

This article details the congressional effort to recognize the important contributions of Filipino veterans in World War II that led to the enactment of a new title VIII of the Social Security Act, "Special Benefits for Certain World War II Veterans." It describes the evolution of a proposal to pay a reduced Supplemental Security Income (SSI) benefit to Filipino and other World War II veterans who want to return to their homeland or otherwise live outside the United States. The article highlights the different options considered and the early implementation of payments by the Social Security Administration under the new program. Title VIII is the first benefit program administered by the Social Security Administration since the enactment of the legislation that created the SSI program in 1972.

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Legislative History of Title VIII of the Social Security Act

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Introduction

On December 14, 1999, President Clinton signed the Foster Care Independence Act of 1999, Public Law 106-169. That law established a new program of cash benefits for certain World War II veterans who live in the United States, are receiving Supplemental Security Income (SSI), and want to live outside the United States. The impetus for the bill came from members of Congress who wished to honor the World War II service of Filipinos who served in the armed forces of the United States but who are not eligible for full cash benefits from the Department of Veterans Affairs (VA).

The new program makes it financially possible for SSI beneficiaries who are also World War II veterans to return to their homeland and have the opportunity to rejoin family members who did not immigrate to the United States.¹ The new benefits, authorized under title VIII of the Social Security Act, are known as Special Veterans Benefits (SVB). General revenues are used to reimburse the Social Security trust funds for the Social Security Administration's (SSA's) cost of administering the SVB program.

To be eligible for SVB, an individual must:

- Be aged 65 or older on December 14, 1999;

- Be a World War II veteran who served in the U.S. military at some point from September 16, 1940, and through July 24, 1947, or who served in the organized military of the Philippines at some point from July 26, 1941, through December 30, 1946;
- File an application for SVB;
- Be eligible for SSI for December 1999;
- Be eligible for SSI for the month in which he or she applies for the special benefits; and
- Have other benefit income that is less than 75 percent of the current SSI federal benefit rate.²

Unlike the SSI program, the SVB program does not take into account an individual's resources or living arrangements. Similar to the SSI program, benefits are not paid to dependents or survivors. The SVB program is the first new benefit program administered by the Social Security Administration since the enactment of the legislation that created the SSI program in 1972.

Background and Legislative History

The Philippine Islands became a United States possession in 1898 when they were ceded from Spain following the Spanish-American War. In 1934, the

Congress enacted the Philippine Independence Act (Public Law 73-127), which provided a 10-year time frame for the independence of the Philippines and, in the interim, established a Commonwealth of the Philippines with certain powers over its internal affairs. Full independence from the United States was delayed for 2 years by Japan's occupation of the Philippines during 1942 to 1945. Between 1934 and final independence in 1946, the United States retained specific sovereign powers over the Philippines, including the right, upon order of the President of the United States, to call all military forces organized by the Commonwealth government into the service of the United States.

During World War II, Filipinos served in a variety of units. Some of the units came under direct U.S. military control, others had no ties to the U.S. military, and still others fell somewhere in the middle. The United States recognizes service in four groups as qualifying for VA benefits, but only one, the Regular Philippine Scouts, qualifies for full benefits. That group has always been part of the U.S. Army. Members who served prior to October 6, 1945, are entitled to all VA benefits under the same criteria as veterans of the U.S. Armed Forces.

The other three groups are the Philippine Commonwealth Army, the New Philippine Scouts, and the Guerilla Services. More than 100,000 members of the Philippine Commonwealth Army were called into the service of the U.S. Armed Forces of the Far East on July 26, 1941, by an executive order of President Roosevelt. Shortly after Japan surrendered, Congress enacted the Armed Forces Voluntary Recruitment Act of 1945 (Public Law 79-190) for the purpose of sending U.S. troops to occupy enemy lands and to oversee military installations at various overseas locations. A provision included in that act called for the enlistment of Philippine citizens to constitute a new body of Philippine Scouts. Known as the New Scouts, members of that group were authorized to receive pay and allowances for services performed in the Philippine Islands, Japan, and elsewhere in the Far East.³ Individuals in the Guerilla Service served under the command of a commissioned officer in the U.S. Armed Forces or in the Philippine Army, recognized by and cooperating with U.S. forces.

However, on February 18, 1946, Congress enacted the Rescission Act of 1946 (Public Law 79-301), which declared that the service performed by the Philippine Commonwealth Army veterans and guerilla forces was not active service. Because they were not active-service veterans, those Filipino veterans were denied most VA benefits. Three months later, on May 17, 1946, Congress enacted the Second Supplemental Surplus Appropriation Rescission Act (Public Law 79-391), which similarly limited eligibility for VA benefits for the New Philippine Scouts.

VA benefits for Filipino veterans covered under the 1946 acts were restricted to service-connected disability or death benefits and were generally limited to 50 percent of the amounts that other veterans receive. Congress's rationale for those restrictions was that by 1946 the Philippines was an independent country and that it most appropriately should take care of its veterans. Also, Congress had appropriated a one-time payment of \$200 million to the Philippine government to assist Filipino veterans.⁴

An Administration proposal, subsequently enacted on October 27, 2000, as part of the FY 2001 Veterans Affairs, Housing and Urban Development Appropriations Act (Public Law 106-377), removed the 50 percent limit on compensation for service-connected disabilities for Filipino veterans living in the United States.⁵ Those veterans now receive VA compensation at the same rate as other veterans in the United States.

House Action and Administration Recommendations

The 105th Congress began considering the option of paying a special benefit to World War II veterans through the SSI program as a way of honoring Filipino veterans. Rep. Benjamin Gilman (R-NY) introduced the Filipino Veterans SSI Extension Act (H.R. 4716) on October 7, 1998. The bill provided that eligibility for SSI benefits would not end because an individual returned to the Philippines.⁶ Instead, the SSI benefit would be reduced by 25 percent for individuals who, as of January 1, 1990, were eligible for SSI and who, before August 15, 1945, served in the Philippine military forces while such forces were in the service of the U.S. Armed Forces pursuant to President Roosevelt's executive order. The 105th Congress did not consider H.R. 4716.

Rep. Gilman reintroduced the bill on January 6, 1999, as H.R. 26 in the 106th Congress. Under the new version of the bill, SSI benefits would be reduced by 50 percent for Filipino veterans who returned to the Philippines. Although H.R. 26 was not acted upon in the 106th Congress, its approach to honoring Filipino veterans by continuing SSI benefits at a reduced rate as recognition for their military service was gaining support within the House Ways and Means Committee, in part because of the significant advocacy efforts of Rep. Bob Filner (D-CA).

On February 9, 1999, Rep. Nancy Johnson (R-CT) introduced H.R. 631, the SSI Fraud Prevention Act of 1999. Among the bill's SSI provisions was one that would allow Filipino veterans who returned to the Philippines to receive SSI benefits reduced by 50 percent.⁷ The Congressional Budget Office estimated that the provision would have 5-year savings of \$7 million for SSI,

\$33 million for Medicaid, and \$3 million for the Food Stamp program.

Shortly thereafter, Rep. Ben Cardin (D-MD) introduced H.R. 671, the Transition to Adulthood Program Act of 1999. That legislation, which did not include any provisions relating to SSI or Filipino veterans, was referred to the House Ways and Means Subcommittee on Human Resources. It was then combined with Rep. Johnson's bill in H.R. 1802, the Foster Care Independence Act of 1999, which Rep. Johnson introduced on May 13, 1999. The bill included provisions on foster care, prevention of SSI fraud and abuse, and payments of 75 percent of SSI benefits to Filipino World War II veterans who move from the United States to the Philippines.

H.R. 1802 was reported out of the Ways and Means Committee on June 10, 1999. In its report on the bill, the Committee provided a rationale for paying SSI to Filipino veterans no longer living in the United States:

According to information made available to the Committee through testimony and personal correspondence, there are many Filipino veterans of World War II now drawing SSI benefits who would like to spend their few remaining years at home in the Philippines. However, under current law they are not allowed to receive SSI unless they continue to reside in the U.S. Because these Filipinos fought for the United States in World War II, and because they are willing to accept a slightly smaller benefit (25 percent reduction) if they return to the Philippines, the Committee is willing to make an exception to the general rule that only residents of the U.S. can receive SSI benefits. This opportunity is strictly limited, however, only to those currently receiving SSI benefits and only to veterans of World War II.”⁸

On June 22, 1999, in a *Statement of Administration Position* issued by the Office of Management and Budget, the Administration expressed its support for the goal of assisting Filipino World War II veterans who wished to return to the Philippines. However, the Administration voiced concerns about providing such assistance through the SSI program and offered to work with Congress to enact an alternative provision to address that goal.

The Administration's concerns were due primarily to the means-tested nature of the SSI program and the fact that it was designed as a domestic program administered by SSA's infrastructure of over 1,300 field offices. The SSI program has many rules regarding living arrangements, resources, and income. Changes in any of those areas can affect SSI eligibility and benefit amount on a month-by-month basis. Thus, administering SSI in a

foreign country would be difficult for SSA and would probably be prone to program error and potential abuse.

The Administration was also concerned about equity for other World War II veterans who received SSI and who also wanted to move outside the United States but who would not have received assistance under H.R. 1802. For example, Puerto Rican World War II veterans with little income who wanted to live in Puerto Rico would not have been able to retain a portion of their SSI benefit, nor would Filipino veterans who moved somewhere other than the Philippines.

The Administration and the Congress together developed a new title of the Social Security Act, unconnected to the SSI program, to meet the goals of the original provision of H.R. 1802 and address the concerns expressed in the Administration's statement of June 22, 1999. The new title VIII would provide cash benefits equal to 75 percent of the SSI benefit standard to any World War II veteran who was an SSI beneficiary in December 1999 and who left the United States. Unlike SSI, a veteran's resources and living arrangements would not be taken into account in determining title VIII eligibility or the payment amount. However, like SSI, the veteran's title VIII payment would be reduced by his or her other regular income (for example, Social Security and other pensions). Although the benefits would be available to all World War II veterans, the fact that all low-income veterans aged 65 or older are eligible for VA pensions that are higher than 75 percent of the SSI standard would preclude title VIII eligibility for most non-Filipino veterans.⁹

The House of Representatives took up H.R. 1802 on June 25, 1999. During the bill's consideration on the floor of the House, a Ways and Means Committee amendment was introduced by Rep. Johnson and approved. The amendment consisted of a new title VIII of the Social Security Act for special benefits for World War II veterans, instead of an extension of SSI benefits to Filipino veterans. The amendment language for the new title VIII was developed by Ways and Means Committee staff and SSA staff. H.R. 1802 passed the House the same day by a vote of 380-6.

Senate Action

A hearing on the health needs of children in foster care was held before the Senate Committee on Finance's Subcommittee on Health Care on October 13, 1999. Senator John Chafee (R-RI) was the chairman of the subcommittee and on July 1, 1999, had introduced S. 1327, the Senate companion bill to H.R. 1802. Apart from differences involving Medicaid for children in foster care and states' portions of child support payments, S. 1327 was identical to H.R. 1802, and both were titled

Foster Care Independence Act of 1999. The provision to pay special benefits to World War II veterans was not discussed. The hearing included testimony from several members of Congress, including Rep. Nancy Johnson, Rep. Tom DeLay (R-TX), Rep. Ben Cardin, and Sen. Christopher Bond (R-MO), supporting the provisions in the foster care bill and urging prompt congressional action.

The Foster Care Independence Act (Public Law 106-169)

There was pressure to resolve the differences in the House and Senate bills quickly because of Congress's planned adjournment date of October 29. Given its overwhelming bipartisan support, the foster care legislation had a good chance of passing if adjournment was delayed.

Unfortunately, Sen. Chafee, the manager of the bill in the Senate, died of heart failure on October 25, 1999. It was not clear whether the momentum for the legislation could be sustained without his leadership. In the regular course of congressional procedures, the Senate would pass its version of the bill, and a conference committee would work out the differences between the Senate- and House-passed versions. Both houses would then have to approve the conference committee bill. Instead, in this case, both houses reached a consensus on the bill's text to expedite consideration of foster care legislation before they adjourned.

A new bill, H.R. 3443, the Foster Care Independence Act of 1999, was introduced on November 18 and was referred to the House Ways and Means Committee and the House Committee on Commerce. The bill was discharged by both committees at 7:37 p.m. and was passed without objection at 7:38 p.m. The bill was then received in the Senate November 19 (the Senate's final day in session), was read twice, was considered, was read a third time, and was then passed by unanimous consent. The Foster Care Independence Act of 1999 was signed by the President on December 14, 1999, and became Public Law 106-169.

SSA Implementation of Title VIII

As mentioned earlier, title VIII is the first new benefit program administered by the Social Security Administration since the SSI program was enacted. Implementing the SVB program posed significant challenges in the areas of policy, operations, systems, and financial management. An additional complication was that the benefits would be sent to individuals living outside the United States.

Despite these challenges, SSA began paying title VIII benefits in May 2000, 5 months before the required date in the legislation. The first recipient was Lolita Soberano, a 73-year-old former Filipino guerilla nurse during World War II. An estimated 3,000 veterans will eventually be eligible for SVB benefits. As of December 31, 2001, SSA had made 2,221 SVB awards—almost all to Filipino veterans residing in the Philippines.

The title VIII program is not the first instance in which SSA has administered benefits for a specific group and situation from World War II. In 1942, SSA was asked to administer Civilian War Benefits (CWB) during the War. Disability, survivors, and medical care benefits were paid to dependents of civilians killed or missing overseas. The program had no connection to Social Security Act programs, but SSA was given the task of administering it since the agency had expertise in paying monthly benefits to survivors and dependents of workers in the United States. Operation of the CWB program was turned over to the U.S. Employees' Compensation Commission on December 31, 1946.¹⁰

Notes

¹ Title VIII defines "United States" as the 50 states, the District of Columbia, and the Northern Mariana Islands.

² Benefit income is defined as any recurring payment received by a qualified individual, such as an annuity, pension, or retirement or disability benefit, but only if a similar payment was received by the individual from the same or a related source during the 12-month period immediately before the month the veteran files an application for SVB. The benefit income includes any veterans' compensation; Old-Age, Survivors, and Disability Insurance; Railroad Retirement or pension; and unemployment insurance.

³ Although hostilities had ceased, wartime service of the New Philippine Scouts continued as a matter of law until the end of 1946. The force gradually disbanded and was disestablished in 1950.

⁴ For over 50 years, these Filipino veterans have maintained that they are all veterans of active-duty U.S. military service and, as such, should be entitled to the same benefits and rights given to other U.S. veterans. Congress and the executive branch have taken steps over the years toward rectifying that perceived injustice.

⁵ The 50 percent limit would continue to be applied to veterans in the Philippines or otherwise outside the United States.

⁶ With certain exceptions for children of U.S. military personnel and students studying overseas, individuals are not eligible for SSI if they are not U.S. residents or if they have been out of the United States for 30 consecutive days.

⁷ The SSI provisions not involving Filipino veterans were sent to Congress in May 1998 by the Commissioner of Social Security in the draft bill Supplemental Security Income Program Integrity Act of 1998.

⁸ House of Representatives, Committee on Ways and Means. *Foster Care Independence Act of 1999*, H. Rept. 106-182 (June 10, 1999), Part 1, p. 40.

⁹As mentioned earlier, Filipino veterans are not eligible for the VA pensions, and most have no benefit income other than SSI.

¹⁰ “The Civilian War Benefits Program: SSA’s First Disability Program.” 1997. *Social Security Bulletin* 60(2): 68-76.