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PAPER NO. 2

HANDBOOK OF PUBLIC INCOME TRANSFER PROGRAMS

A STAFF STUDY

PREPARED FOR THE USE OF THE

SUBCOMMITTEE ON FISCAL POLICY

OF THE

JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES

OCTOBER 16, 1972

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LETTERS OF TRANSMITTAL

OCTOBER 6, 1972.

To the members of the Joint Economic Committee:

Transmitted herewith is a staff document entitled "Handbook of Public Income Transfer Programs." This is the second in a series of studies being prepared for the use of the Subcommittee on Fiscal Policy in connection with its comprehensive study of the Nation's welfare-related programs under the general title of Studies in Public Welfare. This volume is a reference tool which focuses on the most critical aspects of income transfer programs for analyzing how they operate individually and in combination.

WILLIAM PROXMIRE,
Chairman, Joint Economic Committee.

SEPTEMBER 29, 1972.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Transmitted herewith is a document entitled, "Handbook of Public Income Transfer Programs," compiled by Irene Cox of the staff of the Subcommittee on Fiscal Policy. This is the second of a series of study papers being prepared as part of the work of the subcommittee's work on an objective and nonpartisan review of the Nation's system of public welfare programs.

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 operation 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. 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. It is my belief that the Congress must draw upon such information in its daily legislative work to a far greater extent than heretofore. The different programs do not operate in vacuums, and changes in the entitlement and benefit provisions in any one program can have significant effects on those millions of persons receiving benefits under more than one program. Estimates of the number of persons receiving benefits under more than one such program and analysis of the issues raised by benefit overlaps were contained in the Subcommittee's first staff paper entitled, "Public Income Transfer Programs: The Incidence of Multiple Benefits and the Issues Raised by Their Receipt."

Some of the program features which 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 reduction 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. Also striking is the number of programs which relate benefits in some way to current income and the sharp reduction in benefits which often results as earned income increases. Forthcoming staff papers will draw upon the handbook in detailed analyses of these program features.

The organization of the handbook represents the staff's interpretation of program statutes and regulations, taking into consideration agency comments on draft sections. This assistance from the agencies involved is gratefully acknowledged.

The handbook was prepared by Irene Cox under the general direction of Alair A. Townsend, technical director of the subcommittee. In addition to current staff members, the following former staff members contributed to the volume: Marian L. Troyer, Katherine H. Conroy, and John C. Ditmore.

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

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INTRODUCTION

Study Rationale

This Nation paid out $102 billion in fiscal year 1972 under an extensive group of public income transfer programs.[1] 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 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 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 easily can 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.

[1] 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, aid to the blind, aid to the permanently and totally disabled, and old age assistance.

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.[2]

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[3] transfer programs (age, disability, dependents, unemployment, and personal expenditures on housing and interest subsidies, health care, and child care) (see table 1).

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 (see table 2).

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.

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, the extent of public participation is reflected in the tax transfers noted in the above table. About half of

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[2] 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.

[3] 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.

TABLE 1.—REVENUE LOSSES DUE TO INCOME TAX EXEMPTIONS AND DEDUCTIONS, CALENDAR YEAR 1971

Deductible or excluded items	Tax savings (in millions)
Total	$48, 105
Interest or consumer credit	1, 800
Housing (owner-occupied)	5, 115
Interest on mortgages	2, 400
Property taxes	2, 700
Housing rehabilitation	15
Aged: Combined additional exemption, retirement income credit, and exclusion of OASDHI for the aged	3, 250
Disability	635
Additional exemption for the blind	10
"Sick pay" exclusion	120
Disability insurance benefits	155
Employee accident and death benefits	30
Workmen's compensation benefits	320
Dependents	23, 660
All personal exemptions	23, 000
Additional exemption for students	550
Scholarship and fellowship	110
Retirement plans	5, 500
Plans for employees	3, 650
Self-employed	250
Premiums on group life insurance	500
Interest on life insurance savings	1, 100
Unemployment	2, 800
Unemployment compensation benefits	800
Privately financed supplementary unemployment benefits	2, 000
Health care	3, 900
Medical insurance premiums and medical care	2, 000
Medical expenses	1, 900
Child care expenses (expected to increase to $175,000,000 in 1972)	30
Other	1, 415
Benefits and allowances to Armed Forces personnel	650
Public assistance benefits	65
VA benefits	700

TABLE 2.—STATE INCOME TAX CREDITS AND REBATES OF PROPERTY, SALES AND OTHER TAXES

State	Property or rent tax credits for aged	Rent credits for general population	Sales tax credits	Medical expenses
Colorado	X		X	
Hawaii		X	X	X
Idaho			X[1]	
Indiana			X	
Kansas	X			
Massachusetts			X	
Minnesota	X	X		
Nebraska			X	
Vermont	X		X	
Wisconsin	X			
District of Columbia			X	
New York	X			

[1] Aged only.

employed wage and salary workers in private employment are covered by private industry retirement plans and about 4 million persons were receiving benefits under these plans in 1970. Eligibility for benefits is limited by the normally high rate of job turnover as these plans typically require several years of continuous service before pension rights vest and are not transferable to other jobs.

About three-fourths of workers employed in private industry benefit from group health insurance plans for themselves and their dependents; and two-thirds are covered by group life insurance policies. About 2 million workers are covered by supplementary unemployment benefit plans under which unemployed workers receive benefits which supplement State unemployment compensation payments. Some plans also include provision for severence pay, moving expenses, and health insurance premiums for laid-off workers.

Program descriptions reflect currently available information as to program operations up to June 1972 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 in 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 (see table 3).

TABLE 3.—INCOME TRANSFER PROGRAMS: CONGRESSIONAL AND AGENCY JURISDICTIONS, DATE ENACTED, AND SOURCES

Program	Congressional committee jurisdiction: House	Congressional committee jurisdiction: Senate	Federal administering agency	Date enacted	United States Code source	Code of Federal Regulations	Federal domestic assistance catalog No.
ASSISTANCE IN CASH							
Income support (needs-tested):							
Public assistance:							
Aid to families with dependent children	Ways and Means	Finance	Department of Health, Education, and Welfare.	[1] 1935	42 U.S.C. 602 et seq., and 1301 et seq.	45 C.F.R. 201 et seq	13.703.
Aid to the blind	do	do	do	1935	42 U.S.C. 1201–1226 et seq. and 1301 et seq.	do	13.704.
Aid to the permanently and totally disabled.	do	do	do	1950	42 U.S.C. 1351 et seq. and 1301 et seq.	do	13.705.
Old age assistance	do	do	do	1935	42 U.S.C. 301 et seq. and 1301 et seq.	do	13.722.
Emergency assistance	do	do	do	1967	42 U.S.C. 601 et seq. and 1301 et seq.	do	13.709.
Veterans pensions:							
Pension for non-service-connected disability for veterans.	Veterans' Affairs	Veterans' Affairs	Veterans' Administration.	1933	38 U.S.C. 510-512, 521	38 C.F.R. 3, 4, 10	64.104.
Pension to widows and children of veterans.	do	do	do	1933	38 U.S.C. 541	do	64.105.
Assistance to Cuban refugees—Welfare assistance and services.	Judiciary	Foreign Relations	Department of Health, Education, and Welfare.	1962	22 U.S.C. 2601–2605		13.727.
General assistance to Indians	Appropriations	Appropriations	Department of the Interior.	1921	25 U.S.C. 13	25 C.F.R. 21	15.103.
Income replacement (wage-tested):							
Social security (OASDI):							
Disability insurance	Ways and Means	Finance	Department of Health, Education, and Welfare.	1956	42 U.S.C. 420–425	20 C.F.R. 404, 422	13.802.
Old age insurance	do	do	do	1935	42 U.S.C. 401–429	do	13.803.
Survivors insurance	do	do	do	1939	42 U.S.C. 401–429	do	13.805.
Federal employee retirement systems:							
Civil service	Post Office and Civil Service.	Post Office and Civil Service.	Civil Service Commission.	1920	5 U.S.C. 8331–8348	5 C.F.R. 831	(3).
Military	Armed Services	Armed Services	Department of Defense.	[2] 1956	10 U.S.C. 1201 et. seq	32 C.F.R. 48	(3).
Federal employees compensation	Education and Labor	Labor and Public Welfare.	Department of Labor	1916	5 U.S.C. 8101–8150	20 C.F.R. 1 et. seq	(3).

See footnotes at end of table.

TABLE 3.—INCOME TRANSFER PROGRAMS: CONGRESSIONAL AND AGENCY JURISDICTIONS, DATE ENACTED, AND SOURCES—Continued

Program	Congressional committee jurisdiction: House	Congressional committee jurisdiction: Senate	Federal administering agency	Date enacted	United States Code source	Code of Federal Regulations	Federal domestic assistance catalog No.
ASSISTANCE IN CASH—Continued							
Income replacement (wage-tested)—Continued							
Unemployment insurance:							
Workers insured under State laws	Ways and Means	Finance	do	1935	29 U.S.C. 49-492; 38 U.S.C. 2001-2005; 42 U.S.C. 501-503, 1101-1105; 1321-1324; 1361-1371; 19 U.S.C. 1931, 1941, 1944; 5 U.S.C. 8501-9524.	20 C.F.R. 601	17.225.
Railroad unemployment	Interstate and Foreign Commerce.	Labor and Public Welfare.	Railroad Retirement Board	1938	See railroad retirement below.	20 C.F.R. 300 et seq	57.001.
Unemployment compensation for Federal employees, and ex-servicemen.	Ways and Means	Finance	Department of Labor.	1954 1958	5 U.S.C. 8501-8525	20 C.F.R. 609, 614	([3]).
Trade readjustment allowances	do	do	do	1962	19 U.S.C. 1901-1991	29 C.F.R. 90, 91	17.400.
Railroad retirement	Interstate and Foreign Commerce.	Labor and Public Welfare.	Railroad Retirement Board.	1935	45 U.S.C. 228a-228s; 45 U.S.C. 351-367.	20 C.F.R. 201 et seq	57.001.
Income compensation (indemnity-related):							
Veterans compensation:							
Veterans compensation for service-connected disability.	Veterans' Affairs	Veterans' Affairs	Veterans Administration.	1917	38 U.S.C. 310, 331	38 CFR 3, 4, 10	64.109.
Compensation for service-connected deaths for veterans' dependents.	do	do	do	1917	38 U.S.C. 321, 341	do	64.102.
Special benefits for disabled coal miners	Ways and Means	Finance	Department of Health, Education and Welfare.	1969	30 U.S.C. 801 et seq	20 CFR 410, 422	13.806.
ASSISTANCE IN KIND							
Food:							
Family food programs:							
Food stamps	Agriculture	Agriculture and Forestry	Department of Agriculture.	1964	7 U.S.C. 2011-2025	7 CFR 270-274	10.551.
Commodities distribution	do	do	do	1935, 1949	7 U.S.C. 612c, 1431; 15 U.S.C. 713c; 42 U.S.C. 1755, 1758, 1761, 1777.	7 CFR 250, 251	10.550.
Child nutrition: National school lunch program.	Education and Labor	do	do	1946	42 U.S.C. 1751-1760	7 CFR 210, 245, 250	10.555.
Health:							
General health and medical services:							
Medicaid	Ways and Means	Finance	Department of Health, Education, and Welfare.	[2] 1965	42 U.S.C. 1396 et seq	45 CFR 201 et seq	13.714.

Medicare:							
Hospital insurance	do	do	do	1965	42 U.S.C. 1395 et seq	45 CFR 405, 422	13.800.
Supplementary medical insurance	do	do	do	1965	42 U.S.C. 1395 et seq	45 CFR 405, 422	13.801.
Veterans health programs	Veterans' Affairs	Veterans' Affairs	Veterans Administration.	[4] 1930	38 U.S.C. 601 et seq., 17.210, 1506, 5001, 5013, 5053.	38 CFR 17	64.002, 64.008-.016.
Indian health services	Interior and Insular Affairs.	Interior and Insular Affairs.	Department of Health, Education, and Welfare.	[5] 1954	42 U.S.C. 2001-2004a	42 CFR 36	13.228.
Housing:							
Homebuying, Homeownership:							
Low- to moderate-income housing loans	Banking and currency	Banking, Housing and Urban Affairs.	Department of Agriculture.	1949	42 U.S.C. 1484 and 1486	7 CFR 1822	10.410.
Sec. 235 Homeownership for lower income families.	do	do	do	1968	12 U.S.C. 1715(Z)	24 CFR 235.301	14.105.
Sec. 221(d)(2) mortgage insurance, homes for low- and moderate-income families.	do	do	Department of Housing & Urban Development.	1954	12 U.S.C. 1715(b), 1715(1)	24 CFR 221	14.120.
Sec. 223(e) mortgage insurance, housing in older, declining areas.	do	do	do	1968	12 U.S.C. 1715(b), 1715(n)		14.123.
Sec. 237 mortgage insurance, special credit risks.	do	do	do	1968	12 U.S.C. 1715(b)	24 CFR 237	14.140.
Public housing, homeownership for low-income families.	do	do	do	1937	42 U.S.C. 1401-1435	24 CFR 1520	14.147.
Housing assistance for veterans	Veterans' Affairs	Veterans' Affairs	Veterans' Affairs	1944 [2] 1958	38 U.S.C. 801-805, 1801 et seq.	38 CFR 3, 36	64.106, 64.113 -.114 64.118 -.119
Rental:							
Rural rental housing loans	Banking and Currency	Banking, Housing and Urban Affairs.	Department of Agriculture.	1949	42 U.S.C. 1485, 1490a	7 CFR 1822	10.415.
Sec. 236 interest reduction payments, rental and cooperative housing for lower income families.	do	do	Department of Housing & Urban Development.	1968	12 U.S.C. 1715	24 CFR 236	14.103.
Farm Labor housing loans and grants	do	do	Department of Agriculture.	1949	42 U.S.C. 1484 and 1486	7 CFR 1822	10.405.
Rural housing site loans	do	do	do	1949	42 U.S.C. 1940c		10.411.
Very low-income housing repaid loans	do	do	do	1949	42 U.S.C. 1474		10.417.
Low rent public housing	do	do	Department of Housing & Urban Development.	1937	42 U.S.C. 1401-1435	24 CFR 1520	14.146, 14.148.
Rent supplement program, sec. 101	do	do	do	1965	12 U.S.C. 1701(s)	24 CFR 5	14.149.
Indian housing improvement	Interior Subcommittee of Appropriations.	Appropriations	Interior	1921, 1965	25 U.S.C. 13		15.116.

[1] The unemployed father provision was added in 1961.
[2] Present law.
[3] None listed.
[4] For veterans with nonservice-connected health needs.
[5] This legislation grew out of early treaties between the United States and Indian tribes.

While this handbook does not draw conclusions or make the interprogram comparisons that are possible, it does facilitate such analyses, and the subcommittee staff itself will draw upon the handbook in forthcoming papers.

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.

Employment-Related, Non-Income-Tested Programs

About 75 percent of the $102 billion total for public income transfer payments in fiscal year 1972 was paid under non-income-tested, employment-related programs (see tables 4 and 5). These programs are of two general types: Retirement (and other benefit) systems for Government employees, including members of the Armed Forces; and social insurance programs which cover most private sector employment.[4]

TABLE 4.—SUMMARY OF EXPENDITURES ON BENEFITS UNDER PUBLIC INCOME TRANSFER PROGRAMS: FISCAL YEAR 1972

	Benefits (billions)		
	Total	Federal	State and local
A. Benefits by program category:			
Government employment	$17.5	$13.7	$3.8
Social insurance	58.6	55.7	2.9
Risk related income tested	19.7	12.2	7.5
Other income tested	6.7	5.8	.9
Total	102.5	87.4	15.1
B. Benefits by type of aid:			
Cash assistance	78.9	67.0	11.9
Income tested	13.5	8.3	5.2
Other	65.4	58.7	6.7
Inkind assistance	23.6	20.4	3.2
Income tested	12.9	9.7	3.2
Other	10.7	10.7	
Totals	102.5	87.4	15.1

[4] Social insurance programs also cover members of the Armed Forces and may include State and local government employees at the option of the governmental unit.

TABLE 5.—BENEFIT COSTS AND CASELOADS OF PUBLIC INCOME TRANSFER PROGRAMS, FISCAL YEAR 1972

Programs	Benefits (millions) Federal	Benefits (millions) State and local	Beneficiaries (thousands)
Programs related to Government employment	$13,747	$3,775	
Civil service retirement	3,413		1,058
Other Federal civilian employee retirement	110		19
Workmen's compensation for Federal employees	151		NA
Military retirement	3,928		872
Veterans' disability compensation	2,862		2,937
Veterans' survivors compensation	700		526
Veteran's medical care	2,218	NA	[1] 826
Veteran's housing	15		20
Unemployment insurance for Federal employees	97		130
Unemployment insurance for ex-servicemen	253		340
State and local government employee retirement		[2] 3,775	[2] 1,383
Social insurance programs related to general employment	55,700	2,927	
Old age insurance	24,196		17,022
Survivors insurance	10,076		7,333
Disability insurance	3,960		2,925
Special age 72 benefits	270		459
Railroad retirement	2,084		985
Hospital insurance	6,300		6,400
Supplementary medical insurance	2.200		10,900
Unemployment insurance-State programs	5,860		8,742
Unemployment insurance for railroad workers	110		190
Benefits for disabled coal miners	570		315
Trade readjustment aid	74		28
Workmen's compensation—State programs		[2] 2,927	NA
Income-tested programs related to risk groups	12,199	7,473	
Old-age assistance	1,242	699	2,080
Aid to the blind	61	41	81
Aid to the permanently and totally disabled	698	549	1,049
Aid to families with dependent children	3,719	2,994	11,073
Assistance to Cuban refugees	115		89
Veterans' pensions	1,453		1,066
Verterans' survivors pensions	1,058		1,232
Medicaid	3,853	3,190	20,632
Other income-tested programs	5,813	860	
General assistance for Indians	38		65
Indian health services	108		[3] 96
Food stamps	1,997		11,000
Food distribution	346		3,513
Child nutrition	1,216		25,200
Public health services to individuals	821		6,063
Subsidized housing	1,390		[4] 1,795
General assistance—State and local programs		[5] 860	[5] 982

[1] Number of hospital inpatients.
[2] Data are for calendar year 1970.
[3] Number of hospital admissions.
[4] Number of housing units under subsidy.
[5] Data are for calendar year 1971.

Benefits paid under the employment-related programs are not income tested; that is, eligibility and amounts of benefits are based on previous covered employment, duration of employment, and level of prior earnings, and not on current income or need of the beneficiary. Usually, however, there are conditions related to the definition of retirement or unemployment, such as exclusion of employment in the system under which benefits are paid, or limitations on amounts of current earnings as in the old age and survivors retirement test and in the unemployment test used by unemployment insurance programs.

In 1972, a total of $17.5 billion in benefits was paid under Government employment income transfer systems. These include Federal civil service, retirement, State and local government retirement systems, military retirement, and veterans' service-connected death and disability compensation programs.

The social insurance programs include old age, survivors, disability, and health insurance (OASDHI), unemployment insurance, workmen's compensation, railroad retirement, and benefits to disabled coal miners. Benefits paid under these programs totaled $58.6 billion in 1972.

Most (96 percent) of the Nation's 83 million employed individuals are provided income maintenance protection through public retirement programs. Ninety percent of employed persons are covered under the OASDHI system, including 2.8 million current members of the Armed Forces who are also covered by military retirement or veteran's disability programs; and about 6 million State and local Government employees who are also members of State or local retirement plans. Most Federal civilian employees (2.8 million) are members of the civil service retirement system, and about 2 million State and local employees, who have not elected OASDHI coverage, are covered under State or local retirement plans.

A majority of employed persons are also protected under public plans against loss of earnings due to involuntary unemployment or job-related injuries. About 75 percent of civilian employment is covered under Federal-State unemployment insurance plans; 80 percent is covered by workman's compensation for job-related injuries or disease. A smaller number (25 percent of private industry wage and salary workers) are protected against unemployment due to temporary illness under insurance plans for workers in five States, Puerto Rico, and the railroad industry. This figure does not include sick leave provisions for 13 million Federal, State, and local Government employees valued at $2 billion in leave taken in 1970.[5]

Income-Tested Cash and In-Kind Programs

Income tested cash and in-kind transfer programs provided total benefits of $26.4 billion in fiscal year 1972 to low-income individuals and families. The major cash assistance programs and medical assistance (medicaid) are also risk related. In addition to being in need as variously defined under the programs, the individual must be aged (65 or over), blind or totally and permanently disabled, or in the case of a family with children, must have lost the support of a parent because of death, incapacity, absence of a parent from the home or, in some States, because of unemployment of the father. The federally matched cash assistance programs and medicaid paid benefits of $17 billion in 1972.

Veterans' pensions due to non-service-connected disablity and death and veterans' medical care totaling $2.5 billion are included here. Veterans' pensions are income tested, and medical care for non-service-connected conditions generally presumes inability to pay for services, but the status as a veteran is a primary requisite.

The remaining Federal programs, accounting for about $6 billion in benefits, are income tested but not risk related: Income from any source including employment is considered in determining need. Except for the program of general assistance to Indians on reservations ($38 million), these are in-kind programs providing food or food

Or, of course, sick leave provided by private employers which was worth $960 million in 1970.

subsidies, certain public health services to individuals, and subsidized housing.[6]

State and locally financed and administered general assistance programs ($860 million) provide assistance which is generally limited to emergencies or short-term periods and which varies substantially in terms of coverage. Most States which provide continuing assistance limit this to unemployable persons who are not eligible for the federally reimbursed categorical assistance programs (usually temporarily or partially disabled adults with no minor children in their care), but some States also provide general relief for able-bodied adults who are in need.

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 of 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 State, 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 tax.

Costs.—Total expenditures for benefits and number of beneficiaries for fiscal year 1971, estimates for 1972 and 1973, 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.

[6] Some housing programs limit housing subsidies to aged and handicapped adults and families with minor children.

Income test.—The extent to which the beneficiaries' income, employment or earnings or receipt of other transfer payments is considered in determing 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 or 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 1971 nonfarm poverty level of $155 a month for a single person and $330 a month for a family of four persons.

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

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

Observations

There are many ways in which the handbook material can be analyzed and synthesized. A few observations are offered here, not as exhaustive conclusions, but as examples of the ways in which the material can be used and of the more salient issues which might be addressed.

Funding Sources and National Uniformity

Federal funds (appropriations from general revenues or earmarked taxes paid by employees and/or employers) provided $87 billion of the $102 billion in benefit outlays in 1972. In general, programs which are fully financed from Federal funds are federally administered and provisions apply uniformly on a nationwide basis (OASDHI, railroad retirement, civil service, military retirement, and veterans' programs). Programs which are federally authorized but State administered (unemployment compensation and public assistance) permit considerable variation among the States. A few smaller programs are fully federally funded components of normally Federal-State programs, so benefit provisions vary among the States: General assistance to Indians, assistance to Cuban refugees, and unemployment compensation for ex-servicemen and Federal employees.

Coverage

Single individuals, childless couples, and families headed by workingmen generally are excluded from the cash public assistance programs unless their income needs result not from low earning ability but from old age, unemployment, or disability. While they have been consciously excluded from public assistance because of their presumptive employability, they may qualify for aid in the form of food and housing and, to a lesser extent, health. The existence of these programs serves to reduce somewhat the differentials in public benefits available to these groups and to other low income persons who are eligible for public assistance.

Eligibility of Dependents and Survivors

In the nonincome-tested, employment-related programs, there are considerable variations in the eligibility for benefits of the primary beneficiary's dependents or survivors, and the definition of dependents and survivors. Wives and widows are considered as dependents in programs providing dependents or survivors benefits (usually conditioned by age or presence of eligible children), but in most programs husbands or widowers are eligible only if they are disabled and totally dependent on the beneficiary. Such rules pertain to the veterans pension and compensation programs, to old age, survivors, and disability insurance, and to the railroad retirement and disability programs.

Dependent children are usually defined as unmarried children under age 18, older disabled children who became disabled before reaching age 18, and children—over age 18 up to a specified age—who are attending school or college. The upper age limit for students varies among programs from age 20 to age 22. Some programs extend benefits to dependent parents and other relatives under specified conditions.

The income-tested veteran's pension program for veterans with nonservice-connected total disabilities includes provisions for the veteran's dependents, but the income-tested public assistance programs for aged, blind, or disabled adults do not (except for a provision under which a person may be included whose services are essential to the recipient). Eligibility for assistance of dependent wives and children of these public assistance recipients must be determined under the separate AFDC program, or, if there are no minor children, eligibility of spouses for benefits depends on their meeting all the conditions for receipt of benefits under one of the categorical assistance programs.

Definition of the Assistance Unit

Definitions of the assistance unit vary. For instance, in AFDC the income and resources of parents and children living together are considered in determining eligibility of the family unit. The income of other persons living in the household is not considered except for any contribution which is made to the assistance unit. However, in the food stamp program the income and resources of all members of the household are considered. The result is that under the rules of the food stamp program a household consisting entirely of public assistance recipients is automatically eligible to participate in the food stamp program. But, a comparable AFDC family is ineligible to participate if the income of other members of the household such as aunts and grandparents increases total household income above the income limit for food stamp eligibility, regardless of whether or not these persons pool their incomes.

Entitlement to More Than One Program

Benefits from more than one source are subject to some variations in treatment. In general, a beneficiary who is eligible under more than one program may receive benefits from all programs to which he has entitlement. This may happen when an individual has worked in a different type of employment after obtaining coverage under one retirement system. However, members of the Armed Forces and threefifths of State and local government employees are simultaneously covered by military or Government employee retirement systems and OASDI and can draw benefits from both programs based on the same employment.

On the other hand there are some exclusions or reductions in benefits when eligibility exists for similar program. Among them is a reduction in Disability Insurance (DI) if combined benefits from workmen's compensation and DI exceed 80 percent of previous average wages, and a provision that military retirement and veteran's compensation may not be received simultaneously. A primary beneficiary of railroad retirement benefits may also receive social security payments if he is covered under both programs. Survivors of railroad workers may not receive both types of benefits on the same individual wage record but the railroad and OASI wage records are combined in determining the amount of their benefits.

Low income persons may receive benefits under the income-tested in-kind and public assistance programs to supplement benefits from other programs. The exception is that AFDC may not be paid to families with an unemployed father if the father is eligible for or receiving any unemployment insurance (UI) benefits regardless of amount. This restriction does not apply when the mother is receiving UI benefits. In these instances the AFDC payment may supplement low UI benefits.

Employment Limitations

Types of employment or amount of earnings are restricted under most retirement programs. In systems which cover particular types of employment, such as railroad retirement, military service or Federal Civil Service Retirement, employment in the system under which benefits are drawn is restricted but employment under other systems does not affect benefits. For instance, a career serviceman may retire after 20 years of service, draw military retirement benefits while in civil service or State government employment, gain retirement rights under that system and draw military retirement, civil service retirement, and social security benefits when he reaches the age of entitlement. Or, a civil service retiree may work in employment covered by OASDI or a State government retirement system (which may also be covered by OASDI), and gain retirement rights under either or both of those systems.

Definition and Treatment of Income

In the OASI program, payments to beneficiaries under age 72 are reduced for any month in which earnings exceed $140 if earnings exceed $1,680 annually. This reduction is 50 percent of the earnings between $140 and $240 a month. When earnings exceed $2,880 annually, benefits are reduced by 100 percent of any earnings in excess of $240 a month. The combination of this social security 100-percent benefit reduction rate, plus the social security payroll tax, work expenses, and any applicable Federal, State, and local income taxes should produce strong disincentives to earn more than $240 a month.

State unemployment insurance plans also typically have large ranges of earnings over which benefits are reduced by each dollar of earnings. (Above some dollar limitation, persons are not considered to be unemployed and hence cannot collect unemployment insurance.) Where applicable, social security, Federal, State, and local income taxes serve to push the benefit reduction rate above 100 percent in these intervals.

The policy problem of how to tailor social insurance benefits to earnings gains importance as more people are covered under the programs; longevity increases possible work life and the need for income; periodically more second earners in families voluntarily or involuntarily enter and leave the labor market, and as the public assistance programs have expanded and have lowered benefit reduction rates below 100 percent as work incentive features. The original structures and populations of both social insurance and public assistance programs are changing, with greater welfare elements being incorporated into social insurances and greater emphasis on employment being incorporated into the public assistance programs, many of whose beneficiaries are no longer viewed as presumptively unemployable. Inequities also result when assistance programs have payment levels which exceed social security and unemployment insurance levels, allow for more favorable treatment of large families, and have more favorable treatment of earned income.

Most public concern about the treatment of earnings and other income to date, however, has centered around the income-tested cash and in-kind programs. The cash assistance [7] programs originally were designed to meet essential needs of low-income individuals and families who incurred risks similar to those covered by the social insurance programs (old-age, disability, or loss of a parent's support) but whose coverage under the social insurance programs was insufficient to provide any benefits or benefits high enough to meet basic subsistence needs. It was considered that most assistance recipients could not or should not be in the labor force (i.e., they were aged, blind, or disabled or, in the case of mothers, were needed in the home to care for their children) and the major purpose of the programs was to prevent destitution by providing a basic minimum income. Therefore, any income available to recipients generally was supplemented up to the level of income defined by the program. This had the effect of imposing a 100-percent tax on all other income including earnings since the amount of the benefit was decreased dollar for dollar by any increase in other income.

With the increase in recent years in numbers of recipients in the income-tested programs, especially AFDC, considerable attention has been given to the work disincentive effects of a 100-percent tax on earnings, and various methods are being utilized to encourage employment and enable assistance recipients to increase their total income through employment. At present most income-tested programs provide for exclusion of some income, disregard of some earnings, and benefit reduction rates of less than 100 percent as earnings increase. But each program sets its own income limits, definitions of income to be considered, income which may be excluded, initial amounts of earnings to be disregarded (including treatment of work expenses), and benefit reduction rates on remaining earnings. Thus, some programs base eligibility and benefit amount on gross

[7] These programs include Old Age Assistance (OAA), Aid to the Permanently and Totally Disabled (APTD), Aid to the Blind (AB), Aid to Families with Dependent Children (AFDC) and Aid to Families with Dependent Children—Unemployed Father (AFDC-UF).

income, others on net, with varying definitions of what taxes, work expenses, and the like can be subtracted in computing the net figure. Some programs offer deductions for minor children, or for "excess" medical expenses, or for burial expenses.

Most income-tested programs still impose 100-percent tax rates on unearned income including cash benefits from other programs, with an established sequence for the order in which program benefits may be computed. The general ordering, where there are multiple benefits, is the following: social insurance; income-tested cash programs exclusive of public assistance (such as veterans (VA) pensions); public assistance; and in-kind programs. For instance, the VA pension program excludes 10 percent of OASDI benefits and all public assistance benefits in determining the income to be counted in computing the amount of the pension. Public assistance payments are reduced dollar for dollar by increases in VA and OASDI benefits. VA pension programs, public assistance, and any retirement or other social insurance income is counted in computing eligibility for and amount of in-kind benefits such as food stamps, housing subsidies, and medicaid. Receipt of public assistance payments but not VA pensions confers automatic eligibility for food stamps [8] and medicaid in States and localities offering these programs.

The program-by-program differences in treatment of earned and unearned income have a variety of results. Individuals or families receiving benefits from more than one program are subjected to multiple benefit reduction rates on the same earnings. In some instances a decrease in benefits from one program is offset by an increase in benefits from the other. For instance, if the mother in a family receiving both AFDC and a VA pension becomes employed, the VA pension is reduced when the VA income disregard and benefit reduction rate are applied. The AFDC program applies a different disregard and benefit reduction rate to the same earnings but also increases the AFDC payment because the VA pension has been reduced. The result is that although the VA pension is reduced, the family's total income generally is affected only by the AFDC treatment of earnings as long as the family receives both types of assistance. A similar situation would exist when a family receives both OASDI and AFDC and the mother goes to work.

In some instances tax rates on earnings are additive, and the combined loss of benefits can approach 100 percent of the additional earnings or other income received by an individual or family. This happens especially when a family, in addition to cash transfer payments, receives in-kind benefits which apply separate tax rates as income increases. For instance, a family may receive AFDC, participate in the food stamp program, live in public housing and receive higher income through an increase in wages. The AFDC payment is reduced by two-thirds of the increase above $30, the family is required to pay more for food stamps, and the public housing rent is increased.

This problem of multiple tax rates and the resultant effect on family income and work incentive is becoming accentuated as the concept that payment for services should increase as income increases is applied to more programs. Programs now requiring increased

[8] This provision applies only to households consisting only of assistance recipients.

payment with increased income include: food stamps, housing subsidies, medicaid (for persons not receiving public assistance), school lunches, day care, Headstart, nutrition programs for the elderly, and higher education loans and grants. Still other programs such as surplus food commodities and many social service programs terminate eligibility when income reaches a fixed point.

The combined effect of multiple tax rates on the same income can result in most of the increase being consumed by increased charges or decreased benefits under several programs, or it can result in a "notch" effect when the total loss in benefits is greater than the increase in income. This can happen in programs such as VA pensions, food stamps or UI.

A more serious notch problem occurs when benefits from other programs are dependent upon eligibility for the basic program. For instance, public assistance recipients may lose eligibility for food stamps and medicaid when their income reaches the income limit for assistance eligibility.

This interprogram effect is particularly evident in the OAA (and APTD) programs when social security benefits are increased. As income eligibility limits in the OAA programs are liberalized and as more workers attain social security coverage, more social security beneficiaries become eligible for supplemental OAA payments which also entitle them to medicaid and food stamps. The proportion of OAA recipients who also receive social security benefits increased from 28.5 percent in 1960 to 61.4 percent in 1971. Although OAA programs are providing more adequate assistance, one result is that when social security benefits are increased a growing number of persons (1,277,000 in 1971) who also receive OAA gain little or nothing since their OAA benefits are decreased accordingly. Or, some are made worse off if the increase is sufficient to render them ineligible for OAA and, hence, for the benefits from food and medicaid programs. (About 250,000 APTD recipients, 30,000 AB recipients, 155,000 AFDC families and a number of VA pension beneficiaries also receive OASDI benefits, with similar potential results of little or no net gain when benefits are increased.) They may also lose eligibility for some State or local benefits based on income or receipt of public assistance such as tax credits for property taxes or sales taxes, or reduced charges for utilities, garbage collection, etc. One measure of the lack of good social accounting procedures is our inability to confidently predict who will lose and who will gain from the 20-percent social security increase scheduled for October 1, 1972.

Accounting Periods

The impact of proliferating programs and combined benefit reduction rates is softened somewhat by long and variable benefits adjustment periods and administrative confusion. Of necessity the analyst must discuss adjustments in benefits when income rises or falls as if these adjustments occur simultaneously. They do not. Public housing rents are generally adjusted upward only once a year, although *downward* adjustments may occur more frequently if tenants incur income losses. Veterans pensions also are adjusted annually, but increases in pension amounts may occur more frequently. Immediate downward adjustments are limited to such events as the remarriage of a widow and do not apply to general income increases. Most subsidized home ownership program benefits are adjusted annually or every 2 years to income and circumstance changes. Unemployment compensation is adjusted more rigorously and more frequently, usually weekly. By regulation, the circumstances of families receiving AFDC and of persons receiving old-age assistance, aid to the blind, or aid to the permanently and totally disabled must be reviewed every 6 months and every year, respectively. Changes in grant amounts are made at these times. Theoretically, public assistance recipients are required to report any income changes during recertification periods, but, as in public housing and veteran's pensions, administrators are more likely to learn of changes when the result would be a grant increase.

There is considerable local discretion and variation in such practices in the nonfederally administered programs. These factors, when combined with normal time lags in agency response to income changes, mean that not only the benefit reduction rates but the timeliness with which they are imposed affect the recipient's real and perceived gain and loss from income changes: real, because if benefits are not reduced for 6 months after employment begins, the recipient's total income and benefits are substantially higher than if the accounting period and benefit adjustments were weekly; perceived, because the impact of high combined benefit reduction rates will occur well in the future.

These comments and observations are illustrative and not exhaustive. They indicate the need for continuing analysis and evaluation of the purpose, effects, and linkages of income maintenance and income support programs.

CASH TRANSFER PROGRAMS

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 supplemental information 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 1971 and 1972, the combined tax rate for employee and employer for OASDI is 9.2 percent paid on all earnings up to $7,800 in 1971 and up to $9,000 in 1972; the tax rate for the self-employed is 6.9 percent on the same amounts. The employee's share of the tax for OASDI is deducted from his earnings along with the tax for hospital insurance of 0.6 percent for a total tax of 5.2 percent on earnings up to $9,000 in 1972.[1]

Costs

Fiscal year	*Amount of benefits (in millions)*	*Number of beneficiaries*
1971	$34, 482	26, 764, 000
Estimated 1972	39, 502	27, 739, 000
Estimated 1973	43, 834	28, 648, 000

NOTE.—**Amendment of June 1972 adds $3,700,000,000 to fiscal year 1973 estimate.**

[1] Legislation enacted in June 1972 increases the benefits by 20 percent effective September 1972, and increases the employee (and employer) tax including hospital insurance tax to 5.5 percent of earnings up to $10,800 beginning January 1973, with a further increase in the wage base to $12,000 in January 1974. Beginning in 1975, provision is made for automatic increases in the wage base as national wage levels increase and for automatic increases in benefits when the Consumer Price Index increases by 3 percent or more.

The number of beneficiaries at the end of July 1971 include the following:

	Number
Retired and disabled workers	15, 261, 000
Wives and dependent husbands	2, 976, 000
Children (dependent and survivors)	4, 192, 000
Surviving mothers of eligible children	526, 000
Surviving widows and widowers	3, 306, 000
Parents	28, 000
Special benefits, age 72	493, 000
Total	26, 782, 000

The administrative costs in fiscal year 1971 were $741,674,000 or 2.1 percent of total expenditures.

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 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, and must have been disabled for at least 6 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.—For persons born in 1929 or after, 40 quarters or 10 years of coverage is required for fully insured status. For persons born before 1929, one quarter of coverage for each of the number of years between 1950 and the year of reaching age 65 or age 62 for women is required for fully insured status. Once acquired, fully insured status is retained even if the individual has no additional periods of covered employment.

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 [1] 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 son or daughter age 18 or over if continuously disabled since before reaching age 18; and a wife of any age who is caring for a child under 18 or disabled who is entitled to benefits.

Survivors insurance.—The following dependents are eligible for benefits: A widow age 60 or older, or a dependent widower [2] age 62 or older; an unmarried child under 18, an unmarried child age 18 to 22 who is a full-time student, and an unmarried son or daughter age 18 or over if continuously disabled since before reaching age 18; a widow 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 her 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.

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 (wages and net earnings from self-employment) in excess of $1,680 but less than $2,880 per year, and all earnings in excess of $2,880 per year, 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 $140 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.

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.

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[2] 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.

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 monthly 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	X [1]	
(b) From property		X
(c) From public transfers:		
(i) Workman's compensation	X [2]	
(ii) Railroad Retirement	X [3]	
(iii) Other		X
(d) From private transfers		X
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.[4]		
Uses of income. (Uses of income by beneficiaries or dependents have no direct effect on OASDI benefit levels) [4]		

[1] Annual earnings below \$1,680 and ½ between \$1,680 and \$2,880 reduce OAI and SI benefits in any month in which earnings are more than \$140. When annual earnings exceed \$2,880, any income in excess of \$240 a month reduces benefits dollar for dollar for that month. Earnings affect DI only through eligibility determination.

[2] Workman's compensation affects only DI benefits. If combined Workman's Compensation and DI benefits exceed 80 percent of average monthly earnings before disability, DI benefits decline to bring the total down to 80 percent.

[3] 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.

[4] Dependents between 18 and 21 qualify for OASDI 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.[3] 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 receipients 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 in which he reaches age 65 (62 for women) or becomes disabled; the computation period which results in the highest benefit is the one used. The 5 years with the lowest earnings are excluded in determining the average monthly earnings. Workers coming on the retirement benefit rolls at age 62 to 65 receive permanently reduced benefits.

The monthly benefit for dependents and survivors is calculated as a percentage of the monthly benefit received by the retired or disabled worker or which would have been received by a deceased worker. Total family benefits are limited by a fixed maximum amount related to the worker's 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 monthly benefit before actuarial reduction. Eligible spouses, other than wives with eligible children in their care, who apply for benefits beginning at age 62 to 65 receive permanently reduced benefits.

Survivors.—Eligible widows and eligible dependent widowers who are without eligible children are entitled at age 62 to an amount equal to 82.5 percent of the amount the deceased worker received or would have received before actuarial reduction. An eligible dependent parent

[3] 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, Soviet zone of Germany, and U.S.S.R.

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also 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, and widows under age 62 with eligible children, are entitled to 75 percent each. Disabled widows and widowers who apply for benefits between the ages of 50 and 62 and other widows who apply for benefits at age 60 to 62 receive permanently reduced benefits.

Family maximum.—No family or family member, 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.—There is no provision for automatic benefit increases related to the cost of living, but benefit amounts have been increased periodically through congressional action. A bill presently before Congress would provide for automatic increases in benefits related to increases in the cost of living and for automatic increases in the wage base related to increases in wage levels.[4]

Amounts of benefits.[5]—The minimum monthly benefit for a rework retiring at or after age 65 or a disabled worker is $70.40. For a worker retiring at age 62, the minimum is $56.40. The maximum possible monthly benefit for a worker retiring at age 65 in 1971 is $213.10. For a worker retiring at age 65 in 1972 the maximum is $216.10. Eventually, the maximum will be $295.40 for a worker with the highest possible creditable average monthly earnings under the present limit of $9,000 annual wages.

The maximum family benefit based on the minimum primary benefit, which is payable when average creditable annual earnings are $923 or less, is $105.60. With average annual covered earnings of $5,400, the primary benefit is $208.80, and the maximum family benefit is $389.90. With average annual earnings at $9,000, the highest family benefit will be $517 per month.

The average monthly benefit in July 1971 for retired workers was $131.36; for spouses of retired workers, $68.09; for children of retired workers, $49.42. The average benefits for survivors were as follows: Mothers of eligible children, $95.28; children, $90.65; aged and disabled widows and widowers, $112.73; parents, $114.02; special payments to persons age 72 and over, $48.08 for the primary beneficiary, and $24.18 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 $4,000 would entitle the worker to a benefit equivalent to the poverty level for a single adult. Average annual earnings of about $5,000 would provide maximum family benefits equivalent to the poverty level for a family of four persons. One-fourth of OASDI beneficiaries in 1971 had total incomes below the poverty level, and another 35 percent were raised above the poverty level with the receipt of OASDI benefits.

[4] Amendment enacted June 1972. Automatic increases in wage base and benefits to be effective in 1975.
[5] Benefit increases of 20 percent effective September 1972 are not included in this section.

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 on the death of the insured; the amount of this payment is ordinarily three times the amount of the deceased worker's primary insurance amount or $255, whichever is less.

Hospital insurance.—Beneficiaries age 65 and over 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 $48.30 for an eligible individual or $72.50 if both husband and wife are eligible. The payment is not made to persons receiving or included in OAA, AB, APTD, or AFDC 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 workman's compensation and veteran's service-connected compensation. This portion of the social security program is financed almost entirely from 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 any 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.)

History of the Provisions of Old-Age, Survivors, Disability, and Health Insurance* [1]

Employment covered [2]

Act	*Compulsory*
1935	All workers in commerce and industry (except railroads) under age 65 in continental United States, Alaska, and Hawaii, an on American vessels. (Covered after 1936.)
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 beginning after January 1, 1954). Additional regularly employed farm and domestic workers. Homeworkers.
1956	Members of the uniformed services. Remainder of professional self-employed except doctors (taxable year beginning after January 1, 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 beginning January 1, 1965, or after). Tips for employee tax only.
1967	Ministers (unless exemption is claimed on grounds of conscience or religious principles). Taxable year beginning after January 1, 1967.

[1] The word "Act" represents legislation in the year shown (except that the 1967 act was signed Jan. 2, 1968). Includes legislation through Mar. 17, 1971.

[2] Unless otherwise noted, coverage begins on the first of January after the year of the act; for the self-employed, at the beginning of the taxable year after the year of the act.

*Source: Social Security Bulletin, Statistical Supplement, 1970, DHEW, Social Security Administration.

Act	*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.
	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.
1965	Members of certain religious sects may obtain exemption from self-employment coverage (retroactive to 1951).
1967	Ministers placed under compulsory coverage.
	Gratuitous for members of Armed Forces
1946	Fully insured status and average monthly wage of $160 for World War II veterans who died within 3 years after discharge.
1950	Wage credits of $160 per month of service during World War II (September 16, 1940, to July 24, 1947).
1952	Same wage credits to December 31, 1953.
1953	Same wage credits to June 30, 1955.
1955	Same wage credits to March 31, 1956.
1956	Same wage credits to December 31, 1956.
1967	Wage credits of $100 for each $100 (or fraction thereof) of basic pay not in excess of $300 per quarter, beginning 1968.

INSURED STATUS

Act	*Quarter of coverage (QC)*
1939	Calendar quarter in which $50 of wages is earned. Four QC are credited for covered earnings equal to maximum limitation for the year.
1946	Calendar quarter in which $50 of wages is paid.
1950	Calendar quarter credited with $100 of self-employment income (reported annually).
1954	Calendar quarter credited with $100 of agricultural wages (reported annually).
	Disability definition
1954	Inability to engage in substantial gainful activity because of any medically determinable permanent physical or mental impairment.
1965	Disability lasting at least 12 months. For blind aged 55–64, inability to engage in usual occupation.

Act

1967 Disability that precludes engagement in any substantial gainful work existing in the national economy. For surviving spouse, disability precluding any gainful activity.

Period of disability

1954 Continuous period of at least 6 months of disability as defined above or of blindness.

Fully insured

1935 Cumulative wages of $2,000 and employment in each of 5 years after 1936 and before age 65.

1939 QC equal to one-half the quarters elapsed after 1936 (or quarter aged 21) and before quarter of death or age 65. Minimum 6 QC, maximum 40 QC.

1950 Elapsed period measured after 1950 (QC earned at any time are used).

1954 Period of disability excluded from elapsed period.
Alternatively, QC earned in all quarters after 1954 and before quarter aged 65, with minimum of 6 such QC.

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).

1960 QC requirement reduced to one-third the elapsed quarters.

1961 QC equal to years elapsed after 1950 (or year aged 21) and before year of death or age 65 (62 for women).

Currently insured

1939 6 QC earned in 12 quarters preceding quarter of death.

1946 6 QC earned in preceding 13 quarters, including quarter of death.

1950 Including quarter of retirement.

1954 Including quarter of disablement.

Disability insured

1954 20 QC earned in last 40 quarters, including quarter of disablement.

1956 Fully insured requirement added.

1960 Alternatively, 20 QC and QC earned in all quarters after 1950, with a 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.

Transitional insured

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

Insured for special montly cash benefit

1966 3 QC for each year elapsed after 1966 and before age 72.

Hospital insured

1965 Social security or railroad retirement beneficiary, or age 65 before 1968, or 3 QC for each year elapsed after 1965 and before age 65.

1967 Or 3 QC for each year elapsed after 1966 and before age 65.

BENEFIT FORMULA

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.

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.

1939 Formula applies to AMW computed for period after 1936: 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 amount increased under conversion table. Effective for September 1950.

Modified by 1967 Act to distribute total 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. Increase of about 77% in benefit level—from 100% at lowest level to 50% at highest level.

1952 55% of first \$100 plus 15% of next \$200. Effective for September 1952. Increase of the greater of 12½% or \$5 in benefit level.

1954 55% of first \$110 plus 20% of next \$240. Effective for September 1954. Increase of at least \$5 (approximately 13%) in benefit level.

1958 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.

Act

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 approximately 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 approximately 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.

MONTHLY BENEFITS

INSURED WORKER

Act	Type of benefit	Percent of PIA	Conditions
1935	Retired worker aged 65 and over		Fully insured. Amount based on cumulative wages.
1939		100	
1956	Woman aged 62–64		Reduced 5/9 percent per month under age 65.
1961	Man aged 62–64		Reduced 5/9 percent per month under age 65.
1956	Disabled worker aged 50–64	100	Disability and currently insured. Waiting period of 6 calendar months. Reduced by amount of workmen's compensation.
1958			Currently insured requirement and reduction for workmen's compensation eliminated.
1960	Under age 65		
1965			Reduced if benefits plus workmen's compensation exceed 80 percent of the higher of AMW or high-5-year average earnings in covered employment (adjusted periodically for rises in wage levels).

DEPENDENTS OF RETIRED-WORKER BENEFICIARY

Act	Type of benefit	Percent of PIA	Conditions
1939	Wife aged 65 and over	50	Fully insured.
1950	Under age 65		Caring for eligible child.
1956	Aged 62–64		Reduced 25/36 percent 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	Fully insured.[1] Student at age 16–17.
1946			Student requirement eliminated.
1956	Aged 18 and over		Disabled before age 18.
1965	Aged 18–21		Full-time student.
1950	Husband aged 65 and over	50	Fully and currently insured. Dependent.
1961	Aged 62–54		Reduced 25/36 percent per month under age 65.
1967			Currently insured requirement eliminated. Maximum $105.
1969			Maximum eliminated.
1965	Divorced wife aged 65 and over	50	Fully insured. Dependent. Married 20 years.
	Aged 62–64		Reduced 25/36 percent per month under age 65.
1967			Maximum $105.
1969			Maximum eliminated.

DEPENDENTS OF DISABLED-WORKER BENEFICIARY

Act	Type of benefit	Percent of PIA	Conditions
1958	Same as dependents of retired-worker beneficiary.	50	Disability insured. Same as dependents of retired-worker beneficiary.

*Legislation enacted in June 1972 increased benefits by 20 percent, effective September 1972.

MONTHLY BENEFITS—Continued

SURVIVORS

Act	Type of benefit	Percent of PIA	Conditions
1939	Widowed mother, any age	75	Fully or currently insured. Caring for eligible child.
1965			Eligible child excludes student aged 18–21.
1939	Widow aged 65 and over	75	Fully insured.
1956	Aged 62–64		
1961	Aged 62 and over	82½	
1965	Aged 60–61		Reduced 5/9 percent per month under age 62.
1967	Aged 50–59		Disabled. Reduced 13⅓ percent plus 43/198 percent per month under age 60.
1939	Child under age 18	50	Fully or currently insured.[1] Student at age 16–17.
1946			Student requirement eliminated.
1950			Plus 25 percent of PIA divided among the children.
1956	Aged 18 and over		Disabled before age 18.
1960		75	Additional 25 percent of PIA eliminated.
1965	Aged 18–21		Full-time student.
1939	Parent aged 65 and over	50	Fully insured. Dependent. No surviving widow or child under age 18.
1946			No surviving eligible widow or child.
1950		75	
1956	Woman aged 62–64		
1958			No other survivor requirement eliminated.
1961	Aged 62 and over	82½	75 percent each if 2 parents.
1950	Widower aged 65 and over	75	Fully and currently insured. Dependent.
1961	Aged 62 and over	82½	
1967			Currently insured requirement eliminated.
	Aged 50–61		Disabled. Reduced 5/9 percent per month between age 60–62 plus 43/198 percent per month under age 60.
1950	Divorced wife, any age	75	Fully or currently insured. Dependent. Caring for eligible child.
1965			Eligible child excludes student aged 18–21.
1965	Divorced wife, aged 62 and over	82½	Fully insured. Dependent. Married 20 years.
	Aged 60–61		Reduced 5/9 percent per month under age 62.
	Aged 60–61		Reduced 5/9 percent per month under age 62.
1967	Aged 50–59		Disabled. Reduced 13½ percent plus 43/198 percent per month under age 60.

TRANSITIONAL INSURED WORKER

Act	Type of benefit	Conditions
1965	Worker aged 72 and over	$35.
1967		$40.
1969		$46.
1971		$48.30.
1965	Wife aged 72 and over (dependents of transitional insured worker).	Monthly payment equals ½ the rate of worker.
1965	Widow aged 72 and over (survivors of transitional insured worker).	Monthly payment equals rate of worker.

SPECIAL MONTHLY CASH BENEFITS

Act	Type of benefit	Conditions
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.

[1] 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.

MAXIMUM AND MINIMUM PROVISIONS

Act	Maximum AMW	PIA: Minimum [1]	PIA: Maximum	Minimum sole survivor benefit [2]	Maximum family benefit: Maximum amount	Maximum family benefit: Percent of AMW	Maximum family benefit: Not less than larger of—	Maximum PIA for man aged 65 in year following year of act
1935		$10.00	$85.00					
1939	$250		(3)	$10.00	$85.00	80 percent (2 × PIA if less)		$41.20
1950	300	20.00	80.00	15.00	150.00	80 percent of first $187.50	$40	68.50
1952		25.00	85.00	18.80	168.75	80 percent of first $210.93	$45	85.00
1954	350	30.00	108.50	30.00	200.00	80 percent of first $250	$50 or 1½ PIA	98.50
1958	400	33.00	127.00	33.00	254.00	80 percent of first $317.50	$20+PIA or 1½ PIA	116.00
1961		40.00		40.00			1½ PIA	121.00
1965	550	44.00	168.00	44.00	368.00	80 percent of first $370+40 percent of next $180		132.70
1967	650	55.00	218.00	55.00	434.40	80 percent of first $436+40 percent of next $214		156.00
1969		64.00	250.70	64.00				189.80
1971	750	70.40	295.40	70.40	517.00	88 percent of first $436+44 percent of next $191 [4]		216.10

[1] Minimum subject to reduction if claimed before age 65.
[2] Minimum subject to reduction if claimed before age 62.
[3] Not specified. Effective maximum $45.60.
[4] For AMW of $628 or more, 1.75 times PIA.

OTHER BENEFITS

Act	Type of benefit	Conditions
1935	Lump-sum refund at age 65	Not insured.—3½ percent of cumulative wage credits.
1939		Refund eliminated.
1935	Lump-sum death payment under age 65	3½ percent of cumulative wage credits.
	Aged 65 and over	Fully insured.—3½ percent of cumulative wage credits, less monthly benefits received.
1939	Any age	Fully or currently insured.—6 times PIA if no survivor eligible for monthly benefits.
1950		3 times PIA for all deaths.
1954		Maximum of $255 specified.
1954	Period of disability, aged 50–64	Disability and currently insured.—Period excluded in computation of AMW.
1958		Currently insured requirement eliminated.
1960	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.
1965	Hospital, aged 65 and over	Hospital insured.—Hospital and post-hospital care in spell of illness: inpatient hospital, 90 days; extended-care facility, 100 days; home health services, 100 visits. Outpatient hospital diagnostic services. Deductible and coinsurance provisions.
1967		Lifetime reserve of 60 additional inpatient hospital days. Outpatient services transferred to supplementary medical.
1965	Supplementary medical, aged 65 and over	Voluntary participation with premium payment; no insured-status requirement. Physician and related services; 100 home health services visits in calendar year. Deductible and coinsurance provisions.
1967		Outpatient hospital diagnostic services.

EARNINGS TEST

Act	Beneficiaries exempt	Earnings subject to test	Amount permitted without reduction in benefits: Annual earnings	Amount permitted without reduction in benefits: Monthly wages [1]	Reduction in monthly benefits
1935		Covered			Full monthly benefit.
1939				$14.99	
1950	Aged 75 and over		[2] $600	50.00	
1952			[2] 900	75.00	
1954	Aged 72 and over	All [3]	1,200	80.00	One month's benefit for each $80 or fraction thereof.
1956	Disabled				
1958				100.00	
1960					$1 for each $2 of earnings from $1,201–$1,500. $1 for each $1 of earnings over $1,500.
1961					$1 for each $2 of earnings from $1,201–$1,700. $1 for each $1 of earnings over $1,700.
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.
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.

[1] Monthly test for self-employment income is defined in terms of substantial gainful services.
[2] Applied to self-employment income only.
[3] Special provisions for earnings in noncovered employment outside United States.

EFFECTIVE EARNINGS BASE AND ACTUAL CONTRIBUTION RATE

Beginning—	Annual earnings base	Contribution rate (percent): Employer and employee, each: Total	OASI	DI	HI	Self-employed: 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
Future schedule: [1]									
1973–75	9,000	5.65	4.45	.55	.65	7.65	6.175	.825	.65
1976–79	9,000	5.85	4.6	.55	.7	7.7	6.175	.825	.7
1980–86	9,000	5.95	4.6	.55	.8	7.8	6.175	.825	.8
1987 and after	9,000	6.05	4.6	.55	.9	7.9	6.175	.825	.9

[1] Changed by amendment enacted June 1972.

MAXIMUM AMOUNT OF CONTRIBUTION

Beginning—	Employee: Total	OASI	DI	HI	Self-employed: Total	OASI	DI	HI
Annual:								
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		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	364.50	49.50	54.00	675.00	546.75	74.25	54.00
Cumulative:								
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
1937–72	4,639.20	3,981.30	360.60	297.30	6,165.60	5,327.40	540.90	297.30

MEDICARE COST-SHARING AND PREMIUMS

Beginning—	Hospital benefits in "benefit period": Inpatient hospital deductible	Hospital benefits in "benefit period": Inpatient hospital daily coinsurance: After 60 days	Hospital benefits in "benefit period": Inpatient hospital daily coinsurance: After 90 days	Hospital benefits in "benefit period": Extended-care facility daily coinsurance after 20 days	Outpatient hospital diagnostic services: Deductible	Outpatient hospital diagnostic services: Coinsurance (percent)	Supplementary medical: Annual deductible	Supplementary medical: Coinsurance (percent)	Supplementary medical: Monthly premium
July 1966	$40	$10	[1]	[1]	[2] $20	20	$50	20	$3.00
January 1967			[1]	$5.00					
January 1968			$20						
April 1968					[3]		[4]	[4]	4.00
January 1969	44	11	22	5.50					
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

[1] Benefit not provided.
[2] Deductible applied to supplementary medical deductible.
[3] Transferred to supplementary medical.
[4] Professional inpatient services of pathologists and radiologists not subject to deductible or coinsurance.

APPROPRIATIONS AUTHORIZED FROM GENERAL REVENUES

Act

1935 Annual appropriations to the old-age reserve account to provide for payments; direct appropriation to pay for administrative expenses.

1939 Trust fund created from which payments and administrative expenses were to be made.

1944 General authorization, to finance benefits and payments.

1947 For cost of gratuitous military service wage credits.

1950 General authorization repealed.

1956 For cost of gratuitous military service wage credits.

1965 For cost of hospital benefits for individuals not entitled to monthly railroad retirement or social security benefits other than special benefits for the noninsured aged. Amount equal to participant premiums for supplementary medical.

1966 For cost of monthly benefits for persons with less than 3 QC.

EXAMPLES OF MONTHLY CASH BENEFIT AWARDS TO SELECTED BENEFICIARY FAMILIES UNDER THE 1969 AND 1971 AMENDMENTS TO THE SOCIAL SECURITY ACT

Beneficiary family	Average monthly earnings of insured worker												
	$76 or less	$100	$150	$200	$250	$300	$350	$400	$450	$500	$550	$650	$750
	Benefit awards under the 1969 amendments [1]												
Retired worker claiming benefits at age 65, or disabled worker:													
Worker alone	64.00	82.30	101.70	116.90	132.30	146.20	161.50	176.70	189.80	204.20	218.40	250.70	---------
Worker with spouse claiming benefits at—													
Age 65 or over	96.00	123.50	152.60	175.40	198.50	219.30	242.30	265.10	284.70	306.30	327.60	376.10	---------
Age 62	88.00	113.20	139.90	160.80	182.00	210.10	222.10	243.00	261.00	280.80	300.30	344.80	---------
Worker, wife and 1 child	96.00	123.50	152.70	175.50	202.50	240.00	280.90	322.50	354.40	374.80	395.60	434.50	---------
Retired worker claiming benefits at age 62:													
Worker alone	51.20	65.90	81.40	93.60	105.90	117.00	129.20	141.40	151.90	163.40	174.80	200.60	---------
Worker with spouse claiming benefits at—													
Age 65 or over	83.20	107.10	132.20	152.10	172.10	190.10	210.00	229.70	246.80	265.50	284.00	326.00	---------
Age 62	75.20	96.80	119.60	137.50	155.60	171.90	189.80	207.70	223.10	240.00	256.70	294.70	---------
Widow claiming benefits at—													
Age 62 or over	64.00	67.90	84.00	96.50	109.20	120.70	133.30	145.80	156.60	168.50	180.20	206.90	---------
Age 60	55.50	58.90	72.80	83.70	94.70	104.70	115.60	126.40	135.80	146.10	156.20	179.40	---------
Disabled widow claiming benefits at age 50	38.90	41.30	51.00	58.60	66.30	73.30	80.90	88.50	95.00	102.20	109.20	125.50	---------
Widow and 1 child	96.10	123.60	152.70	175.50	202.50	230.40	254.50	278.40	299.00	321.70	344.00	395.00	---------
Widowed mother and 1 child	96.00	123.60	152.60	175.40	198.60	219.40	242.40	265.20	284.80	306.40	327.60	376.20	---------
Widowed mother and 2 children	96.00	123.60	152.70	175.50	202.50	240.00	280.80	322.50	354.60	375.00	395.70	434.40	---------
Maximum family benefits	96.00	123.50	152.60	175.40	202.40	240.00	280.80	322.40	354.40	374.80	395.60	434.40	---------
	Benefit awards under the 1971 amendments [1]												
Retired worker claiming benefits at age 65, or disabled worker:													
Worker alone	70.40	90.50	111.90	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	167.90	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	153.90	176.90	200.20	221.30	244.40	267.30	287.10	309.00	330.50	379.30	406.20
Worker, wife and 1 child	105.60	135.90	167.90	192.90	222.70	264.00	309.89	354.70	389.90	412.30	435.20	482.70	517.00
Retired worker claiming benefits at age 62:													
Worker alone	56.40	72.50	89.60	102.90	116.50	128.80	142.20	155.60	167.10	179.80	192.30	220.70	236.40
Worker with spouse claiming benefits at—													
Age 65 or over	91.60	117.80	145.60	167.20	189.30	209.30	231.10	252.80	271.50	292.20	312.50	358.60	384.10
Age 62	82.80	106.50	131.60	151.20	171.10	189.20	208.90	228.50	245.40	264.10	282.50	324.20	347.20
Widow claiming benefits at—													
Age 62 or over	70.40	74.80	92.40	106.10	120.20	132.80	146.70	160.40	172.30	185.40	198.30	227.60	243.80
Age 60	61.10	64.90	80.10	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 50	42.80	45.50	56.10	64.40	72.90	80.50	89.00	97.30	104.50	112.40	120.30	138.00	147.70
1 surviving child	70.40	70.40	84.00	96.50	109.20	120.70	133.30	145.80	156.60	168.60	180.30	206.90	221.60
Aged widow and 1 child	105.60	135.90	167.90	192.90	222.70	253.50	280.00	306.20	328.90	354.00	378.60	434.50	465.40
Widowed mother and 1 child	105.60	135.90	167.90	192.90	218.40	241.40	266.60	291.80	313.20	337.20	360.60	413.80	443.20
Widowed mother and 2 children	105.60	135.90	167.90	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	167.90	192.90	222.70	264.00	308.90	354.70	389.90	412.30	435.20	482.70	517.00

[1] For beneficiaries on the rolls before enactment of 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 15 percent under the 1969 amendments and 10 percent under the 1971 amendments, irrespective of the applicable maximum family benefit amount.

RAILROAD RETIREMENT BENEFITS—RETIREMENT, DISABILITY, AND SURVIVOR'S INSURANCE

Basic Program Information

Legislative objective.—To partially replace income lost to railroad workers and their families because of retirement due to age or disability, or income lost to surviving dependents due to death of the worker.

Date enacted and major changes since enactment.—Enacted in 1935 to provide benefits to workers retiring at ages 65 and over or reduced benefits at ages 50–64 after 30 years of service; and to workers under age 65 with 30 years of service retired by the employer for disability. Amendments in 1937 confined prenormal age retirements to employees aged 60–64, and limited disability retirements to employees totally and permanently disabled, but permitted such retirements at ages 60–64 on reduced annuities to employees with less than 30 years of service. Amendments in 1946 provided monthly benefits to survivors and liberalized requirements for disability benefits. In 1951 benefits to spouses of retired workers were added and closer coordination with the social security system provided through combining of work records for survivor benefit purposes, a financial interchange between the two systems and a railroad benefit guarantee related to the level of social security payments. Benefits to disabled children of deceased workers were added in 1954 and to disabled widows age 50–59 in 1968. Supplemental benefits to retired workers age 65 with 25 years of railroad employment were added in 1966.

Subsequent amendments also periodically increased the payroll tax rate, wage base, and benefits. The combined employer-employee tax rate and base increased from 7 percent on earnings up to $3,600 in 1946 to 18.7 percent on earnings up to $9,000 in 1972; the rate is to be increased to 19.5 percent in 1973.

Administering agency.—The program is administered by the Federal Railroad Retirement Board through regional and district offices.

Financing.—Railroad retirement benefits to workers, dependents, and survivors are financed primarily by a payroll tax paid half by the insured worker and half by his employer. For wages received during 1972, the combined tax rate (for employee and employer) for railroad retirement is 18.7 percent paid on each month's earnings up to $750 a month.[1] Under the provisions for financial interchange with the social security system, funds are transferred from social security funds which represent the net additional cost to the social security trust funds if railroad employment was covered by social security.

[1] A special Commission on Railroad Retirement has been designated to make recommendations for future funding of Railroad Retirement. At present there are almost 1 million beneficiaries but railroad employment decreased from an average of 1.7 million in 1944–45 to 650,000 in 1970.

Supplemental annuities to retired workers age 65 and over with 25 years or more of service are pay as you go, financed by the employer through a cents rate per hours worked. This tax was 6 cents per hour in most of 1970 and is adjusted quarterly as required by the Railroad Retirement Board.

For the years after 1936 the railroad retirement account has been reimbursed from general revenues for credit for military service.

Costs

Fiscal year	*Amount of benefits (in millions)*	*Number of beneficiaries*
1971	$1, 889	985, 000
Estimated 1972	2, 084	994, 000
Estimated 1973	2, 069	999, 000

Administrative costs in 1971 were $18,849,000 or 1 percent of total program costs.

ELIGIBILITY CRITERIA

MAJOR ELIGIBILITY CONDITIONS.—To be eligible for the program retired workers must have at least ten years of railroad employment.[2] 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 supplementary annuity. (See below.)

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

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 had 25 years of service and a current connection with the railroad industry when the retirement annuity began. After 1973, the worker must discontinue railroad employment by 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 and which prevents the worker from regular performance of duties in any regular or gainful occupation or his regular railroad occupation if he applies under the second condition above.

Survivors (see persons included below) 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

Retirement.—The eligible worker and the wife of a retired beneficiary age 65 or over who is at least 65 years old or has in her care a child (under 18 or disabled) of the employee, or is age 62 to 64 and elects to receive a reduced benefit are included in the program.

[2] See supplement for definition of railroad employment.

A dependent husband (defined as having received at least half of his support from his wife at the time of her retirement) of a worker age 65 or over is eligible at age 65, or for reduced benefits at age 62 to 64.

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 and under age 60 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 22 if attending school full time; an unmarried disabled child 18 or over if disabled before reaching age 18; and if there is no eligible widow, widower, or child, a dependent parent age 60 or older.

INCOME TEST

Income limits.—Entitlement to benefits is subject to a strict retirement test; that is, workers, spouses, or survivors are not entitled to a benefit in any month in which they are employed in the railroad industry, regardless of amount of earnings, and for workers and spouses, in any month in which they work for their last nonrailroad employers (if their last employment before retirement was for a nonrailroad employer). Eligibility for a supplemental benefit is permanently lost if the beneficiary works for the railroad after his mandatory closing or retirement date.

The wife's or spouse's benefits are also suspended if the primary beneficiary is employed but the primary beneficiary's benefits are not affected if the wife's benefits are suspended because of her employment.

Benefits payable under the special guarantee[3] to disabled beneficiaries under age 65 and to survivors under age 72 may be reduced by the amount of countable earnings from nonprohibited employment; and benefits may also be reduced by all or part of social security benefits received by the beneficiary.

Treatment of earned income.—Where benefits are computed under the special guarantee, part of the benefit added because of that guarantee is not payable if the beneficiary, either an eligible retiree or an eligible spouse, earns more than $1,680 a year in nonprohibited employment while under age 72.

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, but no deductions will be made for months in which he earns $200 or less.

For survivors under age 72, except disabled widows and children, half of the first $1,200 of annual earnings in excess of $1,680 and all additional earnings are deducted from insurance benefits but no deduction is made for a month in which earnings are $140 or less. Earnings of disabled widows and widowers and disabled children over 18 are subject to special review.

Treatment of unearned income.—If a retired worker or his wife also receives a social security benefit, his railroad benefit, computed under a formula other than the special guarantee, is reduced to allow for the

[3] The special guarantee or overall minimum provision insures that total monthly benefits, including any OASDI benefits, must equal at least 110 percent of the amount that would have been payable under OASDI if the employee's railroad service after 1936 had been covered by that system.

increases in social security benefits after 1965, except that the 1971 increase did not provide an offset.

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

When benefits for a retired worker and spouse or for the surviving family are determined under the special guarantee (overall minimum), any social security benefits received by family members are wholly deducted from the railroad benefit.

No one may receive survivors benefits under both railroad retirement and social security based on the earnings record of the same person. Survivors benefits paid by social security or railroad retirement are based on combined railroad and social security earnings credits (see table).

TABLE 1.—TREATMENT OF INCOME UNDER RAILROAD RETIREMENT PROGRAM

Sources of income	In determining eligibility for and amount of benefits, current income is taken into account as follows— Income considered	Income not considered
1. Income of retired workers:		
(a) From gross earnings	X [1]	
(b) From property		X
(c) From public transfers:		
(i) Social security	X [2]	
(ii) Other		X
(d) From private transfers		X [5]
2. Income of survivors and dependents:		
(a) From gross earnings	X [3]	
(b) From other sources		
(i) Social security	X [4]	

[1] Benefit levels of recipients under 72 do not decline for annual earnings up to $1,680; decline 50¢ for each dollar earned between $1,680 and $2,880; and decline $1 for each dollar earned about $2,880. Benefits of recipients over 72 are independent of current earnings.

[2] Railroad benefits of those receiving social security are reduced to allow for most increases in social security benefits since 1965. Where benefits are computed under the special guarantee, any social security benefits are wholly deducted from the railroad benefit.

[3] The treatment in (a) applies to survivors under 72, except disabled widows and children.

[4] No one may receive survivors benefits under railroad retirement and social security based on the earnings record of the same person. Those survivors receive benefits are based on combined railroad and social security credits. Where benefits are computed under the special guarantee, any social security benefits are wholly deducted from the railroad benefit.

[5] Only 1 type of private transfers—a private railroad pension attributable to the employer's contribution—is considered as income and reduces the supplemental benefits.

Note: Uses of income —Uses of income have no direct effect on railroad retirement eligibility or benefit levels.

Accounting period.—The accounting period is monthly.

ASSETS TEST.—There is none.

OTHER CONDITIONS

Work requirement.—There is none.

Acceptance of training or rehabilitation.—There are no requirements.

Citizenship.—There is no requirement.

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

Residence requirement.—If a beneficiary is under 72, an annuity computed under the special guarantee may be reduced to the amount payable under the regular railroad formulas for months in which the beneficiary works 7 or more days outside the United States.

Benefits and Services

Cash benefits

Primary determinants of amount of benefit.—For retired and disabled workers the regular annuity is based on the employee's average monthly compensation (AMC) which was subject to the payroll tax and the employee's years of service. Eligible retired workers who apply for benefits before reaching age 65 receive reduced benefits. The amount of the basic annuity is determined by (1) multiplying the number of years of service by 3.58 percent of the first $50 of average monthly pay, 2.69 percent of the next $100 and 1.79 percent of the remainder up to $500; and (2) a table increase based on AMC, the total increased by percentages specified in recent amendments, subject to offset for the receipt of a supplemental annuity and for increases in social security benefits received as the result of amendments to the Social Security Act after 1965 and except the 1971 increase.

The supplemental annuity, which is paid in addition to the regular annuity, is normally equal to $45 plus $5 for each year of service over 25, up to a maximum of $70 for 30 or more years of service.

The survivor's annuity is computed from a "basic amount" which is based on the deceased worker's combined railroad and social security average monthly earnings, which were subject to the payroll tax, and years of service after 1936, or alternatively under the special guarantee if it produces a higher benefit. (See supplement for additional information on computation of benefits.)

Relationship of benefit amount to family size.—The spouse of a retired worker receives a benefit equal to half of the employee's regular annuity, before any reductions are made, up to a maximum which is 110 percent of the highest amount any spouse could receive under social security. Spouses whose eligibility is not based on caring for a child and who apply for benefits (age 62–64) receive reduced benefits.

Under the special guarantee, the benefits payable to a retired employee and his spouse or to a disabled worker or survivor cannot be less than 110 percent of the amount that would have been received if the employee's railroad work has been covered by social security. The effect of this provision is that a worker with dependents who would be eligible under the Social Security Act receives benefits based on the presence of dependents when the guarantee applies even though all dependents may not be entitled to direct payments under the Railroad Retirement Act.

Under the railroad formula for survivors, an aged widow or dependent widower, a widowed mother, or a disabled widow is entitled to the "basic amount," derived from the deceased worker's railroad and social security covered employment and earnings (except that a widow is guaranteed an annuity not less than she received as a wife) and a child or parent is entitled to two-thirds of the "basic amount," up to a family maximum of no more than 2⅔ times the basic amount. A disabled widow who applies for benefits before reaching age 60 receives reduced benefits. Under the special guarantee the benefits payable to a family cannot be less than 110 percent of the amount the family would have received if the deceased worker's railroad work had been covered by social security.

Relationship of amount to cost of living.—There is no direct relationship, but amounts of benefits have been increased periodically through congressional action.

Relationship of amounts to place of residence.—There is no relationship. The benefit formula is applied uniformly regardless of place of residence.

Benefit amounts.[4]—The minimum regular benefit to a retired worker is $77 per month. The maximum possible benefit without the supplement in 1971 was $175.55 for 10 years of service and $408.45 for 35 years of service. The maximum spouse's benefit is $152.

The maximum family benefit under the special guarantee provision ranges from $116 to $444 and will eventually reach $569. Most survivor benefits are paid under this provision, and, therefore, they are paid an amount equivalent to 110 percent of social security payments to families.

Comparison to poverty level.—A retired employee alone or with a spouse on the rolls would receive benefits in amounts above the poverty level if he had at least 20 years of creditable railroad service. The great majority of employees with fewer than 20 years of service also receive social security benefits based on nonrailroad earnings. In such cases, the combined railroad and social security benefits are well above the poverty level. Survivors, widow or widow with two or more children, would usually receive benefits in amounts above the poverty level if the deceased worker had an average monthly pay of $325 or more.

OTHER BENEFITS

Death benefit.—If there are no survivors entitled to a monthly benefit in the month in which the insured worker died, an amount 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 is 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 has not been exhausted by these railroad or OASDI payments. This rebate of the employee's contribution can also be made with respect to workers with less than 10 years of railroad service.

SUPPLEMENTARY MATERIAL

COMPUTATION OF RAILROAD RETIREMENT BENEFITS

REGULAR RETIREMENT BENEFITS

Regular retirement benefits are normally determined on the basis of the retired employee's average monthly compensation during years of railroad service. The following table illustrates the amounts payable:

[4] Legislation pending in August 1972 would increase benefits 20 percent in order to be comparable to OASDI benefit increases.

TABLE 1.—EXAMPLES OF RETIREMENT ANNUITIES PAYABLE AT PRESENT AND IN THE FUTURE TO EMPLOYEES NOT AWARDED A SUPPLEMENTAL ANNUITY

Monthly compensation	Years of service							
	10	15	20	25	30	35	40	45
$250	[1] $98	[1] $138	$177	[1] $217	[1] $256	[1] $296	[2] $336	[2] $375
$300	[1] 111	[1] 156	[1] 202	[1] 247	[1] 292	[1] 338	[2] 383	[2] 428
$350	[1] 125	[1] 176	[1] 227	[1] 277	[1] 328	[1] 379	[2] 429	[2] 474
$400	[1] 138	[1] 195	[1] 251	[1] 308	[1] 365	[2] 421	[2] 470	[2] 520
$450	[1] 151	[1] 213	[1] 276	[2] 338	[2] 400	[2] 457	[2] 511	[2] 566
$500	[1] 164	[1] 232	[2] 300	[2] 368	[2] 434	[2] 494	[2] 553	[2] 612
$550	[1] 178	[2] 251	[2] 325	[2] 399	[2] 466	[2] 530	[2] 594	[2] 658
$600	[2] 194	[2] 273	[2] 352	[2] 430	[2] 499	[2] 568	[2] 637	[2] 706
$650	[2] 210	[2] 295	[2] 380	[2] 459	[2] 533	[2] 607	[2] 681	[2] 754
$700	[2] 221	[2] 312	[2] 402	[2] 484	[2] 562	[2] 641	[2] 720	[2] 799
$750	[2] 232	[2] 329	[2] 424	[2] 508	[2] 592	[2] 676	[2] 759	[2] 843

[1] Present.
[2] Future.

However, for an employee with a current connection with the railroad industry at retirement, regular retirement benefits are computed from the following formula if it results in a higher annuity: The annuity payment (before adding the 1968, 1970, and 1971 amendment increases) equals the least of (1) $89.35, or (2) $5.35 multiplied by the number of years of service, or (3) 118 percent of the monthly compensation.

As described in the outline, annuities are also payable to eligible spouses of retired employees. Spouses' annuities are normally equal to half of the retiree's regular annuity (before any reductions), up to a maximum of $151.70 in 1971 and 1972, $157 in 1973, and $162.50 thereafter.

Regular employee annuities and spouses' annuities are also subject to a special guaranty provision. Under the special guaranty the benefits (other than the supplemental annuity described below) to a retired employee and his wife cannot be less than 110 percent of the amount the family would have received under social security, based on combined railroad and social security service, less benefits payable to family members directly by the social security system. The guaranteed benefit takes into account family members who meet the eligibility provisions of the Social Security Act, even though such persons could not receive benefits directly from the railroad retirement system.

Employees who retire on nondisability annuities before age 65, and spouses without minor or disabled children in their care who elect annuities before age 65, have their annuities reduced by 1/180 for each month they are under age 65 when the annuity begins. But such reductions do not apply to women who retire after 30 or more years of service.

Supplemental retirement benefits

The supplemental annuity is equal to $45 plus $5 for each year of service over 25, up to a maximum of $70 for 30 or more years of service. The supplemental annuity is paid in addition to the regular annuity, but that part of the regular annuity which is due to the 1966 increase is excluded if the beneficiary also receives a supplemental annuity. The following table shows benefits payable to retirees who receive both regular and supplemental annuities:

TABLE 2.—EXAMPLES OF TOTAL RETIREMENT BENEFITS PAYABLE AT PRESENT AND IN THE FUTURE TO EMPLOYEES AWARDED BOTH A REGULAR ANNUITY AND A SUPPLEMENTAL ANNUITY

Monthly compensation	Years of service 25	30	35	40	45
$250	[1] $249	[1] $311	[1] $348	[2] $387	[2] $427
$300	[1] 277	[1] 345	[1] 387	[2] 433	[2] 478
$350	[1] 306	[1] 378	[1] 427	[2] 478	[2] 524
$400	[1] 334	[1] 412	[2] 467	[2] 519	[2] 568
$450	[2] 363	[2] 446	[2] 504	[2] 558	[2] 613
$500	[2] 393	[2] 482	[2] 539	[2] 598	[2] 657
$550	[2] 423	[2] 514	[2] 575	[2] 637	[2] 701
$600	[2] 456	[2] 548	[2] 613	[2] 679	[2] 746
$650	[2] 486	[2] 582	[2] 652	[2] 722	[2] 793
$700	[2] 511	[2] 611	[2] 686	[2] 762	[2] 837
$750	[2] 535	[2] 641	[2] 721	[2] 801	[2] 881

[1] Present.
[2] Future.

SURVIVOR BENEFITS

Survivor benefits are determined on the basis of the deceased workers' average monthly carnings in both railroad and social security employment after 1936 (up to the amount subject to the payroll tax). Survivor benefits are subject to the same special guarantee provision as regular and supplemental retirement benefits, and the great majority of survivor benefits are paid under that provision. The following table illustrates the amounts payable to survivors under the special guarantee:

TABLE 3.—EXAMPLES OF SURVIVOR ANNUITIES

Average monthly earnings	Aged widow, widower, or 1 parent	Disabled widow aged 50	1 child or each of 2 parents	Widowed mother and— 1 child	Widowed mother and— 2 or more children
$250	$132	$85	$120	$240	$245
$300	146	94	133	266	290
$350	161	103	147	293	340
$400	176	113	160	321	390
$450	190	121	172	345	429
$500	204	131	185	371	454
$550	218	140	198	396	479
$600	234	150	213	426	502
$650	250	160	228	455	531
$700	259	166	236	471	550
$750	268	172	244	487	569

The benefit of a disabled widow is reduced by three-tenths of 1 percent for each month the widow is under age 60 when her annuity begins.

EMPLOYMENT COVERED BY RAILROAD RETIREMENT

Service performed by an employee for a covered employer or by an employee representative in the railroad industry is covered by railroad retirement. "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).

FEDERAL-STATE UNEMPLOYMENT COMPENSATION SYSTEM[1]

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) the taxable wage base was increased 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.

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.—This program is financed by a 3.2 percent Federal payroll tax on a legislatively set minimum taxable wage base of $4,200. Subject employers may credit toward the Federal payroll tax the State contributions which they pay under a federally approved State unemployment insurance plan. The stand-

[1] This system includes the following programs:
(1) Federal-State compensation.
(2) Federal-State permanent extended compensation.
(3) Federal-State emergency extended compensation.
(4) Compensation for ex-servicemen.
(5) Compensation for Federal civilian employees.

ard rate of contribution under State laws is generally 2.7 percent, which is also the maximum allowable credit against the Federal tax. The residual 0.5 percent is earmarked for the administration of the program and for the Federal share of the Federal-State extended unemployment compensation program. The funds collected are held for the States in the Unemployment Trust Fund in the U.S. Treasury, and interest is credited to the State accounts. A State draws from its fund to pay the cost of benefits. Congress appropriates annually from the administrative account the funds necessary for administering the State programs.

The taxable wage base under Federal legislation is $4,200, as of January 1, 1972; 23 States had adopted a tax base above the old taxable base of $3,000 provided in the Federal legislation. More than two-thirds of the States provide an automatic adjustment of the wage base if the Federal law is amended to apply a higher wage base than that specified under State law.

Federal law allows the States to vary an employer's rate from the standard rate based on his experience with unemployment. As a result of experience rating, employer tax rates vary in and among the States. There are several different systems for rate determinations which differ greatly in the construction of the formulas, in the factors used to measure experience and the methods of measurement, in the number of years over which the experience is recorded, in the presence or absence of other factors, and in the relative weight given the various factors in the final assignment of rates. In 1970, the national average contribution rate of employers under State laws was 1.34 percent of their taxable payroll.

Unemployment compensation for Federal civilian employees.—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 Federal appropriations from general revenues for the full cost of the program.

Unemployment compensation for ex-servicemen.—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.—This is the same as for the basic Federal-State program. For the 50 percent Federal financing needed during periods of high unemployment, funds are derived from Federal unemployment tax revenues.

Emergency extended unemployment compensation.—Federal funds are advanced from general revenues to be repaid from a future surplus of Federal unemployment tax revenues if and when all accounts are at statutory limits and a distribution of the excess is to be made to each State's account. The distribution which would otherwise be credited to a State's account for any State that participated in the program will be credited to the general fund until the advances are repaid.

Costs

Fiscal year	State unemployment compensation	Federal employees	Ex-servicemen
Total benefits (in millions):			
1971	$5, 229	$101	$306
Estimated 1972	5, 860	97	253
Estimated 1973	5, 275	121	264
Number of beneficiaries:			
1971	7, 072, 000	[1] 135, 000	[1] 408, 000
Estimated 1972	8, 742, 000	[1] 130, 000	340, 000
Estimated 1973	7, 326, 000	[1] 160, 000	350, 000

[1] Estimated.

Administrative costs in 1971 were $809 million or 1.2 percent of total program costs.

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, (2) the relationship of the workers to the employer, and (3) the place where the worker is employed.[2] In effect, Federal law defines the minimum coverage requirements for the State programs. Effective January 1, 1972, Federal law provides that an employer will be subject to the Federal unemployment tax is 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" includes any employing unit subject to the Federal unemployment tax. In 43 States "employment" includes any service covered by the Federal unemployment tax.

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 employments. The program does not protect the self-employed, unpaid family workers, young workers seeking their first job, or reentrants into the labor force.

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

[2] See supplement for employment and employees covered under the Federal Unemployment Tax Act and by Federal Civilian Unemployment Compensation.

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-three States require availability for work. Ten States require availability for suitable work. Nine States require 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.[3] All States have special provisions regarding availability during the period of approved training. In addition to registration for work at a local employment office, 30 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 14 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 (42 States), financing the dispute (30 States), or directly interested in the dispute (41 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 supplement, table 1).

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[3] 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 temporary compensation board, 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 and employer contributions and 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.

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. Effective January 1, 1972, 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 covered 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 from his regular employer or from odd job earnings.

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

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). Seven 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—$5 to $10 is common. There is considerable variation in partial benefit schedules among the States. (See supplement, table 3—Weekly Benefits for Partial Unemployment.)

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 two 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.

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 special provisions for any week during which a claimant 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 unemployment benefit plan. (See supplement, 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.

Twelve States reduce the claimant's weekly benefit for a week in which he is receiving OASI payments. One State pays no benefits for a week of such payments.

Twenty-two States reduce the weekly benefit for the receipt of payments under a pension plan of the base period employer. Twelve States reduce the weekly benefit for the receipt of payments under a pension plan of any employer.

Fifteen States reduce the weekly benefit for the receipt of workmen's compensation payments. Nine States pay no benefit for a week of such payments.

Twenty-two States reduce the weekly benefit for the receipt of payment of wages in lieu of notice. Eleven States pay no benefit for a week of such payments.

Thirteen States reduce the weekly benefit for the receipt of dismissal payments. Six States pay no benefit for a week of such 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	X [1]	
(b) From property		X
(c) From public transfers:		
(i) Social security	X [2]	
(ii) Workman's compensation	X [3]	
(iii) Other		X
(d) From private transfers:		
(i) Pensions	X [4]	
(ii) Dismissal payments	X [5]	
2. Income of dependents:		
(a) From gross earnings	X [6]	
(b) From property		X
(c) From public transfers:		
(i) Unemployment insurance	X [7]	
(ii) Other		X
(d) From private transfers		X
Uses of income (uses of income by beneficiaries or dependents have no direct effect on UI benefit levels) [8]		

[1] 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.
[2] 12 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.
[3] 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.
[4] 22 States reduce the weekly benefit for the receipt of payments under a pension plan of the base period employer. 12 other States reduce weekly benefits for payments under a pension plan of any employer.
[5] 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 22 States, elimination of all benefits in 11 other States.
[6] A few States reduce the dependents allowance with earnings of the dependent.
[7] Receipt of UI by 1 spouse makes the other spouse ineligible for UI.
[8] 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 (5 to 11). Nineteen States postpone benefits for a variable number of weeks (the maximum ranging from 6 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). Thirteen States reduce benefit rights.

Acceptance of training or rehabilitation.—Effective January 1, 1972, 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 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 outside of the United States 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.[4]

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 benefit 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 supplement, Table 2—Weekly Benefits for Total Unemployment.)

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 supplement, Table 6—Duration of Benefits in a Benefit Year.)

The maximum duration of benefits varies from 20 to 36 weeks, with

[4] See supplement for information on interstate agreements.

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. In other States the benefit is paid until the cumulative amount reaches a specified proportion of base period wage credits or of weeks of employment.

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 of 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*[5] 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.

A State "on" indicator exists when the rate of insured unemployment for the State equals or exceeds, for a moving 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. 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.

[5] 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 unemployment persons is significantly smaller than that of all jobless workers in the Nation. Less than half of all the unemployed are UI claimants.

In 1969, unemployed persons averaged 2.8 million. The average for State-insured unemployed was 1.1 million, or 39 percent of the total.

In 1970, unemployed persons averaged 4.1 million. The average for State-insured unemployed was 1.8 million, or 44 percent of the total.

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.

Emergency extended unemployment compensation.—Effective January 29, 1972, benefits may be further extended to persons who have exhausted benefits under both the regular program and the permanent extended compensation program in States with exceptionally high unemployment rates. Emergency benefits are triggered when the insured unemployment rate plus the rate of exhaustion of regular benefits, reaches or exceeds 6.5 percent in a State for a 13-week period. Emergency benefits will not be paid after June 30, 1972, except for persons eligible to receive such benefits prior to July 1, 1972, in which case benefits may be extended no longer than September 30, 1972. The amount of benefits is computed at the same rate as for regular and extended benefits with a limit of 50 percent of the regular compensation paid to an individual in a benefit year or for a 13-week period, whichever is less.

Relationship of benefit to family size.—Eleven States pay allowances for dependents. The amount allowed varies from $1 to $23 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 supplement, table 5—Allowances for dependents.)

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 benfit amount, not the place of residence.

Relationship of benefit amount to cost of living changes.—Twenty-eight 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 movement of wages, except in Idaho where the weekly benefit may not be less than $40.

Amount of benefits.—On January 1, 1972, the maximum weekly benefit (excluding dependent allowances) ranged from $45 in Indiana to $105 in the District of Columbia. The minimum weekly benefit amount ranged from $3 in Missouri to $25 in California. The maximum weekly benefit amount with maximum dependents ranges from $65 to $129. (See supplement, 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—for example, an unemployed worker who had earned the national average weekly wage in covered employment in 1970 (about $141 a week) would have received a weekly benefit ranging from $40 to $77 if he had no dependents. He would have been able to receive a weekly benefit amount of less than 30 percent of his average weekly wage in one State, equal to 30–39 percent of his average weekly wage in 12 States, equal to 40–49 percent in 25 States, and equal to 50 percent or over in 14 States.

Comparison to the poverty level.—Seventeen States provide maximum potential benefits above the 1971 poverty level of $1,860 per year for a single person. Maximum potential benefits range from 54 percent of the poverty level to 95 percent above the poverty level for a single individual. Minimum potential benefits in all States are below the poverty level, ranging from 4 percent to 28 percent of the poverty level for a single individual.

OTHER SERVICES.—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.

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:

(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) which is exempt from income tax under section 501(a). (States are required to cover such service when performed for a nonprofit organization employing 4 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; or (C) service performed by students under 22 employed pursuant to specific work-study programs;

(11) Service performed in the employ of a hospital, if such service is performed by a patient of such hospital;

(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) 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;

(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 sidelines 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, or (9) by an individual employed under a Federal relief program to relieve him from unemployment.

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.

TABLE 1.—DISQUALIFICATION FOR UNEMPLOYMENT COMPENSATION DUE TO LABOR DISPUTE

State	Duration of disqualification			Disputes excluded if due to—			Individuals are excluded if neither they nor any of the same grade or class are—		
				Employer's failure to conform to—					
	During stoppage of work due to dispute (29 States)	While dispute in active progress (12 States)	Other (11 States)	Contract (4 States)	Labor law (4 States)	Lock out (14 States)	Participating in dispute (42 States)	Financing dispute (30 States)	Directly interested in dispute (41 States)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Alabama		X							
Alaska	X			X	X		X		X
Arizona			X [1]	X	X		X	X	X
Arkansas			X [2]			X	X		X
California		X				X [3]			
Colorado			X [2]			X	X	X	X
Connecticut			X [1]			X	X	X	X
Delaware	X								
District of Columbia		X					X		X
Florida		X					X	X	X
Georgia	X						X	X	X
Hawaii	X						X		X
Idaho			X [1]				X	X [4]	X
Illinois	X						X	X	X
Indiana	X						X	X	X
Iowa	X						X	X	X
Kansas	X						X [7]	X	X [7]
Kentucky		X				X			
Louisiana		X					X [4]		X [4]
Maine	X						X	X	X
Maryland	X					X	X	X	X
Massachusetts	X [5]						X	X	X
Michigan			X [2]			X	X [4]	X [4]	X [4]
Minnesota		X				X			
Mississippi	X					X	X		X
Missouri	X [2]						X	X	X
Montana	X				X		X	X	X
Nebraska	X						X	X	X
Nevada		X					X	X	X
New Hampshire	X [2, 9]			X		X	X	X	X
New Jersey	X						X	X	X
New Mexico	X						X		X
New York			X [6]						
North Carolina			X [2]						
North Dakota	X						X		X
Ohio			X [1]			X			
Oklahoma	X						X		X
Oregon		X					X	X	X
Pennsylvania	X					X	X		X
Puerto Rico	X						X		X [4]
Rhode Island			X [6]				X [4]	X [4]	X [4]
South Carolina		X					X	X [4]	X
South Dakota	X						X	X	X
Tennessee		X					X		
Texas	X [7]						X [7]	X [7]	X [7]
Utah	X [9]				X	X [3]			(2)
Vermont	X						X [4]	X [4]	X [4]
Virginia			X [2]				X	X	X
Washington	X						X	X	X
West Virginia	X			X [8]		X	X	X	X
Wisconsin		X							
Wyoming	X						X	X	X

1 So long as unemployment is due to existence of labor dispute.
2 See text for details.
3 By judicial construction of statutory language.
4 Applies only to individual, not to others of same grade or class.
5 Disqualification is not applicable if claimant subsequently obtains covered employment and earns at least $900. However, base-period wages earned from the employer involved in the labor dispute cannot be used to pay benefits during such labor dispute.
6 Fixed period: 7 consecutive weeks and the waiting period or until termination of the dispute (New York); 6 weeks and the waiting period (Rhode Island). See Benefit Table 3 for waiting-period requirements.
7 So long as unemployment is due to the claimant's stoppage of work which exists because of a 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.
8 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.
9 Disqualification not applicable if claimant subsequently obtains covered employment for at least 5 consecutive weeks in each of which he earned 120 percent of his wba (New Hampshire); if claimant subsequently obtains employment and earns at least $700 with $20 in not less than 19 calendar weeks. Base-period wages earned from the employer involved in the dispute cannot be used to pay benefits while stoppage of work continues (Utah).

TABLE 2.—WEEKLY UNEMPLOYMENT COMPENSATION BENEFITS FOR TOTAL UNEMPLOYMENT

State	Method of computing [1]	Rounding to—	Minimum weekly benefit [2]	Maximum weekly benefit [2]	Minimum wage credits required: For minimum—High quarter	Minimum wage credits required: For minimum—Base period	Minimum wage credits required: For maximum—High quarter	Minimum wage credits required: For maximum—Base period
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
HIGH-QUARTER FORMULA [3]								
Alabama	1/26 [1]	Nearest dollar	$15	$55	[1] $350.00	$525.00	$1,417.01	$2,125.51
Arizona	1/25	do	10	60	250.00	375.00	1,487.50	2,231.25
Arkansas	1/26	Higher dollar	15	63	112.50	450.00	1,612.01	1,890.00
California	1/24–1/27	do	25	75	187.50	750.00	2,148.00	2,148.00
Colorado	1/22 [4]	do	14	82	105.00	420.00	[7] 2,106.13	[7] 8,425.52
Connecticut	1/26+d.a.	do	15–20	86–129	112.50	450.00	2,210.01	2,580.00
Delaware	1/25	do	10	65	90.00	360.00	1,600.13	2,340.00
District of Columbia	1/23+d.a.	do	14–15	105	300.00	450.00	2,392.01	3,588.01
Georgia	1/25	do	12	50	175.00	432.00	1,225.00	1,800.00
Hawaii	1/25	do	5	90	37.50	150.00	2,225.01	2,700.00
Idaho	1/26	do	17	65	416.01	520.01	1,664.01	2,080.01
Illinois	1/20–1/25 [1]	Nearest dollar	[2] 10	[2] 51–97	200.00	800.00	[2] 1,300.26	[2] 1,525.26
Indiana	1/25+d.a.[1]	Higher dollar	[2] 20	[2] 45–65	150.00	500.00	[2] 1,100.01	[2] 1,100.01
Iowa	1/22	Nearest dollar	9	64	200.00	300.00	1,397.00	1,497.00
Kansas	1/25	Higher dollar	[6] 16	64	375.00	480.00	1,575.01	1,920.00
Kentucky	1/25	Nearest dollar	12	60	250.00	343.75	1,487.51	2,045.33
Louisiana	1/20–1/25	Higher dollar	10	60	75.00	300.00	1,475.01	1,800.00
Maine	1/22	Nearest dollar	12	61	253.00	600.00	1,331.00	1,331.00
Maryland	1/24+d.a.	Higher dollar	10–13	[2] 78	192.01	360.00	1,848.01	2,808.00
Mississippi	1/26	do	10	49	160.00	360.00	1,248.01	1,764.00
Missouri	1/25	do	3	57	63.75	255.00	1,400.01	1,460.01
Montana	1/26	Nearest dollar	12	52	299.00	448.50	1,339.00	2,008.50
Nebraska	1/19–1/23	Nearest dollar [2]	12	56	200.00	600.00	1,300.01	1,500.00
Nevada	1/25	Higher dollar	16	73	132.00	528.00	1,800.01	2,409.00
New Mexico	1/26	do	[6] 13	61	312.01	390.01	1,560.01	1,950.01
North Dakota	1/26	do	15	58	150.00	600.00	1,482.01	2,320.00
Oklahoma	1/26	do	16	60	125.01	500.00	1,534.01	2,301.01
Pennsylvania	1/23–1/25 [9]	Nearest dollar	12–17	85–93	120.00	440.00	2,088.00	3,360.00
Puerto Rico [5]	1/15–1/26	Nearest dollar	7	50	50.00	150.00	1,274.01	1,500.00
South Carolina	1/26 [4]	Higher dollar	10	56	180.00	300.00	1,430.01	2,145.01
South Dakota	1/22–1/24	Nearest dollar	12	47	250.00	600.00	1,125.00	1,687.50
Tennessee	1/26	Higher dollar	14	55	338.01	504.00	1,404.01	1,980.00
Texas	1/25	do	15	63	125.00	500.00	1,550.25	2,325.02
Utah	1/26	do	10	77	175.00	700.00	1,976.00	2,096.00
Virginia	1/25	do	18	59	180.00	720.00	1,508.01	2,360.00
Washington	1/25	Nearest dollar	17	75	275.00	1,100.00	1,862.50	1,862.50
Wyoming	1/25	Higher dollar	10	60	200.00	800.00	1,475.01	[7] 1,475.01

See footnotes at end of table.

TABLE 2.—WEEKLY UNEMPLOYMENT COMPENSATION BENEFITS FOR TOTAL UNEMPLOYMENT—Continued

State	Method of computing [1]	Rounding to—	Minimum weekly benefit [2]	Maximum weekly benefit [2]	Minimum wage credits required: For minimum—High quarter	Minimum wage credits required: For minimum—Base period	Minimum wage credits required: For maximum—High quarter	Minimum wage credits required: For maximum—Base period
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
ANNUAL-WAGE FORMULA								
Alaska	2.3-1.1+d.a	Nearest dollar	18-23	60-85		750.00		5,500.00
New Hampshire	1.7-1.2	do	14	75		600.00		6,600.00
North Carolina	2-1.1	do.[2]	12	56		550.00		5,800.00
Oregon	1.25	do	20	62		700.00		4,920.00
West Virginia	1.6-0.8	do	12	71		700.00		9,050.00
AVERAGE-WEEKLY-WAGE FORMULA								
Florida	50	Higher dollar	10	54		[8] 400.00		[8] 2,120.20
Massachusetts [3]	50+d.a	do	12-18	74-111		900.00		900.00
Michigan	63-55+d.a.[1]	do.[5]	[2] 16-18	56-92		[8] 350.14		[8] 1,400.14
Minnesota	50	Nearest dollar	15	64		[8] 540.00		[8] 2,286.00
New Jersey	66⅔	Higher dollar	10	76		[8] 255.00		[8] 1,912.67
New York	67-50	Nearest dollar	20	75		[8] 600.00		[8] 2,980.00
Ohio	50+d.a.[1]	Higher dollar	10-16	55-84		[8] 400.00		[8] 2,160.20
Rhode Island	55+d.a	do	12-17	75-95		[8] 400.00		[8] 2,466.60
Vermont	50	Nearest dollar	15	74		[8] 600.00		[8] 2,940.00
Wisconsin	50	Higher dollar	[6] 21	85		[8] 720.18		[8] 3,024.18

[1] 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 $45–$65 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 where 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 $350 for insured work on other than a part-time basis in their HQ and have $525 in BPW.

[2] 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 $2,496.26 and BPW of $2,721.26; Indiana requires $1,600.01 in both the HQ and BP.

[3] 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.

[4] 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.

[5] Separate benefit schedule for agricultural workers with payments, based on annual earnings, ranging between $7 and $26.

[6] Minimum computed annually in New Mexico at 10 percent of aww. In Kansas and Wisconsin minimum computed at 25 percent of maximum wba—Kansas computed annually and Wisconsin semiannually.

[7] Amount shown for HQW is 1/4 BPW needed to quality 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).

[8] 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.

[9] Or 50 percent of full-time weekly wage, if greater.

TABLE 3.—WEEKLY UNEMPLOYMENT COMPENSATION BENEFITS FOR PARTIAL UNEMPLOYMENT

State (1)	Definition of partial unemployment: week of less than full-time work if earnings are less than (2)	Earnings disregarded in computing weekly benefit for partial unemployment (3)
Alabama	Wba	$6.
Alaska	Basic wba plus greater of $10 or ½ basic wba.	Greater of $10 or ½ wba.
Arizona	Wba	$10.
Arkansas	Wba plus ⅖ wba	⅖ wba.
California	Wba	$12.
Colorado	Wba	$3.
Connecticut	1½ times basic wba	⅓ wages.
Delaware	Greater of $10 or 30 percent of wba	Greater of $10 or 30 percent of wba.
District of Columbia	Basic wba	⅖ wba.
Florida	Wba	$5.
Georgia	Wba plus $8	$8.
Hawaii	Wba	$2.
Idaho	Wba plus ½ wba	½ wba.
Illinois	Wba	$7.
Indiana	Wba	Greater of $3 or ⅕ wba from other than base-period ER's.
Iowa	Wba plus $3	$6.
Kansas	Wba	$8.
Kentucky	Wba.[1]	⅕ wages.
Louisiana	Wba	$5.
Maine	Wba plus $5	$10.
Maryland	Augmented wba	$10.
Massachusetts	Basic wba plus $10	$10.
Michigan	Wba	Up to ½ wba.[3]
Minnesota	Wba	$15.
Mississippi	Wba	$5.
Missouri	Wba plus $10	$10.
Montana	(4)	(4).
Nebraska	Wba	Up to ½ wba.[3]
Nevada	Wba	$5.
New Hampshire	Wba	⅕ of wba.
New Jersey	Wba plus greater of $5 or ⅕ wba	Greater of $5 of ⅕ wba.
New Mexico	Wba	⅕ wba.
New York	(2)	(2).
North Carolina	Wba plus ½ wba.[1]	½ wba.
North Dakota	Wba	½ wba.
Ohio	Wba	⅕ wba.
Oklahoma	Wba plus $7	$7.
Oregon	Wba	⅓ wba.
Pennsylvania	Wba plus greater of $6 or 40 percent wba	Greater of $6 or 40 percent wba.
Puerto Rico	Wba.[1]	Wba.
Rhode Island	Basic wba plus $5	$5.
South Carolina	Wba	¼ wba.
South Dakota	Wba plus ½ wba	½ wages up to ½ wba.
Tennessee	Wba	$5.
Texas	Wba plus greater of $5 or 1/ wba	Greater of $5 or ¼ wba.
Utah	Wba	Lesser of $12 or ½ wba from other than regular ER.
Vermont	Wba plus $15	$15 plus $3 for each dependent up to 5.
Virginia	Wba	Greater of $10 or ⅓ wba.
Washington	Wba	$12.
West Virginia	Wba plus $15	$15.
Wisconsin	Wba	Up to ½ wba.[3]
Wyoming	Basic wba	$10.

[1] In Kentucky week of less than 24 hours of available suitable work; 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 is less than twice claimant's wba.

[2] Benefits are paid at the rate of ¼ the wba for each effective day within a week beginning on Monday. Effective date defined as 4th and each subsequent day of total unemployment in a week in which claimant earns not more than $75.

[3] Full weekly benefit is paid if earnings are less than ½ weekly benefit; ½ wba if wages are ½ weekly benefit but less than weekly benefit.

[4] 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 UNEMPLOYMENT COMPENSATION PROVISIONS FOR DEPENDENTS' ALLOWANCES, 11 STATES

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

[1] 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 stepparent in the District of Columbia and legal parent in Michigan.

[2] Only dependents residing within the United States, its territories and possessions.

[3] 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).

[4] 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.

[5] 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

State	Weekly allowance for 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	$5	Lesser of wba or $25.	$18	$18	$60	$25	Yes	$1,680	[1] $2,380
Connecticut	$5	½ wba	15	7	86	43	Yes	2,236	3,354
District of Columbia	$1 [2]	$3 [2]	13	3	105	[2] 0	Yes	3,570	[2] 3,570
Illinois	$1 to $23 [3].	Schedule $1 to $46 [3].	10	[3] 0	51	[3] 46	No [4]	1,326	2,522
Indiana	$1 to $5 [3].	Schedule $1 to $20 [3].	20	[3] 0	45	[3] 20	No [4]	1,170	1,690
Maryland	$3	$12 [2]	10	12	78	[2] 0	Yes [5]	2,028	[2] 2,028
Massachusetts	$6	½ wba	12	6	74	37	Yes	2,220	3,330
Michigan	$1 to $11 [6].	Schedule $1 to $36 [6].	16	8	56	36	No [4]	1,456	2,392
Ohio	$1 to $6 [6]	$19 [6]	10	6-8	47	19	Yes	1,222	1,716
Pennsylvania	$5 [6]	$18	12	8	85	8	No	2,550	2,790
Rhode Island	$5	$20	12	20	75	20	Yes	1,950	[1] 2,470

[1] 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.

[2] Same maximum wba with or without dependent allowances. Claimants at lower wba may have benefits increased by dependent allowances.

[3] Limited to claimants with HQW in excess of $1,326.25 and 1 to 4 dependents (Illinois) and to claimants with HQW in excess of $1,125 and 1 to 4 dependents (Indiana).

[4] Dependent allowances considered as part of wba. See table 306 for weekly benefits for partial unemployment.

[5] Not more than 26 payments for dependent may be made in anyone BY.

[6] Benefits paid to claimants with dependents are determined by schedule according to the aww and family class (Michigan and Ohio). See text for details. Pennsylvania provides $3 for 1 other dependent.

TABLE 6.—DURATION OF UNEMPLOYMENT COMPENSATION BENEFITS IN A BENEFIT YEAR

State	Proportion of BPW credits or week of employment[1]	Minimum potential benefits[2,3]		Maximum potential benefits[3]			
						Wage credits required	
		Amount	Weeks	Amount[4]	Weeks	High quarter	Base period
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Uniform potential duration for all eligible claimants						
Hawaii		[3] $130.00	[3] 26	[3] $2,340	[3] 26	$2,225.01	$2,700.00
Maryland		260.00	26	[4] 2,028	26	1,848.01	2,808.00
New Hampshire		364.00	26	1,950	26	(6)	6,600.00
New York		520.00	26	1,950	26	(7)	[3,7] 2,980.00
North Carolina		312.00	26	1,456	26	(6)	5,800.00
Pennsylvania		360.00	30	2,550–2,790	30	2,088.00	3,360.00
Puerto Rico		[3] 140.00	[3] 20	[3] 1,000	[3] 20	1,274.01	1,500.00
Vermont		390.00	26	1,924	26	(7)	[7] 2,940.00
West Virginia		312.00	26	1,846	26	(6)	9,050.00
	Maximum potential duration varying with wage credits or weeks of employment						
Alabama	⅓	$156.00	13	$1,430	26	$1,417.01	$4,288.51
Alaska	34–31 percent[1]	252.00	14	1,680–2,380	28	(6)	5,500.00
Arizona	⅓	125.00	12+	1,560	26	1,487.50	4,678.51
Arkansas	⅓	150.00	10	1,638	26	1,612.01	4,725.01
California	½	[3] 375.00	12+–15	[3] 1,950	[3] 26	2,148.00	3,898.01
Colorado	⅓ [8]	140.00	10	2,132	26	[5] 2,106.13	[5] 8,424.52
Connecticut	¾	[3] 337.50	[3] 22+	[3] 2,236–3,354	[3] 26	2,210.01	2,981.33
Delaware	47 percent	144.00	16+	1,690	26	1,600.01	3,593.62
District of Columbia	½	225.00	17+	[4] 3,570	34	2,392.01	7,138.01
Florida	½ week of employment.	100.00	10	1,404	26	(7)	[7] 5,512.52
Georgia	¼	108.00	9	1,300	26	[9] 1,275.00	5,100.00
Idaho	(1)	170.00	10	1,690	26	1,664.01	5,408.03
Illinois	33–39 percent[1]	260.00	[2] 10–26	1,326–2,522	26	[10] 1,300.26	2,975.00
Indiana	¼ [8]	125.00	12+–6+	1,170–1,690	26	[9,10] 1,170.00	[10] 4,680.00
Iowa	⅓	100.00	11+	1,664	26	1,397.00	4,992.00
Kansas	⅓	160.00	10	1,664	26	1,575.01	4,989.01
Kentucky	⅓	180.00	15	1,560	26	1,487.51	4,678.51
Louisiana	⅖	120.00	12	1,680	28	1,475.01	4,197.51
Maine	50–33⅓ percent	300.00	[1] 11+–25	1,586	26	1,331.00	4,756.50
Massachusetts	36 percent	324.00	5+–30	2,220–3,330	30	(7)	6,163.89
Michigan	¾ week of employment.	176.00	11	1,456–2,392	26	(7)	[7,10] 3,500.35
Minnesota	7/10 week of employment.	195.00	13	1,664	26	(7)	[7] 4,699.00
Mississippi	⅓	120.00	12	1,274	26	1,248.01	3,819.01
Missouri	⅓ [8]	78.00	[2] 10+–26	1,482	26	1,400.01	4,446.00
Montana	(11)	156.00	13	1,352	26	1,339.00	[11] 2,308.50
Nebraska	⅓	200.00	17	1,456	26	1,300.01	4,326.00
Nevada	⅓	176.00	11	1,898	26	1,800.01	5,691.01
New Jersey	⅓; ¾ week of employment, if higher.	128.00	12+	1,976	26	(7)	[7] 3,937.85
New Mexico	⅗	234.00	4–18	1,830	30	1,560.01	3,048.35
North Dakota	(11)	270.00	18	1,508	26	1,482.01	[11] 4,060.00
Ohio	20 times wba plus wba for each 2 credit weeks in excess of 20.	200.00	20	1,430–2,184	26	(7)	[7] 3,456.32
Oklahoma	⅓	167.00	10+	1,560	26	1,534.01	4,677.01
Oregon	⅓	233.00	11+	1,612	26	(6)	4,920.00
Rhode Island	⅗ week of employment.	144.00	12	1,950–2,470	26	(7)	[7] 5,179.86
South Carolina	⅓	100.00	10	1,456	26	1,430.01	4,365.01
South Dakota	32–27 percent[1]	192.00	[2] 10+–16	1,222	26	1,125.00	4,500.00
Tennessee	⅓	168.00	12	1,430	26	1,404.01	4,287.01

See footnotes at end of table.

TABLE 6.—DURATION OF UNEMPLOYMENT COMPENSATION BENEFITS IN A BENEFIT YEAR—Continued

State	Proportion of BPW credits or week of employment[1]	Minimum potential benefits[2,3]		Maximum potential benefits[3]			
						Wage credits required	
		Amount	Weeks	Amount[4]	Weeks	High quarter	Base period
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Maximum potential duration varying with wage credits or weeks of employment						
Texas	27 percent	$135.00	9	$1,638	26	$1,550.25	$6,062.97
Utah	(1)	220.00	[2] 10–22	2,772	36	1,976.00	6,520.80
Virginia	29–27 percent[1]	216.00	12	1,534	26	1,508.01	5,664.01
Washington	¼	366.67	8+–21+	2,250	30	1,862.50	6,748.51
Wisconsin	8/10 week of employment up to 43.	304.50	14+	2,890	34	(7)	7,224.43
Wyoming	3/10	240.00	[2] 11–24	1,560	26	1,475.01	5,196.67

1 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. In Maine, claimants in the lowest wage brackets may receive up to 50 percent of their BPW credits in benefits and be entitled to benefits for as long as 25 weeks.

2 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).

3 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.

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

5 Amount shown for HQW is ¼ 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.

6 Annual-wage formula; no required amount of wages in HQ.

7 No required number of weeks of employment or amount of wages in HQ. Figures given are based on highest aww for claimants without dependents: $106.01 in Florida; $100.01 in Michigan (for claimants with dependents, $101.82 to $165.46, depending on number of dependents); $127.00 in Minnesota; $112.51 in New Jersey; $149.00 in New York; $108.01 in Ohio (for claimants with dependents, $115.01 to $151.01, based on number of dependents); $123.33 in Rhode Island; $147.00 in Vermont; and $168.01 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; 32 weeks in Ohio; 42 weeks in Rhode Island; and 43 weeks in Wisconsin for maximum duration.

8 Only specified amount of wages per quarter may be used for computing duration of benefits: 26 times the maximum wba in Colorado; $1,700 in Indiana; 26 times claimant's wba in Missouri.

9 Amount shown is ¼ of BPW. To obtain maximum potential annual benefits, claimant must have more than 4 times HQW necessary for maximum weekly benefits.

10 In Connecticut claimant with maximum augmented benefit needs $4,472 in BPW. In Illinois, claimants with maximum number of dependents need HQW of $2,496.26 to qualify for maximum potential annual benefits; in Indiana, such claimants need HQW of $1,690 and BPW of $6,760; in Michigan, wage credits of $5,791.10.

11 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 times wba; 22 weeks of benefits if wages equal 55–69 times weekly benefit; and 26 weeks of benefits if wages equal at least 70 times weekly benefit.

TABLE 7.—EFFECT ON WEEKLY UNEMPLOYMENT COMPENSATION BENEFITS UPON RECEIPT BY CLAIMANTS WITH VARIOUS TYPES OF DISQUALIFYING INCOME, 46 STATES[1]

United States	Old-age insurance benefits (13 States)	Pension plan of—		Workmen's compensation[2] (24 States)	Wages in lieu of notice (33 States)	Dismissal payments (19 States)
		Base-period employer (22 States)	Any employer (12 States)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Alabama		R		R[2]	D	D
Alaska					D[3]	
Arkansas	R	R[4]				D
California				R	R[3]	
Colorado	R[5]	R		R[2]	R	
Connecticut		R		D[2,6]	D	D
Delaware		R[7]				
District of Columbia		R				
Florida	(7)	R[7]		R[2]	R	

See footnotes at end of table.

TABLE 7.—EFFECT ON WEEKLY UNEMPLOYMENT COMPENSATION BENEFITS UPON RECEIPT BY CLAIMANTS WITH VARIOUS TYPES OF DISQUALIFYING INCOME, 46 STATES[1]—Continued

United States	Old-age insurance benefits (13 States)	Pension plan of— Base-period employer (22 States)	Pension plan of— Any employer (12 States)	Workmen's compensation[2] (24 States)	Wages in lieu of notice (33 States)	Dismissal payments (19 States)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Georgia				D[2]	D	
Idaho	R		R[4]			
Illinois			R[7]	R[2]		
Indiana		R[8]			R[9]	R[9]
Iowa	R		R[4]	R[2]	R	
Kansas				D[2]		
Kentucky					R	
Louisiana		R		R[2]	R	
Maine		R[4]			R	R
Maryland		R[7]			R[9]	R[9]
Massachusetts		R[7]		D[2]	R	
Michigan		R[8]			R	
Minnesota	R		R[10]	R[2]	R	R
Mississippi	R	R			R	R
Missouri			R[4 7]	R	R	R
Montana		[10]		D[2]	D	D
Nebraska	R		R[4 7]	R	R	R
Nevada					D	
New Hampshire				R	R	R
New Jersey					D	
New York		R[4 8]				
North Carolina					D	D
Ohio			R[4 7]	R	R	R
Oklahoma	R		R			
Oregon	D[11]		R			R
Pennsylvania		R[7]				
Rhode Island				R		
South Dakota			R[10]	R	R	
Tennessee		R[4 10]		D	D	
Texas	R			D[2]	D	
Utah	R		R[7]		R	R
Vermont				R	R	
Virginia		R[8]				R
Washington		R			R	
West Virginia		R		D[2]	D	D
Wisconsin	(12)		[10 12]	D[2]		R[9]
Wyoming		R			R	

[1] "R" means weekly benefit is reduced by weekly prorated amount of the payment. "D" means no benefit is paid for the week of receipt.

[2] See text for types of payments listed as disqualifying income in States noted. In other States the disqualification or reduction applies only to payments for temporary partial disability.

[3] By regulation (Alaska); by interpretation (California).

[4] Provision disregards retirement pay or compensation for disability retirement (Arkansas); for service-connected disabilities (Iowa, Nebraska, and Ohio) or pension based on military service (Arkansas, Iowa, Idaho, Maine, Missouri, Nebraska, 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).

[5] Deduction also is 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.

[6] 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.

[7] In States noted, the deductible amount is: amount by which portion provided by employer exceeds the claimant's WBA (Delaware); entire pension combined with OASI benefits; however, OASI benefits are not deductible unless the claimant is receiving retirement income from a BP employing unit (Florida); ½ of pension if plan is partially financed by employer, or entire pension if plan is wholly financed by employer (Illinois, Maryland, Nebraska); 50 percent of the weekly benefit retirement benefit (Massachusetts); the portion provided by the employer (Missouri); ½ of pension if employer contributed at least 50 percent, entire pension if employer contributed 100 percent (New York); entire pension if wholly employer-financed, no reduction if partially financed by employees (Ohio); that portion of the retirement benefit in excess of $40 per week if paid under a plan to which a BP employer has contributed (Pennsylvania); and ½ of pension (Utah).

[8] If retirement payment is made under a plan to which contributions were made by chargeable employer.

[9] Reduction as wages for a given week only when definitely allocated by the close of such week, payable to the employee for that week at the full applicable wage rate, and he has had due notice of such allocation Wisconsin); excludes the greater of the 1st $3 or ⅕ WBA from other than BP employer (Indiana); not applicable if claimant's unemployment is used by abolition of his job for technological reasons or as result of termination of operations at his place of employment (Maryland).

[10] Weekly benefit is reduced if 50 percent or more if financing is provided by BP employer (Tennessee) or by employer (Minnesota and South Dakota). Wage credits earned with employer from whom retired are not used in computing unemployment benefits after retirement if entitlement under retirement plan exceeds $100 per month (Montana).

[11] 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.

[12] Claimant disqualified for weeks for which he receives or is eligible to receive retirement payments under a plan to which any employer has contributed substantially or under a governmental system, including OASI, if he retires from chargeable employer before reaching compulsory retirement age of that employer. If he left or lost such employment at the compulsory retirement age, all but $10 of weekly rate of retirement pay—or that part of the retirement pay that was financed by other than the claimant, if it is known or can be reasonably estimated—is treated as wages.

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 has declined from $314 million in June 1963, to $48 million in June 1971.

Costs

Fiscal year	*Total benefits*	*Number of beneficiaries*
1971	$95,000,000	170,000
Estimated 1972	110,000,000	190,000
Estimated 1973	93,000,000	170,000

Estimated administrative costs in 1971 were $7,500,000 or 7.3 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.

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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
1. Income of recipient:		
(a) From gross earnings	X[1]	
(b) From property income		X
(c) From public transfers:		
(i) Railroad retirement	X[2]	
(ii) Social security	X[2]	
(iii) Special unemployment insurance	X[2]	
(iv) Workman's compensation	X[2]	
(v) Other		X
(d) From private transfers		X
Uses of income: Uses of income by recipients have no direct effect on RUI eligibility or benefit levels.		

[1] Earnings above $3 per day disqualify the recipient from benefits for that day.
[2] Railroad unemployment benefits decline $1 for each $1 received for that day from Railroad Retirement, Social Security, Other Unemployed 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:	*Daily benefit rate*
$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 program was enacted in 1962 as part of the Trade Expansion Act.

Administering agency.—The U.S. Tariff Commission of the Department of Labor, through State employment security agencies.

Financing.—The program is financed entirely out of the general revenues of the Treasury through a closed end appropriation.

Costs

Fiscal year	*Total benefits (in thousands)*	*Number of beneficiaries*
1971	$31, 905	16, 475
Estimated 1972	74, 000	28, 285
Estimated 1973	90, 000	33, 750

Eligibility Criteria

Major eligibility conditions.—(1) The individual's unemployment or underemployment must have begun after the date certified as the beginning of the import-caused unemployment affecting his group (2) the individual's unemployment must begin within a 2-year period following the date of certification for his group (3) the individual must have been employed at a minimum of $15 per week by an import-affected firm for at least 26 of the 52 weeks immediately preceding total or partial separation (4) the individual must have been employed at a minimum of $15 per week for a total of at least 78 weeks in the 3-year period preceding total or partial separation from adversely affected employment; and (5) 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 75 percent or less of his average weekly wages.

Eligibility determinations may be initiated in two ways: (1) A group of three or more workers from a firm or their authorized representative may petition the U.S. Tariff Commission for a determination of eligibility to apply for adjustment assistance, and (2) after receiving a finding from the Tariff Commission that an industry is adversely affected by imports, the President may provide that workers in the industry can request from the Secretary of Labor a certification of eligibility to apply for adjustment assistance.

Persons included.—Eligible persons are included in the program.

Income test

Income limits.—The earnings or earnings plus unemployment insurance, trade readjustment allowance, and training allowance of the affected worker must not exceed 75 percent of his previous average weekly wage.

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 (UI) or training allowance the individual has received or is seeking for the week. If the total amount payable (from UI, training allowances, remuneration for services performed, and trade readjustment allowances) to a worker for a week exceeds 75 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
1. Income of recipient:		
(a) From gross earnings	X[1]	
(b) From property income		X
(c) From public transfers:		
(i) Unemployment compensation	X[2]	
(ii) Training programs	X[2]	
(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[3]	
2. Transportation expenses	X[4]	
3. Relocation expenses	X[5]	

[1] Benefits decline by 50 cents for each dollar of gross earnings. Further, the trade allowance plus earnings cannot exceed 75 percent of the previous average weekly wage.

[2] Benefits decline by $1 for each dollar of UI and training allowances.

[3] Subsistence benefits to a maximum of $5 per day are available to those engaged in training programs.

[4] Reimbursements for transportation to training facilities outside commuting range are available at the rate of 10 cents per mile.

[5] Relocation allowances on a lump-sum basis are payable to a totally separated worker, who is the head of a family 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.—The work requirement is determined under the applicable State unemployment insurance law. 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.) However, availability disqualification provisions of a State law do not apply to an adversely affected worker who is undergoing approved training. Any disqualification provision of a State law which requires cancellation of wage credits or reduction of benefit amounts does not result in the reduction of the maximum number of weeks of trade readjustment allowances otherwise payable to an adversely affected worker. Such State law disqualification provisions are given effect generally through postponement of trade readjustment allowances. (See also the section on the Federal-State unemployment compensation system.)

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 65 percent of an individual's average weekly wage or 65 percent of the average weekly manufacturing wage,[1] whichever is less. The current maximum allowance is $93 per week.[2] 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, (2) by 100 percent of the amount of unemployment insurance or training allowance the individual has received or is seeking for the week, and (3) for each day of absence, without good cause, from training, by an amount computed by dividing the regular allowance by the number of days of training normally scheduled in 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 13 additional weeks of allowances. Up to 26 additional

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[1] 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.

[2] Based on national average weekly earnings in 1971 of $143. The national gross average weekly earnings of production worker's manufacturing industries in May 1972 was $153.09.

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 the Manpower Development Training Act or the Area Redevelopment Act. In 1971, the average weekly benefit was $54, and benefits were received for an average duration of 36 weeks.

Other benefits.—Supplemental benefits include subsistence and transportation allowances related to training and relocation allowances. An adversely affected worker may receive 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 $5 per day. The transportation rate is 10 cents per mile.

Relocation allowances are payable to a totally separated worker who is the head of a family, 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. Recent amendments in 1962, 1965, 1969, and 1970 raised benefit payments. Veterans' benefits for a veteran receiving a 100-percent disability payment for disability incurred in wartime and having no dependents increased from $225 per month in 1958 to $250 per month in 1962; $300 per month in 1965; $400 per month in 1969; and $450 per month in 1970.[1]

Administering agency.—The Veterans' Administration, Department of Veterans Benefits, through regional offices.

Financing.—The program is financed through open-ended Federal appropriations providing for direct payments to beneficiaries.

Costs

Fiscal year	*Amount*	*Number of beneficiaries (monthly average)*
1971	$2, 729, 254, 000	2, 122, 213
Estimated 1972	2, 861, 999, 000	2, 176, 900
Estimated 1973	3, 042, 309, 000	2, 208, 900

In June 1971, benefits were paid to 2,146,085 disabled veterans including 760,000 dependents (of which 310,000 were wives, 432,000 children, and 18,000 parents).

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 during wartime or peacetime, and have been discharged under other than dishonorable conditions. Drug addiction as a primary entity is not considered a service-connected disability for the purposes of this program.

Wartime duty includes the Mexican border period, the Spanish-American War, World Wars I or II, the Korean conflict, and the Vietnam era. Peacetime service includes periods from July 5, 1902, through May 8, 1916; November 12, 1918, through December 6, 1941; July 26, 1947, through June 26, 1950; and February 1, 1955, through August 4, 1964. Exceptions apply to some of these dates where the veteran had other service.

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[1] An amendment enacted in July 1972 increased benefits by 10 percent and eliminated the differences between wartime and peacetime compensation.

PERSONS INCLUDED.—Eligible veterans and dependents (wife, including dependent husband;[2] 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; or dependent parents).

INCOME TEST.—There is none for a veteran, his wife, and his children. The income of parents is considered in determining their eligibility as dependents (see dependency indemnity compensation).

ASSETS TEST.—None.

OTHER CONDITIONS

Work requirements.—There are none. 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.

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 (except in penal institutions) to $30 per month or 50 percent of the benefit amount otherwise payable, whichever is greater (there is no reduction if institutionalization is for Hansen's disease). Where a veteran has a wife or children, benefits which are ordinarily paid to the veteran continue to be paid without any reduction.

A veteran imprisoned in a penal institution receives no reduction in compensation benefits.

Residence requirements.—None.

Reexamination of disability cases.—At least one examination must be made in every case of veterans 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 disability level result in corresponding changes in monthly benefit.

BENEFITS AND SERVICES

CASH BENEFITS

Primary determinants of amounts of benefits.—The amount of the benefit is determined by the following: (1) Percentage of disability based on the average impairment such disability would cause in a civilian occupation; (2) marital status and sex of spouse; (3) number of entitled children; (4) dependency of parents (dependency defined by income criteria); (5) wartime or peacetime service; (6) need for special care and attendance; and (7) certain anatomical losses or loss of use of limbs or bodily functions.

Relationship of benefit amount to family size.—Benefits are not extended for wives, children, or dependent parents unless the veteran is entitled to compensation for a 50 percent or greater disability payment. See "Amount of benefits" below for benefit amounts for dependents. When there is a loss of a dependent because of marriage,

[2] 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.

divorce, or death, the benefit continues until the end of the calendar year before reduction is made because of the loss of the dependent.

Relationship of benefit amount to place of residence.—There is national uniformity including Guam, Puerto Rico, Virgin Islands, and the District of Columbia.

Amount of benefits.—Benefits range from $25 per month for a 10-percent wartime-incurred disability to $450 per month for a wartime-incurred total disability (total disability does not mean a veteran cannot work, but means only that such a disability would totally impair the average man). A disability incurred during peacetime duty is compensated at 80 percent of the wartime level.[3] (See supplement for compensation schedule.)

Benefit payments may be raised where the veteran suffers ana tomical loss or loss of use or function such as loss of a limb, vision hearing, or loss of a creative organ. An additional $47 per month for each loss may be given up to a total of $560 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 $1,120 per month.

Where there is a 100-percent disability, additions are made to the veterans' benefits for the following: (1) Wife ($28 per month), (2) wife plus children (from $48 per month for a wife with one child to $75 per month for a wife and three children, plus $14 for each child after the third child) (3) children of the veteran where there is no wife (from $19 per month for one child to $48 per month for three children, plus $14 per month for each child after the third child) (4) dependent parents ($23 per month for each dependent parent); and (5) children 18 to 23 years of age attending an accredited educational institution ($44 per month for each child).

Proportionate adjustments in benefit additions are made (in proportion of measured disability to total disability) where the veteran and his dependents are eligible for additions. The veteran must have at least a 50-percent disability, but less than a 100-percent disability.

Peacetime-incurred disabilities meeting the criteria for benefit increases and additions are paid at 80 percent of the wartime rates.

The average annual payments per case were $1,286 in fiscal year 1971 and estimated at $1,315 per case in fiscal year 1972 and $1,337 per case in fiscal year 1973.[4]

Comparison of benefits to poverty level.—Benefits may result in veterans being substantially above or below the poverty level. In the exceptional case, a veteran with no dependents and no income may receive $13,440 annually ($784 per month in disability compensation plus $336 per month for regular aid and attendance). A veteran with no dependents and no income who receives a 10-percent disability at peacetime rates would receive $240 per year ($300 per year if a wartime-incurred disability); the same veteran would receive $4,320 per year ($5,400 per year if a wartime-incurred disability) if the disability was measured at 100 percent. With a wife and two children, a veteran with a 100-percent peacetime-incurred disability would receive $4,908; with a wartime-incurred disability he would receive $6,132.

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[3] An amendment enacted in July 1972 eliminates this difference and increases benefits by 10 percent.

[4] In June 1971, 79 percent of veteran beneficiaries had rated disabilities of less than 50 percent. The average monthly payment to these veterans was $45.57. The average monthly payment to veterans with 50 percent or more disability (with dependents included) was $326.26.

Other services available as the result of eligibility for target program.—All veterans with service-connected disabilities become eligible for hospitalization, nursing home care, domiciliary and restoration center care, out-patient services, prosthetic appliances, rehabilitation services, prescription services, and under certain conditions, educational services for veterans, their wives, and their children. Veterans are eligible for housing programs (see section on "Housing Benefits for Veterans") with special provisions for disabled veterans. Certain disabled veterans may also receive assistance in purchasing automobiles with adaptive equipment, and special equipment and guide dogs are available to blind beneficiaries.

SUPPLEMENTARY MATERIAL

WARTIME AND PEACETIME DISABILITY COMPENSATION SCHEDULES [1]

DISABILITY COMPENSATION—NO DEPENDENTS

Where the disability is rated	Wartime compensation (monthly)	Peacetime compensation (monthly)
10 percent	$25	$20
20 percent	46	37
30 percent	70	56
40 percent	96	77
50 percent	135	108
60 percent	163	130
70 percent	193	154
80 percent	223	178
90 percent	250	200
100 percent	450	360

[1] An amendment enacted July 1972 increases wartime compensation by 10 percent and eliminates the difference between peacetime and wartime compensation.

DISABILITY COMPENSATION—ADDITIONS FOR DEPENDENTS

Rate of disability	Percent						
	100	90	80	70	60	50	40–0
Peacetime compensation:							
Wife and no child	$22	$20	$18	$15	$13	$11	
Wife and 1 child	38	34	30	27	23	19	
Wife and 2 children	49	44	39	34	29	25	
Wife and 3 children	[1] 60	[1] 54	[1] 48	[1] 42	[1] 36	[1] 30	
No wife, but 1 child	15	14	12	11	9	8	
No wife, but 2 children	26	23	21	18	16	13	
No wife, but 3 children	[1] 38	[1] 34	[1] 30	[1] 27	[1] 23	[1] 19	
Dependent parents (each)	18	16	14	13	11	9	
Wartime compensation:							
Wife and no child	28	25	22	20	17	14	
Wife and 1 child	48	43	38	34	29	24	
Wife and 2 children	61	55	49	43	37	31	
Wife and 3 children	[2] 75	68	60	53	45	38	
No wife, but 1 child	19	17	15	13	11	10	
No wife, but 2 children	33	30	26	23	20	17	
No wife, but 3 children	[2] 48	43	38	34	29	24	
Dependent parents	[3] 23	21	18	16	14	12	

[1] Plus $14 for each additional child.
[2] Additional amounts for more than 3 children.
[3] Each.

DEPENDENCY AND INDEMNITY COMPENSATION TO VETERANS' DEPENDENTS FOR SERVICE-CONNECTED DEATHS

Basic Program Information

Legislative objective.—To compensate surviving widows,[1] children, and dependent parents for the death of a veteran from service-connected causes.

Date enacted and major changes since enactment.—Compensation for service-connected deaths was originally enacted in 1917. Provisions for dependency and indemnity compensation (DIC) for deaths after 1956 have been added. Dependents eligible for death compensation for deaths prior to 1957 may elect to receive DIC.

The basic differences between the compensation for service-connected deaths and dependency and indemnity compensation are as follows:

Death compensation for service-connected deaths	Dependency and indemnity compensation (DIC) for service-connected deaths
Covers veterans' deaths prior to January 1, 1957 (with option for eligible persons to elect DIC).	Covers veterans' deaths from January 1, 1957 (or prior to January 1, 1957, if beneficiary elects).
Distinguishes between wartime and peacetime service-connected deaths.	Makes no distinction between wartime and peacetime service-connected deaths.
Flat rate compensation which is not tied to the pay grade of the deceased veteran.	Compensation is based on the pay grade of the deceased veteran.

Amendments to the DIC laws in 1968, 1971, and 1972 rasied the maximum income eligibility limits for compensation to dependent parents and increased all regular benefits. Amendments in 1971 provided $55 per month increased benefits for dependent parents requiring regular care and attendance, effective January 1, 1972.

Administering agency.—The Veterans' Administration, Department of Veterans Benefits, through regional offices.

Financing.—Open-ended Federal appropriations providing for direct payments to beneficiaries.

Costs

Fiscal year	*Amount of benefits*	*Number of veterans* [1]
1971	$645,319,000	371,229
Estimated 1972	699,629,000	372,360
Estimated 1973	743,228,000	373,528

[1] Refers to number of deceased veterans whose dependents received benefits. In June 1971, a total of 526,000 dependents were receiving benefits including 181,000 widows, 126,000 children, and 219,000 parents.

[1] 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.

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.

When a veteran died on or after April 30, 1957, and before January 1, 1972, and at the time of his death had a policy of national service life insurance under an inservice waiver of insurance premiums, his survivors may elect to receive DIC benefits in lieu of death compensation. If a veteran dies on or after January 1, 1972, and there is an inservice waiver of insurance in effect at the time of his death, the survivors may receive DIC benefits. Insurance premiums which would have become payable from January 1, 1972, until the veteran's death will be offset from the amount of insurance proceeds payable.

Persons who are eligible to receive death compensation are included for wartime death benefits where the veteran served during the Mexican border period, the Spanish-American War, World Wars I and II, or the Korean conflict. Persons under the death compensation program are included for peacetime death compensation for the periods 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 December 31, 1956.

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 educationsl institution), or dependent parents (defined legislatively by monthly income under death compensation program and by annual income criteria under DIC).

Income test

Income limits.—Income limits for eligibility are applicable only to dependent parents. Under death compensation, dependency is presumed for dependent parents if 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 dependent parents. Where the income exceeds the stated monthly amounts, eligibility will be determined by a dependency test on a factual basis.

Under the DIC program the limits on countable income for dependent parents provide that: (1) The income of one dependent parent may not exceed $2,600 per year; (2) the income of a dependent parent, where remarried and living with his spouse, combined with the spouse's income may not exceed $3,800 per year; (3) the income of dependent parents living separately may not exceed $2,600 per year each; and (4) the income of two dependent parents living together may not exceed $3,800 combined per year.

Treatment of income.—The income test is applied only to dependent parents. Countable income is determined as follows:

	Death compensation	*Death and indemnity compensation*
(1) Income of dependent parents:		
(*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 [1] 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—parent's, spouse.	do	Excludes costs of final illness, burial, and just debts of parent's deceased spouse.

[1] Retired Servicemen's Family Protection Plan (10 *U.S.C.* ch. 73).

DIC benefit amounts for parents were increased by 6.5 percent, and maximum annual income limits were increased by $300 effective January 1, 1972. These increases prevented the loss of aggregate income, which would have resulted from increases in outside income, such as social security benefits.

Effective January 1972 benefits for DIC parents are reduced according to a formula which imposes increasing marginal tax rates as income rises, with a $10 per month minimum payment when the maximum limit is reached. Thus, a small increase in income above the maximum countable income limit results in a loss in annual aggregate income. These formula for the new law follow.

ONE PARENT

The benefit to a parent with $800 or less annual countable income is $100 per month. The monthly benefit is reduced by 3 cents for each dollar of additional annual income in excess of $800 through $1,200 (36 percent tax rate); by 4 cents for each dollar of income over $1,200 through $1,600 (48 percent tax rate); by 5 cents for each dollar of income over $1,600 through $1,900 (60 percent tax rate); by 6 cents for each dollar of income over $1,900 through $2,100 (72 percent tax rate) and by 7 cents for each dollar of income over $2,100 through $2,600 (84 percent tax rate). The minimum payment for a parent with $2,600 countable annual income is $10 per month. No benefit is paid when annual countable income exceeds $2,600. Therefore, one additional dollar of annual income would result in a loss of $120 in annual benefit, or $780 if the parent received an additional allowance of $55 per month for regular aid or attendance.[2]

TWO PARENTS NOT LIVING TOGETHER

The benefit to each parent living separately with individual annual countable income of $800 or less is $70 per month. The monthly benefit is reduced by 2 cents for each dollar of additional annual income over $800 through $1,100 (24 percent tax rate); by 3 cents for each dollar of income over $1,100 through $1,700 (36 percent tax rate); and by 4 cents for each dollar of income over $1,700 through $2,600 (48 percent tax rate). The minimum benefit is $10 per month, and no benefit is paid if annual income exceeds $2,600. The loss to the parent is the same as for a single parent if annual income increases above $2,600.

TWO PARENTS LIVING TOGETHER

The benefit to each parent living together with joint countable annual income of $1,000 or less is $67 or a total of $134 in combined benefits. The monthly benefit of each parent is reduced by 1 cent for each dollar of annual income in excess of $1,000 through $1,300 (24 percent combined tax rate); by 2 cents for each dollar of income over $1,300 through $3,400 (48 percent combined tax rate); and by 3 cents for each dollar over $3,400 through $3,800 (72 percent combined tax rate). The minimum payment for each parent when joint income is $3,800 is $10 per month. No benefit is paid if their combined income exceeds $3,800. Therefore, one additional dollar of annual income would result in a loss of $240 in annual benefits, or $900 if one parent received an additional $55 per month allowance for regular aid and attendance.

[2] Applicable rate is increased by $55 per month if the beneficiary qualifies for aid and attendance.

Accounting period.—Under the death compensation program dependency is confirmed every 3 years. DIC income is counted in the calendar year in which it is received. Income limits, which are established proportionately to determine initial entitlement or resuming payments, are based on anticipated income from the date of entitlement to the end of the calendar year. Where there is doubt as to the amount of anticipated income, benefits are allowed at the lowest appropriate rate or withheld (where determined appropriate by the Veterans' Administration) until the end of the calendar year when the total income received can be determined (provision is made for payment of benefits withheld during the following year). Where a change in the conditions of entitlement (change in marital status, living arrangement, or income of dependent parents) occurs after initial computation of benefits, entitlement to benefits for the next year is redetermined, based on total countable income received during the previous calendar year.

Accounting of income is based on an annual income questionnaire. Discontinuance of benefits becomes effective on the first day of the year for which the income is not reported or the effective date of the award, whichever is later. Overpayments to beneficiaries as a result of administrative error are not recouped, but overpayments because of fraud or misreporting may be recouped by the Treasury Department.

When there is a loss of a dependent because of divorce, or death, the benefit to a widow with dependent children continues to the end of the calendar year in which the event occurs, before any reduction is made because of loss of the dependent.

ASSETS TEST.—Parents who are in receipt of death compensation benefits are subject to a net worth test.

OTHER CONDITIONS

Work requirements.—None.

Acceptance of training or rehabilitation.—There is no requirement, but educational assistance is available for widows and children.

Citizenship.—No requirement.

Lien, recovery, or assignment to recoup benefits.—There is no provision given.

Institutional status.—There is no change in benefits if beneficiary is institutionalized.

Residence requirements.—None.

BENEFITS AND SERVICES

CASH BENEFITS

Primary determinants of amounts of benefits.—The amount of benefit is determined by the following: (1) The number of eligible children; (2) the sex and health of the surviving spouse (that is, whether the widow is in need of regular aid and attendance or the widower is totally disabled); (3) the number, the marital status, the health, living arrangement, and the income of dependent parents; (4) under death compensation, whether a veteran's death was related to wartime or peacetime service; and (5) under DIC the pay grade of the deceased veteran.

Relationship of benefit amount to family size.—Under death compensation and DIC the benefit amount increases with family size;

benefits increase, by differing amounts, for a widow with one or more children, for the first and additional children where no widow is entitled, and for one or more dependent parents (See supplementary material for amounts.)

Relationship of benefit amount to cost of living change.—There are no automatic increases provided for in legislation; however, benefits have been increased periodically by congressional action.

Relationship of benefit amount to vlace of residence.—There is national uniformity including Guam, Puerto Rico, the Virgin Islands, and the District of Columbia.

Amount of benefits.—Under the death compensation program, the monthly rates of compensation for wartime death compensation are as follows: [3]

$87 for a widow with no children, $121 for a widow with one child (with $29 per month additional for each additional child);

$67 for one child where there is no widow entitled to benefits, $94 for two children where there is no widow entitled (divided equally between the children), $122 for three children where there is no widow entitled (with $23 per month additional for each additional child, total amounts divided equally);

$75 for a dependent mother or father, and $40 each for a dependent mother and father; and

$55 additional if the widow or the dependent parent is in a nursing home or so nearly helpless or blind as to require regular aid and attendance.

The monthly rates of compensation for peacetime death compensation are 80 percent of wartime death compensation rates.

Under the DIC program monthly rates of compensation are as follows:

From $184 per month to $469 per month for a widow, depending on deceased veteran's pay grade, $22 per month for each child and $55 per month in addition if the widow is confined to a nursing home or so nearly blind as to require regular aid and attendance;

Where no widow is entitled, one dependent child receives $92 per month, two children receive $133 total per month, three children receive $172 total per month, plus $34 per month additional for each child in excess of three;

Where a child is disabled before age 18 and is presently 18 years of age or older, compensation to the dependent is increased by $55 per month (if there is a widow entitled, compensation is increased by $92 per month);

Compensation to dependent parents varies with income; the maximum payment is $100 per month for one parent, $70 per month each for two dependent parents living separately, and $67 per month each for two dependent parents living together. An additional $55 per month is provided to each dependent parent requiring regular aid and attendance.

The average payment per case, per year in 1971 was $1,738 and is estimated to be $1,879 in fiscal year 1972 and $1,990 in fiscal year 1973. In June 1971, the average monthly payment to a widow was $196.51; to a widow with children, $255.30; and to one parent, $76.38.

[3] See supplement for compensation schedule.

Relationship to the poverty level.—DIC can provide income from substantially above the poverty line ($469 per month for a widow with no other income) to near the poverty level ($184 per month for a widow with no other income) for a family of one. DIC can provide a family of four with an income substantially above the poverty line ($535 per month for a family with no other income) to substantially below the poverty line ($250 per month for a family with no other income).

Under the death compensation program, however, a family unit with no income cannot be above the poverty level. (A family of four with no other income receives $179 per month in wartime death compensation benefits, but could elect to receive at least $250 in DIC benefits.)

OTHER BENEFITS.—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.

SUPPLEMENTARY MATERIAL

DEPENDENCY AND INDEMNITY AND WARTIME AND PEACETIME DEATH COMPENSATION

WARTIME AND PEACETIME DEATH COMPENSATION (MONTHLY BENEFITS)

	Wartime	*Peacetime*
Widow but no child	$87	$70
Widow with 1 child	$121 (plus $29 for each additional child).	97
No widow, but 1 child	$67	54
No widow, but 2 children	$94 (equally divided)	75
No widow, but 3 children	$122 (equally divided—with $23 for each additional child).	98
Dependent parent (1 parent)	$75	60
Dependent parents (couple)	$40 (each)	32

DEPENDENCY AND INDEMNITY COMPENSATION (MONTHLY BENEFITS) (EFFECTIVE JANUARY 1972)

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

Pay grade	*Monthly rate*	*Pay grade*	*Monthly rat*
E–1	$184	W–4	$262
E–2	189	O–1	232
E–3	195	O–2	240
E–4	206	O–3	257
E–5	212	O–4	272
E–6	217	O–5	299
E–7	227	O–6	337
E–8	240	O–7	365
E–9	[1] 251	O–8	399
W–1	232	O–9	429
W–2	241	O–10	[2] 469
W–3	249		

[1] Where veteran served as sergeant major of the Army or Marine Corps, senior enlised adviser of the Navy, chief master sergeant of the Air Force, the widow's monthly rate is $270.

[2] 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 $503.

Additions:	Monthly addition
Widow with one or more children under 18 years of age.	$22 for each child.
Widow in nursing home or helpless or blind (or so nearly so as to require regular aid and attendance).	$55.

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

	Monthly rate
One child	$92.
Two children	$133.
Three children	$172.
More than three children	$172 (plus $34 per month for each child in excess of three).

Supplements to children:	Monthly additions
Child entitled who is over 18 but was rendered totally incapable of self-support before age 18	$55
If there is a widow and child over 18, but who was rendered totally incapable of self-support before age 18	92
If there is a widow and child, child between ages of 18 and 23 years is attending an accredited educational institution	47

C. Dependent parents:

One dependent parent (or, one dependent parent remarried and living with his spouse [1]).

Annual countable income:	Monthly benefit
$0 to $800	$100.
$801 to $1,200	$100, less 3 percent of annual income in excess of $800.
$1,201 to $1,600	$88, less 4 percent of annual income in excess of $1,200.
$1,601 to $1,900	$72, less 5 percent of annual income in excess of $1,600.
$1,901 to $2,100	$57, less 6 percent of annual income in excess of $1,900.
$2,101 to $2,600	$45, less 7 percent of annual income in excess of $2,100.
$2,600	$10.
$2,601 and above	0.

Two dependent parents not living together:

Annual countable income of each parent:	Monthly benefit for each parent
$0 to $800	$70.
$801 to $1,100	$70, less 2 percent of annual income in excess of $800.
$1,101 to $1,700	$64, less 3 percent of annual income in excess of $1,100.
$1,701 to $2,600	$46, less 4 percent of annual income in excess of $1,700.
$2,600	$10
$2,601 and above	0.

Two dependent parents living together (or, one dependent parent, remarried and living with his spouse [1]):

[1] 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.

Combined annual countable income of both parents:	Monthly benefit for each parent
$0 to $1,000	$67.
$1,001 to $1,300	$67, less 1 percent of annual income in excess of $1,000.
$1,301 to $3,400	$64, less 2 percent of annual income in excess of $1,300.
$3,401 to $3,800	$22, less 3 percent of annual income in excess of $3,400.
$3,800	$10.
$3,800 and above	0.

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,[1] children, parents, brothers, and sisters of miners [2] who have 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 program was enacted in 1969. The major changes were enacted in 1972. The original legislation scheduled this program to become a state-administered program similar in structure to the work, men's compensation programs on January 1, 1973. However, 1972 legislation has extended direct Federal control to December 31, 1973.

Administering agency.—The Social Security Administration of the Department of Health, Education, and Welfare, through district and branch offices. The program is scheduled to become State-administered under the supervision of the Department of Labor in 1974.

Financing.—The program is financed through open-ended Federal appropriations for direct payments to beneficiaries, When the program becomes State administered, the coal mining industry will bear a major portion of the costs as provided by the State's workmen's compensation laws, and Federal funds will generally not be involved in further claims. However, the Federal Government will continue to pay claims filed prior to July 1, 1973.

Costs

Fiscal year	*Amount of benefits*	*Number of beneficiaries*
1971	$319, 000, 000	198, 000
Estimated 1972	570, 000, 000	315, 000
Estimated 1973	535, 000, 000	318, 000

Eligibility Criteria

Major eligibility conditions.—To be eligible for the program a beneficiary must be (1) A coal miner with a medically determined total disability from pneumoconiosis which prevents the miner from participating in the miner's previous line of work; 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

[1] 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.

[2] The term miner means any individual who is or was employed in a coal mine.

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 respirable disease). The miners' and widows' benefits are augmented 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 are as follows: $161.50 per month for a miner with no dependents, $242.20 for a miner or widow with one dependent, $282.60 for a miner or widow with two dependents, and $322.90 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 parents, brother's, or sister's excess earnings as indicated under the social security retirement test; that is, benefits are reduced by one-half of the first $1,200 of annual earnings in excess of $1,680 (or $140 per month) and by all additional earnings in excess of $2,880 per year. This provision does not apply to earnings of wives, widows, or children.

Treatment of unearned income.—Benefits of a miner, widow, child, parent, brother, or sister are reduced by the amount of the State workman's compensation payments, unemployment compensation, or State disability insurance payments received because of the miner's disability. Other unearned income is disregarded [3] (see table 1).

[3] 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 SPECIAL 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	X [1]	
(b) From property		X
(c) From public transfers:		
(i) Workman's compensation	X [2]	
(ii) Unemployment compensation	X [2]	
(iii) State disability insurance	X [2]	
(iv) Other		X
(d) From private transfers		X
2. Income of dependents:		
(a) From gross earnings	X [3]	
(b) From other sources		X
Uses of income: Uses of income by beneficiaries or dependents have no effect on benefit levels or eligibility.		

[1] Benefit levels do not decline for annual earnings up to $1,680; decline 50¢ for each dollar earned between $1,680 and $2,880; and decline $1 for each dollar earned above $2,880.
[2] Benefits are reduced by the amount of workman's compensation, unemployment compensation, and state disability insurance.
[3] 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 $161.50 per month.

Amount of benefits.—The basic monthly benefit to a disabled miner or widow with no countable income and no dependents is $161.50; to a miner or widow with one dependent, $242.20; with two dependents, $282.60; with three or more dependents, $322.90.

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 75 percent of the beneficiaries also receive social security benefits, the majority of beneficiaries have total incomes above the poverty level.

INCOME-TESTED CASH TRANSFER PROGRAMS

OLD AGE ASSISTANCE (OAA)

Basic Program Information

Legislative objective.—To enable each State to furnish financial assistance to needy aged individuals, and rehabilitation and other services to help such individuals attain or retain capability for self-care.

Date enacted and major changes since enactment.—This program was enacted in 1935. Subsequent amendments increased the maximum amount of benefits subjects to Federal reimbursement, initiated a variable matching formula providing higher Federal matching to low-income States, and increased Federal matching (from 50 to 75 percent) of costs of providing certain defined social services. An amendment in 1962 authorized States to combine old-age assistance, aid to the blind, and aid to the permanently and totally disabled into a single program of aid to the aged, blind, or disabled (AABD).

All States [1] enacted old-age assistance programs by 1938. Eighteen States and Puerto Rico elected to use the combined AABD programs between 1962 and 1968, including their OAA programs therein.

Administering agencies.—The Social and Rehabilitation Service of the Department of Health, Education, and Welfare administers Federal grants to States. The OAA program is administered by a State agency through district or county offices in 30 States and administered by local agencies with State agency supervision in 21 States. The program is statewide in all States.

Financing.—The Federal Government reimburses the States for $31 of the first $37 of the average monthly grant per recipient. Of the amount in the average grant above $37 and up to $75 the Federal Government pays the "Federal percentage." The "Federal percentage" varies from 50 percent to 65 percent and is based on a formula which takes into consideration per capita income in the States. States with an approved Medicaid plan may use instead, for all programs, the "Federal medical assistance percentage" which varies from 50 percent to 83 percent with no maximum on the Federal share of amounts based on the average grant. Separate provisions are included for computing the Federal share of benefits in Puerto Rico, the Virgin Islands, and Guam. The Federal Government pays 75 percent of expenditures for defined services and 50 percent of other administrative costs.

Federal funds are provided through an open ended appropriation from general revenues. States are required to participate in financing from State funds. Most States provide the State's share of financing

[1] The term "States" as used herein refers to the 50 States and the District of Columbia. See supplementary material for information on OAA programs in Guam, Puerto Rico, and the Virgin Islands.

through a fixed appropriation from State general revenues. Local participation is optional with the States. In 35 States all financing of the non-Federal share is from State funds. In 16 States, both State and local funds are used. Generally, in these States, from 50 percent to 85 percent of non-Federal assistance costs are from State funds with varying arrangements for sharing administrative costs between State and local funds.

The "Federal medical assistance percentage" is used in 31 States to determine the Federal share of assistance payments. In 15 States the Federal share of costs of administration and services is 50 percent; 36 States provide defined services for which they receive 75 percent Federal reimbursement.

Costs

Fiscal year	*Total benefits (in thousands)*	*Federal share (in thousands)*	*Number of beneficiaries*
1971	$1,880,509	$1,203,840	2,059,502
Estimated 1972	1,941,215	1,242,240	2,080,340
Estimated 1973	1,981,061	1,267,840	2,091,760

Eligibility Criteria

Major eligibility conditions.—Individuals must be age 65 or older and must be in need as defined by the States to be eligible for the program.

Persons included.—Eligible individuals are included in the program. However, in determining the needs of eligible individuals, a State may consider the needs of spouses under age 65 or of other persons living in the household with and essential to the well-being of those who are eligible. Such "essential persons" are included in 43 States.

Dependent spouses other than those considered as essential persons are not included in the payment but may receive assistance if they meet the eligibility conditions for one of the adult assistance categories (OAA, AB, or APTD), or eligibility of wives and dependent children may be determined under the AFDC program.

Income test

Income limit.—Countable income may not exceed the standard of assistance defined by each State.

Income limits are reported by the States for an aged person living alone or for an aged couple paying the maximum allowable amount for rent. The median income limit for the lone person in July 1971 was $142 per month. Amounts vary among the States, excluding Alaska, from $76 to $224 per month. Alaska's income limit was $250.

For an aged couple the median income limit was $212 per month. Alaska's income limit was $350. Amounts varied in other States from $97 to $320 per month.

Definition of income.—All income of the applicant or recipient, and income of an "essential person" whose needs are included, which is regularly available is considered, subject to treatment of income described below, except that home produce utilized by an OAA applicant or recipient and his household for their own consumption or casual and inconsequential income is not included as "income."

Income of an ineligible spouse living in the home in excess of the spouse's own needs is usually considered to be available to the other spouse. If both spouses are applicants, their income is considered jointly in determining eligibility and may be apportioned in determining amounts of benefits to each.

Treatment of earned income.—All income is counted in determining need except the following: (1) Up to $7.50 of monthly income from any source (earned or unearned); (2) training payments and allowances; (3) up to $20 of monthly earned income and half of the next $60 of such income; and (4) any expenses which are reasonably attributable to the earning of income.

Provisions (1) and (3) are optional with the States. Twenty-two allow no disregard under (1) and 13 States allow no disregard of earned income under (3). Five States allow no disregard under either (1) or (3). Item 4 is mandatory but definitions and amounts of work expenses vary among the States.

Treatment of unearned income.—All unearned income other than the amount which may be excluded under treatment of income above is counted in determining need except the following: (1) The value of food stamp coupons and commodity distribution; (2) relocation assistance; (3) undergraduate grants and loans; and (4) until 1973, $4 of monthly OASDI benefits.

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 sale of farm produce, is considered as available during 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, an OAA recipient may not have real or personal property worth more than an amount specified by the State which 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, automobile, and other real and personal property up to a apecified value may be excluded in applying asset limits as defined by the States. The value of nonexcluded assets which may be held by an eligible recipient varies from $300 to $2,000 except for one State which allows no cash or liquid reserve and one which allows the equivalent of 1 month's budgetary requirement. (See supplementary material for additional information on treatment of assets.)

OTHER CONDITIONS

Work requirement.—There is no Federal requirement. One State requires that an employable beneficiary may not give up or refuse available employment. (A work requirement was prohibited by Federal regulation in October 1969).

Acceptance of training or rehabilitation.—There is no requirement. One State requires acceptance of referral and services unless the recipient is mentally ill or, in specified kinds of cases, mentally retarded.

Citizenship.—A State may not impose a citizenship requirement which excludes any citizen of the United States. Three States limit payments to citizens only; three States include noncitizens who have resided in the United States from 10 to 25 years. (The Supreme Court ruled such provisions unconstitutional, June 14, 1971.)

Lien, recovery, or assignment.—There is no Federal requirement, but the Federal Government must be reimbursed in the amount of the Federal share of any assistance payments recovered.

Twenty-nine States have provisions for liens on property or recovery from estates of recipients of the amount of assistance received by the beneficiary. Plans generally provide that claims or liens are not enforced as long as a surviving spouse or minor children are using the property or depend on it as a means of support. In addition to liens or claims, 11 States may require assignment of real property or other assets, such as life insurance or bank accounts, under certain conditions as a condition of eligibility.

Transfer of property.—There is no Federal requirement.

Forty-five States and Puerto Rico have requirements that relate eligibility to disposition of property prior to application for assistance. The general requirement is that the applicant has not transferred property prior to application without fair consideration or in order to make himself eligible or to avoid a lien. In 12 States the applicant is ineligible if he has disposed of property in order to qualify for assistance within 1 to 3 years prior to application; in 17 States the period of time considered is 5 years; and in 16 States no time limit is specified (although one State applies 5 years to transfer of real property) and the period of ineligibility is generally determined by the value of the property. Six States have no requirement in respect to prior transfers or property.

Relative responsibility.—If a State holds relatives responsible for the support of OAA applicants and recipients, the relatives' income must be considered on the basis of a scale set by the State in determining their ability to support. This regulation applies primarily to relatives not living in the same household with the recipient.

Twenty-one States have no requirement in respect to responsibility for support of OAA beneficiaries by relatives not living in the same household; 17 States specify that adult children are considered responsible for their parents; eight States consider spouses mutually responsible, and four States specify that a husband is responsible for his wife. A few States make exceptions in respect to the responsibility of a child if the parent failed to support the child during his minority. One State simply says "responsible relatives" and does not identify them further in the federally aided public assistance program plan.

Institutional status.—Old Age Assistance is not available to an individual who is an inmate of a public institution (except as a patient in a public medical institution). Twenty-four States exclude patients in mental hospitals, and 26 States exclude patients in tuberculosis hospitals.

Residence requirments.—A State may not impose a residence requirement which excludes any resident of the State.

All States require that the applicant be residing in the State at the time of application. Most States define a resident as a person who is living in the State voluntarily with intent to remain and not for a temporary purpose.

Benefits and Services

Cash benefits

Primary determinants of amounts of benefits.—The amount of the benefit generally is the difference between the beneficiary's countable income and the State's cost standard for assistance. In all States this includes basic needs; that is, the amount needed, as determined by each State, to purchase basic maintenance items such as food, clothing, household supplies, shelter, and utilities. Most States also include amounts for common special needs such as laundry, transportation, or telephone under certain conditions. And some States include special circumstance items such as attendant care or the cost of medical services needed occasionally but not encompassed in the State's medicaid plan. Because of these and other factors which vary from State to State, tables and charts to compare benefits among the States are based on the State standards of assistance as they relate to basic needs only.

On this basis of comparison, there are 33 States in which any countable income is measured against the full cost standard for basic needs. In seven States, any countable income is applied to a "payment standard" which varies by State from 52 percent to 96 percent of the State's established cost standard. A person with no countable income (or no other income at all) would receive a benefit equal to this "payment standard." In 11 States the benefit is the difference between countable income and the cost standard or the States maximum allowable payment, whichever is less. (See supplement for table of State cost standards and illustrations of payment calculation.)

Full cost standards, or the total need which may be considered, as applied to individual circumstances may vary according to living arrangements, amount of rent paid, and by any amounts included for common special needs or special circumstance items allowed in the State's plan.

Cost standards for basic maintenance needs of an aged woman living alone and paying the maximum allowable for rent as of January 1972 vary from $87 to $250 per month, with a national median of $146. The largest amount payable to an aged woman with no income ranges from $75 to $250 per month with a median of $131.

Relationship of benefit amount to family size.—The amounts payable to an aged couple for basic needs as of January 1972 vary from $97 to $350 per month with a median of $200.

Relationship of benefit amount to place of residence.—Benefits vary by State and may vary within States because of differences in amounts included for rent in urban and rural areas. In general, benefits are highest in Northeastern States and lowest in Southern States.

Relationship of benefit amount to cost of living.—There is no Federal requirement that cost standards or benefits be adjusted in accordance with changes in the cost of living. Most States have increased their cost standards periodically on an ad hoc basis rather than basing changes on the cost of living index. The national median cost standard for basic needs increased 12.2 percent between 1961 and 1967, and 30 percent between 1967 and 1971.

Amounts of benefits.—The national average OAA payment in December 1971 was $75.21 with State averages varying from $48.84 to $165.74. The median average payment was $97 in New England, Middle Atlantic, and Pacific States and was between $63 and $68 in other regions of the country. The "average payment" comparison does not reflect total income of recipients because smaller payments to recipients with countable income affect the "average payment" in States which use a full cost standard of need and pay full need if the person has no countable income.

Comparison of benefit amounts to the poverty level.—The amount of benefit payable to a person with no income as of January 1972 was above the 1971 poverty level of $155 a month for a single person in 16 States. About 30 percent of OAA beneficiaries lived in these States. In 11 States the largest amount payable was under $104 a month or less than two -thirds of the poverty level. Thirty-two percent of OAA beneficiaries lived in these States.

OTHER SERVICES PROVIDED OR AVAILABLE.—All States provide some social services. Forty-three States include social services defined by the Secretary of Health, Education and Welfare as available for increased Federal financial participation in cost of services. Mandatory services which must be provided if 75 percent Federal reimbursement is claimed are information and referral services; protective services (assistance in obtaining guardianship, commitment, or protective placement when needed, or removal from hazardous living arrangements); services to enable persons to remain in or return to their own homes, and to meet their health needs; community planning for development and utilization of community services; and, by April 1974, homemaker services.

Optional services include services to improve living conditions, social and community participation, and to meet special needs.

(Presently available data shows 17 percent of OAA beneficiaries receiving such services, including 10 percent for health care.)

BENEFITS FROM OTHER PROGRAMS WHICH ACCRUE BY VIRTUE OF ELIGIBILTY FOR OAA.—Medical assistance (Medicaid) is available in all States except Arizona and Alaska, including premium for Medicare Supplementary Medical Insurance paid in bahalf of OAA recipients in most States with Medicaid programs.

Food stamps or donated food commodities (if all persons in the household are public assistance recipients) in localities in which one of these programs is available. All counties in the country except eight have a program but less than half of OAA recipients are participating.

SUPPLEMENTARY MATERIAL ON OLD AGE ASSISTANCE

OLD AGE ASSISTANCE PROGRAMS IN GUAM, PUERTO RICO, AND THE VIRGIN ISLANDS.—Puerto Rico and the Virgin Islands enacted OAA programs in 1950 and Guam in 1959. The Federal matching formula is somewhat less favorable for these jurisdictions than for the States and the Federal share (50 percent) is not adjusted for per capita income. In April 1971, there were 20,900 OAA recipients in Puerto Rico, 410 in Guam, and 340 in the Virgin Islands. Total program costs amounted to $1,750,000 in fiscal year 1970. Slightly less than half of the total was from Federal funds.

Federal requirements and options apply to these jurisdictions on the same basis as for the States. Puerto Rico makes limited use of options because of the Federal matching ceiling and limited local funds. The average monthly benefit in July 1971 was $18.35 in Puerto Rico, $46.06 in the Virgin Islands, and $68.93 in Guam.

FEDERAL, STATE, AND LOCAL SHARING OF PROGRAM COSTS.—The proportions of Federal, State, or local funds varied among the States in fiscal year 1970. The Federal share varied from 47.9 percent to 83.3 percent of total program costs, and State share from 12.8 percent to 52.1 percent. In 21 States no local funds were used; in 12 States the local share was less than 1 percent of the total; and in 18 States, the local share varied from 2.6 percent to 24 percent of total program costs.

Trends.—In December 1950, there were 2.8 million OAA recipients. This was the largest number of recipients since the initiation of the program. The number of recipients decreased to 2.1 million in 1971. The total number of persons in the general population 65 years old and over increased from 12.3 million to 20 million during this time, but the number of OAA recipients per 1,000 aged persons in the population decreased from 225 in 1950 to 105 in 1970. The major reason for the decrease in OAA was the increase in coverage and number of aged persons receiving retirement and survivors' benefits under the social security program.

Total costs of assistance payments increased from $1.4 billion in fiscal year 1950 to $1.8 billion in fiscal year 1970. During this time the average payment per month increased from $43.05 to $77.60. The Federal share of assistance payments increased from 54.9 percent in 1950 to 66.5 percent in 1970.

TREATMENT OF ASSETS IN DETERMINING ELIGIBILITY FOR OAA

Assets excluded in determining eligibility.—The home property owned and occupied by the applicant or beneficiary. Thirty-seven States do not consider the value of the home in determining eligibility but only its use as a home. Average limits are sometimes for rural property, for example, "home and contiguous land not to exceed 40 acres." Fourteen States set limits to the value of a home which may be owned by a beneficiary. In eight of these States the value of the home is considered without regard to encumbrances. Limiting values are from $3,000 to $25,000 assessed value (in a State which assesses at 70 percent) and from $4,500 to $12,000 market value. In five States the applicant or beneficiary's equity is considered. Limits vary from $1,500 to $2,500 net assessed value and from $8,000 to $12,000 net market value. In one State the value of the home cannot exceed that of "modest homes in the community" by more than $750, and in one State, eligibility is affected if the applicant has a "substantial investment" in the home.

Other real property.—Fifteen States require that all real property other than the home be disposed of if it is not producing income and is marketable; three States allow excess real property within value limits from $225 to $1,000; four States include all real property and the home under one value figures—from $9,000 net assessed value to $10,500 market value for all real property; 29 States include all excess real property (other than the home) in total nonexcluded assets of $300 to $2,000. In addition, four States exclude income-producing property with no value limit; seven States limit the value of income-producing property to stated amounts from $1,000 market value to $8,000 net equity.

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Automobile.—Nine States exclude one automobile; 22 exclude one automobile under certain conditions such as value under specified amounts, more than 2 or 3 years old, or considered essential; 20 States include the value of automobiles in the total allowable reserve. In some States this reserve figure is so low that it practically precludes car ownership.

Life Insurance.—Twenty-eight States exclude life insurance up to specified amounts from $500 to $1,000 in face, cash, or loan value; 20 States include cash or loan value of life insurance in total allowable reserves. Two States require insurance to be assigned to the welfare agency. One State requires liquidation of life insurance with a cash or loan value.

Allowable non-excluded reserve.—One State allows no cash or liquid reserve; one State allows an amount equal to one month's budgeted requirement; 49 States allow amounts between $300 to $3,000 for two persons (dependents of beneficiary or second recipient). States which exclude specified amounts of life insurance allow reserves from $300 to $1,000 for one beneficiary.

CASH BENEFITS

Primary Determinants of Amount of Benefits.—All States are required to establish cost standards for total maintenance needs covering those items which the State recognizes in its standard—that is, amounts needed, as determined by the States—to purchase basic maintenance items such as food, clothing, household supplies, shelter, and utilities. In most States the amount reported as the standard for rent is the maximum amount which may be included for rent and is not necessarily based on the actual rental cost of minimum adequate housing or on the cost of rental quarters available to beneficiaries. Cost standards, as applied to individual circumstances may vary according to living arrangements, amount of rent paid if below the rental maximum, and by the inclusion of amounts for special needs such as laundry, transportation, telephone, under certain conditions in some States.[2]

Because of these variables, comparisons between States are usually based on the cost standards for basic needs. Cost standards reported as of January 1972 for basic maintenance needs of an aged woman living alone and paying the maximum allowed for rent vary from $250 in Alaska and from $238 to $87 per month in other States. The national median is $146 per month. Amounts allowed for rent vary from $145 to $23 per month with a median rental allowance of $56.

In 33 States the amount of the benefit is the difference between the beneficiary's countable income and his needs as determined by the States full cost standards. In these States, excluding Alaska, the median payable amount to a person with no income is $150 per month. Other States vary from $224 to $96 per month.

In seven States the amount of the benefit is the difference between countable income and a payment standard which for basic needs only is $5 to $70 less than the stated cost standards. In these States the highest amount payable varies from $153 to $76 a month with a median of $111.

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[2] The rental standard also applies to costs of homeownership, such as mortgage payments and taxes. Cost of major repairs may be included as special needs under limited conditions in some States. Federal watching (50 percent) is available for vendor payments for major repairs up to a total of $500 for a home owned by a public assistance recipient.

In 11 States the amount of the benefit is the difference between countable income and the State's cost standard or the amount of the State's maximum allowable payment, whichever is less. In these States the highest amount payable varies from $115 to $75 per month. These amounts are from $4 to $96 less than the stated cost standards in these States. For all States, the median payable amount is $131 per month.

The following are illustrations of methods of determining the amount of the assistance payment for a recipient whose requirements equal the amount of the State's cost standard and who has countable income of $50 per month from other sources.

1. Income deducted from cost standard:

New Jersey:

Cost standard (paid to a person with no income)	$142
Income	−50
OAA payment	92

2. Income deducted from payment standard:

District of Columbia:

Cost standard	$204
Payment standard (paid to a person with no income)	153
Income	−50
OAA payment	103

3. Income deducted from cost standard but payment may not exceed a specified amount.

Indiana:

Cost standard	$185
Income	−50
Deficit	135
OAA payment (maximum allowable payment—also paid to a person with no income)	100

Relationship of benefit amount to family size.—Amounts of benefits payable to an aged couple vary from $350 in Alaska and $286 to $97 per month in other States with a median of $200. These amounts represent increases of $21 to $142 for the second recipient with a median of $57 per month. There is no additional allowance for rent for the second person in 28 States. In 23 States rental allowance for two persons was increased from $5 to $27 a month above amounts allowed for one person. Median amount allowed for rent for two persons is $65 per month, varying from $145 to $30 per month.

Relationship of benefit amount to place of residence.—Payable benefit amounts (that is, the highest amounts payable to persons with no income) are highest in Northeastern States and lowest in the Southern States. The median benefit payable to an aged woman with no income is $153 in the Pacific region, $163 in New England and Middle Atlantic States and $112 in the Southern regions. The median payable benefit is $117 in the mountain region and $145 in North-Central States.

SUPPLEMENTARY MATERIAL

TABLE 1.—Amount of public assistance payments, by programs, fiscal years 1936 to date

[Amounts in thousands]

Year	Total	Money payments								Medical vendor payments 1/				Emergency assistance	Payments to intermediate care families
		Total	Federally aided programs					General assistance	Total		Federally aided programs	General assistance		
			Total	Old-age assistance	Aid to the blind	Aid to the permanently and totally disabled	Aid to families with dependent children		Amount	Percent of total payments				
1936 2/....	$320,883	$320,883	$81,493	$52,907	$5,733	---	$22,853	$239,390	---	---	---	---	---	---
1937.......	717,664	717,664	316,235	244,201	13,533	---	58,501	401,430	---	---	---	---	---	---
1938.......	913,880	913,880	462,470	360,249	17,716	---	84,505	451,410	---	---	---	---	---	---
1939.......	1,017,824	1,017,824	545,465	418,309	20,101	---	107,055	472,359	---	---	---	---	---	---
1940.......	1,038,991	1,038,991	594,541	449,969	21,206	---	123,366	444,450	---	---	---	---	---	---
1941.......	1,011,185	1,011,185	673,336	505,063	22,270	---	146,003	337,848	---	---	---	---	---	---
1942.......	969,299	969,299	749,800	568,631	23,764	---	157,405	219,499	---	---	---	---	---	---
1943.......	928,940	928,940	791,411	616,569	24,880	---	149,962	137,529	---	---	---	---	---	---
1944.......	935,826	935,826	840,440	679,329	25,215	---	135,896	95,385	---	---	---	---	---	---
1945.......	951,229	951,229	865,823	701,951	25,339	---	138,533	85,406	---	---	---	---	---	---
1946.......	1,064,191	1,064,191	963,230	761,587	28,536	---	173,107	100,960	---	---	---	---	---	---
1947.......	1,342,202	1,342,202	1,198,354	910,330	33,477	---	254,547	143,848	---	---	---	---	---	---
1948.......	1,584,824	1,584,824	1,401,810	1,037,554	38,540	---	325,716	183,014	---	---	---	---	---	---
1949.......	1,950,633	1,950,633	1,718,370	1,259,381	44,850	---	414,139	232,263	---	---	---	---	---	---
1950.......	2,328,671	2,328,671	2,009,328	1,437,982	51,016	---	520,330	319,344	---	---	---	---	---	---
1951.......	2,409,319	2,308,574	2,078,990	1,436,684	53,413	3/$31,150	557,743	229,584	$100,746	4.2	$48,116	$52,629	---	---
1952.......	2,392,643	2,273,496	2,097,628	1,435,746	56,696	68,985	536,201	175,868	119,147	5.0	70,521	48,626	---	---
1953.......	2,523,904	2,369,547	2,209,834	1,507,188	62,180	92,860	547,606	159,713	154,357	6.1	101,974	52,383	---	---
1954.......	2,563,335	2,387,880	2,222,722	1,502,212	64,274	110,686	545,550	165,158	175,454	6.8	120,745	54,709	---	---
1955.......	2,713,459	2,501,576	2,281,163	1,485,223	66,457	127,927	601,556	220,413	211,882	7.8	145,626	66,256	---	---
1956.......	2,781,698	2,529,001	2,330,408	1,503,019	69,633	141,314	616,442	198,593	252,697	9.1	180,848	71,849	---	---
1957.......	2,970,006	2,682,405	2,479,353	1,568,354	76,280	161,295	673,424	203,052	287,600	9.7	214,659	72,942	---	---
1958.......	3,251,007	2,930,831	2,675,046	1,639,233	80,270	183,583	771,960	255,785	320,177	9.8	236,131	84,046	---	---
1959.......	3,574,386	3,164,420	2,834,188	1,642,263	82,893	208,746	900,286	330,232	409,967	11.5	313,926	96,041	---	---
1960.......	3,705,216	3,212,516	2,885,916	1,614,357	84,679	225,134	961,746	326,600	492,700	13.3	393,337	99,363	---	---
1961.......	3,938,653	3,349,786	4/2,994,746	1,611,136	85,730	246,858	1,050,130	355,040	588,867	15.0	477,441	111,425	---	---
1962.......	4,268,996	3,456,630	4/3,148,565	1,549,288	83,832	266,814	1,247,291	308,065	812,365	19.0	712,550	99,815	---	---
1963.......	4,583,000	3,582,179	4/3,302,598	1,592,565	84,343	298,861	1,324,996	279,581	1,000,822	21.8	897,900	102,922	---	---
1964.......	4,865,643	3,718,048	4/3,446,781	1,610,059	85,667	335,062	1,414,016	271,267	1,147,597	23.6	1,043,912	103,685	---	---
1965.......	5,285,321	3,918,195	4/3,654,306	1,606,156	86,650	385,017	1,573,767	263,889	1,367,125	25.9	1,249,087	118,038	---	---
1966.......	5,796,810	4,086,880	4/3,840,392	1,587,993	81,109	448,870	1,719,742	246,488	1,709,930	29.5	1,605,986	103,944	---	---
1967.......	6,981,511	4,598,874	4/4,316,561	1,675,225	86,001	527,277	2,027,441	282,313	2,382,637	34.1	2,308,192	74,445	---	---
1968.......	8,866,220	5,285,396	4/4,918,589	1,695,850	87,826	618,368	2,516,261	366,807	3,580,825	40.4	3,510,753	70,071	---	---
1969.......	10,630,932	6,103,530	4/5,649,757	1,689,378	88,812	711,178	3,160,162	453,773	4,423,163	41.6	4,343,467	79,696	$6,303	$97,936
1970.......	12,752,482	7,415,794	4/6,866,744	1,823,190	95,061	882,930	4,065,466	549,050	5,006,039	39.3	4,915,474	90,565	12,854	317,794
1971.......														
1972.......														
1973.......														
1974.......														

1/ Federal participation in vendor payments for medical care under programs (except general assistance which is financed entirely from State and local funds) was made possible beginning October 1, 1950 by the Social Security Amendments of 1950.
2/ Represents data for February-June.
3/ Represents data for October-June; program approved for Federal participation effective October 1, 1950.
4/ Includes money payments under medical assistance for the aged as follows: 1961, $892,000; 1962, $1,340,000; 1963, $1,833,000; 1964, $1,977,000; 1965, $2,716,000; 1966, $2,678,000; 1967, $617,000; 1968, $284,000; 1969, $227,000; 1970, $97,000.

TABLE 2.—Number of public assistance recipients of money payments by program, June and December of each year, 1936 to date

Year and month		OAA	AFDC 1/	AB	APTD	GA 2/
1936:	June.......	652,000	522,000	43,600	---	4,680,000
	December...	1,108,000	546,000	45,200	---	4,545,000
1937:	June.......	1,292,000	645,000	50,100	---	3,842,000
	December...	1,579,000	769,000	56,100	---	4,840,000
1938:	June.......	1,659,000	870,000	62,400	---	5,336,000
	December...	1,779,000	935,000	66,600	---	5,177,000
1939:	June.......	1,845,000	1,026,000	68,400	---	4,766,000
	December...	1,912,000	1,042,000	69,800	---	4,675,000
1940:	June.......	1,970,000	1,141,000	71,600	---	4,038,000
	December...	2,070,000	1,222,000	73,400	---	3,618,000
1941:	June.......	2,170,000	1,291,000	74,100	---	2,412,000
	December...	2,238,000	1,288,000	77,300	---	2,068,000
1942:	June.......	2,254,000	1,300,000	78,900	---	1,441,000
	December...	2,230,000	1,158,000	79,100	---	1,000,000
1943:	June.......	2,170,000	1,014,000	77,600	---	694,000
	December...	2,149,000	916,000	75,700	---	558,000
1944:	June.......	2,088,000	880,000	73,900	---	478,000
	December...	2,066,000	862,000	72,300	---	477,000
1945:	June.......	2,038,000	872,000	71,100	---	427,000
	December...	2,056,000	943,000	71,500	---	507,000
1946:	June.......	2,108,000	1,073,000	73,900	---	564,000
	December...	2,196,000	1,190,000	76,700	---	673,000
1947:	June.......	2,271,000	1,358,000	79,000	---	693,000
	December...	2,332,000	1,426,000	81,100	---	739,000
1948:	June.......	2,368,000	1,541,000	83,300	---	757,000
	December...	2,498,000	1,632,000	85,800	---	842,000
1949:	June.......	2,626,000	1,838,000	89,300	---	1,027,000
	December...	2,736,000	2,048,000	92,700	---	1,337,000
1950:	June.......	2,790,000	2,235,000	95,400	---	1,105,000
	December...	2,786,000	2,233,000	97,500	68,800	866,000
1951:	June.......	2,745,000	2,170,000	97,000	104,000	646,000
	December...	2,701,000	2,041,000	97,200	124,000	664,000
1952:	June.......	2,660,000	2,042,000	97,700	145,000	599,000
	December...	2,635,000	1,991,000	98,500	161,000	587,000
1953:	June.......	2,597,000	1,981,000	98,700	176,000	507,000
	December...	2,582,000	1,941,000	99,600	192,000	618,000
1954:	June.......	2,571,000	2,078,000	101,000	209,000	708,000
	December...	2,553,000	2,173,000	102,000	222,000	880,000
1955:	June.......	2,535,000	2,238,000	104,000	234,000	718,000
	December...	2,538,000	2,192,000	104,000	241,000	743,000
1956:	June.......	2,509,000	2,249,000	105,000	255,000	639,000
	December...	2,499,000	2,270,000	107,000	266,000	731,000
1957:	June.......	2,487,000	2,398,000	108,000	281,000	682,000
	December...	2,480,000	2,497,000	108,000	290,000	907,000
1958:	June.......	2,453,000	2,731,000	108,000	311,000	1,163,000
	December...	2,438,000	2,846,000	110,000	325,000	1,246,000
1959:	June.......	2,399,000	2,922,000	109,000	336,000	1,008,000
	December...	2,370,000	2,946,000	108,000	346,000	1,107,000
1960:	June.......	2,331,000	3,015,000	107,000	358,000	969,000
	December...	2,305,000	3,073,000	107,000	369,000	1,244,000
1961:	June.......	2,260,000	3,369,000	105,000	378,000	1,040,000
	December...	2,229,000	3,566,000	103,000	389,000	1,069,000
1962:	June.......	2,195,000	3,658,000	99,600	409,000	813,000
	December...	2,183,000	3,789,000	98,700	428,000	900,000
1963:	June.......	2,156,000	3,850,000	97,300	447,000	778,000
	December...	2,152,000	3,930,000	96,900	464,000	872,000
1964:	June.......	2,135,000	4,126,000	96,400	484,000	708,000
	December...	2,120,000	4,219,000	95,500	509,000	779,000
1965:	June.......	2,111,000	4,306,000	94,400	536,000	664,000
	December...	2,087,000	4,396,000	85,100	557,000	677,000
1966:	June.......	2,076,000	4,472,000	84,500	573,000	592,000
	December...	2,073,000	4,666,000	83,700	588,000	663,000
1967:	June.......	2,065,000	4,977,000	83,000	615,000	664,000
	December...	2,073,000	5,309,000	82,600	646,000	782,000
1968:	June.......	2,019,000	5,609,000	81,200	670,000	732,000
	December...	2,027,000	6,086,000	80,700	702,000	826,000
1969:	June.......	2,036,000	6,577,000	80,200	755,000	767,000
	December...	2,074,000	7,313,000	80,600	803,000	860,000
1970:	June.......	2,050,000	8,292,000	80,100	878,000	930,000
	December...	2,082,000	9,660,000	81,000	935,000	1,056,000

1/ Children and one or both parents or one adult caretaker relative other than a parent in families in which the requirements of such adults were considered in determining the amount of assistance; befor December 1950 partly estimated.

2/ Partly estimated.

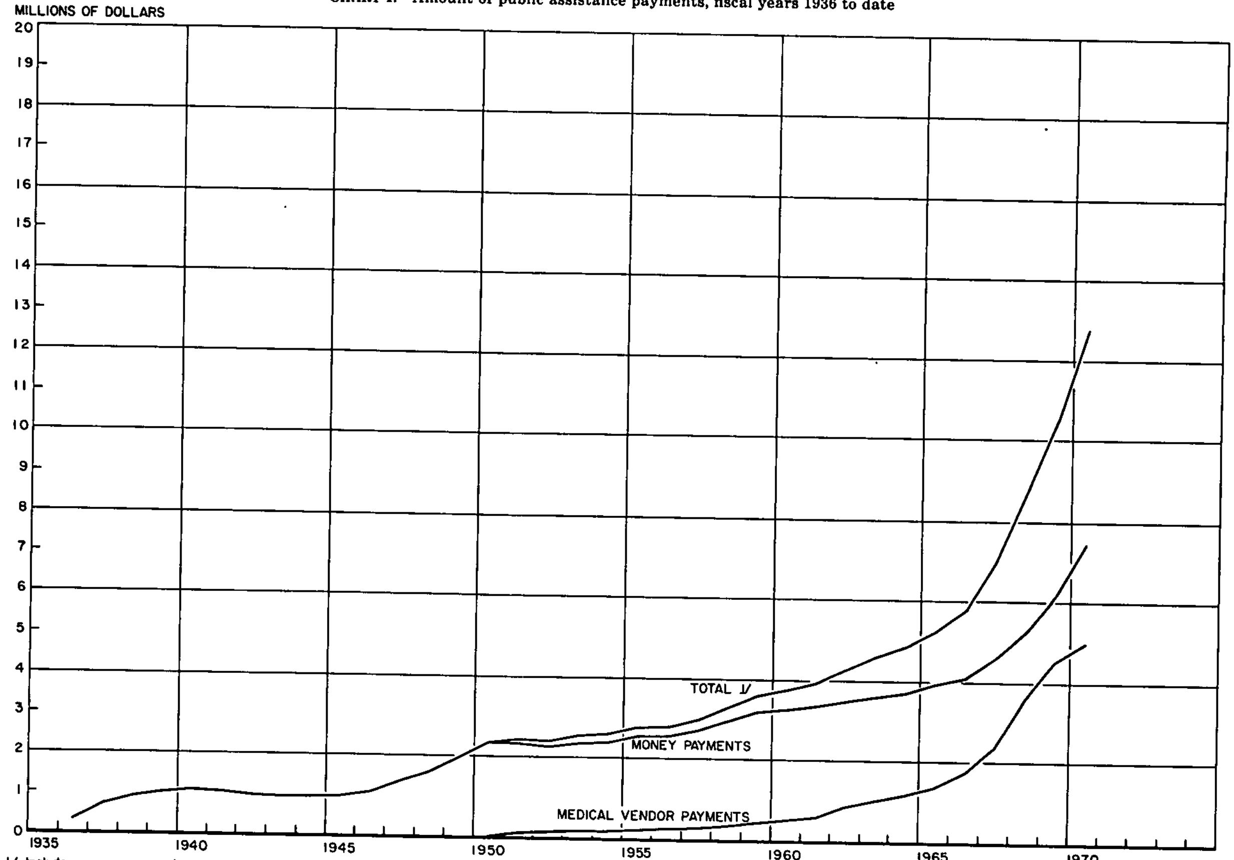
TABLE 3.—Average monthly public assistance money payment per recipient in actual and adjusted dollars by program, June and December of each year, 1936 to date

Year and month	OAA		AFDC 1/		AB		APTD		GA (per case)	
	Actual dollars	Adjusted dollars (1957-59=100) 2/	Actual dollars	Adjusted dollars (1957-59=100) 2/	Actual dollars	Adjusted dollars (1957-59=100) 2/	Actual dollars	Adjusted dollars (1957-59=100) 2/	Actual dollars	Adjusted dollars (1957-59=100) 2/
1936: June......	$16.30	$33.85	$8.15	$16.85	$24.55	$50.90	---	---	$21.40	$44.45
December..	18.80	38.60	8.80	18.10	26.10	53.60	---	---	24.15	49.55
1937: June......	18.90	37.75	8.95	17.80	26.20	52.30	---	---	22.10	44.10
December..	19.45	38.75	9.35	18.65	27.20	54.20	---	---	25.35	50.50
1938: June......	19.50	39.65	9.20	18.80	25.35	51.60	---	---	22.30	45.40
December..	19.55	40.05	9.60	19.65	25.20	51.65	---	---	25.05	51.35
1939: June......	19.45	40.40	9.40	19.50	25.30	52.55	---	---	23.70	49.30
December..	19.30	39.70	9.65	19.85	25.45	52.35	---	---	24.90	51.20
1940: June......	19.90	40.65	9.65	19.75	25.45	51.90	---	---	23.20	47.40
December..	20.25	41.25	9.85	20.05	25.35	51.65	---	---	24.30	49.45
1941: June......	21.10	41.35	9.95	19.50	25.60	50.20	---	---	22.05	43.20
December..	21.25	39.45	10.20	18.95	25.80	47.90	---	---	24.40	45.25
1942: June......	21.85	38.50	10.25	18.10	26.00	45.90	---	---	25.50	45.00
December..	23.35	39.75	10.95	18.60	26.55	45.15	---	---	25.25	42.90
1943: June......	24.60	40.40	11.65	19.10	27.00	44.35	---	---	26.20	43.00
December..	26.65	43.90	12.35	20.35	27.95	46.05	---	---	27.75	45.75
1944: June......	27.55	45.05	12.75	20.85	28.75	46.95	---	---	27.85	45.55
December..	28.45	45.85	13.40	21.65	29.30	47.25	---	---	28.75	46.40
1945: June......	29.45	46.75	13.90	22.10	30.00	47.60	---	---	29.05	46.15
December..	30.90	48.70	15.15	23.90	33.50	52.85	---	---	32.70	51.60
1946: June......	31.50	48.45	15.55	23.95	34.05	52.40	---	---	32.65	50.25
December..	35.30	47.15	18.10	24.20	36.65	48.95	---	---	39.45	52.70
1947: June......	36.05	46.95	18.00	23.45	37.95	49.40	---	---	39.20	51.05
December..	37.40	45.80	18.40	22.50	39.60	48.45	---	---	42.80	52.35
1948: June......	38.20	45.45	19.25	22.95	40.75	48.50	---	---	43.25	51.50
December..	42.00	50.10	20.90	24.95	43.55	51.90	---	---	47.40	56.50
1949: June......	43.60	52.45	21.25	25.55	45.00	54.20	---	---	47.90	57.65
December..	44.75	54.40	21.70	26.35	46.10	56.05	---	---	50.45	61.30
1950: June......	43.85	52.85	20.60	24.80	46.05	55.50	---	---	46.05	55.50
December..	43.05	49.45	20.85	23.95	46.00	52.80	$44.10	$50.60	46.65	53.55
1951: June......	43.20	47.85	21.35	23.65	46.75	51.80	44.85	49.70	44.95	49.80
December..	44.55	48.30	22.00	23.85	48.05	52.15	46.45	50.40	47.10	51.05
1952: June......	45.20	48.90	21.95	23.75	50.00	54.10	46.05	49.85	45.85	49.65
December..	48.80	52.50	23.45	25.25	53.50	57.55	48.40	52.05	49.80	53.55
1953: June......	48.75	52.25	23.35	25.00	53.95	57.80	48.20	51.65	47.15	50.55
December..	48.90	52.25	23.20	24.80	54.05	57.75	47.90	51.15	50.55	54.00
1954: June......	48.70	51.95	23.20	24.70	54.15	57.75	47.45	50.60	51.60	55.00
December..	48.70	52.25	23.25	24.95	54.35	58.35	48.35	51.90	57.30	61.45
1955: June......	48.80	52.35	23.25	24.95	54.55	58.55	48.10	51.60	53.75	57.70
December..	50.05	53.50	23.50	25.10	55.55	59.40	48.75	52.15	55.05	58.85
1956: June......	50.00	52.80	23.45	24.75	57.65	60.85	48.85	51.55	52.05	55.00
December..	53.25	55.35	24.80	25.80	60.00	62.35	50.70	52.70	56.15	58.35
1957: June......	53.30	54.35	25.00	25.55	60.25	61.50	51.25	52.30	54.90	56.00
December..	55.50	56.00	25.40	25.65	62.20	62.75	52.35	52.80	59.75	60.30
1958: June......	55.75	55.30	25.75	25.55	62.50	62.00	52.75	52.30	61.55	61.10
December..	56.95	56.50	26.65	26.40	63.55	63.05	53.80	53.35	68.95	68.40
1959: June......	56.30	55.50	26.80	26.40	63.95	63.00	53.95	53.15	65.80	64.80
December..	56.70	55.45	27.30	26.70	65.60	64.10	54.15	52.95	69.50	67.95
1960: June......	58.05	56.30	27.45	26.65	66.80	64.80	54.80	53.15	67.45	65.40
December..	58.90	56.70	28.35	27.25	67.45	64.95	56.15	54.05	71.60	68.95
1961: June......	57.45	55.25	28.45	27.35	67.15	64.60	56.20	54.05	65.10	62.60
December..	57.60	55.10	29.45	28.15	68.05	65.10	57.05	54.55	67.95	65.05
1962: June......	59.15	56.20	29.45	28.00	69.95	66.40	57.60	54.70	65.75	62.45
December..	61.55	58.20	29.30	27.70	71.95	68.00	58.50	55.30	66.80	63.15
1963: June......	62.15	58.30	29.15	27.35	73.05	68.55	58.95	55.30	64.60	60.60
December..	62.80	58.35	29.70	27.60	73.95	68.70	59.85	55.60	67.95	63.15
1964: June......	62.90	58.20	30.30	28.05	74.75	69.20	61.30	56.75	64.70	59.95
December..	63.65	58.50	31.50	28.95	76.15	70.00	62.25	57.20	68.60	63.05
1965: June......	63.45	57.65	31.55	28.65	76.80	69.75	64.75	58.80	65.50	59.45
December..	63.10	56.85	32.85	29.60	81.35	73.25	66.50	59.95	68.95	62.15
1966: June......	64.45	57.10	33.65	29.80	83.95	74.35	69.75	61.75	72.70	64.40
December..	68.05	59.35	36.25	31.60	86.85	75.70	74.75	65.15	79.55	69.35
1967: June......	68.05	58.65	37.10	32.00	87.30	75.25	76.90	66.30	83.05	71.60
December..	70.15	59.35	39.50	33.40	90.45	76.50	80.60	68.20	87.60	74.10
1968: June......	67.70	56.00	41.85	34.60	91.05	75.30	81.10	67.10	93.25	77.15
December..	69.55	56.20	42.05	34.00	92.15	74.50	82.65	66.80	94.45	76.35
1969: June......	70.50	55.25	43.85	34.35	95.30	74.70	85.65	67.10	95.25	74.65
December..	73.90	56.30	45.15	34.40	98.75	75.20	90.15	68.65	101.55	77.35
1970: June......	74.75	55.30	47.20	34.90	102.05	75.50	95.50	70.65	108.75	80.45
December..	77.65	56.05	49.65	35.85	104.35	75.35	97.65	70.50	111.60	80.60

1/ 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; before December 1950 partly estimated.

2/ Dollar amounts adjusted to represent actual purchasing power in terms of average value of dollar during the period 1957-1959 based on the consumers' price index for moderate-income families in large cities maintained by the Bureau of Labor Statistics.

CHART I.—Amount of public assistance payments, fiscal years 1936 to date



1/ Includes emergency assistance and payments to intermediate care families for 1969 and 1970.

TABLE 4.—Old-age assistance: Monthly amount for basic needs under full standard and payment standard and largest amount paid for basic needs for an *aged woman*, by State, July 1971

State	Monthly amount for basic needs				Largest amount paid for basic needs	
	Full standard	Payment standard 1/			Amount	Percent of full standard for basic needs in column (1)
		Total	Other than rent	Rent		
	(1)	(2)	(3)	(4)	(5)	(6)
Alabama	$146	$146	$106	$40	$103	71
Alaska	250	250	(2/)	(2/)	250	100
Arizona	118	118	73	45	118	100
Arkansas	109	109	74	35	105	96
California	178	178	115	3/ 63	178	100
Colorado	140	140	(2/)	(2/)	140	100
Connecticut	169	169	78	91	169	100
Delaware	140	140	74	66	140	100
District of Columbia	204	153	85	3/ 68	153	75
Florida	114	114	64	50	114	100
Georgia	105	105	71	34	91	87
Guam	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)
Hawaii	132	132	75	57	132	100
Idaho	163	163	98	65	163	100
Illinois	169	169	72	97	169	100
Indiana	185	185	85	100	100	54
Iowa	122	117	84	33	117	96
Kansas	208	203	78	125	203	98
Kentucky	96	96	73	23	96	100
Louisiana	143	143	108	35	100	70
Maine	123	123	80	43	115	93
Maryland	130	96	55	41	96	74
Massachusetts	189	189	139	50	189	100
Michigan	224	224	79	145	224	100
Minnesota	183	183	78	105	183	100
Mississippi	150	150	100	50	75	50
Missouri	181	181	141	4/ 40	85	47
Montana	120	111	82	29	111	92
Nebraska	182	182	82	100	182	100
Nevada	170	170	118	52	170	100
New Hampshire	173	173	103	70	173	100
New Jersey	5/ 142	5/ 142	(2/)	(2/)	5/ 142	100
New Mexico	116	116	79	37	116	100
New York	159	159	84	4/ 6/75	159	100
North Carolina	112	112	40	3/ 72	112	100
North Dakota	5/ 125	5/ 125	(2/)	(2/)	5/ 125	100
Ohio	126	126	68	3/ 58	126	100
Oklahoma	130	130	100	30	130	100
Oregon	153	122	80	42	122	80
Pennsylvania	146	146	81	65	146	100
Puerto Rico	54	54	34	4/ 20	22	40
Rhode Island	163	163	83	4/ 80	163	100
South Carolina	87	87	52	35	80	92
South Dakota	180	180	80	100	180	100
Tennessee	102	102	69	33	97	95
Texas	119	119	86	33	119	100
Utah	151	103	70	33	103	68
Vermont	177	177	92	85	177	100
Virgin Islands	52	52	40	12	52	100
Virginia	152	152	57	3/ 95	152	100
Washington	143	143	85	58	143	100
West Virginia	146	76	43	33	76	52
Wisconsin	158	158	63	95	158	100
Wyoming	139	139	74	3/ 65	104	75

1/ Payment standard for aged woman living alone 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.
2/ Data not reported.
3/ Utilities included in rent.
4/ Estimated average.
5/ Flat allowance; includes special needs.
6/ Heat included in rent. Higher rent authorized with supervisory approval.

Note: The full standard is the amount necessary for basic needs as defined in the State's plan.
The payment standard is the amount from which income "available for basic needs" is subtracted to determine the amount of assistance to which an aged woman is entitled. This is also the amount used to determine whether or not financial eligibility exists.
The largest amount paid is the total monthly payment for basic needs made under State law or agency regulations to an aged woman with no other income.

TABLE 5.—Old-age assistance: Monthly amount for basic needs under full standard and payment standard and largest amount paid for basic needs for an *aged couple*, by State, July 1971

State	Monthly amount for basic needs				Largest amount paid for basic needs	
	Full standard	Payment standard 1/			Amount	Percent of full standard for basic needs in column (1)
		Total	Other than rent	Rent		
	(1)	(2)	(3)	(4)	(5)	(6)
Alabama	$242	$242	$202	$40	$206	85
Alaska	350	350	(2/)	(2/)	350	100
Arizona	164	164	114	50	164	100
Arkansas	169	169	134	35	169	100
California	320	320	230	3/ 90	320	100
Colorado	280	280	(2/)	(2/)	280	100
Connecticut	224	224	126	98	224	100
Delaware	197	197	120	77	197	100
District of Columbia	315	236	163	3/ 73	236	75
Florida	160	160	110	50	160	100
Georgia	171	171	131	40	171	100
Guam	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)
Hawaii	195	195	121	74	195	100
Idaho	200	200	135	65	200	100
Illinois	211	211	114	97	211	100
Indiana	247	247	147	100	200	81
Iowa	186	178	132	46	178	96
Kansas	253	245	120	125	245	97
Kentucky	160	160	130	30	160	100
Louisiana	231	231	196	35	188	81
Maine	214	214	146	68	115	54
Maryland	187	131	90	41	131	70
Massachusetts	280	280	230	50	280	100
Michigan	277	277	132	145	277	100
Minnesota	235	235	130	105	235	100
Mississippi	230	230	180	50	150	65
Missouri	236	236	196	4/ 40	170	72
Montana	192	174	137	37	174	91
Nebraska	235	235	135	100	235	100
Nevada	271	271	208	63	271	100
New Hampshire	228	228	158	70	228	100
New Jersey	5/ 222	5/ 222	(2/)	(2/)	5/ 222	100
New Mexico	155	155	118	37	155	100
New York	219	219	134	4/ 6/85	219	100
North Carolina	153	153	81	3/ 72	153	100
North Dakota	5/ 190	5/ 190	(2/)	(2/)	5/ 190	100
Ohio	212	212	132	3/ 80	212	100
Oklahoma	212	212	182	30	212	100
Oregon	221	177	130	47	177	80
Pennsylvania	218	218	139	79	218	100
Puerto Rico	88	88	68	4/ 20	35	40
Rhode Island	211	211	131	4/ 80	211	100
South Carolina	121	121	86	35	121	100
South Dakota	220	220	120	100	220	100
Tennessee	142	142	109	33	142	100
Texas	192	192	159	33	192	100
Utah	203	138	94	44	138	68
Vermont	233	233	148	85	233	100
Virgin Islands	92	92	80	12	92	100
Virginia	196	196	101	3/ 95	196	100
Washington	204	204	123	81	202	99
West Virginia	186	97	64	33	97	52
Wisconsin	216	216	99	117	216	100
Wyoming	195	195	130	3/ 65	178	91

1/ 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.
2/ Data not reported.
3/ Utilities included in rent.
4/ Estimated average.
5/ Flat allowance; includes special special needs.
6/ Heat included in rent. Higher rent authorized with supervisory approval.

Note: The full standard is the amount necessary for basic needs as defined in the State's plan.
The payment standard is the amount from which income "available for basic needs" is subtracted to determine the amount of assistance to which an aged couple is entitled. This is also the amount used to determine whether or not financial eligibility exists.
The largest amount paid is the total monthly payment for basic needs made under State law or agency regulations to an aged couple with no other income.

TABLE 6.—Old-age assistance: Recipients of money payments and amount of payments, by State, December 1971 [1]

[Excludes vendor payments for institutional services in intermediate care facilities and for medical care and recipients of only such payments]

State	Number of recipients	Payments to recipients		Percentage change from--			
				November 1971 in--		December 1970 in--	
		Total amount	Average	Number	Amount	Number	Amount
Total	2,024,235	$156,584,764	$77.36	(2/)	+1.2	-2.8	-3.1
Ala.	113,343	7,641,355	67.42	-.2	-.2	-1.5	-6.0
Alaska 3/	1,941	250,603	129.11	+.3	-.1	+10.7	+3.5
Ariz.	13,603	986,179	72.50	+1.7	+2.0	+.1	+2.3
Ark. 3/	58,282	3,836,809	65.83	(2/)	-.1	+.7	+2.4
Calif.	315,400	35,143,760	111.43	-.1	+4.8	-1.8	-6.4
Colo.	31,392	2,356,194	75.06	-.3	-.6	-6.2	-7.4
Conn.	8,121	832,182	102.47	-.3	-3.8	-2.1	-.4
Del.	2,793	256,951	92.00	+2.8	+7.3	+14.7	+43.7
D. C.	4,141	384,313	92.81	+1.4	+2.6	+17.2	+18.6
Fla. 3/	57,557	3,364,666	58.46	+.1	+.2	-5.7	2.3
Ga. 3/	90,759	5,120,453	56.42	+.4	+3.8	-1.7	+5.5
Guam	457	31,519	68.97	+.4	+.9	+16.6	+17.0
Hawaii 3/	2,649	268,908	101.51	+1.7	+2.8	+10.8	+17.2
Idaho	3,340	256,052	76.66	+.7	+11.0	-1.8	+19.9
Ill. 3/	33,625	2,273,307	67.61	-2.2	+.9	-2.5	+2.7
Ind.	16,066	917,426	57.10	+.7	+.8	-.1	+2.9
Iowa	22,040	2,806,551	127.34	-.4	-.2	-5.2	2.2
Kans. 3/	9,375	490,232	52.29	-1.3	-1.4	-21.1	-37.4
Ky. 3/	58,199	3,450,031	59.28	-.6	-.4	-7.6	-4.2
La.	115,443	8,532,282	73.91	-.1	-.1	-2.2	7.2
Maine 3/	10,776	687,661	63.81	+.5	+.8	+.5	+5.5
Md. 3/	9,442	624,519	66.14	+.9	+.2	+7.8	+13.3
Mass.	57,203	6,206,075	108.49	+1.0	-8.7	+5.8	+16.8
Mich.	41,320	3,309,704	80.10	+.6	+.6	+4.3	+8.0
Minn.	17,567	1,352,256	76.98	-.5	+.3	-15.4	-15.3
Miss.	81,141	4,744,875	58.48	+.5	+.3	+2.9	+21.1
Mo.	94,230	7,147,658	75.85	-.3	-.2	-.4	-.8
Mont.	3,238	206,977	63.92	-.3	-1.1	-9.5	-13.9
Nebr. 3/	7,294	429,084	58.83	-.2	+.5	-4.9	-6.4
Nev.	2,980	218,018	73.16	+1.9	+1.7	-4.2	-4.2
N. H.	4,562	767,489	168.24	+.4	+.3	+2.4	+1.8
N. J. 4/	19,100	1,443,000	75.55	+.5	-9.8	+4.5	+.9
N. Mex. 3/	8,596	467,621	54.40	+.1	+.2	-6.5	-9.9
N. Y. 3/	111,954	11,459,470	102.36	+.6	+5.7	+4.4	+1.3
N. C. 3/	35,240	2,561,071	72.68	+.1	+2.2	-2.7	+10.6
N. Dak. 3/	3,698	341,179	92.26	+.1	+.4	-2.2	+.8
Ohio	51,544	3,190,969	61.91	-.4	-.1	-6.6	-4.8
Okla. 3/	67,875	4,673,711	68.86	-.4	-.5	-6.2	-6.3
Oreg.	7,625	464,480	60.92	-.4	(5/)	-6.0	-1.0
Pa.	50,554	4,944,040	97.80	-.2	+.1	(2/)	-4.5
P. R. 3/	20,559	374,969	18.24	+.1	+.1	-7.5	-7.6
R. I. 3/	3,919	235,432	60.07	-.3	-.1	-1.7	+3.9
S. C.	17,551	859,089	48.95	-.1	(2/)	-5.8	-4.9
S. Dak.	3,787	236,619	62.48	-.6	-.2	-11.7	-17.5
Tenn.	49,789	2,483,720	49.88	-.1	+.1	-6.6	-7.9
Tex.	210,904	11,497,581	54.52	-.3	(2/)	-9.5	-21.2
Utah	2,865	179,524	62.66	-.4	-.2	-8.3	+5.8
Vt. 3/	4,189	314,474	75.07	-.7	-.2	-5.6	-6.6
V. I.	333	15,324	46.02	0	0	+.3	-15.8
Va.	14,193	991,537	69.86	+.6	+1.2	+7.2	+9.0
Wash.	19,270	1,189,794	61.74	-.4	-.7	-12.4	19.5
W. Va.	11,709	1,146,562	97.92	+1.1	+.7	-7.2	+33.0
Wis.	19,274	2,539,849	131.78	+.8	+6.8	+5.1	+29.8
Wyo.	1,428	80,660	56.48	-.6	-.2	-9.5	-13.7

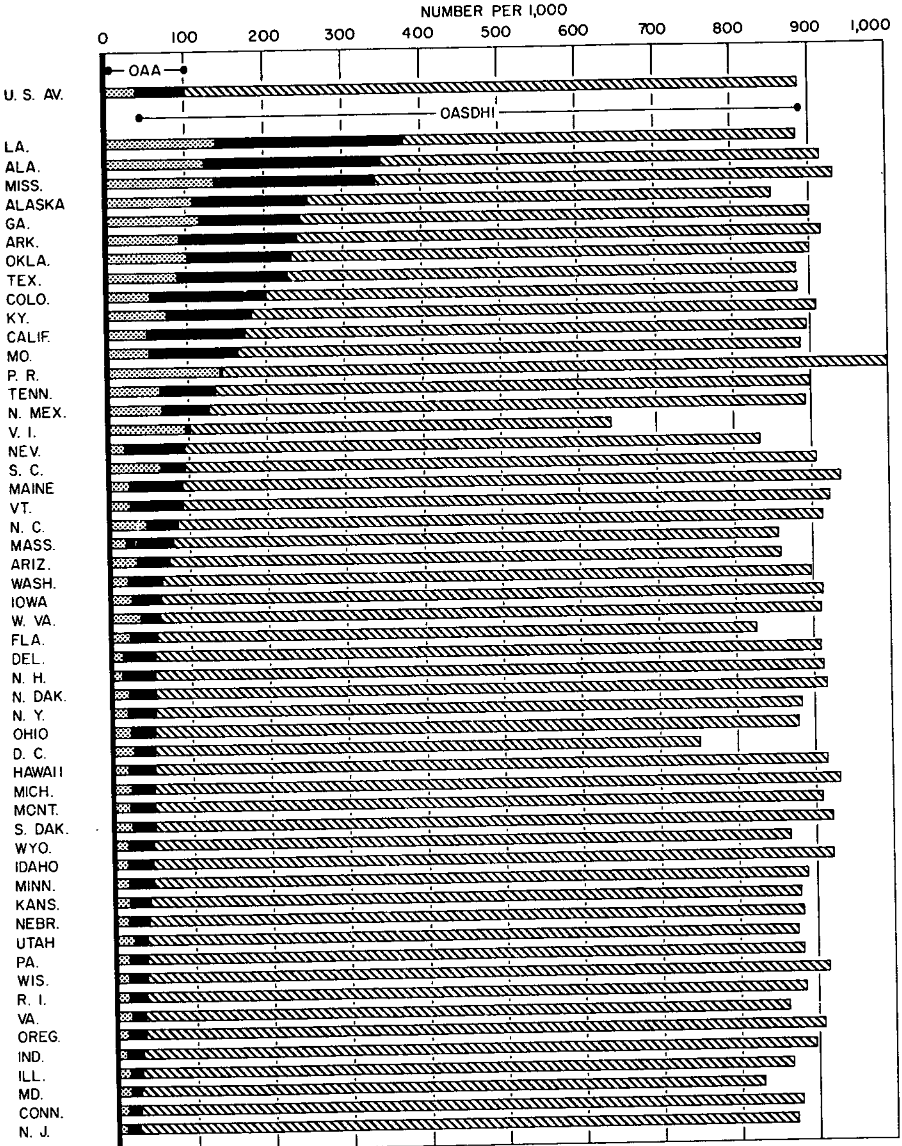
1/ All data subject to revision. Data include nonmedical vendor payments other than those for institutional services in intermediate care facilities.
2/ Decrease of less than 0.05 percent.
3/ Represents aid to the aged under program for aid to the aged, blind, or disabled.
4/ Estimated by State.
5/ Increase of less than 0.05 percent.

TABLE 7.—Number of persons aged 65 or over receiving OASDHI cash benefits, OAA money payments, or both, by State, February 1971 [1]

State	Number				Number per 1,000 aged population			
	Unduplicated total	OASDHI 2/	OAA	Both OASDHI and OAA	Unduplicated total	OASDHI 2/	OAA	Both OASDHI and OAA
Total	18,193,000	17,390,000	2,080,000	1,277,000	888	849	102	62
Alabama	302,000	261,000	115,000	74,300	916	792	350	225
Alaska	6,000	5,200	1,800	1,000	852	743	257	147
Arizona	144,000	138,000	12,500	6,900	859	826	75	41
Arkansas	220,000	198,000	58,100	36,000	916	824	242	150
California	1,639,000	1,546,000	322,000	229,000	897	846	176	126
Colorado	169,000	158,000	38,600	28,200	885	830	202	147
Connecticut	257,000	254,000	8,200	4,800	880	868	28	16
Delaware	40,000	39,400	2,400	1,800	910	895	56	42
District of Columbia	52,800	50,900	3,700	1,800	754	727	53	26
Florida	846,000	823,000	60,400	37,700	827	805	59	37
Georgia	338,000	294,000	92,400	48,600	902	785	247	130
Hawaii	41,300	40,400	2,400	1,600	917	898	53	34
Idaho	63,600	62,500	3,300	2,200	922	906	48	32
Illinois	957,000	939,000	34,500	17,000	867	851	31	15
Indiana	448,000	443,000	16,100	11,200	899	889	32	22
Iowa	322,000	313,000	23,100	14,000	912	886	65	40
Kansas	237,000	232,000	11,800	6,900	880	862	44	26
Kentucky	310,000	285,000	62,800	37,300	910	835	184	109
Louisiana	276,000	232,000	118,000	74,100	886	745	379	238
Maine	108,000	105,000	10,700	7,900	937	912	93	68
Maryland	253,000	249,000	8,800	4,300	830	815	29	14
Massachusetts	543,000	531,000	50,800	38,300	857	838	80	60
Michigan	712,000	696,000	40,200	23,900	933	912	53	31
Minnesota	369,000	362,000	19,600	12,500	889	872	47	30
Mississippi	210,000	178,000	77,200	46,100	932	793	343	205
Missouri	504,000	474,000	94,600	64,300	889	836	167	113
Montana	62,700	61,300	3,600	2,100	909	888	52	31
Nebraska	164,000	161,000	7,600	4,600	883	867	41	25
Nevada	26,700	26,100	3,000	2,400	835	816	95	76
New Hampshire	73,000	72,100	4,500	3,500	913	901	56	44
New Jersey	616,000	609,000	18,700	11,600	873	863	26	16
New Mexico	64,300	59,300	9,200	4,200	893	824	128	59
New York	1,748,000	1,709,000	108,000	68,600	885	866	55	35
North Carolina	386,000	366,000	36,400	16,200	915	867	86	39
North Dakota	61,500	60,000	3,800	2,300	918	896	56	34
Ohio	885,000	862,000	54,600	30,800	880	856	54	31
Oklahoma	274,000	243,000	71,600	40,500	902	800	235	133
Oregon	210,000	207,000	8,100	5,000	909	896	35	22
Pennsylvania	1,134,000	1,113,000	50,500	29,200	883	867	39	23
Puerto Rico	155,000	133,000	22,200	260	1,000	866	144	2
Rhode Island	93,000	92,200	4,000	3,200	886	878	38	31
South Carolina	177,000	164,000	18,500	5,700	907	842	95	29
South Dakota	74,700	72,800	4,200	2,300	922	899	52	29
Tennessee	350,000	324,000	53,000	27,400	900	834	136	70
Texas	896,000	805,000	233,000	142,000	884	794	230	140
Utah	69,200	67,500	3,100	1,400	876	854	40	18
Vermont	44,400	43,200	4,400	3,300	924	900	93	68
Virgin Islands	2,100	1,800	340	17	643	545	102	5
Virginia	320,000	313,000	13,500	6,600	863	844	36	18
Washington	296,000	289,000	21,900	14,700	899	878	66	45
West Virginia	178,000	171,000	12,200	4,900	911	873	62	25
Wisconsin	438,000	431,000	18,400	11,200	916	901	39	23
Wyoming	26,900	26,400	1,600	1,100	868	852	50	34

1/ Does not include Guam; data not reported. Massachusetts data for February 1970.
2/ State data estimated as of January 31, 1971, by the Social Security Administration.

CHART II.—Persons aged 65 or over receiving OAA payments, OASDHI cash benefits, or both, per 1,000 population aged 65 or over, by State, February 1971 [1]



1/ DOES NOT INCLUDE GUAM; DATA NOT REPORTED. MASSACHUSETTS DATA FOR FEBRUARY 1970.

AID TO THE BLIND (AB)

Basic Program Information

Legislative objective.—To enable each State to furnish financial assistance to needy individuals who are blind and rehabilitation and other services to help such individuals attain or retain capability for self-support or self-care.

Date enacted and major changes since enactment.—The program was enacted in 1935. Subsequent amendments have increased Federal matching funds as described under old age assistance and provided for combined administration with OAA and aid to the permanently and totally disabled (APTD). A 1950 amendment required the States to disregard a specified amount of earned income of AB recipients and a 1962 amendment increased the amount and required the disregard of other income resources of recipients with an approved plan for rehabilitation and self-support for a period of 12 months, extendable to 36 months if the State so elects. Forty-two States initiated aid to the blind programs between 1936 and 1938, and five more States initiated programs by 1945. Four States, Guam, Puerto Rico, and the Virgin Islands [1] enacted AB programs between 1950 and 1959. Of the 54 jurisdictions 18 States and Puerto Rico included their AB programs in combined programs of aid to the aged, blind, or disabled between 1962 and 1968.

Administering agency.—The Social and Rehabilitation Service of the Department of Health, Education, and Welfare, administers Federal grants to the States. Aid to the blind programs are administered by a State welfare agency through district or county offices in 29 States and are administered by local (county or city) agencies with State welfare agency supervision in 19 States. In three States the responsible State agency is the commission for the blind (or visually handicapped) which is independent of the State agency that administers or supervises the other public assistance programs. The AB program is statewide in all States.

Financing.—Provisions for Federal funding and formulas for determining the Federal share of costs are the same as for old age assistance. States are required to participate in financing: local participation is optional. In 34 States all financing is from State funds; in five States the non-Federal share of the costs of assistance payments are met from one source of funds and the share of administrative costs is met from the other. In 12 States 50 to 85 percent of non-Federal assistance costs are from State funds with the remainder from local funds and with varying arrangements for sharing administrative costs between State and local funds. The Federal medical-assistance percentage is used in 31 States to determine the Federal share of assistance payments as

[1] References to States in this section include the 50 States and the District of Columbia. Guam and the Virgin Islands had 10 AB recipients each in July 1971. Puerto Rico had 593 recipients and an average monthly payment of $14.06.

well as the Federal share of medical assistance. In 14 States the Federal share of costs of administration and services is 50 percent; 37 States provide defined services for which they receive 75 percent Federal reimbursement.

Costs

Fiscal year	*Total benefits (in thousands)*	*Federal share (in thousands)*	*Number of beneficiaries*
1971	$97, 279	$58, 380	79, 905
Estimated 1972	102, 041	61, 220	81, 349
Estimated 1973	103, 764	62, 260	81, 094

Eligibility Criteria

Major eligibility conditions.—To be eligible for the program, individuals must be blind and needy in accordance with State definitions of blindness and need.

Definition of blindness.—The Federal recommendation is that a person be considered blind if he has a visual acuity of 20/200 or less in the better eye with correcting lenses or a visual field defect such that the widest diameter of visual field subtends an angle of no greater than 20 degrees. Most States use definitions of blindness comparable to the Federal recommendation with some including other visual impairments of comparable severity. Two States have definitions which are more limiting than the Federal recommendation.

Age.—There is no Federal requirement in respect to age and 29 States have no age requirement. In other States eligibility is limited to persons: age 21 and over, one State; 18 and over, 10 States; 16 and over, eight States; 16 to 65, one State; age 5 years and over, one State; 21 and over or 16 and over if not accepted at the State School for the Blind, one State.

Persons included.—In addition to the eligible blind individual, 43 States have provisions for including the needs of a spouse or other person essential to the recipient's well-being in the assistance payments; in five of these States the maximum amount payable is the same as for one person even though the needs of a second person may be included. Eight States make no provision for including the needs of an "essential person."

Dependent spouses, other than those considered as essential persons, are not included in the payment but may receive assistance if they meet the eligibility conditions for one of the adult assistance categories (OAA, AB, or APTD); or eligibility of spouses and minor children may be determined under the AFDC program.

Income test

Income limits.—Countable income may not exceed the standard of assistance defined by each State. The median income limit reported by the States in July 1971 with the eligible recipient's needs only considered was $151 per month with variations by State from $76 to $250. When a spouse or essential person is included, the median income limit was $212 per month ranging from $97 to $362 per month.

Definition of income.—All income of the applicant or recipient is considered and income of an essential person whose needs are included, subject to treatment of income described below, except that home produce utilized by an AB applicant or recipient and his household for their own consumption or casual and inconsequential income is not included as income.

Income of an ineligible spouse living in the home in excess of the spouse's own needs is usually considered to be available to the other spouse. If both spouses are applicants for assistance, their income is considered jointly and may be apportioned in determining amounts of benefits to each.

Treatment of earned income.—All earned income is counted in determining need except the following: (1) Up to $7.50 of monthly income from any source (earned or unearned income); (2) income necessary for the fulfillment of an individual's State-agency-approved plan for achieving self-support (for a period up to 36 months); (3) training payments and allowances; (4) the first $85 of monthly earned income and half of the amount over $85; and (5) expenses reasonably attributable to earning income. State options under (1) and (2): (a) 22 States disregard $7.50 of monthly income from all sources; six disregard $5 per month; 23 States allow no disregard under this option; and (b) 18 States disregard income necessary under an approved plan for achieving self-support up to 36 months; 33 States disregard income under this condition for no more than 12 months. The provision for disregard for 12 months is required; the extension of the period to 36 months is optional with the States. Item (5) is mandatory but States vary in definition of work expenses and amounts allowed.

Treatment of unearned income.—All unearned income other than the amount which may be excluded above is counted in determining need except the following: (1) The value of food stamp coupons and commodity distributions; (2) relocation assistance; (3) undergraduate loans and grants; and (4) until 1973, $4 of monthly OASDI benefits.

Accounting period.—The accounting period is monthly. (See also Old Age Assistance.)

ASSETS TEST.—In addition to the home, personal effects, automobile needed for transportation, and income-producing property allowed by the States, an AB recipient may not have real or personal property worth more than the State allowance which may not exceed $2,000. (See Supplementary Material for State practices in treatment of assets.)

OTHER CONDITIONS

Work requirement.—Five States require that the beneficiary accept employment under certain conditions, usually with reference to employment offered following receipt of vocational rehabilitation services and training. However, this is not to be applicable to blind persons over the age of 65.

Acceptance of training or rehabilitation.—Fourteen States require that the beneficiary accept recommended medical or corrective treatment and/or vocational training.

Citizenship.—A State may not impose a citizenship requirement which excludes any citizen of the United States. Two States require that the beneficiary be a U.S. citizen; one State requires that the beneficiary be a citizen or a resident of the United States for a total of 15 years. However, a 1971 decision of the U.S. Supreme Court has ruled these requirements are unconstitutional.

Lien, recover, and assignment.—Nineteen States have provisions for liens on property or claims against estates of beneficiaries for recovery of the amounts of assistance paid. Two of these States make no claim if assistance was discontinued for a period of time (3 or 5 years) before the beneficiary's death. One State limits recovery to amounts paid after age 65. One State takes a chattel mortgage on mobile homes. Generally, action for recovery from the estate is not taken while the surviving spouse or minor children are using the property.

Five States require assignment of certain assets, such as bank accounts, life insurance, or excess property as a condition of eligibility.

Transfer of property.—Forty-one States consider an applicant ineligible for assistance if he has disposed of property prior to application without a reasonable return or in order to qualify for assistance or to avoid a lien. Twelve States consider the applicant ineligible if he has transferred property in order to qualify within 1 to 3 years prior to application. In 13 States the period of time considered is 5 years. In 16 States there is no specified time limit. The period of ineligibility following such a transfer is the specified period of time or, in some States, the length of time that the market value of the property would have met the applicant's needs.

Relative responsibility.—Twenty-three States have no provision requiring support of AB beneficiaries by relatives not living in the same household, and 10 States limit such responsibility to the spouse or parent. Of these, seven consider spouses mutually responsible, and three States specify that a husband is responsible for the wife. One of these three also specifies the wife is responsible for a blind husband. And 16 States specify that, in addition to spouses or parents, adult children are responsible for their parents (one refers to parents over 65 only and one refers to unmarried children only). Three States consider parents responsible for blind children under 21 years of age; eight States consider parents responsible for blind children without specification as to age.

Institutional status.—Aid to the blind is not available to an individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for tuberculosis or mental diseases.

Residence requirement.—A State may not impose a residence requirement which excludes any resident of the State. This is generally defined as a person who is living in the State voluntarily with the intention of making his home there.

Benefits and Services

Cash benefits

Primary determinants of amount of benefits.—All States are required to establish cost standards for maintenance items as a level of recognized need. All States must include basic needs; that is, amounts needed, as determined by the States, to purchase basic maintenance items such as food, clothing, shelter, household supplies, and utilities. The cost standard as applied to individuals may vary by living arrangements, amount of rent paid, and in most States inclusion of amounts for common special needs such as transportation, laundry, and telephone, or for special circumstances such as housekeeping services and food for a seeing-eye dog.

Because of these and other variables, comparisons between the States are usually in terms of the cost standard for basic needs. Such cost standards for basic needs reported by the States in July 1971 applicable to a person living alone and paying the maximum allowable for rent, varied from $96 to $250 per month. States numbering 23 reported amounts for special needs varying from $3 to $90 per month. The median cost standard with special needs included was $153 per month.

The amount of the benefit in 32 States is the difference between the recipient's countable income and his need as determined by the State's cost standard for assistance. In five States, the amount of the benefit is the difference between countable income and a payment standard which is $9 to $70 less than the State's cost standard. In 14 States, the benefit is the difference between countable income and the cost standard or a maximum allowable payment, whichever is less. For all States, the median amount payable to a person with no income is $133 varying from $75 to $250 per month. (See supplement for table of State cost standards and OAA supplement for illustrations of payment calculations.)

Relationship of benefit amount to family size.—In 44 States, an amount may be included for the individual needs of a spouse or other person essential to the recipient's well-being; in 18 States, the maximum allowed for rent is increased if a second person's needs are included. The median amount payable for two persons including special needs is $208, ranging from $75 to $362 per month.

Relationship of benefit to place of residence.—Cost standards are uniform statewide in most States, but actual amounts paid for rent are included up to the maximum allowable amount in many States. Therefore, average benefits paid are generally lower in rural low-rent areas than in urban areas within a State. Four States have a lower cost standard for rent for rural areas of the State, and in four States maximum amounts allowed for rent are established by each county in the State. Benefits are generally highest in Northeastern and Pacific States and lowest in the South. Median amounts payable to a recipient with no income by region are as follows: New England and Middle Atlantic, $172; Pacific, $163; north-central, $136; mountain, $120; south Atlantic, $114; and south-central, $99.

Relationship of benefit amount to cost of living.—There is no Federal requirement that cost standards or amounts paid be adjusted for cost-of-living changes. Most States have adjusted standards periodically on an ad hoc basis.

Amounts of benefits.—The national average AB payment in December 1971 was $106.39, ranging by State from $66.17 to $173.01. Average payments by region varied from a median of $76 in south-central region to $134 in the Pacific region.

Comparison to the poverty level.—The largest amount payable in 19 States is above the 1971 poverty level of $155 per month or $1,860 per year for a single person. The highest amount payable other than in Alaska is $936 per year above the poverty level. The median payable amount is $264 per year below the poverty level. The lowest payable amount to a person with no income is less than one-half of the poverty level.

OTHER SERVICES PROVIDED OR AVAILABLE.—For social services, see section on old-age assistance. Special services, training, and rehabilitation services are also generally available to blind recipients through State agencies administering vocational rehabilitation services or special services to the blind.

BENEFITS FROM OTHER PROGRAMS WHICH ACCRUE BY VIRTUE OF ELIGIBILITY FOR AB.—Medical assistance (medicaid) is available in all States except Arizona and Alaska. Food stamps or donated food commodities are available in the locality in which the recipient lives.

SUPPLEMENTARY MATERIAL

FEDERAL, STATE, AND LOCAL SHARING OF TOTAL PROGRAM COSTS.—The Federal share of State program costs in fiscal year 1970 varied from 43.1 percent to 77.7 percent; the State share varied from 17.2 percent to 56.9 percent. In 23 States no local funds were used; and in 10 States, the local share was less than 1 percent of the total costs. In 18 States, the local share varied from 1.9 percent to 22.9 percent of total program costs.

TRENDS.—The number of AB recipients reached a peak of 110,000 in 1958, decreased to 79,900 in April 1970, and increased to 80,800 by April 1971. Total costs of assistance payments increased from $51 million in 1950 to $92.3 million in 1960, and to $96.5 million in 1970. The average payment per month increased from $46 in December 1950 to $104.75 in April 1971. The Federal share of assistance payments increased from 43 percent in 1950 to 57 percent in 1970.

TREATMENT OF ASSETS IN DETERMINING ELIGIBILITY FOR AID TO THE BLIND

Assets excluded

(1) *The home property owned and occupied by the applicant or beneficiary.*—A total of 39 States do not consider the value of the home in determining eligibility. In nine States, specific limits are set on the permissible value of a home ranging from $2,500 equity value to $25,000 tax appraised value in a State which assesses at 70 percent of the market value. In one State, limitation is made as to whether the value of the home exceeds that of a modest home in the community. Another State allows the value of a modest home plus $750. In the remaining State, there is no monetary limitation on the value of the home, but if the value exceeds $20,000 (based on 100 percent assessment), an evaluation and recommendation is made regarding disposal.

(2) *Other real property.*—Seven States exclude income-producing property in determining eligibility; five exclude income-producing property valued at no more than $600 to $8,000. Three States exclude all real property other than the home up to $225 to $1,000 in value. Seven States require that efforts be made to sell all real property other than the home. And 29 States consider the value of real property other than the home in the allowable reserve which the beneficiary may retain.

(3) *Automobile.*—A total of 31 States exclude one automobile, some with conditions relating to age or value of the vehicle or a requirement that it be essential for transportation or employment. And 20 States include the value of automobiles in the allowable reserve.

(4) *Life insurance.*—States numbering 26 exclude life insurance held by the beneficiary from $300 to $5,000 in face or cash value. In other States, the cash or face value of insurance is included in the reserve.

Allowable nonexcluded reserve.—One State allows no cash or other liquid assets, including life insurance; and one State allows reserves equal to 1 month's maintenance needs. In other States, the allowable reserve varies from $300 to $2,000. And 13 States allow an additional amount for a spouse. The allowable reserve for two persons varies from $500 to $4,000.

TABLE 1.—AID TO THE BLIND: MONTHLY AMOUNT FOR BASIC NEEDS UNDER FULL STANDARD AND PAYMENT STANDARD AND LARGEST AMOUNT PAID FOR BASIC NEEDS FOR A BLIND PERSON, BY STATE, JULY 1971

State	Monthly amount for basic needs				Largest amount paid for basic needs	
		Payment standard [1]				
	Full standard	Total	Other than rent	Rent	Amount	Percent of full standard for basic needs in col. (1)
	(1)	(2)	(3)	(4)	(5)	(6)
Alabama	$105	$105	$65	$40	$85	81
Alaska	250	250	(2)	(2)	250	100
Arizona	118	118	73	45	118	100
Arkansas	109	109	74	35	105	96
California	192	192	129	[3] 63	192	100
Colorado	105	105	58	[4] 47	105	100
Connecticut	169	169	78	91	169	100
Delaware	189	189	113	76	189	100
District of Columbia	204	153	85	[3] 68	153	75
Florida	114	114	64	50	114	100
Georgia	105	105	71	34	91	87
Guam	(2)	(2)	(2)	(2)	(2)	(2)
Hawaii	132	132	75	57	132	100
Idaho	163	163	98	65	163	100
Illinois	169	169	72	97	169	100
Indiana	185	185	85	100	125	68
Iowa	161	144	114	30	144	89
Kansas	208	203	78	125	203	98
Kentucky	96	96	73	23	96	100
Louisiana	106	106	71	35	101	95
Maine	123	123	80	43	115	93
Maryland	130	96	55	41	96	74
Massachusetts	[5] 180	[5] 180	(2)	(2)	[5] 180	100
Michigan	224	224	79	145	224	100
Minnesota	183	183	78	105	183	100
Mississippi	150	150	100	50	75	50
Missouri	250	250	210	[4] 40	90	36
Montana	120	111	82	29	111	92
Nebraska	182	182	82	100	182	100
Nevada	155	155	81	74	155	100
New Hampshire	173	173	103	70	173	100
New Jersey	[5] 142	[5] 142	(2)	(2)	[5] 142	100
New Mexico	116	116	79	37	116	100
New York	159	159	84	[4,6] 75	159	100
North Carolina	120	120	48	[3] 72	120	100
North Dakota	[5] 125	[5] 125	(2)	(2)	[5] 125	100
Ohio	126	126	68	58	126	100
Oklahoma	130	130	100	30	130	100
Oregon	163	163	120	43	163	100
Pennsylvania	150	150	105	45	105	70
Puerto Rico	54	54	34	[4] 20	22	40
Rhode Island	163	163	83	[4] 80	163	100
South Carolina	103	103	68	35	95	92
South Dakota	180	180	80	100	180	100
Tennessee	102	102	69	33	97	95
Texas	116	110	79	31	110	95
Utah	151	113	80	33	113	75
Vermont	177	177	92	85	177	100
Virgin Islands	52	52	40	12	52	100
Virginia	153	153	58	[3] 95	153	100
Washington	143	143	85	58	143	100
West Virginia	146	76	43	33	76	52
Wisconsin	158	158	63	95	158	100
Wyoming	139	139	74	[3] 65	104	75

[1] Payment standard for a blind person living 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.
[2] Data not reported.
[3] Utilities included in rent.
[4] Estimated average.
[5] Flat allowance; for New Jersey and North Dakota, includes special needs.
[6] Heat included in rent. Higher rent authorized with supervisory approval.

Note.—The full standard is the amount necessary for basic needs as defined in the State's plan. The payment standard is the amount from which income available for basic needs is subtracted to determine the amount of assistance to which a blind person is entitled. This is also the amount used to determine whether or not financial eligibility exists. The largest amount paid is the total monthly payment for basic needs made under State law or agency regulations to a blind person with no other income.

TABLE 2.—AID TO THE BLIND: RECIPIENTS OF MONEY PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1971 [1]

[Excludes vendor payments for institutional services in intermediate care facilities and for medical care and recipients of only such payments]

State	Number of recipients	Payments to recipients: Total amount	Payments to recipients: Average	Percentage change from— November 1971: Number	November 1971: Amount	December 1970: Number	December 1970: Amount
Total [2,3]	80,343	$8,547,899	$106.39	+0.1	+1.3	−0.8	+1.2
Alabama	1,905	132,866	69.75	+1.0	+.7	+.8	+.1
Alaska [4]	87	15,052	173.01	(5)	(5)	(5)	(5)
Arizona	488	38,881	79.67	−1.8	−1.3	−7.4	−9.3
Arkansas [4]	1,701	142,002	83.48	+.1	−.1	−1.8	+2.1
California [2]	13,854	2,217,370	160.05	−.6	+2.6	−1.1	−1.1
Colorado	254	22,929	90.27	+2.0	+3.1	+10.4	+12.1
Connecticut	251	27,085	107.91	.4	+5.4	+1.6	+8.3
Delaware	384	49,186	128.09	+.8	+6.6	+1.1	+17.6
District of Columbia	224	24,920	111.25	−1.8	−.8	+5.2	+11.2
Florida [4]	2,323	184,834	79.57	+.3	+.6	−.6	+5.8
Georgia [4]	3,254	226,451	69.59	+.2	−.7	+1.3	+4.7
Guam	9	532	(5)	(5)	(5)	(5)	(5)
Hawaii [4]	81	11,267	139.10	(5)	(5)	(5)	(5)
Idaho	109	10,645	97.66	+.9	+4.9	+6.9	+24.5
Illinois	1,713	174,865	102.08	0	+.9	+3.4	+13.5
Indiana	1,255	106,032	84.49	+.7	+4.8	−2.3	+14.3
Iowa	1,235	151,980	123.06	+.8	+.7	+5.9	+7.0
Kansas [4]	419	27,727	66.17	−1.6	−2.1	−.2	−15.9
Kentucky [4]	2,099	164,766	78.50	−.6	−.7	−1.4	+3.8
Louisiana	2,290	174,712	76.29	0	+.5	−3.5	−4.3
Maine [4]	249	23,319	93.65	+2.5	+2.5	+7.8	+14.9
Maryland [4]	379	37,837	99.83	+1.6	+1.9	+9.2	+15.5
Massachusetts	2,946	452,344	153.55	+.3	(6)	+4.7	+6.6
Michigan	1,555	174,287	112.08	+1.4	+.9	+8.4	+14.2
Minnesota	861	92,471	107.40	+1.3	+.5	−.1	+6.2
Mississippi	2,170	146,745	67.62	+.3	−.1	1.8	+11.7
Missouri [2]	4,070	411,827	101.19	+1.0	+.9	+2.6	+13.6
Montana	184	15,989	86.90	−2.1	−1.3	−2.1	−9.2
Nebraska [4]	297	29,675	99.92	0	−.9	−8.0	−1.6
Nevada	158	16,515	104.53	−1.9	+5.3	−8.1	+4.8
New Hampshire	243	38,544	158.62	+.4	−2.7	+8.5	+1.8
New Jersey [7]	990	90,900	91.82	+1.0	−8.7	+.5	−8.2
New Mexico [4]	354	27,004	76.28	−.3	−.7	−4.6	−6.9
New York [4]	4,060	532,882	131.25	+.8	+7.5	+5.9	+2.3
North Carolina [4]	4,690	406,897	86.76	+.4	+1.0	+3.8	+5.8
North Dakota [4]	81	8,718	107.63	(5)	(5)	(5)	(5)
Ohio	2,612	204,180	78.17	−.2	−.4	−2.6	+1.2
Oklahoma [4]	1,255	134,961	107.54	−.9	−.6	−4.0	−2.1
Oregon	698	74,590	106.86	+2.0	+3.3	+14.1	+17.4
Pennsylvania [3]	7,160	864,624	120.76	−.1	−.3	−9.9	−9.9
Puerto Rico [4]	598	8,138	13.61	0	+.1	−15.4	−15.3
Rhode Island [4]	127	12,116	95.40	−.8	−5.1	+5.8	+18.7
South Carolina	1,889	126,109	66.76	−.1	−.1	+.2	+.3
South Dakota	114	10,827	94.97	0	+4.6	−5.8	−7.2
Tennessee	1,710	119,811	70.06	+.1	−.1	−2.1	2.5
Texas	3,760	282,010	75.00	−.9	−.5	−6.0	−10.9
Utah	159	16,454	103.48	+1.9	(6)	−1.9	+16.2
Vermont [4]	94	9,573	101.84	(5)	(5)	−11.3	−14.2
Virgin Islands	9	438	(5)	(5)	(5)	(5)	(5)
Virginia	1,243	114,253	91.92	+1.6	+.6	+8.0	+15.2
Washington	434	37,207	85.73	−1.4	−5.4	−10.3	−21.3
West Virginia	528	49,289	93.35	0	−.7	−3.8	+30.8
Wisconsin	699	71,208	101.87	0	+7.3	+1.9	+13.5
Wyoming	32	2,055	(5)	(5)	(5)	(5)	(5)

[1] All data subject to revision. Data include nonmedical vendor payments other than those for institutional services in intermediate care facilities.
[2] Data include recipients of payments made without Federal participation and payments to these recipients as follows: California, $42,810 to 221 recipients and Missouri, $60,402 to 591 recipients.
[3] Does not include $567,956 to 7,393 recipients under State blind pension program in Pennsylvania administered under State Law without Federal participation.
[4] Increase of less than 0.05 percent.
[5] Represents aid to the blind under program for aid to the aged, blind, or disabled.
[6] Decrease of less than 0.05 percent.
[7] Estimated by State.

AID TO THE PERMANENTLY AND TOTALLY DISABLED (APTD)

Basic Program Information

Legislative objective.—To enable each State to furnish financial assistance to needy individuals age 18 or older who are permanently and totally disabled and rehabilitation and other services to help such individuals attain or retain capability for self-support or self-care.

Date enacted and major changes since enactment.—This program was enacted in 1950. Subsequent amendments have increased Federal matching as described under old-age assistance and provided for optional combined administration with aid to the blind and old-age assistance. A total of 34 States,[1] Puerto Rico, and the Virgin Islands enacted APTD programs in 1950 and 1951; 12 States enacted programs between 1952 and 1957; four States and Guam enacted programs between 1959 and 1963. Nevada has no APTD program. And 18 States and Puerto Rico included APTD programs in combined programs of aid to the aged, blind, or disabled between 1962 and 1968.

Administering agencies.—The Social and Rehabilitation Service of the U.S. Department of Health, Education, and Welfare administers Federal grants to States. The APTD program is administered by a State agency through district or county offices in 30 States, and is administered by local agencies with State supervision in 20 States. The program is statewide in all States except Nevada which has no APTD program.

Financing.—Provisions for Federal funding and formula for determining the Federal share of costs are the same as for old-age assistance (OAA). States are required to participate in financing; local participation is optional. In 33 States, all financing of the non-Federal share is from State funds; in two States, all non-Federal costs for assistance payments are from State and local funds, with administrative costs from State funds. In 15 States, 50 percent to 85 percent of non-Federal assistance costs are from State funds, with the remainder from local funds, and with varying arrangements for State-local sharing of administrative costs.

The "Federal medical assistance percentage" is used in 31 States to determine the Federal share of assistance payments. In 14 States, the Federal share of costs of administration and services is 50 percent; 36 States provide defined services for which they receive 75-percent Federal reimbursement.

[1] "States" refers to the 49 States with APTD programs and the District of Columbia. In July 1971, Guam had 86 APTD recipients with an average payment of $80.52; the Virgin Islands had 61 recipients with an average payment of $48.89; Puerto Rico had 15,726 recipients and an average payment of $13.51.

Costs

Fiscal year	Total benefits (in thousands)	Federal share (in thousands)	Number of beneficiaries
1971	$1, 039, 946	$582, 400	921, 031
Estimated 1972	1, 246, 725	698, 320	1, 049, 278
Estimated 1973	1, 423, 839	797, 440	1, 167, 719

Eligibility Criteria

Major eligibility conditions.—Individuals must be age 18 or older, must be permanently and totally disabled, and must be needy in accordance with State definitions of disability and need to be eligible for the program.

Definition of disability.—The federally recommended definition is that an individual must have a permanent physical or mental impairment which substantially precludes him from engaging in a useful occupation within his competence. A total of 27 States have disability definitions comparable to the Federal recommendation, 20 States define disability as a permanent impairment which prevents or precludes engaging in a useful occupation, two States limit assistance to persons who require assistance in performing the usual activities of daily living, and one State limits eligibility to persons with permanent and total physical impairments. Most States interpret a "useful occupation" to include homemaking; that is, a person whose usual occupation has been as a homemaker is not eligible if she is able to keep house for other family members even though she has an impairment which prevents her from engaging in remunerative employment outside the home.

Most States do not consider drug addiction or alcoholism to be within the definition of total disability unless the addiction or alcoholism has resulted in a medically determinable physical or mental impairment which is totally disabling. A few States consider that drug addiction or alcoholism is within the definition of disability if the addict or alcoholic is prevented from engaging in employment because of this condition.

Age.—The Federal requirement is "18 years of age or older." And 25 States specify that APTD recipients must be 18 to 65 years of age; 25 States specify that APTD recipients must be age 18 or over, with no maximum age stated.

Persons included.—In addition to the eligible individual, 43 States include the needs of a spouse or other person essential to the recipient's well-being in determining the amount of the APTD payments. In five States, the needs of a second person may be included in the budget, but the amount payable to a recipient with no income is the same as for one person even though a second person may be included. In two States, the needs of a spouse or other essential person are not included.

Dependent spouses, other than those considered as essential persons, are not included in the payments but may receive assistance if they meet the eligibility conditions for one of the adult assistance categories (OAA, AB, or APTD), or eligibility of spouses and minor children may be determined under the AFDC program.

INCOME TEST

Income limits.—Countable income may not exceed the standard of assistance defined by the States. The median income limit reported by the States in July 1971 for an individual living alone and paying the maximum allowed for rent was $138 per month, with amounts varying by State from $76 to $250. When a spouse or other essential person's needs were included, the medium income limit was $198, with amounts varying from $97 to $350 per month.

Definition of income.—All income of the applicant or recipient and income of an essential person included in the payment is considered, subject to treatment of income described below, except that home produce utilized by an OAA applicant or recipient and his household for their own consumption and casual or inconsequential income is not included as income.

Income of an ineligible spouse living in the home in excess of the spouse's own needs is usually considered to be available to the other spouse. If both spouses are applicants for assistance, their income is considered jointly and may be apportioned in determining the amount of benefits to each.

Treatment of earned income.—All earned income is counted in determining need except: (1) Up to $7.50 of monthly income from any sources (earned or unearned), (2) training payments and allowances, (3) up to $20 of monthly earned income and half of the next $60 of such income, (4) expenses reasonably attributable to the earning of income; and (5) for a period not longer than 36 months, States may disregard income and resources necessary for the fulfillment of an individual's State-agency-approved plan for achieving self-support (but only for the part of such period during which he is undergoing vocational rehabilitation). State options under (1), (3), and (5) are as follows: (1) A total of 17 States disregard $7.50 per month of income from any source; five States disregard $5 per month; 28 States make no disregard under this option; (3) 29 States disregard the full amount of earned income allowed ($50) under item (3) above; one State disregards $20 plus one-half of the next $30 of earnings, and one State disregards $10 plus one-half of the next $40; one State disregards the first $10 plus one-half of the next $50 earned; 18 States allow no disregard under this option; (5) eight States disregard income up to 36 months under an approved plan to achieve self-support; three States disregard income up to 12 months under this condition; and 40 States allow no disregard under this option. Item (4) is mandatory but States vary in their definitions of work expenses and amounts allowed.

Seven States allow no disregards under any of these options. Four States utilize all three options.

Treatment of unearned income.—All unearned income other than the amount which may be excluded under treatment of income above is counted in determining need except: (1) The value of food stamp coupons and commodity distribution, (2) relocation assistance, (3) undergraduate loans and grants, and (4) until 1973, $4 of monthly OASDI benefits.

Accounting period.—The accounting period is by the month. (See old-age assistance for further information.)

ASSETS TEST.—In addition to the home, personal effects, automobile needed for transportation, and income-producing property allowed by the State, an APTD recipient may not have real or personal property worth more than an amount specified by the State which may not exceed $2,000. (See supplementary material for State practices in treatment of assets.)

OTHER CONDITIONS

Work requirements.—Two States require acceptance of employment under certain conditions. This may not be applied to recipients aged 65 or older.

Acceptance of training or rehabilitation.—A total of 17 States require that the APTD recipient accept recommended corrective treatment, and 10 States specify he must accept referral or training offered by vocational rehabilitation services.

Citizenship.—The Federal requirement is that a State may not impose a citizenship requirement which excludes any citizen of the United States. Two States require that the beneficiary be a U.S. citizen; one State requires citizenship or residence in the United States for a total of 15 years. (The U.S. Supreme Court ruled in June 1971 that such provisions, including durational alternatives, are unconstitutional.)

Lien, recovery, or assignment.—Twenty-three States have provisions for liens on property and/or claims against the estate of recipients for the amount of assistance received. One of these States limits recovery to amounts received after reaching age 65. Eight States require assignment to the agency of some assets, such as bank accounts, life insurance, mobile homes, or excess resources.

Transfer of property.—Forty States consider an applicant ineligible for assistance if he has disposed of property prior to application without a reasonable return or in order to qualify for assistance or to avoid a lien. Twenty-four States specify time periods from 1 to 5 years prior to application. Sixteen States do not specify a time period. The period of ineligibility following such a transfer is the specified period of time, or in some States, the length of time the market value of the property would have met the applicant's needs.

Relative responsibility.—Twenty-six States have no provisions requiring relatives outside the home to contribute to the support of APTD recipients. In eight States a spouse is considered responsible for a spouse and four States specify that a husband is responsible for the wife. In 16 States adult children are considered responsible for their parents. In all States parents are considered responsible for disabled minor children, and in three States there is specific responsibility for disabled children over 21 years of age.

Institutional status.—Assistance payments are not available to an individual who is an inmate of a public institution (except as a patient in a medical institution) or any individual who is a patient in an institution for the treatment of tuberculosis or mental diseases.

Residence requirements.—A State may not impose a residence requirement which excludes any resident of the State. This is generally defined as a person who is living in the State voluntarily with the intention of making his home there.

BENEFITS AND SERVICES

CASH BENEFITS

Primary determinants of amount of benefit.—All States are required to establish cost standards for the full level of maintenance items which the State recognizes in its standard of assistance. These are usually classified as basic needs, common special needs, and special circumstance items. Basic needs are the amounts needed, as determined by the States, to purchase basic maintenance items such as food, clothing, household supplies, shelter, and utilities. The cost standard as applied to individuals may vary by living arrangements such as amount of rent paid and by inclusion of amounts for common special needs such as transportation, telephone, laundry, insurance premiums, or special circumstance items such as attendant care.

Cost standards for basic needs reported by the States in July 1971, applicable to a person living alone and paying the maximum allowable for rent, varied from $87 to $250 per month. Fifteen States included amounts for special needs varying from $3 to $40 per month. With special needs included the median cost standard was $146 per month.

In 30 States the amount of the benefit is the difference between the recipient's countable income and his need as determined by the State's standards. In nine States the amount of the benefit is the difference between countable income and a payment standard which is $5 to $70 less than the State's cost standard. In 11 States the benefit is the difference between countable income and the cost standard or a maximum allowable payment, whichever is less. For all States the median amount payable to a person with no income is $124 per month, varying from $66 to $250. See supplement for State cost standards and OAA supplement for illustrations of methods of payment calculations.

Relationship of benefit amount to family size.—In 44 States an amount may be included for the individual needs of a spouse or other person essential to the beneficiary's well-being. In 18 States the amount for rent may be increased from $1 to $27 if a second person's needs are included. The median amount payable for two persons including special needs is $185 per month ranging from $75 to $350.

Relationship of benefit amount to place of residence.—Four States have a lower cost standard for rent in rural areas of the State and in four States maximum amounts allowed for rent are established by each county in the State. Cost standards for other needs and rental maximums in other States are uniform statewide. However, in most States actual amounts paid for rent are included up to the maximum allowable amount. Therefore, average benefits may be lower in low-rent rural areas than in urban areas within a State.

Benefits are generally highest in the New England States and lowest in South Central States. Median amounts payable to a recipient with no income by region are: New England, $177; Pacific, $157; north-central, $150; middle Atlantic, $146; mountain, $116; south Atlantic, $114; and south-central, $97.

Relationship of benefit amount to cost of living.—There is no Federal requirement that cost standards or amounts paid be adjusted for cost of living changes. Most States have adjusted standards periodically on an ad hoc basis.

Amount of benefit.—The national average APTD payment in December 1971 was $101.97, varying from $56.98 to $156.56 in States other than Alaska and $166.89 in Alaska.

Comparison to the poverty level.—The largest amount payable in 16 States is above the 1971 poverty level of $155 per month or $1,860 per year for a single person. The median payable amount is $264 per year below the poverty level. The largest amount payable to a person with no income is less than half of the poverty level in four States.

OTHER SERVICES PROVIDED OR AVAILABLE.—Rehabilitation and training services are available to disabled recipients through State agencies administering vocational rehabilitation services. (See also old-age assistance for social services provided.)

BENEFITS FROM OTHER PROGRAMS WHICH ACCRUE BY VIRTUE OF ELIGIBILITY FOR APTD.—Medical assistance (medicaid) in all States except Arizona and Alaska is available for recipients of APTD. Nevada does not have an APTD program but considers persons eligible for medicaid who would be eligible for APTD if the program existed.

Food stamps or donated food commodities are available if all persons in the household are public assistance recipients and if the program exists in the locality in which the recipient lives.

SUPPLEMENTARY MATERIAL

FEDERAL, STATE, AND LOCAL SHARING OF PROGRAM COSTS.—The Federal share of total program costs varied by State from 37.8 percent to 77 percent, and the State share varied from 10.1 percent to 62.2 percent. In 20 States no local funds were used; in 11 States the local share was less than 1 percent of total program costs; and in 19 States the local share varied from 2.8 percent to 30.4 percent of the total costs.

TRENDS.—There were 464,000 APTD recipients in 1963 with all States excepting Nevada providing this type of assistance. By April 1971 the number of recipients had more than doubled with 977,000 receiving APTD payments. The number of recipients per 1,000 population between the ages of 18 and 64 increased from 4.4 in 1963 to 7.2 in 1970.

Total costs of assistance payments increased from $271 million in 1960 to $903 million in 1970. The average monthly payment increased from $44.10 in December 1950 to $98.15 in April 1971. The Federal share of assistance payments increased from 46.6 percent in 1950 to 57.5 percent in 1970.

TREATMENT OF ASSETS IN DETERMINING ELIGIBILITY FOR APTD

Assets excluded in determining eligibility

(1) The home property owned and occupied by the applicant or beneficiary.—Thirty-six States do not consider the value of the home in determining eligibility. Ten States set limits on the value of the home property regardless of any outstanding encumbrances. The value of a home which may be retained in these States varies from $2,500 equity value to $25,000 tax appraised value in a State which assesses at 70 percent of market value. Three States do not set a uniform limit but make a judgment as to whether the home exceeds a reasonable amount or the value of a modest home in the community plus a specified amount in one case. The remaining State stipulates no maximum but requires an evaluation and recommendation made regarding the disposal if the value of the home exceeds $20,000 (based on 100 percent assessment).

(2) Other real property.—Seven States exclude the value of income-producing property in determining eligibility; five more States exclude income-producing property with values from $600 to $8,000; four

States limit real property other than the home to values from $225 to $1,000; three States consider the value of all real property within the value of the home; that is, the home plus other real property may not exceed values from $9,000 equity value to $10,500 market value. Nine States require that all property other than the home be offered for sale, and 22 States consider the value of excess real property within the total allowable reserve which the beneficiary may retain.

(3) Automobile and life insurance.—Twenty-seven States exclude the value of an automobile, usually under specified conditions related to its age, value, or need for transportation or employment. Two States allow the recipient to have more than one car under specified conditions. Thirty States exclude life insurance of specified value in amounts from $300 to $5,000 in value. Eleven States allow the cash or face value of insurance to be included in the reserve amount allowable.

Allowable nonexcluded reserve.—One State allows no cash or liquid reserve and one State allows a reserve equal to 1 month's budgetary requirements. Other States allow reserves of from $300 to $2,000 for an individual. Twenty-nine States allow an additional amount for a spouse. Allowable reserves for two persons vary from $500 to $2,000.

TABLE 1.—AID TO THE PERMANENTLY AND TOTALLY DISABLED: MONTHLY AMOUNT FOR BASIC NEEDS UNDER FULL STANDARD AND PAYMENT STANDARD AND LARGEST AMOUNT PAID FOR BASIC NEEDS FOR A DISABLED PERSON, BY STATE, JULY 1971

State	Monthly amount for basic needs				Largest amount paid for basic needs	
	Full standard	Payment standard [1]				
		Total	Other than rent	Rent	Amount	Percent of ull standard for basic needs in col. (1)
	(1)	(2)	(3)	(4)	(5)	(6)
Alabama	$122	$71	$48	$23	$71	58
Alaska	250	250	(2)	(2)	250	100
Arizona	118	118	73	45	118	100
Arkansas	109	109	74	35	105	96
California	172	172	109	[3] 63	172	100
Colorado	123	123	58	65	123	100
Connecticut	169	169	78	91	169	100
Delaware	117	117	74	43	117	100
District of Columbia	204	153	85	[3] 68	153	75
Florida	114	114	64	50	114	100
Georgia	105	105	71	34	91	87
Guam	(2)	(2)	(2)	(2)	(2)	(2)
Hawaii	132	132	75	57	132	100
Idaho	163	163	98	65	163	100
Illinois	169	169	72	97	169	100
Indiana	185	185	85	100	80	43
Iowa	122	117	84	33	117	96
Kansas	208	203	78	125	203	98
Kentucky	96	96	73	23	96	100
Louisiana	95	95	45	[4] 50	66	69
Maine	123	123	80	43	115	93
Maryland	130	96	55	41	96	74
Massachusetts	178	178	131	47	178	100
Michigan	224	224	79	145	224	100
Minnesota	183	183	78	105	183	100
Mississippi	150	150	100	50	75	50
Missouri	170	170	130	[4] 40	80	47
Montana	120	111	82	29	111	92
Nebraska	182	182	82	100	182	100
New Hampshire	173	173	103	70	173	100
New Jersey	[5] 142	[5] 142	(2)	(2)	[5] 143	100
New Mexico	116	116	79	37	116	100
New York	159	159	84	[4, 6] 75	159	100
North Carolina	112	112	40	[3] 72	112	100
North Dakota	[5] 125	[5] 125	(2)	(2)	[5] 125	100
Ohio	126	116	58	[3] 58	116	92
Oklahoma	130	130	100	30	130	100
Oregon	153	122	80	42	122	80
Pennsylvania	146	146	81	65	146	100
Puerto Rico	54	54	34	[4] 20	22	40
Rhode Island	163	163	83	[4] 80	163	100
South Carolina	87	87	52	35	80	92
South Dakota	180	180	80	100	180	100
Tenessee	102	102	69	33	97	95
Texas	116	110	79	31	105	95
Utah	151	103	70	33	103	68
Vermont	177	177	92	85	177	100
Virgin Islands	52	52	40	12	52	100
Virginia	152	152	57	[3] 95	152	100
Washington	143	143	85	58	143	100
West Virginia	146	76	43	33	76	52
Wisconsin	158	159	63	95	158	100
Wyoming	127	127	62	[2] 65	104	82

1 Payment standard for a disabled person living in retired quarters for which monthly rental, unless otherwise indicated, is at least as large as the maximum amount allowed by the State for this item.
2 Data not reported.
3 Utilities included in rent.
4 Estimated average.
5 Flat allowance; includes special needs.
6 Heat included in rent. Higher rent authorized with supervisory approval.

Note: The full standard is the amount necessary for basic needs as defined in the State's plan. The payment standard is the amount from which income "available for basic needs" is subtracted to determine the amount of assistance to which a disabled person is entitled. This is also the amount used to determine whether or not financial eligibility exists. The largest amount paid is the total monthly payment for basic needs made under State law or agency regulations to a disabled person with no other income.

TABLE 2.—AID TO THE PERMANENTLY AND TOTALLY DISABLED: RECIPIENTS OF MONEY PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1971 [1]

[Excludes vendor payments for institutional services in intermediate care facilities and for medical care and recipients of only such payments]

State	Number of recipients	Payments to recipients		Percentage change from—			
				November 1971		December 1970	
		Total amount	Average	Number	Amount	Number	Amount
Total	1,068,383	$108,947,486	$101.97	+1.2	+2.8	+14.2	+19.3
Alabama	17,758	939,106	52.88	+.3	+.4	−9.0	−2.9
Alaska [2]	1,178	196,602	166.89	+.2	−.7	+33.9	+26.5
Arizona	9,717	775,091	79.77	+1.9	+2.9	+14.9	+16.2
Arkansas [2]	12,109	921,443	76.10	+.4	+.7	+4.5	+9.2
California	191,201	26,830,224	140.32	−.2	+3.5	+3.6	+4.8
Colorado	12,540	1,009,845	80.53	+.6	+.2	+16.5	+12.5
Connecticut	8,618	1,118,903	129.83	(3)	−.4	+12.2	+12.2
Delaware	1,783	242,726	136.13	0	−1.5	+15.1	+25.3
District of Columbia	9,510	992,576	104.37	−.4	+.1	+23.4	+24.7
Florida [2]	22,783	1,773,483	77.84	+.3	+.5	+5.4	+12.4
Georgia [2]	39,433	2,563,664	65.01	+1.4	+.7	+9.5	+13.4
Guam	109	8,185	75.09	+5.8	+4.1	(4)	(4)
Hawaii [2]	2,074	297,785	143.58	+1.7	+1.4	+10.2	+18.1
Idaho	3,162	315,597	99.81	+1.9	+8.6	+11.8	+39.1
Illinois [2]	70,953	7,205,719	101.56	+5.7	+7.8	+57.0	+76.0
Indiana	10,253	587,539	57.30	−11.7	−10.2	+76.9	+74.1
Iowa	3,397	531,818	156.56	+1.1	+3.5	+6.6	+16.9
Kansas [2]	6,255	408,981	65.38	−.5	−1.3	+4.5	+13.8
Kentucky [2]	17,490	1,397,281	79.89	−.1	+.1	+1.6	+6.1
Louisiana	22,427	1,255,539	55.98	+.2	+.5	−.2	+.1
Maine [2]	4,532	442,707	97.68	+1.8	+1.9	+13.2	+17.2
Maryland [2]	18,444	1,647,849	89.34	+.9	+.1	+9.9	+13.8
Massachusetts	21,218	3,120,270	147.06	+1.4	+.6	+16.0	+30.8
Michigan	37,689	4,194,374	111.29	+3.0	+2.7	+25.5	+32.1
Minnesota	13,572	1,160,428	85.50	+1.3	−7.2	+9.6	+2.2
Mississippi	25,935	1,751,700	67.54	+.6	+.4	+4.6	+20.7
Missouri	22,010	1,635,645	74.31	+1.1	+1.1	+9.5	+5.1
Montana	2,789	255,290	91.53	+.6	+.7	+13.9	+16.8
Nebraska [2]	5,354	464,712	86.80	+.9	+1.6	+14.2	+31.7
New Hampshire	1,005	147,417	146.68	+.6	+1.7	+12.7	+12.9
New Jersey [5]	16,300	1,676,000	102.82	+1.9	−6.4	+16.4	+12.0
New Mexico [2]	9,146	677,844	74.11	+.3	+.3	+3.2	+2.1
New York [2]	139,591	19,112,793	136.92	+3.0	+7.1	+44.8	+45.4
North Carolina [2]	31,718	2,597,641	81.90	+1.2	+2.0	+10.4	+18.1
North Dakota [2]	2,483	255,981	103.09	+1.1	+.7	+10.4	+12.3
Ohio	39,854	3,176,607	79.71	+2.4	+2.5	+22.5	+29.0
Oklahoma [2]	24,163	2,427,748	100.47	−.1	(3)	+5.8	+9.7
Oregon	8,362	662,970	79.28	+.8	+.6	+5.5	+10.2
Pennsylvania	32,567	3,281,628	100.77	+.8	−.4	−3.1	−3.0
Puerto Rico [2]	16,477	219,229	13.31	+1.3	+1.3	−8.7	−9.8
Rhode Island [2]	4,287	434,373	101.3	+.8	+.8	+4.1	+12.3
South Carolina	11,570	659,228	56.98	+.3	+.2	+7.0	+8.5
South Dakota	1,626	118,509	72.88	+1.6	+2.3	+4.3	+6.2
Tennessee	27,497	1,882,022	68.44	−.1	−.2	+3.8	+4.1
Texas	24,987	1,581,812	63.31	+.6	+.9	+4.4	−1.5
Utah [2]	4,954	407,279	82.21	−.4	−.7	+.8	+13.9
Vermont [2]	2,371	265,179	111.84	+.5	+1.3	+13.9	+20.7
Virgin Islands	62	2,975	47.98	(4)	(4)	(4)	(4)
Virginia	10,784	950,708	88.16	+2.1	+3.9	+27.7	+34.7
Washington	23,800	2,305,616	96.87	+.5	+.4	+30.2	+29.6
West Virginia	11,442	1,007,490	88.05	(6)	+1.0	−2.5	+35.7
Wisconsin	8,124	990,094	121.87	+1.1	+8.2	+11.0	+41.3
Wyoming	920	61,261	66.59	+2.0	+2.3	+1.1	+.9

[1] All data subject to revision. Data include nonmedical vendor payments other than those for institutional services in intermediate care facilities. Nevada has no program.
[2] Represents aid to the permanently and totally disabled under program for aid to the aged, blind, or disabled.
[3] Increase of less than 0.05 percent.
[4] Percentage change not computed on base of fewer than 100 recipients.
[5] Estimated by State.
[6] Decrease of less than 0.05 percent.

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 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 age 16 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 dependent child is 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 age 18 and under age 21 when attending school, or college, 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, 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 a month of income earned by a child under age 18 but no more than $150 a month per family. In 1967, a work incentive program (WIN) was initiated to provide training and employment services. An amendment in 1972 strengthened requirements for registration for WIN services and placement in public service employment. 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 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.

A 1950 amendment required States to notify appropriate law enforcement officials when assistance is provided for children deserted or abandoned by a parent. Federal financial participation at a 75 percent level in the costs of certain defined social services to recipients was made possible beginning in 1962 and was expanded to include former and potential recipients in 1965. A 1967 amendment—effective 1968—required the provision of a newly defined group of services for which the 75 percent matching was available and allowed reimbursement for services purchased from other public agencies.

AFDC programs were initiated in 40 States [1] 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. In January 1972, 24 States included assistance to families with unemployed fathers in their AFCD programs, and 23 States had programs of emergency assistance (under title IV–A) to needy families with children.

ADMINISTERING AGENCIES.—The Social and Rehabilitation Service of the Department of Health, Education, and Welfare administers Federal grants to States. The AFDC program is administered by a State agency through district or county offices in 30 States and administered by local agencies with State supervision in 21 States. The program is statewide in all States.

FINANCING.—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 from 50 percent to 65 percent and is based on a formula which takes into consideration per capita income of the States. States with an approved medicaid plan may use the "Federal medical assistance percentage" which varies from 50 percent to 83 percent with no maximum on the Federal share of amounts based on the average grant. Separate provisions are included for computing the Federal share of benefits in Puerto Rico, the Virgin Islands, and Guam. The Federal Government pays 75 percent of expenditures for required services and approved optional services and 50 percent of other administrative costs. Effective July 1972, Federal funds pay 90 percent of employment support services to WIN participants. The Federal Government pays 50 percent of aid under the emergency assistance program under AFDC, with such assistance not to exceed 30 days in any 12-month period.

Federal funds are provided through an open-ended appropriation from general revenues. States are required to participate in financing. Local participation is optional. In 33 States, all financing of the non-Federal share is from State funds; in three States all non-Federal costs for assistance payments are from State and local funds with administrative costs from State funds. In 15 States, 50 percent to 85 percent of non-Federal assistance costs are from State and local funds with varying arrangements for sharing administrative costs between State and local funds.

The "Federal medical assistance percentage" is used in 30 States and the District of Columbia to determine the Federal share of

[1] "State" refers to the 50 States and the District of Columbia. As of July, 1971, Guam had 509 families receiving AFDC with an average grant of $219.70; the Virgin Islands, 638 families with an average of $136.80; and Puerto Rico, 47,638 families with an average payment of $47.58.

assistance payments. All States provide social services in AFDC for for which they receive 75 percent Federal reimbursement.

Costs

Fiscal year	*Total benefits (in thousands)*	*Federal share (in thousands)*	*Number of families (monthly average)*	*Number of persons (monthly average)*
1971	$5, 477, 388	$3, 040, 000	2, 483, 000	9, 315, 111
Estimated 1972	6, 713, 073	3, 719, 000	2, 947, 000	11, 073, 411
Estimated 1973	7, 843, 443	4, 296, 000	3, 346, 000	12, 572, 654

ELIGIBILITY CRITERIA

MAJOR ELIGIBILITY CONDITIONS

Federal requirements.—Children must be under age 18 (or, if regularly attending school, college, or vocational or technical training course, 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 States). 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 to foster parents or to a child care institution if the child was removed from the home of parents or relatives receiving or eligible for AFDC payments following a judicial determination that continued living in the home would be contrary to the welfare of the child.

In 22 States and the District of Columbia, a family consisting of one or more children and a parent (or both parents) or specified relative may receive emergency assistance to needy families with children (money payment, in-kind, or voucher payment) not in excess of 30 days in a 12-month period in order to avoid destitution or to provide living arrangements, if the family is without available resources for reasons other than refusal of the child or relative of employment of training for employment. In 17 of these States, the program specifically covers migrant families.

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 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 six or more quarters of work in any 13-calendar-quarter period ending within 1 year prior to the application for such 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 he receives AFDC assistance.

A State's definition of an unemployed father must include any father who is employed less than 100 hours a month, or whose employment 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 he 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

Age of children.—Children under age 18 only are included in AFDC payments in seven States; children under 19 in one State, under 20 in one State, and under age 21 in 42 States. One of these States (Washington) has submitted plan material to drop the age to under 18 as a result of State legislation defining a "dependent child;" and California is proposing to do so. (If a child is 18 and under 21, he must be in school, college, or vocational or technical training course.) Nineteen States include an unborn child as eligible for the AFDC payment when there are no other eligible children.

School attendance.—Thirty-four States have no school attendance requirement for children under age 18; two States require that all school age children be attending school unless physically or mentally unable to do so; 13 States require that children 16 or 17 be attending school; two require a 16- or 17-year-old to be in school or employed. In States which include children age 18 or over, 34 require that such children be attending high school, vocational or technical school or college, with one State specifying that the college courses be job oriented; nine States exclude college students; [2] and one includes high school students only.

Deprivation of parental support.—Six States require that a deserting parent be absent from 1 to 6 months before the family is eligible; five require that the duration of imprisonment be expected to last at least from 1 to 3 months; and eight require that the expected duration of an incapacity of a parent be at least from 1 to 3 months.

Most States do not consider that a parent's absence from the home for employment purposes meets the condition of "continued absence" and such families are not eligible for AFDC. Twenty-seven States accept absence because of military service as "continued absence" and families of servicemen are eligible if other eligibility conditions are met; two other States are amending their plans to include men absent on military service; 22 States provide no assistance to families of servicemen unless there has been estrangement prior to enrolling or estrangement which has developed during the time of service as evidenced by lack of support from the serviceman.[3]

Unemployed father.—Twenty-three States and the District of Columbia administer programs of assistance to families with unemployed fathers.

Emergency assistance.—Twenty-three States provide emergency assistance to needy families under plans approved for Federal financial participation; four of these States limit assistance to emergencies caused by civil disorders and/or natural disasters. In 17 States, migrant families are specifically included. Only 19 States reported expenditures under this program in July 1971. The limitations of the Federal act may affect the number of payments in States in a given month.

Persons included.—Eligible children and the parents or other needy relatives caring for eligible children are included in the program. Four States do not claim Federal matching for the spouse when both parents are in the home (one parent must be incapacitated or, in those States so electing, unemployed).

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[2] An opinion of the Supreme Court (*Townsend* v. *Swank*) on Dec. 20, 1971, held that the State's statute (Illinois) which excluded 18- to 21-year-old-college students from AFDC but included high school and vocational school students was in conflict with the Social Security Act and therefore invalid.

[3] In June 1972, the Supreme Court ruled that absence of a parent from the home because of military service constitutes "continued absence" for eligibility purposes and that AFDC may not be denied for this reason.

INCOME TEST

Income limit.—Countable income may not exceed the standard of assistance defined by the States. Assistance standards vary by size of family, living arrangements, 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 the specified size would have at the point they became ineligible for any AFDC benefit.

State-defined countable income limits for a family of four persons in July 1971 varied from $81 to $363 per month with Alaska's income limit at $400. The median was $261 per month. The median income limit for a family of two persons was $182 per month, varying from $52 to $255 per month and $300 in Alaska. Seven out of 10 AFDC families have four or fewer family members. In 54.2 percent of all cases there are no more than two children.

Definition of income.—This is the same as for old-age assistance.

Treatment of earned income.—All earned income is counted in determining need except the following: (1) Up to $5 of monthly income from any sources (earned or unearned); (2) all earned income of children receiving AFDC who are full-time students or 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); (4) WIN incentive payments; (5) the first $30 of a household's monthly earned income and one-third of the monthly income over $30; and (6) work expenses (as allowed by the States). 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 application for AFDC. If the family is eligible on this basis, the earnings disregard is allowed in determining the amount of the benefit.

State options with respect to items (1), (3) and (6).—

(1) Eight States disregard $5 per month per family from income from any source; one State disregards $5 per month of income of any child with income; and one State disregards $5 of income received by each family member. Forty-one States allow no disregard under this option.

(3) Ten States have provisions for conservation of a child's earnings for future identifiable needs usually with qualifying conditions in respect to the child's age, grade in school, and demonstrated capacity to benefit from higher education; similar provisions in four other States relate to the child's income from any source and in five States to family income from any source. Thirty-two States make no provision under this option.

(6) All States are required to disregard reasonable work expenses such as mandatory payroll deductions, transportation, uniforms, and cost of child care. However, the States vary in definitions of work expenses and amounts allowed.

Treatment of unearned income.—All unearned income other than amounts excluded above is counted in determining need except the following: (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 sale of produce, may be considered available during 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 $150 to $3,000 with a median limit of $1,000. (See supplementary material.)

OTHER CONDITIONS

Work requirements:

Participation in WIN program.—The needs of any recipient certified to the Department of Labor for participation in WIN who refuses without good cause (not defined except that a mother may not refuse available child care services) to accept training, or employment offered by the State employment agency or other bona fide offer of employment, will not be considered in determining the family's need for assistance. (See supplementary material for definition of recipients for whom DOL referral is required and order of priority for certification.)

Unemployed fathers.—A family is not eligible for AFDC if the father is not registered with the State employment service or has refused, without good cause, a bona fide offer of employment or training within 30 days prior to receipt of AFDC. (See supplementary material for definition of "good cause".)

Twenty-two States have work requirements beyond 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 (one State specifies the mother) refuses suitable or available employment, usually with the condition that adequate care is available for the children. Nine States also require that a child included in the payment, usually age 16 or over and not in school, accept suitable or available employment. (Such regulations are being challenged in several States and some courts have held that the Social Security Act provisions in respect to the WIN program are binding and that States may not impose additional work requirements or penalties.)

Acceptance of training or rehabilitation.—See work requirements above for Federal requirements in respect to acceptance of training. In addition to the mandatory Federal requirements for acceptance of training offered through the WIN program, 15 States require that an incapacitated parent accept recommended medical or correctional treatment and/or rehabilitative training as an eligibility condition for receipt of AFDC by the family. Two States require that the parent accept treatment of controllable disease, or recommended hospitalization for treatment of tuberculosis or mental illness. In the latter instance, the parent's refusal does not make the children ineligible.

Citizenship.—There is no Federal requirement. One State requires that a child be a citizen if he is included in the AFDC payment. The citizenship requirement does not apply to the parent. Other States have no citizenship requirement. (The Supreme Court ruled in 1971 that citizenship requirements were unconstitutional.)

Lien, recovery, or assignment.—There is no Federal requirement. Four States have provisions for liens on property and seven file claims against the estate of recipients for recovery of all or part of assistance received by the family. Two States provide for recovery from proceeds of personal injury or damage suits. Three States require 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. Twenty-eight States have requirements that the applicant has not disposed of property prior to application without fair consideration or to make himself eligible for AFDC. In seven States, the applicant is ineligible if he has disposed of property in order to qualify for assistance within 1 to 3 years prior to application; in eight States the period of time considered is 5 years; in 12 States no time limit is specified. Twenty-three States have no requirements in respect to prior transfers of property.

Relative responsibility.—Each State must have a program for establishing paternity of children born out of wedlock and for securing financial support for them and for 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 deserted or abandoned 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.

Twenty States require as a condition of family eligibility that the parent or, in some instances, the other relative with whom the child is living take legal action or cooperate in legal action to obtain support from the absent parent. One of these States requires also that the mother of an illegitimate child must, under oath, give the name and last known address of the child's father.

Institutional status.—Federal regulations require that children must live with parents or specified relatives except that assistance must be available to otherwise eligible children receiving foster care (in foster family homes or child-care institutions) who have been removed from a relative's home as a result of a judicial determination that continuation in such 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" requirement.

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.

Suitable home provisions.—A State may not deny assistance to a child because of the conditions of the home in which he is living unless other provisions are made for adequate care of the child. Nineteen 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, or in terms of the applicant being a fit or proper person to care for children. In these States assistance is supposed to be continued until other arrangements are made for the children.

Benefits and Services

Cash benefits

Primary determinants of amount of benefit.—All States are required to establish cost standards for total maintenance needs. These include in all States the basic needs; that is, the amounts needed, as determined by the States, to purchase basic maintenance items such as food, clothing, household supplies, shelter, and utilities. Cost standards, as applied to individual families, vary by family size and may vary by living arrangements, amount of rent paid, ages and sex of children and in most States by inclusion of amounts for common special needs such as school supplies, telephone, and transportation. Special items, such as special diets, are included under certain conditions in some States.

Because of these variables, comparisons between States are usually made in terms of the State cost standards for basic needs. Cost standards for basic needs for a family of four recipients as reported by the States represent the highest amount that would be considered necessary for these basic elements for a family living in rented housing, with no other persons in the household, and paying the maximum amount allowed for rent.

The established cost standards for such family of four persons in in January 1972 varied among the States (excluding Alaska) from $363 to $197 per month. Alaska's standard was $400. The median for all States was $286.

In 13 States the amount of the benefit is the difference between the beneficiary family's countable income and the family's needs as determined by the full cost standard.

In 21 States, the amount of the benefit is the difference between countable income and a payment standard which is from $18 to $151 less than the States' cost standards for basic needs.

In 10 States the amount of the benefit is the difference between countable income and the State's cost standard or payment standard, or the State's maximum allowable payment to a family of four, whichever is less. Four States pay a specified percentage of the difference between the cost standard and countable income, and three States pay a specified percentage of the difference between the cost standard and countable income or the State's maximum allowable payment, whichever is less.

Maximum payable amounts in these 17 States were from $12 to $181 less than the States' cost standards for basic needs.

For all States the median payable amount of benefit is $227 per month for a family of four varying from $60 to $372. (See supplement for State cost standards and illustrations of methods of payment calculation.)

Relationship of benefit amount to family size.—Amounts of benefit 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 most States with a maximum on the money payments, the maximum is adjusted per child up to a limit on the number of children (for example, "six or more") or up to a set amount of money.

Nine States have family maximums of from $108 to $182 for families of six children, which may not be exceeded regardless of additional children. Three other States set maximums similarly but count up to nine children (in one State, 16) before the cutoff maximum is reached. Three additional States set a family or case maximum, ranging from $200 in one State to $320 in another, which is not related to the number of persons (although the budget would be figured on the needs of the number of eligible persons in the family).

Largest payable amounts (to a family with no other income) for a family of two recipients vary from $30 to $255 per month with a national median of $155; for a family of four, from $60 to $351 ($375 in Alaska) with a median of $221; for a family of six, from $84 to $461 ($500 in Alaska) with a median of $294.

Maximum amounts included for rent for a two-person family vary from $30 to $145 per month with a median of $69; for a family of four persons, from $33 to $151 with a median of $80 per month; for a family of six persons, from $35 to $182 with a median of $81 per month.

Relationship of benefit amount to place of residence

Variations within States.—Cost standards for individual needs such as food and clothing are usually applied statewide 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. Twelve States have different cost standards for rent within the State; that is, the maximum allowable amount for rent varies by urban or rural areas in some States and in a few States, each county sets its own maximum for rent. In one State the maximum amount allowed for rent in rural areas is $14 per month.

Variations among regions.—In general, the highest payab'e benefits to a family of four are found in the New England and Middle Atlantic States and the lowest in South Central States. Median monthly amounts payable to a family of four persons by region are: New England and Middle Atlantic, $327; Pacific, $263; North Central, $250; Mountain, $208; South Atlantic, $158; and South Central, $120.

Relationship of benefit amount to cost of living.—Prior to 1969 there was no requirement that cost standards or benefit amounts be related to the cost of living and most States adjusted cost standards on an ad hoc basis as funds were available. 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.

The 1967 amendments to the Social Security Act required States to adjust to 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 to be proportionately adjusted. However, a State which was not able to meet full need could apply a reduction to the cost standards for payment purposes.

Between January, 1967 and July, 1971, the median cost standard for basic needs for a family of four was increased from $215 to $286 per month, or an increase of 33 percent. The median payable amount was increased from $182 to $227 per month, or an increase of 24.7 percent. During this time the number of States meeting 100 percent of the reported cost standard decreased from 22 to 13 States.

Amounts of benefits.—In January 1971, (latest month for which payment by family size is available) the average payment for a family consisting of one adult and one child was $130.61 per month with regional variations from $63.81 in East South Central States (Kentucky, Tennessee, Alabama and Mississippi) to $180.10 in the Middle Atlantic States (New York, New Jersey and Pennsylvania). The average payment to a family of one adult and three children was $196.80 with regional variations from $91.04 to $268.40. For a family of six persons, the average payment was $241 with regional variations from $111.58 to $329.53.

In January 1971, 29 percent of AFDC payments included one or two persons, 41 percent included three or four persons, 20 percent included five or six persons and 10 percent included seven or more persons. The national average payment per person in January 1971 was $49.35 and per family was $186.45. In December 1971, the national average payment per person was $51.63 and per family was $188.47, ranging from $55.48 to $287.68 per family.

Comparison of benefits to poverty level.—In July 1971, highest payable amounts to a family of four persons with no other income were above the poverty level of $331 a month for this size family in Alaska and three other States. January 1972 level indicates one State paying as much as $331, with 9 other States (including Alaska) with payment level ranging from $300 to $324. In 12 States the highest payable amount was less than one-half of the poverty level. (In one additional State it was $3 above one-half.) The median payable amount was $221 a month or one-third lower than the poverty level of $331 a month for a family of four persons.

This is the latest date for which benefits by family size are available. The average family benefit for AFDC families in July 1971 was $186.77 ranging from $53.51 to $281.75. The average benefit per recipient was $50.52, ranging from $13.75 to $75.83.

The payment standard (countable income plus AFDC benefits) was at or above the poverty level in six States. The average total income of AFDC families in January, 1971, was $243 per month (average AFDC payment plus average gross income before deductions) varying from $135 in East South Central States to $317 in Middle Atlantic States.

OTHER SERVICES PROVIDED OR AVAILABLE

Work incentive program.—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 1971, funding was available for 100,000 training slots in areas where 60 percent to 80 percent of AFDC families were located. As of January 1971, 450,000 individuals had been referred to WIN and 226,000 had received (or were currently receiving) WIN services.

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 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; utilization of other community services such as health, consumer education, rehabilitation, legal services, etc.

OTHER BENEFITS WHICH ACCRUE BY VIRTUE OF ELIGIBILITY FOR AFDC.—Medicaid is available in all States except Arizona and Alaska.

Food stamps or donated food commodities are available (if all persons in the household are public assistance recipients) in localities in which one of these programs is available. Most localities have a program and about 70 percent of AFDC families receive either food stamp or commodities.

SUPPLEMENTARY MATERIAL

FEDERAL, STATE, AND LOCAL SHARE OF TOTAL PROGRAM COSTS.—The proportions of Federal, State and local funds varied among the States. The Federal share varied from 41.6 percent to 79.1 percent of total program costs and the State share from 15.5 percent to 54.1 percent. In 20 States, no local funds were used; in 11 States the local share was less than 1 percent and in 20 States, the local share varied from 1.3 percent to 24.3 percent of total program 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 has been marked by a rapid rate of increase in recent years. The number of recipient families decreased to 547,000 in 1953 from 651,000 in 1950, then increased to 803,000 in 1960, 2,552,000 in 1970 (December of each year) and to 2,746,000 in July, 1971. 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 1970 and to 10,154,000 in July, 1971. The number of families receiveing AFDC because of the unemployment of the father increased from 48,200 in December 1961 to 135,000 (including 653,000 persons) in April, 1971. The number of States with unemployed father programs increased from 15 in December 1961 to 24 in July, 1971.

The number of children under 18 years of age in the general population increased from 48 million in 1950 to 73 million in 1970. During this time the number of children receiving AFDC per 1,000 under age 18 in the population increased from 34 to 75.

Total costs of assistance payments increased from $520,330,000 in 1950 to $4,081,850,000 in 1970. During this time the average monthly payment per recipient increased from $20.85 in December 1950 to $49.50 in December 1970. The Federal share of assistance payments increased from 43.7 percent in 1950 to 60 percent in 1960 and decreased to 54 percent in 1970.

TREATMENT OF ASSETS IN DETERMINING ELIGIBILITY FOR AFDC

Assets excluded in determining eligibility

(1) *The home property owned and occupied by the applicant or beneficiary.*—Thirty-four States exclude the home property in determining eligibility without requiring a determination of value. Thirteen States set limits on the value of the home which may be owned by the beneficiary. The limiting values in these 13 States are

from $2,500 equity to $25,000 assessed value (in a State which assesses at 70 percent of market value). The median value limit in these 13 States is $7,500. In three other States no specific value limit is set but a judgment is made as to whether the value is reasonable, of moderate value, or whether it exceeds that of other modest homes in the community. In the remaining State no maximum value is placed on the home but if the value exceeds $20,000 (based on a 100 percent assessment) an evaluation and recommendation is made regarding disposal.

(2) *Other real property.*—Nine States exclude all income-producing property; two States exclude income-producing property with values from $1,000 to $5,000; three consider all real property within the value set for the home—from $1,500 to $10,500; five exclude real property other than the home with values from $225 to $1,000; 26 include the value of other real property in the allowable reserve; and six States require that all real property other than the home be put up for sale.

(3) *Automobile.*—Twenty-eight States exclude one automobile, with varying qualifying conditions such as age or value of the car or a judgment as to whether it is essential for transportation and three States exclude more than one car (cars) from consideration.

(4) *Life insurance.*—Twenty-nine States exclude from $500 to $5,000 cash or face value of life insurance per eligible person in determining eligibility. One State requires that cash or loan value of life insurance be liquidated and utilized. Ten States specifically include the cash or loan value of life insurance in the allowable reserve. The remaining 11 States made no reference regarding allowance insurance.

(5) *Allowable nonexcluded reserve.*—Forty-eight States allow reserves valued from $150 to $3,000 per family. Four of these 48 States allow reserves of $300 to $1,550 for a family of four with $25 to $200 additional for each family member; four more of these 48 States allow additional amounts up to a family maximum. One State requires that a family have no cash reserve. One State limits the value of personal assets to the amount equal to 1 month's budgetary requirements. One State specifies that a family may retain "personal property essential to the family's health and welfare."

WORK INCENTIVE PROGRAM

Mandatory referrals to DOL for participation in the WIN program.—All AFDC recipients (persons whose needs are included in the AFDC payment) age 16 and over are to be referred except children attending school fulltime; persons who are ill, incapacitated, or of advanced age, or who are needed at home because of the illness or incapacity of another family member; mothers or other relatives caring for a child under 6 years of age; the mother or other female caretaker of a child if the father or other adult male relative in the home is employed or required to participate in WIN (unless he refuses to participate); and persons too remote from a work incentive project for effective participation. Mothers with children under 6 years of age may volunteer for WIN.

Priorities for certification to DOL as ready for employment or training and for provision of WIN services by DOL.—Individuals other than those excluded above, are to be certified to DOL when it is determined by the AFDC administering agency that they are ready for employment or training (after any necessary supporting service, including child care, are provided by the agency), and WIN services are to be provided by DOL to such individuals, taking into account employability potential, in the following order of priority:

(1) unemployed father (certification to DOL is required within 30 days of approval for 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 age 16 and over who are not in school, not employed or in a training program; and

(5) all other persons.

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 make a determination that such an offer was actually made. (In the case of offers of employment 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 offer was not accepted. Questions with respect to the following factors must be resolved; (a) that there was a definite offer of employment at wages meeting any applicable minimum wage requirements and which are customary for such work in the community; (b) 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 the particular job; and (c) any questions of working conditions, such as risks to health, safety, or lack of workman's compensation protection.

METHODS OF CALCULATING BENEFITS

The following are illustrations of methods of determining the amount of AFDC payments to a family of four persons with requirements equal to the State's cost standard and countable income of $100 per month.

1. Countable income is deducted from the cost standard.

Pennsylvania:	
Cost standard (paid to a family with no income)	$313
Income	−100
AFDC payment	213

2. Countable income is deducted from the payment standard.

Maryland:	
Cost standard	$311
Payment standard (paid to a family with no income)	200
Income	−100
AFDC payment	100

3. Countable income is deducted from the cost standard but payment is no more than the specified maximum.

Missouri:

Cost standard	$303
Income	−100
Deficit	203
AFDC payment (maximum allowable payment to a family of 4; also paid to a family with no income)	130

4. Countable income is deducted from the cost standard and the payment is a specified percentage of the deficit.

Delaware:

Cost standard	$287
Income	−100
Deficit	187
AFDC payment (60 percent of deficit)	112

A family with no income receives 60 percent of the cost standard or $172.

5. Countable income is deducted from the payment standard and the payment is the resulting deficit or the State's maximum allowable payment, whichever is less.

Wyoming:

Cost standard	$283
Payment standard	260
Income	−100
AFDC payment (maximum payment to a family of 4 is $227)	160

6. Countable income is deducted from the cost standard and the payment is a specified percentage of the resulting deficit or a maximum allowable amount, whichever is less.

Mississippi:

Cost standard	$277
Income	−100
Deficit	177
40 percent of deficit	71
AFDC payment (maximum payment to a family of 4 persons)	60

A family of four persons with no income receives the maximum allowable payment of $60.

TABLE 1.—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 2 RECIPIENTS BY STATE, JULY 1971

State	Monthly amount for basic needs				Largest amount paid for basic needs	
	Full standard	Payment standard [1]				
		Total	Other than rent	Rent	Amount	Percent of full standard for basic needs in col. 1
	(1)	(2)	(3)	(4)	(5)	(6)
Alabama	$148	$52	$36	$16	$52	35
Alaska	300	300	(2)	(2)	175	58
Arizona	164	164	114	50	107	65
Arkansas	149	149	114	35	91	61
California	162	162	[3] 47	115	162	100
Colorado	167	167	102	65	158	95
Connecticut	200	200	102	98	200	100
Delaware	181	181	122	[3] 59	109	60
District of Columbia	206	154	81	[4] 73	154	75
Florida	143	143	81	62	87	60
Georgia	161	161	121	40	79	49
Guam	(2)	(2)	(2)	(2)	(2)	(2)
Hawaii	195	195	121	74	195	100
Idaho	206	182	121	61	182	88
Illinois	217	217	120	97	217	100
Indiana	247	247	147	100	145	59
Iowa	186	186	138	48	151	81
Kansas	253	245	120	125	245	97
Kentucky	146	146	110	36	107	73
Louisiana	130	66	41	[3] 25	66	51
Maine	205	205	137	68	86	42
Maryland	187	131	90	41	131	70
Massachusetts	236	236	158	78	236	100
Michigan	255	255	110	145	255	100
Minnesota	237	237	127	110	237	100
Mississippi	205	205	155	50	30	15
Missouri	213	213	173	[3] 40	80	38
Montana	143	132	95	37	132	92
Nebraska	251	251	143	108	158	63
Nevada	228	125	78	47	125	55
New Hampshire	221	221	136	85	221	100
New Jersey	[5] 214	[5] 214	(2)	(2)	[5] 214	100
New Mexico	135	135	98	37	119	88
New York	219	219	134	[3, 6] 85	206	94
North Carolina	147	126	64	[4] 62	126	86
North Dakota	[5] 190	[5] 190	(2)	(2)	[5] 190	100
Ohio	173	140	60	[4] 80	140	81
Oklahoma	143	122	92	30	122	85
Oregon	221	177	130	47	177	80
Pennsylvania	218	218	139	79	218	100
Puerto Rico	78	78	58	[3] 20	31	40
Rhode Island	202	202	122	[3] 80	202	100
South Carolina	123	123	83	40	64	52
South Dakota	220	198	108	90	198	90
Tennessee	142	142	109	33	97	68
Texas	136	102	77	25	102	75
Utah	203	138	94	44	138	68
Vermont	241	241	137	104	241	100
Virgin Islands	92	92	80	12	92	100
Virginia	196	186	91	[4] 95	186	95
Washington	204	204	123	81	202	99
West Virginia	186	97	64	33	97	52
Wisconsin	245	226	96	130	226	92
Wyoming	168	155	84	[4] 71	155	92

[1] 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.
[2] Data not reported.
[3] Estimated average. For California, recurrent special needs included in estimated average for "other than rent."
[4] Utilites included in rent.
[5] Flat allowance; includes special needs.
[6] Heat included in rent. Higher rent authorized with supervisory approval.

Note: The full standard is the amount with which income from all sources is compared to determine whether or not financial eligibility exists. Use of the full standard for this purpose (where this is different from the payment standard) is mandatory only for AFDC applicant families with earned income who have not received assistance in any 1 of the 4 preceding months. 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.

TABLE 2.—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 1971

State	Monthly amount for basic needs				Largest amount paid for basic needs	
		Payment standard [1]				
	Full standard	Total	Other than rent	Rent	Amount	Percent of full standard for basic needs in col. (1)
	(1)	(2)	(3)	(4)	(5)	(6)
Alabama	$232	$81	$65	$16	$81	35
Alaska	400	400	(2)	(2)	372	94
Arizona	256	256	186	70	167	65
Arkansas	229	229	194	35	111	48
California	274	274	[3] 134	140	261	95
Colorado	242	242	173	69	242	100
Connecticut	327	327	176	151	327	100
Delaware	287	287	224	[3] 63	172	60
District of Columbia	318	239	145	[4] 94	239	75
Florida	223	223	142	81	134	60
Georgia	227	227	181	46	149	66
Guam	(2)	(2)	(2)	(2)	(2)	(2)
Hawaii	271	271	180	91	271	100
Idaho	272	241	180	61	241	89
Illinois	272	272	175	97	272	100
Indiana	363	363	263	100	205	57
Iowa	300	300	230	70	243	81
Kansas	335	321	196	125	321	96
Kentucky	234	234	182	52	171	73
Louisiana	204	104	79	[3] 25	104	51
Maine	349	349	234	115	168	48
Maryland	311	200	159	41	200	64
Massachusetts	349	349	271	78	349	100
Michigan	350	350	205	145	350	100
Minnesota	334	334	209	125	334	100
Mississippi	277	277	227	50	60	22
Missouri	303	303	263	[3] 40	130	43
Montana	225	206	148	58	206	92
Nebraska	347	347	239	108	226	65
Nevada	320	176	118	58	176	55
New Hampshire	294	294	209	85	294	100
New Jersey	[5] 324	[5] 324	(2)	(2)	[5] 324	100
New Mexico	203	203	156	47	179	88
New York	336	336	231	[3,6] 105	313	93
North Carolina	184	159	97	[4] 62	159	86
North Dakota	[5] 300	[5] 300	(2)	(2)	[5] 300	100
Ohio	258	200	104	[4] 96	200	78
Oklahoma	222	189	149	40	189	85
Oregon	349	279	225	54	279	80
Pennsylvania	313	313	227	86	313	100
Puerto Rico	132	132	112	[3] 20	53	40
Rhode Island	263	263	183	[3] 80	263	100
South Carolina	198	198	158	40	103	52
South Dakota	300	270	180	90	270	90
Tennessee	217	217	184	33	129	59
Texas	197	148	115	33	148	75
Utah	320	218	148	70	218	68
Vermont	327	327	223	104	327	100
Virgin Islands	166	166	150	16	166	100
Virginia	279	261	166	[4] 95	261	94
Washington	286	286	200	86	274	96
West Virginia	265	138	100	38	138	52
Wisconsin	303	274	144	130	274	90
Wyoming	283	260	160	[4] 100	227	80

[1] 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.
[2] Data not reported.
[3] Estimated average. For California, recurrent special needs included in estimated average for "other than rent."
[4] Utilities included in rent.
[5] Flat allowance; includes special needs.
[6] Heat included in rent. Higher rent authorized with supervisory approval.

Note: The full standard is the amount with which income from all sources is compared to determine whether or not financial eligibility exists. Use of the full standard for this purpose (where this is different from the payment standard) is mandatory only for AFDC applicant families with earned income who have not received assistance in any 1 of the 4 preceding months. 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.

TABLE 3.—AID TO FAMILIES WITH DEPENDENT CHILDREN: RECIPIENTS OF MONEY PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1971[1]

[Excludes vendor payments for institutional services in intermediate care facilities and for medical care and cases receiving only such payments]

State	Number of families	Number of recipients		Payments to recipients			Percentage change from:			
					Average per—		November 1971		December 1970	
		Total[2]	Children	Total amount	Family	Recipient	Number of recipients	Amount	Number of recipients	Amount
Total[3]	2,917,769	10,650,663	7,707,192	[4] $557,002,989	[4] $188.47	[4] $51.63	+1.3	[4] +1.6	+10.3	[4] +14.7
Alabama	40,479	148,101	112,651	2,386,008	58.94	16.11	+.4	+.5	−9.9	−4.4
Alaska	3,521	10,655	7,980	759,923	215.83	71.32	+1.2	+2.7	+10.6	+10.5
Arizona	17,893	67,329	51,734	2,144,144	119.83	31.85	+.4	+.3	+10.8	+10.2
Arkansas	20,317	73,290	54,848	1,963,688	96.65	26.79	+1.3	+1.4	+21.7	+30.5
California[3]	443,260	1,520,103	1,060,795	90,256,512	203.62	59.38	(5)	−4.8	−1.4	+6.2
Colorado[3]	29,578	102,602	73,617	5,240,233	177.17	51.07	+2.8	+2.8	+12.0	+9.6
Connecticut	30,625	108,207	81,163	7,497,554	244.82	69.29	+.1	−1.7	+12.3	+19.2
Delaware[3]	8,556	30,413	22,072	1,055,034	123.31	34.69	+1.7	+.1	+16.9	+11.9
District of Columbia[3]	24,398	86,564	63,718	4,850,697	198.82	56.04	+2.0	+2.2	+42.0	+43.9
Florida	88,061	320,586	243,971	8,093,916	91.91	25.25	+.5	+.2	+23.9	+31.1
Georgia	90,511	310,049	230,218	9,221,530	101.88	29.74	+1.3	+2.4	+19.1	+24.4
Guam[3]	613	2,741	2,177	126,647	206.60	46.20	+3.1	+3.6	+20.9	+24.0
Hawaii[3]	10,547	38,450	26,732	3,010,922	285.48	78.31	+.4	+3.4	+18.7	+43.2
Idaho	6,019	20,878	14,729	1,232,039	204.69	59.01	+5.9	+21.6	+11.2	+29.7
Illinois[3]	171,664	679,576	494,679	40,910,727	238.32	60.20	+2.5	+3.0	+40.5	+44.5
Indiana	44,332	159,250	117,419	6,548,091	147.71	41.12	+3.1	+1.3	+39.8	+59.8
Iowa	23,191	81,450	57,718	4,499,614	194.02	55.24	+1.9	+3.8	+9.3	+15.4
Kansas[3]	21,195	73,782	55,178	3,553,639	167.66	48.16	−3.5	−3.0	+5.0	−9.3
Kentucky	39,325	141,557	101,186	4,671,935	118.80	33.00	−.2	+.1	+1.7	+9.0
Louisiana	60,721	240,629	185,471	5,350,544	88.12	22.24	+.8	+8.5	−5.2	+4.8
Maine[3]	16,575	61,416	44,053	2,432,184	146.74	39.60	+2.8	+1.8	+18.8	+16.4
Maryland[3]	52,699	190,537	141,522	8,462,296	160.58	44.41	+1.1	+1.1	+18.4	+20.5
Massachusetts[3]	79,865	283,871	204,712	[4] 27,209,029	[4] 251.83	[4] 70.85	+1.5	[4] +3.7	+10.8	[4] +9.8
Michigan[3]	140,410	506,632	366,380	32,060,016	228.33	63.28	+2.7	+3.1	+13.8	+33.9
Minnesota[3]	36,058	116,675	85,428	8,527,681	236.50	73.09	+.6	+.4	+17.4	+19.1
Mississippi	40,713	153,168	121,964	2,258,765	55.48	14.75	+1.4	+1.2	+10.3	+34.4
Missouri[3]	60,980	214,433	160,036	6,680,032	109.54	31.15	+.6	+.6	+22.3	+25.0
Montana	6,109	19,983	14,864	937,059	153.39	46.89	+.5	+.4	+10.6	+13.1
Nebraska[3]	11,731	41,232	30,377	1,783,465	152.03	43.25	+.5	+.7	+10.2	+14.6
Nevada	4,806	15,954	11,808	530,520	110.39	33.25	+8.2	+6.3	+2.4	+10.3
New Hampshire	5,351	18,135	13,094	1,158,509	216.50	63.88	+2.8	+4.8	+30.3	+34.1
New Jersey[6]	106,000	388,700	280,500	27,090,000	255.57	69.69	+2.3	+2.2	−7.4	+4.7
New Mexico	15,772	56,506	42,639	1,822,791	115.57	32.26	(5)	+1.7	−2.1	−2.7
New York[3]	347,848	1,275,446	903,227	100,069,507	287.68	78.46	+.5	+4.7	+4.0	+4.8
North Carolina	45,616	165,872	124,182	5,363,680	117.58	32.34	+1.1	+1.1	+12.9	+18.2
North Dakota	4,026	13,792	10,244	828,991	205.91	60.11	+2.2	+3.0	+13.6	+11.0
Ohio[3]	118,547	434,386	313,786	19,045,387	160.66	43.84	+2.0	+2.3	+28.2	+28.3
Oklahoma[3]	32,021	112,416	83,799	4,344,583	135.68	38.65	−.4	−.2	+5.3	+9.1

Oregon [3]	26,949	94,021	64,217	4,679,716	173.65	49.77	+3.3	+6.8	−8.5	−2.8
Pennsylvania [3]	173,073	667,094	462,123	41,408,851	239.26	62.07	+2.2	+1.8	+18.0	+16.1
Puerto Rico	52,776	268,820	194,934	2,424,916	45.95	9.02	+2.5	+2.0	−6.5	−8.9
Rhode Island [3]	13,573	50,070	35,541	3,112,068	229.28	62.15	+.4	−2.1	+8.6	+9.2
South Carolina	23,487	90,300	68,003	1,794,929	76.42	19.88	+1.6	+1.8	+26.4	+27.5
South Dakota	5,770	20,047	14,881	924,666	160.25	46.12	+.7	+1.0	+3.3	−10.8
Tennessee	53,473	187,090	141,962	5,590,528	104.55	29.88	+.3	+.4	+10.8	+11.6
Texas	108,229	416,182	308,293	12,566,944	116.11	30.20	+1.3	+1.7	+25.7	+31.2
Utah [3]	11,665	42,464	29,074	2,168,874	185.93	51.08	+.5	+.5	+9.1	+30.1
Vermont [3]	4,784	17,095	11,945	1,108,405	231.69	64.84	−.1	+.5	+15.9	+21.1
Virgin Islands	737	2,936	2,425	99,971	135.65	34.05	−.9	−.7	+32.0	+19.4
Virginia	40,136	145,362	106,717	7,012,390	174.72	48.24	+1.8	+2.2	+23.8	+25.8
Washington [3]	43,833	148,497	99,221	8,625,868	196.79	58.09	+3.3	+1.9	−.9	−4.4
West Virginia [3]	22,103	87,523	61,948	2,598,950	117.58	29.69	+1.5	+1.1	−12.4	−4.2
Wisconsin [3]	35,127	120,591	89,864	8,596,545	244.73	71.29	+5.2	+19.9	+24.8	+38.6
Wyoming	2,121	7,205	5,373	311,476	146.85	43.23	+3.0	+3.8	+11.1	+13.6

[1] All data subject to revision. Data include nonmedical vendor payments other than those for institutional services in intermediate care facilities. Data also include AFDC-foster care; separate data for foster care appear in releases for February, May, August, and November.

[2] 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.

[3] Includes data on unemployed-parent segment; see table 8.

[4] Amount includes $7,097,000 representing grants for special needs in Massachusetts for the quarter January–March 1972. The average payments and percentage changes exclude this amount. Including this amount the average payments, per family and per recipient, would be, respectively: U.S. total, $190.90 and $52.30; and Massachusetts, $340.69 and $95.85.

[5] Increase of less than 0.05 percent.

[6] Estimated by State.

TABLE 4.—AID TO FAMILIES WITH DEPENDENT CHILDREN, UNEMPLOYED-PARENT SEGMENT: RECIPIENTS OF MONEY PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1971 [1]

[Excludes vendor payments for institutional services in intermediate care facilities and for medical care and cases receiving only such payments]

State	Number of families	Number of recipients		Payments to recipients			Percentage change from:			
					Average per—		November 1971		December 1970	
		Total [2]	Children	Total amount	Family	Recipient	Number of recipients	Amount	Number of recipients	Amount
Total	135,731	648,634	391,145	[3] $34,895,411	[3] $255.13	[3] $53.39	+6.4	[3] +3.7	−18.6	[3] −5.0
California	50,868	236,634	142,385	11,977,886	235.47	50.62	+2.1	−4.1	−19.2	−14.2
Colorado	2,170	10,264	5,940	550,576	253.72	53.64	+8.3	+7.7	+11.4	+9.9
Delaware	160	798	487	27,444	171.52	34.39	−9.7	−29.5	+1.9	−4.4
District of Columbia	950	4,233	2,941	192,431	202.56	45.46	+22.2	+18.2	+503.0	+380.2
Guam	(4)	(4)	(4)	(4)						
Hawaii	977	4,436	2,484	366,443	375.07	82.61	+5.5	+12.3	+108.7	+151.2
Illinois	18,619	93,668	57,074	5,409,486	290.54	57.75	+9.7	+10.8	+117.5	+121.0
Kansas	741	3,667	2,194	170,933	230.68	46.61	−8.6	−6.2	+5.6	−4.1
Maine	144	858	609	33,115	229.97	38.60	−11.5	−12.2	−66.3	−66.9
Maryland	825	3,948	2,302	169,909	205.95	43.04	+13.3	+12.7	+41.1	+43.7
Massachusetts	2,047	10,641	6,720	[3] 786,748	[3] 254.40	[3] 48.94	+4.9	[3] −20.1	+23.0	[3] +19.5
Michigan	11,766	57,582	34,769	3,592,793	305.35	62.39	+6.1	+5.8	−48.5	+1.9
Minnesota	1,626	7,440	4,235	566,549	348.43	76.15	+11.0	+22.6	+171.7	+216.6
Missouri	728	3,981	2,525	131,828	181.08	33.11	+3.1	+2.9	+134.6	+151.3
Nebraska	198	1,053	661	41,088	207.52	39.02	+8.0	+9.4	+35.3	+43.0
New York	9,389	46,816	28,505	3,105,288	330.74	66.33	−1.9	−1.8	−49.9	−40.9
Ohio	10,849	52,587	31,203	2,200,693	202.85	41.85	+7.4	+7.5	+106.5	+110.9
Oklahoma	382	2,074	1,320	77,280	202.30	37.26	+15.0	+13.5	+70.3	+78.0
Oregon	4,426	20,515	12,080	964,665	217.95	47.02	+24.5	+23.1	−28.4	−24.2
Pennsylvania	5,335	24,886	14,388	1,359,119	254.76	54.61	+8.0	−2.6	+49.7	+41.5
Rhode Island	889	4,324	2,614	209,828	236.03	48.53	+.6	−1.7	+36.7	+72.4
Utah	1,984	9,728	5,869	463,003	233.37	47.59	−.4	−3.4	+16.5	+37.5
Vermont	367	1,825	1,096	112,807	307.38	61.81	−2.6	−4.7	+31.9	+33.7
Washington	6,406	27,615	15,379	1,522,033	237.59	55.12	+24.0	+18.5	+28.0	+19.3
West Virginia	2,694	14,264	9,498	405,165	150.40	28.40	+5.2	+8.2	−32.7	−26.0
Wisconsin	1,191	4,797	3,867	458,301	384.80	95.54	(5)	(5)		

1 Data for this segment of the program, shown separately here, are included in data for the total program. All data subject to revision. Data include nonmedical vendor payments other than those for institutional services in intermediate care facilities.

2 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.

3 Amount includes $266,000 representing grants for special needs for the quarter January-March 1972. The average payments and percentage changes exclude this amount. Including this amount the average payments, per family and per recipient, would be, respectively: U.S. total, $257.09 and $53.80; and Massachusetts, $384.34 and $73.94.

4 Program in operation; no payments made in December.

5 Program initiated October 1971.

TABLE 5.—EMERGENCY ASSISTANCE: FAMILIES RECEIVING ASSISTANCE AND AMOUNT OF PAYMENTS, BY STATE, DECEMBER 1971 [1]

State	Number of families			Amount of assistance payments			
				Total			
	Total	AFDC money payment cases	Other	Amount	Average per family	Maintenance	Medical care
Total [2]	13,275	6,245	7,030	$2,005,535	$151.08	$1,904,584	$100,951
Alaska	128	66	62	38,759	302.80	5,166	33,593
Arkansas	158	34	124	4,822	30.52	4,626	196
Kansas	3	0	3	4,147	(3)	4,147	0
Maryland	1,952	1,838	114	352,750	180.71	352,750	0
Massachusetts [4]	1,377	345	1,032	206,008	149.61	201,442	4,556
Michigan	2,605	2,503	102	382,375	146.79	343,408	38,967
Minnesota	682	27	655	139,617	204.72	133,260	6,357
Montana	28	4	24	9,689	(3)	1,380	8,309
Nebraska	19	1	18	989	(3)	814	175
New Jersey [5]	3,350	1,000	2,350	590,000	176.12	590,000	0
New York [6]	69	69	0	38,000	550.72	38,000	0
Oklahoma	439	40	399	78,898	179.72	78,898	0
Oregon	471	0	471	27,923	59.28	23,431	4,492
Rhode Island	120	0	120	24,747	206.22	24,747	0
Utah	8	8	0	579	(3)	579	0
Vermont [5]	573	29	544	29,539	51.55	25,256	4,283
Virgin Islands	3	3	0	765	(3)	765	0
Washington	635	24	611	46,918	73.89	46,918	0
West Virginia	503	253	250	21,071	41.89	21,058	13
Wyoming	152	1	151	7,939	52.23	7,939	0

[1] All data subject to revision. Such emergency assistance authorized to needy families with children under title IV-A.
[2] Data incomplete; see footnotes 4 and 6.
[3] Average payment not computed on base of fewer than 50 families.
[4] Data incomplete
[5] Estimated by State.
[6] Does not include New York City.

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.

Date enacted and major changes since enactment.—The old law, which covers veterans who were on pension rolls prior to July 1, 1960, was enacted in 1933. The program was replaced by the current or new law which became effective July 1, 1960. The new law distinguishes the number of dependents and is more closely related to other income of the pensioner. An amendment to the new law, which became effective January 1, 1965, provided supplemental payments (1) to veterans who have more than one ratable disability, provided that one of the disabilities is ratable on the VA schedule as permanent and total and the veteran has another disability or disabilities which are individually ratable on the same schedule as 60 percent or more; and (2) to permanently and totally disabled veterans who are housebound. Amendments which became effective January 1, 1969, January 1, 1971, and January 1, 1972, extended the maximum income limits for eligibility and increased benefit amounts. Amendments which became effective January 1, 1965 and October 1, 1967, increased rates but not income limits.

Administering agency.—The Veterans Administration, Department of Veterans Benefits, through regional offices.

Financing.—The program is financed through open ended Federal appropriations providing for direct payments to beneficiaries.

Costs

Fiscal year	*Amount*	*Number of beneficiaries (monthly average)*
1971	$1, 386, 343, 000	1, 079, 724
Estimated 1972	1, 453, 322, 000	1, 065, 586
Estimated 1973	1, 523, 964, 000	1, 079, 181

Eligibility Criteria

Major eligibility conditions.—A recipient must be (1) a veteran who has 90 days or more of active wartime duty, or, if less than 90 days, a veteran who was released or discharged from such wartime service because of a service-related disability; and (2) permanently and totally disabled—that is, the person is unable to engage in a substantially gainful occupation—for reasons not caused by service. Persons who are 65 years of age or older are considered to be permanently and totally disabled. 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 are included. Dependents are defined as a spouse, including dependent husband;[1] 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.—For veterans and dependents under the old law (those receiving pensions on June 30, 1960), and who elect to remain under that law, annual countable income (defined below) of an unmarried veteran with no dependent children may not exceed $2,200; the annual countable income to a veteran who is married or who has dependent children may not exceed $3,500 per year.

Under the present law (veterans coming on the rolls after June 30, 1960, or electing the new law), a veteran with no dependents may not have an annual countable income in excess of $2,600, or in excess of $3,800 if he has dependents. Income limits apply equally to male and female veterans.

Treatment of income.—Under both the old and new laws, eligibility is determined by the amount of countable income attributable to the veteran. For new law pensions the pension rate is also determined by the veteran's countable income. The inclusion or exclusion of income in the veteran's countable income is indicated below in terms of the recipients of the income, the sources of income, and the uses of that income:

	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.
(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.

[1] 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 requirement of incapacity for self-support.

	Old law	New law
(3) Income of veteran—Con.		
(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 RSFFP[1] 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.[2]
(iii) VA compensation	Excluded[3]	Excluded,[3] 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.
(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[4]	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.

[1] Retired Servicemen's Family Protection Plan (*U.S.C.* ch. 73).
[2] Veteran may not receive both military retirement and pension unless he has waived an amount of military pay equal to amount of pension.
[3] 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.
[4] Rarely applied and does not include food stamps, medicaid or housing subsidies which are excluded under item (d).

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.

Under the new law benefit amounts are reduced with increasing marginal tax rates as countable income rises, in the following manner:

Veteran with no dependents.—The basic benefit to a veteran with $300 or less annual countable income is $130 per month. The monthly benefit is reduced by 3 cents for each dollar of additional annual countable income in excess of $300 through $1,000 (36 percent tax rate); by 4 cents for each dollar of income over $1,000 through $1,500 (48 percent tax rate); by 5 cents for each dollar over $1,500 through $1,800 (60 percent tax rate); by 6 cents for each dollar over $1,800 through $2,200 (72 percent tax rate); and by 7 cents for each dollar of income over $2,200 through $2,600 (84 percent tax rate). The minimum payment to a veteran with $2,600 annual countable income is $22 per month. No benefit is paid when annual countable income exceeds $2,600. Therefore, a small increase in income above $2,600 a year can result in a loss of $264 in annual benefits.

Veteran with dependents.—The basic benefit to a veteran with $500 or less annual countable income is $140 per month for a veteran with one dependent, $145 a for veteran with two dependents, and $150 for a veteran with three or more dependents. The monthly benefit is reduced by 2 cents for each dollar of additional annual countable income in excess of $500 through $900 (24 percent tax rate); by 3 cents for each dollar of income over $900 through $3,200 (36 percent tax rate); and by 5 cents for each dollar of income over $3,200 through $3,800 (60 percent tax rate). The minimum monthly benefit which is payable to a veteran with one dependent is $33; with two dependents the amount paid is $38; and with three or more dependents, the minimum benefit is $43 per month. No benefit is paid when annual countable income exceeds $3,800 per year. Therefore, a small increase in income above $3,800 per year can result in a loss of $516 in annual benefits. (See supplement for benefit table.)

Accounting period.—Under both the old and the 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 which are based on anticipated income from the date of entitlement to the end of the calendar year. Income which is received prior to the date of entitlement is ignored. Where there is doubt as to the amount of anticipated income, benefits are allowed at the lowest appropriate rate or withheld (where determined appropriate by the VA) until the end of the calendar year when the total income received can be determined. Provisions are made for the payment of benefits which are so withheld during the following year. Where a change occurs in the conditions of entitlement and after initial computation of benefits, the entitlement to benefits for the next year are redetermined based on the total countable income received during the previous calendar year and on anticipated income for the current or next calendar year. When there is a loss of a dependent because of marriage, divorce, or death, benefits continue until the end of the calendar year before reduction is made because of the loss of the dependent. In general, benefits are adjusted upward immediately when changes are reported which permit an increase but are adjusted at the end of the year if a decrease is indicated.

Accounting is based on an annual income and net worth questionnaire. The discontinuance of benefits becomes effective on the first day of the year for which income and net worth is not reported, or on the effective date of the award, whichever is later. Overpayments to beneficiaries as a result of administrative error are not recouped; however, overpayments because of fraud can be recovered by the Treasury Department. Overpayments due to inaccurate income projections by the beneficiary can be but rarely are recouped.

Assets test.—The assets test is applicable only to the new law. The determination of conversion of the estate for maintenance of veterans is made by the Veterans' Administration based on the following factors: (1) Income; (2) ease of conversion of property to cash; (3) the limitations of community property laws; (4) the life expectancy of the veteran; (5) the number of dependents; and (6) the potential rate of depletion of the veteran's estate. Estate is defined as all real and personal property, except for the dwelling, reasonable lot, and personal effects of the veteran.

Other conditions

Work requirements.—There are none.

Acceptance of training or rehabilitation.—There is none required.

Citizenship.—There is no requirement.

Lien, recovery, or assignment.—There are 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 per month. While the veteran is institutionalized, pension grants for regular aid and attendance are discontinued, except for designated paraplegics and Hansen's disease victims. Veterans who are imprisoned in penal institutions have their pension discontinued on the 61st day of imprisonment; however, benefits may be paid to an eligible wife and/or children if the veteran continues to be eligible except for this provision.

Residence requirements.—There are none.

Benefits and Services

Cash benefits

Primary determinants of amounts of benefits.—The basic amounts of the benefits are established by legislation. Under the old law entitled veterans who are blind or in need of regular aid and attendance may receive $135.45 per month. Veterans who are housebound may receive $100 per month in lieu of other payments.

Benefits under the new law are reduced as countable income increases. (See "Treatment of income" above.) In addition to the basic benefit, a veteran who receives benefits under the new law may receive $110 in additional benefits per month if he is in medically determined need of regular aid and attendance; or the veteran may receive $44 in additional benefits per month if (1) he has an additional disability or disabilities (over a disability that is rated on the VA schedule as permanent and total) which 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 the benefits do not increase with family size. Under the new law the amount of monthly benefit payable to a veteran with no dependents is increased by $10 for one dependent, $15 for two dependents, and $20 per month for three or more dependents. No additional amount is paid for the fourth or additional dependents.

Relationship of benefit amount to cost of living change.—There are no automatic increases provided for in legislation; however, benefit amounts have been increased periodically by congressional action.

Relationship of benefit amount to place of residence.—There is national uniformity including Guam, Puerto Rico, the Virgin Islands, and the District of Columbia.

Amounts of benefits.—Under the old law benefits are payable at $66.15 per month; the benefits are increased to $78.75 per month after a continuous receipt of the pension for 10 years or after attainment of age 65.

No benefit is paid when annual countable income exceeds the limit of $2,200 for a veteran without dependents or $3,500 for a veteran with dependents. Therefore, a small increase in income over the maximum would result in a benefit loss of $793.80 (or $945 or $1,200) per year; plus there would be a benefit loss of as much as $1,625.40 if the veteran qualified for an additional amount because of need for regular aid and attendance.

Under the new law the maximum benefit for a veteran with no dependents is $130 per month, and the minimum benefit when the annual income limit of $2,600 is reached is $22 per month. For a veteran with one dependent the maximum benefit is $140 per month, and the minimum benefit when the annual income limit of $3,800 is reached is $33 per month. With two dependents the maximum and minimum benefits are $145 and $38; with three or more dependents the maximum and minimum benefits are $150 and $43 per month. A small increase above the maximum annual countable income limit results in a benefit loss of $264 a year for a veteran with no dependents and a loss of up to $516 a year for a veteran with three or more dependents. These losses would be increased by $1,320 if the veteran also qualified for an additional amount because of need for regular aid and attendance, or increased by $528 if the veteran is housebound.

The average annual benefit amount per case was $1,284 in fiscal year 1971 and is estimated to be $1,364 in fiscal year 1972 and $1,412 in fiscal year 1973.

Comparison of benefit level to poverty level.—In the exceptional case of an unmarried, childless veteran who has no other countable income and who is receiving regular aid and attendance, the new law provides an income above the poverty level of $240 per month. Generally, the new law provides benefits below the poverty level of $130 per month for an unmarried childless veteran with no countable income or $150 per month to a family of four with no countable income. The old law provides no income above the poverty level.

Other benefits provided or available.—Veterans may receive health services, housing, and educational assistance administered by the Veterans' Administration.

SUPPLEMENTARY MATERIAL

Benefit Schedules

Veterans with no dependents:	
Annual countable income:	*Monthly benefit*
$0 to $300	$130.
$301 to $1,000	$130, less 3 percent of annual income in excess of $300.
$1,001 to $1,500	$109, less 4 percent of annual income in excess of $1,000.
$1,501 to $1,800	$89, less 5 percent of annual income in excess of $1,500.
$1,801 to $2,200	$74, less 6 percent of annual income in excess of $1,800.
$2,201 to $2,600	$50, less 7 percent of annual income in excess of $2,200.
$2,600	$22.
$2,601 and above	0.
Veterans with dependents:	
Annual countable income:	*Monthly benefit*
$0 to $500	$140. [1]
$501 to $900	$140, less 2 percent of annual income in excess of $500.
$901 to $3,200	$132, less 3 percent of annual income in excess of $900.
$3,201 to $3,800	$63, less 5 percent of annual income in excess of $3,200.
$3,800	$43.
$3,801 and above	0.

[1] A veteran with 1 dependent gets $140; with 2 dependents, $145; and with 3 or more dependents, $150.

PENSIONS FOR WIDOWS AND CHILDREN OF VETERANS

Basic Program Information

Legislative objective.—To provide a partial means of support for widows[1] and children of deceased, aged, or disabled veterans whose deaths were not a result of active service.

Date enacted and major changes since enactment.—The old law, which covers veterans 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. Amendments in 1965, 1967, 1969, and 1971 extended maximum income limits for eligiblity and increased benefit amounts. Benefit payments underwent a major change in switching from flat monthly payments under the old law to payments varying by income under the new law.

Administering agency.—The Veterans' Administration, Department of Veterans Benefits, through regional offices.

Financing.—The program is financed by open-ended Federal appropriations which provide for direct payments to beneficiaries.

Costs

Fiscal year	*Amount*	*Number of beneficiaries (monthly average)*
1971	$963, 656, 000	1, 183, 501
Estimated 1972	1, 057, 988, 000	1, 231, 615
Estimated 1973	1, 146, 771, 000	1, 289, 865

In June 1971, a total of 1,808,200 dependents were receiving benefits, including 901,900 widows and 906,300 children.

Eligibility Criteria

Major eligibility conditions.—To be eligible under the old law, a beneficiary must be 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. To be eligible under the new law, a beneficiary must be a not presently married widow or a child of a deceased veteran who: (1) had 90 days or more of active wartime duty, or if less than 90 days, who was released or discharged from such duty for a service 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

[1] 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.

conflict, or the Vietnam era. 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 6, 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 are included in the program. 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 23 and attending an accredited educational institution.

INCOME TEST

Income limits.—Under the old law annual countable income of a widow with no children may not exceed $2,000 annually; annual countable income of a widow with one or more children may not exceed $3,500.

Under the new law annual countable income for a widow with no children may not exceed $2,600; and for a widow with one or more children, income may not exceed $3,800. Where there is no widow, where the widow exceeds the income limits, or where the widow remarries, payments are made to or for the child as if there were no widow, if such child's unearned income does not exceed $2,000 annually.

Treatment of income.—Under both the old and new law, eligibility for a pension is determined by the amount of countable income attributable to the widow. For new law pensions the pension amount is also dependent upon the widow's countable income. The inclusion or exclusion of income in the widow's countable income is indicated below in terms of the recipients of the income and the sources of income.

	Old law	New law
(1) Income of children	Earned income	Earned income.
	Excluded	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) 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, 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[1] 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 olbigatory 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 excees of other VA reimbursements.

[1] Retired Servicemen's Family Protection Plan (10 *U.S.C.* ch. 73).

Under the new law benefit amounts are reduced with increasing marginal tax rates as countable income rises, in the following manner:

Widow with no dependents.—The basic benefit for a widow with $300 or less annual countable income is $87 per month. The monthly benefit is reduced by 1 cent for each dollar of additional annual countable income in excess of $300 through $600 (12 percent tax rate); by 3 cents for each dollar of income over $600 through $1,900 (36 percent tax rate); and by 4 cents for each dollar over $1,900 through $2,600 (48 percent tax rate). The minimum payment to a widow with $2,600 annual countable income is $17 per month. No benefit is paid when annual countable income exceeds $2,600. Therefore, a small increase in income above $2,600 a year results in a loss of $204 in annual benefits. (See supplement for benefit table.)

Widow with children.—The basic benefit for a widow with one child with annual countable income of $600 or less is $104 per month. The basic benefit is increased by $17 per month for each additional child child who is entitled to benefits. The monthly benefit is reduced by 1 cent for each dollar of additional annual countable income in excess of $600 through $1,400 (12 percent tax rate); by 2 cents for each dollar of annual income over $1,400 through $2,700 (24 percent tax rate); and by 3 cents for each dollar of income over $2,700 through $3,800 (36 percent tax rate).

If the benefit payable under this formula is less than the amount which would be payable to a child or children if the widow is not entitled to payments, the benefit is paid at the child's rate. Children's rates are $42 for the first child plus $17 for each additional child. Benefits are payable if the child's unearned income is $2,000 a year or less.

ACCOUNTING PERIOD.—Under both the old and the new laws, income is counted in the calendar year in which it is received. In the year of application proportionate income limits are established based on anticipated income from the date of entitlement to the end of the calendar year. Where there is doubt as to the amount of anticipated income, benefits are allowed at the lowest appropriate rate or withheld (where determined appropriate by the VA) until the end of the calendar year when the total income received can be determined (provisions are made for payment of benefits so withheld during the following year). Where a change occurs in the conditions of entitlement, after initial computation of benefits, entitlement to benefits for the next year are redetermined, based on total anticipated countable income. When there is a loss of a dependent because of marriage, divorce, or death, the benefit continues to the end of the calendar year before a reduction is made because of the loss of the dependent.

Accounting is based on an annual income and net worth questionnaire. Discontinuance of benefits becomes effective on the first day of the year for which income and net worth is not reported or the effective date of the award, whichever is later. Overpayments to beneficiaries as a result of administrative error are not recouped, but overpayments because of fraud may be recovered by the Treasury Department. Overpayments due to inaccurate income projections by the beneficiary can be but rarely are recouped.

ASSETS TEST.—The assets test is only applicable to the new law. The determination of conversion of an estate is based on the following factors: (1) income; (2) expenses; (3) liquidity of assets; (4) life expectancy of the widow or child; and (5) the potential rate of depletion of the estate. The term "estate" is defined as all real and personal property, except for the dwelling, reasonable lot, and personal effects of the recipient.

OTHER CONDITIONS

Work requirement.—There is none.

Acceptance of training or rehabilitation.—There is no requirement.

Citizenship.—There are no requirements.

Lien, recovery, or assignment.—There are no requirements.

Institutional status.—Program benefits are discontinued to widows or children who are confined to penal institutions on the 61st day of imprisonment. Payments will continue to be made 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.—There are no requirements.

BENEFITS AND SERVICES

CASH BENEFITS

Primary determinants of amounts of benefits.—The amounts of basic benefit for a widow is increased by a specified amount if it is medically determined that she is in need of regular aid and attendance.

Relationship of benefit amount to family size.—Under both the old and new law, there are adjustments in benefit amounts for family size. (See section on amount of benefits for adjusted payment amounts.)

Relationship of benefit amount to cost-of-living changes.—There are no automatic increases provided for in legislation although benefit amounts may be increased periodically by congressional action.

Relationship of benefit amount to place of residence.—There is national uniformity in program benefits including Guam, Puerto Rico, the Virgin Islands, and the District of Columbia.

Amount of benefits.—Under the old law benefits are as follows: $50.40 per month for an unremarried widow with no child; $63 per month for a widow with one child; and $7.56 per month more for each additional child. Widows in medically determined need of regular aid and attendance may receive $50 additional per month. Where no widow is entitle, one eligible child receives $27.30 per month, two eligible children receive $40.95 total per month (divided equally), three eligible children receive $54.60 per month (divided equally), and there is an additional payment of $7.56 per month for each additional eligible child.

Under the new law the maximum benefit to a widow with no eligible children is $87 per month and the minimum is $17 per month when the maximum annual countable income of $2,600 is reached. The benefit is increased by $55 a month if the widow is in medically determined need of regular aid and attendance. No benefit is paid if annual countable income exceeds $2,600.

The maximum benefit payable to a widow with an eligible child is $104 per month plus $17 for each additional eligible child. The benefit is increased by $55 a month if the widow is in need of regular aid and attendance. No benefit is paid for the widow if her annual countable income exceeds $3,800. If the widow is not entitled because of her income, or there is no widow, eligible children receive $42 for the first child plus $17 for each additional child with the total divided equally among the children.

The average annual payment per case in fiscal year 1971 was $814 and is estimated to be $859 in fiscal year 1972 and $889 in fiscal year 1973. In June 1971, the average value of a payment for a widow was $64.98 and $104.42 for a widow with children.

Comparison of benefit level to poverty level.—Neither the old nor the new law benefits approach poverty level for a widow with no income or for a widow with children.

The old law provides $50.40 per month to a widow with no income and $78.12 per month to a family of four with no income.

The new law provides $87 per month to a widow with no income and $155 per month to a family of four with no income.

SUPPLEMENTARY MATERIAL

Benefit Schedules

	Monthly benefit
Widows with no dependents:	
Annual countable income:	
$0 to $300	$87.
$301 to $600	$87, less 1 percent of annual income in excess of $300.
$601 to $1,900	$84, less 3 percent of annual income in excess of $600.
$1,901 to $2,600	$45, less 4 percent of annual income in excess of $1,900.
$2,600	$17.
$2,601 and above	0.
Widows with children:	
Annual countable income:	
$0 to $600	$104.[1]
$601 to $1,400	$104, less 1 percent of annual income in excess of $600.
$1,401 to $2,700	$96, less 2 percent of annual income in excess of $1,400.
$2,701 to $3,800	$70, less 3 percent of annual income in excess of $2,700.

(NOTE.—Children may receive pensions in their own right if the children's pension amounts exceed that to which the widow is entitled.)

[1] A widow with 1 child gets $104. This amount is increased by $17 for each additional child who is eligible

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

Fiscal year	*Total Benefits (in thousands)*	*Number of beneficiaries (monthly average)*
1971	$31, 205	[1] 57, 664
Estimated 1972	37, 820	65, 000
Estimated 1973	42, 000	69, 000

[1] A total of 32,000 families including 116,500 persons received general assistance at some time during fiscal year 1971.

Eligibility Criteria

Major eligibility conditions.—General assistance is available to needy Indians who reside on reservations or in jurisdictions under the BIA in Alaska and Oklahoma, when such assistance is not available from State or local public agencies.

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 cost 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,[1] is considered in determining eligibility.

Treatment of earned income.—The net earnings from wages and self-employment of all members of the assistance group are included

[1] This provision is implemented only in certain parts of Alaska where hunting and fishing provides a major portion of the regular food supply.

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.[2] 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.

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.

[2] This provision is implemented only in certain parts of Alaska where hunting and fishing provides a major portion of the regular food supply.

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; accessability 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 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 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 Indian is available only on 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

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as State public assistance budgetary standards are increased or modified.

Amount of benefit.—The estimated average payment per month per person in fiscal year 1971 was $41. This amount is lower than the national average of about $50 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 15 States in which most reservation Indians live, 12 States have cost standards for a family of four which are below the 1971 nonfarm poverty level of $330 per month; five States have cost standards below the poverty level of $264 per month for families living on farms. However, 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.

SUPPLEMENTARY MATERIAL

CHART I.—Coverage monthly number of recipients of GA to Indians fiscal year 1960—71

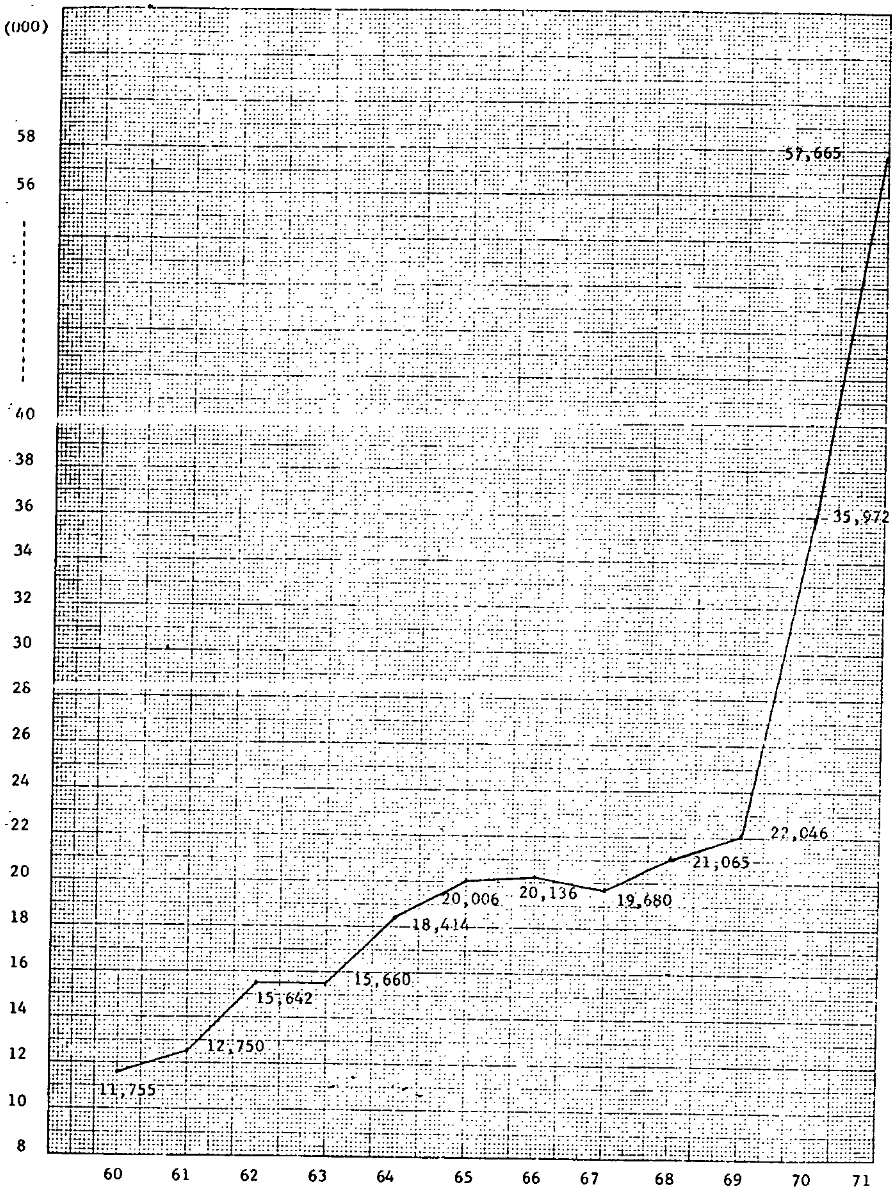

CHART II.—Annual expenditures on GA to Indians fiscal year 1960—71

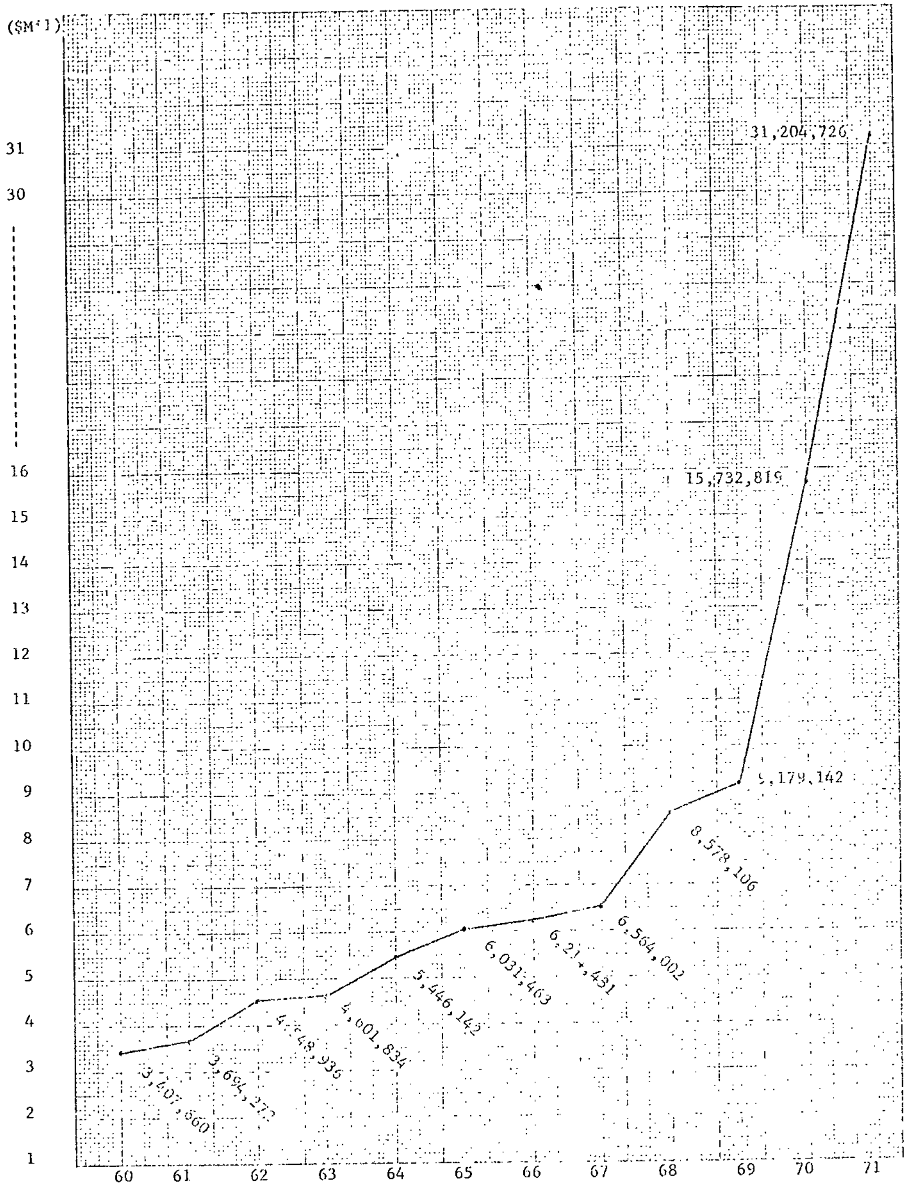

TABLE 1.—UNDUPLICATED CASE COUNT OF GENERAL ASSISTANCE TO INDIANS CASELOAD, BY AGE AND EMPLOYMENT STATUS OF FAMILY HEAD, FISCAL YEAR 1971

	Under 21		22 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		
Aberdeen	464	861	1,681	5,716	1,417	6,041	1,057	2,799	265	465	4,884	15,882
Unemployable	79	141	202	513	225	712	308	598	101	189	915	2,153
Employable	266	455	1,226	4,473	983	4,583	575	1,855	38	77	3,088	11,443
Pending P.A	119	265	251	728	208	745	169	341	119	192	866	2,271
Adult institutional care	0	0	2	2	1	1	5	5	7	7	15	15
Albuquerque	69	104	288	1,000	323	1,500	216	626	36	84	932	3,314
Unemployable	17	23	29	106	56	178	89	172	26	57	217	536
Employable	46	70	239	835	241	1,215	115	420	5	16	646	2,556
Pending P.A	6	11	20	59	26	107	12	34	5	11	69	222
Adult institutional care	0	0	0	0	0	0	0	0	0	0	0	0
Anadarko	57	111	296	996	266	1,130	191	488	52	101	862	2,826
Unemployable	9	10	54	138	58	192	47	93	18	38	186	471
Employable	27	50	151	558	139	655	72	215	3	9	392	1,487
Pending P.A	21	51	91	300	69	283	72	180	31	54	284	868
Adult institutional care	0	0	0	0	0	0	0	0	0	0	0	0
Billings [1]	290	502	818	2,476	566	2,172	332	775	186	387	[1] 2,192	[1] 6,312
Unemployable	40	90	79	217	122	353	99	170	98	170	438	1,000
Employable	182	298	620	1,826	385	1,578	153	387	28	103	1,368	4,192
Pending P.A	68	114	119	433	57	239	77	215	54	107	375	1,108
Adult institution care	0	0	0	0	2	2	3	3	6	7	11	12
Juneau	508	826	1,820	4,866	1,556	6,473	839	2,708	100	209	4,823	15,082
Unemployable	27	39	80	184	113	421	144	421	27	45	391	1,110
Employable	452	731	1,638	4,487	1,354	5,823	653	2,175	54	130	4,151	13,346
Pending P.A	17	44	38	131	34	174	32	102	16	31	137	482
Adult institution care	12	12	64	64	55	55	10	10	3	3	144	144
Minneapolis	16	36	106	403	88	423	42	102	11	17	263	198
Unemployable	0	0	21	60	27	77	23	47	9	14	80	981
Employable	9	25	68	299	50	308	16	47	1	2	144	681
Pending P.A	4	8	17	44	9	36	2	7	1	1	33	96
Adult institution care	3	3	0	0	2	2	1	1	0	0	6	6

See footnote at end of table.

TABLE 1.—UNDUPLICATED CASE COUNT OF GENERAL ASSISTANCE TO INDIANS CASELOAD, BY AGE AND EMPLOYMENT STATUS OF FAMILY HEAD, FISCAL YEAR 1971—Continued

	Under 21		22 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		
Muskogee	165	317	678	2,453	727	3,228	491	1,369	122	190	2,183	7,557
Unemployable	23	33	125	434	190	763	189	498	63	98	590	1,826
Employable	107	211	419	1,598	424	1,994	183	575	10	16	1,143	4,394
Pending P.A	35	73	134	421	113	471	119	296	48	75	449	1,336
Adult institution care	0	0	0	0	0	0	0	0	1	1	1	1
Navajo	499	1,213	3,708	15,024	4,380	22,352	2,157	8,383	681	1,900	11,425	48,872
Unemployable	96	206	697	2,797	865	4,353	752	2,371	352	1,028	2,762	10,755
Employable	303	727	2,510	10,363	3,065	15,971	1,066	4,967	54	221	6,998	32,249
Pending P.A	100	280	498	1,861	444	2,022	330	1,036	241	617	1,613	5,816
Adult institutional care	0	0	3	3	6	6	9	9	34	34	52	52
Phoenix	309	720	1,216	4,627	1,051	4,885	691	1,748	206	269	3,473	12,249
Unemployable	48	105	129	407	190	608	215	391	62	101	644	1,612
Employable	228	523	907	3,606	708	3,781	319	1,022	3	13	2,165	8,945
Pending P.A	29	88	161	595	128	470	106	284	36	50	460	1,487
Adult institutional care	4	4	19	19	25	26	51	51	105	105	204	205
Portland	10	14	46	124	32	102	16	37	4	4	108	281
Unemployable	0	0	8	25	4	13	5	10	4	4	21	52
Employable	7	9	35	90	26	83	11	27	0	0	79	209
Pending P.A	3	5	3	9	2	6	0	0	0	0	8	20
Adult institutional care	0	0	0	0	0	0	0	0	0	0	0	0
Cherokee	13	32	62	258	80	394	71	296	23	51	249	1,031
Unemployable	0	0	0	0	1	4	6	24	3	6	10	34
Employable	12	31	58	246	71	361	55	226	6	25	202	889
Pending P.A	1	1	4	12	8	29	10	46	14	20	37	108
Adult institutional care	0	0	0	0	0	0	0	0	0	0	0	0
Choctaw	45	66	164	608	167	569	119	248	42	68	537	1,559
Unemployable	20	27	57	108	83	226	76	122	28	44	264	527
Employable	18	27	90	439	72	306	39	117	4	11	223	900
Pending P.A	7	12	16	60	9	32	2	7	4	6	38	117
Adult institutional care	0	0	1	1	3	5	2	2	6	7	12	15

Total:												
Unemployable	359	674	1,481	4,989	1,934	7,900	1,953	4,917	791	1,794	6,518	20,274
Employable	1,657	3,157	7,961	28,820	7,518	36,658	3,257	12,033	206	623	20,599	81,291
Pending P.A	410	952	1,352	4,653	1,107	4,614	931	2,548	569	1,164	4,369	13,931
Adult institutional care	19	19	89	89	94	97	81	81	162	164	445	450
Subtotal—All areas	2,445	4,802	10,883	38,551	10,653	49,269	6,222	19,579	1,728	3,745	31,931	115,946
											[1] 155	[1] 588
Grand total											32,086	116,534
Total number of Indians living on reservations												477,000

[1] Plus totals only for Rocky Boy's Agency, Billings area.

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 June 1971, 426,167 refugees had been registered in Miami, of which 283,303 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 airlifts from Cuba were substantially reduced by the Cuban Government beginning in August 1971. Estimates are based on the assumption that airlifts will be terminated in 1972 and that about 10,000 Cubans per year will continue to enter the country through other means.

Caseloads and costs

[Amounts in thousands]

	Total costs	*Health costs Dade County*	*Resettlement costs*	*Financial and medical assistance*
1971	$87, 048	$2, 816	$5, 486	$78, 746
Estimated 1972	115, 000	3, 600	3, 400	108, 000
Estimated 1973	141, 200	3, 000	1, 600	136, 000

Number of beneficiaries, June each year

	Total	*Florida*	*Other States*
1971	77, 700	32, 400	45, 300
Estimated 1972	88, 900	35, 200	53, 700
Estimated 1973	96, 400	37, 500	58, 900

IN-KIND PROGRAMS

HEALTH CARE: NON-INCOME-TESTED

MEDICARE—HOSPITAL INSURANCE

Basic Program Information

Legislative objective.—To provide hospital insurance for social security and railroad retirement beneficiaries who are age 65 and over.

Date enacted.—The program was enacted in 1965.

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 1.2 percent paid on all earnings up to $7,800 in 1971 and up to $9,000 in 1972 and the tax rate for the self-employed is 0.6 percent on the same amounts. Benefits for persons enrolled who reach age 65 before 1975 and who have insufficient coverage for full entitlement are financed from general revenues of the U.S. Treasury.

Costs

	Amount	*Number of beneficiaries (monthly average)*
1971	$5, 443, 000, 000	4, 500, 000
Estimated 1972	6, 300, 000, 000	4, 600, 000
Estimated 1973	7, 000, 000, 000	4, 700, 000

Administrative costs in fiscal year 1971 were $149,434,000 or 2.7 percent of total program costs.

Eligibility Criteria

Major eligibility conditions.—To be eligible to receive benefits, individuals must be age 65 or over and must be receiving or entitled to social security or railroad retirement benefits as an insured worker or dependent or survivor of an insured worker.

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 that time, the coverage requirement will be the same as for cash benefits. 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.—Eligible individuals are included in the program. Nearly 20.9 million people age 65 and over were eligible on January 1, 1972. This number includes virtually all persons in the population who are age 65 or over.

INCOME TEST.—There are none.

ASSETS TEST.—There are none.

OTHER CONDITIONS

Citizenship.—There is no requirement except under the special temporary provision for persons not fully entitled. See major eligibility conditions above.

Institutional status.—There is no limitation on benefits for persons in institutions. Persons residing in institutions may qualify if they are otherwise eligible.

Residence requirement.—Payments ordinarily are made only for services provided in the United States, Puerto Rico, the Virgin Islands, Guam, and American Samoa, but payments may be made for emergency hospital services which are 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 to where the emergency arose or more accessible than the nearest U.S. hospital.

BENEFITS AND SERVICES

CASH BENEFITS.—There are none.

IN-KIND BENEFITS.—Hospital and posthospital services are covered by insurance as specified in legislation. Payment is made to providers of inpatient hospital services, 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.

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 1972, the deductible is $68. All coinsurance amounts under hospital insurance are a percent 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 1972, this amount is $17 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 hsopital deductible; for 1972, this amount is $34 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 $68 toward the hospital costs. If he is in the hospital for 90 days, he pays $68 plus $17 per day for the 61st through the 90th day, or a total of $578. If he stays in the hospital another 10 days and uses part of his lifetime reserve, he pays an additional $340.

Inpatient psychiatric hospital services are subject to a lifetime limit of 190 days of care.

Posthospital extended care is allowed for up to 100 days in each benefit period with a daily coinsurance amount equal to one-eight of the inpatient hospital deductible (for 1972 this amount is $8.50) for each day after the first 20 days.

Posthospital home health services for homebound persons (visiting nurse services and various types of therapy) is 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 workman's compensation plan of the United or a State.

Cost value of benefits.—The average payment per beneficiary receiving services in fiscal year 1971 was $1,210. The average for all enrolled persons was $260 per year.

SUPPLEMENTARY MATERIAL

TABLE 1.—OASDHI HOSPITAL INSURANCE: MONTHLY NUMBER OF CLAIMS FOR INPATIENT HOSPITAL CARE APPROVED FOR PAYMENT, COVERED DAYS, TOTAL CHARGES, AND AMOUNTS REIMBURSED, BY TYPE OF HOSPITAL, AS OF MAR. 2, 1972[1]

Period claim approved[2]	Approved claims			Hospital charges				
		Covered days of care[3]					Amount reimbursed[4]	
	Number	Total	Average per claim	Total (thousands)	Per claim	Per day	Total (thousands)	Percent of total
All hospitals:[5]								
July 1966–December 1967	7,253,517	97,904,010	13.5	$4,599,107	$634	$47	$3,685,342	80.1
January 1968–December 1968	5,930,314	79,608,858	13.4	4,422,183	746	56	3,541,332	80.1
January 1969–December 1969	6,065,206	79,915,766	13.2	5,125,227	845	64	4,054,408	79.1
January 1970–December 1970	6,170,197	77,778,677	12.6	5,789,794	938	74	4,460,614	77.0
January 1971–December 1971	6,016,834	72,500,040	12.0	6,240,248	1,037	86	4,780,164	76.6
1971:								
January	509,522	6,216,881	12.2	502,874	987	81	385,943	76.7
February	509,751	6,163,294	12.1	502,641	986	82	384,920	76.6
March	569,144	7,168,258	12.6	599,842	1,054	84	457,315	76.2
April	514,250	6,431,486	12.5	541,238	1,052	84	412,305	76.2
May	482,486	5,924,581	12.3	503,690	1,044	85	383,555	76.1
June	537,662	6,538,631	12.2	564,713	1,050	86	434,582	77.0
July	500,758	5,852,510	11.7	510,725	1,020	87	399,792	78.3
August	520,519	5,997,164	11.5	530,270	1,019	88	413,299	77.9
September	484,395	5,800,691	12.0	512,723	1,058	88	390,521	76.2
October	490,126	5,720,935	11.7	513,071	1,047	90	390,571	76.1
November	476,577	5,555,237	11.7	500,143	1,049	90	380,750	76.1
December	421,644	5,130,372	12.2	458,318	1,087	89	346,611	75.6
1972: January	321,436	3,694,248	11.5	340,390	1,059	92	258,124	75.8
Short-stay hospitals:[6]								
July 1966–December 1967	7,094,779	92,864,357	13.1	4,492,936	633	48	3,598,216	80.1
January 1968–December 1968	5,775,824	75,455,823	13.1	4,311,849	747	57	3,461,551	80.3
January 1969–December 1969	5,942,949	76,594,363	12.9	5,020,726	845	66	3,978,923	79.2
January 1970–December 1970	6,073,521	75,069,879	12.4	5,690,459	937	76	4,389,281	77.1
January 1971–December 1971	5,936,374	70,360,937	11.9	6,144,598	1,035	87	4,710,920	76.7
1971:								
January	501,956	6,005,455	12.0	494,646	985	82	379,806	76.8
February	503,078	5,989,012	11.9	495,205	984	83	379,509	76.6
March	561,044	6,948,322	12.4	590,466	1,052	85	450,630	76.3
April	507,744	6,253,148	12.3	533,281	1,050	85	406,702	76.3
May	476,038	5,751,168	12.1	496,055	1,042	86	378,050	76.2
June	531,061	6,360,487	12.0	556,827	1,049	88	428,871	77.0
July	493,813	5,670,791	11.5	502,477	1,018	89	393,755	78.4
August	513,747	5,831,716	11.4	522,452	1,017	90	407,631	78.0
September	477,070	5,608,554	11.8	503,792	1,056	90	384,117	76.2
October	483,651	5,557,620	11.5	505,030	1,044	91	384,669	76.2

November	470, 662	5, 400, 051	11. 5	492, 787	1, 047	91	375, 278	76. 2
December	416, 510	4, 984, 613	12. 0	451, 580	1, 084	91	341, 902	75. 7
1972: January	318, 295	3, 607, 058	11. 3	336, 016	1, 056	93	254, 951	75. 9
Long-stay hospitals:[7]								
July 1966–December 1967	130, 628	4, 726, 092	36. 2	93, 874	719	20	78, 302	83. 4
January 1968–December 1968	113, 565	3, 728, 720	32. 8	92, 710	816	25	68, 831	74. 2
January 1969–December 1969	110, 870	3, 202, 193	28. 9	98, 792	891	31	71, 940	72. 8
January 1970–December 1970	96, 471	2, 706, 152	28. 1	99, 236	1, 029	37	71, 257	71. 8
January 1971–December 1971	80, 298	2, 136, 992	26. 6	95, 564	1, 190	45	69, 171	72. 4
1971:								
January	7, 551	211, 236	28. 0	8, 222	1, 089	39	6, 130	74. 6
February	6, 649	174, 003	26. 2	7, 424	1, 117	43	5, 401	72. 8
March	8, 077	219, 682	27. 2	9, 366	1, 160	43	6, 676	71. 3
April	6, 495	178, 170	27. 4	7, 950	1, 224	45	5, 597	70. 4
May	6, 436	173, 288	26. 9	7, 630	1, 186	44	5, 501	72. 1
June	6, 589	178, 021	27. 0	7, 881	1, 196	44	5, 707	72. 4
July	6, 927	181, 433	26. 2	8, 236	1, 189	45	6, 027	73. 2
August	6, 758	165, 238	24. 5	7, 808	1, 155	47	5, 660	72. 5
September	7, 315	191, 978	26. 2	8, 925	1, 220	46	6, 399	71. 7
October	6, 466	163, 187	25. 2	8, 035	1, 243	49	5, 897	73. 4
November	5, 907	155, 077	26. 3	7, 352	1, 245	47	5, 469	74. 4
December	5, 128	145, 679	28. 4	6, 735	1, 313	46	4, 707	69. 9
1972: January	3, 141	87, 190	27. 8	4, 374	1, 393	50	3, 173	72. 5

[1] See table 2, footnote 1.

[2] See table 2, footnote 2.

[3] Covered days of care after June 30, 1966. Before Jan. 1, 1968, excludes days in excess of 90 per benefit period; beginning Jan. 1, 1968, a lifetime reserve of 60 days can be applied to stays beyond 90 days.

[4] See table 2, footnote 4.

[5] Includes 80,789 claims with type of hospital unknown.

[6] General and special hospitals reporting average stays of less than 30 days.

[7] General and special hospitals reporting average stays of 30 days or more, tuberculosis, psychiatric, and chronic disease hospitals, and Christian Science sanatoria.

TABLE 2.—OASDHI HOSPITAL INSURANCE: MONTHLY NUMBER OF CLAIMS APPROVED FOR PAYMENT AND AMOUNTS REIMBURSED, BY TYPE OF BENEFIT, AS OF MAR. 2, 1972 [1]

Period claim approved [2]	Total [3]		Inpatient hospital			Home health			Extended-care facility		
				Amount reimbursed [4]			Amount reimbursed [4]			Amount reimbursed [4]	
	Number	Amount reimbursed [4] (in thousands)	Number	Total (in thousands)	Per claim	Number	Total (in thousands)	Per claim	Number	Total (in thousands)	Per claim
July 1966–December 1967	9,083,546	$3,959,253	7,253,517	$3,685,342	$508	382,446	$25,406	$66	784,426	$240,662	$302
January 1968–December 1968	7,815,524	3,927,575	5,930,314	3,541,332	597	506,744	37,455	74	1,006,346	344,308	343
January 1969–December 1969	7,587,381	4,428,929	6,065,206	4,054,408	668	621,104	48,119	77	898,402	326,372	366
January 1970–December 1970	7,315,199	4,722,394	6,170,197	4,460,614	723	553,260	45,268	82	591,653	216,511	36
January 1971–December 1971	6,841,654	4,966,490	6,016,834	4,780,164	794	442,244	37,733	85	382,578	148,593	388
1971											
January	587,120	403,600	509,522	385,943	757	39,869	3,339	84	37,732	14,318	379
February	584,113	402,028	509,751	384,920	755	37,271	2,973	80	37,091	14,135	381
March	655,773	477,602	569,144	457,315	804	42,394	3,412	80	44,235	16,875	381
April	591,248	430,106	514,250	412,305	802	39,312	3,265	83	37,685	14,536	386
May	552,770	399,526	482,486	383,555	795	36,712	3,171	86	33,572	12,800	381
June	609,913	450,753	537,662	434,582	808	38,792	3,262	84	33,459	12,909	386
July	570,395	415,484	500,758	399,792	798	37,922	3,141	83	31,715	12,551	396
August	589,187	428,779	520,519	413,299	794	37,623	3,199	85	31,045	12,281	396
September	548,828	405,117	484,395	390,521	806	35,771	3,205	90	28,662	11,391	397
October	548,055	403,664	490,126	390,571	797	32,638	2,939	90	25,291	10,154	401
November	535,329	393,492	476,577	380,750	799	35,176	3,216	91	23,576	9,526	404
December	468,923	356,339	421,644	346,611	822	28,764	2,611	91	18,515	7,117	384
1972											
January	348,617	263,510	321,436	258,124	803	18,081	1,704	94	9,100	3,682	405

[1] For July 1966–December 1967, claims approved and recorded in the Social Security Administration central records before Jan. 7, 1971; for later periods, claims approved and recorded before Mar. 2, 1972. A claim does not necessarily represent a total stay in a covered facility or a complete series of visits covered under an established home health plan. Usually, more than 1 claim is submitted for each stay in a long-term hospital or in an extended-care facility and for visits under a home health plan. Because of lags in claims processing by intermediaries and the Social Security Administration, data for recent months are incomplete. Comparison of most recent months with similar months in earlier years are therefore not valid.

[2] Month in which the intermediaries approved the claims for payment.

[3] Includes 1,038,033 claims with reimbursements of $12,354,000 for outpatient diagnostic services approved for payment under the hospital insurance program.

[4] Actual benefit payments as represented in trust fund transactions differ from amounts reimbursed as shown above, which represent payments for covered services, based on an interim rate (either per diem or a percent of total charges) and adjusted at the end of each provider's operating year on the basis of audited reasonable costs of operation. Payments exclude deductibles and coinsurance amounts and noncovered services as specified by law.

MEDICARE—SUPPLEMENTARY MEDICAL INSURANCE (SMI)

BASIC PROGRAM INFORMATION

LEGISLATIVE OBJECTIVE.—To provide medical insurance for persons age 65 and over who elect this coverage.

DATE ENACTED.—This program was enacted in 1965.

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 in 1972 is $5.60. The individual's premium may be paid from medicaid funds in behalf of persons eligible for both medicaid and medicare.

Costs

Fiscal year	*Total benefits*	*Number of beneficiaries*
1971	$2, 035, 000, 000	10, 300, 000
Estimated 1972	2, 200, 000, 000	10, 900, 000
Estimated 1973	2, 500, 000, 000	11, 400, 000

Administrative costs for fiscal year 1971 were $247,612,000 or 11 percent of total program costs.

ELIGIBILITY CRITERIA

MAJOR ELIGIBILITY CONDITIONS.—An individual must be age 65 or over and must pay monthly premiums. In addition, an individual must be (1) entitled to medicare hospital insurance through entitlement to social security or railroad retirement cash benefits, or (2) a citizen and resident of the United States, or (3) an alien lawfully admitted for permanent residence who is a U.S. resident and has resided in the United States for the 5 years immediately preceding application. No one who has been convicted of subversive activities may enroll for supplementary medical insurance.

An individual generally may not enroll more than 3 years after his first opportunity to do so. 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.—Eligible individuals who elect to enroll are included in the programs. About 19.8 million people age 65 and over were

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enrolled as of January 1, 1972, including 2 million persons for whom premiums were paid from medicaid funds. Enrolled individuals represented 95 percent of the 20.8 million persons in the population age 65 and over.

INCOME TEST.—There is none.

ASSETS TEST.—There is none.

OTHER CONDITIONS

Citizenship.—See major eligibility conditions above.

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

Residence requirements.—See major eligibility conditions above.

BENEFITS AND SERVICES

CASH BENEFITS.—There are no cash benefits, except that beneficiaries may receive payment for reimbursement of the insured amount of charges for health services based on an itemized bill whether paid or unpaid.

IN-KIND BENEFITS

Beneficiaries receive health services covered by the insurance as specified in legislation. Payment is made by reimbursement to the beneficiary or directly to the provider, for 80 percent of the reasonable charges for services (100 percent for radiology or pathology services provided by a physician in a hospital) after the first $50 in a calendar year. The beneficiary pays the deductible of $50 annually for all services plus 20 percent of the reasonable charges for covered services after the first $50 is paid. Insured services include the following: (1) Physician's and surgeon's services regardless of where provided, except for routine physical examinations, eye examinations to determine the refractive state of the eyes, examinations for hearing aids and immunizations; (2) home health services up to 100 visits per calendar year (without a prior hospitalization requirement); (3) outpatient hospital services and physical therapy; (4) certain medical supplies, equipment, and prosthetic devices other than dental (drugs are not included); and (5) limited ambulance services.

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, and the prevailing charges in the locality for similar services. Benefits are not paid to the extent that payment is made, or may reasonably be expected to be made, under a workman's compensation plan of the United States or of a State.

COST VALUE OF BENEFITS.—The average payment per beneficiary receiving services in fiscal year 1971 was $197. The average cost per enrolled individual was $104.

SUPPLEMENTARY MATERIAL

TABLE 1.—OASDHI MEDICAL INSURANCE: NUMBER OF REIMBURSED BILLS FOR PHYSICIANS' AND RELATED MEDICAL SERVICES, TOTAL CHARGES, AND AMOUNT REIMBURSED, BY TYPE OF SERVICE AND MONTH RECORDED, AS OF MARCH 1, 1972 [1]

Month recorded [2]	All services [3]	Physicians	Home health	Outpatient hospital [4]	Independent laboratory	All other
Number of bills:						
January 1968 to December 1968	31,433,566	25,627,193	484,968	3,498,565	433,949	1,311,941
January 1969 to December 1969	39,941,119	33,508,326	572,813	3,555,827	615,209	1,636,468
January 1970 to December 1970	39,695,494	32,849,965	429,951	4,030,683	665,266	1,714,828
January 1971 to December 1971	44,947,077	37,108,871	297,044	4,527,897	956,563	2,054,129
January 1972 to December 1972	8,960,848	7,299,254	52,786	1,060,064	225,596	322,235
1971:						
February	4,690,897	3,907,990	32,268	463,108	94,991	192,403
March	3,500,512	3,039,909	20,273	253,783	76,680	109,892
April	4,240,901	3,621,686	29,703	333,246	83,920	172,265
May	3,110,416	2,587,710	24,963	305,556	50,345	141,797
June	3,037,836	2,582,515	19,504	222,140	65,505	148,144
July	2,653,079	2,262,041	16,181	193,018	50,218	131,581
August	4,328,386	3,453,257	23,885	483,816	95,063	272,142
September	3,811,111	2,973,449	30,882	527,768	81,424	197,394
October	3,858,410	3,133,045	25,273	430,657	101,237	167,085
November	3,316,972	2,558,587	26,569	505,078	65,612	160,776
December	3,853,588	3,139,200	21,957	433,832	88,981	169,384
1972:						
January	4,936,485	4,100,809	25,637	498,156	145,079	166,530
February	4,024,363	3,198,445	27,149	561,908	80,517	155,705
Total charges (in thousands): [5]						
January 1968 to December 1968	$1,856,423	$1,684,996	$28,852	$66,473	$8,772	$61,380
January 1969 to December 1969	2,463,223	2,220,625	40,510	106,641	11,790	80,558
January 1970 to December 1970	2,412,218	2,156,563	30,090	128,592	12,809	84,024
January 1971 to December 1971	2,678,497	2,380,848	20,901	158,097	16,738	101,785
January 1972 to February 1972	486,521	430,460	4,572	32,543	3,633	16,276
1971:						
February	252,782	225,244	2,112	14,430	1,630	9,366
March	206,338	189,312	1,356	9,007	1,310	5,355
April	279,154	252,981	2,176	13,408	1,554	9,035
May	209,735	187,142	1,881	12,364	965	7,383
June	200,031	181,068	1,470	8,531	1,217	7,742
July	170,547	155,065	1,113	6,863	957	6,546
August	263,146	233,045	1,721	18,025	1,633	8,709
September	221,619	189,998	2,187	19,020	1,414	8,991
October	223,853	195,554	1,784	14,733	1,664	10,053
November	191,118	160,893	1,884	16,664	1,149	10,510
December	213,578	187,566	1,519	13,831	1,522	9,130
1972:						
January	270,225	242,638	1,702	15,652	2,264	7,977
February	216,296	187,822	1,870	16,892	1,370	8,299
Amount reimbursed (in thousands) [6]						
January 1968 to December 1968	$1,341,948	$1,220,449	$21,863	$44,094	$6,452	$44,799
January 1969 to December 1969	1,783,402	1,614,299	30,971	68,125	8,677	58,987
January 1970 to December 1970	1,750,536	1,572,749	22,672	84,549	9,406	61,058
January 1971 to December 1971	1,956,423	1,748,270	15,824	104,778	12,398	75,062
January 1972 to February 1972	362,618	322,068	2,770	22,654	2,749	12,349
1971:						
February	186,608	166,765	1,651	9,899	1,224	7,069
March	150,114	138,292	1,018	5,916	976	3,913
April	199,011	181,613	1,563	8,317	1,123	6,394
May	148,479	133,534	1,373	7,613	685	5,273
June	143,797	130,840	1,087	5,378	875	5,615
July	122,687	112,002	831	4,371	687	4,794
August	191,705	170,769	1,309	11,917	1,205	6,495
September	162,276	140,146	1,668	12,721	1,052	6,681
October	166,058	146,016	1,369	9,993	1,255	7,377
November	141,525	120,170	1,454	11,315	863	7,701
December	159,669	140,892	1,179	9,526	1,150	6,913
1972:						
January	202,521	182,518	1,322	10,865	1,726	6,094
February	160,097	139,550	1,448	11,788	1,023	6,255

[1] Includes only those bills for which reimbursements were made by the carriers and which were recorded in the Social Security Administration central records before March 1, 1972.

[2] Determined by summarization date of administrative tape records. If days from more than 1 month are included in period summarized, data are prorated by month according to the number of calendar days represented in each month. When the entire calendar month is not included in the period summarized, the number of bills processed to the tape record in the days excluded is projected on the basis of actual data obtained in the current month.

[3] Includes 428,292 bills and $31,232,613 in total charges and $21,300,156 in amount reimbursable for which type of service is unknown.

[4] Beginning Apr. 1, 1968, outpatient hospital diagnostic services, formerly covered under the hospital insurance program, are covered only under the medical insurance program.

[5] Except for outpatient hospital and home health 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 bills are the amounts acturally billed by the providers.

[6] Amount reimbursed to or in behalf of the beneficiary—generally 80 percent of the allowed charges, once the beneficiary has satisfied the $50 deductible in the current year. Some radiology and pathology services are reimbursed at a 100-percent rate regardless of beneficiary's deductible status.

TABLE 2.—OASDHI MEDICAL INSURANCE: NUMBER OF REIMBURSED BILLS FOR PHYSICIANS' AND RELATED MEDICAL SERVICES, TOTAL CHARGES, AND REIMBURSED AMOUNT, BY TYPE OF BILL AND MONTH RECORDED, AS OF MAR. 1, 1972 [1]

Type of bill and month recorded [2]	Number of bills	Charges [3]		Amount reimbursed [4]	
		Total (in thousands)	Per bill	Total (in thousands)	Percent of total
All bills [5]:					
January 1968 to December 1968	31,443,566	$1,856,423	$59	$1,341,948	72.3
January 1969 to December 1969	39,941,119	2,463,223	62	1,783,402	72.4
January 1970 to December 1970	39,695,494	2,412,218	61	1,750,446	72.6
January 1971 to December 1971	44,947,077	2,678,497	60	1,956,423	73.0
January 1972 to February 1972	8,960,848	486,521	54	362,618	74.6
1971:					
February	4,690,897	252,782	54	186,608	73.8
March	3,500,512	206,338	59	150,114	72.8
April	4,240,901	279,154	66	199,011	71.3
May	3,110,416	209,735	67	148,479	70.8
June	3,037,836	200,031	66	143,797	71.9
July	2,653,079	170,547	64	122,687	71.9
August	4,328,386	263,146	61	191,705	72.9
September	3,811,111	221,619	58	162,276	73.2
October	3,858,410	223,853	58	166,058	72.4
November	3,316,972	191,118	58	141,525	74.2
December	3,853,588	213,578	55	159,669	74.8
1972:					
January	4,936,485	270,225	55	202,521	74.9
February	4,024,363	216,296	54	160,097	74.0
Surgical bills (physicians' services):					
January 1968 to December 1968	3,402,625	$557,936	164	$419,187	75.1
January 1969 to December 1969	4,661,443	761,787	163	573,252	75.3
January 1970 to December 1970	4,828,107	796,062	165	600,638	75.5
January 1971 to December 1971	5,593,105	921,450	165	698,548	75.8
January 1972 to February 1972	1,005,603	162,101	161	124,452	76.8
1971:					
February	538,394	78,678	146	60,038	76.3
March	412,277	67,147	163	50,825	75.7
April	558,071	97,558	175	73,038	74.9
May	406,575	72,078	177	53,765	74.6
June	417,138	73,326	176	55,187	76.3
July	365,994	63,395	173	47,597	71.3
August	530,588	93,001	175	70,496	75.8
September	440,668	76,035	173	57,828	76.1
October	453,690	77,541	171	59,305	76.5
November	382,979	64,107	167	48,984	76.4
December	461,403	75,848	164	58,194	76.7
1972:					
January	563,281	93,165	165	71,703	77.0
February	442,322	68,936	156	52,749	76.5
Medical bills (physicians' services):					
January 1968 to December 1968	22,224,568	1,127,061	51	801,261	71.1
January 1969 to December 1969	28,846,883	1,458,838	51	1,041,046	71.4
January 1970 to December 1970	28,021,858	1,360,499	49	972,111	71.5
January 1971 to December 1971	31,516,267	1,459,398	46	1,049,723	71.9
January 1972 to February 1972	6,293,651	268,359	43	197,616	73.6
1971:					
February	3,369,596	146,566	43	106,727	72.8
March	2,627,632	122,165	46	87,467	71.6
April	3,063,615	155,423	51	108,576	69.9
May	2,181,135	115,064	53	79,769	69.3
June	2,165,377	107,742	50	75,653	70.2
July	1,896,047	91,670	48	64,405	70.3
August	2,922,669	140,044	48	100,273	71.6
September	2,532,781	113,963	45	82,318	72.2
October	2,679,355	118,014	44	86,712	73.5
November	2,175,608	96,786	44	71,186	73.5
December	2,677,798	111,718	42	82,698	74.0
1972:					
January	3,537,528	149,473	42	110,815	74.1
February	2,756,123	118,886	43	86,801	73.0

[1] Includes only those bills for which reimbursements were made by the carriers and which were recorded in the Social Security Administration central records before March 1, 1972.

[2] Determined by summarization date of administrative tape records. If days from more than 1 month are included in the period summarized, data are prorated by month according to the number of calendar days represented in each month. When the entire calendar month is not included in the period summarized, the number of bills processed to the tape record in the days excluded is projected on the basis of actual data obtained in the current month.

[3] Except for outpatient hospital and home health 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 bills are the amounts actually billed by the providers.

[4] Amount reimbursed to or in behalf of the beneficiary—generally 80 percent of the allowed charges, once the beneficiary has satisfied the $50 deductible in the current year. Some radiology and pathology services are reimbursed at a 100-percent rate regardless of beneficiary's deductible status.

[5] Includes 32,425,479 bills for home health, outpatient hospital, independent laboratory, and other services covered under the medical insurance program which are not shown separately. Also included are 428,292 bills for which type of service is unknown.

INDIAN HEALTH SERVICES

Basic Program Information

Legislative objective.—To meet the health needs of Indians.

Date enacted and major changes since enactment.—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 the Interior, to the Public Health Service of the Department of Health, Education, and Welfare. Legislation in 1957 authorized the Public Health Service to participate jointly with communities to furnish health facilities to Indians.

Administering agency.—The Public Health Service 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

Fiscal year	*Total benefits (patient care)*	*Total hospital admissions* [1]	*Outpatient clinic visits* [1]
1971	$89, 735, 000	94, 000	1, 202, 000
Estimated 1972	107, 722, 000	95, 600	1, 333, 000
Estimated 1973	112, 363, 000	96, 100	1, 459, 000

[1] Duplicated count. Data on number of individual beneficiaries not available.

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, 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 will be 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.—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 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.

OTHER CONDITIONS

Work requirements.—There are none.

Acceptance of training or rehabilitation.—There is no requirement.

Citizenship.—To receive benefits, a person must be of Indian descent. For further clarification see major eligibility conditions.

Lien, recovery, or assignment.—There is no requirement.

Relative responsibility.—There is no formal requirement.

Institutional status.—Services are available to persons in hospitals and tuberculosis sanatoriums.

Residence requirements.—To be eligible for benefits, a recipient must live in an area served by the program. The Indian health program serves Federal Indian reservations, Indian communities in Oklahoma and certain parts of California, and Indian, Eskimo, and Aleut communities in Alaska.

BENEFITS AND SERVICES

CASH BENEFITS.—There are none.

IN-KIND BENEFITS

Nature of benefit.—Indians receive medical care which is provided through Indian Health Service hospitals (49), tuberculosis sanatoriums (27), health centers, and physicians and dentists, or by contract with private facilities and physicians or State and local health organizations.

Cash value of benefit.—The cash value of the benefit to the recipient is the cost to him for the medical care provided if he would have obtained the services through private sources.

Relationship of benefit amount 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 of benefit amount to place of residence.—To receive benefits, an Indian must live in an area served by the program. (See residence requirements above.) The variance in benefits will be dependent upon the type of facilities available in the area in which the beneficiary resides.

OTHER SERVICES PROVIDED OR AVAILABLE.—The Indian health program provides a full range of therapeutic, preventive, and rehabilitative health services, including public health nursing, maternal and child health, dental and nutrition services, psychiatric care, health education, and environmental health services.

BENEFITS FROM OTHER PROGRAMS WHICH ACCRUE BY VIRTUE OF ELIGIBILITY FOR TARGET PROGRAM.—Other benefits include services provided through Indian health programs of sanitation, health and nutrition education, school health, communicable disease control, public health nursing, family planning, and mental health.

DISTRIBUTIONAL EFFECTS OF PROGRAM.—While substantially improved under the Indian Health Service program, the health of Indians and Alaska natives is still about 20 to 25 years behind that of the general population.

HEALTH CARE: INCOME-TESTED

HEALTH ASSISTANCE FOR VETERANS WITH NON-SERVICE-CONNECTED HEALTH NEEDS [1]

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 since enactment.—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) that no State may attach 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.

Administering agency.—The programs are administered by the Veterans Administration, Department of Medicine and Surgery.

Financing.—The programs are financed by Federal payments under contract, under grants, and for direct operational costs. For State-run domiciliary care, nursing home care, and hospital care, there is a closed-ended appropriation for grants of $5 million total per fiscal year through June 30, 1979, for all types of veterans health care. Other financing is also closed-ended.

Costs

Fiscal year	*Total benefits* [1]	*Number of VA hospital inpatients*
1971	$1,871,000,000	819,000
Estimated 1972	2,218,000,000	826,000
Estimated 1973	2,472,000,000	844,000

[1] Includes expenditures of service-connected and non-service-connected health care needs.

[1] 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.

Of the fiscal year 1971 expenditures, approximately 65 percent or $1,216 million went for 530,000 veterans receiving care for non-service-connected health problems. See supplementary material for numbers of beneficiaries and cost per fiscal year per program.

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, except outpatient dental 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;
- 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 if it is based on the need for 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.

Treatment 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.

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. There is no limitation imposed on the duration of hospitalization, except that a veteran will be transferred to a nursing home facility when the maximum medical benefits are reached. 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 not time limit in a VA or state nursing home.

Service delivery.—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.

Cash value.—The cash value of the benefit equals the cost of the medical aid provided on the open market.

Relationship of benefit 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.

SUPPLEMENTARY MATERIAL

HEALTH ASSISTANCE FOR VETERANS (INCLUDES CARE FOR ALL VETERANS)[1]

	Fiscal year—		
	1971 actual	1972 estimate	1973 estimate
I. VA hospital care (divided into 3 units: medical bed section, surgical bed section, and psychiatric bed section):			
A. Medical bed section:			
Patients treated (thousands)	367	390	405
Cost per fiscal year (millions)	$537	$684	$727
B. Surgical bed section:			
Patients treated	291	288	289
Cost per fiscal year	$330	$380	$402
C. Psychiatric bed section:			
Patients treated	160	148	150
Cost per fiscal year	$405	$400	$415
II. Nursing home care:			
Patients treated	7	9	11
Cost per fiscal year	$44	$53	$66
III. Domiciliary care:			
Patients treated	26	26	24
Cost per fiscal year	$43	$43	$44
IV. Restoration center:			
Patients treated	2	3	3
Cost per fiscal year	$4	$4	$4
V. Outpatient care:			
Patients treated	244	233	247
Cost per fiscal year	$293	$358	$447
VI. Grants for State home care (cover 3 types of care: domiciliary, nursing home, and hospital):			
A. Domicilary:			
Patients treated	11	11	12
Cost per fiscal year	$8	$8	$8
B. Nursing home care:			
Patients treated	5	6	7
Cost per fiscal year	$5	$6	$7
C. Hospitalization:			
Patients treated	7	7	8
Cost per fiscal year	$3	$3	$4

[1] Includes expenditures for both service-connected and non-service-connected health care needs.

Source: The Budget of the U.S. Government, appendix; fiscal year 1972.

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 133⅓ percent of the highest amount payable to a comparable AFDC family, and withdrew Federal financial participation in medical assistance costs that would have been covered under Medicare, Part B, if eligible beneficiaries had been enrolled.

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 1970, all States and jurisdictions, except Alaska and Arizona, had initiated title XIX medicaid programs which replaced the vendor payment and medical assistance for the aged programs. 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 41 States and Guam the responsible State agency is the same agency which administers or supervises public assistance programs. In three of these States responsibility for administration of medical aspects of the program is contracted out to the State health department. In eight 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 and 50 percent of other necessary administrative costs. States may also claim 50 percent of costs of administration of medicaid benefits to groups, such as general assistance recipients, whose medical care costs under the State plan are wholly met from State funds.

In 33 States 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.

Thirty States claim Federal financial participation in administration of State-financed medical assistance payments to general assistance recipients or other persons ineligible for federally matched medicaid payments.

Costs

Fiscal year	*Total benefits (in millions)*	*Federal share (in millions)*	*Number of beneficiaries (estimated) unduplicated count)*
1971	$5, 895	$3, 222	18, 223, 000
Estimated 1972	7, 043	3, 853	20, 632, 000
Estimated 1973	7, 861	4, 314	23, 537, 000

Administrative costs in 1971 were $280,573,000 or 4.5 percent of total program costs.

ELIGIBILITY CRITERIA

MAJOR ELIGIBILITY CONDITIONS.—All States and jurisdictions opting to provide medicaid programs (Arizona and Alaska do not have programs) must provide medical assistance for specified medical services to at least three groups: (1) Recipients of categorical money payments (under OAA, AB, APTD or AABD, and AFDC); (2) 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; and (3) children under 21 who would be eligible for AFDC except for an age or school attendance requirement.

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.[1]

Persons in a medical facility who are not receiving financial assistance but who would be eligible for OAA, AB, APTD, or AABD, or AFDC if they left the facility—47 States.

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[1] Groups listed below are described as "categorically needy"; that is, persons who are eligible for a categorical money payment or would be except for eligibility conditions prohibited under title XIX, State-imposed eligibility conditions less liberal than permitted under Federal regulations, or residence in a medical institution. States may also include as "categorically needy" essential spouses of AABD recipients and children under 21 years of age who are financially eligible regardless of whether they meet the test of deprivation of parental support because of the death, incapacity, or absence of a parent, unemployment of the father, or whether they are living with a specified relative as required for eligibility to receive an AFDC money payment. Under this option the children may receive medicaid benefits but not the parents or other caretaker regardless of their medical need unless they meet all conditions for eligibility for AFDC.

Persons eligible for but not receiving assistance under one of the above categories—35 States (one State limits this group to persons who would be eligible for AABD).

Essential spouse who is essential to the well-being of a recipient of OAA, AB, APTD, or AABD—28 States.

The parents or relatives living with dependent children who have been excluded from AFDC because of an age or school attendance requirement—25 States.

Children under 21 in foster homes or institutions for whom public agencies are assuming some financial responsibility—34 States.

All financially eligible individuals under 21—18 States.

Twenty-three States, the District of Columbia, and 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.—Recipients of money payments under programs of OAA, AB, APTD, or AFDC are automatically eligible for medicaid (except in the two States which have not elected to administer medicaid programs). For the categorically needy, income limits are the same as those set by the State for the receipt of cash benefits under the category of assistance to which the applicant is characteristically related. 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 133⅓ 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 133⅓ percent of the highest amount which would ordinarily be paid to an AFDC family of two persons.

In the 24 States 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 for one person for eligibility for full cost of medical care in the 24 States with such plans is $1,900, with amounts varying from $1,100 to $2,500; for a four-person family the median is $3,540 with amounts varying from $2,600 to $5,000.

The median income level above which Federal matching is not available is $4,650 for a family of four persons with variations from $2,800 to $6,300.

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 each State in determining eligibility for cash benefits under the appropriate category of financial assistance (OAA, AB, APTD, or AFDC). All covered services are provided free to cash assistance recipients. The effect is a zero percent benefit reduction rate as long as eligibility for cash assistance is maintained. 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. (Specific information on State practices in this respect is not available but only four States reported in 1970 that they allowed any deductions from gross income. This issue is under review by HEW.)

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.

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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

Categorically needy.—Excluded resources and allowable reserves are the same as for determination of eligibility for money payments in the appropriate category.

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 24 States which provide medical assistance to the medically needy have established asset limits which are generally more liberal than those applicable to cash benefit recipients. In addition to various exclusions of the home, income-producing property, automobiles and life insurance, the allowable reserve varies among the States from $250 to $4,000 for an individual and from $700 to $6,200 for a family of four persons. (See supplementary material for additional information.)

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. Five States apply specific citizenship requirements to OAA, two to AB, and two to APTD while one applies it to child recipients of AFDC. (However, such citizenship requirements have recently been declared unconstitutional by the Supreme Court.)

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. The number of States which apply such provisions to the public assistance categories is 45 in OAA, 41 in AB, 40 in APTD, and 28 in AFDC. 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. In addition, 30 States consider parents to be responsible for medicaid purposes for children over 21 who are blind or disabled but two of these specify that the disability must have occurred during the child's minority and have continued.

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.

Residence requirement.—A State may not impose a residence requirement which exludes 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 OAA, AFDC, AB, APTD, or AABD.

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 fiscal year 1971 for all persons age 65 and over who received medical services was $109.50: for money-payment recipients, $54.30 and for nonrecipients, $204.05. For all disabled persons who received services the average monthly payment was $146.60; for money-payment recipients it was $117.15; and for nonrecipients it was $267.95. For all members of families with dependent children who received services, the average monthly payment was $50.55; for money payment recipients it was $47.90; and for nonrecipients it was $68.10. Amounts are higher for non-money-payment recipients as such persons are more likely to apply for medicaid when their medical costs are high.

For all money-payment recipients, including those who received no medical care services, the estimated monthly average mediacaid payments in fiscal year 1971 were: OAA, $32; AB, $40; APTD, $73; and AFDC families, $55.

Premiums paid for medicare supplementary medical insurance are $5.60 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 is 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.

SUPPLEMENTARY MATERIAL

FEDERAL, STATE, AND LOCAL SHARING OF PROGRAM COSTS.—The Federal share varies by State from 42.1 percent to 79 percent; the State share varies from 13.4 percent to 55 percent. The Federal share of program costs for Guam was 50 percent; for Puerto Rico, 57.4 percent; and for the Virgin Islands, 65.1 percent. No local funds were used in 28 States; in seven States the local share was less than 1 percent and was from 2.3 percent to 25.1 percent of total costs in 14 States. The Federal share is less than 50 percent in some States because Federal reimbursement is not available for all persons covered under the State's medicaid program. The share paid by Guam, Puerto Rico, and the Virgin Islands is high because of the difference in the formula used for determining Federal reimbursement in these territories.

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 $4.8 billion in fiscal year 1970. In May 1971, 78 percent of medicaid beneficiaries were also recipients of public assistance maintenance payments, and 57 percent of medical care expenditures were paid on behalf of categorical aid recipients. About 40 percent of all expenditures for public assistance payments—that is, cash assistance payments and medical vendor payments—in fiscal year 1970 was for costs of medical care, as compared to 26 percent in 1965, 13 percent in 1960, and 4 percent in 1951.

TREATMENT OF ASSETS IN DETERMINING ELIGIBILITY FOR MEDICAID FOR THE MEDICALLY NEEDY, BASED ON THE 24 STATES OPERATING SUCH PROGRAMS

Home owned and occupied by applicant.—In 19 States the value of the home is not considered in determining eligibility. In five States the value of home property is limited to amounts varying from $3,500 equity to $25,000 assessed value.

Income-producing property and other real property.— Six States exclude the value of income-producing property in determining eligibility without setting an amount of value. Two States exclude income-producing property with values up to $5,000 and $10,000. One State excludes income-producing property with a value up to three times the base allowable income for the family unit. Four States set value limits of from $2,000 to $5,000 on other real property which may be retained, and two States set limits of from $225 to $3,000 on the combined value of income-producing and other real property which may be retained. Two States require that all real property other than the home be put up for sale, and two other States imply that such property may not be held because they detail the kinds of property which are included in the permissible reserve and do not mention real property other than the home. Five States include the value of all real property other than the home within the total allowable reserve.

Automobiles.—Fifteen States exclude the value of an automobile, five States specifically include the value of automobiles within the allowable reserve, and four others imply it in the term "all other property."

Life insurance or burial reserve.—Ten States exclude life insurance or burial funds up to specified amounts of from $600 to $5,000.

Total allowable nonexcluded reserve.—These amounts vary by family size in most States. The median allowable reserve is $1,000 for one person varying from $250 to $4,000. One State allows no liquid reserve.

The median reserve for a family of four persons is $2,400 with amounts varying by State from $700 to $6,200.

In 13 States the individual or family is ineligible for medical assistance if he possesses resources in excess of allowable amounts. In 11 States any excess resources must be applied to cost of medical care before any medical assistance payments are made by the agency.

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; 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.

As of January 1972, the payment for care of individuals in intermediate care facilities is included as an optional service under medicaid. Such costs were previously met under financial assistance programs of OAA, AB, or APTD. As of December 1971, 33 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 December 1971, 195,752 persons were receiving this type of care; payments to intermediate care facilities averaged $284 per month.

In fiscal year 1970, 66.5 percent of medical assistance payments were for hospital and nursing home care, 13 percent for physicians' services, 8 percent for prescribed drugs, 3.5 percent for dental services, and 9 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.

BASIC REQUIRED MEDICAID SERVICES: State Medicaid programs are required by law to offer at least these Basic Medicaid Services: inpatient hospital care; outpatient hospital services; other laboratory and X-ray services; skilled nursing home services for people 21 or older; home health services for any eligible individual who is entitled to skilled nursing home services; screening and treatment for individuals under 21 as may be provided in regulations of the Secretary; and physicians' services. Transportation is required by Federal regulation.

MEDICAID SERVICES STATE BY STATE, MARCH 1971[1]

Services provided only under the Medicare buy-in or the screening and treatment program for individuals under 21 are not shown on this chart.

Definitions and limitations vary from State to State. Details are available from local welfare offices and State Medicaid agencies.

● offered for people receiving federally supported financial assistance

+ offered also for people in public assistance categories[2] who are financially eligible for medical but not for financial assistance

Additional services for which Federal financial participation is available to States under Medicaid.

FMAP[3]	BASIC* REQUIRED MEDICAID SERVICES SEE ABOVE	State	Clinic services	Prescribed drugs	Dental services	Prosthetic devices	Eyeglasses	Private duty nursing	Physical therapy and related services	Other diagnostic, screening, preventive, & rehabilitative services	Emergency hospital services	Family planning services	Skilled nursing home services for patients under 21	Optometrists' services	Podiatrists' services	Chiropractors' services	Care for patients 65 or older in institutions for mental diseases	Care for patients 65 or older in institutions for tuberculosis	ICF: Institutional services in intermediate care facilities	
78	●	Alabama		●			●				●			●				●	●	AL
50		Alaska																		AK
64		Arizona																		AZ
79	●	Arkansas			●				●	●									●	AR
50	+	California		+	+	+	+	+	+		+			+	+	+	+	+		CA
58	●	Colorado		●					●			●	●		●		●		●	CO
50	+	Connecticut	+	+	+	+	+	+	+	+		+	+	+	+		+			CT
50	●	Delaware	●	●					●			●			●		●	●		DE
50	+	D.C.	+	+			+				+		+	+	+		+	+	●	DC
61	●	Florida		●								●					●	●	●	FL
70	●	Georgia		●		●							●						●	GA
50	+	Guam	+	+			+						+							GU
51	+	Hawaii		+	+	+	+		+	+		+	+							HI
72	●	Idaho									●			●	●	●				ID
50	+	Illinois	+	+	+	+	+	+	+			+	+	+			+	+	●	IL
55	●	Indiana	●	●	●	●	●	●		●		●	●	●	●	●			●	IN
58	●	Iowa		●	●	●	●		●				●	●	●	●				IA
59	+	Kansas	+	+	+	+	+		+	+		+	+		+	+	+	+	●	KS
73	+	Kentucky		+	+							+	+				+	+		KY
73	●	Louisiana	●	●		●					●		●				●	●	●	LA
69	●	Maine	●	●		●		●	●	●	●	●	●	●	●		●		●	ME
50	+	Maryland	+	+	+	+	+		+		+	+		+	+		+	+	●	MD
50	+	Massachusetts	+	+	+	+	+	+	+	+				+	+	+	+	+	●	MA
50	+	Michigan		●					+		+	●			+	+	+	+	●	MI
57	+	Minnesota	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	●	MN
83	●	Mississippi		●									●	●				●		MS
60	●	Missouri		●	●							●					●	●		MO
67	●	Montana		●	●	●	●	●	●			●		●					●	MT
58	+	Nebraska	+	+	+	+	+	+	+	+		+		+	+	+	+	+	●	NB
50	●	Nevada	●	●	●	●	●	●	●		●	●		●	●		●	●	●	NV
59	+	New Hampshire	+	+	+	●	+	●	●	●	+	+	+	+	+	+				NH
50	●	New Jersey	●	●	●	●	●		●	●		●		●	●		●	●		NJ
73	●	New Mexico		●	●	●	●	●			●		●	●	●				●	NM
50	+	New York	+	+	+	+	+	+	+	+			+	+	+	+	+	+	●	NY
73	+	North Carolina		+	+		+					+		+	+	+	+			NC
71	+	North Dakota	+	+	+	+	+	+	+	+		+	+	+	+	+	+	+		ND
54	●	Ohio	●	●	●	●	●		●				●	●	●	●			●	OH
69	+	Oklahoma											+							OK
57	●	Oregon	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	OR
55	+	Pennsylvania	+	●	●	●	+					+	●	+	●	+	+		●	PA
50	+	Puerto Rico	+	+	+							+						+		PR
50	+	Rhode Island		+	+	+	●					+		●	●		+		●	RI
78	●	South Carolina		●		●							●				●	●	●	SC
70	●	South Dakota	●			●	●		●			●	●	●	●	●				SD
74	●	Tennessee		●							●	●					●	●	●	TN
65	●	Texas				●					●			●	●	●	●	●	●	TX
70	+	Utah		+	+	+	+	+	+		+	+	+	+	+	+	+		●	UT
65	+	Vermont	+	+		+			+		+	+	+		+		+		●	VT
50	+	Virgin Islands	+	+	+	+	+		+			+		+					●	VI
64	+	Virginia	+	+		+	+					+	+	+	+		+	+		VA
50	+	Washington	+	+	+	+	+	+	+	+		+	+	+	+	+	+	+	●	WA
77	●	West Virginia	●	●	●	●	●	●	●	●		●	●	●	●	●	●	●		WV
56	+	Wisconsin		+	+	●	●	●	+	●			●	●	+		+			WI
63	●	Wyoming							●										●	WY
	25	●	10	22	12	18	13	9	14	8	9	14	15	17	16	8	13	13	32	
	27	+	18	24	20	17	20	10	17	9	8	19	16	17	18	13	21	15		
	52	Total	28	46	32	35	33	19	31	17	17	33	31	34	34	21	34	28	32	

Intermediate Care Facilities (ICF): Institutional services in intermediate care facilities are authorized under Titles I, X, XIV, and XVI for public assistance recipients needing more care than they can receive at home but not needing the level of care furnished by skilled nursing homes under Medicaid (Title XIX).

[1] Data from approved state plans as of March 1971.

[2] People qualifying as aged, blind, disabled, or members of families with dependent children (usually families with at least one parent absent or incapacitated).

[3] FMAP-Federal Medical Assistance Percentage: Rate of Federal financial participation in a State's medical vendor payment expenditures on behalf of individuals and families eligible under Title XIX of the Social Security Act. Percentages effective from July 1, 1971, through June 30, 1973, are rounded.

TABLE 1.—Amounts of medical vendor payments under federally aided public assistance programs, by specified type of service and State, calendar year 1970

State	Total	Type of service: Inpatient hospital services	Outpatient hospital services	Other laboratory and X-ray services	Nursing home services	Physicians' services	Dental care	Prescribed drugs	Other services
Total 1/	$5,355,294,000	$2,046,286,000	$265,420,000	$14,470,000	$1,465,103,000	$640,925,000	$174,441,000	$425,230,000	$247,911,000
Alabama	54,791,000	9,757,000	1,014,000	505,000	22,855,000	6,647,000	---	12,043,000	1,971,000
Arkansas	5,337,000	3,369,000	18,200	1,900	4,000	1,484,000	424,000	---	37,000
California 1/	1,057,394,000	380,290,000	45,309,000	---	219,212,000	209,898,000	56,011,000	85,626,000	56,725,000
Colorado	50,564,000	10,683,000	1,545,000	700,000	24,347,000	6,625,000	---	6,281,000	383,000
Connecticut	81,963,000	22,129,000	3,079,000	---	42,260,000	6,076,000	1,489,000	4,860,000	2,070,000
Delaware	4,928,000	2,465,000	446,000	29,500	30,700	1,279,000	---	647,000	31,500
District of Columbia	30,629,000	15,576,000	4,337,000	82,300	4,181,000	3,422,000	---	2,028,000	1,003,000
Florida	58,430,000	17,357,000	1,778,000	12,800	24,620,000	4,310,000	---	10,345,000	6,600
Georgia	96,906,000	23,395,000	3,156,000	22,600	37,705,000	19,747,000	---	11,831,000	1,051,000
Guam	273,000	127,000	146,000	---	---	---	---	---	---
Hawaii	20,207,000	5,107,000	1,335,000	494,000	8,320,000	3,491,000	992,000	184,000	285,000
Idaho	8,998,000	2,458,000	203,000	27,600	4,404,000	1,851,000	---	---	54,700
Illinois	195,744,000	114,299,000	3,961,000	898,000	5,332,000	24,074,000	8,112,000	22,221,000	16,848,000
Indiana 1/	70,173,000	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)
Iowa	22,420,000	5,763,000	741,000	8,400	1,204,000	5,975,000	2,164,000	5,446,000	1,118,000
Kansas	39,772,000	15,666,000	1,157,000	---	5,096,000	8,505,000	2,621,000	5,974,000	753,000
Kentucky	55,301,000	19,875,000	1,479,000	76,300	9,042,000	10,775,000	1,297,000	11,866,000	891,000
Louisiana	53,208,000	18,521,000	1,016,000	155,000	20,507,000	4,521,000	2,400	8,217,000	268,000
Maine	12,418,000	6,984,000	648,000	---	728,000	2,914,000	---	957,000	186,000
Maryland	95,546,000	53,506,000	8,589,000	---	15,069,000	6,341,000	1,802,000	9,524,000	715,000
Massachusetts	277,015,000	101,579,000	11,685,000	1,133,000	88,031,000	20,020,000	17,541,000	25,099,000	11,926,000
Michigan	228,970,000	73,173,000	5,650,000	3,787,000	102,873,000	25,158,000	---	15,333,000	2,996,000
Minnesota	109,683,000	24,176,000	2,194,000	472,000	50,721,000	9,722,000	3,132,000	10,754,000	8,512,000
Mississippi	17,670,000	4,707,000	227,000	11,900	5,610,000	3,705,000	130,000	3,121,000	157,000
Missouri	58,736,000	18,147,000	2,347,000	26,800	15,511,000	11,028,000	1,977,000	9,672,000	26,300
Montana	8,905,000	2,130,000	149,000	70,100	3,186,000	1,659,000	493,000	845,000	372,000
Nebraska	19,770,000	6,752,000	406,000	444,000	4,719,000	2,546,000	958,000	3,208,000	737,000
Nevada	7,111,000	2,354,000	283,000	80,400	2,407,000	1,116,000	70,600	611,000	189,000
New Hampshire	5,995,000	2,451,000	97,200	---	215,000	1,247,000	402,000	1,285,000	298,000
New Jersey	124,071,000	41,809,000	6,320,000	206,000	41,962,000	13,750,000	6,435,000	9,977,000	3,613,000
New Mexico	13,551,000	4,929,000	314,000	462,000	1,539,000	2,543,000	584,000	2,298,000	882,000
New York	1,254,201,000	602,481,000	90,169,000	---	318,548,000	80,352,000	42,464,000	50,470,000	69,717,000
North Carolina	67,251,000	26,225,000	2,440,000	---	10,592,000	9,225,000	4,608,000	11,231,000	2,929,000
North Dakota	11,119,000	2,909,000	61,600	166,000	4,800,000	993,000	344,000	1,376,000	471,000
Ohio	118,429,000	47,187,000	5,897,000	83,700	28,647,000	6,424,000	4,842,000	16,905,000	8,443,000
Oklahoma	85,165,000	21,550,000	438,000	759,000	46,579,000	12,222,000	352,000	132,000	3,135,000
Oregon	19,035,000	8,710,000	692,000	746,000	2,298,000	3,299,000	602,000	2,068,000	621,000
Pennsylvania	318,221,000	143,972,000	8,701,000	472,000	119,816,000	19,749,000	4,601,000	20,213,000	697,000
Puerto Rico	44,326,000	13,358,000	30,968,000	---	---	---	---	---	----
Rhode Island	35,957,000	20,648,000	1,502,000	72,700	5,273,000	2,928,000	833,000	4,029,000	671,000
South Carolina	28,327,000	7,813,000	497,000	390	12,022,000	4,058,000	50,500	3,583,000	303,000
South Dakota	7,958,000	1,953,000	120,000	---	4,539,000	1,101,000	630	---	245,000
Tennessee	23,851,000	9,525,000	1,634,000	2,700	734,000	3,644,000	470	8,237,000	74,000
Texas	131,563,000	38,460,000	3,279,000	1,909,000	39,975,000	34,232,000	---	---	13,707,000
Utah	16,347,000	5,616,000	1,102,000	---	4,166,000	2,071,000	1,254,000	1,310,000	829,000
Vermont	12,593,000	5,648,000	281,000	---	3,067,000	2,213,000	---	1,295,000	89,200
Virgin Islands 1/	1,009,000	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)
Virginia	37,251,000	16,217,000	2,780,000	32,800	6,227,000	6,008,000	---	4,932,000	1,053,000
Washington	87,373,000	28,471,000	1,974,000	479,000	33,025,000	12,126,000	3,720,000	6,595,000	984,000
West Virginia	16,015,000	7,196,000	174,000	---	90,900	4,621,000	543,000	2,595,000	796,000
Wisconsin	151,225,000	28,262,000	3,035,000	37,800	62,467,000	14,784,000	3,591,000	10,008,000	29,042,000
Wyoming	1,595,000	550,000	45,600	4,200	548,000	447,000	---	---	100

1/ Total includes $75,506,000 for which type of service was not reported, as follows: California $4,324,000, Indiana $70,173,000, and the Virgin Islands $1,009,000.
2/ Data not reported.

TABLE 2.—Percentage distribution of medical vendor payments under federally aided public assistance programs by specified type of service and State, calendar year 1970

State	Total	Type of service							
		Inpatient hospital services	Outpatient hospital services	Other laboratory and X-ray services	Nursing home services	Physicians' services	Dental care	Prescribed drugs	Other services
Total	100.0	38.7	5.0	0.3	27.7	12.1	3.3	8.0	4.7
Alabama	100.0	17.8	1.9	.9	41.7	12.1	---	22.0	3.6
Arkansas	100.0	63.1	.3	(1/)	.1	27.8	7.9	---	.7
California	100.0	36.1	4.3	---	20.8	19.9	5.3	8.1	5.4
Colorado	100.0	21.1	3.1	1.4	48.2	13.1	---	12.4	.8
Connecticut	100.0	27.0	3.8	---	51.6	7.4	1.8	5.9	2.5
Delaware	100.0	50.0	9.1	.6	.6	26.0	---	13.1	.6
District of Columbia	100.0	50.9	14.2	.3	13.7	11.2	---	6.6	3.3
Florida	100.0	29.7	3.0	(1/)	42.1	7.4	---	17.7	(1/)
Georgia	100.0	24.1	3.3	(1/)	38.9	20.4	---	12.2	1.1
Guam	100.0	46.5	53.5	---	---	---	---	---	---
Hawaii	100.0	25.3	6.6	2.4	41.2	17.3	4.9	.9	1.4
Idaho	100.0	27.3	2.3	.3	48.9	20.6	---	---	.6
Illinois	100.0	58.4	2.0	.5	2.7	12.3	4.1	11.4	8.6
Indiana	---	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)
Iowa	100.0	25.7	3.3	(1/)	5.4	26.7	9.7	24.3	5.0
Kansas	100.0	39.4	2.9	---	12.8	21.4	6.6	15.0	1.9
Kentucky	100.0	35.9	2.7	.1	16.4	19.5	2.3	21.5	1.6
Louisiana	100.0	34.8	1.9	.3	38.5	8.5	(1/)	15.4	.5
Maine	100.0	56.2	5.2	---	5.9	23.5	---	7.7	1.5
Maryland	100.0	56.0	9.0	---	15.8	6.6	1.9	10.0	.7
Massachusetts	100.0	36.7	4.2	.4	31.8	7.2	6.3	9.1	4.3
Michigan	100.0	32.0	2.5	1.7	44.9	11.0	---	6.7	1.3
Minnesota	100.0	22.0	2.0	.4	46.2	8.9	2.9	9.8	7.8
Mississippi	100.0	26.6	1.3	.1	31.7	21.0	.7	17.7	.9
Missouri	100.0	30.9	4.0	(1/)	26.4	18.8	3.4	16.5	(1/)
Montana	100.0	23.9	1.7	.8	35.8	18.6	5.5	9.5	4.2
Nebraska	100.0	34.2	2.1	2.2	23.9	12.9	4.8	16.2	3.7
Nevada	100.0	33.1	4.0	1.1	33.8	15.7	1.0	8.6	2.7
New Hampshire	100.0	40.9	1.6	---	3.6	20.8	6.7	21.4	5.0
New Jersey	100.0	33.7	5.1	.2	[illegible]	11.1	5.2	8.0	2.9
New Mexico	100.0	36.4	2.3	3.4	11.4	18.8	4.3	17.0	6.5
New York	100.0	48.0	7.2	---	25.4	6.4	3.4	4.0	5.6
North Carolina	100.0	39.0	3.6	---	15.7	13.7	6.9	16.7	4.4
North Dakota	100.0	26.2	.6	1.5	43.2	8.9	3.1	12.4	4.2
Ohio	100.0	39.8	5.0	.1	24.2	5.4	4.1	14.3	7.1
Oklahoma	100.0	25.3	.5	.9	54.7	14.4	.4	.2	3.7
Oregon	100.0	45.8	3.6	3.9	12.1	17.3	3.2	10.9	3.3
Pennsylvania	100.0	45.2	2.7	.1	37.7	6.2	1.4	6.4	.2
Puerto Rico	100.0	30.1	69.9	---	---	---	---	---	---
Rhode Island	100.0	57.4	4.2	.2	14.7	8.1	2.3	11.2	1.9
South Carolina	100.0	27.6	1.8	(1/)	42.4	14.3	.2	12.6	1.1
South Dakota	100.0	24.5	1.5	---	57.0	13.8	(1/)	---	3.1
Tennessee	100.0	39.9	6.9	(1/)	3.1	15.3	(1/)	34.5	.3
Texas	100.0	29.2	2.5	1.5	30.4	26.0	---	---	10.4
Utah	100.0	34.4	6.7	---	25.5	12.7	7.7	8.0	5.1
Vermont	100.0	44.9	2.2	---	24.4	17.6	---	10.3	.7
Virgin Islands	---	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)	(2/)
Virginia	100.0	43.5	7.5	.1	16.7	16.1	---	13.2	2.8
Washington	100.0	32.6	2.3	.5	37.8	13.9	4.3	7.5	1.1
West Virginia	100.0	44.9	1.1	---	.6	28.9	3.4	16.2	5.0
Wisconsin	100.0	18.7	2.0	(1/)	41.3	9.8	2.4	6.6	19.2
Wyoming	100.0	34.5	2.9	.3	34.4	28.0	---	---	(1/)

1/ Data not reported.

CHART I.

FOR WHAT PEOPLE ARE MEDICAID DOLLARS SPENT?

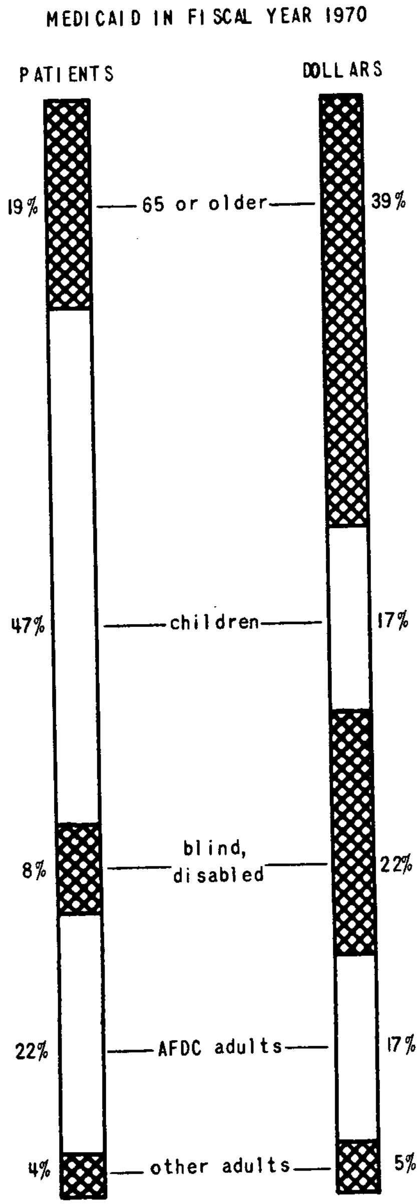
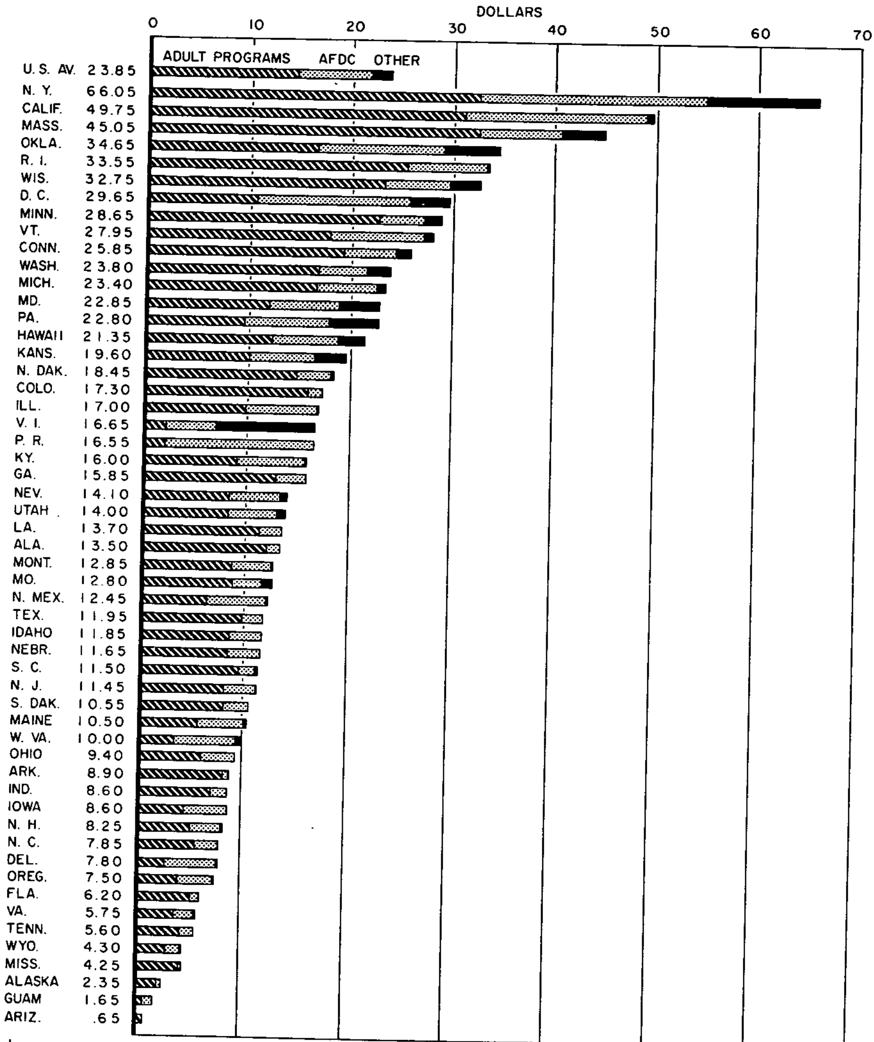


CHART II.

AMOUNT EXPENDED PER INHABITANT 1/ FOR MEDICAL ASSISTANCE, 2/ BY BASIS OF ELIGIBILITY, 3/ FISCAL YEAR 1970

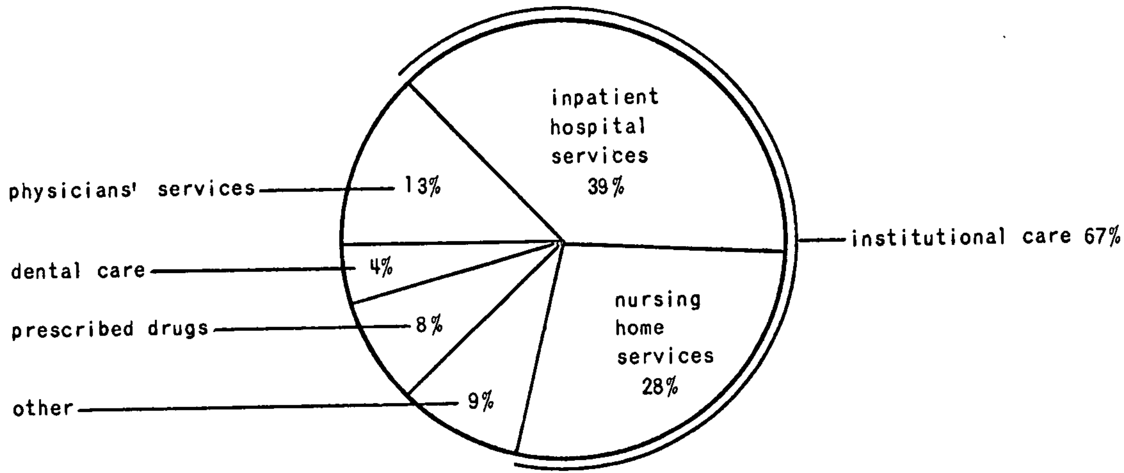


1/ BUREAU OF THE CENSUS, 1970 CENSUS OF POPULATION REPORT, PC(VI)-1.
2/ EXCLUDES GENERAL ASSISTANCE.
3/ DISTRIBUTION BY BASIS OF ELIGIBILITY ESTIMATED.

CHART III.

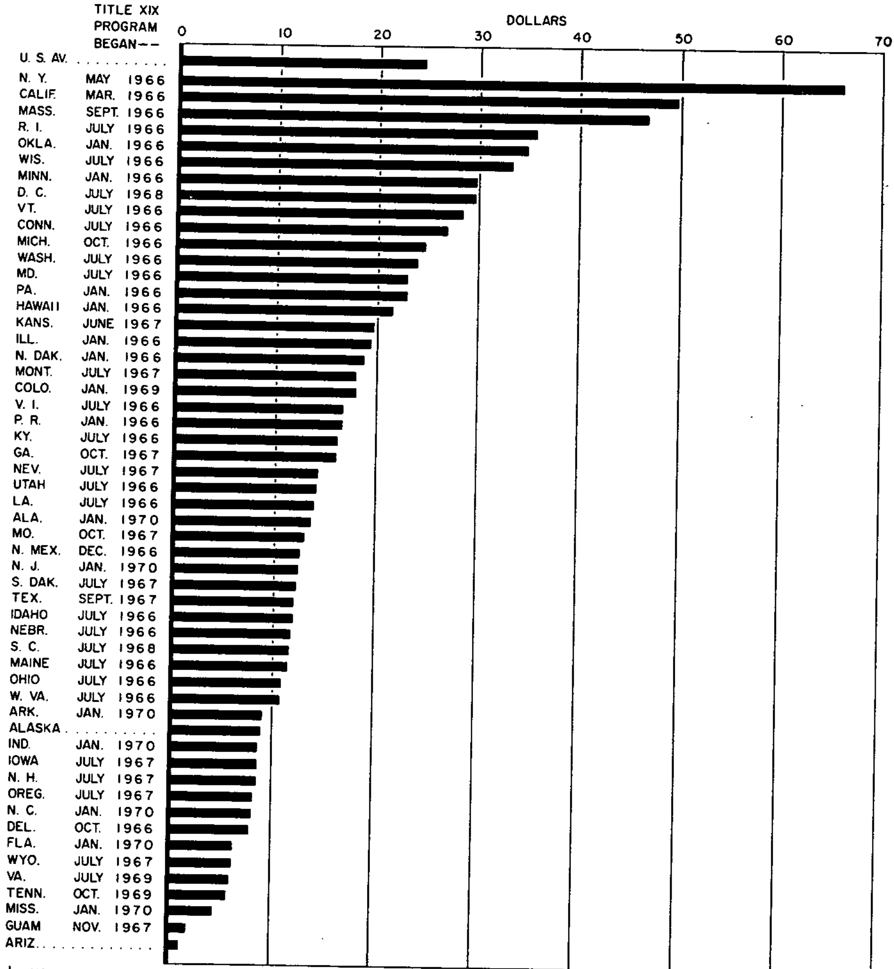
FOR WHAT SERVICES ARE MEDICAID DOLLARS SPENT?

For What Services Are Medicaid Dollars Spent?



State funds for general assistance not included.
Total does not add to 100% because of rounding.

CHART IV.
EXPENDITURES PER INHABITANT FOR MEDICAL ASSISTANCE, 1/
FISCAL YEAR 1970



1/ INCLUDES EXPENDITURES FOR PAYMENTS MADE DIRECTLY TO MEDICAL VENDORS AND FOR MONTHLY PREMIUMS OR PER CAPITA PAYMENTS INTO AGENCY POOLED FUNDS, TO THE SOCIAL SECURITY ADMINISTRATION (FOR AGED PERSONS), OR TO HEALTH INSURING AGENCIES. INCLUDES ALL SUCH EXPENDITURES MADE UNDER FEDERALLY-AIDED ASSISTANCE PROGRAMS AND UNDER GENERAL ASSISTANCE PROGRAMS FINANCED FROM STATE-LOCAL FUNDS.

TABLE 3.—RECIPIENTS OF MEDICAL ASSISTANCE, BY BASIS OF ELIGIBILITY, FORM OF MEDICAL ASSISTANCE, AND MONEY PAYMENT STATUS, MAY 1971

Basis of eligibility of recipients	Recipients of medical assistance						
		For whom payments were made to vendors directly or through fiscal agent			For whom premium or per capita payments were made into agency pooled fund, into Social Security Administration system, or to health-insuring agency		
			For recipients for whom money payments were—			For recipients for whom money payments were—	
	Total (1)	Total (2)	Authorized (3)	Not authorized (4)	Total (5)	Authorized (6)	Not authorized (7)
	Number of recipients						
Total recipients	7,513,000	6,535,000	5,094,000	1,443,000	2,190,000	2,068,000	122,000
Recipients eligible on basis of:							
Age 65 or over	2,519,000	1,733,000	1,142,000	592,000	1,912,000	1,793,000	120,000
Blindness	51,200	47,200	42,600	4,600	17,600	17,000	520
Permanent and total disability	744,000	731,000	594,000	136,000	39,400	37,300	2,000
Membership in family with dependent children under 21, total	3,693,000	3,521,000	3,111,000	409,000	217,000	217,000	260
Adults	[1] 1,311,000	[1] 1,282,000	[1] 1,134,000	[1] 148,000	[1] 42,900	[1] 42,700	240
Children	[1] 2,202,000	[1] 2,080,000	[1] 1,847,000	[1] 232,000	[1] 136,000	[1] 136,000	24
Other title XIX recipients, total	509,000	505,000	204,000	301,000	3,800	3,800	15
Age 21 to 64	[1] 159,000	[1] 158,000	[1] 98,700	[1] 58,400	1,100	1,100	15
Under age 21	[1] 291,000	[1] 288,000	[1] 60,700	[1] 227,000	2,700	2,700	----------
	Percentage distribution of recipients						
Total recipients	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Recipients eligible on basis of:							
Age 65 or over	33.5	26.5	22.4	41.0	87.3	86.7	98.4
Blindness	.7	.7	.8	.3	.8	.8	.4
Permanent and total disability	9.9	11.2	11.7	9.4	1.8	1.8	1.6
Membership in family with dependent children under 21, total	49.2	53.9	61.1	28.3	9.9	10.5	.2
Adults	18.4	20.6	23.2	11.0	2.4	2.5	.2
Children	30.8	33.3	37.9	17.3	7.5	8.0	(2)
Other title XIX recipients, total	6.8	7.7	4.0	20.9	.2	.2	(2)
Age 21 to 64	2.4	2.7	2.5	4.3	.1	.1	(2)
Under age 21	4.4	5.0	1.5	16.6	.1	.1	----------

[1] Data incomplete.
[2] Less than 0.05 percent.

Note: Data represent totals of rounded State data. Totals may not equal sums of parts.

TABLE 4.—AMOUNT OF MEDICAL ASSISTANCE, BY BASIS OF ELIGIBILITY OF RECIPIENTS, FORM OF PAYMENTS, AND MONEY PAYMENT STATUS OF RECIPIENTS, MAY 1971

Basis of eligibility of recipients	Amount of medical assistance						
	Total	To vendors directly or through fiscal agent			Made as premium or per capita payments into agency pooled fund, into Social Security Administration system, or to health-insuring agency		
		Total	For recipients for whom money payments were—		Total	For recipients for whom money payments were—	
			Authorized	Not authorized		Authorized	Not authorized
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Amount of payments						
Total payments	$582,724,000	$569,036,000	$324,789,000	$244,237,000	$13,687,000	$12,918,000	$770,000
Payments for recipients eligible on basis of:							
Age 65 or over	227,994,000	215,541,000	70,094,000	145,444,000	12,448,000	11,693,000	756,000
Blindness	4,013,000	3,915,000	2,968,000	949,000	96,100	93,200	3,100
Permanent and total disability	119,556,000	119,344,000	77,922,000	41,425,000	213,000	205,000	8,500
Membership in family with dependent children under 21	189,978,000	189,071,000	157,431,000	31,642,000	906,000	905,000	1,500
Other title XIX recipients, total	41,183,000	41,162,000	16,385,000	24,778,000	20,900	20,800	80
Age 21 to 64	[1] 18,994,000	[1] 18,988,000	[1] 9,106,000	[1] 9,883,000	5,700	5,600	80
Under age 21	[1] 16,061,000	[1] 16,046,000	[1] 3,817,000	[1] 12,227,000	15,200	15,200	----
	Percentage distribution of payments						
Total payments	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Payments for recipients eligible on basis of:							
Age 65 or over	39.1	37.9	21.6	59.6	90.9	90.5	98.2
Blindness	.7	.7	.9	.4	.7	.7	.4
Permanent and total disability	20.5	21.0	24.0	17.0	1.6	1.6	1.1
Membership in family with dependent children under 21	32.6	33.2	48.5	13.0	6.6	7.0	.2
Other title XIX recipients, total	7.1	7.2	5.0	10.1	.2	.2	(2)
Age 21 to 64	3.8	3.9	3.5	4.5	(2)	(2)	(2)
Under age 21	3.3	3.3	1.5	5.6	.1	.1	----

[1] Data incomplete.
[2] Less than 0.05 percent.

Note: Data represent totals of rounded State data. Totals may not equal sums of parts.

TABLE 5.—RECIPIENTS OF MONEY PAYMENTS ON WHOSE BEHALF MEDICAL ASSISTANCE PAYMENTS WERE MADE, BY BASIS OF ELIGIBILITY AND FORM OF MEDICAL ASSISTANCE, MAY 1971

Basis of eligibility of recipients	Number of recipients of money payments	Number for whom medical payments were made—					
		To vendors directly or through fiscal agent			As premium or per capita payments into agency pooled fund, into Social Security Administration system, or to health-insuring agency		
			Percent of all recipients of—			Percent of all recipients of—	
	Total	Number	Money payments	Payments to vendors directly or through fiscal agent	Number	Money payments	Premium or per capita payments for medical care
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total recipients	[1] 13,248,000	5,094,000	[1] 36.9	77.9	2,068,000	[1] 15.6	94.4
Recipients eligible on basis of:							
Age 65 or over	2,065,000	1,142,000	55.3	65.9	1,793,000	86.8	93.8
Blindness	80,100	42,600	53.2	90.3	17,000	21.2	96.6
Permament and total disability	977,000	594,000	60.8	81.3	37,300	3.8	94.7
Membership in family with dependent children under 21, total	10,126,000	3,111,000	30.7	88.4	217,000	2.1	100.0
Adults	[2] 2,579,000	[2] 1,134,000	[2] 44.0	[2] 88.5	[2] 42,700	[2] 1.7	[2] 99.5
Children	[2] 6,883,000	[2] 1,847,000	[2] 26.8	[2] 88.8	[2] 136,000	[2] 2.0	[2] 100.0
Other title XIX recipients, total	(3)	204,000	(3)	40.4	3,800	(3)	100.0
Age 21 to 64	(3)	[2] 98,700	(3)	[2] 62.5	1,100	(3)	100.0
Under age 21	(3)	[2] 60,700	(3)	[2] 21.1	2,700	(3)	100.0

[1] Does not include "Other title XIX recipients"; complete data not available.
[2] Data incomplete.
[3] Data not available.

Note: Data represents totals of rounded State data. Totals may not equal sums of parts.

TABLE 6.—AMOUNT OF MEDICAL ASSISTANCE, BY BASIS OF ELIGIBILITY AND MONEY PAYMENT STATUS OF RECIPIENTS, MAY 1971

Basis of eligibility of recipients	Amount of medical assistance				
		For recipients for whom money payments were authorized		For recipients for whom money payments were not authorized	
	Total	Amount	Percent of total	Amount	Percent of total
	(1)	(2)	(3)	(4)	(5)
Total	$582,724,000	$337,716,000	58.0	$245,007,000	42.0
Payments for recipients eligible on basis of:					
Age 65 or over	227,994,000	81,787,000	35.9	146,200,000	64.1
Blindness	4,013,000	3,061,000	76.3	952,000	23.7
Permanent and total disability	119,556,000	78,127,000	65.3	41,434,000	34.7
Membership in family with dependent children under 21	189,978,000	158,336,000	83.3	31,644,000	16.7
Other title XIX recipients, total	41,183,000	16,406,000	39.8	24,778,000	60.2
Age 21 to 64	[1] 18,994,000	[1] 9,112,000	48.0	[1] 9,883,000	52.0
Under age 21	[1] 16,061,000	[1] 3,832,000	23.9	[1] 12,227,000	76.1

[1] Data incomplete.

Note: Data represent totals of rounded State data. Totals may not equal sums of parts.

TABLE 7.—AVERAGE MONTHLY NUMBER OF RECIPIENTS OF MEDICAL ASSISTANCE AND AMOUNT OF SUCH PAYMENTS, SELECTED MONTHS OF 1970 AND 1971 [1]

	Total		Payments made direct to vendors						Premium or per capita payments made	
			Total		Money payment authorized		Money payment not authorized			
Basis of eligibility of recipients	Number or amount (1)	Percent (2)	Number or amount (3)	Percent (4)	Number or amount (5)	Percent (6)	Number or amount (7)	Percent (8)	Number or amount (9)	Percent (10)
Average monthly number of recipients of medical assistance:										
Total	7,267,000	100.0	5,925,000	100.0	4,515,000	100.0	1,412,000	100.0	2,447,000	100.0
Age 65 or over	2,529,000	34.8	1,626,000	27.4	1,024,000	22.7	601,000	42.6	1,903,000	77.8
Blindness	54,100	.7	45,400	.8	40,100	.9	5,100	.4	20,900	.9
Permanent and total disability	712,000	9.8	673,000	11.4	540,000	12.0	132,000	9.3	62,500	2.6
Membership in family with dependent children under 21	3,560,000	49.0	3,169,0003	53.5	2,724,000	60.3	446,000	31.6	458,000	18.7
Other title XIX recipients	417,000	5.7	414,000	7.0	186,000	4.1	227,000	16.1	2,700	.1
Average monthly amount of medical assistance:										
Total	$498,894,000	100.0	$476,387,000	100.0	$266,198,000	100.0	$210,190,000	100.0	$22,508,000	100.0
Age 65 or over	193,016,000	38.7	178,553,000	37.5	55,902,000	21.0	122,651,000	58.4	14,461,000	64.2
Blindness	3,962,000	.8	3,621,000	.8	2,779,000	1.0	844,000	.4	341,000	1.5
Permanent and total disability	100,725,000	20.2	99,043,000	20.8	63,622,000	23.9	35,424,000	16.9	1,682,000	7.5
Membership in family with dependent children under 21	166,672,000	33.4	160,664,000	33.7	130,835,000	49.1	29,830,000	14.2	6,008,000	26.7
Other title XIX recipients	34,522,000	6.9	34,506,000	7.2	13,062,000	4.9	21,442,000	10.2	16,000	.1

[1] Data represent averages for August 1970, November 1970, February 1971, and May 1971.

Note: Data represent averages and percents computed on rounded State data. Totals may not equal sums of parts.

PUBLIC HEALTH SERVICES TO INDIVIDUALS

The Health Services and Mental Health Administration of HEW, through grants to public and private nonprofit agencies, provides 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 estimated fiscal year 1972 costs and numbers of people served.

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.

Dental care projects are aimed at improving the dental health of school age and preschool age children in low-income areas. Treatment is made available for any child who would not receive it otherwise, whether due to low income or other reasons.

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.

Grants for *crippled children's services* are for aid to States in extending and improving medical and related services to crippled children or to children suffering from crippling conditions. Funds are supposed to be especially targeted on rural areas and economically depressed areas. They may not be used for construction.

Health services development project grants are made to public or private nonprofit agencies to initiate or extend public health services. Funds are used to support the initiation of new services, the extension of services to new geographical areas, and the coverage of new population groups. Proposals which would provide greater health care accessibility for the poor receive high priority.

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.

Mental health community assistance project grants are made to public or private nonprofit community agencies to aid in *prevention and control of narcotic addiction and alcoholism.* Services provided include outreach, rehabilitative, and informational services.

The Office of Economic Opportunity operates a similar group of public health programs particularly aimed at helping the low income population. Many of these grants are channeled through OEO's local community action agencies.

TABLE 1.—ESTIMATED FISCAL YEAR 1972 COSTS AND BENEFICIARIES OF SELECTED PUBLIC HEALTH SERVICES

Programs	Costs (millions)	Beneficiaries
Family planning projects	$90.9	1,500,000
OEO: Alcohol, drug, emergency food, and medical services and family planning programs	159.5	800,000
Migrant health	19.1	215,000
Child Care: Dental and health care, maternity and infant care projects	90.4	470,000
Comprehensive public health services: Formula grants	90.0	NA
Health services development: project grants	106.4	400,000
Crippled children's services		
Maternal and child health	119.7	578,000
Mental health: Community mental health, drug addiction, and alcoholism services	145.2	2,100,000 NA
Total	821.2	[1] 6,063,000

[1] Total does not include comprehensive public health services formula grants or mental health services.

HOUSING: INCOME-TESTED

U.S. Department of Housing and Urban Development Programs

LOW RENT PUBLIC HOUSING

Basic Program Information

Legislative objectives.—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 authorities 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 (no more than 25 percent of the family's net income) for adequate housing not otherwise available to them.

Date enacted.—1937, with subsequent amendments. (See supplemental information.)

Administering agency.—Department of Housing and Urban Development, U.S. Housing Authority, 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

Fiscal year	*Annual contributions*	*Number of housing units (cumulative)*
1971	\$608, 000, 000	893, 000
Estimated 1972	886, 000, 000	1, 013, 000
Estimated 1973	1, 105, 000, 000	1, 150, 000

Project Eligibility Criteria

Type of housing.—Housing may be new or rehabilitated multifamily, 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.

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. 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. Generally, tenant income at admission must be at least 20 percent below that needed to obtain adequate private housing, except for elderly or displaced persons and their families and those assisted by section 23 leased housing. Income limits are set by local housing authorities and vary according to housing costs in the area. In 1970, the median income of families moving into public housing was $1,798 for elderly families and $3,095 for nonelderly families.

Local authorities also establish income maximums for continued occupancy in public housing. The average maximum is about 125 percent of the initial eligibility limits. An overincome family, at the option of an LHA, may be allowed to continue in occupancy if, due to special circumstances, the family is unable to find adequate housing within their financial reach. Such families may remain in the housing project and pay an increased rent consistent with the family's increased income.

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 95 percent of gross income (90 percent for elderly families) of all members of the family age 18 and over, excluding nonrecurring income and income of full-time students (other than head or spouse), $300 for each dependent other than spouse, $300 for each secondary wage earner, extraordinary medical expenses and deductions for unusual circumstances, as allowed by the Secretary. (See supplementary material for illustration of LHA regulations.)

Accounting period.—Prospective annual income based on current and anticipated income is determined at the point 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

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 U.S. Housing Authority makes loans to local housing agencies to assist with development and acquisition of housing projects.

ANNUAL CONTRIBUTIONS.—The U.S. Housing Authority makes an annual contribution to the local housing authority 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. Except for the elderly, displaced, and section 23 leased housing, the maximum gross rental (including utilities) charged at admission must be at least 20 percent less than rent in the private market for a substantial supply of standard housing. Gross rents may be no more than 25 percent of the family's adjusted income. 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 1970, the median rent for initial occupancy for an elderly family was $40 per month and for nonelderly families was $56 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

[NOTE.—In the following material "conventional" refers to low-rent housing projects owned by LHA's. "Leased" refers to housing which is leased from the owners by the LHA, which is responsible for operation and maintenance of the project.]

The following information has been provided by local housing authorities (LHA's) in Atlanta, Boston, Chicago, Detroit, New Orleans, and New York City. This material was submitted in response to a request from HUD for the LHA's regulations in respect to income limits for initial and continued occupancy, definitions of income and assets for occupancy and for determination of amounts of rent, income reporting procedures, treatment of income of public assistance recipients, and application of the Brooke amendment which limits amounts of rent charged to 25 percent of net income as defined in the amendment. The information provided illustrates the variations in regulations and practices amoung LHA's in determining eligibility for occupancy and amounts of rent to be paid by occupants.

BOSTON HOUSING AUTHORITY

I. INCOME LIMITS

Maximum annual income of one- to four-person families for initial admission and continued occupancy in public housing:

Number of persons:	*Admission limit*	*Continued occupancy limit*
1	$5, 000	$6, 250
2	5, 400	6, 750
3	5, 700	7, 125
4	6, 000	7, 500

II. RENT

Question. What would the rent be for the specified families for one- and two-bedroom units?

Answer. Rent is based solely on a percentage of net income. In Boston it is either 23 percent of net or Brooke amendment computation—whichever is lower.

Question. What is the average market value of the same type of unit?

Answer. Market for one-bedroom is $140+ and for two-bedroom $160+.

Question. What would the rents be for families at different income levels ranging up to the maximum limit?

Answer. All rents are based on income. However, for over-income tenants there are ceiling rents based upon bedroom size of unit as follows:

1 Bedroom	$82
2 Bedroom	90
3 Bedroom	98
4 Bedroom	106
5 Bedroom	114

III. TREATMENT OF INCOME

Question. What income is counted to determine eligibility for initial admission and continued occupancy?

Answer. (a) Income is based upon net annual income less authorized exemptions. Net annual income is defined as "the aggregate on gross family income anticipated to be received during the 12 months following admission or re-examination, as determined and projected by the Authority, by all members of the family, including minors actually occupying or who are to occupy the dwelling and by a family head temporarily separated from the family, less deductions that may be authorized.

(b) Deductions are the same as those allowed by Brooke amendment.

(c) Exemptions are: "(1) $100 for each minor member of the family (other than head or spouse) for rent and eligibility at admission and continued occupancy, except that, in the case of a minor who has income, all of the minor's income shall be deducted for continued occupancy; and (2) all of the payments from the U.S. Government for disability or death occurring in connection with military service for admission and continued occupancy eligibility only."

Question. Is this same figure used to determine the family's rent?

Answer. Yes, within the limits of the Brooke amendment definition of income.

IV. RENT

Question. How is rent determined?

Answer. See above.

Question. Is there a rent-to-income ratio?

Answer. Yes; 23 percent or Brooke amendment.

Question. Separate schedule for welfare families?

Answer. No.

Question. Does Authority have separate schedule for the elderly? For veterans?

Answer. No.

Question. Are utilities included in these schedules?

Answer. Yes.

V. ASSETS TEST

Question. What assets test does the LHA have?

Answer. Boston Housing Authority does not verify assets. The tenant applicant is requested to furnish documents.

Question. How does it treat: Property, savings, investments, life insurance, and so forth?

Answer. Policy states that a tenant or applicant cannot own residential property.

VI. ACCOUNTING PERIOD

Question. How often must a tenant report a change of income?

Answer. Whenever an increase or decrease occurs.

Question. What is the frequency of income review for rent adjustment?

Answer. Yearly for families; biannually for elderly.

Question. Is the rent adjusted when the income increases or decreases?

Answer. For rent increases adjustment is not later than second month after increase; for decreases, not later than first month after decrease.

DETROIT HOUSING COMMISSION

The information and specific details desired relating to families with 1, 2, and 4 members is listed below:

INCOME LIMITS

What is the minimum income limit, and the maximum for initial admission and for continued occupancy in public housing and leased housing units for the family types listed above?

Income limits (maximum annual income)

Number in family:	Admission	Continued occupancy
1	$3,600	$4,400
2 (retired elderly) [1]	4,200	5,000
2	4,800	5,800
4	5,500	6,600

[1] Retired means having annual family earned income of less than $1,500.

RENTS

1. What would the rent be for the specified families for one and two bedroom units, with two bedroom units for the 4 person family (in both public housing and leased housing)?

Low income

1 Bedroom	$61
2 Bedroom	64

or the 25 percent (Brooke amendment rent) whichever is less.

Leased:	Minimum	Maximum
1 bedroom	$61	$79
2 bedroom	64	85

or the 25 percent (Brooke amendment rent) whichever is less.

Senior citizens

1 Bedroom	$60
2 Bedroom	70

or the 25 percent (Brooke amendment rent) whichever is less.

Agency (welfare, etc.) rent

All recipients pay 25 percent of income (Brooke amendment).

2. What is the average market value of the same type of unit?

1 Bedroom	$125–$150
2 Bedroom	140–180

or an average of $130 to $165 for both types.

3. What would the rents be for families (1, 2, and 4 persons) at different income levels ranging up to the maximum limits?

For the specified units indicated, the maximum rents are stated below:

Type:	*1 bedroom*	*2 bedroom*
Low income	$61	$64
Leased	79	85
Senior citizens	60	70
Agency (Welfare) (percent of income)	25	25

The minimum rent paid will be based on 25 percent of the applicants income for all the above types of units.

TREATMENT OF INCOME

What income is counted to determine eligibility for initial admission and for continued occupancy? Is this same figure used to determine the family's rent? If not, what is used ?How is it determined?

"Total family income" is used to determine eligibility for admission and continued occupancy, and "Net family income" taken from HM 7465.10 for rental purposes.

Exemption policy

Category	*Rent*	*Admission*	*Continued occupancy*
Head	0	0	0.
Other adult with income	0	Up to $600 per year.	Up to $1,000 per year.
Minor, 15 or under [1]	All	$1,800	All.
Other members, 16 to 20 [1]	Up to $1,800	$1,800	All.
Full-time students [1]	$3,300	$1,800	All.
Unemployed family member [1]	$200	0	All.
Support paid out	$780	0	0.
Care of children or incapacitated family member.	$1,040, 1 person; $1,560, 2 or more.	0	0.
Serviceman's occupational expense.	Up to $1,200	0	0.
Medical expenses	(For rent) All predictable medical expenses for continuing illness not covered by insurance.		
Percentage of income	(For rent) 10 percent if half of income is from earning, otherwise 5 percent.		

[1] Other than head or spouse.

RENT

Question 1. How is rent determined?

Answer. Rent is based on 25 percent of net income up to the LHA's established maximum rent for the specified units.

Question 2. Is there a rent-to-income ratio?

Answer. Yes.

Question 3. Brooke amendment or non-Brooke amendment?

Answer. Brooke amendment.

Question 4. Rent schedule?

Answer. Yes. Brooke amendment up to the established maximum rents.

Question 5. Separate schedule for welfare families?

Answer. Yes; the straight 25 percent.

Question 6. If the tenants receive income both from earnings and from welfare, what then?

Answer. Rent is based on the 25-percent schedule same as welfare.

Question 7. Does the authority have a separate schedule for the elderly?

Answer. Yes; 25 percent up to the established maximum of $60 for 1 bedroom, and $70 for 2 bedroom units.

Question 8. For veterans?

Answer. The LHA uses the straight 25-percent schedule.

Question 9. Are utilities included in these schedules?

Answer. Yes; all rents quoted included utilities.

ASSETS TEST

What assets test does the local authority have? How does it treat: property, savings, investments, life insurance, et cetera?

The LHA takes the tenant's self certification of assets. They also examine bank books, stock certificates, et cetera for further certification.

The LHA will prorate assets as income whenever non-assets income is below a subsistence level.

ACCOUNTING PERIOD

With respect to the accounting period, what specific practices are followed by the various local housing authorities? That is, how often must a tenant report a change of income? What is the frequency of rent adjustment? Is the rent adjusted whenever the income increases or decreases?

Regular scheduled rent reviews are conducted at least once each year for families and once every 2 years for elderly families.

Once rent is established, such rental rates shall remain in effect until the next annual review or until circumstances occur which warrant an interim review. Such circumstances shall include:

1. Prescheduling at the time of admission or at the time of eligibility redetermination.
2. Change of lessee.
3. Initiation or discontinuance of relief income.
4. Changes in family income by 25 percent at any time.

Housing Authority of New Orleans

INCOME LIMITS

What is the minimum income limit, and the maximum for initial admission and for continued occupancy in public housing and leased housing units for the family types listed above?

Limits in net income after exemptions

Number of persons:	*Regular*	*Special* [1]	*Continued occupancy* [2]
1	\$3, 800	\$4, 500	\$4, 750
2	4, 200	5, 000	5, 250
3	4, 600	5, 500	5, 750
4	4, 800	5, 800	6, 000
5	5, 200	6, 300	6, 500
6	5, 400	6, 500	6, 750
7	5, 600	6, 800	7, 000
8	5, 800	7, 000	7, 250
9	6, 000	7, 300	7, 500
10 or more	6, 200	7, 500	7, 750

No minimum limit—applicant must have sufficient income to sustain himself.

[1] For displacees and natural disasters.
[2] Limits used for admission to leased housing.

Rent for one person admitted at \$3,800 would be \$80. Family consisting of head, wife and two children with an income of \$3,800 after exemptions would pay rent on an income of \$3,200—\$300 being allowed for each minor; rent would be \$66. Rent for a two-person family with a net income for rent paying purposes of \$4,200 would be \$87.

TREATMENT OF INCOME

What income is counted to determine eligiblity for intitial admission and for continued occupancy? Is this same figure used to determine the family's rent? If not, what figure is used? How is it determined?

Income used to determine eligibility for admission and continued occupancy, is total gross income less all allowable deductions with the exception of allowable deductions for minors.

In determining rent the total gross income is used less all allowable deductions, including \$300 deduction for each minor.

All income less deductions and exemptions is used for rent paying purposes. Income from service-connected disabilities is not included for eligibility purposes at admission and for continued occupancy.

Based on the use of income: What, if any, deductions are allowed?

Five percent of total income—(nonelderly family) or 10 percent of total income—elderly family—plus itemized expenses: social security, compulsory retirement, insurance, hospitalization and/or union dues; alimony, child care, contributions, unusual occupational expenses, excess transportation, extraordinary medical expenses—above 3 percent of total family income—and an exemption of \$300 for each dependent, other than head or spouse, and \$300 for each family member, 18 years or above, with secondary income.

RENT

How is rent determined?

Rents are computed in compliance with the Brooke amendment. We do not have a separate rent schedule for welfare families, nor do we have a separate schedule for the elderly or veterans.

Utilities are not included in our schedule; utilities average $12 per unit per month.

ASSETS TEST

What assets test does the local housing authority have?

The authority has no specific net asset formula, but in cases where such sums are substantial, in excess of $5,000, assets are reviewed in depth by the tenant relations adviser.

ACCOUNTING PERIOD

With respect to the accounting period, what specific practices are followed?

Authority operates on a fixed rental basis, except for downward adjustments to conform to Brooke amendment. Cases are reexamined each year—every 2 years for elderly. Reexamination is conducted in cases where casehead changes are required.

New York City Housing Authority

GENERAL

A family is classified as a public assistance recipient when the signatory to the lease, generally the head of the household and/or the spouse, is in receipt of full or supplementary assistance from the New York City Department of Social Services.

INCOME LIMITS

There are no minimum income limits for admission. The following income limits apply uniformly to all families of specified size, whether or not in receipt of public assistance, in both conventional public housing as well as leased housing units.

	Maximum income limits for admission				*Continued occupancy income limits*
	Regular admissions		*Displaced families*		
	(a)	*(b)*	*(c)*	*(d)*	*(e)*
Family size:					
1 person	$4, 320	$4, 788	$4, 788	$5, 500	$7, 990
2 persons	5, 472	6, 468	6, 468	7, 100	10, 990
4 persons	6, 336	7, 560	7, 560	8, 300	13, 990

(a) Applicable to non-vietnam veteran families.

(b) Applicable to Vietnam veteran families.

(c) Applicable to families facing displacement as a result of governmental action other than public housing, urban renewal, model cities, or other redevelopment area.

(d) Applicable to families facing displacement from public housing, urban renewal, model cities or other redevelopment sites.

(e) Administrative continued occupancy income limits established by the authority pursuant to State law, which permits continued occupancy by overincome families who, because of the severe housing shortage, cannot obtain adequate housing they can afford within the community.

RENTS

Prior to 1959 the U.S. Housing Act required that all tenants at time of admission pay rents not less than one-fifth or one-sixth of net income. This provision was dropped from the law in 1959.

Housing developments opened prior to 1959, generally referred to as "graded rent projects," closely relate rent to income. Rents at such projects for an efficiency unit for one-person range from a minimum of $27 per month and go to a maximum of $118 per month depending upon family income. For the one-bedroom unit for occupancy by two persons, rents range from a minimum of $31 to a maximum of $129 per month. For two-bedroom units, rents range from a minimum of $37 per month to a maximum of $140. All such rents include utilities.

Rents in developments opened for occupancy after 1959, generally referred to as "fixed rent projects," operate with a different system of rents. Fixed rents averaging about $20 per room per month are paid by all families until their incomes rise above certain permissible amounts, at which point additional surcharges are imposed for every $500 increase in annual income. Rents at such projects for an efficiency unit for one-person range from a minimum of $43 per month and go to a maximum of $120 per month. For the one-bedroom unit for occupancy by two persons, rents range from a minimum of $52 per month to a maximum of $135 per month. For two-bedroom units, rents range from a minimum of $61 per month and go to a maximum of $155 per month. Monthly rents in such projects also include utilities.

Rent schedules for leased housing units operate in a fashion similar to the fixed rent projects. However, such rents may or may not include utilities, depending upon the amenities provided in the units leased from private owners. Where the tenant pays the cost of the utilities, the fixed rent for the apartment is reduced by the following amounts:

Apartment size:	*Gas*	*Electricity*	*Gas and electricity*
"0" bedrooms	$2	$5	$7
1 bedroom	4	6	10
2 bedrooms	4	8	12

The foregoing basic systems of rent were modified for some families in 1970 when Congress mandated that no family in federally subsidized housing pay more than 25 percent of its net income for rent and utilities. Accordingly, in instances where the authority's standard rent schedules normally require payment of a rent which is in excess of 25 percent of net family income as defined in HUD regulations, rents are reduced to conform to the statutory limitations.

Public assistance recipients residing in conventional public housing developments—graded and fixed rent projects—pay rents in accordance with a special schedule of rents under an agreement with the New York City Department of Social Services and with the approval of the New York State Department of Social Services. Monthly rents including utilities for the specified families—one, two, and four persons—are as follows:

	Tenants in occupancy prior to Jan. 1, 1971	Tenants admitted after Jan. 1, 1971
Apartment size:		
Efficiency units (1 person)	$70	$81
1 bedroom (2 persons)	83	96
2 bedrooms (4 persons)	97	112

Public assistance recipients residing in leased housing units pay the basic fixed rent for the apartment occupied as follows:

	Tenants in occupancy prior to Jan. 1, 1971	Tenants admitted after Jan. 1, 1971
Apartment size:		
Efficiency units (1 person)	$62	$72
1 bedroom (2 persons)	75	87
2 bedrooms (4 persons)	92	106

The above rents apply to apartments where the cost of utilities are included. In instances where utilities are not included, adjustments in such rents are made in accordance with the schedule specified above in the previous section dealing with the leased housing program.

TREATMENT OF INCOME

Authority procedures for determining family income differentiate between gross family income, net income for rent, and net income for eligibility, as follows:

A. *Gross family income.*—Includes income from all sources of each member of the household anticipated to be received during the 12 months following admission or redetermination of family income, but excludes (1) income from casual and sporadic employment not in excess of $1,500 per year, (2) income from minors who are full-time students, (3) income received for care of foster children residing in the home, and (4) lump sum additions to assets, such as insurance settlements.

B. *Net income for rent.*—Is calculated by deducting and exempting the following, where applicable:

(1) Work-related expenses of employed members of the household:

(*a*) social security and State disability payments;

(*b*) union dues;

(*c*) pension payments where required as a condition of employment;

(*d*) the cost of special uniforms, work clothes and tools paid for by the employee and not reimbursed by the employer;

(*e*) excess carfare in connection with employment, if in excess of the double fare cost of public transportation;

(*f*) group insurance payments, if required as a condition of employment;

(*g*) payments for care of children or aged and incapacitated family members, if necessary, to permit employment of a major wage earner;

(*h*) certain costs incidental to living out of town of a member whose earnings are included in the computation of family income.

(2) Medicare payments by elderly persons.

(3) An exemption of $100 for each minor without income.

(4) An exemption of the first $1,500 of earnings of each minor secondary wage earner.

C. *Net income for eligibility.*—solely for purpose of determining eligibility for admission and for continued occupancy, the following additional exemptions are authorized:

(1) Total income of minor secondary wage earners.

(2) The first $1,500 of earnings of adult secondary wage earners.

(3) Compensation payments received from the U.S. Government for military service incurred disability or death.

ASSETS TEST

Assets include cash on hand and in banks, the actual market value of any real property investments, stocks and bonds, and the net worth of any other forms of capital investment. The value of personal property such as furniture and automobile, or of life insurance is not included as assets.

For purposes of determining eligibility for admission, the authority considers a family eligible if its assets do not exceed 1½ times the maximum admission income limit for the apartment size required. Where a family has assets in excess of the above, exceptions may be granted in instances where the applicant's earning capacity is limited or non-existent, as in the case of elderly, disabled or handicapped persons.

ACCOUNTING PERIOD

All tenants are required to have their incomes reviewed annually and rents are adjusted if necessary.

A. At "graded rent projects", tenants are required to report interim changes in income and adjustments in rent are made only in the following instances:

(1) Commencement or discontinuance of public assistance.

(2) Permanent loss or addition within the tenant's family of a full time employed member.

(3) A full time employed member of the family sustains long term unemployment (of 3 months or more) and when such member is subsequently reemployed.

B. At "fixed rent projects", interim adjustments are limited to instances involving the commencement or discontinuance of public assistance.

C. Tenants residing in leased housing units are not required to report interim changes in income, and no interim rent adjustments are made.

Atlanta Housing Authority

INCOME LIMITS

There is no minimum income limit and the maximum limit for initial admission and continued occupancy in public housing and leased housing units for one-, two-, and four-member families are as follows:

	Admission		
Number of persons	*Regular*	*Special (leased and displaced)*	*Continued occupancy*
1	$3,600	$4,500	$4,500
2	4,400	5,500	5,500
4	4,800	6,000	6,000

RENTS

Following examples of rents are computed on authority's regular rent schedules only on a *gross rent* basis; 25-percent computation not made because Secretary's definition of income is completely different from the LHA's.

Net income	*1 bedroom (1 and 2 persons, 0 minors)*		*2 bedrooms (4 persons, 2 minors)*	
	LHA rent	*Market rent*	*LHA rent*	*Market rent*
Conventional:				
$1, 140	$24	$135	$24	$155
$2, 000	39	135	35	155
$3, 600 (1 person) [1]	65	135	63	155
$4, 400 (2 persons) [1]	79	135	75	155
$4, 800 (4 persons) [1]	(2)	135	83	155
Leased:				
$1, 140	30	135	30	155
$2, 000	34	135	30	155
$3, 600	60	135	57	155
$4, 500 (1 person) [1]	75	135	72	155
$5, 500 (2 persons) [1]	92	135	89	155
$6, 000 (4 persons) [1]	(2)	135	97	155

[1] Maximum income limit for admission for this number of persons.
[2] Not available.

TREATMENT OF INCOME

Definition of Total and Net Family Income is attached as *Exhibit A.* Net family income less $100 for each minor is income used to determine rent (other than the 25-percent limit). Net family income less amounts paid by U.S. Government for service-connected death or disability is used to determine eligibility for admission and continued occupancy. All types of families are computed in the same manner.

RENT

In computing rent to charge a family, regardless of the source of the income, the Authority computes net family income on the basis of its regular policy and the applicable rent and then computes family income in accordance with the secretary's definition and determines the 25-percent rent. The lowest rent of the two computations is charged the family. No special welfare rent policy has been in effect since December 1971. No separate schedules are used for elderly families except for projects built specifically for elderly families. The rent schedule used depends on the utility set up; that is, whether or not utilities are furnished by the project or tenant. In Atlanta the LHA furnishes all or a portion of utilities in most instances. When tenants purchase their own utilities the gross rent is reduced by the estimated average cost to the tenant. Rent to income ratio in conventional projects is one-fifth of net income after exemption of $100 for each minor plus $5. Leased schedule is one-fifth after exemption for minors.

NET ASSETS

LHA eligibility requirement "Whose net family assets do not exceed $7,500 for regular families and $10,000 for elderly families, unless these limits are waived in individual cases by the Executive

Director." LHA considers as assets property, savings, stocks, bonds and other investments.

ACCOUNTING PERIOD

Attached as exhibit B is a schedule B of LHA lease specifying reporting requirements of LHA for increasing and decreasing rents between reexams. LHA also reduces rent when a tenant qualifies for a rent reduction under the 25-percent statutory limitation. Tenants are reexamined and rents adjusted if appropriate annually except that elderly families with nonearned income are reexamined every 2 years.

EXHIBIT A

Total family income

1. "Total family income" means the aggregate of all the income from any source whatsoever before deductions or exemptions, anticipated to be received during the 12 months following admission or redetermination of net family income (as the case may be) by all persons including minors, actually occupying or, who are actually to occupy, the dwelling, and by a family head temporarily separated from the group. In determining total family income due regard is to be given to both the current and prospective rate of income and the actual income received in the 12 months immediately preceding the date computation is made.

2. Total family income is to include:

(*a*) The full amount, before any payroll deductions, of wages and salaries including compensation from overtime and all other compensation for personal services (such as commissions, fees, tips, and bonuses) including the cash value of any substantial compensation in kind, and allowance for carfare;

(*b*) Net income from the operation of a business or profession. (Expenditures for business expansion or amortization of capital indebtedness shall not be considered as expenses in determining net income.);

(*c*) Interest, dividends, and net income of any kind from real or personal property;

(*d*) The full amount received from annuities, periodic payments derived from insurance policies, retirement income, pensions, periodic benefits for disability or death. and other similar types of periodic receipts;

(*e*) Payments in lieu of earnings, such as unemployment and disability compensation, social security benefits, workman's compensation and dismissal wages, excluding, however, lump sum payments under health and accident insurance and under workman's compensation;

(*f*) Cash relief receipts and the value of determinable relief allowances in kind, including rental allowances;

(*g*) Periodic and determinable allowances, such as alimony and regular contributions or gifts, including amounts received from any persons not residing in the dwelling;

(*h*) The full amount received for the care of foster children;

(*j*) All regular pay, special payments, and allowances (such as longevity, overseas duty, rental allowances, allowances for dependents, etc.) received by a member of the armed forces who is the head of the family, whether or not he is living in the dwelling, or by any other member of the armed forces who is living in the dwelling;

(*j*) Gifts and contributions (regular). This category includes all funds "loaned" other than by a recognized loan agency or institution properly constituted to make and collect loans; and

(*k*) Scholarship grants and grants-in-aid over and above the value of tuition. Educational assistance received under the State vocational rehabilitation program is included as income.

3. The following are not to be considered as income and are not, therefore, to be included in total family income:

(*a*) Amounts which are specifically received for, or are a reimbursement of, the costs of illness or medical care;

(*b*) Lump-sum additions to family assets, such as inheritances, insurance payments, capital gains, and settlements for personal or property losses. (If such sums are substantial, the family may be ineligible under the net assets test specified in section III.).

Net family income

1. "Net family income" means "total family income" less deductions specified below and anticipated during the 12-month period for which total family income is estimated. Such deductions are to be applied uniformly to all families:

(*a*) Deductions from wages for social security, including deductions from benefits—or direct payments made—for medical insurance benefits under social security amendments of 1965 and 1967; U.S. Civil Service retirement deductions, and other deductions for pensions or other purposes required by law or by the employer as a condition of employment;

(*b*) Amounts paid by court order for the support of a person or persons not residing with the family;

(*c*) Amounts paid, if reasonable, for the care of children through the age of 12, or sick or incapacitated family members when determined to be necessary to permit employment of a family member, and provided there is only one adult wage earner—actual or potential—in the family. The amount of such deduction shall not exceed $15 per week for one child and $20 per week for two or more children;

(*d*) In the case of a veteran who is the family head, who is absent from home, and who is receiving U.S. Government allowances for education or training, an amount for living expenses not in excess of $110 per month;

(*e*) In the case of a member of the armed services who is the family head and who is stationed away from home, $100 per month to cover personal expenses. This deduction may not, however, exceed the balance of the serviceman's pay after his portion of the dependents' allowance and social security on base pay have been deducted;

(*f*) All payments received by minors—under 21, other than head or spouse—under titles I and II of the Economic Opportunity Act of 1964; such as Job Corps, work training program, work study program, et cetera, during the first 12 months of such enrollment;

(*g*) The first $85 plus one-half of the excess over $85 of payments received by adult members of family for or with respect to any month under titles I and II of the Economic Opportunity Act of 1964; such as community action programs, adult basic education program, et cetera, during the first 12 months of such enrollment and

(*h*) All earned income of minors other than head or spouse.

(*i*) All income received from the work incentive program (WIN) of the Department of Family and Children Services during the training period and terminating with the acceptance of any employment by the enrollee.

2. In no event are the following items to be allowed as deductions:

(*a*) Payments of income tax, including payroll deductions therefor;

(*b*) Payments for savings bonds, or the acquisition of other assets, including payroll deductions therefor;

(*c*) Payroll deductions for pensions or other purposes not required by law or by the employer as a condition of employment;

(*d*) Payments on or garnishments for installment purchases, repayments of loans, or interest and finance charges on such items;

(*e*) Any other item not specifically enumerated in item 1 above.

EXHIBIT B

The tenant agrees to report any of the changes listed below to the landlord immediately:

1. If a member of the tenant's family who has regular income moves into the premises, or if a member of his family who has regular income dies or moves away from the premises, or if a child is born to the tenant or any member of his family who resides in the premises.
2. If the tenant or any member of his family who resides in the premises has held regular employment and becomes unemployed for more than 30 days.
3. If the tenant or any member of his family who resides in the premises has been unemployed and obtains regular employment.
4. If the tenant or any member of his family who resides in the premises begins to receive, or stops receiving, welfare, social security, pension, or child support payments.

When any of the above changes as reported by the tenant result in a change in the monthly rent to be paid, the following conditions shall apply:

Increases in rent are to be made effective the first of the month following that in which the change occurred, except that when the change occurred on or after the 20th of the month and is reported during the same month, the change will be made effective the first day of the second month following that in which the change occurred.

Decreases in rent are to be made effective the first of the month following that in which the tenant reports the change, except that no decrease in rent because of unemployment of any regularly employed family member will be made effective unless the unemployment shall have lasted for at least 30 days. After the expiration of the 30-day waiting period, the decrease will be made retroactively to the first of the month following that in which the unemployment was reported.

CHICAGO HOUSING AUTHORITY

The following is information requested relative to one, two, and four persons and the occupancy policies and procedures of the Chicago Housing Authority (CHA).

INCOME LIMITS

CHA has no minimum income limits. The maximums for all families in public and leased housing are:

Admission	Non-elderly	Elderly	Continued occupancy	Non-elderly	Elderly
1 person	$4, 200	$3, 000	1 person	$4, 830	$3, 750
2 persons	4, 800	3, 600	2 persons	5, 520	4, 250
3 persons	5, 400	4, 200	3 persons	6, 210	4, 850
4 persons	6, 000	--------	4 persons	6, 900	--------

RENT

Rents for all families are set by the same schedule—except leased housing. Since CHA has modified flat rents, the gross rates would be:

	At or below admission limits	At or below continued occupancy limits	Over limits $1,500	More than $1,500 over maximum limits
Nonelderly—centrally heated units:				
1 bedroom	$60	$70	$85	$95
2 bedrooms	70	80	100	120
Utility allowances: 0 and 1 bedroom, $2.75; 2 bedrooms, $4.50.				
Nonelderly—individually heated units:				
1 bedroom	$50	$60	$75	$85
2 bedrooms	60	70	90	110
Utility allowances: 0 and 1 bedroom, $3.50; 2 bedrooms, $5.				

Elderly

	Under $1,500 income	Income between $1,500 and $2.500	Income between $2,500 and continued occupancy limits	Income over continued occupancy limits
0 bedroom (mod.)	$40	$45	$50	$70
Efficiency	45	50	55	75
1 bedroom	50	60	65	95

Note.—Allowances shown above apply unless the building is a high-rise.

LEASED HOUSING

Rents charged families in leased housing are based on 25 percent of income. The rent schedule for leased housing is formulated giving consideration to market value of units determined by reviewing classified real estate ads for areas served by CHA. Basically, however, the schedule reflects average amounts needed by CHA to maintain established feasibility for the program.

Currently rents to the owner range from $110 to $125 for no bedroom apartments and are rather stable for the one-bedroom apartments at $125 and $164 for a two-bedroom. The greatest demand is for the one-bedrooms which is causing rental value to increase at about the rate of $0. 75 to $1 per month.

The maximum rents CHA will pay are:

0 bedroom	$125
1 bedroom	125
2 bedrooms	164
3 bedrooms	205
4 bedrooms	241
5 bedrooms	275

TREATMENT OF INCOME—ADMISSIONS AND CONTINUED OCCUPANCY

Total income is income anticipated during the coming 12 months of each household member who is at least 18. It includes payments to the head for support of minors and net income from the operation of a business.

CHA policy provides for no deductions or exemptions. Thus, when families are not under the 25 percent limitation, total income is used for eligibility and rent.

The CHA definition of income excludes:

Casual and sporadic amounts,
Lump-sum additions to assets,
Cash from the sale of securities,
Death benefits,
Veteran's bonuses and mustering-out pay,
Disability pensions and compensations,
Earnings of servicemen outside the home,
Reimbursement for medical care,
Money for care of foster children, and
Earnings of full-time students.

None of the above items is to be considered income unless the tenant has no other income.

RENT

CHA rents are set by a four-level modified flat rent schedule except that the Brooke formula is applied when a lower rent will result. Rents for welfare families are computed the same as for regular families. A combination of welfare and earned income is treated as total combined income less allowable Brooke deductions if appropriate.

There is a separate schedule for the elderly and the same definitions of income used for nonelderly is also used for them. A separate schedule for veterans is not used.

ASSETS TEST

The CHA has set a maximum of $5,000 for nonelderly and $15,000 for elderly families for admission and continued occupancy. All applicants are required to execute a "declaration of assets" certification.

Assets include—from all family members: savings, lump-sum settlements from any source, cash surrender value of insurance policy, appraised market value of real property, and actual value of investments.

Assets exclude: personal and household effects, automobiles, and savings in retirement or employee funds which can be secured only by termination of employment.

ACCOUNTING PERIOD

Interim income reviews are conducted and rent adjusted when the following circumstances occur:

1. Change in the source of income.
2. Reported decrease in income if the family will be entitled to the 25-percent limitation. (No retroactive credit is given if the family fails to report a decrease.)

3. Change in the lease due to:
   (*a*) Death.
   (*b*) Marriage or divorce.
   (*c*) Inter or intra-project transfer.
4. All increases in income after having received a reduction under the 25-percent limitation.

Rental adjustments, both increases and decreases, are made as often as reported circumstances warrant.

PUBLIC HOUSING—HOMEOWNERSHIP FOR LOW-INCOME FAMILIES

Basic Program Information

Legislative objective.—To provide opportunities for low-income families to own their homes with home purchase assistance through local public housing agencies.

Type of assistance.—Family equity accounts are established to which are credited amounts budgeted by the local housing agency for routine maintenance performed by the tenant family. When family income and/or equity account increases to the point at which home purchase is possible, ownership passes to the family. During the period of tenancy, the family makes payments of 20 to 25 percent of its income.

Date enacted.—Housing Act of 1937.

Financing.—Funds are provided through the annual contribution to local public housing agencies for debt service and other subsidies from the Federal appropriation for public housing.

Number of units in homeownership programs.—At the end of May 1972, there were approximately 12,500 units in occupancy under the homeownership programs and approximately 35,500 units under development. (Costs are included under low rent public housing.)

Eligibility Criteria

Type of housing.—The unit must be legally discrete and may be a separate unit in a planned unit development or in a multifamily structure planned for condominium or cooperative development. Originally the units are owned (Turnkey III) or leased (Turnkey IV) by the local public housing agency. No further experimental Turnkey IV projects are being implemented at this time.

Location.—Selected by local housing authority. The proposed program must be approved by the local governing body or by the Indian Housing Authority if on a reservation.

Mortgage limits.—Not specified.

Family eligibility.—Family composition—same as for public housing occupancy.

Income limits.—Comparable to income limits for initial occupancy of local public housing. Consideration given to family interest and demonstrated potential for homeownership. When income increases to the point that the family can obtain financing for home purchase, or when the equity account equals the unamortized debt and closing costs, ownership passes to the family and they are responsibile for full ownership costs.

Assets test.—Same as for low rent public housing.

Accounting period.—Annual. Payments by families are based on annual income until ownership is acquired.

Benefits

Family pays 20 to 25 percent of income until ownership is acquired and receives credit, in an equity account, for maintenance responsibilities performed by family members. The purchase price is amortized over a period of up to 30 years for housing owned by the public housing agency and for a period of up to 20 years for leased housing. The purchase price is reduced by the amount paid on the principal during the family's tenancy by the local housing authority (through the annual HUD contribution for debt service).

SECTION 235 HOMEOWNERSHIP ASSISTANCE FOR LOW-INCOME FAMILIES

Basic Program Information

Legislative objectives.—To assist low- and moderate-income families in purchasing homes.

Type of assistance provided.—Insured mortgages and monthly interest subsidy payments to the mortgage lender in behalf of low- and moderate-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 December 1970, a total of 131,050 home mortgages had been insured with a total value of $2,127,622,000.

Costs

Fiscal year	Interest subsidy	Number of units
1971	$122, 000, 000	205, 000
Estimated 1972	251, 000, 000	379, 000
Estimated 1973	428, 000, 000	588, 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.

Location of housing.—No restrictions; but new construction is largely outside of central cities and existing and rehabilitated housing purchased under this program is generally located in inner city areas.

Mortgage limits.—For a one-family home, the mortgage limit is $18,000 or $21,000 in a high-cost area. For a two-family home, the limit is $24,000 or $30,000 in a high-cost area. For a large family requiring four bedrooms, the limit for a single family home is $21,000 or $24,000 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.

Income limits.—The family or individual's adjusted income may not exceed 135 percent of the income of the same size family eligible to move into local public housing, except that 20 percent of families may have incomes which are no more than 90 percent of the income limits for occupancy of section 221(d)(3) below market interest rate rental housing projects. (Income limits under the 221(d)(3) BMIR program are determined locally. This program is being phased out.)

Adjusted income is 95 percent 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.

ASSETS TEST.—Assets may not exceed $2,000 ($2,500 if age 62 to 64, $3,500 if 65 and over, $5,000 if handicapped and over 62 years of age) plus $500 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 down payment is $200 for families with incomes below 135 percent of local public housing occupancy limits. For families with incomes above this limit, the down payment is 3 percent of the 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 annual subsidy payment in 1971 was $938. The average insured mortgage was $18,039 (second quarter of 1971).

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 for new homeowners in housing selection, property maintenance, home management, and so forth, is available in some areas through cooperation of private agencies in the community 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 low-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 closed end appropriation from general revenues.

Costs

Fiscal year	*Rent supplements*	*Number of units*
1971	$45, 000, 000	58, 000
Estimated 1972	85, 000, 000	101, 000
Estimated 1973	147, 000, 000	178, 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.

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.

Location of housing.—The project must be located in a community with a HUD-approved urban renewal workable program for meeting overall problems of slums, blight, and community development; or must be approved by local government officials.

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. 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

Basic Program Information

Legislative objective.—To provide good quality rental and cooperative housing for persons of low and moderate income.

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 40 percent of tenants may also receive rent supplement assistance.

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 paying interest subsidies.

Costs

Fiscal year	Interest subsidy	Number of units
1971	$15,000,000	32,000
Estimated 1972	86,000,000	157,000
Estimated 1973	194,400,000	331,000

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; (3) primarily residential (but may include nondwelling commercial units); and (4) designed so that the basic rate of rent can be less than 25 percent of the income limits established for the area. (See income limits below.) The maximum insurable amount for a project is $12,500,000 and there are specified limits on amounts by size of dwelling unit.

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.

Location of housing.—Where occupants of the project will receive rent supplement assistance the project must be part of an urban renewal workable program for community improvement or be approved by local authorities for participation in the rent supplement program. Projects planned for interest subsidy only may be placed in localities which do not have a Workable Program approved by HUD and do not require specific approval by local authorities.

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).

INCOME LIMITS.—Regular income limits are equal to 135 percent of the limits applicable to public housing in the local area. Exceptions to the income limits, equal to 90 percent of limits prescribed for 221(d)(3) below market interest rate projects [1] may be approved for 20 percent of section 236 units during the initial rent-up period. Subsequent to this initial period, the higher income limits applies. Families may continue to occupy units when their income increases to the point that they are able to pay the full fair market rent.

DEFINITION OF INCOME.—Adjusted income is 95 percent of gross family income, excluding temporary income and earnings of minors, reduced by $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 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 payment is made by HUD

[1] Income limits for 221(d)(3) BMIR projects are determined locally. These projects are being phased out.

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.

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 provided.—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 reduces 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

Fiscal year	*Total value of insured loans*	*Number of loans*	*Interest credit on loans*
1971	$1, 356, 000, 000	107, 067	$1, 678, 000
Estimated 1972	1, 555, 000, 000	112, 800	5, 000, 000
Estimated 1973	2, 059, 000, 000	138, 300	7, 000, 000

In fiscal year 1971, a total of 1,656 direct loans at a cost of $5,800,000 were made. No direct loans are estimated for fiscal year 1972 or 1973.

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 is not currently funded.

LOCATION.—The housing must be on a farm or nonfarm 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 is expected to be less than $5,000, with exceptions for large families and when the housing is located in a high cost area. In any case, adjusted family income may not exceed $7,000 (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.

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.

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.

Number of loans

Fiscal year	Value of insured loans	Number of loans	Number of rental units (estimated)
1972	$25,600,000	410	2,500
Estimated 1972	35,000,000	600	3,600
Estimated 1973	70,000,000	1,190	7,000

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 showing 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.—Insured loans may not exceed $750,000, less any other liens against the security. Loans which exceed $300,000, less other indebtedness, require prior consent of the national office. The repayment period for insured loans may not exceed 50 years.

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.—Income limits are established for each State by the Farmers Home Administration.

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 association 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.

Number of loans

Fiscal year	*Value of loans*	*Number of loans*	*Number of rental units (estimated)*[1]
1971	$500, 000	13	200
Estimated 1972	10, 000, 000	105	2, 000
Estimated 1973	10, 000, 000	105	2, 000

[1] Includes family housing and dormitory space 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

		Number of units	
Fiscal year	*Total cost*	*New*	*Rehabilitated*
1971	$6, 652, 000	574	3, 873
Estimated 1972	9, 164, 000	520	4, 770
Estimated 1973	10, 500, 000	530	5, 100

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.

Persons included.—Eligible families as explained above.

Income test

Income limits.—To be eligible for grants to repair or renovate existing substandard housing, or provide new [1] 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

[1] 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.

resources. To 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 repair or renovate existing housing, or to reduce the amounts of housing loans may not exceed $3,500 per dwelling; grants to provide new housing may not exceed $5,000 per dwelling; grants to provide a downpayment to obtain a loan may not exceed $3,500; and grants to provide new permanent housing may not exceed $16,000 per dwelling.

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.

OTHER SERVICES PROVIDED OR AVAILABLE.—There are none.

BENEFITS FROM OTHER PROGRAMS WHICH ACCRUE BY VIRTUE OF ELIGIBILITY FOR TARGET PROGRAM.—There are none.

POVERTY EFFECTIVENESS OF PROGRAMS SINGLY AND IN COMBINATION.—By working with the Department of Housing and Urban Development and the Indian Health Service, the Bureau of Indian Affairs plans to eliminate substandard housing by the end of the 1970's. In fiscal year 1970, more than 5,000 new homes were built under HUD programs. In addition, some 3,500 homes were repaired, and approximately 600 new homes were constructed under the Bureau's housing improvement program. In the next several years, the Bureau anticipates approximately 7,000 to 8,000 new houses will be built and approximately 5,000 units repaired each year.

HOUSING: NON-INCOME-TESTED

HOUSING ASSISTANCE FOR VETERANS[1]

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.

ADMINISTERING AGENCY.—The program is administered by the Veterans' Administration of the 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.

COSTS.

Housing grants for disabled veterans.—In fiscal year 1971, 666 grants were made at a total cost of $8,017,000; the estimate for 1972 is for 700 grants at a cost of $8,750,000; and the estimate for 1973 is for 725 grants at a cost of $9,063,000.

Guaranteed and insured loans.—In fiscal year 1971 the expenditures from the loan guarantee revolving fund totaled $268,240,000; the estimate for 1972 is $310,825,000; and the estimate for 1973 is $331,419,000. The budget appropriation in 1971 was $4,756,000; the estimate for 1972 is $5,929,000; and the estimate for 1973 is $5,200,000. The number of guaranteed or insured loans is expected to increase

[1] 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.

from 340,000 in 1972 to 359,000 in 1973, bringing the total amount of guaranteed loans outstanding to $43.1 billion.

Direct loans.—In 1971, 4,669 loans were approved at a cost of $63,745,000; the estimate for 1972 is for 5,110 loans at $75,600,000; and the estimate for 1973 is for 4,720 loans at $72,200,000. There was no appropriation for the program in 1971 and none estimated for 1972 or 1973. The total outstanding amount of direct loans in 1971 was $1.3 billion; the estimate for 1972 is $1.1 billion; and the estimate for 1973 is $0.8 billion.

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 serviceman on active duty who has served at least 181 days; or, an unremarried widow of an otherwise eligible veteran who died in service or whose death was attributable to a service-connected disability; or, the wife of a serviceman 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 $12,500 for home loan purposes. In this connection such entitlement does not apply to mobile home loans. Each eligible veteran having $12,500 entitlement may obtain not more than two mobile home loans, each of which cannot exceed $10,000 for the mobile home, plus up to $7,500 additional for site acquisition and improvement. However, there can be only one mobile home loan outstanding at any one time. 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 $12,500 for loans on conventionally built homes, and it is available to him until it is used; or if he uses part of it with a loan guarantee of less than $12,500, the remaining amount is available for later use. Once used, entitlement may be restored if the veteran has been required to dispose of the property and the loan is fully paid.

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 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, unremarried widows, and wives of men missing in action and prisoners of war are included in the program.

INCOME TEST.—A veteran, widow, or wife 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 or widow is eligible for a direct loan unless he 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 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.

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 12 years and 32 days for a mobile home; the repayment period is 15 years and 32 days if the site acquisition is included. The lender is guaranteed against loss up to 60 percent of a home loan or a maximum of $12,500. 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 $21,000 or $25,000 in the high cost areas of Alaska.

Grants to disabled veterans to obtain specially adapted housing may be made at up to 50 percent of the cost of the housing or adaptation and up to $12,500.

Basis for determination of cash value.—In each program except the grant program, the cash value to the beneficiary, assuming he had other avenues of financing 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 incomes 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.

Cumulative loans and grants as of March 1971:

Section 312—19,456 loans valued at $125,579,000.

Section 115—27,294 grants at a cost of $68,785,000.

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. 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 4,741 families received loans in fiscal year 1971 valued at $5,500,000. It is estimated that 8,700 loans in the amount of $10,000,000 will be made in fiscal year 1972 and 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 June 1971, a total of 1,387 loans valued at $20 million had been 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 condidered 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 June 1971, there were 80,302 loans insured under this program with a total value of $1 billion.

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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 ($18,000 for a single family home or $21,000 in a high-cost area). There is no direct subsidy but purchasers are assisted by a low down payment requirement and long-term loans. Section 223(e) considerations as to location are often applied.

As of June 1971, there were 382,333 loans insured under this program in the amount of $4.5 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, 1972		
		In force	
	Amount (all written)	Amount	Number of loans
Home programs	$109,719	$62,647	5,147,245
Subsidized	3,324	3,274	193,242
Not subsidized	106,395	59,373	4,954,003
Multifamily programs	13,875	10,960	7,037
Subsidized	5,429	5,019	3,132
Not subsidized	8,446	5,941	3,905
Total	123,594	73,607	5,154,282
Subsidized	5,429	8,293	196,374
Not subsidized	114,841	65,314	4,957,135

In all, about 12,000,000 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. Currently, about 500,000 units or 25 percent of new residential units started in 1972, are subsidized through Federal housing subsidy programs.

FOOD PROGRAMS

FOOD STAMP PROGRAM

Basic Program Information

Legislative objective.—To improve the diets of low-income households and to expand the market for domestically produced food by supplementing the food purchasing power of eligible low-income families.

Date enacted and major changes since enactment.—Enacted in 1964. The program was amended in 1971 to nationalize eligibility requirements and benefits, and to permit certain elderly persons to purchase delivered meals with food stamps. The 1971 changes allow households with little or no income to receive coupons free.

Administering agency.—The Food and Nutrition Service of the U.S. Department of Agriculture (USDA), through local and State welfare offices. Participation within the availability of Federal funds is voluntary by the States and by locality within the States. Localities may not operate both the food stamp program and the food distribution programs in the same county or project area except in emergency situations as determined by USDA.

Financing.—Open-ended Federal appropriations from the general fund with indirect payments for coupon reimbursement to food outlets. The Federal Government pays 100 percent of the cost of bonus coupons. The State and/or county pays approximately 37 percent of administration cost for certifying nonpublic assistance households, for outreach quality control, and for fair hearing costs, and pays 100 percent of the cost of issuing the coupons.

Costs

Fiscal year	*Total benefits (value of bonus stamps)*	*Number of beneficiaries*
1971	$1,523,000,000	10,539,000
Estimated 1972	1,997,000,000	11,000,000
Estimated 1973	2,239,000,000	13,200,000

The Federal share of costs of administration in fiscal year 1971 was $18 million or 1.2 percent of total program costs.

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 members if all members of the household are included in the public or general assistance grants. Victims of a major disaster who are in need of food assistance because of reduction in or inaccessibility of income or resources resulting from the disaster are also eligible for benefits in food stamp project areas.

Persons included.—All persons in a household are included (other than boarders, roomers, and unrelated live-in attendants necessary for medical, housekeeping, or child care reasons.) Persons must not be residents of an institution or a boarding house and must be living as one economic unit sharing common cooking facilities and purchasing food in common.

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 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).

A boarding house is defined as a place where three or more individuals are furnished meals or lodging and meals for compensation. Residents of boarding houses are not eligible for food stamps.

A household which includes a tax dependent (a person 18 years of age or over claimed as a tax dependent by a parent or guardian with whom he is not living) is not eligible for food stamp participation unless (1) the household of the parent or guardian is certified as eligible for participation in the food stamp or food distribution program, and (2) the household in which the tax dependent is living meets all the other eligibility criteria. A person is considered a tax dependent for the period claimed and for a period of 1 year after the expiration of that tax period.

Income test

Income limits.—Households in which all members are recipients of public assistance or general assistance benefits are eligible without regard to the amount of their income or resources. For all other households, income limits (net countable income after specified exclusions and deductions) 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 level at which the total coupon allotment established for each household size equals 30 percent of income (see figures below).

Income limits vary by family size and are uniform nationally except for Alaska and Hawaii. The maximum allowable monthly income standards, effective July 1, 1972, are as follows:

	Maximum allowable monthly income		
	48 States and District of Columbia	Alaska	Hawaii
Number of persons in household:			
1	$178	$214	$202
2	233	281	265
3	307	400	400
4	373	480	480
5	440	573	573
6	507	667	667
7	573	733	733
8	640	813	813
Each additional member	+53	+67	+67

The maximum income level for food stamp eligibility is higher than cost standards for public assistance eligibility in most States. However, the method of determining net income for food stamp eligibility and amount of bonus is different from the method used in determining eligibility and amount of payment in the public assistance programs. (See definition of income below and treatment of income in the public assistance outlines.) The treatment of earnings, particularly in AFDC, can result in higher income levels for AFDC recipients than for food stamp beneficiary families of a similar size. Since public assistance households are eligible as long as they receive an assistance payment, an AFDC family of four persons may receive the minimum food stamp bonus of $24 a month when their income is greater than the level for food stamp eligibility for nonassistance families. Under these conditions an increase in earnings which makes the family ineligible for AFDC also results in ineligibility for food stamps and loss of the $24 a month in food stamp benefits.

Definition of income.—Income includes, but is not limited to, the following:

Compensation for services performed as an employee.

Net income from self-employment.

Payments received from roomers and boarders (board payments are reduced by the amount of the coupon allotment for a one-person household).

Total payments from a household member, other than household head and spouse, who has a commitment to contribute only a portion of his income. If the contribution is less than the monthly coupon allotment for one person, the member's total income is counted.

Payments received on behalf of a legally assigned foster child, other support and alimony payments.

Assistance payments.

Pensions, retirement, and disability payments; workmen's compensation or unemployment compensation, veteran's benefits, etc.

Payments from farm subsidies, work incentive program, and manpower training programs.

Payments, except for medical costs, made on behalf of the household by a person other than a member of the household. If an applicant has access to unlimited income because he possesses a credit card in the name of a person who is not a household member, the household is ineligible for food stamps.

Scholarships, educational grants, etc., including deferred payment loans, and cash gifts or awards for support, maintenance, or the expenses of education.

Rents, dividends, interest, royalties, and the like.

The following are not included as income:

Earned income of household members under 18 years of age who are attending school, or are in a training program, at least half time.

Certain relocation payments.

Irregular income not exceeding $30 in a 3-month period.

In-kind income.

Loans, except deferred payment student loans.

Nonrecurring receipt of insurance settlements, inheritances, retroactive lump-sum social security or railroad retirement benefits, proceeds from sale of property, and cash prizes, gifts and awards, except for support, maintenance or educational expenses. (Such payments are treated as resources—see "Assets" below.)

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. Garnishments may be deducted only when made for otherwise deductible expenditures such as medical costs of more than $10 per month.

Shelter costs as paid, including rent or costs of homeownership (mortgage principal and interest payments, taxes and required special assessments) utilities and service fee for one telephone, in excess of 30 percent of the household's income after mandatory deductions and before any other deductions are made.

Total amount of medical expenses when these expenses are more than $10 per month for the household.

Payments for care of a child or other person when necessary for employment of a household member.

Tuition and mandatory educational fees.

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. (These conditions are specified by USDA regulations.) (See table 1.)

TABLE 1.—TREATMENT OF INCOME UNDER FOOD STAMP PROGRAM

Sources of income	In determining eligibility for and amount of food stamp benefits, current income is taken into account as follows— Income considered [1]	Income not considered
1. Income of adult household members:		
a. From earnings	X [2]	
b. From property	X [3]	
c. From public transfers	X [3]	
d. From private transfers	X [3, 4]	
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	

[1] Irregular income of $30 per quarter or less is not considered.
[2] 10 percent of wage and salary income, up to a maximum of $30 per household per month, is not considered.
[3] Certain nonrecurring revenues (e.g., from sale of property, cash prizes, insurance settlements) are not considered as income but are treated as assets instead.
[4] Private contributions to pay for medical costs are not considered as income.

The current income considered for purposes of eligibility and benefit determination may be reduced through deductions for certain expenses, as follows:

Uses of income	Deducted	Not deducted
a. To pay taxes and other mandatory payroll deductions	X	
b. To pay excess shelter costs	X [1]	
c. To pay excess medical costs	X [2]	
d. To pay child care costs necessary for employment	X	
e. To pay tuition and other educational fees	X	
f. To repair losses due to disaster or casualty	X	
g. All other expenses		X

[1] "Excess costs" means those costs in excess of 30 percent of household income after deducting mandatory payroll deductions.
[2] Those costs in excess of $10 per month per household.

Assets test.—The value of nonexcluded resources of a household may not exceed $1,500, except that for households of two or more persons with a member age 60 or over the total resources may not exceed $3,000.

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 consistent with its fair market value and other property essential to self-support (for example, vehicles needed for employment, tools, equipment, etc.); and resources of roomers and boarders, live-in attendants, and household members (other than the household head or spouse) with a commitment to contribute only a portion of their income. (If such contribution is less than the value of the monthly coupon allotment for one person, the member's total resources are counted.) Also excluded as resources are certain relocation payments, Indian lands held jointly with the tribe or which can only be sold 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.

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, excess automobiles, and aircraft; nonrecurring lump-sum payments from insurance settlements, inheritances, retroactive social security benefits, prizes, gifts, et cetera; and any other resources which have not been excluded.

Accounting period.—Anticipated income is usually averaged over the period for which eligibility is certified. Certification periods for public assistance households coincide with the period of their assistance grant. For other households, the usual period of certification is for 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 which 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. Scholarships, educational awards, and the like are averaged over the time they are intended to cover.

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.

OTHER ELIGIBILITY CONDITIONS

Work requirement.—Each able-bodied person between the ages of 18 and 65 who is a member of a household, including a person who is not working because of a strike or lockout, shall (1) register for employment at the time of application and at recertification (exceptions include: 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; and persons working at least 30 hours per week) 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 as a condition of employment; or work offered is at the site of a strike or lockout. Suitability of employment for a particular registrant also includes a determination that the risk to health and safety is not unreasonable; the individual is physically and mentally fit to perform the employment offered; the employment is within the individual's major field of experience unless, after a reasonable period of time, it is apparent that such work is not available; and the employment is not at an unreasonable distance from the individual's residence. The whole household shall become ineligible for benefits if any member refuses to comply with the work requirement. It shall remain ineligible until such member accepts employment or complies with the work requirement or for 1 year from date of refusal.

Benefits cannot be denied to a household solely on the grounds that a member of the household is not working because of a strike or lockout at his usual place of employment.

Acceptance of training or rehabilitation.—There is no requirement, but persons engaged in recognized training programs are exempt from the work requirement.

Citizenship.—No requirement.

Transfer of property.—No requirement.

Relative responsibility.—No requirement.

Institutional status.—Residents of institutions are not eligible to receive benefits.

Residence requirements.—A beneficiary must be a resident of an area which participates in the food stamp program.

BENEFITS AND SERVICES

IN-KIND BENEFITS

Nature of benefits.—Families buy stamps or "coupons" worth more than the purchase amount and in turn use these coupons to purchase any food in authorized retail stores. (Food means any food for human consumption except alcoholic beverages, tobacco, and imported foods.)

Persons 60 years of age or over 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 their food stamps to purchase meals prepared and delivered to them by authorized meal delivery services.

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. 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 July 1, 1972, the monthly coupon allotment in 48 States and the District of Columbia for a one-person household is $36. The allotment is increased by $28 for each of the second and third additional persons, by $20 for each of the fourth through eighth additional persons, and by $16 for each additional person over eight in the household. The monthly allotment is $112 for a family of four and $192 for a family of eight. (See supplement 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 value of the coupons. As the purchase requirement increases with increasing income, the benefit value, or the cash value of free or bonus coupons, decreases accordingly. For instance, a single person with $50 net income pays $8 for $36 worth of coupons and receives a benefit of $28 in bonus coupons. With $100 in income he pays $18 and receives a benefit of $18 in bonus coupons. With income of $170 or more up to the maximum allowed, he pays $26 and receives $10 in bonus coupons.

Similarly, a family of four persons with $100 monthly net income pays $25 and receives $87 in bonus coupons; with $200 income the purchase requirement is $53 and the bonus value is $59; with an income of $360 or more the value of the bonus coupons is $24.

In general, the marginal 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.

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 coupons allotment for a family of two with $100 is $64 with a $23 purchase requirement; the coupon allotment for a family of four with a $100 income is $112 with a $25 purchase requirement. The two-person family receives bonus coupons worth $41 and the four-person family receives bonus coupons worth $87.

Relationship of benefit amount to place of residence.—Persons may only receive benefits if they reside in food stamp project areas. The monthly coupon allotment is uniform in the 48 contiguous States and the District of Columbia, with higher allotments in Alaska and Hawaii which reflect the higher cost of living in these States. In April 1972, a total of 2,075 localities in 47 States had food stamp programs. Other local areas (1,017) administered commodity food distribution programs except for eight counties which had neither program.

Relationship of 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, and it is adjusted annually to reflect changes in the prices of food published by the Bureau of Labor Statistics, Department of Labor.

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

THE FOOD STAMP PROGRAM—MONTHLY COUPON ALLOTMENTS AND PURCHASE REQUIREMENTS, 48 STATES AND DISTRICT OF COLUMBIA

[Effective July 1, 1972]

For a household of (persons)	1	2	3	4	5	6	7	8
The monthly coupon allotment is	$36	$64	$92	$112	$132	$152	$172	$192
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	20	26	27	28	29	31	32	33
$129 to $129.99	22	29	30	31	33	34	35	36
$130 to $139.99	24	31	33	34	36	37	38	39
$140 to $149.99	26	34	36	37	39	40	41	42
$150 to $169.99	26	36	40	41	42	43	44	45
$170 to $189.99	26	42	46	47	48	49	50	51
$190 to $209.99		44	52	53	54	55	56	57
$210 to $229.99		44	58	59	60	61	62	63
$230 to $249.99		44	64	65	66	67	68	69
$250 to $269.99			70	71	72	73	74	75
$270 to $289.99			74	77	78	79	80	81
$290 to $309.99			74	82	84	85	86	87
$310 to $329.99				86	90	91	92	93
$330 to $359.99				86	94	97	98	99
$360 to $389.99				88	98	104	107	108
$390 to $419.99					102	108	116	117
$420 to $449.99					104	112	122	126
$450 to $479.99						116	126	130
$480 to $509.99						120	130	134
$510 to $539.99							134	138
$540 to $569.99							136	142
$570 to $599.99							136	146
$600 to $629.99								150
$630 to $659.99								152

Maximum allowable monthly income standards—Hawaii

Household size:	
1	$202
2	265
3	400
4	480
5	573
6	667
7	733
8	813
Each additional member	+67

MONTHLY COUPON ALLOTMENTS AND PURCHASE REQUIREMENTS—HAWAII

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—							
	$44	$80	$120	$144	$172	$200	$220	$244
	And the monthly purchase requirement is—							
$0–$19.99	0	0	0	0	0	0	0	0
$20–$29.99	1	1	0	0	0	0	0	0
$30–$39.99	4	4	4	4	5	5	5	5
$40–$49.99	6	7	7	7	8	8	8	8
$50–$59.99	8	10	10	10	11	11	12	12
$60–$69.99	10	12	13	13	14	14	15	16
$70–$79.99	12	15	16	16	17	17	18	19
$80–$89.99	14	18	19	19	20	21	21	22
$90–$99.99	16	21	21	22	23	24	25	26
$100–$109.99	18	23	24	25	26	27	28	29
$110–$119.99	20	26	27	28	29	31	32	33
$120–$129.99	22	29	30	31	33	34	35	36
$130–$139.99	24	31	33	34	36	37	38	39
$140–$149.99	26	34	36	37	39	40	41	42
$150–$159.99	30	36	40	41	42	43	44	45
$170–$189.99	30	42	46	47	48	49	50	51
$190–$209.99	30	49	52	53	54	55	56	57
$210–$229.99		54	58	59	60	61	62	63
$230–$249.99		54	64	65	66	67	68	69
$250–$269.99		54	70	71	72	73	74	75
$270–$289.99			76	77	78	79	80	81
$290–$309.99			82	83	84	85	86	87
$310–$329.99			88	89	90	91	92	93
$330–$359.99			94	95	96	97	98	99
$360–$389.99			98	105	105	106	107	108
$390–$419.99			98	114	114	115	116	117
$420–$449.99				116	123	124	125	126
$450–$479.99				116	132	133	134	135
$480–$509.99				116	138	142	143	144
$510–$539.99					140	151	152	153
$540–$569.99					140	160	161	162
$570–$599.99					140	164	168	171
$600–$629.99						164	172	180
$630–$659.99						164	176	184
$660–$689.99						164	180	188
$690–$719.99							180	192
$720–$749.99							180	196
$750–$779.99								200
$780–$809.99								200
$810–$839.99								200

Reprinted from the Federal Register of May 18, 1972 (37 F.R. 10012).

Maximum allowable monthly income standards—Alaska

Household size:	
1	$214
2	281
3	400
4	480
5	573
6	667
7	733
8	813
Each additional member	+67

MONTHLY COUPON ALLOTMENTS AND PURCHASE REQUIREMENTS—ALASKA

	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—							
	$44	$80	$120	$144	$172	$200	$220	$244
Monthly net income	And the monthly purchase requirement is—							
$0–$19.99	0	0	0	0	0	0	0	0
$20–$29.99	1	1	0	0	0	0	0	0
$30–$39.99	4	4	4	4	5	5	5	5
$40–$49.99	6	7	7	7	8	8	8	8
$50–$59.99	8	10	10	10	11	11	12	12
$60–$69.99	10	12	13	13	14	14	15	16
$70–$79.99	12	15	16	16	17	17	18	19
$80–$89.99	14	18	19	19	20	21	21	22
$90–$99.99	16	21	21	22	23	24	25	26
$100–$109.99	18	23	24	25	26	27	28	29
$110–$119.99	20	26	27	28	29	31	32	33
$120–$129.99	22	29	30	31	33	34	35	36
$130–$139.99	24	31	33	34	36	37	38	39
$140–$149.99	26	34	36	37	39	40	41	42
$150–$169.99	30	36	40	41	42	43	44	45
$170–$189.99	30	42	46	47	48	49	50	51
$190–$209.99	30	49	52	53	54	55	56	57
$210–$229.99	30	54	58	59	60	61	62	63
$230–$249.99		54	64	65	66	67	68	69
$250–$269.99		54	70	71	72	73	74	75
$270–$289.99		54	76	77	78	79	80	81
$290–$309.99			82	83	84	85	86	87
$310–$329.99			88	89	90	91	92	93
$330–$359.99			94	95	96	97	98	99
$360–$389.99			98	105	105	106	107	108
$390–$419.99			98	114	114	115	116	117
$420–$449.99				116	123	124	125	126
$450–$479.99				116	132	133	134	135
$480–$509.99				116	138	142	143	144
$510–$539.99					140	151	152	153
$540–$569.99					140	160	161	162
$570–$599.99					140	164	168	171
$600–$629.99						164	172	180
$630–$659.99						164	176	184
$660–$689.99						164	180	188
$690–$719.99							180	192
$720–$749.99							180	196
$750–$779.99								200
$780–$809.99								200
$810–$839.99								200

Note: Reprinted from the Federal Register of May 18, 1972 (37 F.R. 10011).

FOOD STAMP PROGRAM—STATISTICAL SUMMARY OF OPERATIONS, APRIL 1972

April's participation of 11,461,270 showed a slight increase over last month's 11,428,193.

Although 24 States reported participation decreases, the Nation as a whole increased. The increase came mainly as a result of the 35 new projects which opened during April, bringing in an estimated 150,000 persons. Twenty States and the District of Columbia reported participation increases during April, offsetting decreases in the other States.

Only the Southeast region showed a participation increase over March. The other regions showed decreases except the Midwest with no significant change. This month's activity is in line with seasonal expectations.

Thirty-five new projects opened this month, 16 in Florida, four in Mississippi, three each in Arizona, Indiana and Louisiana, two in South Dakota, and one each in Georgia, Kansas, North Dakota, and Wisconsin. Hall County, Tex., discontinued operations March 1, 1972, but was dropped this month. Rhode Island was redesignated from four to two projects. The city of Providence, R.I., is district No. 1, the remainder of the State district No. 2. Brule and Buffalo Counties, S. Dak., combined into one project area. This net addition of 31 projects brings the number of projects to 2,075.

	April 1972	March 1972	April 1971
Program scope:			
States (includes D.C.)	47	47	46
Projects	2,075	2,044	2,015
Participation:			
Persons	11,461,270	11,428,193	10,465,030
Public assistance	7,176,802	7,081,137	6,240,080
Public assistance as percent of total (percent)	63	62	60
Nonpublic assistance	4,284,468	4,347,056	4,224,950
Coupon issuance:			
Total	284,952,405	284,333,636	256,016,480
Bonus	154,774,922	154,297,771	140,618,786
Bonus as percent of total (percent)	54	54	55
Average bonus per person	$13.50	$13.50	$13.44
Cumulative fiscal year to date:			
Tota coupons	$2,716,643,619	$2,432,309,983	$2,197,454,342
Bonus	$1,475,030,951	$1,320,733,180	$1,241,417,697

Source: U.S. Department of Agriculture, Food and Nutrition Service.

FOOD STAMP PROGRAM—STATISTICAL SUMMARY OF OPERATIONS, APRIL 1972

By State (region)	Participation					Coupons				Fiscal year to date	
	Current month, number of persons			Prior month number of persons	Monthly change (percent)						
	Public assistance	Nonpublic-assistance	Total			Total value	Bonus value	Bonus total (percent)	Average bonus	Total coupons	Bonus coupons
Alabama (22) [1]	70,537	119,101	189,638	200,970	−5.6	$4,689,029	$3,226,485	69	$17.01	$48,280,143	$32,999,401
Alaska (1) [2]	3,486	18,224	21,710	21,710		757,425	620,702	82	28.59	6,434,478	5,342,253
Arizona (7)	8,368	7,525	15,893	14,945	+6.3	371,470	235,646	63	14.83	3,456,567	2,058,429
Arkansas (75)	73,445	124,558	198,003	201,760	−1.9	5,000,541	3,246,381	65	16.40	48,510,887	31,680,174
California (36) [1]	1,114,719	310,101	1,424,820	1,431,606	−.5	36,398,827	18,429,383	51	12.93	362,557,397	179,789,329
Colorado (56) [1]	73,737	44,198	117,935	123,332	−4.4	3,035,113	1,738,268	57	14.74	30,620,888	17,386,155
Connecticut (8) [1]	89,276	46,848	136,124	138,791	−1.9	3,225,098	1,395,465	43	10.25	33,160,269	14,786,911
District of Columbia (1)	78,500	30,500	109,000	106,837	+2.0	3,009,760	1,660,645	55	15.24	26,244,175	14,168,593
Florida (51) [1]	176,741	181,941	358,682	205,635	+74.4	8,652,265	6,135,591	71	17.11	46,075,786	33,265,404
Georgia (121) [1]	141,399	130,193	271,592	266,300	+2.0	6,534,352	3,886,323	59	14.31	62,299,105	36,673,367
Hawaii (4) [2]	31,877	6,422	38,299	38,251	+.1	1,375,489	697,927	51	18.22	11,277,524	5,295,740
Idaho (17) [2]	6,661	7,376	14,037	14,026	+.1	350,849	205,237	58	14.62	3,367,713	1,988,932
Illinois (102) [2]	613,247	114,501	727,748	704,670	+3.3	18,263,443	8,422,262	46	11.57	169,449,515	77,869,794
Indiana (35) [1]	86,246	86,250	172,496	165,900	+4.0	4,037,251	2,504,181	62	14.52	40,976,148	25,396,689
Iowa (99) [1]	57,122	51,229	108,351	112,633	−3.8	2,793,908	1,602,214	57	14.79	27,513,579	15,509,726
Kansas (86) [1]	17,359	8,487	25,846	25,483	+1.4	655,067	308,858	47	11.95	5,963,907	2,927,416
Kentucky (73) [1]	95,292	201,214	296,506	303,820	−2.4	7,772,897	5,442,864	70	18.36	73,825,306	51,469,220
Louisiana (58) [2]	257,336	180,646	437,982	433,848	+1.0	10,858,333	7,667,265	71	17.51	107,699,948	75,625,390
Maine (1)	3,945	8,363	12,308	12,402	−.8	302,428	171,405	57	13.93	3,051,874	1,699,457
Maryland (24) [2]	162,891	57,817	220,708	221,200	−.2	5,803,634	3,434,559	59	15.56	53,455,296	31,746,545
Massachusetts (8) [1]	14,737	7,464	22,201	22,608	−1.8	505,118	177,486	35	7.99	5,232,023	1,885,420
Michigan (63) [1]	445,198	137,000	582,198	581,000	+.2	14,360,435	6,694,022	47	11.50	132,616,271	63,827,776
Minnesota (68) [1]	70,625	91,683	162,308	167,632	−3.2	3,954,914	1,887,382	48	11.63	37,632,805	17,922,517
Mississippi (58) [1]	102,854	202,314	305,168	302,596	+.8	7,454,993	5,218,452	70	17.10	72,417,615	51,758,915
Missouri (11) [2]	92,635	58,600	151,235	151,034	+.1	3,726,411	2,416,594	65	15.98	36,971,202	23,895,536
Montana (50) [1]	12,585	14,977	27,562	30,206	−8.8	692,694	417,822	60	15.16	7,526,150	4,574,351
Nebraska (87) [1]	28,623	22,847	51,470	54,364	−5.3	1,254,051	696,166	56	13.53	12,686,649	7,092,884
New Jersey (21) [2]	224,154	112,998	337,152	336,698	+.1	8,253,909	3,345,883	41	9.92	77,061,298	30,773,939
New Mexico (26) [2]	49,398	80,644	130,042	129,884	+.1	3,214,019	2,318,764	72	17.83	32,054,126	22,960,320
New York (64) [1]	1,057,270	253,776	1,311,046	1,358,457	−3.5	31,739,883	10,421,280	33	7.95	310,216,350	103,832,549
North Carolina (53) [1]	70,464	120,674	191,138	189,049	+1.1	4,822,527	3,176,622	66	16.62	43,216,035	28,727,076
North Dakota (47) [1]	5,945	15,651	21,596	20,440	+5.7	537,416	321,591	60	14.89	5,042,786	3,130,547
Ohio (88) [1]	452,984	184,999	637,983	655,700	−2.7	16,746,641	9,684,907	58	15.18	159,953,471	91,707,275
Oregon (11) [1]	54,689	44,923	99,612	107,476	−7.3	2,297,371	1,404,486	61	14.10	19,996,798	12,060,516
Pennsylvania (64) [2]	454,643	186,733	641,376	638,732	+.4	15,511,248	6,467,026	42	10.08	150,562,981	63,882,244
Rhode Island (2) [2]	58,118	14,071	72,189	72,094	+.1	1,676,907	696,101	42	9.64	16,517,908	6,947,351
South Carolina (46) [1]	91,468	261,787	353,255	353,183		8,246,649	6,062,676	74	17.16	75,552,354	56,545,790
South Dakota (60) [1]	11,662	20,051	31,713	32,005	−.9	802,196	478,545	60	15.09	7,211,790	4,304,383
Tennessee (87) [1]	125,028	182,918	307,946	315,602	−2.4	7,786,060	5,215,279	67	16.94	75,199,925	50,709,615
Texas (28) [1]	141,548	132,188	273,736	284,809	−3.9	6,722,170	4,768,103	71	17.42	66,693,830	47,903,994

Utah (8)	34,903	12,789	47,692	48,588	−1.8	1,194,143	615,560	52	12.91	10,687,150	5,740,922
Vermont (12) [2]	13,627	18,032	31,659	31,626	+.1	575,808	256,932	45	8.12	6,936,584	3,062,350
Virginia (75) [1]	65,261	88,456	153,717	159,816	−3.8	3,839,362	2,172,399	57	14.13	38,991,159	22,416,505
Washington (39) [2]	140,020	110,062	250,082	249,767	+.1	6,315,499	3,291,261	52	13.16	64,797,735	35,321,962
West Virginia (55)	125,167	130,935	256,102	276,077	−7.2	6,059,172	4,159,737	69	16.24	59,955,124	42,755,459
Wisconsin (44) [1]	65,739	37,345	103,084	103,787	−.7	2,521,404	1,229,689	49	11.93	23,928,550	11,980,545
Wyoming (23)	5,273	5,057	10,330	10,844	−4.7	254,226	148,496	58	14.38	2,734,445	1,631,255
Northeast (260)	2,282,328	867,537	3,149,865	3,215,522	−2.0	76,662,965	32,186,519	42	10.22	742,393,882	315,540,818
Southeast (586)	939,044	1,488,598	2,427,642	2,296,971	+5.7	59,798,134	40,536,691	68	16.70	535,857,428	364,565,323
Midwest (704)	1,930,026	820,156	2,750,182	2,749,165	-------------	68,998,070	35,937,553	52	13.07	653,982,766	342,637,672
Southwest (329)	612,823	570,721	1,183,544	1,199,116	−1.3	29,485,243	20,047,639	68	16.94	291,543,586	198,483,449
Western (196)	1,412,581	537,456	1,950,037	1,967,419	−.9	50,007,993	26,066,520	52	13.37	492,865,957	253,803,689
U.S. total (2,075)	7,176,802	4,284,468	11,461,270	11,428,193	+.3	284,952,405	154,774,922	54	13.50	2,716,643,619	1,475,030,951

[1] Contains estimated data.
[2] Completely estimated.

Source: U.S. Department of Agriculture, Food and Nutrition Service.

FOOD DISTRIBUTION PROGRAM

Basic Program Information

Legislative objective.—To improve the diets of schoolchildren and needy persons in households and charitable institutions and other individuals in need of food assistance, and to increase the market for domestically produced foods acquired under surplus removal and price support operations.

Date enacted and major changes since enactment.—Domestic donations of foods acquired under surplus removal operations was provided for in 1935 under section 32 of Public Law 320, 75th Congress. Such donation under price support operations was provided for under section 416 of the Agricultural Act of 1949. Both statutes have been amended frequently in subsequent years.

Financial assistance to aid a limited number of low-income areas in meeting administrative cost of operating needy family food distribution programs was begun in 1967, under section 32 authority, and it was converted to formula grants in 1969 and made available to all States. An amendment in 1969 made commodities (food donations) available to victims of a major disaster who have low income or inaccessability to income or resources because of the disaster.

Administering agency.—The Food and Nutrition Service of the U.S. Department of Agriculture (USDA), through State and local agencies. Participation in the program is voluntary both at the State and local level. Upon a request of the Governor, or other appropriate officials, any State which agrees to abide by program standards may participate in the food distribution program if Federal funds are available from USDA.

Financing.—Three sources of financing are used in the program, including: (1) Closed-ended Federal appropriations under the authority of the National School Lunch Act, as amended; (2) funds available to the Commodity Credit Corporation (CCC) for price support purposes; and (3) annual authorizations to expend funds appropriated by section 32. Section 32 appropriates 30 percent of the annual gross receipts from duties collected under the custom laws and authorizes the carryover of $300 million. Section 205 of the Agricultural Act of 1956 authorizes the annual appropriation of an additional $500 million to carry out the provisions of section 32.

The Federal Government pays the total cost of donated foods. States and localities are expected to bear the cost of program administration, food storage costs, and transportation within the State, although Federal formula grants aid in local and State administration of distributing donated foods to needy families. Each year since 1969 certain funds are allocated for the formula grants or the "operating expense funds program." The purpose of the formula grants is to improve administration of distributing donated foods to needy persons in households and to make the program available to households in areas which do not operate the food stamp program. A basic grant is allocated to each State participating in the program. In fiscal year 1971 a basic grant of approximately $17,000 was given to each of the 37 participating States. The remainder of the money is allocated to States on the basis of per capita income and the number of needy persons in the program area.

Costs

Fiscal year	*Total benefits (cost of donated foods)*	*Number of beneficiaries*
1971	$347,000,000	3,600,000
Estimated 1972	346,000,000	3,513,000
Estimated 1973	313,000,000	3,000,000

Eligibility Criteria

Major conditions.—To be eligible for the program, a household must be located in a city or county which has the program and must be certified by local welfare authorities as having low income and resources. Public assistance and other general assistance recipients are automatically eligible for benefits, without regard to the income and resources of the household members, if all members of the household are included in the public assistance grants.

Victims of a major disaster which has disrupted commercial channels of food distribution, may also be eligible for temporary food assistance in food stamp and food distribution program areas without regard to income or financial resources.

Persons included.—All persons of a household, including related or nonrelated individuals but exclusive of boarders, who are not residents of an institution and who are living as an economic unit, sharing common cooking facilities, and for whom food is customarily purchased in common are eligible to receive benefits. Also, single individuals living alone who purchase food for home consumption are eligible for the program.

Income test

Income limits.—Income eligibility standards for nonpublic assistance households only are defined by the State agency responsible for distributing the foods, with the approval of USDA. However, USDA requires that the income eligibility scale be consistent with the State's federally aided public assistance budgeted need standards (see supplementary material part C for individual State limits).

The benefits do not decline with an increase in income. Rather, eligibility is based on upper income ceilings. All households below the limit are eligible and all households above are not. The only exception to this is a public assistance or general assistance recipient household which remains eligible as long as it receives assistance payments. Since the full amount of the benefit (value of food received) is lost when a beneficiary becomes ineligible, a small increase in income above the eligibility level can result in loss of benefits greater than 100 percent of the additional income. Similarly, an assistance recipient who becomes ineligible for cash assistance because of an increase in income also loses the full value of commodities previously received. In many instances such beneficiaries are not eligible for

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food commodities as a nonassistance household since income disregards in the cash assistance programs often permit higher income levels for public assistance eligibility than for commodity eligibility.

Definition of income.—Eligibility standards are based on net income, which in general, includes salaries and wages, gains from self-employment, pensions and payments from social security or public assistance, minus mandatory and hardship deductions such as tax withholdings, medical expenses, and shelter costs in excess of 30 percent of net income.

The State distributing agency defines the treatment of income and deductions within guidelines established by USDA (see table 1).

TABLE 1.—TREATMENT OF INCOME UNDER FOOD DISTRIBUTION PROGRAM

Sources of income	In determining eligibility for and amount of food distribution benefits, current income is taken into account as follows—	
	Income considered [1]	Income not considered
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	The current income considered for purposes of eligibility and benefit determination may be reduced through deductions for certain expenses, as follows—	
	Deducted [2]	Not deducted
(a) To pay taxes and other mandatory payroll deductions	X	
(b) To pay excess shelter costs [3]	X	
(c) To pay excess medical expenses	X	
(d) All other expenses		X

[1] Specific treatment may vary from State to State.
[2] Specific provisions may vary from State to State.
[3] Shelter costs in excess of 30 percent of income net of payroll deductions.

ACCOUNTING PERIOD.—This is defined by the State distributing agency. Generally, it is based on current or anticipated monthly income. Federal regulations require that (1) the eligibility of public assistance households shall be reviewed at intervals coincident with redetermination of eligibility to receive public assistance grants; and (2) the eligibility of nonpublic assistance households shall be reviewed at least every 3 months, except that such reviews may be less frequent if the income and resources available to such households are expected to remain essentially unchanged during such period.

ASSETS TEST.—This is defined by the State distributing agency with the approval of USDA. Generally, States only consider readily available cash (on hand, in savings and checking accounts, stocks, bonds, etc.) although USDA allows nonliquid assets to be included (see supplementary material for specific State requirements).

OTHER CONDITIONS

Work requirement.—This is defined by the State distributing agency. The Department of Agriculture permits strikers to receive food assistance, if they are otherwise eligible for benefits.

Acceptance of training or rehabilitation.—This is determined by the State distributing agency. At present, no State has such a provision.

Citizenship.—No requirement.

Lien, recovery, or assignment.—The Department of Agriculture forbids distributing agencies from imposing as a condition of eligibility pay in money, material, or services for or in connection with the receipt of donated foods.

Transfer of property.—This is determined by the State distributing agency. At present, no State has such a provision.

Relative responsibility.—This is determined by the State distributing agency. At present, no State has such a provision.

Institutional status.—Residents in institutions are not eligible for the household food assistance program. (See also supplementary material.)

Residence requirements.—There is no durational residence requirement. However, a beneficiary must be resident of an area which participates in the food distribution program.

Counties may operate both the food distribution and food stamp program only if USDA determines that conditions in the area warrant concurrent operation of both programs in order to provide food assistance effectively to all low-income households. For example, counties transferring from the food distribution to the food stamp program may, with the approval of the State agency and the Department of Agriculture, continue to distribute donated foods for up to 3 months until the food stamp program is operational. The same household eligibility requirements and certification procedures must be applied for both programs, and no household may participate in both programs simultaneously. Except for areas subjected to a major natural disaster, concurrent operation of both programs has been approved for only one area in the country. Both programs are administered in King County (Seattle), Wash., because of long-term, excessive unemployment in that area.

BENEFITS AND SERVICES

CASH BENEFITS.—There are none.

IN-KIND BENEFITS

Nature of benefits.—Households receive donated foods monthly at local distribution centers. The USDA maximum available benefit per recipient per month is 39 pounds of approximately 24 different commodities. The quantity and items available each month, however, varies at the local level depending upon local administration. Thus, the average monthly benefit is approximately 30 pounds of commodities from a selection of the 24 different commodities. The USDA maximum commodity list includes such items as dry beans, butter, cheese, cornmeal, egg mix, flour, canned fruit or vegetable juice, lentils or dry split peas, macaroni, canned meats or poultry, canned luncheon meat, evaporated milk, nonfat dry milk, rolled oats or wheat, peanut butter, dehydrated potatoes, dried fruit, rice, shortening, corn sirup, and canned vegetables.

Cash value of benefit.—The amount of benefits are not scaled to the recipient's income. All eligible recipients receive the same amount of commodities regardless of their income level. The cost to the Federal Government for the maximum available monthly recipient benefit of 39 pounds of 24 different commodities is $9.66 (as of June 1, 1972, USDA statistics); the retail value for the same is $16.29. The average monthly recipient benefit of 30 pounds of commodities cost the Federal Government $7.62. The retail value of the same is $13.22.

Relationship of benefit amount to family size.—Benefits are directly related to family size in that the benefits increase with an increase in family size, since each member receives the same food allotment.

Relationship of benefit amount to place of residence.—There is no durational residence requirement. A person may only receive benefits if he resides in an approved food distribution project area. The availability of items for monthly distribution will vary from place to place. In June 1972, a total of 1,092 localities in the United States, Guam, Puerto Rico, the Virgin Islands, and trust territories had food distribution programs. Other areas in the country had food stamp programs except eight counties which had neither program. See supplement for details.

OTHER SERVICES.—Nutritional education is provided in some places, although it is not funded through this program.

SUPPLEMENTARY MATERIAL

EXPLANATION OF FOOD DISTRIBUTION PROGRAMS TO INSTITUTIONS AND SUMMER CAMPS

In addition to providing benefits to needy households and schoolchildren, the food distribution program also provides food donations to improve the diets of children in day care centers and nonprofit summer camps and of needy persons in charitable institutions. The foods so distributed are acquired either under surplus removal programs or through price support operations. Authority for these activities is provided for by section 416 of the Agricultural Act of 1949, section 32 of the act of August 24, 1935, and section 709 of the Food and Agricultural Act of 1965.

Food is donated to nonprofit summer camps for children based on the total number of children in attendance. In fiscal year 1971 approximately 1,580,995 children in 7,189 camps benefited from the summer camp program.

General regulations for commodity distribution define institutions as: (1) nonpenal, noneducational, public (Federal, State, or local) institutions; (2) nonprofit, tax-exempt private hospitals; or (3) other nonprofit, noneducational, tax-exempt private institutions organized for charitable or public welfare purposes, including, but not limited to, homes for the aged, orphanages, refugee camps, and child care centers.

To be eligible to receive donated commodities, an institution must serve meals to needy persons as a regular and integral part of its activities. It must enter into an agreement with the appropriate State agency providing that: (1) commodities will be used for consumption by the persons served by the institution and will not be sold, traded, or otherwise disposed of; (2) adequate facilities will be furnished for the handling, storage, and use of the commodities;

(3) expenditures for food will not be reduced because of food donations; and (4) commodities available will be requested only in such amounts as will be fully utilized.

The Federal regulations require that distributing agencies formulate methods of determining the extent of eligibility in the institutions under their jurisdiction, subject to the approval of USDA. The regulations neither prescribe nor limit the methods that may be employed by any distributing agency in determining the number of needy persons in institutions. However, they do contemplate that the extent of eligibility shall take into account the economic need of persons served by the institution. While foods for institutions are allocated on the basis of those determined to be needy, all persons in an institution serving both indigents and nonindigents may benefit from the donations. In fiscal year 1971 approximately 1,242,336 eligible needy persons received donated foods through 8,547 institutions.

Within the Food and Nutrition Service, the Food Distribution Division has been delegated the administrative functions relating to allocation and distribution of donated foods to State agencies. The five FNS regional offices are responsible for carrying out policies and functions pertaining to the field administration of the programs within designated geographical areas. Administration of the institutional program within the States is the responsibility of State distributing agencies.

Explanation of the Supplemental Food Program for High-Risk Health Groups

The supplemental food program offers selected, highly nutritious food items to low-income groups determined to be especially vulnerable to malnutrition. Eligible groups include women during pregnancy and for 12 months postpartum, infants 0 to 12 months, and in some projects, children through 5 years of age who are receiving free or substantially free health care. Physicians, nurses, and nutritionists at participating health facilities issue authorizations for the supplemental foods, which include evaporated milk, canned meats, vegetables and juices, peanut butter, egg mix, corn syrup, and iron-fortified farina and instant rice cereal.

Eligible recipients may be issued foods regardless of whether they participate in one of USDA's family feeding programs. Supplemental food projects currently operate in both food stamp and food distribution program areas.

TABLE 1.—STATE MONETARY STANDARDS OF ELIGIBILITY FOR CERTIFYING HOUSEHOLDS FOR THE FOOD DISTRIBUTION AND FOOD STAMP PROGRAMS

State and program	Monthly allowable income by household size										Additional for each person	Allowable liquid assets
	1	2	3	4	5	6	7	8	9	10		
Alabama [1]: FD–FS	$135	$220	$285	$330	$370	$410	$445	$480	$515	$550	$35	$1,000 or 4 times income scale whichever is greater.
Alaska: [1] FS	208	272	400	480	573	667	733	800	867	934	67	(1).
Arizona: [1] FD–FS	118	164	212	256	293	327	362	----	----	----	28	$800 for 1; $1,200 for 2 or more.
Arizona [3] Navajo Nation: FD	130	130	220	263	300	330	370	400	430	460	30	$1,500 per household. Plus an additional $1,500 for households of 2 or more with a member over 65 years.
Arkansas: [1] FS	170	222	293	360	427	493	547	600	653	706	53	(1).
California:												
FS [4]	185	240	300	360	427	493	547	600	653	706	53	(1).
FD [4]	185	240	300	340	405	460	525	565	630	670	45	$1,000 for 1; $1,500 for 2 or more.
Colorado: [1] FS	170	222	293	360	427	493	547	600	653	706	53	(1).
Connecticut: [1] FS	170	222	293	360	427	493	547	600	653	706	53	(1).
Delaware: FD	100	140	180	215	250	285	310	330	350	370	20	$420 for 1; $560 for 2; $700 for 3. Add $70 for each additional person.
District of Columbia: [1] FS	170	222	293	360	427	493	547	600	653	706	53	(1).
Florida: [1] FS	170	222	293	360	427	493	547	600	653	706	53	(1).
Georgia: [1] FD–FS	100	160	215	265	285	320	345	365	385	400	(5)	$800 for 1; $1.600 for 2 or more.
Guam: FD	125	155	210	250	270	289	322	340	359	378	(6)	$750 for 1; $1,000 for 2 or more.
Hawaii: [1] FS	193	254	373	467	560	640	707	773	841	908	+67	See footnote 1.
Idaho: [1] FD–FS	166	206	241	262	305	342	380	406	441	476	35	$1,000 for 1; $1,500 for 2 or more.
Illinois: [1] FS	170	222	293	360	427	493	547	600	653	706	53	See footnote 1.
Indiana: [1] FD–FS	140	200	250	300	345	385	430	475	510	545	30	$650 for 1; $870 for 2; $980 for 3; $1,100 for 4 or more.
Iowa: [1] FS	170	222	293	360	427	493	547	600	653	706	53	See footnote 1.
Kansas: [1] FD–FS	Eligibility computed on public assistance budget										----	$500 for 1; $1,000 for 2 or more.
Kentucky: [1] FD–FS	115	160	200	230	260	285	310	335	360	380	20	Do.
Louisiana: [1] FD–FS	135	175	195	215	240	265	290	315	340	370	25	Do.
Maine: [1] FD–FS	152	210	250	291	340	383	424	465	505	547	41	$1,000 for 1; $1,200 for 2 or more.
Maryland: [1] FS	170	222	293	360	427	493	547	600	653	706	53	See footnote 1.
Massachusetts:	175	225	293	360	427	493	547	600	633	706	53	See footnote 1.
F–S [4]	175	225	275	325	385	435	485	535	585	635	50	$1,000 for 1; $1,500 for 2 or more. Add $500 for each person over 65.
FD												
Michigan:												
FS [4]	210	250	293	360	427	493	547	600	653	706	53	See footnote 1.
FD [4]	210	250	290	330	370	410	450	490	530	570	40	$1,000 for 1; $1,500 for 2 or more.
Minnesota :	180	245	305	360	427	493	547	600	653	706	53	See footnote 1.
FS	180	245	305	350	400	435	465	500	535	570	30	$1,00 for 1; $1,500 for 2 or more; $500 additional for each person over 65.
FD												
Mississippi: [1] FD–FS	125	165	190	215	245	265	285	305	325	345	15	$600 for 1; $1,200 for 2 or more.
Missouri: [1] FD–FS	165	220	265	315	360	400	440	480	520	560	45	$1,000 for 1; $2,000 for 2 or more.
Montana: [1] FD–FS	125	190	225	255	290	320	355	390	415	440	30	$1,000 for 1; $1,500 for 2 or more.
Nebraska: [1] FD–FS	150	225	270	300	350	380	420	450	480	510	30	$750 for 1; $1,500 for 2 or more.
Nevada: FD	170	222	290	330	385	435	470	510	555	595	50	$1,000 for 1; $1,500 for 2 or more.
New Hampshire: FD	170	230	260	300	340	380	405	445	470	495	25	$1,000 for 1; $1,500 for 2 or more.

New Jersey:[4] FS	180	240	300	360	427	493	547	600	653	706	53	See footnote.[1]
New Mexico:[1] FD-FS	116	166	182	215	245	275	305	345	375	405	30	$250 for 1; $500 for 2 or more.
New York:[4] FS	185	245	305	370	427	493	547	600	653	706	53	See footnote.[1]
North Carolina:[1] FD-FS	130	170	215	240	260	280	300	320	335	350	30	$1,000 for 1; $1,500 for 2 or more.
North Dakota:[1] FD-FS	150	200	260	295	330	370	410	445	475	505	30	$1,000 per household; $1,500 2 or more; add $500 each person 65 or over.
Ohio:[1] FS	170	222	293	360	427	493	547	600	653	706	53	See footnote.[1]
Oklahoma: FD	110	190	225	260	295	325	350	375	400	400	----------	$350 for 1; $500 for 2; $50 each additional; $600 maximum.
Oregon:[1] FD-FS	160	220	285	350	405	435	490	550	580	610	53	For households of 2 or more with member over 60, $3,000; $1,500 others.[3]
Pennsylvania:[1] FD-FS	150	220	265	315	360	390	435	480	525	570	45	$1,000 for 1; $1,500 for 2 or more.
Puerto Rico: FD	Only PA and public health outpatients eligible										----------	P/A Standards.[1]
Rhode Island:[1] FS	170	222	293	360	427	493	547	600	653	706	53	See footnote 1.
South Carolina:[1] FS	170	222	293	360	427	493	547	600	653	706	53	Do.
SouthDakota:												
FD	175	225	265	300	335	370	405	440	475	505	50	$1,000 for 1; $2,000 for 2; $300 for each additional person.
FS[4]	175	225	293	360	427	493	547	600	653	706	53	Do.
Tennessee:[1] FD-FS	95	130	165	200	240	275	315	350	385	420	35	$500 for 1; $1,000 for 2 and 3; $1,250 for 4 or more.
Texas:[1] FD-FS	135.	185	205	225	245	265	285	305	325	345	15	$1,800 for 1; $3,000 for 2 or more.
Utah:[1] FS	170	222	293	360	427	493	547	600	653	706	53	See footnote 1.
Vermont: FS	185	235	285	330	375	410	450	495	535	575	40	$1,000 for 1; $1,500 for 2 or more.
Virginia:[1] FD-FS	140	180	220	260	295	330	360	390	420	450	30	$800 for 1; $1,500 for 2 or more.
Virgin Island: FD	Eligibility computed on public assistance budget											P/A standards.
Washington:[7] FS-FD	195	250	315	360	427	493	547	600	653	706	53	See footnote 1.
West Virginia:[1] FS	170	222	293	360	427	493	547	600	653	706	53	Do.
Wisconsin:												
FS[4]	210	255	293	360	427	493	547	600	653	706	53	Do.
FD	210	255	285	310	355	395	430	490	530	560	40	$1,000 for 1; $2,000 for 2; $100 each additional.
Wyoming:[2 1] FD-FS	145	210	255	335	370	410	440	495	545	595	50	$1,000 for 1; $1,500 for 2 or more.

[1] States presently using the food stamp national eligibility standards in their food stamp program. National eligibility standards 48 States and the District of Columbia:

Family size	Income	Alaska	Hawaii
1	$170	$208	$193
2	222	272	254
3	293	400	373
4	360	480	467
5	427	573	460
6	493	667	640
7	547	733	707
8	600	800	773
Over 8. For each additional member	+53	+67	+67

Allowable liquid assets for all States:

1. $3,000 for all households with 2 or more members, which includes at least 1 member age 60 or over.
2. $1,500 for all other households.

[2] Wyoming—Commodities on Indian reservation only.

[3] Plan shows income limits on an annual basis. Figures shown here are on a monthly basis, rounded to the nearest dollar.

[4] States implementing the new food stamp regulations, but maintaining their income exclusion scales for those households sizes that already exceeded the national elegibility standards.

[5] 11—$420; 12—$440; 13—$465 or over.

[6] $397 for 11; $30 for each additional.

[7] Dual operation of the food stamp and food distribution programs in King, Pierce, and Snohomish Counties, Wash.

TABLE 2.—FAMILY FOOD DISTRIBUTION PROGRAM, JUNE 1972

	1972	
	June	May
States	34	34
Counties:		
Full	931	944
Partial	57	57
Cities	29	29
Indian agencies	29	29
Less: Duplicated counties with cities/Indian agencies	−56	−56
Total participating administrative units in United States	990	1,003
Outlying areas	4	4
Distribution points	102	102
Grand total participating administrative units (38)	1,092	1,105
Participation:		
United States (thousands)	2,478	2,567
Public assistance (thousands)	1,406	1,429
Percent public assistance of total U.S. recipients	57	56
Nonpublic assistance (thousands)	1,072	1,138
Outlying areas (thousands)	542	547
Public assistance (thousands)	419	425
Percent public assistance of total outlying recipients	77	78
Nonpublic assistance (thousands)	123	122
Grand total participation (thousands)	3,020	3,114

TABLE 3.—SCOPE AND PARTICIPATION: BY STATE, JUNE 1972

State [1]	Recipients (number of persons)					Participating units (number of)		
	Total		Percent change	Public assistance	Nonpublic assistance	Counties [1]		Indian agencies
	June	May				Full	Partial	
Alabama (67)	233,443	235,071	−1	88,989	144,454	45		
Arizona (14)	43,740	54,994	−20	17,009	26,731	6	[2] 1	1
California (58)	*271,989	278,150	−2	*199,642	*72,347	22	[2] 1	2
Delaware (3)	24,483	24,676	−1	19,346	5,137	3		
Georgia (159)	120,052	121,988	−2	79,480	40,572	36		
Idaho (44)	16,729	17,840	−6	10,732	5,997	26	[2] 1	2
Indiana (92)	49,345	50,219	−2	16,777	32,568	57		
Kansas (105)	38,896	39,714	−2	34,278	4,618	18		
Kentucky (120)	49,050	50,408	−3	16,287	32,763	46		
Louisiana (64)	*11,986	11,986		*6,480	*5,506	3		
Maine (16)	75,541	81,194	−7	33,407	42,134	9	6	
Massachusetts (14)	*262,398	262,398		*188,603	*73,795	[3] 6	[3] 5	
Michigan (83)	14,753	19,486	−24	7,747	7,006	11		
Minnesota (87)	15,243	16,186	−6	7,141	8,102	18	[2] 2	1
Mississippi (82)	58,399	66,551	−12	21,140	37,259	21	[2] 1	1
Missouri (115)	161,252	181,971	−11	76,649	84,603	104		
Montana (56)	*15,332	15,332		*4,208	*11,124	4	[4] 13	6
Navajo Nation (3)	37,092	28,248	31	17,572	19,520			4
Nebraska (93)	1,274	1,265	1	611	663	1		
Nevada (17)	12,235	12,035	2	8,988	3,247	17		
New Hampshire (10)	*26,699	26,699		11,416	*15,283	8	2	
New Mexico (32)	15,541	16,765	−7	7,644	7,897	3		
North Carolina (100)	96,207	95,287	1	48,302	47,905	44		
North Dakota (53)	12,136	11,863	2	6,045	6,091	4	[2] 8	4
Oklahoma (77)	224,780	228,101	−1	152,597	72,183	76		
Oregon (36)	40,702	42,621	−5	16,351	24,351	24		
Pennsylvania (67)	1,474	9,377	−84	527	947	2		
South Dakota (67)	18,055	17,418	4	8,894	9,161	[5] 5	[2] 13	6
Tennessee (95)	15,128	14,978	1	6,502	8,626	8		
Texas (254)	399,090	416,578	−4	238,169	160,921	224		
Virginia (133)	52,803	53,738	−2	16,096	36,707	51		
Washington (39)	11,780	12,144	−3	7,772	4,008	3		
Wisconsin (72)	49,738	50,225	−1	30,778	18,960	26	[2] 2	1
Wyoming (23)	1,555	1,500	4	278	1,277		[2] 2	1
U.S. total (2,350)	*2,478,920	2,567,006	−3	1,406,457	1,072,463	931	57	29

See footnotes at end of table.

TABLE 3.—SCOPE AND PARTICIPATION: BY STATE, JUNE 1972—Continued

State [1]	Recipients (number of persons)					Participating units (number of)		
	Total		Percent change	Public assistance	Nonpublic assistance	Counties [1]		Indian agencies
	June	May				Full	Partial	
Outlying areas:								
Guam (7)	*3,160	3,992	2	*2,542	*618	5		
Puerto Rico (77)	528,106	*533,127	−1	413,318	114,788	85		
Trust territories (7)	2,827	2,537	11		2,827	4		
Virgin Islands (3)	*7,934	7,934		*3,563	*4,371	8		
Total (94)	*542,027	*546,690	−1	*419,423	*122,604	102		
Region: [1]								
Northeast (5)	*390,595	404,344	−3	*253,299	*137,296	28	13	
Southeast (10)	*1,161,122	*1,179,082	−2	*693,677	*467,445	344	1	1
Midwest (8)	321,796	348,633	−8	154,642	167,154	226	25	12
Southwest (6)	*727,385	741,392	−2	*456,740	*270,645	324		3
western (10)	*420,049	440,245	−5	*267,522	*152,527	111	18	12
Grand total (39)	*3,020,497	*3,113,696	−3	*1,825,880	*1,195,067	1,033	57	29

*Estimate.

[1] Number of countries in State; that is, Parish in Louisiana, election district in Alaska, distribution points in the Navajo Nation and outlying areas, which may outnumber county equivalent.

[2] Also shown under Indian Agencies (total: 31).

[3] There are distribution points (Massachusetts cities/towns) in 11 counties operating a FD program either full or partially. 16 of the distribution points operate fully in 6 counties: Berkshire (2); Essex (5); Franklin (1); Hampden (4); Hampshire (1) and Worcester (3). The remaining 13 distribution points operate a partial program in 5 counties: Bristol (3); Middlesex (4); Norfolk (1); Plymouth (2) and Suffolk (1).

[4] Includes 10 counties also shown as 6 Indian agencies and 3 counties receiving distribution partially from fully participating Roosevelt County.

[5] Includes Shannon County, S. Dak., which receives distribution from Pine Ridge Indian Agency.

Note: The sum of counties in footnotes [2] through [5] (56 counties) require subtraction to avoid duplication in arriving at total administrative units.

TABLE 4.—NUMBER OF ADMINISTRATIVE UNITS (COUNTIES, CITIES, INDIAN AGENCIES AND OUTLYING AREA) DISTRIBUTING SPECIFIC FOODS

1. Potatoes, dehydrated	1,090
2. Meat and poultry	[1] 1,088
Meat, luncheon	1,079
Pork, W/NJ	1,020
Poultry, boned	490
Beef, W/NJ	122
3. Juice, canned	[1] 1,087
Apple	838
Grape	526
Tomato	335
Fruit nectar	273
Orange	74
4. Vegetables, canned	[1] 1,087
Corn	816
Green beans	586
Peas	559
Tomatoes	461
Potatoes, sweet	73
5. Flour	1,087
6. Milk, evaporated	1,081
7. Egg mix	1,079
8. Rice	1,075
9. Prunes, dried	1,072
10. Cereal	[1] 1,067
Oats rolled	1,042
Corn grits	517
Farina	296
Wheat rolled	296
Instant rice cereal	204
11. Cheese	1,063
12. Macaroni	1,063
13. Peanut butter	1,062
14. Butter	1,061
15. Shortening, vegetable	1,032
16. Corn meal	1,017
17. Syrup, corn	990
18. Beans, dry	943
19. Milk, instant	777
20. Milk, nonfat dry	497
21. Peas, dry, split	387
22. Peaches, canned	347
23. Lard/shortening	170
24. Bulgur	166
25. Raisins	155
26. Lentils	124
27. Milk, dry whole	103
28. Applesauce	89
29. Infant formula	58

Note: Number of administrative units distributing 1 or more commodities within food group. Recipients can receive only 1 can per person from each food group.

[1] Estimated.

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.

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.—Closed-ended 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 cash grants for food assistance (from directly appropriated funds) are apportioned among the States according to a formula which takes into consideration two factors: (1) The participation rate in the program for the State for the previous year; and (2) the relationship of the State's per capita income to the Nation's per capita assistance. Section 32 funds are being used to supplement general cash grants to guarantee a statewide average of 6 cents per 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 year beginning July 1, 1972, State revenues (other than revenues derived from the program) appropriated or specifically reserved and used for program purposes, shall constitute at least 4 percent of the matching requirement. For each of the two succeeding fiscal years, 1973 and 1974, such requirement will be increased to 6 percent; for 1975 and 1976, such requirement will be increased to 8 percent; and for each fiscal year thereafter at least 10 percent from State revenues shall be specifically appropriated for such matching requirement.

Directly appropriated Federal funds made available for special cash assistance (that is, the 1962 "Special Assistance Clause" amendment) for any fiscal year shall be apportioned to each State in the following manner: The amount apportioned to each State shall bear the same ratio as the number of children in such State age 3 to 17, inclusive, in households with incomes less than $4,000 per annum bears to the total number of such children in all such States. Section 32 funds are used to supplement special cash assistance funds to guarantee to each school for each free lunch served to a needy child an amount which, at a minimum, is the lesser of (a) 40 cents, or (b) the amount needed, in addition to the general cash assistance reimbursement received, to meet the cost to the school for providing the lunch. Each reduced-price lunch served to a needy child is reimbursed at this level except the highest charge to a student for a reduced-price lunch shall be deducted. (The student charge for a reduced-price lunch cannot exceed 20 cents.)

In addition, program regulations include authority for the State educational agencies to assign rates of reimbursement above these levels (up to 60 cents per lunch) for especially needy schools. Schools are also provided with donated food through the food distribution program.

Costs

		Number of children	
Fiscal year	*Federal payments to States (in thousands)*	*Total in lunch program*	*Free or reduced prices*
1971	$535, 000	23, 700, 000	6, 200, 000
Estimated 1972	797, 000	25, 200, 000	7, 900, 000
Estimated 1973	861, 500	27, 500, 000	8, 400, 000

The program in January 1972 was available in 82,431 schools out of a total number of 107,957 schools. See supplement for information regarding the commodity procurement program.

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 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 incomes poverty guidelines prescribed by the Secretary of Agriculture is eligible. Also, any child who attends a school which provides free or reduced-price lunches to those children who would not be eligible for such lunches under minimum criteria, but receives it free or at a reduced price because the school's poverty guidelines are higher than those set by Federal regulations is eligible for the program.

(In providing free or reduced-price lunches to children meeting the eligibility standards for such lunches, school food authorities must give first priority to providing free lunches to the neediest children in the schools under their jurisdiction. In some jurisdictions children in families receiving AFDC benefits are automatically eligible for free or reduced-price lunches.)

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. The maximum allowable yearly income for a four-member household is $4,110. (The standards are uniform except for Alaska and Hawaii.)

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, investments, 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
Sources of income:		
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.—In 1971 the average lunch cost 68.3 cents. The Federal contribution per lunch totaled 21.1 cents of which 13.9 cents was cash and 7.2 cents represented the Federal cost of donated food. The average cost of the lunch to participating nonneedy children was approximately 35 cents. Nonneedy children benefit from the donated food (7.2 cents per meal) and Federal cash contribution of 5.9 cents per meal. The average Federal cash contribution for free and reduced price lunches to needy children was 30.8 cents.

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. (See supplement for description of other child nutrition programs.)

SUPPLEMENTARY MATERIAL

NATIONAL SCHOOL LUNCH PROGRAM AND OTHER CHILD NUTRITION PROGRAMS

Other child nutrition programs for which Federal funds are provided include the school breakfast program and the nonschool food 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 92–32, approved June 30, 1971, extended the breakfast program through 1973.

Funds are apportioned to States by a statutory formula. While the basic payments are limited to food assistance, in circumstances of severe need, financial assistance may be authorized up to 100 percent of the need for additional assistance.

The program is operated in schools drawing attendance from areas in which poor economic conditions exist and where a substantial portion of the children enrolled travel long distances. In fiscal year 1971, an average of 756,000 children were served 123 million breakfasts in 6,562 schools. About 76 percent of the breakfasts were served free or at token charges to children. In fiscal year 1972 it is estimated that a daily average of 1,275,000 children will participate.

Nonschool food program.—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 92–32, approved June 30, 1971, extended the nonschool food program through 1973. 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.

In fiscal year 1971, 107.5 million meals were served to a peak of 573,000 children in the 1970 summer programs and 224,000 children on a year-round basis. At an average cost of about 40 cents per child per day, it is estimated that this program will reach about 1.3 million children in fiscal year 1972. With each child receiving an average of approximately two meals per day, it is expected that about 197.5 million meals will be consumed.

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 insitutions.

Protein items of chicken and meat accounted for about two-thirds of the purchases in fiscal year 1971. The remaining one-third consisted of fruits and vegetables. In fiscal year 1972 frozen ground beef, chicken, and fruits and vegetables are being purchased.

Commodities acquired under price support and surplus removal programs are also available to schools and child-care institutions. The volume of surplus commodities distributed depends upon market conditions.

Costs

Fiscal year	*Federal payments to States*	*Number of children*
School breakfast:		
1971	$20, 200, 000	756, 000
Estimated 1972	31, 000, 000	1, 275, 000
Estimated 1973	33, 000, 000	1, 375, 000
Nonschool food assistance:		
1971	21, 000, 000	797. 000
Estimated 1972	49, 000, 000	1, 300, 000
Estimated 1973	49, 000, 000	1, 300, 000
	Value of food commodities	
Commodity procurement:		
1971	$279, 200, 000	
Estimated 1972	311, 600, 000	
Estimated 1973	313, 700, 000	

OTHER FEDERAL INCOME TRANSFER PROGRAMS

83-361 O—72——20

PROGRAMS FOR PUBLIC EMPLOYEES

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; in fiscal year 1972, an estimated $3,413,373,000 were paid to 1,058,000 annuitants; and in fiscal year 1973, an estimated $3,931 million will be paid to 1,123,000 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.

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 indviduals. 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.

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 1971, 111,852 new cases were received and 25,149 cases were compensated on the periodic payrolls. The benefits paid in fiscal year 1971 amounted to $163,214,939.

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. 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 $300 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 45 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 Compensation and Unemployment Provisions

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.

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 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 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 Serv-ice	Average Annual Salary (Highest 3 Consecutive Years)																								Years of Serv-ice
		$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	158	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	408	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	656	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	316	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	408	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	398	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	1,076	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	308	366	423	480	537	594	652	709	766	823	880	938	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 weeks 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, 45 percent;
2. To the widow or widower, if there is a child, 40 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 payable 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

The military retirement program provides protection against loss of income due to retirement to members of the Armed Forces and their families. Enacted piecemeal over the past 200 years, the present law was reenacted in 1956. The retirement pay programs are administered separately by each service branch and funded by general Federal appropriations for direct payments to beneficiaries. No direct employee contribution is made. In fiscal year 1971, $3.4 billion was paid for 806,139 beneficiaries. For fiscal year 1972, the estimates are $3.8 billion for 872,221 beneficiaries, and for fiscal year 1973, $4.3 billion for 937,012 beneficiaries.

Three major eligibility conditions exist: (1) Disability incurred during active service; (2) age or length of service; or (3) eligibility for annuity payments (survivors of retired servicemen).

When retirement is based on disability, the member must be a member of the armed services on active duty under orders providing for active duty of more than 30 days, and the Secretary of the service concerned must also determine that he is unfit to perform his assigned or prospective duties because of disability incurred on active duty. Such a person must have had at least 20 years of service, or, if he is at least 30 percent disabled, he may still qualify if:

He has at least 8 years of service;[1] or

The disability is the proximate result of performing active duty; or

The disability was incurred in the line of duty during time of war or national emergency.[1]

Where the member is under orders providing for active duty of 30 days or less, the same conditions for retirement pertain except that the disability must result from injury.

When the disabling condition has not stabilized and the person is otherwise entitled, his name is placed on the temporary disability retired list (TDRL) until (within 5 years) a permanent disposition is made of his case.

Where retirement is based on age and length of service, the general conditions are: (1) 60 years of age (with exceptions for persons in grades above major general, warrant officers, and professors at the service academies); or (2) 20 years of active service.

Persons eligible for survivor benefits under the retired serviceman's family protection plan, when that plan is elected by the member, are the surviving spouse[2] (if married at time of retirement),[3] or children (unmarried; under 18 years of age, unless incapable of self-support before age 18 and now over 18; or under 23 and a student; and who were living on the date the member retired.)

The primary determinants of amount of benefits are: (1) monthly basic pay of grade in which member is retired; (2) number of years of

[1] The 8-year clause has had no practical effect since the United States has been at war or in a state of national emergency since 1949, when the present disability law was enacted.

[2] Spouse means husband or wife; there is no dependency requirement.

[3] Or if married member was entitled to retirement pay on Nov. 1, 1953.

service or percentage of disability at date of retirement; (3) changes in the Consumer Price Index;[4] and (4) selection of annuity plan. (See supplementary material for military pay schedules).

In retirement for age or service, monthly retirement pay is an amount equal to 2½ percent of the monthly basic pay of the retired grade multiplied by the number of years of service, to a maximum of 75 percent of basic pay and a minimum of 50 percent of basic pay. Servicemen retired for disability may choose the above formula or one which provides an amount equal to their percentage of disability times the basic pay of their retired grade up to 75 percent of their basic pay. In certain instances, their retirement pay may be increased by 10 percent for extraordinary heroism.

Under the retired serviceman's family protection plan (RSFPP), if so elected by a member, from 12½ percent to 50 percent of his retirement pay is withheld. The plan provides, upon the member's death, for payments to: (1) a surviving spouse; (2) surviving children; or (3) to the surviving spouse until she remarries or dies and then to surviving children. Payments may not be less than $25 per month or 12½ percent of regular member's retirement payment, whichever is less, nor more than 50 percent of such payment.

There are no restrictions on employment other than for the armed services. However, a retired serviceman may not receive retirement pay concurrently with disability compensation paid by the Veteran's Administration unless he waives an amount of retirement pay equal to the VA compensation to which he is entitled. Widow(er)s and children may not ordinarily receive RSFPP survivor benefits if they are entitled to dependency and indemnity compensation for survivors. Servicemen may receive social security benefits concurrently with retirement pay. The basic pay of servicemen is subject to the social security payroll tax (since 1956) and, since 1968, noncontributory wage credits amounting to about $100 a month are also allowed for in-kind remuneration such as meals and quarters. Wage credits for service prior to 1957 (which were noncontributory) may not be used in determining social security benefits for servicemen whose retirement pay is based on the same period of service, except for service after 1951 if they continued in service after 1956. Servicemen may also receive any other retirement benefits, such as civil service and private benefits, to which they are entitled.

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[4] Retirement pay adjustment is triggered automatically by three changes in the Consumer Price Index (CPI), when the CPI has been 3 percent or more above the base for 3 consecutive months.

SUPPLEMENTARY MATERIAL

TABLE 1.—MILITARY PAY SCHEDULES

COMMISSIONED OFFICERS

Pay grade	Years of service computed under section 205														
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
0-10	$2,263.50	$2,343.30	$2,343.30	$2,343.30	$2,343.30	$2,433.00	$2,433.00	$2,619.60	$2,619.60	$2,807.10	$2,807.10	$2,994.60	$2,994.60	$3,000.00	$3,000.00
0-9	2,006.40	2,059.20	2,103.00	2,103.00	2,103.00	2,156.10	2,156.10	2,245.50	2,245.50	2,433.00	2,433.00	2,619.60	2,619.60	2,807.10	2,807.10
0-8	1,817.10	1,871.70	1,916.40	1,916.40	1,916.40	2,059.20	2,059.20	2,156.10	1,156.10	2,245.50	2,343.30	2,433.00	2,531.10	2,531.10	2,531.10
0-7	1,509.60	1,612.80	1,612.80	1,612.80	1,684.50	1,684.50	1,782.60	1,782.60	1,871.70	2,059.20	2,200.50	2,200.50	2,200.50	2,200.50	2,200.50
0-6	1,119.00	1,230.00	1,310.10	1,310.10	1,310.10	1,310.10	1,310.10	1,310.10	1,354.50	1,568.70	1,648.80	1,684.50	1,782.60	1,933.20	1,933.20
0-5	894.90	1,051.50	1,123.50	1,123.50	1,123.50	1,123.50	1,158.30	1,219.80	1,301.40	1,398.90	1,479.30	1,523.70	1,577.40	1,577.40	1,577.40
0-4	754.80	918.30	980.40	980.40	997.80	1,042.50	1,113.30	1,176.30	1,230.00	1,283.40	1,319.10	1,319.10	1,319.10	1,319.10	1,319.10
0-3	701.40	783.90	837.60	927.30	971.40	1,006.50	1,060.50	1,113.30	1,440.60	1,140.60	1,140.60	1,140.60	1,140.60	1,140.60	1,140.60
0-2	611.40	667.80	802.20	828.90	846.30	846.30	846.30	846.30	846.30	846.30	846.30	846.30	846.30	846.30	846.30
0-1	530.70	552.60	667.80	667.80	667.80	667.80	667.80	667.80	667.80	667.80	667.80	667.80	667.80	667.80	667.80

COMMISSIONED OFFICERS WHO HAVE BEEN CREDITED WITH OVER 4 YEARS' ACTIVE SERVICE AS ENLISTED MEMBERS

Pay grade	Years of service computed under section 205											
	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
0-3	$927.30	$971.40	$1,006.50	$1,060.50	$1,113.30	$1,158.30	$1,158.30	$1,158.30	$1,158.30	$1,158.30	$1,158.30	$1,158.30
0-2	828.90	846.30	873.00	918.30	954.00	980.40	980.40	980.40	980.40	980.40	980.40	980.40
0-1	667.80	713.10	739.80	766.20	793.20	828.90	828.90	828.90	828.90	828.90	828.90	828.90

WARRANT OFFICERS

Pay grade	Years of service computed under section 205													
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
W-4	$714.30	$766.20	$766.20	$783.90	$819.60	$855.60	$891.00	$954.00	$997.80	$1,033.50	$1,060.50	$1,095.90	$1,132.20	$1,219.80	$1,219.80
W-3	649.50	704.40	704.40	713.10	721.80	774.60	819.60	846.30	873.00	899.40	927.30	962.70	997.80	1,033.50	1,033.50
W-2	568.50	615.00	615.00	633.00	667.80	704.40	731.10	757.50	783.90	811.20	837.60	864.30	899.40	899.40	899.40
W-1	473.70	543.60	543.60	588.60	615.00	641.70	667.80	695.10	721.80	748.50	774.60	802.20	820.20	802.20	802.20

ENLISTED MEN

Pay grade	Years of sevice computed under section 205													
	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
E-9							811.50	830.10	849.00	868.20	887.40	904.80	952.80	1,045.20	1,045.20
E-8						681.00	699.90	718.50	737.40	756.30	774.30	793.50	840.00	933.60	933.60
E-7	475.50	513.00	531.90	550.50	569.70	587.70	606.30	625.50	653.70	672.00	690.60	699.90	746.70	840.00	840.00
E-6	410.40	447.90	466.50	485.70	504.30	522.60	541.50	569.50	587.70	606.30	615.90	615.90	615.90	615.90	615.90
E-5	360.60	392.40	411.30	429.30	457.50	476.10	495.00	513.00	522.60	522.60	522.60	522.60	522.60	522.60	522.60
E-4	346.80	366.00	387.30	417.60	434.10	434.10	434.10	434.10	434.10	434.10	434.10	434.10	423.10	434.10	434.10
E-3	333.60	351.90	365.70	380.10	380.10	380.10	380.10	380.10	380.10	380.10	380.10	380.10	380.10	380.10	380.10
E-2	320.70	320.70	320.70	320.70	320.70	320.70	320.70	320.70	320.70	320.70	320.70	320.70	320.70	320.70	320.70
E-1	288.00	288.00	288.00	288.00	288.00	288.00	288.00	288.00	288.00	288.00	288.00	288.00	288.00	288.00	288.00

STATE AND LOCAL PROGRAMS

83-361—72——21

STATE AND LOCAL GOVERNMENT EMPLOYEE RETIREMENT PROGRAMS

Three quarters of all persons employed by States or localities are covered under general or special retirement systems. Although the plans vary considerably in their eligibility and benefit provisions, most of them require both employee and employer contributions. Approximately 7-million employees are covered by such plans which paid out \$3.3 billion in benefits in 1970 to 1.3 million beneficiaries (see table 1).

Retirement is generally permitted because of disability and advanced age. Persons retiring before age 60 or 65 and persons wishing to provide survivor's 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 OASDHI. 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 (OASDHI), or both systems. More than half of all full-time State and local employees are covered by both systems.

TABLE 1.—BENEFITS AND BENEFICIARIES UNDER STATE AND LOCAL RETIREMENT SYSTEMS, BY RISK, 1971[1]

	Total	Age and service	Disability	Survivor	
				Monthly	Lump sum
Benefits (in thousands)	\$3,775,000	\$3,020,000	\$352,000	\$248,000	\$155,000
Beneficiaries as of June 30, 1970	1,383,000	1,145,000	103,000	135,000	

[1] Preliminary estimates by Social Security Administration from Census of Governments data for fiscal years.

STATE WORKMEN'S COMPENSATION PROGRAMS[1] AND TEMPORARY DISABILITY PROGRAMS

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 operate without Federal legislative, financial, or administrative responsibility. Programs generally are administered by State departments of labor or independent workmen's compensation programs.

Workmen's compensation laws are financed almost entirely by employers. In 1970, the cost of workmen's compensation amounted to 1.13 percent of covered payroll, including Federal employee compensation provisions.[2] An individual employer's cost varies with the degree of risk involved in his industrial classification, the level of benefits provided in his State, and the method of insurance (that is, through an exclusive or competitive State fund, through a commercial carrier, or through carrying his own risk). A total of $2.9 billion in compensation payments and medical and hospitalization expenses was paid out in 1970. This represented a 59-percent payout of the $4.9 billion cost to employers (see table 1).

[1] For a more complete description, see "Social Security Programs in the United States," Department of Health, Education and Welfare, Social Security Administration, April 1971, Pub. No. (SSA) 72-11902.

[2] All data here includes the Federal employees compensation programs.

TABLE 1.—WORKMEN'S COMPENSATION COVERAGE, BENEFITS, AND COSTS, 1940, 1946, AND 1948–70 [1]

Calendar year	Ranges in estimated number of workers covered per month (in millions)	Benefits paid during year (in millions)						Percent of covered payroll	
		Total	Type of insurance			Type of benefit			
			Insurance losses paid by private carriers [2]	State fund disbursements [3]	Employers' self-insurance payments [4]	Medical and hospitalization	Compensation payments	Cost of workmen's compensation [5]	Benefits
1940	24.2–25.0	$256	$135	$73	$48	$95	$161	1.19	0.72
1946	32.2–33.2	434	270	96	68	140	294	.91	.54
1948	35.6–36.3	534	335	121	78	175	359	.96	.51
1949	34.9–35.7	566	353	132	81	185	381	.98	.55
1950	36.5–37.2	615	381	149	85	200	415	.89	.54
1951	38.3–39.0	709	444	170	94	233	476	.90	.54
1952	39.1–39.7	785	491	193	101	260	525	.94	.55
1953	40.4–41.0	841	524	210	107	280	561	.97	.55
1954	39.5–40.0	876	540	225	110	308	568	.98	.57
1955	41.2–41.6	916	563	238	115	325	591	.91	.55
1956	42.8–43.1	1,002	618	259	125	350	652	.92	.55
1957	43.2–43.4	1,062	661	271	130	360	702	.91	.56
1958	42.4–42.6	1,112	694	285	132	375	737	.91	.58
1959	43.9–44.1	1,210	753	316	141	410	800	.89	.58
1960	44.8–45.0	1,295	810	325	160	435	860	.93	.59
1961	44.9–45.1	1,374	851	347	176	460	914	.95	.61
1962	46.1–46.3	1,489	924	371	194	495	994	.96	.62
1963	47.2–47.4	1,582	988	388	207	525	1,057	.99	.62
1964	48.6–48.9	1,707	1,070	412	226	565	1,142	1.00	.63
1965	50.6–50.9	1,814	1,124	445	244	600	1,214	1.00	.62
1966	53.5–53.8	2,000	1,239	486	275	680	1,320	1.02	.62
1967	54.9–55.1	2,189	1,363	524	303	750	1,439	1.07	.64
1968	56.7–56.9	2,369	1,482	557	331	830	1,539	1.07	.63
1969	58.8–59.0	2,624	1,641	607	376	920	1,704	1.07	.63
1970	58.8–59.0	2,927	1,844	669	414	1,050	1,877	1.13	.68

[1] Data include Alaska and Hawaii beginning with 1959.

[2] Net cash and medical benefits paid during calendar year by private insurance companies under standard workmen's compensation policies.

[3] Net cash and medical benefits paid by competitive and exclusive State funds and by Federal workmen's compensation programs.

[4] Cash and medical benefits paid by self-insurers, plus value of medical benefits paid by employers carrying workmen's compensation policies that exclude standard medical coverage.

[5] Premiums written by private carriers and State funds, and benefits paid by self-insurers increased by 5 to 10 percent to allow for administrative costs. Also includes benefits paid and administrative costs of Federal system for government employees.

About 60 million employees, more than four-fifths of employed wage and salary workers, were covered in December 1969 by State and Federal workmen's compensation laws. Since State laws vary considerably in terms of coverage and benefits, the list of excluded workers varies among States. Agricultural and domestic workers and casual laborers are commonly excluded, however, and there are generally exemptions for employers with fewer than a specified number of employees. 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.

Benefits may be paid for temporary and permanent total disability, permanent and partial disability, and death of the employee. Benefits are usually calculated as a percentage of weekly earnings at the time of the accident or death, ranging from 60 to 66⅔ percent, plus, in some States, additional payments for dependents. These percentages, however, are often reduced by waiting periods and by maximums on the weekly benefits, total payouts, and number of weeks for which benefits paid be paid (see table 2). These maximum benefit provisions have not kept pace with rising wages, prompting 10 States to adopt automatic adjustments in the maximum based on increases in the State's average wage.

TABLE 2.—MINIMUM AND MAXIMUM BENEFITS FOR TEMPORARY TOTAL DISABILITY UNDER WORKMEN'S COMPENSATION LAWS, JAN. 1, 1971

State	Maximum percentage of wages	Maximum period	Payments per week: Minimum	Payments per week: Maximum	Total maximum stated in law
Alabama	[1] 55-65	400 weeks	$15, or average wage if less	$50	$20,000.
Alaska	65	Duration of disability	$25, or average wage if less	$127	$20,000.
Arizona	65	433 weeks	$30 if worker is 21 years of age, or over, plus $2.30 for total dependents.	$150, plus $2.30 for total dependents.	
Arkansas	65	450 weeks	$10	$49	$19,500.
California	[2] 61¾	240 weeks	$25	$87.50	$15,200.64.
Colorado	66⅔	Duration of disability	$13	$59.50 [3]	([3]).
Connecticut	66⅔	do	$20	60 percent of State's "average production wage" ($84 to $126).[1]	
Delaware	66⅔	do	$25, or actual wage if less	$75.	
District of Columbia	66⅔	do	$18, or average wage if less	$70	$24,000.
Florida	60	350 weeks	$12, or actual wage if less	$56.	
Georgia	60	400 weeks	$15, or actual wage if less	$50	$18,000.
Hawaii	66⅔	Duration of disability	$18, or average wage if less	$112.50	$35,100.
Idaho	[1] 60	400 weeks;[4] thereafter $26 per week ($33 if dependent wife), plus $8 to $48 for children, for duration of disability.	$26 ($33 if dependent wife) to $81 [1]	$43 to $99 [1] (see col. 3).	
Illinois	[1] 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 [1]	$74 to $91.[1] After first 64 weeks reduced to $59 to $71.	$18,000 to $25,200.
Indiana	60	500 weeks	$21	$57	$25,000.
Iowa	66⅔	300 weeks	$18, or actual wage if less	50 percent of State's average weekly wage, ($61).	
Kansas	60	415 weeks	$7	$56	$23,240.
Kentucky	66⅔	425 weeks [4]	25 percent of 85 percent of the State's average weekly wage ($24).	55 percent of 85 percent of the State's average weekly wage ($52).	
Louisiana	65	300 weeks	$12.50, or actual wage if less	$49.	
Maine	66⅔	Duration of disability	$18	⅔ of State's average weekly wage ($72.92).	
Maryland	66⅔	208 weeks	$25, or actual wage if less	$55.[5]	
Massachusetts	66⅔	Duration of disability	$20, or average wage if less, but not less than $10 if normal working hours are 15 or more.	$70, plus $6 for each total dependent; aggregate not to exceed workers' average weekly wage.	$18,000 plus dependents' allowances.[6]
Michigan	66⅔	do	$27 to $42	$79 to $108.[1,7]	
Minnesota	66⅔	350 weeks	$17.50	$70.	
Mississippi	66⅔	450 weeks	$10	$40	$15,000.
Missouri	66⅔	400 weeks	$16, or actual wage if less	$63.50.	
Montana	[1] 50-66⅔	300 weeks	$39.50 (reduced by $5 after 26 weeks)	$42 to $65 [1] (reduced by $5 after 26 weeks).	
Nebraska	66⅔	300 weeks;[4] thereafter 45 percent of wages, maximum $41.00.	$35 or actual wage if less, first 300 weeks; thereafter $31, or actual wage if less.	$55 (see col. 3).	
Nevada	[1] 65-90	433 weeks	No statutory minimum	$57.75 to $79.96.[1]	
New Hampshire	66⅔	312 weeks; thereafter annual extensions in the discretion of the labor commissioner.	$20, or average wage if less	$69.	
New Jersey	66⅔	300 weeks	$15	⅔ of State's average weekly wage ($95)	

See footnotes at end of table.

TABLE 2.—MINIMUM AND MAXIMUM BENEFITS FOR TEMPORARY TOTAL DISABILITY UNDER WORKMEN'S COMPENSATION LAWS, JAN. 1, 1971—Continued

State	Maximum percentage of wages	Maximum period	Payments per week		Total maximum stated in law
			Minimum	Maximum	
New Mexico	60	500 weeks	$24 or actual wage if less	$48	$24,000.
New York	66⅔	Duration of disability	$30 or actual wage if less	$95.	
North Carolina	60	400 weeks [8]	$10	$50	$18,000. [8]
North Dakota	80	Duration of disability	Same as maximum	55 percent of State's average weekly wage, plus $5 for each dependent child ($59) but not to exceed worker's net wage after taxes.	
Ohio	66⅔	do	$25, or actual wage if less	$63 for the first 12 weeks; thereafter $56	$10,750.
Oklahoma	66⅔	300 weeks; may be extended to 500 weeks	$15, or actual wage if less	$49	
Oregon	66⅔	Duration of disability	$30, or 90 percent of actual wage if less	$60 to $80. [1]	
Pennsylvania	66⅔	do	$35, or 90 percent of actual wage if less, but in no event less than $22.	$60.	
Puerto Rico	66⅔	312 weeks	$10	$45	
Rhode Island	66⅔	Duration of disability [9]	$30	60 percent of State's average weekly wage ($70.33), plus $6 for each dependent; aggregate not to exceed worker's average weekly wage.	([9]).
South Carolina	60	500 weeks	$5	$50	$12,500.
South Dakota	55	312 weeks	$27, or average wage if less	$50	$18,800.
Tennessee	65	Duration of disability	$15, or average wage if less, but in no event less than $12.	$47	
Texas	60	401 weeks	$12	$49	
Utah	60	312 weeks	$27 to $45,[1] or actual wage if less	$47 to $65 [1]	$14,664-20,280.[1]
Vermont	66⅔	330 weeks [4]	¼ of State's "average weekly wage" ($31), plus $3.50 for each dependent child under 21, or average wage is less.	½ of State's "average weekly wage" ($61), plus $3.50 for each dependent child under 21.	

Virginia	60	500 weeks	$14	$62	
Washington		Duration of disability	Same as maximum	$42.69 to $81.23.[1]	$24,800.
West Virginia	66⅔	208 weeks	$26	50 percent of State's average weekly wage ($65.50).	
Wisconsin	70	Duration of disability	$8.75	$79	
Wyoming	66⅔	do	$33.46 to $49.62 [1]	$43.85 to $63.46 [1]	
United States:					
Federal employees	[1] 66⅔–75	do	$66.65 [10] or actual wage if less	$429.12 [10]	
Longshoremen	66⅔	do	$18, or average wage if less	$70	$24,000.

[1] According to number of dependents. In Idaho, Oregon, 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 of the basic weekly benefit.

[2] The California law provides for 65 percent of 95 percent of actual earnings, or 61¾ percent.

[3] Colorado: If periodic disability benefits are payable to the worker under the Federal OASDHI, the workmen's compensation weekly benefits shall be reduced (but not below zero) by an amount approximating one-half 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. Colorado does not limit total maximum for disability from accidental injury, except that if payable in lump sum, maximum is $18,623.50.

[4] If total disability begins after a period of partial disability, the period of partial disability is deducted from the specified period for temporary total.

[5] Maryland: ⅔ of wage not to exceed $55 per week for 1st 42 days of temporary disability. After 42 days ⅔ of wage not to exceed ⅔ of State's average weekly wage ($85.68 as of Jan. 1, 1971). Maximum limit for 208 weeks.

[6] Massachusetts: Total maximum $18,000 for temporary total and permanent partial disability.

[7] Michigan: The maximum benefit 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.

[8] North Carolina: The 400 weeks and $18,000 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.

[9] Rhode Island: After 500 weeks, or after $32,500 has been paid, payments to be made from second-injury fund for period of disability.

[10] Federal employees: Based on 75 percent of the pay of specified grade levels in the Federal civil service.

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In addition to cash payments, various amounts of medical and hospital bills are paid for disabled workers, funeral and death benefits are provided to the worker's survivors, and 36 laws provide for vocational rehabilitation.

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 four State TDI programs are financed in part or wholly by worker contributions. A total of $656 million in medical cash benefits was paid in 1969. A summary of the principal eligibility and benefit provisions of these provisions is found in table 3.

TABLE 3.—SUMMARY OF STATE TEMPORARY DISABILITY INSURANCE PROGRAMS [1]

Provision as of January 1	California	New Jersey	New York	Rhode Island
Coverage by number of employees in firm:				
1951	1 or more	4 or more	4 or more	4 or more
1969	1 or more	1 or more	1 or more	1 or more
Weekly benefit amount provided by formula as percent of worker's wage:				
1951	65–57	59	50	65
1969	62–57	66⅔	50	55
Minimum and maximum weekly benefit amount:				
1951	$10–$25	$10–$26	$10–$26	$10–$25
1969	$25–$87	$10–$65	$20–$65	$12–$53
Duration of benefits—minimum and maximum (weeks):				
1951	+12–26	10–26	13	+5–26
1969	6–26	+8–26	26	12–26
Taxable maximum wages per year:				
1951	$3,000	$3,000	$60 per week	$3,000
1969	$7,400	$3,600	$60 per week	$4,800

[1] Data for Hawaii not available (program enacted in 1969).

TABLE 4.—CALIFORNIA STATE-OPERATED FUND FOR TEMPORARY DISABILITY INSURANCE, 1946–69

Calendar year	Average monthly covered employment (in thousands)	Net taxable payrolls [1] (in millions)	Average weekly number of basic beneficiaries [2]	Average weekly basic benefit amount [2]	Average basic duration (weeks) per period paid [2]
1946	(3)	(3)	(3)	(3)	(3)
1947	2,001.1	$4,876	15,462	$18.99	9.0
1948	1,808.2	4,497	17,809	21.10	9.3
1949	1,427.8	3,503	18,858	22.78	10.2
1950	1,335.5	3,331	19,535	22.74	10.4
1951	1,336.2	3,441	19,132	22.67	1.01
1952	1,431.6	3,751	19,961	24.27	9.6
1953	1,535.3	4,064	21,450	25.95	9.6
1954	1,663.2	4,468	24,944	28.61	9.7
1955	1,809.1	4,900	25,154	30.38	9.5
1956	1,944.7	5,397	25,868	32.18	9.0
1957	2,004.6	5,596	29,528	34.09	8.9
1958	2,081.1	6,635	34,567	37.13	8.6
1959	2,286.7	7,384	36,030	39.30	8.7
1960	2,608.6	8,591	39,832	43.59	8.1
1961	2,851.5	9,461	46,474	46.64	8.3
1962	3,397.0	12,235	49,893	48.44	7.9
1963	4,134.2	16.537	59,068	50.85	7.7
1964	4,259.3	18,348	65,024	52.67	7.8
1965	4,424.4	23,018	65,979	53.80	7.9
1966	4,659.7	24,628	65,363	55.25	7.4
1967	4,771.6	25,588	67,888	56.54	7.5
1968	4,988.2	27,473	71,539	57.81	7.6
1969	5,227.1	29,356	74,776	61.86	7.5

[1] Net of wages on which refunds for overpayments were claimed.
[2] For periods terminating in given year.
[3] Not available.

TABLE 5.—CALIFORNIA STATE-OPERATED FUND FOR TEMPORARY DISABILITY INSURANCE, 1946–69

Calendar year	Gross benefits paid [1]			Net worker contributions received	Administrative expenditures		
	Total [2]	Basic [2]	Hospital		Total	State plan	Assessments on private plans [3]
1946	(4)	(4)	0	[5] $29,005,284	$228,257	$228,257	0
1947	$15,267,016	$15,267,016	0	51,512,181	1,787,793	1,787,793	0
1948	19,538,070	19,538,070	0	46,254,703	2,146,967	2,083,138	$63,829
1949	22,338,139	22,338,139	0	36,586,503	2,507,938	2,269,311	238,627
1950	25,275,830	23,095,356	$2,180,464	32,981,125	2,229,008	1,902,412	326,596
1951	25,220,755	22,557,307	2,663,448	34,147,148	2,591,340	1,511,368	1,079,972
1952	28,418,018	25,193,306	3,224,712	36,368,101	3,032,983	2,208,445	824,538
1953	32,547,245	28,939,309	3,607,936	40,142,502	3,209,550	2,402,703	806,847
1954	42,330,970	37,106,810	5,224,160	43,765,832	3,228,690	2,995,516	233,174
1955	45,755,330	39,736,015	6,019,315	47,911,795	3,410,312	2,326,798	1,083,514
1956	50,243,340	43,291,080	6,952,350	52,749,529	3,928,899	3,399,721	529,178
1957	60,415,330	52,338,280	8,077,050	54,964,206	4,057,174	4,057,174	0
1958	79,448,701	66,748,933	12,699,768	61,697,779	4,206,191	4,206,191	0
1959	88,631,295	73,630,875	15,000,420	71,406,499	5,157,210	5,157,210	0
1960	107,748,358	90,296,626	17,451,732	84,206,258	5,498,626	5,498,626	0
1961	133,752,635	112,709,999	21,042,636	91,120,819	5,946,859	5,946,859	0
1962	148,724,616	125,677,152	23,047,464	117,558,691	7,279,929	7,259,987	19,942
1963	184,119,528	156,175,272	27,944,256	159,234,194	8,457,471	7,877,137	580,334
1964	208,022,970	178,099,206	29,923,764	179,888,955	9,090,214	8,646,297	443,917
1965	214,286,005	184,578,025	29,707,980	227,637,029	9,793,228	9,568,227	225,001
1966	217,705,505	187,802,645	29,902,860	249,451,575	10,398,011	10,194,138	203,873
1967	229,519,200	199,599,108	29,920,092	257,780,403	10,761,847	10,528,374	233,473
1968	245,543,467	215,036,659	30,506,808	277,137,234	11,351,676	11,172,873	178,803
1969	271,933,912	240,524,464	31,409,448	307,744,151	11,684,447	11,513,421	171,026

1 For periods terminating in given year.
2 Cash income-maintenance payments first payable Dec. 1, 1946.
3 Amount assessed private plans to pay for the added cost of administration.
4 Not available.
5 May 21–December 31.

TABLE 6.—CALIFORNIA PRIVATE PLANS FOR TEMPORARY DISABILITY INSURANCE, 1947–69

Calendar year	Average monthly covered employment (in thousands)	Net taxable payrolls (in millions) [1]	Average weekly number of basic beneficiaries (in thousands)	Average weekly basic benefit amount [2]	Average basic duration (weeks) per period paid [2]	Gross benefits paid [2]		
						Total	Basic	Hospital
1947	458.5	$1,296	2,826	$27.29	4.1	$4,010,413	$4,010,413	0
1948	708.0	1,985	6,778	26.44	5.4	9,320,234	9,320,234	0
1949	990.8	2,780	9,702	28.10	5.9	14,178,406	14,178,406	0
1950	1,189.5	3,362	13,006	29.08	6.5	21,775,153	19,669,114	$2,106,039
1951	1,426.3	4,172	17,193	29.44	6.0	29,767,915	26,317,666	3,450,249
1952	1,507.5	4,561	18,593	30.84	6.1	33,849,947	29,813,759	4,036,188
1953	1,539.1	4,761	20,282	31.94	6.0	38,215,834	33,687,514	4,528,320
1954	1,394.1	4,301	17,527	34.00	6.2	36,114,610	30,984,860	5,129,750
1955	1,447.2	4,578	15,581	36.00	5.7	34,754,490	29,170,005	5,584,485
1956	1,535.9	4,896	15,812	38.69	5.4	38,077,525	31,815,315	6,262,210
1957	1,586.6	5,113	16,815	40.39	5.1	42,082,120	35,312,595	6,769,525
1958	1,430.2	5,290	16,529	45.32	5.1	47,479,454	38,956,287	8,523,167
1959	1,465.3	5,535	15,243	49.43	4.6	48,056,491	39,176,951	8,879,540
1960	1,224.1	4,678	13,529	55.68	4.4	47,207,526	39,169,084	8,038,442
1961	1,008.4	4,191	11,475	60.15	4.6	[3] 43,181,381	[3] 35,890,289	7,291,092
1962	904.6	3,829	9,808	61.24	6.0	37,500,421	31,232,436	6,267,985
1963	318.0	1,389	4,964	66.25	7.0	20,377,174	16,845,132	3,532,042
1964	325.0	1,554	2,536	71.05	5.8	11,806,926	9,371,070	2,435,856
1965	326.3	1,894	2,662	72.27	6.0	12,543,361	10,002,254	2,541,107
1966	385.0	2,309	2,972	74.77	5.3	14,145,620	11,556,389	2,589,231
1967	405.5	2,513	3,336	74.13	5.9	15,526,503	12,857,638	2,668,865
1968	419.1	2,638	3,609	75.72	5.9	16,941,176	14,209,939	2,731,237
1969	413.7	2,672	3,842	82.00	5.5	19,634,694	16,382,326	3,252,368

1 Net of wages on which refunds for overpayments were claimed.
2 For periods terminating in given year.
3 Effective Nov. 11, 1961, self-insured employers were relieved of reporting basic laims of 7 or less days' duration when no hospital benefits were paid.

TABLE 7.—NEW JERSEY STATE-OPERATED FUND FOR TEMPORARY DISABILITY INSURANCE, 1949-69

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 [1]	Contributions collected (net)	Administrative expenditures		
								Total	State plan	Cost of supervising private plans
1949	(2)	(2)	3,290	$19.98	7.3	$3,365,483	$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
1951	403,000	930,772	4,684	22.13	8.7	5,274,653	9,546,870	990,032	595,655	394,377
1952	426,000	1,043,762	5,105	23.30	8.5	6,087,366	9,658,662	1,127,091	689,144	437,947
1953	500,183	1,273,038	6,412	26.03	8.2	8,577,993	9,184,723	1,329,347	851,861	477,486
1954	506,846	1,289,379	6,586	26.49	8.5	8,958,908	9,076,134	1,288,503	817,330	471,173
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
1956	566,623	1,516,580	7,186	30.65	8.3	11,222,669	10,447,243	1,383,071	889,234	493,837
1957	574,704	1,584,685	7,776	31.36	8.3	12,549,634	11,164,176	1,461,022	954,952	506,070
1958	569,507	1,563,967	7,096	31.47	8.2	11,437,904	11,144,393	1,239,193	748,007	491,186
1959	610,412	1,727,314	7,268	31.63	8.3	11,804,097	12,369,872	1,403,086	908,470	494,616
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
1961	666,686	1,909,547	8,241	33.14	8.2	14,083,367	13,602,198	1,489,853	906,881	582,972
1962	732,446	2,164,677	11,016	36.96	8.0	20,920,297	15,759,035	1,534,520	889,100	645,420
1963	769,975	2,272,615	11,720	37.47	7.9	22,520,030	16,750,678	1,889,315	1,208,291	681,024
1964	815,160	2,418,479	12,344	38.01	8.2	24,061,748	17,982,313	2,159,301	1,490,861	668,440
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
1966	941,512	2,837,572	13,595	39.51	8.2	27,537,544	21,650,556	2,110,160	1,406,112	704,048
1967	980,937	3,007,035	14,573	40.18	8.4	30,014,153	23,230,411	2,025,689	1,291,492	734,197
1968	1,050,335	3,694,579	16,763	49.29	8.6	42,372,659	28,351,956	2,722,960	1,944,442	778,518
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

1 Benefits first payable Jan. 1, 1949.
2 Not available.

TABLE 8.—NEW JERSEY PRIVATE PLANS FOR TEMPORARY DISABILITY INSURANCE, 1949–69

Calendar year	Average monthly covered employment	Taxable payrolls (in thousands)	Net benefits paid [1]
1949	(2)	(2)	[3] $12,300,000
1950	910,000	$2,458,604	[3] 16,600,000
1951	998,000	2,843,672	[3] 21,900,000
1952	1,010,000	2,917,247	26,223,042
1953	972,229	2,875,804	28,257,724
1954	921,516	2,771,371	24,622,044
1955	926,962	2,787,659	25,664,187
1956	953,564	2,903,980	29,029,451
1957	955,429	2,914,553	31,803,301
1958	904,483	2,787,347	30,558,409
1959	919,099	2,838,813	30,325,764
1960	920,321	2,869,593	31,493,553
1961	899,087	2,808,311	32,033,793
1962	878,807	2,734,167	32,874,113
1963	857,448	2,712,899	33,656,524
1964	841,029	2,687,306	33,131,264
1965	839,027	2,711,632	33,137,051
1966	865,021	2,821,882	34,599,416
1967	862,388	2,845,996	37,491,690
1968	853,960	3,222,883	45,609,853
1969	824,518	3,225,495	49,127,163

[1] Benefits first payable Jan. 1, 1949.
[2] Not available.
[3] More detailed information not available.

TABLE 9.—NEW YORK STATE SPECIAL FUND FOR THE UNEMPLOYED FOR TEMPORARY DISABILITY INSURANCE, 1950–69

Calendar year	Average weekly number of beneficiaries	Average weekly benefit amount	Average duration (weeks) per period paid	Net benefits paid [1]	Contributions collected [2] (assessments)	Administrative expenditures [3]
1950	167	$21.22	5.5	$92,016	0	$411,910
1951	515	20.41	7.3	546,657	0	1,541,193
1952	537	21.90	7.6	611,778	$2,257,526	1,169,223
1953	458	22.67	7.4	539,395	0	1,339,449
1954	666	23.21	7.6	803,788	0	1,356,724
1955	605	25.59	7.9	805,109	0	1,452,075
1956	569	27.30	8.0	807,225	1,414,675	1,402,685
1957	677	30.17	8.8	1,062,569	0	1,538,910
1958	1,010	32.75	8.3	1,719,611	1,416,803	1,672,673
1959	963	33.43	8.6	1,674,611	711	1,833,573
1960	907	34.26	8.3	1,616,563	2,539,371	1,791,911
1961	1,183	35.77	8.5	2,200,111	1,180,334	1,665,025
1962	971	36.29	8.4	1,831,819	0	1,763,291
1963	1,009	37.21	8.5	1,951,840	2,629,974	1,823,239
1964	1,141	38.10	9.4	2,261,075	1,042,917	1,803,853
1965	1,435	38.84	12.3	2,898,343	1,559,176	1,726,339
1966	1,239	41.72	12.3	2,686,675	1,653,079	1,713,812
1967	1,266	42.41	12.8	2,792,405	2,468,323	1,864,341
1968	1,122	44.51	12.9	2,597,414	1,771,225	1,910,466
1969	1,117	49.06	13.1	2,848,858	2,780,166	2,098,490

[1] Benefits first payable, July 1, 1950.
[2] Data for year ending Mar. 31.
[3] Includes expenses for administration of special fund for the unemployed, and for supervision of private plans.

TABLE 10.—NEW YORK PRIVATE PLANS (INCLUDING STATE INSURANCE FUND) FOR TEMPORARY DISABILITY INSURANCE, 1950–69

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 [1]		
						Total	Cash	Medical
1950	(2)	(2)	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
1952	4,609,273	11,823,227	43,526	32.10	3.8	78,769,842	72,651,329	6,118,513
1953	4,691,420	12,386,707	48,497	31.26	4.1	86,822,202	78,844,375	7,977,827
1954	4,615,522	12,342,901	43,580	34.23	4.0	85,965,934	77,580,373	8,385,561
1955	4,653,305	12,628,132	43,376	36.43	3.8	90,951,285	82,176,553	8,774,732
1956	4,777,591	13,064,919	46,441	38.12	4.0	102,900,360	92,069,438	10,830,922
1957	4,869,261	13,532,494	53,991	40.40	4.0	126,716,826	113,426,783	13,290,043
1958	4,654,445	13,143,663	51,726	43.31	4.1	131,005,254	116,503,168	14,502,086
1959	4,702,701	13,463,191	54,166	43.65	4.2	138,339,590	122,934,986	15,404,604
1960	4,796,822	13,835,847	53,933	45.82	4.2	143,845,830	128,499,489	15,346,341
1961	4,985,422	14,386,671	55,912	47.05	4.2	154,441,283	136,780,555	17,660,728
1962	5,273,383	15,065,001	58,152	47.55	4.3	160,614,436	143,787,400	16,827,036
1963	5,228,110	15,186,400	59,338	49.08	4.2	169,651,217	151,434,104	18,217,113
1964	5,278,180	15,411,640	58,504	50.15	4.2	171,375,028	152,576,199	18,798,829
1965	5,463,046	16,079,190	59,623	51.08	4.3	178,522,326	158,354,429	20,167,897
1966	5,595,902	16,548,797	60,743	52.71	4.4	187,854,404	166,496,197	21,358,207
1967	5,701,224	17,028,539	63,066	53.82	4.5	197,310,150	176,484,082	20,826,068
1968	5,732,075	17,226,905	64,259	58.86	4.2	218,734,781	196,686,223	22,048,558
1969	5,913,484	17,911,769	66,428	63.92	4.4	245,046,813	220,812,575	24,234,238

1 Benefits first payable July 1, 1950.
2 Not available.

TABLE 11.—RHODE ISLAND STATE PROGRAM FOR TEMPORARY DISABILITY INSURANCE, 1942–69

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 [1]	Contributions collected	Administrative expenses
1942	(2)	(2)	(3)	(3)	(3)	(3)	$1,584,527	$1,593
1943	250,350	$428,440,869	[4] 4,667	$16.00	7.2	$2,857,168	4,672,443	66,038
1944	233,500	424,246,603	[4] 5,951	16.69	8.1	5,034,676	4,572,384	130,111
1945	214,866	401,442,023	[4] 5,332	16.84	(2)	4,668,796	4,388,557	141,483
1946	231,090	441,678,083	[4] 5,273	16.58	(2)	4,606,211	4,896,537	153,543
1947	238,218	496,247,533	[4] 4,952	16.73	7.4	4,291,896	6,985,271	172,223
1948	240,309	541,656,038	[4] 4,865	17.01	8.0	4,315,496	5,521,596	211,737
1949	219,948	498,210,442	[4] 5,203	20.77	8.0	5,430,381	5,035,346	268,766
1950	234,431	559,666,313	5,478	21.85	8.4	6,213,065	5,373,511	293,949
1951	240,655	600,863,886	5,407	21.94	8.5	6,169,916	6,079,557	357,873
1952	236,226	607,041,659	5,306	22.60	8.7	6,222,154	5,940,408	334,156
1953	239,898	624,367,144	5,238	22.91	8.6	6,220,168	6,287,068	371,003
1954	220,932	575,656,863	4,939	23.10	8.7	5,918,141	5,730,603	336,366
1955	226,519	593,560,254	4,765	22.85	8.3	5,646,432	5,896,588	346,610
1956	241,715	696,729,855	5,369	26.41	[5] 8.5	7,286,463	6,584,019	404,146
1957	232,275	681,211,984	5,449	26.93	[5] 8.7	7,546,077	6,809,595	462,530
1958	219,887	655,260,884	5,129	27.30	[5] 7.6	7,212,778	6,442,127	542,382
1959	227,325	691,221,442	5,195	28.05	[5] 7.9	7,508,330	6,815,023	602,196
1960	229,753	703,974,853	5,383	28.58	[5] 7.8	7,921,454	7,018,203	588,668
1961	227,894	706,771,039	5,318	28.68	[5] 8.5	7,856,175	6,910,868	652,926
1962	233,580	734,362,401	5,577	29.55	7.9	8,569,691	7,314,301	692,636
1963	231,847	737,696,446	5,995	32.66	7.9	10,181,294	7,315,940	700,885
1964	235,652	764,593,611	5,951	33.59	8.1	10,393,547	8,209,582	753,912
1965	253,635	943,984,281	6,126	34.63	7.8	11,032,762	9,301,736	778,576
1966	264,987	1,009,972,725	6,568	35.51	7.8	12,128,435	10,055,996	839,950
1967	272,266	1,064,536,071	6,897	36.89	8.1	13,231,624	10,609,171	924,186
1968	275,620	1,114,926,730	7,136	38.78	8.1	14,388,238	11,096,640	988,728
1969	280,198	1,154,591,341	6,993	41.64	7.6	15,143,488	11,502,890	1,014,674

1 Benefits first payable Apr. 1, 1943.
2 Not available.
3 Not applicable.
4 Data are for uniform benefit year ending March of following year.
5 Estimated.

GENERAL ASSISTANCE (GA)

General assistance programs (also referred to as general relief, home relief, outdoor relief, emergency or direct relief) are administered and financed with various combinations of State and local government responsibility. There is no Federal legislation and no Federal financial participation in respect to these programs. Coverage, benefits, eligibility conditions, policies, and administrative methods vary considerably among the States, between counties in many States and within counties in some States. The following information is derived from "Characteristics of General Assistance in the United States," Public Assistance Report No. 39, 1970 edition, compiled by the Department of Health, Education, and Welfare, Social and Rehabilitation Service from information provided by State public assistance agencies.

Basic Program Information

Legislative objectives.—All States except one have enabling authority in State statutes for State or locally administered or financed general assistance programs. One State enacts separate legislation for each county or city which requests authority to establish a local assistance program. State legislation has developed from historical concepts of local responsibility for poor or destitute persons. With the enactment and expansion of social security and Federal-State categorical assistance programs, the general assistance programs are primarily directed toward persons with emergency needs and those who are not eligible for any of the federally assisted programs.

In 16 States, GA is limited to emergency or short term assistance; most other States also provide continuing assistance to families or individuals under specified conditions; that is, assistance may be limited to unemployable individuals or to families with no employable members, or assistance may be provided when the wage earner is unemployed; in a few States, earnings of low-income workers may be supplemented.

Date of enactment.—State statutes generally have a 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 by the State public assistance agency through local offices (the same offices which administer federally aided programs) in 18 States. In nine States the general assistance program is administered by local political jurisdictions under supervision of the State public assistance agency. In 20

States, general assistance is locally administered with no supervisory responsibility exercised by a State agency. In the remaining four States, only those local jurisdictions which receive some State funds for general assistance program operations are supervised by a State agency.

The county or an area unit of the State public assistance agency is the most common unit for administration in 40 States. In eight States, general assistance is administered by townships, towns or municipalities and three States have combinations of county or township administration units.

FINANCING.—State funds only are used in 18 States; combinations of State and local funds in 16 States; and local funds only are used in 17 States.

CASELOADS AND COSTS.—Total expenditures for general assistance benefits in 1970 amounted to $632,373,000 in maintenance assistance and $98,670,000 for medical care. Expenditures by State varied from $14,000 in Alabama to $181,878,000 in New York. A total of 549,000 individual or family units including 1,062,000 beneficiaries received maintenance assistance in December 1970.

In calendar year 1971, general assistance expenditures for maintenance assistance totaled $760,600,000. The number of individuals and family units receiving payments increased to 566,000 in December 1971 but the number of beneficiaries decreased to 982,000.

MAJOR ELIGIBILITY CRITERIA

The basic eligibility condition is need, but definitions of need vary considerably among States and often within States. Program policies vary by local jurisdictions in 28 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.

Nineteen States grant assistance only to individuals who are unemployable and to families with no employable members. Nine States provide emergency assistance without regard to employability but grant continued assistance only to unemployable applicants. Other States extend assistance to unemployed persons. In five States and in some counties of four other States, general assistance may be used to supplement earnings of fully employed low-income workers, with or without dependents. In two other States, such assistance is limited to families with dependent children. (One State specifies that such assistance is extended only when need is critical.)

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 if the head is unemployed but couples or individuals are eligible only if they are unemployable.

INCOME TEST.—Nineteen States report that standards of assistance are the same as in one or more of the federally aided programs; 12 States use standards that are similar to a Federal category but are generally less comprehensive. Five States use standards that are not comparable to the Federal categories and 15 States have no generally accepted standards.

Most States consider all income available to meet need with no disregard of earnings (in States which supplement earnings) or exclusions for other purposes.

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.—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 REQUIREMENTS

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.

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

Cash benefits.—Reported data combines average amounts for emergency assistance and continuing maintenance assistance. For the 44 States reporting data in December 1971, the average payment per recipient was $64.78 ranging from $5.12 to $135.54. Amounts of assistance standards used are not available. Fifteen States set maximums on payments and in several States amounts may be limited by availability of State or local funds and benefit amounts may vary according to local discretion. 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.

Money payments for maintenance needs are generally used in 24 States. In 10 States vendor payments for rent, food, and so forth, are generally made and in other States either method or a combination may be used on an individual case basis or at the discretion of local officials.

Other benefits.—Medical care costs may be paid from general assistance funds under certain conditions in 36 States.

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 and general assistance recipients are required to purchase food stamps in a few States and localities.

TABLE 1.—GENERAL ASSISTANCE: RECIPIENTS OF MONEY PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, JANUARY 1972[1]

[Excludes vendor payments for medical care and cases receiving only such payments]

State	Number of—		Payments to recipients			Percentage change from— December 1971 in—		Percentage change from— January 1971 in—	
	Cases	Recipients	Total amount	Average per— Case	Average per— Recipient	Number of recipients	Amount	Number of recipients	Amount
Total[2]	573,000	993,000	$64,718,000	$112.92	$65.20	+1.0	+1.7	−7.9	+1.3
Alabama	105	105	1,308	12.46	12.46	−3.7	−3.7	(3)	(3)
Alaska	443	1,288	51,239	115.66	39.78	+93.7	+118.9	−15.8	−16.9
Arizona	3,653	5,333	181,919	49.80	34.11	−28.0	−15.0	−24.3	−4.7
Arkansas	279	843	4,573	16.39	5.42	+4.1	+10.3	−11.9	−8.7
California	54,716	59,676	4,341,523	79.35	72.75	+1.6	+3.0	−43.5	−28.3
Colorado	3,855	4,257	361,319	93.73	84.88	−2.7	−2.2	−26.3	−10.3
Connecticut[4]	10,537	24,192	1,237,564	117.45	51.16	−2.9	−.8	−10.0	+5.2
Delaware	4,589	8,113	274,604	59.84	33.85	+4.5	+4.3	+13.2	+22.0
District of Columbia	3,305	3,550	373,525	113.02	105.22	−.2	+1.6	+56.5	+65.1
Florida[4,5]	7,800	20,700	242,000						
Georgia	1,764	2,891	81,125	45.99	28.06	−7.0	+1.2	−39.2	+.9
Guam	97	97	6,626	68.31	68.31	(3)	(3)	−21.1	−17.8
Hawaii	4,703	13,784	892,128	189.69	64.72	+6.7	+1.6	+71.9	+62.3
Illinois	43,965	65,027	4,804,157	109.27	73.88	−1.5	−.3	−30.4	−28.1
Iowa[4]	3,200	8,300	151,000						
Kansas	5,373	9,136	526,388	97.97	57.62	−1.4	+2.3	−33.6	−19.3
Louisiana	8,578	9,172	458,672	53.47	50.01	−.6	−.2	+1.3	+3.1
Maine	4,719	14,233	261,085	55.33	18.34	+5.1	+6.6	+21.9	+24.2
Maryland	13,349	14,517	1,246,478	93.38	85.86	+1.9	+1.5	+38.9	+48.3
Massachusetts	25,630	44,836	3,196,244	124.71	71.29	+.3	+1.5	+.4	+.7
Michigan	46,745	84,029	5,723,082	122.43	68.11	−.8	−7.2	−23.1	+8.8
Minnesota	8,944	17,631	908,808	101.61	51.55	+6.7	+16.6	−19.7	−3.1
Mississippi	1,190	1,470	22,224	18.68	15.12	−1.7	−.2	−4.7	+6.5

See footnotes at end of table.

TABLE 1. GENERAL ASSISTANCE: RECIPIENTS OF MONEY PAYMENTS AND AMOUNT OF PAYMENTS, BY STATE, JANUARY 1972 [1]—Continued

[Excludes vendor payments for medical care and cases receiving only such payments]

State	Number of—		Payments to recipients			Percentage change from—			
						December 1971 in—		January 1971 in—	
				Average per—					
	Cases	Recipients	Total amount	Case	Recipient	Number of recipients	Amount	Number of recipients	Amount
Missouri	13,148	15,029	822,544	62.56	54.73	+1.6	+1.1	+2.6	-.6
Montana	1,299	3,203	76,317	58.75	23.83	+28.5	+24.1	+7.3	+20.7
New Hampshire	1,204	3,575	100,726	83.66	28.18	+10.7	-1.3	+24.6	-15.8
New Jersey [6]	12,330	14,175	1,836,234	148.92	129.54	+2.0	-2.5	+3.4	+18.5
New York	112,687	252,571	17,843,583	158.35	70.65	+.9	+5.4	+12.0	+9.6
North Carolina	2,005	4,627	65,724	32.88	14.25	+6.7	+2.9	-9.8	+13.9
North Dakota	203	674	12,444	61.30	18.46	+23.0	+33.8	-9.7	-9.1
Ohio	38,926	84,995	4,086,619	104.98	48.08	+2.7	+1.9	-11.0	-3.5
Oklahoma	1,740	4,136	33,460	19.23	8.09	+32.6	+8.5	+6.2	+11.4
Oregon	2,152	2,404	153,279	71.23	63.76	-.2	-6.7	-52.5	-12.7
Pennsylvania	92,441	117,100	11,611,388	125.61	99.16	+1.2	+1.2	+10.2	+16.4
Rhode Island [5]	5,280	12,720	534,742	101.28	42.04				
South Carolina	141	173	5,543	39.31	32.04	+17.7	+5.6	-64.3	-55.1
South Dakota	397	1,106	16,939	42.67	15.32	+21.1	+38.9	+27.0	+48.6
Tennessee	1,637	4,515	53,228	32.52	11.79	+1.6	+10.1	-10.4	+1.3
Texas [4]	7,700	(7)	276,000						
Utah	937	1,198	74,910	79.95	62.53	-2.6	+6.6	+16.7	+17.1
Virgin Islands	302	313	14,682	48.62	46.91	+1.0	+2.3	+25.7	+25.4
Virginia	6,935	9,917	614,989	88.68	62.01	-.7	+3.3	-7.5	+14.2
Washington	3,158	4,854	289,983	91.82	59.74	-6.0	+6.3	-43.8	-55.7
West Virginia	1,339	4,467	48,330	36.09	10.82	+15.1	+15.5	+108.3	+90.2
Wisconsin	10,414	24,890	1,161,362	111.52	46.66	+4.4	+1.0	-14.4	+8.7
Wyoming	201	433	10,678	53.12	24.66	+3.8	+17.1	-38.3	+38.6

[1] All data subject to revision.
[2] Partly estimated; does not represent sum of State figures because totals exclude for New Jersey an estimated number of cases and persons receiving only medical care, hospitalization, and/or burial and payments for such services; recipient count includes an estimate for States not reporting such data. Excludes Idaho, Indiana, Kentucky, Nebraska, Nevada New Mexico, Puerto Rico, and Vermont; no program or data not available.
[3] Percentage change not computed on base of fewer than 100 recipents.
[4] Estimated.
[5] Represents data for a previous month; January data not available.
[6] Includes an unknown number of cases and persons receiving only medical care, hospitalization, and/or burial and payments for such services.
[7] Data not available.

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