

dependents of disabled-worker or retired-worker beneficiaries or as the survivors of insured workers also have services financed with social security trust funds. At the end of the fiscal year 1968, only 43 disabled adult children had had their benefits terminated after rehabilitation under the trust fund program. Their average age in the month of termination was 26, with a range from age 20 to age 50, and the average monthly benefit payable to them was \$60. The total amount of benefits saved through June 1968 was \$21,000.

Initial Assessment

Additional information on case service costs, benefit savings, and demographic, disability, and rehabilitation characteristics of beneficiaries in the trust fund program should shortly become available. Because this long-term program has only recently become fully operational, the data currently available are limited; because of complex State by State and agency variations in services offered, it is difficult to draw conclusions on the

status and effectiveness of the program at this time. Additional administrative experience may be necessary before the criteria for selection for reimbursement are systematically applied by all the vocational rehabilitation agencies. It is clear, however, from the increase in beneficiary rehabilitation that the vocational rehabilitation agencies are extending services to more severely disabled beneficiaries.

Costs for the program must be exceeded by savings in terminated benefits before a primary objective of the program is achieved. However, though a large number of beneficiaries have been initially selected for cost reimbursement, a relatively small number have been able to complete the extended process of rehabilitation services, the trial work period, and the several years of work without benefits. Years of experience with these long-term stages of rehabilitation and labor attachment will be needed, then, before an evaluation can be made of the direct benefits of the financing program for those severely disabled beneficiaries judged to have the potential for sustained, productive activity through vocational rehabilitation services.

Notes and Brief Reports

Veterans' Legislation in 1968*

During its second session, the 90th Congress enacted a number of laws dealing with veterans' income maintenance provisions and related benefits. The pension and compensation programs were both improved, educational allowances were liberalized and extended to widows and wives of certain veterans, vocational rehabilitation was made available to part-time trainees, and increased rates of reimbursement were authorized for domiciliary and nursing-home care.

VETERANS' PENSIONS

Some of the most far-reaching changes enacted were in Public Law 90-275, signed March 28, 1968.

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It (1) restructured the system of income brackets adopted under the Veterans' Pension Act of 1959 (P.L. 86-211) to measure the need of veterans and survivors for pensions based on non-service-connected disability or death and to determine the amounts payable, (2) raised the maximum income levels of the pension program and of the dependency and indemnity compensation program for parents with an across-the-board increase of these limits by \$200, and (3) provided "phase-in" protection for those with Veterans Administration benefits who also receive cash benefits under the old-age, survivors, disability, and health insurance (OASDHI) program. About 1.3 million pensioners are affected by these provisions.

Effective January 1, 1969, the new law provides for an expanded multi-level income limitation system to replace the three-level system used since July 1, 1960. Under the latter, three income brackets—ranging up to \$1,800 a year for a single veteran or widow and up to \$3,000 a year for a veteran or widow with dependents—were used

TABLE 1.—Monthly pension payable to veterans without dependents, effective January 1, 1969

Annual income other than pension		Old law (PL 90-77, effective Oct. 1, 1967)	New law (PL 90-275, effective Jan. 1, 1969)
More than	But not more than		
\$0.....	\$300	\$104	\$110
300.....	400		108
400.....	500		106
500.....	600		104
600.....	700		100
700.....	800	79	96
800.....	900		92
900.....	1,000		88
1,000.....	1,100		84
1,100.....	1,200		79
1,200.....	1,300	45	75
1,300.....	1,400		69
1,400.....	1,500		63
1,500.....	1,600		57
1,600.....	1,700		51
1,700.....	1,800	45	
1,800.....	1,900	None	37
1,900.....	2,000		29

to determine the graduated pension amounts. Under the new law, 18 pension levels are provided for veterans without dependents. The annual income limitation (the maximum amount of income other than a pension that a pensioner may receive and still qualify for a pension) was raised by \$200 to \$2,000. For veterans with dependents, 28 brackets replaced the three formerly used and the annual income limitation was raised to \$3,200. Similar changes were made in the schedule for other pensioners—widows, widows with children, and children alone. In all cases, annual income brackets of \$100 are provided. Table 1 compares the monthly pensions payable to veterans without dependents under the new law with pensions under the previous system as last amended in 1967. Table 2 shows how the level of monthly pension amounts is affected by the new law for various pension categories.

The purpose of introducing additional gradations is to avoid disproportionate losses of veterans' pensions as a result of increases in other income. Under the previous law, a relatively small increase in a pensioner's other income (such as social security benefits) could in many instances by moving the pensioner into a higher income bracket mean a reduction, often very large, in the pensioner's total income. With only a few income brackets in use, a shift to a higher bracket invariably meant a sharp drop in the pension amount—with the reduction in pension frequently larger than the increase in other income. By greatly adding to the number of

TABLE 2.—Range of monthly pension amounts payable to veterans and their widows under old law and new law, effective January 1, 1969

Type of pensioner	Old law (PL 90-77, effective Oct. 1, 1967)		New law (PL 90-275, effective Jan. 1, 1969)	
	Minimum	Maximum	Minimum	Maximum
Veteran, no dependent ^{1 2}	\$45	\$104	\$29	\$110
Veteran, 1 dependent ²	50	109	34	120
Veteran, 2 dependents ²	50	114	34	125
Veteran, 3 or more dependents ²	50	119	34	130
Widow, no child ³	29	70	17	74
Widow, 1 child ^{3 4}	45	86	41	90

¹ Pension reduced to \$30 after second full month of hospitalization or domiciliary care by the Veterans Administration.

² Applicable rate supplemented by \$100 per month for veteran who is a patient in a nursing home or so helpless or blind as to require the regular aid and attendance of another person, or by \$40 when veteran is permanently housebound because of severe disability.

³ Payment increased by \$50 a month when widow is a patient in a nursing home or so disabled as to require the regular aid and attendance of another person.

⁴ Plus \$16 for each additional child.

income brackets, a shift to a higher bracket will now result in only a small reduction in the pension amount.

In addition, a special protection feature was included in Public Law 90-275 to assure that pensioners would suffer no reduction in the size of their pensions during 1968 and 1969 solely as a result of OASDHI increases provided by the 1967 amendments to the Social Security Act. Commencing in 1970, however, the veteran's or survivor's income for purposes of applying the income limitations is scheduled to be raised in multiples of \$100 per year until the full amount of his 1967 social security increases has been absorbed in his income. Thus, in 1970 the veteran or survivor will be required to count \$100 of his 1967 social security increase and in 1971 and successive calendar years he will count the remaining portion of that increase in \$100 multiples. There is no change in the provision that 10 percent of social security or other retirement benefits does not count as income in figuring pension eligibility and the amount of pension payable.

Public Law 90-275 also made changes in the provisions for those veterans and their survivors who, under the 1959 act, chose to continue to receive flat-rate monthly pensions. (All veterans and survivors coming on the pension rolls on or after July 1, 1960, had to come under the new system, which related the amount of pension inversely to income.) The annual income limitation for this group was raised from \$1,400 to \$1,600 for those without dependents and from \$2,700 to

\$2,900 for those with dependents. No change was made in the rate of pension payable to this group of pensioners. These individuals may, however, now elect to be transferred to the new system.

The benefit schedules for service-connected dependency and indemnity compensation to dependent parents were also changed by the new legislation. The old law had provided five income brackets for determining compensation. The number of income brackets has now been changed to 13 for a widowed parent and to 23 where there are two parents living together. There is no change in the maximum compensation payable.

The new law assures that during-the-year increases in a VA pensioner's income, regardless of the source, will not reduce or terminate his VA benefit until the beginning of the next calendar year. One-time windfall payments will not require adjustments. Previously, the deferral applied only with respect to increases in retirement benefits.

VETERANS' COMPENSATION

Public Law 90-493 (signed August 19, 1968), provides for increases in compensation payments to almost 2 million veterans with service-connected disabilities, effective January 1, 1969. For those who are 100-percent disabled, a flat increase of \$100 a month, from \$300 to \$400, is provided. For those rated less than totally disabled, an 8-percent across-the-board increase is provided, ranging from \$2 a month (from \$21 to \$23) for a 10-percent disability to \$17 a month (from \$209 to \$226) for a 90-percent disability (table 3).

TABLE 3.—Monthly disability compensation payable to wartime veterans without dependents, effective January 1, 1969¹

Percent of disability	Old law (Public law 89-311)	New law (Public law 90-493)
10.....	\$21	\$23
20.....	40	43
30.....	60	65
40.....	82	89
50.....	113	122
60.....	136	147
70.....	161	174
80.....	186	201
90.....	209	226
100.....	300	400

¹ Peacetime veterans are paid 80 percent of wartime rates. Additional benefits for dependents are provided veterans with a 50-percent or more disability.

The additional payments for the more seriously disabled veterans (such as those with multiple amputations) have also been increased, from \$50 to \$100 a month. The new law discontinues statutory awards and graduated ratings for arrested tuberculosis, except that veterans presently receiving such benefits will continue to receive them. The Veterans Administration is authorized to furnish an invalid lift, or any type of therapeutic or rehabilitative device, to veterans getting aid-and-attendance allowances for certain serious disabilities.

EDUCATIONAL BENEFITS

Public Law 90-631 (signed October 23, 1968) amended the provisions dealing with veterans' educational allowances. The period of entitlement to educational benefits for a post-Korean-War veteran was lengthened so that a maximum of 36 months of benefits (equivalent to 4 years of college) may be provided for military service of 18 months or longer. For service of less than 18 months, 1½ months of benefits are granted for each month of service. The old provision was 1 month of schooling for each month of service. A post-Korean-War veteran who previously received training or education under the war orphan's educational assistance program (or any other type of Veterans Administration education program) under the new law will be able to combine entitlement under both programs for a maximum of 48 months of education. The previous limit was 36 months.

The new law also extended educational and training benefits for the first time to widows (unremarried) of veterans whose deaths were due to service and to wives of veterans totally disabled by service injuries. Previously, only the minor dependents of these servicemen were eligible for educational assistance. Such assistance is available during an 8-year period, beginning with the date of death or disability of the veteran, or the effective date of the law (December 1, 1968), whichever is later. Educational assistance allowances are the same as those payable to eligible war orphans—a maximum of 36 months of educational assistance with the rate of allowance \$130 per month for full-time training and lower rates for half-time and three-quarter time.

Other provisions amend and update the benefit payments for veterans taking correspondence courses, provide new financial assistance to State agencies charged with approving veterans' educational programs, and liberalize the farm cooperative training program.

Other Legislation

Public Law 90-431 permits vocational rehabilitation training on a part-time basis for veterans with service-connected disabilities. Previously, such training could be offered only on a full-time basis. The program involves payment of a subsistence allowance, as well as tuition, fees, books, supplies, and equipment, during the period in which training is pursued. The schedule under the new law is as follows:

Type of training	No dependents	One dependent	Two or more dependents
	Monthly subsistence allowance		
Institutional:			
Full-time ¹	\$110	\$150	² \$175
Three-quarter time.....	80	110	130
Half-time.....	55	75	85
Institutional on-farm apprentice or other on-job training:			
Full-time ¹	95	125	² 150

¹ No change from old law.

² Additional \$5 allowance for each dependent above two, where veteran is not eligible to receive additional compensation because he is less than 50 percent disabled.

Public Law 90-432 increased the maximum per diem rates of Federal payments for domiciliary and nursing-home care of eligible war veterans in a State home. For domiciliary care, the new rate was upped from \$2.50 a day to \$3.50; for nursing-home care, the rise was from \$3.50 a day to \$5.00.

Public Law 90-429 raised the amount that the Veterans Administration may pay to private or public nursing-home care facilities for care of eligible veteran patients from one-third the cost of care in Veterans Administration general hospitals to 40 percent of such cost. This means an increase in the maximum per diem from \$14.40 to \$16.50.

SOCIAL SECURITY ABROAD

BRITISH COMMONWEALTH AREAS OF THE CARIBBEAN*

Though some form of public assistance has existed in most of the Commonwealth countries and British islands of the Caribbean, the evolution toward a compulsory or universal social insurance system has generally been slow. Protection of the working population has taken the form of (a) work-injury insurance (workmen's compensation), (b) assistance to the aged and disabled based on noncontributory pensions subject to a means test and long residence requirements, and (c) provident funds (statutory or voluntary) limited to special occupational groups or employees of private enterprise. Public employees, for example, have benefited for many years in all jurisdictions from coverage provided by government-sponsored, contributory disability and retirement funds. These separate programs, however, have proved inadequate both in terms of benefits and total population covered, a fact reflected in the large portion of the aged population dependent on old-age assistance (as many as two-thirds to four-fifths in some areas).

The advent of political independence in four of the former British territories of the Caribbean since 1962 has brought with it a concern on the part of the individual governments with the economic needs of the population. This concern has led to a reexamination of contributory social insurance programs with a view to providing improved protection against the major risks facing a citizen and his family during his working life.

Options for establishing a compulsory and universal program of social insurance in the former British territories have been circumscribed by low income standards, high unemployment or underemployment, and the dependence of a large segment of the population on agricultural pursuits in sectors where seasonal employment or migratory labor predominates. To ensure that

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