payable to children, as defined in section 216(e)). Subsection (a) of the Senate amendment would add a new class of persons to the definition of child, so that in the case of a deceased individual, the definition would include a child with respect to whom such individual has stood in loco parentis for not less than 5 years immediately preceding the day on which such individual died. Subsection (b) of the Senate amendment would add a new paragraph (7) to section 202(d) of the Social Security Act providing that a person who is a 'child' by reason of the changed definition of that term in subsection (a) shall be deemed dependent upon the individual standing in loco parentis with respect to him if at the time of such individual's death, the child was living with and receiving at least three-fourths of his support from such individual. Subsection (c) of the Senate amendment provided that the amendments made by subsections (a) and (b) shall apply only with respect to monthly benefits for months beginning after the date of enactment.

The Senate recedes.

Amendment No. 48: The Senate amendment added a new section 122 to the House bill. Subsection (a) of such section 122 would insert a new subsection '(u)' at the end of section 202 of the Social Security Act, consisting of two paragraphs. Under paragraph (1) of the new subsection (u), monthly benefits under section 202 of the Social Security Act would not be paid to any individual for any month after the Secretary of Health, Education, and Welfare has been notified by the Attorney General of the United States that such individual is or has been convicted of an offense under chapter 37, 105, or 115 of title 18 of the United States Code, or under section 4, 112, or 113 of the Internal Security Act of 1950. Paragraph (2) of the new subsection would provide for the Attorney General to furnish to the Secretary a complete list of the names of all individuals heretofore convicted of offenses specified in paragraph (1), *3967 and to notify the Secretary of the name of each individual hereafter so convicted. Such list and notification would be furnished as soon as practicable.

Subsection (b) of The senate amendment would provide that the new subsection (u) should not be construed to restrict or otherwise affect any of the provisions of the act of September 1, 1954, which prohibits payment of annuities to officers and employees of the United States convicted of certain offenses.

The House recedes with an amendment substituting new language for the language proposed to be inserted by the Senate amendment. Under section 121(a) of the conference agreement, section 202 of the Social Security Act is amended by adding at the end thereof a new subsection (u).

Paragraph (1) of the new subsection (u) provides that if an individual is convicted of any of the offenses specified in that paragraph, and if the offense was committed after the date of the enactment of the bill, then the court may impose a penalty in addition to all other penalties provided by law. The additional penalty is that in determining whether any monthly insurance benefit is payable under section 202 of the Social Security Act or under section 223 (relating to disability) of that act to the individual so convicted for the month in which he is so convicted or for any month thereafter, there is not to be taken into account (A) any wages paid to such individual or to any other individual in the calendar quarter in which such conviction occurs or in any prior calendar quarter, and (B) any net earnings from self-employment derived by such individual or by any other individual during a taxable year in which such conviction occurs or during any prior taxable year. The offenses specified for which the the additional penalty may be imposed are offenses under chapter 37 (espionage and censorship), chapter 105 (sabotage), and chapter 115 (treason, sedition, and subversive activities) of title 18 of the United States Code,

and offenses under sections 4, 112, and 113 of the Internal Security Act of 1950, as amended.

The imposition of the additional penalty is left to the discretion of the court. However, in those cases where the court imposes this penalty, the convicted individual will lose, for the month of conviction and all months thereafter, monthly benefits (including disability benefits) to the extent that such benefits are based on the employment or self-employment record of any person for the period in which the conviction occurs or for any prior period.

For example, if an individual is convicted in December 1957 of an offense committed in January 1957, and if the court imposes the additional penalty provided by the new paragraph (1), then for purposes of determining any monthly benefit which would otherwise be payable to such individual for December 1957 or for any month thereafter, such individual's insured status and his average monthly wage shall be determined by omitting all wages paid to him for the last quarter of 1957 and for all prior quarters of 1957 and prior years and by omitting all net earnings from self-employment derived by such individual during 1957 (assuming that he is a calendar-year taxpayer) and during all prior taxable years.

***3968** If the convicted individual referred to in the preceding sentence is entitled to a monthly benefit based on the earnings record of a second individual, or if at some time in the future he makes application for such a monthly benefit, there must be omitted all wages paid to such second individual for the quarters specified in the preceding paragraph and all net earnings from self-employment income by such second individual during the taxable years specified in the preceding paragraph (with the exception that in this case the taxable year in which the conviction occurs will be determined by reference to the taxable years of such second individual, rather than by reference to the taxable year of the individual convicted).

It is to be emphasized that the additional penalty applies only to the individual convicted of the offense, and does not prejudice any of the rights of other individuals. Thus, if the penalty is imposed with respect to an individual, the entitlement of his wife, children, or parents to monthly benefits on the basis of his earnings record is to be determined as if no such penalty had been imposed. He is to be permitted to make application for benefits (if he is not already entitled to benefits) in the manner provided by law, if such application is necessary for others to become entitled to benefits on the basis of his earnings record. Similarly, section 203(a) of the Social Security Act (relating to maximum benefits) is to operate as if the penalty had not been imposed. That is to say, in computing the maximum benefits which other individuals may receive on the basis of any earnings record, he will be deemed to be 'entitled' to the benefits to which he would be entitled but for his conviction even though the court-imposed penalty prevents the payment of any such benefit to him or reduces the amount thereof.

Paragraph (2) of the new subsection (u) provides that the Attorney General is to notify the Secretary of Health, Education, and Welfare as soon as practicable after the additional penalty has been imposed with respect to any individual. However, the period with respect to which the penalty is to be applied is dependent not on the date of such notification but on the time when the conviction occurs.

Paragraph (3) of the new subsection (u) provides that if the President of the United States grants a pardon of any offense with respect to which the additional penalty has been imposed, the penalty will not apply to months beginning after the month in which the pardon is granted. In the case of such a pardon granted to any individual, the determination of whether any monthly benefit is payable on the basis of his earnings record or the record of any other individual, and the determination of the amount of any benefit so payable, will be made as if he had not been convicted. However, the pardon will not affect monthly benefits for any month which begins on or before the date on which the pardon is granted.

Subsection (b) of section 121 of the conference agreement provides that the amendment made by subsection (a) of that section (which adds the new subsection (u)) is not to be construed to restrict or otherwise affect any of the provisions of the act of September 1, 1954 (Public Law 769, 83d Cong.), which prohibits payment of annuities to officers and employees of the United States convicted of certain offenses.

***3969** Subsection (c) of section 121 of the conference agreement amends section 210(a) of the Social Security Act to exclude from the term 'employment' service performed in the employ of certain Communist organizations. If any organization, is registered at any time during any calendar quarter which begins after June 30, 1956, under the Internal Security Act of 1950, as amended, as a Communist-action organization, a Communist-front organization, or a Communist-infiltrated organization, then service performed in such quarter in the employ of such organization does not come within the definition of the term

‘employment.’ The same rule is provided in the case of any organization which fails to register but with respect to which there is in effect, at any time during the calendar quarter in question, a final order of the Subversive Activities Control Board requiring such organization to register as a Communist-action organization, a Communist-front organization, or a Communist-infiltrated organization. Whether or not there is in effect on any day a final order requiring registration is to be determined in the manner provided in title I of the Internal Security Act of 1950, as amended.

Subsection (d) of [section 121](#) amends [section 3121\(b\) of the Internal Revenue Code of 1954](#) to exclude from the term ‘employment’, for purposes of the taxes imposed by chapter 21 of such code, service which is not treated as employment for purposes of title II of the Social Security Act by reason of the amendment made by subsection (c) of [section 121](#).

Amendment No. 51: Section 201(b) of the House bill amended [section 3121\(a\)\(9\) of the Internal Revenue Code of 1954](#) (which excludes from ‘wages’ certain payments made to employees after they attain retirement age) to reflect changes made elsewhere in the bill with respect to the definition of retirement age. Section 201(c) of the House bill made the necessary changes in [section 3121\(b\)\(1\)](#) of the code (relating to the exclusion of service performed by gum-resin workers from ‘employment’ for purposes of the Federal Insurance Contributions Act) to correspond with the changes made by the House bill in section 210(a)(1) of the Social Security Act (relating to the exclusion of such service from ‘employment’ for benefit purposes). The Senate amendment deleted both section 201(b) and section 201(c) of the House bill. In view of the action taken by the conferees with respect to amendment No. 10 (relating to definition of retirement age) and amendment No. 13 (relating to coverage of service performed by gum-resin workers), the House recedes with an amendment which restores section 201(b) of the House bill.

Amendment No. 52: This amendment added to the House bill a new section 201(b), which would amend [section 3121\(b\)\(1\)\(B\) of the Internal Revenue Code of 1954](#) (relating to the exclusion of service performed by certain foreign agricultural workers from ‘employment’ for purposes of the Federal Insurance Contributions Act) to correspond with the changes made by amendment No. 14 in section 210(a)(1)(B) of the Social Security Act (relating to the exclusion of such service from ‘employment’ for benefit purposes). In view of the action taken by the conferees with respect to amendment No. 14, the House recedes with a clerical amendment.

Amendment No. 53: Section 201(d) of the House bill made the necessary changes in ***3970** [section 3121\(b\)\(6\) of the Internal Revenue Code of 1954](#) (relating to the exclusion of certain service from ‘employment’ for purposes of the Federal Insurance Contributions Act) to correspond with the changes made by the House bill in section 210(a)(6) of the Social Security Act which extend coverage to service in the employ of the Tennessee Valley Authority and to service in the employ of a Federal home loan bank. The Senate amendment deleted this provision of the House bill. In view of the action taken by the conferees with respect to amendment No. 15, the House recedes with an amendment which restores with clerical c changes the provisions of the House bill.

Amendment No. 55: Section 201(e)(2) of the House bill made the necessary changes in [section 1402\(a\)\(1\) of the Internal Revenue Code of 1954](#) (relating to the treatment of income derived from share-farming arrangements for purposes of the tax on self-employment income) to correspond with the changes made by the House bill in section 211(a)(1) of the Social Security Act (relating to the treatment of income for benefit purposes). The Senate amendment added to this provision of the House bill the same language as that which was added by amendment No. 17 to the provision of the House bill dealing with the treatment of such income for benefit purposes. The House recedes.

Amendment No. 57: Section 201(f) of the House bill made the necessary changes in [section 1402\(c\)\(5\) of the Internal Revenue Code of 1954](#) (relating to the treatment of certain professional self-employed individuals for purposes of the tax on self-employment income) to correspond with the changes made by the House bill in section 211(c)(5) of the Social Security Act (relating to the treatment of such individuals for benefit purposes). The Senate amendment made the same change in this provision of the House bill as that which was made by amendment No. 19 in the provision of the House bill dealing with the treatment of such individuals for benefit purposes. The House recedes with an amendment conforming to the conference action on amendment No. 19.

Amendment No. 58: This amendment added to section 201 of the House bill a new subsection (e), which would make the necessary changes in [section 1402\(a\)\(8\)\(B\) of the Internal Revenue Code](#) (relating to the computation of net earnings from self-employment, in the case of a minister serving in a foreign country, for purposes of the tax on self-employment income)

to correspond with the changes made by amendment No. 23 in section 211(a)(7)(B) of the Social Security Act (relating to the computation of such net earnings for benefit purposes). In view of the action taken by the conferees with respect to amendment No. 23, the House recedes with clerical amendments.

Amendment No. 59: This amendment added to section 201 of the House bill a new subsection (f), which would make the necessary changes in [section 3121 of the Internal Revenue Code of 1954](#) to correspond with the changes made by amendment No. 26 in section 209(h)(2) of the Social Security Act (relating to the treatment of remuneration for agricultural labor as ‘wages’ for old-age and survivors insurance benefit purposes) and in section 210 of that act (relating to the treatment of service performed by and for crew leaders for old-age and survivors insurance benefit purposes).

***3971** Paragraph (3) of the new subsection (f) would amend section 3102(a) of the Internal Revenue Code of 1954 (which permits an employer paying cash remuneration for agricultural labor to deduct the Federal Insurance Contribution Act employee tax from such remuneration even though at the time of payment it is not clear whether or not such remuneration constitutes ‘wages’) to reflect the change in section 209(h)(2) of the Social Security Act made by amendment No. 26 and the change in [section 3121\(a\)\(8\)\(B\) of the Internal Revenue Code of 1954](#) made by the amendment (No. 59).

The House recedes with amendments conforming to the conference action on amendment No. 26.

Amendment No. 60: This amendment added to section 201 of the House bill a new subsection (g), which would make the necessary changes in the last two sentences of [section 1402\(a\) of the Internal Revenue Code of 1954](#) (relating to the optional method of computing net earnings from farm self-employment for purposes of the tax on self-employment income) to correspond with the changes made by amendment No. 27 in section 211(a) of the Social Security Act (relating to the optional method of computing such net earnings for old-age and survivors insurance benefit purposes).

The House recedes with amendments which conform to the conference action with respect to amendment No. 27.

Amendment No. 61: This amendment added to section 201 of the House bill a new subsection (h), which would amend [section 3121\(l\)\(8\)\(A\) of the Internal Revenue Code of 1954](#) so as to include as a foreign subsidiary of a domestic corporation, for purposes of the provisions of law permitting the extension of old-age and survivors insurance coverage to employees of such subsidiaries, any foreign corporation of whose voting stock not less than 20 percent is owned by a domestic corporation. Under present law, more than 50 percent of the stock of the foreign subsidiary to be eligible for such coverage. The House recedes with a clerical amendment.

Amendment No. 63: Section 201(g) of the House bill amended [section 3121\(k\)\(1\) of the Internal Revenue Code of 1954](#) to extend until the end of 1957 the period during which employees of an organization which has filed a certificate waiving its tax exemption under the Federal Insurance Contributions Act may add their names to the list of employees concurring in the filing of such certificate. Under present law, no names may be added to any such list after the expiration of 24 months following the first quarter during which the certificate was in effect. The Senate amendment extended the period provided by the House bill for an additional year, i.e., until the end of 1958. The House recedes.

Amendments Nos. 65 and 66: Section 201(i) of the House bill contained the effective dates applicable to the provisions of the House bill which made the necessary changes in chapter 2 (tax on self-employment income) and chapter 21 (Federal Insurance Contributions Act) of the Internal Revenue Code of 1954 to reflect the changes in coverage under the old-age and survivors’ insurance system which were made in the House bill. Senate amendment No. 66 deleted this subsection of the House bill, and Senate amendment No. 65 inserted a new subsection containing the effective ***3972** dates applicable to such provisions in the bill as it passed the Senate. The new subsection also included special provisions to permit a minister, whose income as a minister, for any taxable year ending after 1954 and prior to 1957, would have constituted net earnings from self-employment, if the bill as amended by Senate amendment No. 58 had been then in effect, to elect to have the provisions of such amendment apply with respect to taxable years ending after 1954 and prior to 1957.

The House recedes with amendments. In view of the period of time which has elapsed since the passage of the bill in the House, the conference agreement, except as noted below, retains the effective dates contained in the Senate amendment. The amendment made by subsection (b) of section 201 of the House bill, which was restored by the conference action on amendment No. 51, shall apply with respect to remuneration paid after October 1956. The amendments made by subsection

(d) of the House bill, which were restored by the conference action on amendment No. 53, shall apply with respect to service with respect to which the amendments made by subsection (b) of section 104 of the bill apply. (For an explanation of the effective date of these amendments, see amendment No. 25.) The amendment to subsection (a) of [section 1402 of the Internal Revenue Code of 1954](#) (made by sec. 201(i) of the bill as agreed to in conference) shall apply with respect to taxable years ending on or after December 31, 1956, rather than to taxable years ending after December 31, 1956, as provided in the Senate amendment.

The conference agreement also makes necessary technical and conforming changes in the Senate amendment.

Amendments Nos. 67 and 78: Section 202 of the House bill amended [section 1401 of the Internal Revenue Code of 1954](#) to increase each of the rates of tax upon self-employment income prescribed by existing law by three-fourths of 1 percent, and amended sections 3101 and 3111 of the Federal Insurance Contributions Act to increase each of the rates of the employee tax and the employer tax prescribed by existing law by one-half of 1 percent. The increase in the tax on self-employment income would apply with respect to taxable years beginning after 1955, and the increase in the employee and employer taxes would apply with respect to remuneration paid after 1955.

Senate amendment No. 67 deleted section 202 of the House bill. Senate amendment No. 68 added to the House bill a new section 202, which amended the same sections of law as were amended by the House bill. Under the Senate amendment, the rates of tax prescribed in [section 1401](#) upon self-employment income would each be increased by three-eighths of 1 percent; and the rates of the employee tax and the employer tax prescribed in ECTIONS 3101 and 3111, respectively, would each be increased by one-fourth of 1 percent. The increase in the tax on self-employment income would apply with respect to taxable years beginning after 1956, and the increase in the employee and employer taxes would apply with respect to remuneration paid after 1956.

The House recedes.

Amendments Nos. 69 and 70: These amendments added to the House bill a heading for a new title III and a declaration of the purpose of such new title, which would amend the public assistance provisions of the Social ~~3973~~ Security Act and would consist of the matter contained in amendments Nos. 71 through 98. In view of the action taken by the conferees with respect to the latter amendments, the House recedes.

Amendments Nos. 71, 72, 73, 74, 75, and 76: These amendments, which comprise part I (relating to matching of assistance expenditures for medical care) of the new title III of the bill, would amend sections 3(a), 403(a), 1003(a), and 1403(a) of the Social Security Act so as to provide separate dollar-for-dollar matching of State expenditures for old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled where such assistance is furnished in the form of medical or other remedial care, up to a maximum of (1) \$8 (or, in the case of aid to dependent children, \$4 for each child recipient and \$8 for each adult recipient) multiplied by the number of individuals receiving assistance in any form under the State plan, plus (2) certain additional amounts. State expenditures for assistance in the form of cash payments would continue under the present formula (as amended by amendments Nos. 89, 90, and 91). The amendments relating to medical care would be effective July 1, 1957 (and would continue in effect even after the expiration of such amendments Nos. 89, 90, and 91). With respect to amendments Nos. 71 and 76, the House recedes; and with respect to amendments Nos. 72, 73, 74, and 75, the House recedes with amendments limiting the dollar-for-dollar matching for medical care expenditures to a maximum of \$6 (or, in the case of aid to dependent children, \$3 per child and \$6 per adult) multiplied by the Number of individuals receiving assistance under the State plan.

Amendments Nos. 77, 78, 79, 80, and 81: These amendments, which comprise part II (relating to services in programs of public assistance) of the new title III of the bill, would amend titles IV, X, and XIV of the Social Security Act so as to make it clear that the public assistance programs under those titles include not only the provision of financial assistance but also the furnishing of services designed to help needy individuals to attain self-support or self-care (or, in the case of aid to dependent children, designed to maintain and strengthen family life and to help the relatives caring for dependent children to attain self-support and personal independence). These amendments also require (effective July 1, 1957) that each State plan include a description of the services (if any) to be furnished by the State for this purpose, and make it clear that Federal payments to a State with respect to the costs of administering the State plan may include payments with respect to such services. With respect to amendment No. 77, the House recedes with an amendment making changes in title I of the Social Security Act

(relating to old-age assistance) which have substantially the same purpose with respect to self-care as the changes made in titles IV, X, and XIV of that act by the Senate amendments; and with respect to amendments Nos. 78, 79, 80, and 81, the House recedes with clerical and conforming amendments.

Amendments Nos. 82, 83, and 84: These amendments, which comprise part III (extension of aid to dependent children) of the new title III of the bill and become effective July 1, 1957, would amend section 406(a) of the Social Security Act so as to add first cousins, nephews, and nieces to the list of the relatives with one of whom a needy child must be living in order to be eligible for aid to dependent children under title IV of that act. These *3974 amendments also eliminate the requirement that a needy child between 16 and 18 years of age must be regularly attending school in order to be eligible for aid to dependent children. The House recedes.

Amendments Nos. 85, 86, 87, and 88: These amendments comprise part IV (relating to research and training) of the new title III of the bill. Amendment No. 86 would authorize the Federal Government (through grants, contracts, and jointly financed cooperative arrangements) to participate in the cost of research and demonstration projects relating to the improvement of the public assistance and related programs; the authorized appropriation for this purpose would be \$5,000,000 for the fiscal year 1957 and such amount as the Congress may determine thereafter. Amendment No. 87 would authorize the Federal Government to make grants to States (as defined in sec. 1101 of the Social Security Act) to enable them (either directly or through nonprofit institutions of higher learning) to provide various types of training for personnel employed or preparing for employment in the public assistance programs; the authorized appropriation for this purpose would be \$5,000,000 for the fiscal year 1958 and such amount as the Congress may determine thereafter, and the Federal share of the cost of such training would be 100 percent during the fiscal years 1958 through 1965 and 80 percent thereafter. With respect to amendments Nos. 85, 86, and 88, the House recedes; and with respect to amendment No. 87, the House recedes with an amendment under which the program of training grants for public welfare personnel would terminate at the end of the fiscal year 1962 and the Federal share of the cost would be limited to 80 percent during each of the 5 years of the program.

Amendments Nos. 89, 90, 91, 92, and 93: These amendments, which comprise part V of the new title III of the bill, would amend the matching formulas applicable to titles I, IV, X, and XIV of the Social Security Act (relating to old-age assistance, aid to dependent children, aid to the blind, and aid to the permanently and totally disabled, respectively). Amendments Nos. 89, 90, and 91 apply to old-age assistance, aid to the blind, and aid to the permanently and totally disabled, and for purposes of assistance under those programs would (1) increase the ceiling on the Federal payment with respect to any individual from \$55 to \$65 and (2) provide that five-sixths of the first \$30 per recipient can be counted instead of only four-fifths of the first \$25; however, these increases would not be available to any State unless it maintains its average expenditure per recipient from State funds. Amendment No. 92 would extend until June 30, 1959, the temporary matching formula for aid to dependent children which was provided in section 8(b) of the Social Security Act Amendments of 1952 and which is currently in effect. Under amendment No. 93, all of these amendments would become effective October 1, 1956.

With respect to amendments Nos. 89, 90, and 91, the House recedes with amendments (1) providing that the Federal ceiling for purposes of titles I, X, and XIV of the Social Security Act shall be \$60 and that four-fifths of the first \$30 per recipient can be counted, (2) eliminating the requirement that a State maintain its average expenditure per recipient from State funds in order to receive the Federal increase, and (3) changing the matching formula contained in title IV of the Social Security Act (relating to aid to dependent children) so as to provide that the Federal ceiling *3975 for purposes of such title shall be \$32 with respect to the first dependent child in any home, \$23, with respect to each additional child, and \$32 with respect to each relative with whom the child is living (instead of \$30, \$21, and \$30, respectively, as in present law), and that four-fifths of the first \$15, as in present law).

With respect to amendment No. 92, the Senate recedes in view of the action taken on Amendment no. 89 in regard to aid to dependent children.

With respect to amendment No. 93, the House recedes with an amendment providing that the changes made by amendments Nos. 89, 90, and 91 shall cease to be effective after June 30, 1959.

Amendments Nos. 94, 95, 96, 97, and 98: These amendments comprise part VI of the new title III of the bill. Amendment No. 95 would amend sections 403 and 1108 of the Social Security Act (effective for the fiscal year 1957 and subsequent fiscal years) so as to permit Federal matching (under the program of aid to dependent children) of expenditures in the Virgin

Islands for relatives with whom dependent children are living, and so as to increase from \$160,000 to \$300,000 the maximum Federal payment to the Virgin Islands under all the public assistance programs in any fiscal year. Amendment No. 98 would make the same changes in the case of Puerto Rico (except that the increase in the maximum Federal payment would be from \$4,250,000 to \$5,312,500). Amendments Nos. 96 and 97 would make certain changes in the public assistance provisions of the Social Security Act with respect to the determination of need.

With respect to amendment No. 94, the House recedes. With respect to amendment No. 95, the House recedes with an amendment combining its provisions with those of amendment No. 98 (relating to Puerto Rico), limiting the maximum Federal payment in the case of the Virgin Islands to \$200,000, and making certain technical changes. With respect to amendments Nos. 96 and 97, and with respect to amendment No. 98 in view of the action taken by the conferees on amendment No. 95, the Senate recedes.

Amendment No. 99: This amendment added to the House bill (as a part of a new title IV) a new section 402, which would amend section 403 of the Social Security Amendments of 1954.

Subsection (a) of such section 403 presently provides that service performed by an individual after 1950 and before 1955 as an employee of an organization (1) described in [section 501\(c\)\(3\) of the Internal Revenue Code of 1954](#) which is exempt from tax under [section 501\(a\)](#) of such code and (2) which failed to file a waiver certificate, may, notwithstanding such failure to file, be deemed to constitute 'employment' for old-age and survivors insurance purposes if the Federal Insurance Contributions Act taxes were paid (and not refunded) on the good-faith assumption that the certificate had been filed, and if the individual so requests. The Senate amendment extended for 2 years the period during which such service can be performed after 1950 and before 1957 (but only where the individual was employed by that organization before the enactment of the bill).

Subsection (b) of such section 403 presently provides that service performed for such an exempt organization after 1950 and before 1955, where the organization filed the waiver certificate but the employee failed to sign ***3976** the list of concurring employee, may be deemed to constitute 'employment' for old-age and survivors insurance purposes to the extent that the Federal Insurance Contributions Act taxes were paid (and not refunded) with respect to such service, if the employee so requests before 1957. The Senate amendment extended for 2 years the period during which such service can be counted under subsection (a), so that the subsection would apply to service performed after 1950 and before 1957 (but only where the employee was employed by that organization before the enactment of the bill, and also extends for 2 years (until January 1, 1959) the period during which the employee can file his request.

The House recedes.

Amendment No. 100: This amendment added to the House bill a new section 402, which would amend section 521(a) of the Social Security Act (effective with respect to fiscal years beginning after June 30, 1956) so as to increase the annual authorization for child-welfare services from \$10,000,000 to \$12,000,000. The House recedes with an amendment providing that such increase shall be effective only with respect to fiscal years beginning after June 30, 1957.

Amendment No. 101: This amendment added to the House bill a new title V, which would establish a United States Commission on the Aging and Aged.

The Senate recedes.

Amendment of title: The Senate amendment conformed the title of the bill to the bill as amended by the Senate. Under the conference agreement the title of the bill is conformed to the bill as agreed to in conference.

JERE COOPER,
WILBUR D. MILLS,
NOBLE J. GREGORY,
DANIEL A. REED,
THOMAS A. JENKINS,
Managers on the Part of the House.

(Note: 1. PORTIONS OF THE SENATE, HOUSE AND CONFERENCE REPORTS, WHICH ARE DUPLICATIVE OR ARE DEEMED TO BE UNNECESSARY TO THE INTERPRETATION OF THE LAWS, ARE OMITTED. OMITTED MATERIAL IS INDICATED BY FIVE ASTERISKS: *****. 2. TO RETRIEVE REPORTS ON A PUBLIC LAW, RUN A TOPIC FIELD SEARCH USING THE PUBLIC LAW NUMBER, e.g., TO(99-495))

CONF. REP. 84-2936, Conf. Rep. No. 2936, 84TH Cong., 2ND Sess. 1956, 1956 U.S.C.C.A.N. 3954, 1956 WL 5000 (Leg.Hist.)

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