

Notes and Brief Reports

Benefits Awarded Under 1965 Amendments, September–November 1965*

The number of persons entitled to cash benefits under old-age, survivors, disability, and health insurance (OASDHI) rose sharply beginning in September 1965 when the first awards under the 1965 amendments to the Social Security Act were made. From September to November about 265,900 persons, most of whom would not otherwise have been eligible, were awarded benefits as a result of the new provisions (table 1). In November, the most recent month, more than one-third of all awards went to persons who became entitled to receive benefits because of the amendments.

Students aged 18–21 made up the largest group thus brought under the program during September–November. Under the law before the amendments, children could receive no payments after their eighteenth birthday unless they had a disability that began before that time. Effective for months after December 1964, the child of a retired, deceased, or disabled worker may receive benefits until he reaches age 22, if he is attending a public or accredited school as a full-time student. In November 1965, almost two-thirds of all awards to child beneficiaries were made to these students. Of the 165,000 students awarded benefits in the first 3 months, 59,000 were children whose benefits would otherwise have been terminated because they had reached their eighteenth birthday. The other 106,000 were either students whose benefits had been terminated before 1965 or who had not previously been entitled to benefits (table 2).

The amount awarded to the student beneficiaries aged 18–21 averaged \$67 during November—close to \$50 for the children of retired or disabled workers and about \$73 for the child survivors of deceased workers (table 2). These amounts were substantially larger than the benefits awarded to the younger children of such workers. One of the factors accounting for this difference is the application of the dollar maximum on total benefits paid to a family. The

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maximum is less likely to affect the size of the individual benefit in families with a student aged 18–21 than in families where the children are younger and where their number tends to be larger. Families with children aged 18–21 have few, if any, young children—especially those families where the child's entitlement is based on the wage record of a retired worker. Moreover, mothers of children under age 18 and of disabled adult children may be eligible for widowed mother's benefits or wife's benefits, but mothers of students (unless they have other entitled children) cannot qualify for benefits. In addition, workers in a family with older children in school or college may be assumed to have a better-than-average earnings record, and student beneficiaries would thus be entitled to a higher-than-average benefit.

The second largest group of new beneficiaries was made up of widows who elected to receive reduced benefits at age 60 or 61. Under the 1965 amendments, a widow may choose to receive benefits as early as age 60, with the benefit actuarially reduced by $\frac{5}{9}$ of 1 percent for each month that she is under age 62 when the benefit payments begin. About 55,700 widows aged 60–61 were awarded benefits in September–November; these awards represented 43 percent of all awards to widows and widowers in the 3 months (table 3). In September these awards to widows aged 60 or 61 had accounted for 31 percent of all widow and widower awards; in October and November the younger widows represented half of the total. The average benefit award of \$76.28 made in

TABLE 1.—Awards to new groups of beneficiaries under provisions of 1965 amendments, September–November 1965

Type of beneficiary and basis of award	Total	September	October	November
Awards under 1965 amendments.	265,924	37,479	94,243	134,202
Percent of all awards.....	26.4	11.9	29.9	35.6
Students.....	165,072	18,578	56,323	90,171
Children of deceased workers.....	124,733	13,585	42,791	68,357
Children of retired workers.....	27,057	3,439	8,607	15,011
Children of disabled workers.....	13,282	1,554	4,925	6,803
Widows aged 60-61.....	55,735	13,318	22,100	20,317
Persons with transitional insured status.....	37,219	5,410	13,281	18,528
Retired workers.....	29,220	4,466	10,501	14,253
Wives.....	2,565	321	924	1,320
Widows.....	5,434	623	1,856	2,955
Disabled workers and dependents, on basis of new definition of disability.....	4,416	-----	1,495	2,921
All other new beneficiaries.....	3,482	173	1,044	2,265

November to the younger widows was not even \$2 less than the average benefit for the older widows, despite the actuarial reduction.

Approximately 37,000 persons—four-fifths of them retired workers—became entitled under the new transitional insured-status provision. These were aged persons who, before the 1965 amendments, could not qualify for benefits. The law

now permits workers who reached retirement age or died before 1957 to acquire insured status with 3-5 quarters of coverage (instead of the regularly required 6 quarters). Benefits may also be paid to the wife of such a worker if she reaches age 72 before 1969. A special monthly benefit of \$35 is paid to the retired workers and widows in this group and \$17.50 is paid to the wives.

TABLE 2.—Awards to child beneficiaries under provisions of 1965 amendments and under earlier provisions, September–November 1965

Type of beneficiary and basis of award	Number of awards in September, October, and November					Average amount of benefit awarded in November
	Total		September	October	November	
	Number	Percent of total in category				
Children (OASI and DI), total.....	303,868	100.0	62,844	99,863	141,161	\$58.35
Students.....	165,072	54.4	18,578	56,323	90,171	66.98
Continuation of previous entitlement to child's benefit.....	58,939	19.4	7,359	19,273	32,307	67.33
New or resumed entitlement.....	106,133	34.9	11,219	37,050	57,864	66.79
Broadened definition of child.....	470	.2		132	338	43.49
Children of disabled workers entitled on basis of new definition of disability.....	1,968	.7		635	1,333	29.78
Under prior law.....	130,358	44.9	44,266	42,773	49,319	43.45
Children under age 18.....	130,846	43.0	42,484	40,937	47,425	43.19
Disabled adult children.....	5,512	1.8	1,782	1,836	1,894	49.87
Children of retired workers, total.....	51,774	100.0	12,199	16,227	23,348	41.72
Students.....	27,057	52.2	3,439	8,607	15,011	47.28
Under prior law.....	24,717	47.8	8,760	7,620	8,337	31.65
Children of deceased workers, total.....	189,568	100.0	34,495	62,000	93,073	68.64
Students.....	124,733	65.8	13,585	42,791	68,357	73.02
Under prior law.....	64,835	34.2	20,910	19,209	24,716	56.51
Children of disabled workers, total.....	62,526	100.0	16,150	21,636	24,740	35.35
Students.....	13,282	21.2	1,554	4,925	6,803	49.77
Under prior law.....	49,244	78.8	14,596	16,711	17,937	29.78

TABLE 3.—Awards to adult beneficiaries under provisions of 1965 amendments and under earlier provisions, September–November 1965

Type of beneficiary and basis of award	Number of awards in September, October and November					Average amount of benefit awarded in November
	Total		September	October	November	
	Number	Percent of total in category				
Retired workers, total.....	369,923	100.0	136,766	110,368	122,789	\$87.66
With transitional insured status.....	29,220	8.0	4,466	10,501	14,253	35.00
Under prior law.....	340,703	92.0	132,300	99,867	108,536	94.57
Disabled workers, total.....	68,497	100.0	24,421	20,722	23,352	101.01
On basis of new definition of disability.....	1,945	2.8		693	1,252	103.90
Workers previously entitled to OASI benefits.....	507	.7	2	57	448	107.22
Under prior law.....	66,045	96.4	4,421	19,972	21,652	100.71
Wives and husbands (OASI and DI), total.....	110,814	100.0	38,808	34,195	37,811	41.87
Wives under transitional insured status.....	2,565	2.3	321	924	1,320	17.50
Wives of disabled workers entitled on basis of new definition of disability.....	503	.5		167	336	34.38
Divorced wives.....	408	.3	33	134	241	52.84
Under prior law.....	107,338	96.9	38,454	32,970	35,914	42.76
Widows and widowers, total.....	130,370	100.0	43,486	43,426	43,458	73.62
Widows aged 60-61.....	55,735	42.7	13,318	22,100	20,317	76.28
Widows under transitional insured status.....	5,434	4.2	623	1,850	2,955	35.00
Remarried widows and widowers.....	1,779	1.4	117	610	1,052	49.09
Surviving divorced wives.....	318	.2	21	111	186	84.58
Under prior law.....	67,104	51.5	29,407	18,749	18,948	78.04

The liberalizing of the definition of disability by the 1965 amendments accounted for 4,416 new awards made to disabled workers and their dependents in September–November. The new definition eliminates the requirement that a worker's disability must be expected to be of long-continued and indefinite duration and specifies instead that a worker qualifies for benefits if he has a disability that can be expected to result in death or that has lasted or can be expected to last at least 12 months.

A small number of other awards were made as a result of changes in the disability provisions for blind persons. Another group of awards involved 507 workers who had previously become entitled to retirement benefits and had been prevented, before the amendments, from becoming eligible for subsequent disability benefits.

Because disability claims take longer to process than other types of claims, it may be a few months before awards resulting from the new disability provisions increase significantly.

About 3,500 of the awards made in September–November went to other new beneficiaries who were entitled as a consequence of several miscellaneous provisions in the 1965 amendments. Benefits are now payable, for example, to widows (and widowers) even when they have remarried, if the remarriage was after age 60 (age 62 for widowers). Their benefits are one-half of the deceased spouse's primary insurance amount, instead of the 82½ percent payable to other widows and widowers. About 1,780 of these beneficiaries were awarded benefits in September–November, and the average November award was \$49.09. The benefits awarded to widows and widowers aged 62 and over averaged \$78.00 in that month.

A few women also became entitled to wife's or widow's benefits based on their divorced husband's earnings through the new provision for payment of benefits to a worker's divorced wife if she had been married to him for 20 years and was dependent on him for support.

Broadening of the definition of a child under the Social Security Act brought benefit awards during the period September–November to almost 500 children who would not have been entitled earlier chiefly because of State inheritance laws. Under the new law, benefits are payable to a child whether or not he has the status

of "child" under the State law if the father was supporting the child or had the legal obligation to do so. In addition, a child's benefit rights are no longer terminated if he is adopted by a brother or sister.

Of the total number of persons who, it was estimated, would benefit from the changes in these provisions, 29 percent were awarded benefits in the first 3 months; they included 56 percent of the estimated 295,000 students, 30 percent of the 185,000 widows, about 10 percent of the 355,000 persons eligible under the transitional insured-status provision, and almost 7 percent of the 60,000 disabled workers and their dependents.

Legislation Affecting Veterans and Servicemen, 1965*

A number of important laws affecting veterans and servicemen were enacted by Congress in 1965. Benefits were increased for veterans with a service-connected disability, children of certain veterans, and widows of veterans whose death was service-connected, and higher subsistence allowances were provided for veterans receiving rehabilitation training. Basic pay for members of the uniformed services was increased, and a new life insurance program was established.

DISABILITY COMPENSATION

Public Law 89-311, signed by President Johnson on October 31, 1965, provides a 10-percent increase in compensation payments to all veterans with a service-connected disability. The increases range from \$1 for a 10-percent disability to \$50 for a 100-percent disability incurred in wartime (table 1). They are even larger for more seriously disabled veterans—those with multiple amputations, for example—and bring the monthly compensation to more than \$800 in some cases. Veterans disabled during peacetime receive 80 percent of the wartime-service rate. Almost 2 million veterans began receiving the higher payments in December 1965.

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