

## Dependents in Social Security Systems of Great Britain, New Zealand, Australia, and Canada

By Elva Marquard\*

*Increasingly, countries are including in their social security programs provisions for the dependents of workers. Such provisions are based on the assumption that social security, which was developed to meet the needs created when the earnings of a family breadwinner are interrupted, should take into account the special requirements of workers with dependents. The provisions adopted in four English-speaking countries—Australia, Canada, Great Britain, and New Zealand—are outlined in the article that follows.*

The security of the individual and the security of those who depend on him for their livelihood are inseparable. A worker's dependents usually share his income, and if it is interrupted or diminished they also share his insecurity. A worker has responsibility for his young children, for his wife, and sometimes for other persons who for one reason or another are unable to support themselves or who are essential to the maintenance of his household. Social security systems, which provide some measure of economic security when income is interrupted, usually consider the needs of dependents.<sup>1</sup>

While protection of the family as a unit is generally accepted as a desirable objective in the payment of cash benefits, opinions differ on the most appropriate way of providing it. Consequently the methods of four English-speaking countries may be of interest.

Great Britain, New Zealand, and Australia provide cash benefits for age, invalidity, widowhood, unemployment, and sickness, while Canada makes provision, on a Dominion basis, for age, blindness, and unemployment. The four countries differ in the qualifications that they impose for those benefits. All four countries, however, pay family allowances without insurance qualification or means test and

whether or not the parent is earning. New Zealand and Canada make payments for each child in the family, while Great Britain and Australia exclude the first child.

### FAMILY ALLOWANCES

In proposing family allowances as an essential part of a comprehensive system of social security, Sir William Beveridge indicated two considerations directly related to social security.<sup>2</sup> The first is that if it is reasonable to guarantee an income sufficient for subsistence when the earnings of the worker are interrupted, it is also reasonable to assure that he has at least a subsistence income while he is working. Such a minimum cannot be obtained for families of every size through wages, which are based on a man's work and not on the size of his family. The second consideration is the danger involved in allowing benefit during unemployment or disability to equal or exceed income during work. Maintenance of employment, which Beveridge believed essential to a satisfactory system of social security, will be impossible unless income during periods of earning is greater than during periods of non-earning. Usually that spread can be preserved for men with large families only by making unemployment and

sickness benefits inadequate or by providing allowances for children during both periods. Other considerations not directly related to social security, Beveridge added, are that family allowances may help to restore the birth rate and that they will permit parents to give better care to the present generation of children.

Family allowances are primarily for the welfare of children. In Canada the economic argument was also important. According to Cassidy, "The device of family allowances . . . promised to go a long way towards holding up consumption in the post-war period and therefore employment, production, and national income."<sup>3</sup>

The parent usually receives the payment for the child, but, since provision for the child is the primary purpose of the program, all four countries make payments to a person who cares for or maintains children as family members, regardless of his relationship to them.<sup>4</sup>

<sup>3</sup> Harry M. Cassidy, "Children's Allowances in Canada," *Public Welfare*, August 1945, pp. 172-173.

<sup>4</sup> Amounts of family allowances, as well as other payments, vary among the four countries (see table 1). Comparison of these amounts, even when translated into United States dollars, is difficult because of variations among the countries in prices and in the groups of commodities which each would consider essential for a given level of living. The following information may help the reader evaluate benefit amounts.

In Great Britain, wages of manual workers in manufacturing, mining (except coal), construction, transportation (except railways), and public utilities averaged 108s. a week in October 1947, 128s. for male adult workers (*Ministry of Labour Gazette*, April 1948, pp. 115-119). In Canada, average weekly salaries and wages in eight leading industries (manufacturing, logging, mining, communication, transportation, construction and maintenance services, and trade) were \$39.44 on March 1, 1948 (*Labour Gazette*, June 1948, p. 658). In Australia the average basic wage in effect for adult male unskilled workers in May 1948 in six State capitals was 114s. per week (*New South Wales Industrial Gazette*, March 1948, p. 650). The latest basic wage award for male adults in New Zealand was effective October 1, 1947; it set the basic wage for unskilled workers at 115s., semiskilled at 118s. to 127s., and skilled at 132s. (New Zealand Legation). Basic wage awards represent, in general, the minimum wage for a full-time week.

\*Formerly on the staff of the Bureau of Research and Statistics, Social Security Administration.

<sup>1</sup> See Arthur J. Altmeyer, "Dependents' Allowances in Social Insurance," *Social Security Bulletin*, April 1947, pp. 3-6.

<sup>2</sup> *Social Insurance and Allied Services*, 1942, p. 154. Descriptions of the Beveridge proposals and of the social insurance program adopted by Great Britain will be found in the *Bulletin* for December 1942, January 1943, November 1944, and February 1947.

## OTHER PROVISIONS FOR DEPENDENTS

Since provisions for dependents' benefits complement the basic benefit provisions and depend on the specific character of the social security program of a country, the following pages include a brief general description of the social security program in each of the four countries, as well as the special provisions for dependents.

### Great Britain

In 1941, Great Britain undertook a survey of its social insurance and allied services. The resulting plan for social security began with a diagnosis of want.<sup>5</sup> Interruption or loss of earnings was found to be the major cause of need, with large families a con-

<sup>5</sup> Beveridge, op. cit., p. 7.

tributing factor. Allowances for each child in the family except the first were therefore provided as an initial step; the program began operation in August 1946. That same year the Parliament enacted a comprehensive social insurance scheme, incorporating existing programs. This plan, which became effective July 5, 1948, provides cash payments when earnings are interrupted or cut off because of unemployment, sickness, disability (extended sickness), death, or retirement through age. Cash payments for industrial injury and death replaced workmen's compensation; the benefit is related to the degree of disablement and not as formerly to the assessed loss of earning power. Also beginning July 5, 1948, health services were made available to all residents of Great Britain without insurance qualification. Finally, for persons in

need despite those programs, assistance is given on the basis of a means test.<sup>6</sup> A minimum level of subsistence for all persons is the objective of the combined programs.<sup>7</sup> The following discussion is limited to the National Insurance Act, which provides benefits for unemployment, sickness, maternity, extended disability, death, and retirement.

<sup>6</sup> The Family Allowances Act, 1945, 8 and 9 Geo. 6, ch. 41; the National Insurance Act, 1946, 9 and 10 Geo. 6, ch. 67; the National Insurance (Industrial Injuries) Act, 1946, 9 and 10 Geo. 6, ch. 62; the National Health Service Act, 1946, 9 and 10 Geo. 6, ch. 81; the National Assistance Act, 1948, 11 and 12 Geo. 6, ch. 29.

<sup>7</sup> See Carl Farman and Catherine Perrins, "The New British System of Social Security," *Social Security Bulletin*, February 1947, pp. 9-19. See also John S. Morgan, "Some Recent Developments in Social Service in Great Britain," *Social Security Bulletin*, June 1947, pp. 3-10.

TABLE 1.—Comparison of selected social security provisions in Australia, Canada, Great Britain, and New Zealand, 1948

Item	Australia	Canada	Great Britain	New Zealand
Family allowances				
Qualifying conditions.	Child under age 16. Child unmarried if girl. Claimant (not institution) has custody, care, and control of 2 or more children. Child and claimant born in Australia, or both resident 1 year; if likely to be permanent residents, no residence requirement. Institution (not government hospital for insane), approved by Director-General, has child inmates. Each child in family, except 1, eligible; each child in qualified institution eligible.	Child under age 16. Child unmarried if girl. Child maintained by parent (including stepparent, adoptive or foster parent) or other persons—not an institution. Child fulfills Province requirements for school attendance. Child born in Canada and resident since birth; or child resident 3 years before registration; or 1 parent domiciled in Canada continuously from date 3 years before child's birth to date of registration. Each child in family eligible.	Child under upper limit of compulsory school age (15 at present) or under 16 if apprentice or attending school. Child in family consisting of man and wife living together with their, his, or her children and children maintained by them; or man with his children and children maintained by him; or woman with her children and children maintained by her. Parent British subject born in United Kingdom or qualified under other prescribed conditions. Each child in family, except first, eligible. 5s. a week (£13 a year) for each child in family except first.	Child under age 16; child 16 or 17 if attending school (discretionary); and child over 16 if disabled (discretionary). Child in care and control of applicant, dependent on him, and a member of his family; but Commission may regard a child who is not a family member as such if he is being maintained as one. Child includes stepchild and adopted child. Child born in New Zealand or resident 1 year. Each child in family eligible. Allowance may be withheld or reduced if applicant has defaulted in social security contribution. 10s. a week (£26 a year) for each child in family.
Amount of allowance.	7s. 6d. a week (£19 10s. a year) for each child in family except 1 and for each child in qualified institution.	For each child in family: aged 13-15 years, \$8 a month; aged 10-12, \$7; aged 6-9, \$6; under 6, \$5. \$1 deducted for fifth child in family, \$2 for sixth and seventh, and \$3 for eighth and each additional child.	5s. a week (£13 a year) for each child in family except first.	10s. a week (£26 a year) for each child in family.
Orphans' benefits				
Qualifying conditions.	No provision. (See Family allowances.)	No provision. (See Family allowances.)	Child defined as for family allowances. Parents, including stepparents, dead and 1 parent insured (i. e., on or after effective date of Act, parent was over school-leaving age and under pensionable age, was in Great Britain, and fulfilled certain residence requirements); but these requirements may be modified for adopted or illegitimate child, for child whose parents are divorced or whose parents (1 or both) cannot be traced. Child is in applicant's family for time being. Each orphan in family eligible. 12s. a week (£31 4s. a year) for each orphan.	Child under age 16; under 18 if attending school (discretionary). Both parents, including stepparents and adoptive parents, dead. Child born in New Zealand or last surviving parent resident 3 years. Applicant has care and control of child. Child not in State institution. Benefit may be withheld or reduced if applicant has defaulted in social security contribution. Each orphan in family eligible.
Amount of benefit.	No provision.	No provision.	12s. a week (£31 4s. a year) for each orphan.	£1 a week (£52 a year), maximum, for each orphan, reduced for any income received.

The cost of the social insurance benefits is divided among the employer, when there is one, the Government, and the insured person. The population is divided for insurance purposes into groups of (1) the employed, (2) the self-employed, (3) the nonemployed. The benefits to which an insured person is entitled depend

on the group in which he is insured. Contributors in group 1 are covered for all risks; those in group 2 for all except unemployment; and those in group 3 for all except sickness, unemployment, and maternity allowances (but persons in this group are covered for the maternity grant and the attendance allowance).

The social insurance scheme covers all residents of Great Britain. A person comes under the program if on or after the day the act goes into effect (July 5, 1948) he is over school-leaving age (15 years at present) and under pensionable age (65 years for men, 60 years for women), is in Great Britain, and fulfills such residence conditions

TABLE 1.—Comparison of selected social security provisions in Australia, Canada, Great Britain, and New Zealand, 1948—Continued

Item	Australia	Canada	Great Britain	New Zealand
Retirement benefits				
Qualifying conditions for basic benefit.	Aged 65 years or over (60 or over, if woman). Resident 20 years. Benefit reduced if income and property exceed specified sums.	Aged 70 years or over. Resident 20 years. Income below specified amounts.	<i>For insured person:</i> Aged 65 years or over (60 or over, if woman). 156 weekly contributions paid and yearly average of 50 paid or credited. Reduced benefit may be paid if conditions are not fully met. Retired from regular employment unless 5 years or more beyond pensionable age. <i>For woman with insured husband:</i> Woman was married to him at age 60, or married him later and satisfied further conditions, or was entitled to widow's benefit immediately before age 60. Husband dead, or over age 65 and both have retired from regular employment (or are 5 years or more beyond pensionable age).	<i>Age benefit:</i> Aged 60 years or over. Resident 20 years (if resident in 1938, 10 years). Benefit reduced if income and property exceed specified sums; benefit may be withheld or reduced if applicant has defaulted in social security contribution. <i>Superannuation benefit:</i> Aged 65 years or over. Resident 20 years (if resident in 1938, 10 years). Benefit may be withheld or reduced if applicant has defaulted in social security contribution.
Amount of basic benefit.	£97 10s. a year, maximum, reduced if income and property exceed specified sums.	Federal-matching maximum, \$30 a month. Provinces may pay more, but Dominion Government contributes 75 percent of \$30 or of the pension paid by the Province, whichever is less.	<i>For insured person:</i> 26s. a week (£67 12s. a year) reduced if earnings exceed 20s. a week when pensioner is less than 5 years beyond pensionable age. <i>For woman with insured husband:</i> 16s. a week (£41 12s. a year) if he is alive; otherwise, 26s. a week. Reduced if her earnings exceed 20s. a week when under age 65. Benefits for both insured person and wife are increased if contributions as an employed or self-employed person are made after pensionable age; benefits may be reduced if contribution requirements are not fully met.	<i>Age benefit:</i> £117 a year, reduced if income and property exceed specified sums. Benefit of totally blind person previously receiving invalidity benefit to be not less than invalidity benefit that would be payable to him. <i>Superannuation benefit:</i> £30 for year beginning Apr. 1, 1948, increases £2 10s. annually to maximum of £117.
Wife's allowance.	£52 a year, maximum, if wife is living with husband who is permanently incapacitated or blind. Wife ineligible if receiving social security or service pension. Woman who has lived as wife for 3 years defined as wife. Allowance reduced if income and property exceed specified sums.	No provision.	16s. a week (£41 12s. a year) for wife under age 60, not earning more than 20s. a week, residing with husband and wholly or mainly maintained by him. Allowance is part of husband's benefit and subject to reduction for his earnings.	<i>Age benefit:</i> £117 a year if wife is not receiving social security benefit or war pension. Allowance discretionary; reduced if couple's income and property exceed specified sums. <i>Superannuation benefit:</i> No provision. (See Family allowances.)
Child's allowance.	£13 a year if pensioner is blind or permanently incapacitated and if pensioner or wife has custody, care, and control of 1 or more children under age 16. (See also Family allowances.)	No provision. (See Family allowances.)	7s. 6d. a week (£19 10s. a year) for first child in family. Allowance is part of parent's benefit and subject to reduction for his earnings. (See also Family allowances.)	<i>Age benefit:</i> No provision. (See Family allowances.)
Maximum other income without reduction in benefit.	£52 a year for each beneficiary (unless permanently blind) and for wife receiving allowance, plus £26 a year for each dependent child under age 16 less payments received for child. Income of either spouse equals half combined income of both. If pensioner is permanently blind, £279 10s. a year (combined income of husband and wife), plus £26 a year for each dependent child under age 16 less payments received for child.	<i>Maximum total income (including pension) for Federal matching:</i> \$600 a year if unmarried. \$1,080 (combined income of husband and wife) if married to sighted spouse. \$1,200 (combined income of husband and wife) if married to blind spouse.	Income (other than earnings) does not affect eligibility for or amount of benefit.	<i>Age benefit:</i> £52 a year if unmarried. £169 a year (combined income of husband and wife) if spouse is not also a beneficiary. £52 a year (combined income of husband and wife) if both spouses are beneficiaries. Total income of husband and wife, including benefit, is limited to £286 a year if man is beneficiary and wife receives allowance. <i>Superannuation benefit:</i> Income does not affect eligibility for or amount of benefit.

as are prescribed.<sup>8</sup> A person whose income is £104 a year or less may, on application, be excepted from paying

<sup>8</sup> Arrangements were made to merge the rights of persons under the existing programs into insurance under the new sys-

contributions, but he will then be ineligible for benefits. This exception is intended only for nonemployed and

tem, but benefits will not be immediately available for persons who are entering insurance for the first time.

self-employed persons.<sup>9</sup> Eligibility for benefits is usually based on payment of a certain number of weekly con-

<sup>9</sup> *Parliamentary Debates, Commons, 1945-46, vol. 423, col. 1375.*

TABLE 1.—Comparison of selected social security provisions in Australia, Canada, Great Britain, and New Zealand, 1948—Continued

Item	Australia	Canada	Great Britain	New Zealand
	Disability benefits			
Qualifying conditions for basic benefit.	Aged 21 years or over (16-20 if not adequately maintained by parents). Resident 5 years. Became permanently incapacitated or blind in Australia, unless resident for 20 years or before age 3. Benefit reduced if income and property exceed specified sums.	Aged 21 years or over. Resident 20 years. Blind. Income below specified levels.	Sickness benefits extended beyond 1 year if 156 weekly contributions as employed or self-employed person have been paid. Reduced benefit may be paid if conditions are not fully met. Under pensionable age, unless retired from regular employment but eligible for retirement pension if he retired.	Aged 16 years but under 60 (i. e., not qualified for an age benefit). Resident 10 years (20 years if not resident in 1936 and if disabled outside New Zealand). Totally blind or permanently incapacitated.
Amount of basic benefit.	£97 10s. a year, maximum, reduced if income and property exceed specified sums. For persons under age 21, extent of parent's support or ability to support considered in determination of rate.	Federal-matching maximum, \$30 a month. Provinces may pay more, but Dominion Government contributes 75 percent of \$30 or of the pension paid by the Province, whichever is less.	26s. a week (£67 12s. a year) except: Persons under age 18, with no dependents, 15s. a week. Married woman living with nondisabled husband or separated from husband but able to obtain support—16s. if over age 18 or if under 18 but with adult dependent (other than husband) or child dependent; 15s. if under 18 with no dependents. Persons over pensionable age, lesser of 26s. or rate of retirement pension. Benefit may be reduced if contribution conditions are not fully met.	£91 a year if unmarried and under age 20, £117 a year in other cases; benefit reduced if income and property exceed specified sums. Additional allowance of 25 percent of earnings for totally blind pensioner. Benefit of invalid wife may be increased if household assistance is paid for.
Wife's allowance.	£52 a year, maximum, if living with husband. Wife ineligible if receiving social security or service pension. Woman who has lived as wife for 3 years defined as wife. Allowance reduced if income and property exceed specified sums.	No provision.	16s. a week (£41 12s. a year) for wife not earning more than 20s. a week, residing with husband, and wholly or mainly maintained by him.	£117 a year if wife is not receiving a social security benefit or war pension; allowance reduced if income and property exceed specified sums.
Child's allowance.	£13 a year if pensioner or wife has custody, care, and control of 1 or more children under age 16. (See also Family allowances.)	No provision. (See Family allowances.)	7s. 6d. a week (£19 10s. a year) for first child in family. (See also Family allowances.)	No provision. (See Family allowances.)
Other allowance.	No provision.	No provision.	If beneficiary is married woman, 16s. a week for husband if incapable of self-support and wholly or mainly maintained by her. If spouse does not qualify, 16s. a week for adult relative residing with beneficiary and wholly or mainly maintained by him, or for woman caring for beneficiary's child. Further conditions to be prescribed. Only 1 allowance paid for adult dependents.	No provision.
Maximum other income without reduction in benefit.	£52 a year for each beneficiary (unless permanently blind) and for wife receiving allowance, plus £26 a year for each dependent child under age 16 less payments received for child. Income of either spouse equals half combined income of both. If pensioner is permanently blind, £279 10s. a year (combined income of husband and wife), plus £26 a year for each dependent child under age 16 less payments received for child.	Maximum total income (including pension) for Federal matching: \$720 a year if unmarried; \$920 a year if unmarried and has dependent child; \$1,200 a year (combined income of husband and wife) if married to sighted spouse; \$1,320 a year (combined income of husband and wife) if married to blind spouse.	Income does not affect eligibility for or amount of benefit.	£78 a year if man has been married and has dependent child. £52 a year (combined income of husband and wife) if beneficiary is married man. £169 a year (combined income of husband and wife) if beneficiary is married woman. £52 a year in other cases. Total income of husband and wife, including benefit, cannot exceed £7 5s. a week (£377 a year) if benefit of invalid wife is increased because of household assistance. First £156 of earnings of blind person disregarded in computing income for reduction in benefit. Total income of totally blind beneficiary, including benefit and all earnings, cannot exceed £273 a year if allowance of 25 percent of earnings is added to benefit.

tributions and on payment or credit either of a specified yearly average number since entering into insurance or of a specified number in the preceding year. Contributions are credited for periods of unemployment, illness, or full-time education or apprenticeship.

Applicants for social insurance benefits in Great Britain must pass a work or earnings test when it seems necessary to determine if the specified risk has been suffered. A work test is

inherent in the qualifications for unemployment or sickness benefits, which are paid only for days in which the applicant does not work. A retirement pension is paid only when the aged person has given up regular employment. He may engage in work "occasionally or to an inconsiderable extent"; if his earnings exceed 20s. in any week, his work is deemed more than inconsiderable and his pension is reduced by the excess. If a worker who has reached pensionable age de-

fers his retirement for 5 years or less, the amount of his pension on retirement is proportionately increased. At age 70 (65 for women) he is assumed to have retired whether or not he is earning; most persons in that age group actually have retired. Except for the first 13 weeks after the husband's death, a widow under pensionable age can receive benefits only if the conditions are such that her inability to work can be presumed or that family responsibilities keep her

TABLE 1.—Comparison of selected social security provisions in Australia, Canada, Great Britain, and New Zealand, 1948—Continued

Item	Australia	Canada	Great Britain	New Zealand
Widows' benefits				
Qualifying conditions for widow's benefit.	Husband is dead, divorced (and wife unremarried), separated, confined in hospital for insane, or imprisoned. Widow (a) either maintains or has custody, care, and control of child under age 16 (or if father is not imprisoned, under 18 when in school, not employed, and dependent on widow); and assumed care of child before event making her widow unless child is son or daughter of theirs or was maintained by her before enactment of Widows' Pension Act (1942), and has nonexempt property valued at £1,000 or less (£650 or less if husband is imprisoned); or (b) is over age 50 and has nonexempt property valued at £650 or less. Widow at time of husband's death or within 26 weeks thereafter is in necessitous circumstances but cannot qualify under conditions above. When husband is dead, widow in all cases includes a woman who lived as his wife 3 years before his death and was wholly or mainly maintained by him but was not legally married to him. Resident 5 years (widow). Benefit reduced if income, and sometimes property, exceeds specified sum.	No provision	Husband dead and at death had paid 156 weekly contributions and had yearly average of 60 paid or credited. Reduced benefit may be paid if contribution conditions are not fully met. Widow (a) has child under school-leaving age who was at husband's death a child of his family or is a son or daughter of theirs; (b) had a child and stopped receiving benefits after age 40 but before age 60, and 10 years or more elapsed since marriage; (c) was widowed after age 50 but before age 60 and married at least 10 years; (d) was disabled when widow's benefit stopped (if regulations so provided); or (e) was pregnant when husband died. During first 13 weeks of widowhood, receives widow's benefit if she is under age 60, or if she is over 60 and husband was not entitled to retirement pension. (For widows aged 60 or over, see Retirement benefits.)	Husband is dead, detained as mental defective, or has deserted wife. Widow (a) is mother of child (including stepchild or child adopted before event making wife a widow, or, at discretion of Commission, any child maintained by widow if that child was at any time maintained by her husband) under age 16 (or, at discretion of Commission, under 18 if in school); (b) had child and was married at least 15 years or spent 15 years in marriage and child-caring; (c) was widowed after age 50 and married at least 5 years; (d) was widowed after age 40 and married at least 10 years; (e) is over age 50, and 15 or more years have elapsed since marriage. Resident 3 years (both widow and husband) unless widow has child born in New Zealand, when no period of residence is specified. Benefit may be withheld or reduced if applicant has defaulted in social security contribution; benefit reduced if income, and sometimes property, exceeds specified sum.
Amount of widow's benefit.	£110 10s. a year, maximum, for widow with child (£83 4s. if husband is imprisoned), reduced if other income exceeds specified sum (if husband is imprisoned, reduced for property also). £83 4s. a year, maximum, for widow over 50, reduced if other income and property exceed specified sums. £117 s. 6d. a week (£97 10s. a year) for widow in necessitous circumstances (payable only in first 26 weeks after husband's death).	No provision	36s. a week (£93 12s. a year) for first 13 weeks of widowhood. 33s. 6d. a week (£87 2s. a year) for widow caring for child, reduced if earnings exceed 30s. a week. 26s. a week (£67 12s. a year) for other widows, reduced if earnings exceed 30s. a week. Benefit may be reduced if contribution conditions are not fully met.	£117 a year, reduced if other income, and property for widows over age 60 without child under age 16, exceeds specified sum. Additional allowance of £65 a year is paid at discretion of Commission if child or children under age 16 are dependent on widow.
Child's allowance.	Allowance for child included in widow's benefit. (See also Family allowances.)	No provision	7s. 6d. a week (£19 10s. a year) for first child during first 13 weeks of widowhood. Allowance for first child included in widow's benefit after first 13 weeks. (See also Family allowances.) Income (other than earnings) does not affect eligibility for or amount of benefit.	No provision. (See Family allowances.)
Maximum other income without reduction in benefit.	Widow in necessitous circumstances, no income exemptions given. Other widows, £52 a year plus £13 for first dependent child under age 16 and £26 for each other such child less amounts received for children: first £39 received for each child from deserting or divorced husband is not included in income.	No provision		£78 a year for widow under age 60 or widow caring for child. £52 a year for other widows (same as age benefit). Income of husband who is mental defective is considered widow's income.

TABLE 1.—Comparison of selected social security provisions in Australia, Canada, Great Britain, and New Zealand, 1948—Continued

Item	Australia	Canada	Great Britain	New Zealand
Unemployment and sickness benefits				
Qualifying conditions for basic benefit.	Temporarily incapacitated for work and suffering loss of income; or unemployed, able, and willing to work, and seeking work. Aged 16-64 years (16-59 if woman). Resident 1 year or likely to remain in Australia. Married woman living with husband cannot qualify for sickness benefit if he can maintain her; if he can partially maintain her, reasonable benefit, not exceeding maximum rate, may be paid. Benefit reduced if income exceeds specified sum.	Aged 16 years or over..... Unemployed and able to and available for work, but unable to obtain suitable employment. (Worker is not unemployed in any day in which he earns more than \$1.50.) Contributions paid with respect to unemployed person for 180 days in insurable employment in 2 years preceding benefit year and, except for first benefit year, contributions paid for 60 days since commencement of last benefit year; at least half of contributions made in year preceding benefit year must have been above lowest contribution rate.	Incapable of work by reason of some specific disease resulting in bodily or mental disablement; or unemployed and able to and available for work. Under pensionable age, unless not retired from regular employment but eligible for retirement pension if he retired. 26 weekly contributions paid and 50 paid or credited in last contribution year. Reduced benefit may be paid if contribution conditions are not fully met. (For unemployment benefit, contributions made as employed person; for sickness benefit, as employed or self-employed person.)	Temporarily incapacitated and suffering loss of income; or unemployed, able and willing to work, and seeking work. Aged 16 years or over for sickness benefit; aged 16 years but under 60 (i. e., not qualified for an age benefit) for unemployment benefit. Resident 1 year. Married woman qualifies only if husband cannot maintain her. Sickness benefit reduced if other income exceeds specified amount. Unemployment benefit may be reduced for other income and property. Either benefit may be withheld or reduced if applicant has defaulted in social security contributions.
Amount of basic benefit.	15s. a week (£39 a year) if aged 16-17 and unmarried. £1 a week (£52 a year) if aged 18-20 and unmarried. £1 5s. a week (£65 a year) in other cases. Benefit reduced for income in excess of specified sum. Sickness benefit cannot exceed income loss.	\$4.20 to \$14.40 a week (70¢ to \$2.40 a day), depending on employee's previous wages.	26s. a week (£67 12s. a year) except: Persons under 18 years of age, with no dependents, 15s. a week. Married woman living with nondisabled husband or separated from husband but able to obtain support—16s. for sickness and 20s. for unemployment if over age 18 or if under age 18 with adult dependent (other than husband) or child dependent; 15s. if under age 18 with no dependents. Persons over pensionable age, lesser of 26s. or retirement pension. Benefit may be reduced if contribution conditions are not fully met.	25s. a week (£65 a year) if aged 16-19 with no dependents. 45s. a week (£117 a year) in other cases. Sickness benefit cannot exceed income loss. Sickness benefit reduced for other income; reduction in unemployment benefit for income and property discretionary.
Wife's allowance..	£1 a week (£52 a year) if wife is dependent; less if she is partially dependent. Wife ineligible if she is receiving social security or service pension of £1 a week or more. Pension under £1 deducted from allowance.	60¢ to \$3.90 a week (10¢ to 65¢ a day), depending on employee's previous wages, for wife wholly or mainly maintained by beneficiary.	16s. a week (£41 12s. a year) for wife not earning more than 20s. a week, residing with husband, and wholly or mainly maintained by him.	45s. a week (£117 a year) for wife dependent on beneficiary if she is not receiving social security or war pension.
Child's allowance.	5s. a week (£13 a year) if beneficiary has one or more children under age 16 in care or is contributing 5s. a week to child's maintenance. (See also Family allowances.)	If wife does not qualify, amount of wife's allowance for child under age 16 (including stepchild, adopted child, and illegitimate child) wholly or mainly maintained by beneficiary. (See also Family allowances.)	7s. 6d. a week (£19 10s. a year) for first child in family. (See also Family allowances.)	No provision. (See Family allowances.)
Other allowances.	If beneficiary is married woman, £1 a week (£52 a year) for husband if dependent; less if he is partially dependent. Husband ineligible if he is receiving social security or service pension of £1 a week or more. Pension under £1 deducted from allowance. If wife does not qualify, £1 a week for woman keeping house for man, substantially dependent on him, and caring for one or more of his children under age 16. Woman ineligible if she receives social security or service pension of £1 a week or more. Pension under £1 deducted from allowance. Allowance discretionary.	If neither wife nor child qualifies, amount of wife's allowance is paid for husband who is dependent on wife, or for relative supported by beneficiary in self-contained domestic establishment.	If beneficiary is married woman, 16s. a week for husband incapable of self-support and wholly or mainly maintained by her. If spouse does not qualify, 16s. a week for adult relative residing with beneficiary and wholly or mainly maintained by him, or for woman caring for beneficiary's child. Further conditions to be prescribed.	If wife does not qualify, 45s. a week (£117 a year) for any person caring for beneficiary's home. Allowance discretionary.
Maximum other income without reduction in benefit.	If unmarried: aged 16, 5s. a week (£13 a year); aged 17, 10s. a week (£26 a year); aged 18-20, 15s. a week (£39 a year). £1 a week (£52 a year) in other cases. For sickness benefit, income excludes first £1 a week in sick benefits received from friendly society. For unemployment benefit, income includes income of spouse but not first £1 a week of social security or service pension received by spouse.	Income (other than earnings of more than \$1.50 a day) does not affect eligibility for or amount of benefit.	Income does not affect eligibility for or amount of benefit.	<i>Sickness benefit:</i> £1 a week (£52 a year), combined income of husband and wife. If receiving friendly society sick benefit, £2 a week (£104 a year), combined income of husband and wife. <i>Unemployment benefit:</i> Reduction for income and property of husband and wife discretionary. No maximum income given in law.

Source: *Australia:* Social Services Consolidation Act, No. 26 of 1947. *Canada:* Old Age Pensions Act, ch. 156 of *Revised Statutes, 1927*; c. 42 of 1931; c. 13 of 1937, c. 67 of 1947; Unemployment Insurance Act, c. 44 of 1940; c. 31 of 1943; c. 68 of 1946; Bill 203 given Royal Assent May 14, 1948; Family Allowances Act, c. 40 of 1944; c. 50 of 1946. *Great Britain:* The Family Allowances Act, 1945, 8 and 9 Geo. 6, ch. 41; The National Insurance Act, 1946, 9 and 10 Geo. 6, ch. 67. *New Zealand:* Social Security Act, No. 7 of 1938; No. 31 of 1939; No. 5 of 1940; No. 14 of 1941; Nos. 18 and 19 of 1943; No. 11 of 1945; No. 22 of 1946; No. 28 of 1947.

from working. Earnings of more than 30s. a week refute these presumptions, and the widow's benefit is reduced by the amount of the excess. Earnings are also used as a test of dependency. If a wife is in a gainful occupation and earns more than 20s. a week, she is presumed to be not dependent on her husband, and he cannot claim a dependent's allowance for her.

The universality of the system and particularly the inclusion of nonemployed persons will enable many persons ordinarily dependent on others to qualify for benefits in their own right, although the possible exclusion of some persons at the lowest income levels may reduce the effectiveness of these provisions. Eventually, however, nearly all aged persons will qualify for retirement pensions. For some, of course, this pension will be insufficient because they have special needs; and such persons may have to be at least partly dependent on relatives, or they may qualify for assistance from the National Assistance Board after a means test. Persons aged 70 years and over who cannot qualify for a retirement pension may also claim assistance from the Board.

Benefits for adults under pensionable age—disabled, sick, and unemployed workers, and widows—will also reduce the number of persons dependent on others, but provisions for this age group are not so complete. Nonemployed persons are not eligible for sickness or unemployment benefits, nor are self-employed persons eligible for unemployment benefits. These persons may lose their income or support from other sources, however, and need help. A man may fail in business, a wife may be deserted, or a woman working in a relative's home may no longer be needed.<sup>10</sup> They will not be eligible for unemployment benefits while looking for work.<sup>11</sup> The

<sup>10</sup> Regulations may provide for treating a person who works for a relative in their common home as not being employed or for disregarding her employment. If a woman kept house for her father or brother, he could maintain her insurance by paying the nonemployed person's contribution. That contribution would entitle her to a retirement pension but not to sickness or unemployment benefits.

<sup>11</sup> Beveridge recommended a training benefit for such persons as part of the

life-long cripple who has never worked will not qualify for extended sickness benefits.

Despite these limitations, the program provides to virtually all residents insurance against the major economic risks to which they are ordinarily subject. The basic insurance benefit, however, is large enough only for the needs of one person, and others usually depend on that person's income. Great Britain therefore supplements the basic benefit of the sick, disabled, or unemployed worker with allowances for one adult dependent and for the first child, who is excluded from payments under the family allowance system. It increases the retirement pension for the first child and for the wife if she is too young to qualify for a pension of her own. Benefits or allowances that are paid for or to dependents are discussed below.

### Wife

Married women are regarded as doing vital unpaid work in the home without which "their husbands could not do their paid work and . . . the nation could not continue."<sup>12</sup> The program gives them special consideration. The wife may pay no contributions and rely solely on her husband's contributions for the wife's retirement pension (see below). If she chooses to keep up her contributions, either as an employed, self-employed, or nonemployed person, she will receive a retirement pension irrespective of her husband's qualifications. She cannot receive retirement pensions, of course, both as a wife and as a contributor. If she contributes as a self-employed person, she will also be eligible for sickness benefits, and if she contributes as an employed person, for both unemployment and sickness benefits. Her unemployment and sickness benefits will be lower, if her husband is not disabled, than those of the single woman, because most married women are

national insurance program (Beveridge, op. cit., p. 54). In the White Paper on Social Insurance, the Government proposed that training allowances be paid out of the proceeds of taxation, under arrangements sponsored by the Ministry of Labour. (Great Britain, Minister of Reconstruction, *Social Insurance*, 1944, p. 18).

<sup>12</sup> Beveridge, op. cit., p. 49.

believed to have a different claims experience and different needs.<sup>13</sup> Whether or not the wife contributes, her husband's benefit will be increased by a dependent's allowance for her under certain conditions. Widow's benefits are based on the husband's contribution and are paid regardless of the wife's status as a contributor. The maternity grant and the 4-week attendance allowance are payable on the basis of either the husband's or the wife's contributions; the 13-week maternity allowance is payable to the gainfully occupied woman on the basis either of contributions paid by her or of contributions credited to her by virtue of her status as a married woman.

*Wife's retirement pension.*—On the basis of her husband's contributions, the wife qualifies at age 60 for a retirement pension of 16s. if she has retired and if her husband has attained age 65, has retired, and has satisfied the appropriate contribution conditions. Although this payment is conditioned on the husband's qualifications, it is regarded as the wife's retirement pension rather than a dependent's allowance. It is payable to her for life whether or not she continues to live with her husband; it is terminated, however, if she remarries after her husband's death. If the husband has earnings that eliminate his own benefit, they do not reduce the wife's pension. The amount of the wife's pension—16s. a week—is the same as the dependent's allowance, since the presumption is that the husband and wife will continue to live together. When he dies, she receives a pension of 26s. A woman who marries after she attains pensionable age can qualify for a retirement pension on the basis of her husband's contributions but may have to fulfill special conditions.

<sup>13</sup> Beveridge explained that the married woman will be almost the only claimant for the 13-week maternity allowance. In the past, she has filed proportionately more claims for sickness benefits than the single woman, and when she has been unemployed, her duties as a housewife and the security of her home have made her less eager to seek regular employment. Finally, her subsistence needs are less, as a rule, than those of the single woman, because her home is provided by her husband. (Beveridge, op. cit., pp. 49-52.)

*Dependents' allowances.*—Dependents' allowances supplement the retirement pension and the unemployment and sickness benefits. When her husband's earnings are interrupted for unemployment or sickness, the married woman can count on the 16s. dependent's allowance, which is added to her husband's benefit by virtue of her dependency. Because many men, particularly those who have remarried, have wives more than 5 years younger than they are and hence not eligible for a retirement pension when the husband reaches pensionable age, a dependent's allowance is added to a man's retirement pension if his wife is under 60 years of age. To have the dependent's allowance added to her husband's retirement, unemployment, or sickness benefit, the wife must be living with or wholly or chiefly maintained by him. If she is engaged in an occupation from which she earns more than 20s. a week, she is not considered dependent and no allowance is paid for her.

*Maternity benefits.*—Great Britain provides three types of maternity benefits. So that the gainfully occupied woman can discontinue work, a maternity allowance of 36s. a week is paid to her for 13 weeks—6 weeks before confinement is expected and 7 weeks afterward. The woman who has not been gainfully occupied can qualify for an attendance allowance of 20s. for the 4 weeks following confinement; this is to permit her to employ domestic assistance. The purpose of both allowances (which are alternatives) is to protect the mother's health; consequently, she is disqualified if she engages in gainful employment or fails to follow prescribed rules of behavior during the period the allowances are payable. The third type of benefit is a maternity grant of £4 for each child, which is given in either case to help the mother purchase a layette and other necessities.

The gainfully occupied married woman who has elected to be excepted from contributions and to rely on her husband's insurance receives the 13-week maternity allowance under special provisions. During the periods when she is employed or self-employed, contributions are credited to her, and she can qualify for the al-

lowance (but not for other benefits) solely on the basis of those credits. The credited contributions will indicate whether she works regularly and is entitled to the allowance, which is intended only for women who leave their jobs because of pregnancy. The gainfully occupied wife who has continued to contribute under the program will qualify for the allowance on the basis of her contributions as an employed or self-employed person.<sup>14</sup>

*Widow's benefits.*—When her husband dies, the widow receives an allowance of 36s. a week for 13 weeks to help her adjust to the presumed change in economic circumstances. If she has a child, an allowance of 7s. 6d. is added. Whether or not she receives a benefit at the end of the 13 weeks depends on certain presumptions concerning her ability to work and support herself, the needs of her family, and, to some extent, the degree to which she had relied on her husband's support. Qualifications concerning age, earnings, disability, family responsibility, and duration of marriage (or years elapsed since marriage) are therefore imposed.

The widow who has a child under school-leaving age receives an allowance at the end of the 13-week period of 33s. 6d. a week, 26s. for herself and 7s. 6d. for the first child; other children are eligible for family allowances. If she becomes ineligible for this allowance (because she no longer has a child under school-leaving age in her care) after she reaches the age of 40, and if 10 years have elapsed since her marriage, she receives instead a widow's pension of 26s. This allowance is in turn replaced by a retirement pension in the same amount when she reaches age 60. The retirement pension continues for life or until she remarries. In the first Government proposal, the allowance for the mother was to have been replaced by the widow's pension only if the woman was over age 50 when the allow-

<sup>14</sup> The 13-week maternity allowance is also available to an unmarried woman, but she cannot claim the special credit of contributions which is given to the married woman. The unmarried woman is also eligible for the attendance allowance (if she did not qualify for the maternity allowance) and the maternity grant, if she has satisfied the contribution conditions.

ance stopped, but the age limit was reduced to 40 so she could be at home to look after the family while the children were adolescent.<sup>15</sup>

The older widow, the pregnant widow, and the disabled widow are also protected. The woman whose husband dies after she reaches the age of 50 receives a widow's pension of 26s. if she has been married at least 10 years. When she is 60 years old, a retirement pension in the same amount replaces it. A widow's pension of 26s. is paid to the widow who is pregnant when her husband dies. This pension starts when the 13-week widow's allowance or other widow's benefit terminates, and it continues until the child is born and the widow can qualify for a widowed mother's allowance. Finally, if regulations so provide, the widow who is disabled and incapable of self-support when a widow's benefit terminates will receive the widow's pension of 26s. as long as the disability continues. If the disability ceases after she is 50 years of age and if 10 years have elapsed since her marriage, her pension continues until age 60, when it is replaced by a retirement pension.

Whenever, after the first 13 weeks of widowhood, the widow earns more than 30s. a week, earnings in excess of that amount are deducted from her benefit. The system is thereby relieved of the care of widows who are working and providing for themselves.

The early age at which some widows without children qualify for a pension as compared with age 60, the retirement age for other women, was defended by the Minister of National Insurance. "Pensions are to be made available in these cases," he said, "because Parliament did not think it right to expect that such widows should and could find their feet again in the labor market after being out of it for so long. The position of such women and that of the spinster who will normally have never been out of the employment field are clearly quite different."<sup>16</sup> Beveridge, in discussing the

<sup>15</sup> *Parliamentary Debates, Commons*, 1945-46, vol. 418, col. 1747.

<sup>16</sup> "Mr. James Griffiths Answers the Spinsters," *National Insurance Gazette*, May 29, 1947, pp. 232-3. He pointed out, too, that the spinster who is not strong



difficulty of deciding whether pensions should be granted as of right to childless widows below pensionable age, had concluded that such pensions should not be payable—that persons physically fit for work should not be retired before they reached pensionable age.<sup>17</sup>

### Husband.

When the husband is disabled, his wife may assume the position of the chief breadwinner. The husband then becomes the dependent, and when the wife's earnings are interrupted for unemployment or sickness the family's need for benefit is as great as when he is out of work. She therefore receives the full basic benefit of 26s. a week and a dependent's allowance of 16s. for her husband if he is wholly or chiefly maintained by her and is incapable of self-support. She is, of course, eligible for unemployment benefits only if she has paid contributions as an employed person and for sickness benefits only if she has paid as an employed or self-employed person.

The husband cannot receive a widower's benefit or a retirement pension on the basis of his wife's contributions. If he is disabled and did not have an opportunity to become insured before his disability started, his wife can pay contributions for him as a nonemployed person and enable him to qualify for his own retirement pension.

After the system gets under way, most persons who are regularly employed or self-employed are expected to be able to meet the contribution requirements for sickness and retirement benefits. A disabled husband should ordinarily be able to qualify for extended sickness benefits and for retirement pensions on the basis of contributions he had paid while working and those that were credited after he became disabled.

### Child

Family allowances are paid for all children in the family except the first. In two instances, additional provisions

enough to continue working until age 60 can draw unemployment or sickness benefits; she is in no worse position than the man employed in heavy manual work who cannot retire until he is aged 65.

<sup>17</sup> Beveridge, op. cit., p. 65.

are made. The first child in the family was left out of the family allowance provisions because a man's wages are usually sufficient to cover the needs of two adults and one child.<sup>18</sup> But when the parent's earnings are interrupted, he needs some assistance for the child who is entirely dependent on him. Accordingly, an allowance of 7s. 6d. a week is provided for the first child in the family when the insured person is drawing unemployment or sickness benefits or a retirement pension. A widow receives an allowance for the first child during the 13 weeks following her husband's death, and the widowed mother's benefit includes an allowance for one child.

The second situation in which the child needs more than is provided by the family allowance system is when both parents die. A guardian's allowance of 12s. a week for each orphan is paid to any person who cares for such children as members of his family. These payments are intended to encourage the absorption of orphans into individual homes rather than into institutions.

### Other Dependents

When the worker's earnings are interrupted for unemployment or sickness, the duration of the benefits, while it can be long, is expected to be brief. The worker would not normally disrupt his home during that period by discontinuing the support of persons dependent on him or essential to the maintenance of his household, even if an allowance were not provided for them. To prevent hardship, the plan defines dependents more liberally for those benefits.

Thus, if an adult dependent's allowance is not paid for a wife or disabled husband, it may be paid for a relative wholly or chiefly maintained by the worker and residing with him, or for a woman who is caring for his children. Further conditions are to be prescribed in connection with these persons.

An allowance is paid for only one adult dependent (wife, disabled husband, woman caring for the beneficiary's child, or other relative), regardless of how many adults the beneficiary is supporting. This limitation

<sup>18</sup> Beveridge, op. cit., p. 155.

has been in effect since 1921, when allowances were first added to the unemployment insurance benefit.

### Australia and New Zealand

While the social security systems of Australia and New Zealand differ from each other in some respects, they have many similarities—particularly in financing and determination of eligibility—that distinguish them from the British system.<sup>19</sup>

Australia and New Zealand impose a tax on income to finance social security benefits. The tax record is not used, however, in determining whether a claimant is eligible for benefits except that New Zealand may withhold or reduce the benefit of an applicant who has defaulted in his social security contribution. In Great Britain, eligibility for all social insurance benefits, except the guardian's allowance, is based on the number of contributions paid or credited.

Residence requirements are imposed by New Zealand and Australia for virtually all benefits.<sup>20</sup> In general, they require the longest periods of residence for the benefits for which Great Britain imposes the most severe contribution requirement, and no residence, or only a brief period, for benefits for which the British contribution requirement is slight.<sup>21</sup> These requirements ensure that contributions have been made to the social security fund if the applicant had enough income to pay, and they also serve (as

<sup>19</sup> See Social Security Department (New Zealand), *Social Security Monetary Benefits and War Pensions in New Zealand*, 1948; Jacob Fisher, "The New Zealand Social Security Program," *Social Security Bulletin*, September 1945, pp. 3-11; Department of Social Services (Australia), *Social Services*, 1946; J. B. Chifley, *Social Security and Reconstruction*, 1944 (?).

<sup>20</sup> Under a reciprocity agreement between New Zealand and Australia for the payment of old-age and invalid pensions, residence in one country is accepted as residence in the other.

<sup>21</sup> According to John S. Reid, "The residential qualifications ranging from twenty years in the case of age benefits to three years for widows and to nothing for health benefits are explained by the general attitude that age benefits are payable after service to the community while health benefits are provided to meet emergencies." (John S. Reid, "The Development of Social Security in New Zealand," reprinted from the *University of Toronto Law Journal*, Vol. 6, No. 1, 1945, p. 10.)

contribution requirements do in other systems) to prevent exploitation of the fund.

The test of resources is a distinguishing characteristic of both the New Zealand and Australian systems. It does not apply, however, to all types of benefits, nor is it concerned with all types of resources. Australia applies an income test for all benefits that are a partial replacement of wage loss (age, invalidity, widow's, unemployment, and sickness). In New Zealand the test is applied to the age, invalidity, widow's, and sickness benefits but not to the superannuation benefit, and its application to the unemployment benefit is left to the discretion of the Social Security Commission.<sup>22</sup> A property test is less general. It does not appear in the sickness benefit of either country or in the unemployment benefit of Australia; it is discretionary in the New Zealand unemployment benefit. New Zealand widows need not report their property unless they are over 60 years of age and are not caring for a child. The possession of property affects all widow's benefits in Australia, but the Director-General of Social Services may direct that the whole or any part of it may be disregarded. Certain kinds of income and property are disregarded in the resources test, and in addition a specified amount of the nonexcluded kind is exempt.<sup>23</sup> Re-

<sup>22</sup> Two retirement benefits—superannuation and age benefits—are provided under the New Zealand law (see table 1). The amount of the superannuation benefit is at present smaller than the age benefit, but rises by £2 10s. each year, and by 1983 is scheduled to be equal in size to the age benefit and presumably to supersede it for persons 65 years and over, since no income test is involved. The age benefit will continue to be paid to persons 60–64 years. The superannuation benefit is paid at age 65, is not reduced for income or property, and has no wife's allowance; the amount for the year beginning April 1, 1948, is £30. The age benefit is paid at age 60, is reduced for income and property, and has a wife's allowance; the maximum amount in 1948 is £117 a year.

<sup>23</sup> Both countries disregard such property as home, furniture, and some life insurance. New Zealand exempts an additional £500 in property and Australia, £50.

The chief exclusions from income in New Zealand are payments resulting from the conversion of property. Australia excludes from income the value of certain government benefits; for old-age, in-

sources of the beneficiary are usually combined with those of his spouse if they are living together.<sup>24</sup>

Both New Zealand and Australia have carried over from former pension laws certain moral qualifications for age, invalidity, and widow's benefits.<sup>25</sup> The usual requirement is that the applicant must be of good character; for age benefits the law also requires that the husband must not have deserted his wife or have failed to maintain his wife and children within a specified period, while the wife must not have deserted husband or children. Under the present administration in New Zealand, these provisions do not seem to play much part in the determination of claims.<sup>26</sup> To the extent that they are used, however, the administrator has somewhat more discretion in the granting of benefits than is true in Great Britain.

While the systems of Australia and New Zealand differ from that of Great Britain in financing and in determination of eligibility, they resemble it in benefit structure. New Zealanders and Australians, like people in Great Britain, are presumed to be in need of cash benefits when they are aged, disabled, widowed, unemployed, or sick, and benefits are provided in those circumstances.<sup>27</sup> Applicants must there-

validity, and widow's pensions, it also excludes friendly society benefits, trade-union benefits, and gifts from parents and children.

<sup>24</sup> An exception is the Australian sickness benefit, in which only the income of the beneficiary is considered. This provision would have limited effect when the wife was the claimant because the married woman cannot draw a benefit if her husband is able to support her. A sick husband would not, however, have his benefit reduced for his wife's earnings.

<sup>25</sup> In its age and invalidity pensions, Australia permits the Director-General of Social Services to make exceptions to the rule that property and income of husband and wife shall be half the total property and income of both "for any special reason, in any particular case."

<sup>26</sup> See International Labor Office, *Approaches to Social Security: An International Survey* (Studies and Reports, Series M, No. 18), 1942, p. 6.

<sup>27</sup> See Jacob Fisher, *Cash Benefits Under the New Zealand Social Security Program* (Bureau of Research and Statistics Report No. 13), 1945, pp. 35–39; and Leslie Lipson, "The New Zealand Means Test: An Appraisal," *Public Administration* (Winter Number 1944/45), p. 135.

<sup>28</sup> A "special benefit" in Australia and an

fore pass tests concerning those conditions as well as a test of resources.

In all three countries the benefit is a flat amount specified in the law and is not related to the claimant's previous wages or his actual need.<sup>28</sup> In Australia and New Zealand a deduction is usually made from that flat amount if the beneficiary has other income and, for some benefits, if he has property of more than a specified exempt amount. Great Britain reduces the amount of some benefits if the beneficiary's earnings are more than a specified exempt amount, but disregards other income and property.

The treatment of dependents in the Australian and New Zealand systems is similar in many ways to the British provisions. All three countries try to prevent as many persons as possible from being dependent on others by giving them basic benefits for age, disability, widowhood, sickness, and unemployment. In addition to these basic benefits, they provide allowances for dependents whom the beneficiary can be presumed to be supporting.

### Wife

*Benefits on her own eligibility.*—The married woman in New Zealand or Australia qualifies for an age or invalidity benefit as easily as does her husband but not entirely independently of him. Since the income and property of both spouses are considered in granting the benefit, the husband's resources may prevent the wife from obtaining it (and vice

"emergency benefit" in New Zealand may be paid at the discretion of the administering officer to persons who cannot qualify for other benefits and who are unable to earn a sufficient livelihood for themselves and their dependents.

Both countries have workmen's compensation systems; in Australia it is provided by the States. In New Zealand, disability benefits are paid to miners under a special program. The entire population in New Zealand is eligible for medical care and related services under a health benefits program authorized by the Social Security Act. Australia has programs for hospital, tuberculosis, and pharmaceutical benefits.

<sup>28</sup> The Australian law gives the Director-General power to cancel, suspend, reduce, or increase a benefit for age, invalidity, widowhood, unemployment, or sickness if he considers such action advisable. Information on the extent to which this authority is used is not available.

versa). Income and property do not affect New Zealand's superannuation benefit, however, and the wife can qualify for that benefit without regard to her husband's resources.

In Great Britain a married woman living with her husband gets a lower unemployment or sickness benefit than other adult beneficiaries unless her husband is disabled and she supports him. New Zealand does not permit a married woman to receive either the unemployment or sickness benefit if her husband can maintain her. For the sickness benefit, Australia disqualifies a married woman if it is reasonably possible for her husband to maintain her, but it may pay a reduced benefit if he can provide only partial maintenance. This disqualification does not apply to the unemployment benefit. In paying that benefit, however, Australia considers the income of both spouses; consequently, a married woman (or a married man) whose spouse has an income above a specified level cannot receive a benefit.

*Dependents' allowances.*—Both countries add a wife's allowance to the husband's invalidity, sickness, or unemployment benefit if she is dependent on him. When an aged husband has an aged wife, she can qualify for her own age benefit. Often, however, the husband reaches retirement age before the wife does, and only one benefit is payable for the two. Australia partly solves this problem by permitting women to qualify at age 60 while men qualify at age 65; it makes no provision, however, for the wife who is more than 5 years younger than the husband unless he is disabled, when a wife's allowance is provided. In New Zealand, where both men and women qualify for age benefits at age 60, the husband's benefit may be increased in individual instances, at the discretion of the Social Security Commission, by an amount as high as his own benefit if his wife is not a beneficiary. (No information is available on the frequency with which this discretion is exercised.) As noted, no provision is made for a dependent's allowance for the wife in the New Zealand superannuation benefit.

*Maternity benefits.*—The maternity benefit in Australia is payable with-

out a means test and with only moderate residence requirements, reflecting the interest of the Commonwealth in maternal health. A cash maternity benefit is not paid in New Zealand, but women ordinarily resident there receive necessary medical and nursing services under the health benefits plan.

*Widow's benefits.*—Separation from the husband for causes other than death is recognized as a compensable risk, and provision for this contingency is made in both Australia and New Zealand, though not in the new British system. Beveridge had recommended that wives who lose their maintenance through no fault of their own should get a benefit.<sup>29</sup> The Government indicated, in its White Paper on Social Insurance, that determination of fault is not a function of the social insurance agency and that the wife must seek other legal remedies open to her to secure maintenance.<sup>30</sup>

New Zealand provides widow's benefits to a woman who has been deserted by her husband and who has taken maintenance proceedings against him, and to one whose husband is detained under the Mental Defectives Act. Australia pays widow's benefits to a wife who has been deserted by her husband for at least 6 months without just cause, a woman whose marriage has been dissolved and who has not remarried, a wife whose husband is in a hospital for the insane or has been imprisoned for at least 6 months, and a woman who lived with a man as his wife on a permanent and bona fide domestic basis for 3 years before he died and was wholly or chiefly maintained by him during that period. Under the Australian law, both the deserted and divorced wife must have taken such action as the Director-General considers reasonable to obtain maintenance from the husband.

As in Great Britain, a widow is eligible for benefit if she has family responsibilities that prevent her from earning a living or if the situation is such that self-support can be presumed to be difficult for her.

In New Zealand a widow with a child under age 16 receives a benefit

while she has such a child. A mother's allowance may be added to her benefit at the discretion of the Social Security Commission. A widow who has had a child and has been married for 15 years or one who has spent a total of 15 years in marriage and in caring for her young children is also entitled to benefit. Such conditions indicate that she has been out of the labor market too long to get back easily. In other cases, age is the determining factor but not the only one. The woman who becomes a widow after she is 50 years old and has been married at least 5 years receives a benefit. The one who is over 50, was widowed after age 40, and was married at least 10 years also qualifies if at least 15 years have elapsed since her marriage. Some widows over age 50 are not eligible for widow's benefits. Those who were widowed before they reached age 40 and did not have children presumably had time to get a foothold in the labor market. Those who were widowed when they were over 40 but under 50, who had no children, and who had not been married 10 years had probably not lost their earning capacity and could return to their previous employment.

Australia pays benefits to a widow over age 50 regardless of marriage duration, presence of children, or age when widowed. The interruptions to her working career as a result of marriage supposedly have made the widow less able than the spinster to support herself in the 10 years preceding retirement age. Australia also provides a benefit for a widow who has a child under the age of 16 (or under 18 if attending school). "In caring for their children, widows are performing a national service, and are entitled to community assistance both for themselves and for the one child not covered by child endowment."<sup>31</sup> A widow who is under age 50, has no child, and is in necessitous circumstances receives a benefit for not more than 26 weeks immediately following her husband's death. The Director-General of Social Services determines whether she is in need, and no income or property exemptions are given in the law. This benefit, like the 13-

<sup>29</sup> Beveridge, op. cit., p. 134.

<sup>30</sup> Great Britain, Minister of Reconstruction, op. cit., p. 29.

<sup>31</sup> Australia, Parliament, Joint Committee on Social Security, *Interim Report*, Sept. 24, 1941, p. 8.

week British benefit, helps the widow support herself while she is adjusting to new conditions.

### Husband

The husband rarely appears as a dependent because he is usually the family earner who supports others. The social security systems of Australia and New Zealand help him to maintain his position as family breadwinner by giving him benefits when he is aged, disabled, unemployed, or sick, and by providing allowances for his dependents. Those benefits are, of course, usually paid only when his resources, combined with his wife's, are below specified levels.

If a wife qualifies for sickness or unemployment benefit, Australia permits her to claim an allowance for a dependent husband, regardless of the reason for his dependency. If he draws a pension in his own right amounting to £1 or more a week, he is disqualified as a dependent. A pension of less than £1 reduces the dependent's allowance proportionately. New Zealand makes no specific provision for a husband's allowance when a wife draws unemployment or sickness benefits; conceivably, a husband might qualify for the adult dependent's allowance as a "person who for the time being has the care of the home of the applicant."

A husband does not qualify as a dependent when his wife receives an age or invalidity benefit in either Australia or New Zealand, nor does he qualify for a widower's benefit. The need for such provisions is almost eliminated by the payment of benefits for all major risks.

### Child

Since New Zealand pays family allowances for all children in the family, a child's allowance is not added to the cash benefit paid when earnings are interrupted or terminated. The payment of family allowance is made irrespective of family resources. The need of the child who has lost both parents is recognized by New Zealand in the payment of orphan's benefits. These benefits are higher in amount than the family allowances and presumably give the child a better chance to be cared for in a family.

Australia makes no special provision

for orphans. Its family allowance program excludes the first child in the family, and therefore provision for that child is made in most of the cash benefits. The widow with a child receives a higher benefit than other widows, and the unemployment or sickness beneficiary who has one or more children in his care receives 5s. more a week. A child's allowance is added to the invalidity benefit also but not to the age benefit except when the pensioner is permanently incapacitated. "Believing that as a rule it is quite impossible to avoid hardship where the breadwinner of the family has been so seriously stricken with illness as to be permanently incapacitated for work, the Government took the view that dependents of invalid pensioners are in a particularly unenviable position."<sup>32</sup>

### Other Dependents

Aged and disabled persons, who must often rely on relatives for support, receive pensions in Australia and New Zealand if their resources are below specified levels. Widows also get benefits during periods when self-support can be presumed to be particularly difficult. While these benefits relieve most persons of caring for dependents other than a wife and child, some workers may contribute to the support of other relatives.<sup>33</sup> The social security systems do not provide dependents' allowances for these relatives when the worker's earnings are interrupted, unless they are caring for his home.

The housekeeper is the only "dependent" other than husband, wife, or child for whom an allowance is provided when a worker is unemployed or sick. In both countries, this allowance is discretionary and is made only if the benefit is not increased for a dependent wife. New Zealand's payment is made for any person who for the time being cares for the applicant's home, without re-

gard to the sex of either housekeeper or applicant. The Australian payment is more restricted. The applicant must be a man who has the custody, care, and control of one or more children. The housekeeper must be a woman substantially dependent on the man but not his employee and not receiving an age, invalidity, or widow's pension of £1 a week or more. The allowance is reduced if she receives a pension of less than £1 a week.

### Canada

Canada has, in addition to family allowances, two social security programs established under Dominion law—unemployment insurance and old-age and blind pensions.<sup>34</sup> These differ not only from the programs in Great Britain, New Zealand, and Australia, but from each other.

Coverage under the Canadian program of unemployment insurance is more restricted than under the British system, which covers all employed persons, or the systems of Australia and New Zealand, which pay benefits to unemployed persons who are seeking work and who are able and willing to work. Not only are persons in such types of employment as agriculture, domestic work, and public service excluded, but persons employed at weekly or monthly rates above specified levels are also left out.

The Canadian benefits are financed through employer and employee contributions, which vary according to wages; the Government contributes to the fund for benefit payments and also pays all administrative costs. The claimant qualifies on the basis of contributions paid with respect to him.

Unlike the flat benefit rates of Great Britain, New Zealand, and Australia, benefits in Canada are based on the previous wages of the em-

<sup>34</sup> Provinces and municipalities have responsibility for other measures of economic assistance. All Provinces except Prince Edward Island have workmen's compensation and mothers' allowance programs. The municipalities administer general relief, with grants in some Provinces from the Provincial Governments. See Harry M. Cassidy, "The Canadian Social Services," *The Annals of the American Academy of Political and Social Science*, September 1947, pp. 190-199.

<sup>32</sup> Australia, Department of Social Services, *Second Report of the Director-General of Social Services*, 1943, p. 5.

<sup>33</sup> Australia excludes from income any gifts received from father, mother, son, or daughter. Both countries permit the pensioner to have a certain amount of exempt income without a reduction in the pension.

ployee. Two benefit rates are provided for each wage level—one for the worker with dependents and one for the worker with none.

#### *Dependents' Allowances Under Unemployment Insurance*

The broad definition of dependents enables almost all Canadian workers who assume financial responsibility for other persons to qualify for the higher benefit. A dependent may be a wife, a dependent husband, a child under 16 years of age, or another relative living with the beneficiary. To claim his wife as a dependent, the man must wholly or chiefly maintain her.

Designation of another relative as a dependent helps beneficiaries who have assumed unusual family responsibilities, but a beneficiary needs only one dependent to qualify for the higher rate and no further increase in benefit is made no matter how many dependent relatives he may have. The relative must be wholly dependent and connected by blood relationship (parent, grandparent, great-grandparent, child, grandchild, great-grandchild, brother, sister, uncle, aunt, nephew, or niece), by marriage (parent, grandparent, brother or sister of his spouse, or his stepchild), or by adoption (child legally adopted).<sup>35</sup> The beneficiary must support the relative in a self-contained domestic establishment maintained by him.

Finally, Canada permits a claimant who has the care of a child under age 16 to qualify for the higher rate. Since family allowances are paid for all children in the family, such an increase in the unemployment insurance rate might seem to be duplication. Canada, however, does not include among the dependents a housekeeper, who might be essential to the household of the beneficiary with a young child. Inclusion of the child serves the same purpose as inclusion of a housekeeper.

#### *Income Exemptions in Old-Age and Blind Pensions*

Under agreements made with the Dominion Government, the Provinces pay pensions to aged or blind per-

<sup>35</sup> The Unemployment Insurance Regulations, 1946, Order in Council P. C. 4012, gazetted Sept. 28 and effective Oct. 1, 1946.

sons. The Dominion grants to the Province 75 percent of any pension up to \$30 a month if the pensioner has attained age 70, has resided in Canada 20 years, and has income (including pension) of \$600 a year or less if unmarried, of \$1,080 or less if married and living with a sighted spouse, or of \$1,200 or less if married and living with a blind spouse.<sup>36</sup> The Provinces may, and some of them do, provide additional assistance and services for pensioners.<sup>37</sup>

A pension under the same terms is provided to a blind person who is at least 21 years of age, has resided in Canada 20 years, and has total income (including pension) of \$720 a year or less if unmarried and with no dependent child, of \$920 or less if unmarried but with a dependent child, of \$1,200 or less if married to and living with a sighted spouse, or of \$1,320 or less if married to and living

<sup>36</sup> Under Dominion regulations the following types of income are to be disregarded: family allowances, mothers' allowances, cost-of-living or supplemental allowances paid by a Province, pay assigned by a member of the armed forces, direct relief in amounts approved by pension authority, small casual gifts, contributions other than for maintenance to pensioners who require special care, and amounts received by blind pensioners for hiring guides (The Old Age Pension Regulations, P. C. 1732, gazetted May 15, 1947).

<sup>37</sup> See Canada, Department of National Health and Welfare, *Annual Report for the Fiscal Year Ended March 31, 1947*, 1948, pp. 76-77.

*(Continued from page 2)*

little from that for June. On the basis of these ratios, it appears that covered unemployment was relatively high in Rhode Island (8.8 percent) and California (6.4 percent) and low (2.0 percent or less) in 20 States.

DURING JULY, for the first time, the old-age and survivors insurance benefit rolls carried more than 2.5 million persons, whose monthly benefits exceeded \$50 million. About 2.2 million beneficiaries were actually receiving benefits at the end of July, at a monthly rate of \$42.9 million. The net increase of 19,350 beneficiaries was the lowest for any month since December 1946. The number of children receiving benefits decreased by 900

with a blind spouse. The higher income exemptions of the blind presumably reflect additional needs that result from their disability.

Since the pension is not supplemented by dependents' allowances, the dependents as such receive no financial assistance under the Dominion law. The dependent wife of an aged pensioner will usually qualify for a pension in her own right when she reaches age 70, since her period of residence is likely to be the same as his and her income level is the same. Family allowances, of course, are paid for all children in the family under 16 years of age.

The additional needs of a pensioner with family responsibilities are recognized in the total income he is permitted to have. The maximum is \$480 greater for the married pensioner and his wife (whether or not both are pensioners) than for the unmarried pensioner. The unmarried blind pensioner with a dependent child is allowed \$200 more in total income than such a pensioner without a child; presumably, this will permit him to earn extra money to employ household help. By regulation, family allowances received for the child are not included in the income. While provisions for a higher maximum income do not make additional funds available to the pensioner for his dependents, they do help to protect his living standard when he can obtain those funds from other sources.

during July, as benefit payments were suspended for many entitled children because they earned more than \$14.99 a month from summer jobs in covered employment. More than 8,700 child's benefit suspensions were processed during July, as compared with an average of about 4,000 during the first 6 months of the year.

Monthly benefits were awarded to almost 48,000 persons in July, 6 percent fewer than in June. The number of primary benefit awards increased by 3 percent; all other types showed a decrease.

CASE LOADS AND PAYMENTS for public assistance in the various States continued to show changes differing in direc-

*(Continued on page 21)*