

FEDERAL OLD-AGE AND SURVIVORS INSURANCE: A SUMMARY OF THE 1939 AMENDMENTS *

THE AMENDMENTS to the Social Security Act, which became law on August 10, 1939 (Public, No. 379, 76th Cong.), revised provisions for the Federal old-age insurance system in four major respects:

1. Advance in the date of first payment of monthly benefits to January 1, 1940, to make the benefits immediately effective.
2. Increase in the average amounts of benefits payable in the early years.
3. Extension of scope to provide protection for certain dependents of beneficiaries and survivors of insured workers.
4. Liberalization of eligibility requirements to provide protection for more persons now aged or approaching retirement age.

The effect of these amendments is to shift the emphasis of the system from protection of the individual worker and principles of individual equity to protection of the family and a recognition of the broader goal of meeting social needs. In addition, certain changes in the financial framework of the system and in taxing provisions were made by this legislation, which amends both the Social Security Act and the Internal Revenue Code.

With the exception of an amendment discontinuing the lump-sum amounts previously payable to covered workers at the age of 65, which became effective immediately upon the signing of the act, and the inclusion of workers over age 65 which was in part made effective January 1, 1939, the major changes to establish the present system of old-age and survivors insurance become effective as of January 1, 1940. The types of benefits payable under the old-age and survivors insurance plan are:

1. Primary insurance benefits, which are old-age insurance benefits for wage earners who have attained the age of 65 and who are "fully insured" under the program (as explained later).
2. Wife's insurance benefits for wives aged 65 and over of wage earners entitled to primary insurance benefits.

* Prepared by the Bureau of Old-Age and Survivors Insurance, Analysis Division, Actuarial Section.

3. Child's insurance benefits, for children under the age of 16, or under 18 if attending school, of wage earners entitled to primary insurance benefits and of deceased insured wage earners.

4. Widow's insurance benefits for widows aged 65 and over of wage earners who died fully insured.

5. Widow's current insurance benefits for widows of any age caring for the dependent children of wage earners who died either fully or "currently insured" (as explained later).

6. Parent's insurance benefits for parents over age 65 of wage earners who died fully insured leaving no widow or unmarried surviving child under the age of 18.

7. Lump-sum death payments under certain circumstances.

The following paragraphs summarize briefly the conditions under which the several types of benefits are payable and certain related provisions. This explanatory statement is offered merely for informational purposes. It does not have the effect of law, regulation, or ruling, and should be supplemented by reference to the legislative provisions noted in the text. In the interest of brevity, certain minor limitations and administrative provisions have been omitted.

I. Covered Employment and Wages

As in the original act, taxes and benefits depend on wages received in covered employment. Although the definitions of "employment" and "wages" in the benefit provisions are worded a little differently from those in the taxing provisions, the meanings are almost the same. When there is an actual difference between taxable wages and wages creditable toward benefits or when there is an apparent difference in the terms, a distinction is made in the following explanations of the definitions.

a. *Employment.*—As in the original act, "employment" is defined as all services performed by an employee for an employer (the terms employee and employer being used in the ordinary sense) except certain specified exclusions. In the ordinary sense of the terms, employee includes an

officer of a corporation and employer includes individuals, trusts, estates, partnerships, and corporations. These ordinary meanings apply both in the taxing provisions and in the benefit provisions. Effective January 1, 1940, the following changes will be made in the exclusions of services excepted under the original act: The exclusions of seamen and of employees of Federal instrumentalities have been narrowed; agricultural labor has been defined so as to enlarge the exclusions thereunder; and many less important modifications and clarifications have been made. Exception of services performed for a foreign government, or for an instrumentality of a foreign government (when equivalent exemptions are granted by such foreign government to employees of the United States and its instrumentalities), is made retroactive to January 1, 1937.

Under the original act, wages with respect to services performed after age 65 were not taxable and did not count toward benefits. The age limitation now contained in the definition of employment applies only to services after age 65 performed *prior to 1939*. Services performed in 1939 and thereafter are thus considered to be employment regardless of the employee's age, and wages received for such employment are taxable and are counted toward benefits. The employer must pay his tax retroactively to January 1, 1939; but, unless he collects the tax from the employee, he is liable for the employee's tax for services performed prior to August 10, 1939, only to the extent that the employer has in his control on or after November 8, 1939, amounts of remuneration belonging to the employee. See also XVI (c.)

In some instances, an employee may perform services for a single employer some of which are included and some of which are excluded by the definition of employment, as, for example, work in a store and on a farm. In order to simplify accounting in such instances, it is provided that each customary pay period (or each period of 31 days whenever the customary interval of pay is longer) shall be considered separately and all the work done in each such period shall be treated as a unit. All the services performed in any one such period are then considered to be employment if at least half the time was spent in covered services; if more than one-half the time in that period was spent on services excluded by the definition of employment, none of the work done in that period is considered

to be employment. This unit rule is not applicable to an employee any portion of whose services for a single employer during the pay period is covered under the Railroad Retirement Act; all services of such employee must be accounted for exactly. (209 (b), (c), (1); 606; 1426 (b), (c), (d), (f), (h) IRC; 905 (a))¹

b. *Wages*.—As in the original act, the term "wages" means all compensation for employment (including the cash value of all payments in kind) with certain exceptions. These exceptions have been somewhat amplified.

The original act excluded from "wages" remuneration in excess of \$3,000 received from a single employer with respect to employment in any one calendar year. This exclusion is likewise to be found in both the benefit and the tax provisions of the amendments. However, for benefit purposes this exclusion has been further extended so that, beginning with the year 1940, all remuneration in excess of \$3,000 which is earned by an employee in any one calendar year is excluded from wages whether the services are performed for one employer or for more than one employer. No corresponding change is made in the taxing provisions. Accordingly, both employer and employee taxes are levied on the first \$3,000 of remuneration paid with respect to any employee by each employer for employment in a calendar year. Since two or more employers may thus make deductions from an employee's pay for his part of the tax based on wages of which part are not creditable toward benefits, a provision is made for refunds to employees in such cases. This is explained in connection with taxes in XVI (b).

Effective January 1, 1940, certain other types of remuneration have been excluded from wages (both for tax and benefit purposes). The principal objectives of these exclusions are to incorporate the substance of previous rulings or to avoid the nuisances of accounting for certain types of remuneration in small amounts not paid in cash. Among these exclusions, enumerated in the definitions of wages, are employer contributions under certain kinds of plans established to provide benefits for employees in the event of retirement, accident, sickness, medical expenses, hospitalization expenses, or death. Employees' social security

¹ The section references denote sections of the amending act except those marked IRC which are sections of ch. 9, subch. A, of the new Internal Revenue Code, in which the taxing provisions of the amendments will be inserted.

taxes paid by an employer without deduction from the employees' pay and dismissal payments not legally required of an employer are likewise excluded from wages. (209 (a); 602 (b); 1401 (d) IRC; 606; 1426 (a) IRC)

II. Insured Status

For the purposes of determining who may qualify for the various types of benefits, the terms "fully insured individual" and "currently insured individual" are used. In the definition of the first of these terms, the term "quarter of coverage" appears.

a. A *quarter of coverage* is a calendar quarter in which an individual has been paid not less than \$50 in wages. (Special provision is made when \$3,000 of wages has been paid to an individual in less than four quarters in a year, because no wage record will be made for that individual in subsequent quarters of that year. In any case in which an individual has been paid in a calendar year \$3,000 or more in wages, each quarter of such year following his first quarter of coverage shall be deemed a quarter of coverage, excepting any quarter in such year in which such individual dies or becomes entitled to a primary insurance benefit and any quarter succeeding such quarter in which he died or became so entitled.)

A "quarter of coverage" may be acquired at any time after 1936 whether before or after age 21, or before or after attainment of age 65. In other words, any quarter in which the individual was paid \$50 or more in wages is counted as a quarter of coverage whether or not it occurred during the period of "elapsed quarters," explained in the next paragraph. (209 (g))

b. *Fully Insured Individual.*—For the primary and supplementary benefits, and for certain of the survivors benefits, the wage earner must be "fully insured." To be fully insured an individual must satisfy either one of the following two requirements: (1) He must have had at least half as many quarters of coverage as the number of calendar quarters elapsing after 1936 or after the quarter in which he attained age 21, whichever quarter is later, and prior to the quarter in which he attained the age of 65 or died, whichever first occurred, and in no case less than six quarters of coverage; or (2) he must have had at least 40 quarters of coverage.

The requirements for fully insured status can

best be understood if the term "elapsed quarters" (referred to above as "calendar quarters elapsing") is explained.

Elapsed quarters include all quarters in the normal working lifetime of an individual, except, of course, any quarters occurring before 1937 when the program first went into effect. The quarter in which the individual attained age 21 and all prior quarters, and the quarter in which he attained age 65 or died and all subsequent quarters, are not counted in the number of elapsed quarters. If the number of elapsed quarters is odd, such number is reduced by one before applying the rule for determining the required number of quarters of coverage for fully insured status.

The general rule is that to be fully insured an individual must have had at least half as many quarters of coverage as the number of elapsed quarters. However, a minimum of six quarters of coverage is required if the number required by the general rule is less than six. Furthermore, if a person has 40 quarters of coverage he is fully insured, regardless of the requirement of the general rule.

In other words, if the number of elapsed quarters is 13 or less, the required number of quarters of coverage is six. Thus, for any person who has already reached age 65 or who attains age 65 or dies in the first half of 1940, the minimum of six quarters of coverage will suffice. For a person who attains age 65 (but not necessarily for a person who dies) in the last half of 1940, seven quarters of coverage are required; in the first half of 1941, eight quarters of coverage; in the second half of 1941, nine quarters of coverage; and so on. For every two additional quarters elapsing, an additional quarter of coverage is required until 1957, when the maximum requirement of 40 quarters of coverage becomes effective. The same number of quarters of coverage are required for persons who die before age 65 in the respective periods, provided they attained age 21 before 1937; otherwise the required number depends upon the date at which age 21 was attained as well as upon the date of death. (209 (g))

c. *Currently Insured Individual.*—In order that protection for orphans and widows caring for orphans may become available even when a wage earner has not had a considerable period in covered employment before his death, benefits are payable not only to such survivors of fully insured individ-

uals but also to such survivors of "currently insured individuals." Certain lump-sum death payments may also be paid with respect to either type of individual.

A currently insured individual is an individual who has been paid wages of not less than \$50 for each of six or more quarters out of the 12 calendar quarters immediately preceding the quarter in which he died. It may be noted that the quarter of death is not counted either in the six quarters required or in the 12 quarters examined for determination of currently insured status.

Ordinarily, the quarter *in* which wages are paid will be presumed to be the quarter *for* which such wages are paid. This presumption may be overcome if evidence is presented showing that certain wages paid *in* a given calendar quarter were paid *for* a different quarter. (209 (h))

d. Thus, an individual may be currently insured without being fully insured. All the monthly benefits are payable with respect to fully insured individuals; but if a wage earner was only currently insured, only his surviving orphans and widow caring for them can receive monthly benefits. (202; 209 (g), (h))

e. *Example 1.*—"A" attained age 65 on May 4, 1940. He worked regularly and received wages of \$25 a week from January 2, 1937, to February 15, 1938. He did not work or receive wages again after that date until April 1, 1940, when he went back to his old job at the same rate of pay and worked until November 15, 1940, after which date he retired.

A has eight quarters of coverage—four in 1937, one in 1938, and three in 1940. The number of elapsed quarters is 13—four each in 1937, 1938, and 1939, and one in 1940. The required number of quarters of coverage is six; therefore A is a fully insured individual.

Example 2.—"B" attained age 21 on November 22, 1937. He worked in July, August, and September 1937, and received wages of \$20 a week. He did not work again until June 1, 1941, when he obtained a job in covered employment and received wages of \$30 a week until his death on October 3, 1942.

B has seven quarters of coverage—one in 1937, three in 1941, and three in 1942. The number of elapsed quarters is 19—four each in 1938, 1939, 1940, 1941, and three in 1942. The required number of quarters of coverage is nine;

therefore B is not a fully insured individual.

However, B is a currently insured individual, since he received wages of at least \$50 for six of the 12 quarters immediately preceding the quarter in which he died.

III. Average Monthly Wage

The amounts of all benefits are directly or indirectly dependent on the average wage of the individual with respect to whose wages the benefits are payable. This fact represents a further recognition of the fundamental purpose of social insurance, i. e., to replace the wages lost which formerly provided support for the beneficiaries. As a general rule, the average monthly wage is determined by dividing the total wages paid to the individual by the total number of months in which he could have earned wages. The wages in the quarter of entitlement or death are excluded, and the months in the quarter of entitlement or death are not included in the divisor. The exact numerator of this quotient is the total legally defined wages paid to an individual before the quarter in which he died or became entitled to receive primary insurance benefits, whichever first occurred. The exact denominator is three times ² the number of quarters elapsing after 1936 and before the quarter in which he died or became entitled to receive primary insurance benefits, excluding any quarter prior to the quarter in which he attained age 22, except those in which he received \$50 or more in wages, and any quarter after the quarter of attainment of age 65 which fell in 1937 or 1938 (during which years remuneration earned by persons over age 65 was not creditable).

This method of determining the average monthly wage gives an average of the employee's monthly wages in covered employment over that part of his working lifetime subsequent to the original date on which the old-age insurance provisions became operative, regardless of whether he was actually engaged in covered employment during the entire period. This has the result of reducing the average wage of and consequent benefits to any person who is not a full-time participant in the system. Such a course is necessary in order to safeguard the system against disproportionate payments to those who are in covered employment and are contributors for only part of

² In order to reduce the quotient from a quarterly to a monthly basis.

the time they might have been covered. (209 (f))

Example 1.—"A" has worked on a job in covered employment and has received a regular salary of \$100 a month payable on the last day of the month since the beginning of 1937. He attained age 65 on September 1, 1938. He continued to work at the same job and salary until he retired and became entitled to benefits on September 1, 1940.

A's total wages used in the numerator are \$3,800—\$1,200 in 1937, \$800 in 1938 (service performed after age 65 prior to 1939 is not "employment"), \$1,200 in 1939, and \$600 in 1940. (Wages in the quarter of entitlement are not counted in the total.) The number of quarters considered for the denominator is 13—four in 1937, three in 1938, four in 1939, and two in 1940. The denominator is therefore 39, and A's average monthly wage is \$97.44.

Example 2.—"B" is paid wages of \$15 a month during 1937 and up to January 1938, at which time his wages are increased to \$50 a month. He attained age 22 on October 7, 1937. He continues to receive wages of \$50 a month until his death on June 15, 1940.

The total wages used in the numerator are \$1,530—\$180 in 1937, \$600 in 1938, \$600 in 1939, and \$150 in 1940. The number of quarters considered for the denominator is 10—one in 1937, four in 1938, four in 1939, and one in 1940. The denominator is 30, and B's average monthly wage is \$51.

IV. Primary Insurance Benefits

a. After December 31, 1939, every individual who (1) has attained the age of 65, (2) is a fully insured individual, and (3) has filed application for monthly benefits, known as "primary insurance benefits," is to be entitled to such insurance benefits. (202 (a))

b. The amount of the primary insurance benefit is computed in two parts: (1) a basic amount equal to 40 percent of the first \$50 of average monthly wage plus 10 percent of the next \$200 of average monthly wage; (2) an increase of 1 percent of the basic amount for each year in which the individual was paid at least \$200 of wages in covered employment. (209 (e))

c. If the primary insurance benefit thus computed is less than \$10, it is raised to \$10 in all cases. Although there are maximum provisions

Table 1.—Old-age and survivors insurance: Illustrative monthly old-age benefits payable under the 1939 amendments¹

Years of coverage	Without dependents	With 1 dependent	Without dependents	With 1 dependent
	Average monthly wage of \$50		Average monthly wage of \$100	
3.....	\$20.60	\$30.90	\$25.75	\$38.63
5.....	21.00	31.50	26.25	39.38
10.....	22.00	33.00	27.50	41.25
20.....	24.00	36.00	30.00	45.00
30.....	26.00	39.00	32.50	48.75
40.....	28.00	40.00	35.00	52.50
Years of coverage	Average monthly wage of \$150		Average monthly wage of \$250	
	Without dependents	With 1 dependent	Without dependents	With 1 dependent
3.....	\$30.90	\$46.35	\$41.20	\$61.80
5.....	31.50	47.25	42.00	63.00
10.....	33.00	49.50	44.00	66.00
20.....	36.00	54.00	48.00	72.00
30.....	39.00	58.50	52.00	78.00
40.....	42.00	63.00	55.00	84.00

¹ It is assumed that the wage earner was paid at least \$200 in each year to be eligible to receive the 1-percent increment. If this were not the case, the benefit would be somewhat lower. It is also assumed that the wage earner was paid at least \$50 in the requisite number of calendar quarters to acquire a fully insured status. "Dependent" may be an aged wife or dependent child entitled to supplementary benefits under the act.

² Maximum total benefits based on 1 wage record—80 percent of average monthly wage.

these do not affect primary insurance benefits. (203 (a), (c); 209 (e))

d. Primary insurance benefits begin with the month in which all of the requirements outlined in (a) are satisfied. The benefits end in the month preceding the month in which the individual dies. In certain special cases there may be deductions from the benefits as explained later in XIII.

e. *For example:* An individual who is paid \$100 a month from January 1, 1937, to retirement at age 67 on January 1, 1957, would receive a primary insurance benefit of \$30; whereas, if he had been paid \$100 a month during only half of this period, his average monthly wage would be \$50 and his primary insurance benefit \$22. (209 (e))

V. Wife's Insurance Benefits

a. A wife of an individual entitled to primary insurance benefits is entitled to monthly benefits based on her husband's wage record if all the following four requirements are satisfied: (1) She has attained the age of 65; (2) she has filed an application for wife's insurance benefits; (3) she was living with her husband at the time such application was filed; and (4) she is not entitled to a primary insurance benefit in her own right equal to or greater than one-half the primary insurance benefit of her husband. (202 (b))

b. The term "wife" means the wife of an individual who either (1) is the mother of such individual's son or daughter, or (2) was married to the individual prior to January 1, 1939, or prior to the date upon which he attained the age of 60 if such date is subsequent to January 1, 1939. See also XIV. (209 (i))

c. A wife is deemed to be "living with" her husband if they are both members of the same household, or if she is receiving regular contributions from him toward her support, or if he has been ordered by a court to contribute to her support. (209 (n))

d. The wife's insurance benefit is equal to one-half of the primary insurance benefit of her husband unless she is entitled to a primary insurance benefit in her own right. If she is entitled to a primary insurance benefit in her own right which is smaller than half of her husband's primary insurance benefit, her benefit will be the difference between the two plus her primary benefit. As explained above, if she is entitled to a primary insurance benefit of her own equal to or greater than half of her husband's primary insurance benefit, she will receive her own primary insurance benefit instead of a wife's insurance benefit. (202 (b))

e. Since every primary insurance benefit must be at least \$10, a wife's benefit will be computed at not less than \$5; in other words, the combined benefits of husband and aged wife cannot be less than \$15. (209 (e))

f. The combined primary insurance and wife's insurance benefits payable with respect to the husband's wages are subject to a maximum of \$85, or 80 percent of his average monthly wage, whichever is smaller. If there are any child's insurance benefits payable, the combined benefits are subject to an additional maximum, as explained later in VI (f). However, the maximum provisions are not imposed upon combined benefits of \$20 or less, and when combined benefits would otherwise exceed \$20 the maximums do not serve to reduce them below \$20. The maximum provisions as applied to the benefits payable with respect to the husband's wages do not affect any primary benefit to which the wife may be entitled from her own wages. (203 (a))

g. The wife's benefits begin with the month in which all four requirements mentioned in paragraph (a) are satisfied except for limited retroactive payments explained later in XV. The benefits

end with the month preceding the first month in which either she or her husband dies or they are divorced. (If the husband dies, a wife who was entitled to a wife's supplement becomes entitled to a widow's insurance benefit, provided certain additional requirements are met at that time.) She also loses her right to a wife's insurance benefit if she later becomes entitled to receive a primary insurance benefit equal to or exceeding one-half of the primary insurance benefit of her husband. See also XIII. (202 (b))

h. *For example:* If the wife of the individual in IV (e) is entitled to a wife's insurance benefit, the amount thereof would be \$15 or \$11, depending on whether the husband had worked in covered employment for all or half the 20 years. These would be reduced by the amount of any primary insurance benefit to which she is entitled in her own right.

VI. Child's Insurance Benefits

(Payable in conjunction with primary insurance benefits.)

a. Every child of an individual entitled to primary insurance benefits becomes entitled to monthly benefits if all of the following three requirements are met: (1) The child is unmarried and under the age of 18; (2) the child is dependent upon such individual at the time of filing application; and (3) the child has filed application for child's insurance benefits. (202 (c))

b. The definition of "child" includes a step-child of an individual by a marriage contracted prior to the date upon which the individual attained the age of 60 and a child legally adopted by an individual prior to the date upon which the individual attained age 60. See also XIV. (209 (k))

c. A child is deemed dependent upon a father or adopting father if, at the time the child's application for benefits was filed, either of the following requirements is met: (1) Such individual was living with or contributing to the support of such child; or (2) the child is either the legitimate or adopted child of such individual and has not been adopted by some other individual. A child shall be deemed dependent upon the mother, adopting mother, stepmother, or stepfather, unless such child is receiving contributions toward his support from his father or adopting father or he is living with his father or adopting father. (202 (c))

d. The child's insurance benefit is equal to one-half of the primary insurance benefit of the person with respect to whose wages the child is entitled to receive such benefit. When a child is entitled to benefits with respect to more than one parent under VI or IX, the child's insurance benefit shall be equal to one-half of whichever primary insurance benefit is greater. (202 (c))

e. Since every primary benefit must be at least \$10, a child's benefit as computed will not be less than \$5. For example, a primary beneficiary, his wife over age 65, and one child will receive combined benefits of at least \$20 (provided both wife and child are also eligible for benefits). (209 (e))

f. The maximums placed upon benefits mentioned in V (f) apply also to the total of all monthly benefits payable with respect to an individual's wages. Besides these maximums, the total of all monthly benefits payable with respect to one individual's wages is also limited to twice the primary insurance benefit of such individual. The maximum of twice the primary insurance benefits has the effect of limiting to two the number of dependents (of a primary insurance beneficiary) who can draw full benefits. In other words, unless limited by the other maximums a primary insurance beneficiary with a wife over age 65 and one child can draw full benefits, or, if there is no wife over age 65, a primary insurance beneficiary and two children can draw full benefits. If there is a larger number of eligible dependents or if the other maximums serve to reduce the total benefits which would otherwise be payable, a pro rata reduction is made in all benefits payable with respect to one individual's wages except the primary insurance benefit. (203 (a), (c))

g. The child's insurance benefits begin with the month in which all the requirements in paragraph (a) are satisfied, except for limited retroactive payments explained later in XV. The benefits end with the month immediately preceding the first month in which the child dies, marries, is adopted, or attains the age of 18. (202 (c))

h. Deductions will be made from a child's insurance benefits if a child over age 16 (and under 18) fails to attend school regularly, if such attendance is feasible. If such a child failed to attend school regularly, this fact must be reported to the Board, or a penalty will be imposed. See XIII. (203 (d))

i. *For example:* There would be payable to the

individual cited in IV (e) and to his wife and one child if entitled to receive benefits a total of \$60 or \$40 (\$40 because of the maximum of 80 percent of average monthly wage), depending upon whether he was covered for all or half the 20 years. The same amounts would be payable if there were more than one child with respect to whom benefits were payable or if there were two or more such children and no wife entitled to receive benefits based on her husband's wage record.

VII. *Widow's Insurance Benefits*

a. Widows of individuals who die after December 31, 1939, are entitled to monthly benefits if all of the following requirements are met: (1) The widow has attained the age of 65; (2) the husband was a fully insured individual at the time of his death; (3) the widow has not remarried; (4) she was living with her husband at the time of his death; (5) she has filed an application for widow's insurance benefits; (6) she is not entitled to a primary insurance benefit, based on her own wages, equal to or greater than three-fourths of the primary insurance benefit based on her husband's wage record. (202 (d))

b. A widow may be eligible for widow's insurance benefits at the time she attains age 65 even though she was under age 65 at the time of her husband's death. (202 (d))

c. The term "widow" means the surviving "wife" (as defined in V (b)) of a deceased individual who either (1) is the mother of such individual's son or daughter, or (2) was married to him at least 12 full calendar months prior to the month in which his death occurred. See also XIV. (209 (j))

d. A widow is deemed to have been living with her husband at the time of his death if they were both members of the same household on the date of his death, or if she was receiving regular contributions from him toward her support or he had been ordered by any court to contribute to her support. (209 (n))

e. The widow's insurance benefit is equal in amount to three-fourths of the primary insurance benefit computed on her deceased husband's wage record, provided she is not entitled to a primary insurance benefit on the basis of a wage record of her own. If she is entitled to a primary insurance benefit which is less than three-fourths

Table 2.—Old-age and survivors insurance: Illustrative monthly survivors benefits under the 1939 amendments¹

Years of coverage	1 child or parent aged 65 or over	Widow aged 65 or over	Widow and 1 child	1 child or parent aged 65 or over	Widow aged 65 or over	Widow and 1 child
	Average monthly wage of deceased, \$50			Average monthly wage of deceased, \$100		
3.....	\$10.30	\$15.45	\$25.75	\$12.88	\$19.31	\$32.19
5.....	10.50	15.75	26.25	13.13	19.69	32.82
10.....	11.00	16.50	27.50	13.75	20.63	34.38
20.....	12.00	18.00	30.00	15.00	22.50	37.50
30.....	13.00	19.50	32.50	16.25	24.38	40.63
40.....	14.00	21.00	35.00	17.50	26.25	43.75
Average monthly wage of deceased, \$150						
3.....	\$15.45	\$23.18	\$38.63	\$20.60	\$30.90	\$51.50
5.....	15.75	23.63	39.38	21.00	31.50	52.50
10.....	16.50	24.75	41.25	22.00	33.00	55.00
20.....	18.00	27.00	45.00	24.00	36.00	60.00
30.....	19.50	29.25	48.75	26.00	39.00	65.00
40.....	21.00	31.50	52.50	28.00	42.00	70.00

¹ It is assumed that the wage earner was paid at least \$200 in each year to be eligible to receive the 1-percent increment. If this were not the case, the benefit would be somewhat lower. It is also assumed that the wage earner was paid at least \$50 in the requisite number of calendar quarters to acquire a fully or currently insured status. If the wage earner was currently (but not fully) insured, his widow (whatever her age) would receive benefits only if she had in her care a child of the deceased; and a dependent parent would not be eligible for benefits.

of the primary insurance benefit based on the wage record of her deceased husband, her benefit will be the difference between the two plus her primary benefit. As explained above, if she is entitled to receive a primary insurance benefit equal to or greater than three-fourths of the primary insurance benefit based on the wage record of her deceased husband, she will receive her own primary insurance benefit instead of the widow's insurance benefit. (202 (d))

f. Since every primary insurance benefit is at least \$10, every widow's insurance benefit, as computed, will be at least \$7.50. Furthermore, if the widow is the only survivor entitled to benefits, her benefit will be raised to the minimum of \$10 payable with respect to one individual's wages. (203 (b); 209 (e))

g. If she is the only survivor, the maximum provisions do not affect a widow's insurance benefits, since the latter could not reach any of the maximums set. In the rare event that an aged widow is entitled to benefits and there are also orphans entitled to benefits, the maximum provisions explained in VI (f) apply here also. (203 (a))

h. The widow's insurance benefits begin with

the month in which all the requirements outlined in paragraph (a) are satisfied, except for limited retroactive payments explained in XV. The payments end with the month immediately preceding the first month in which she remarries or dies. Also, her widow's insurance benefits cease if she becomes entitled to receive a primary insurance benefit equal to or greater than three-fourths of the primary insurance benefit of her deceased husband. See also XIII. (202 (d))

i. *For example:* The widow of an individual who earned \$100 a month in covered employment from January 1, 1937, to the date of his death on January 1, 1957, would become entitled to a benefit of \$22.50 a month upon attaining age 65 and meeting the other qualifications.

VIII. Widow's Current Insurance Benefits

a. A widow, regardless of age, of an individual who dies after December 31, 1939, is entitled to monthly benefits based upon the deceased husband's wage record if all the following requirements are met: (1) The widow, at the time of filing her application, has in her care one or more children of such deceased individual entitled to receive child's benefits; (2) the husband was either a fully or currently insured individual at the time of his death; (3) the widow has not remarried; (4) she was living with her husband, as explained in VII (d), at the time of his death; (5) she has filed an application for these benefits; (6) she is not entitled to a widow's insurance benefit; and (7) she is not entitled to a primary insurance benefit equal to or greater than three-fourths of the primary insurance benefit of her husband. The term "widow" is defined in VII (c). (202 (e))

b. The widow's current insurance benefit is equal in amount to three-fourths of the primary insurance benefit computed on her deceased husband's wage record provided that she is not entitled to a primary insurance benefit on the basis of a wage record of her own. If she is entitled to a primary insurance benefit which is less than three-fourths of the primary insurance benefit based on her husband's wage record, her benefit will be the difference between the two plus her primary benefit. As explained above, if she is entitled to a primary insurance benefit in her own right which is equal to or larger than three-fourths

of her husband's primary insurance benefit, she will receive her own primary benefit instead of the widow's current insurance benefit. (202 (e))

c. For the purpose of computing the widow's current insurance benefit, the primary insurance benefit upon which it is based is subject to a minimum of \$10. Therefore the widow's current benefit as computed cannot be less than \$7.50. Since a widow's current benefit is payable only if there is at least one child eligible to draw child's benefits, the combined benefits cannot be less than \$12.50. (203 (b); 209 (e))

d. The maximum previously mentioned in VI (f) of twice the primary insurance benefit, while equally applicable to the widow's current insurance benefits, does not affect these benefits if she has only one or two children of the deceased individual in her care. However, if there are three or more orphans in the care of the widow, the combined benefits will be reduced because they must not exceed twice the primary benefits of the deceased individual. In such cases, or if the other maximums explained in V (f) serve to reduce the total benefits which would otherwise be payable, a pro rata reduction is made in all benefits. (203 (a), (c))

e. The widow's current insurance benefits begin with the month in which all the requirements outlined in paragraph (a) are satisfied except for limited retroactive payments explained in XV. The benefits end with the month immediately preceding the first month in which she remarries, dies, or there ceases to be a child of the deceased individual entitled to receive child's insurance benefits. Her widow's current insurance benefits likewise cease if she should become entitled to receive a primary insurance benefit equal to or greater than three-fourths of the primary insurance benefit based on the wage record of her deceased husband, or if she becomes entitled to receive a widow's insurance benefit. (202 (e))

f. Deductions from the widow's current insurance benefit will be made for any month in which a widow entitled to such benefit did not have in her care a child of her deceased husband entitled to an orphan's benefit. In the event that she does not have such a child in her care she must report this fact to the Board, or a penalty will be imposed. See XIII.

g. For an example of the operation of these provisions, see IX (i).

IX. Orphan's Benefits

(Child's Insurance Benefits payable in the event of the death of the worker.)

a. Every child of an individual who dies after December 31, 1939, is entitled to monthly benefits based on such deceased individual's wage record if all the following requirements are met: (1) The child is unmarried and under the age of 18; (2) the individual with respect to whose wages the child's benefit is payable was either a fully or a currently insured individual at the time of his death; (3) the child was dependent upon such individual at the time of such individual's death or at the time of original application for child's insurance benefits if such individual had been a primary beneficiary; and (4) the child has filed an application for these benefits. (202 (c))

b. The definition of "child" includes a stepchild of an individual by a marriage contracted prior to the date upon which he attained the age of 60 and at least 12 full calendar months prior to the month of his death. It also includes a child legally adopted by an individual prior to the date on which he attained the age of 60 and at least 12 full calendar months prior to the month in which his death occurred. See also XIV. (209 (k))

c. A child is deemed to have been dependent upon a father or adopting father at the time of the death of such individual if either of the following requirements is met: (1) Such individual was living with or contributing to the support of such child, or (2) the child was either the legitimate or adopted child of such individual and had not been adopted by some other individual and was not living with or being supported by a stepfather. A child is deemed to have been dependent upon a mother, adopting mother, or stepparent at the time of the death of such individual, unless such child was receiving contributions toward his support from his father or adopting father or he was living with his father or adopting father. (202 (c))

d. The orphan's benefit is equal in amount to one-half of the primary insurance benefit computed on the wage record of the individual with respect to whose wages the child is entitled to receive such benefit. If there is more than one such individual the child's insurance benefit is equal to one-half of whichever primary insurance benefit is the greatest. (202 (c))

e. Since every primary insurance benefit must be at least \$10, the benefit computed for each

child would be at least \$5. However, if a single orphan is the only survivor eligible for benefits, his benefit will be at least \$10 because of the \$10 minimum applying to the total of the benefits payable with respect to one individual's wages. (203 (b), 209 (e))

f. The total of benefits payable for a month with respect to an individual's wages is subject to the same maximum provisions as explained in VI (f). The maximum of twice the primary insurance benefit has the effect of reducing the orphans' benefits otherwise payable if there are more than two orphans and a widow, all eligible for benefits with respect to the same deceased individual's wage record. Likewise, this maximum will serve to reduce the orphans' benefits (in the event that there is no widow eligible for benefits) when there are more than four orphans eligible for benefits with respect to one individual's wages. Whenever any of the maximums serves to reduce the total benefits which would otherwise be payable, a pro rata reduction is made in all benefits. (203 (a), (c))

g. The child's insurance benefits begin with the month in which all the requirements outlined in paragraph (a) are satisfied except for limited retroactive payments explained in XV. The benefits end with the month immediately preceding the first month in which the child dies, marries, is adopted, or attains age 18. (202 (c))

h. Deductions from benefits will be made if a child over age 16 (and under age 18) fails to attend school regularly if such attendance is feasible. If such a child fails to attend school regularly, this fact must be reported to the Board or a penalty will be imposed. See XIII. (203 (d))

i. *For example:* An individual dies on January 1, 1947, after having earned \$100 a month continuously from January 1, 1937, to date of death. If he leaves a widow and two children entitled to benefits, there would be a monthly benefit of \$20.63 payable to the widow and \$13.75 with respect to each of the orphans, or a total of \$48.13.

X. Parent's Insurance Benefits

a. Each parent of an individual who dies after December 31, 1939, leaving no widow or unmarried surviving child under the age of 18, is entitled to receive monthly benefits if all the following requirements are met: (1) The individual was fully insured at the time of his death; (2) the parent has attained the age of 65; (3) the parent was wholly

dependent upon and supported by such individual at the time of such individual's death and filed proof of such dependency and support within 2 years of such death; (4) the parent has not married since such individual's death; (5) the parent is not entitled to any other insurance benefits under the benefit provisions of the amended act, the total of which is greater than one-half of the primary insurance benefit of such deceased individual; and (6) the parent must have filed an application for parent's insurance benefits. (202 (f))

b. A parent may be eligible for parent's insurance benefits at the time he or she reaches age 65 even though he or she was under age 65 at the time of the death of the deceased individual. (202 (f))

c. The term "parent" includes the stepparent of an individual by a marriage contracted before such individual attained the age of 16; it also includes an adopting parent by whom an individual was adopted before he attained the age of 16.

d. The amount of the parent's insurance benefit is equal to one-half of the primary insurance benefit computed on the basis of the wage record of the deceased individual, provided the parent is not entitled to receive any other insurance benefits. If the parent is entitled to receive other insurance benefits of which the total is less than one-half of the primary insurance benefit of the deceased individual, the parent's insurance benefit will be reduced by the amount of such other benefits. If the parent is entitled to receive any other such insurance benefits of which the total is equal to or greater than one-half the primary insurance benefit of the deceased individual, no parent's insurance benefit is payable. (202 (f))

e. When there is more than one individual with respect to whose wages the parent is entitled to receive a parent's insurance benefit, the parent's benefit is equal to one-half of whichever such primary insurance benefit is greatest. (202 (f))

f. Since every primary insurance benefit must be at least \$10, each parent's insurance benefit payable must be at least \$5. Furthermore, the total of benefits payable with respect to any one individual's wages is subject to a minimum of \$10. Therefore, if there is only one eligible parent, he or she will receive a benefit of at least \$10. The maximum provisions cannot affect the parents' insurance benefits except in the unlikely event of there being more than two "parents"

Table 3.—Old-age and survivors insurance: Illustrative lump-sum death payments under the 1939 amendments¹

Years of coverage	Average monthly wage of deceased			
	\$50	\$100	\$150	\$250
3.....	\$123.00	\$154.50	\$185.40	\$247.20
5.....	128.00	157.50	189.00	252.00
10.....	132.00	165.00	198.00	264.00
20.....	144.00	180.00	216.00	288.00
30.....	150.00	195.00	234.00	312.00
40.....	168.00	210.00	252.00	336.00

¹ It is assumed that the wage earner was paid at least \$200 in each year to be eligible to receive the 1-percent increment. If this were not the case, the benefit would be somewhat lower. It is also assumed that the wage earner was paid at least \$50 in the requisite number of calendar quarters to acquire a fully or currently insured status.

entitled to benefits. (203 (a), (b); 209 (e))

g. The parent's insurance benefits begin with the month in which all the requirements outlined in paragraph (a) are satisfied, except for limited retroactive benefits explained later in XV. The benefits end with the month immediately preceding the month in which the parent dies or marries. A parent's insurance benefits also cease if the parent becomes entitled to receive any other insurance benefit or benefits under this title (except another parent's benefit) in a total amount equal to or exceeding one-half of the primary insurance benefit of the deceased individual. See also XIII. (202 (f))

h. *For example:* Each aged dependent parent of an individual who dies on January 1, 1957, after having earned \$100 a month in covered employment continuously from January 1, 1937, to date of death would, under the conditions outlined above, be entitled to a benefit of \$15 a month.

XI. Lump-Sum Death Payments

a. A lump-sum payment is made upon the death of an individual after December 31, 1939, if (1) such individual was either fully or currently insured at the time of his death, and (2) there was no surviving widow, child, or parent who would, on filing an application in the month in which such individual died, be entitled to a survivor's benefit for such month. (202 (g))

b. The amount of such lump-sum death payment is equal to six times the primary insurance benefit computed upon such individual's wage record. (202 (g))

c. The lump-sum death payment is payable to the following person (or, if more than one, will be

distributed among them) living on the date of the Board's determination of relationships: (1) to the widow or widower of the deceased; (2) if no widow or widower is then living, to any child or children of the deceased and to any other persons who are entitled to share as distributees with such children under the intestacy law of the State where the deceased was domiciled; (3) if none of the aforementioned are living, then to the parents of the deceased in equal shares; (4) if none of the aforementioned are living, such amounts shall be payable to any person or persons equitably entitled thereto to the extent that he or they shall have paid the burial expenses of the deceased. (202 (g))

d. No lump-sum death payment is to be made unless application has been filed by or on behalf of the person entitled thereto prior to the expiration of 2 years after the date of death of the individual with respect to whose wages the benefit may be payable. (202 (g))

e. Lump-sum payments under section 203 of the original Social Security Act are to be discontinued in cases of death on and after January 1, 1940. However, if the death occurred prior to this date, the present interpretation is that payment may be made in 1940 or later under the provisions of the original act.

f. *For example:* An individual who has earned \$100 a month in covered employment from January 1, 1937, to the date of his death on January 1, 1940, and who leaves no survivor entitled to a monthly survivors benefit in the month of his death would have payable to his survivors, as outlined above, a lump sum of \$154.50. Had he died December 31, 1939, there would be payable to his survivors a lump sum of 3½ percent of his accumulated wages, or \$126.

XII. Lump-Sum Payments at Age 65

a. Lump-sum payments upon attainment of age 65 under section 204 of the original Social Security Act were discontinued immediately upon the enactment of these amendments. In nearly all cases the individuals who attain age 65 will be eligible for more valuable monthly benefits beginning January 1, 1940. (902 (g))

b. Lump-sum payments will be made even after December 31, 1939, to the estates of individuals who had attained age 65 and *died prior to January 1, 1940*, under the provisions of the original act—

i. e., in an amount equal to 3½ percent of total wages credited.

XIII. Special Deductions From Benefits

a. Deductions will be made from benefits for any month in which either the person entitled to benefits or (in the case of wife's or child's benefits) the individual on the basis of whose wage record the benefit is payable rendered services for wages of \$15 or more (in covered employment). (203 (d), (e))

b. If the deductions explained in VI (h), VIII (f), IX (h), or XIII (a), are made in the month in which the event causing such deductions occurs, there is an effective suspension of benefits for such month. If a person does receive a benefit for any such month, deductions will be made from future benefits until such deductions total the amount of such benefits.

c. An individual in receipt of benefits is required to report the occurrence of any of the events which would make the benefits subject to suspension or deduction. Such report shall be made to the Board prior to the receipt and acceptance of an insurance benefit for the second month following the month in which the event occurred. Any such individual knowingly failing to report such occurrence shall suffer an additional deduction from his benefits equal to that mentioned in XIII b. (203 (g))

d. In the case of an individual who attained age 65 and received a lump-sum benefit under the original title II, deductions will be made from the primary insurance benefit to which the individual is entitled, or from any other insurance benefit payable with respect to his or her wages, until such deductions total the amount of the lump-sum benefit previously paid. If the primary insurance beneficiary dies before the full amount has been deducted, the remainder will be deducted from any widow's, child's, or parent's insurance benefits, or lump-sum death payment payable with respect to that primary beneficiary's wages. (203 (h))

e. If (as explained under Taxing Provisions in XVI (e)) an employer has not deducted from wages and has not paid part or all of an individual's tax on wages for service performed in 1939 and subsequent to his attaining age 65, deductions will be made from any primary insurance benefit to which the individual becomes entitled, or from any other insurance benefits payable with respect

to his wages, until such deductions total the amount of the unpaid tax. (907)

XIV. Determination of Status of Wife, Widow, Child, or Parent

In determining whether the applicant is the wife, widow, child, or parent of an insured individual, the Board shall, in addition to the definitions given elsewhere in the benefit sections, apply such law as would be applied in determining the transfer of intestate personal property by the courts of the State in which such individual is domiciled at the time of application or was domiciled at the date of his death. If the insured individual is or was not so domiciled in any State, then the determination shall be in accordance with such law as would be applied by the courts of the District of Columbia. (209 (m))

XV. Retroactive Provision

Beneficiaries other than primary insurance beneficiaries may become entitled to retroactive benefit payments for any month in which all the requirements for entitlement except the filing of an application are satisfied, by filing an application prior to the end of the third succeeding month. Therefore, a person otherwise entitled to benefit payments, other than one entitled to primary insurance benefits, can suffer loss by delaying the filing of an application as much as 3 months only if he dies in the interim. In such event the loss is limited to the payments which would have been payable in respect to the period between the date when he would otherwise have been entitled to benefits and the date of his death. (202 (h))

XVI. Taxing Provisions

a. The tax rate continues to be 1 percent each on employers and employees for the years 1940, 1941, and 1942, as well as for the remainder of 1939. After 1942, the schedule in the original act is resumed so that the rate is 2 percent on employers and 2 percent on employees in 1943, 1944, and 1945, 2½ percent on each in 1946, 1947, and 1948, and 3 percent on each thereafter. Taxes are levied on wages paid in a given year rather than on wages paid with respect to employment in a given year. (601; 1400 IRC; 604; 1410 IRC)

b. Under an addition to section 1401 of the Internal Revenue Code, provision is made after 1939 for a special refund to *employees* of the taxes which they pay on any wages in excess of

\$3,000 received with respect to employment during a single calendar year from more than one employer. This is to compensate for the fact that, beginning with 1940, only wages up to the first \$3,000 with respect to employment in any one year are credited for benefits regardless of whether paid by one employer or more than one employer. For years prior to 1940, wages up to \$3,000 a year from each employer are taxed and credited. (602 (b); 1401 (d) IRC)

c. Wages with respect to services performed after attaining age 65 are taxed; this provision is made retroactive to January 1, 1939. However, the employer is not liable for the employee's tax (which has not been deducted from the employee's pay) by reason of this provision with respect to service performed prior to the date of enactment of this act, except to the extent that the employer has under his control at any time on or after November 8, 1939, amounts of remuneration earned at any time by the employee. However, the employer is liable for the employer's tax on 1939 wages in any event. In the event that, as a result of this provision, the employer does not deduct from the employee's wages any part or all of an employee's tax, the amount will be deducted from any primary insurance benefit to which the individual is entitled or any other insurance benefit payable with respect to his wages, unless the employer pays it without having deducted it. (905 (a), (b); 907)

d. *Receipts for Employees.*—Every employer is required to furnish to each of his employees a written statement or statements, in a form suitable for retention by the employee, showing the wages paid by him to the employee after December 31, 1939. The statement shall show the total amount of wages paid and the amount of tax imposed upon the employee for the period covered. Each statement shall cover a calendar year, or one, two, three, or four calendar quarters whether or not in the same calendar year. The statement shall be furnished to the employee not later than the last day of the second calendar month following the period covered, except that when the employee leaves the employ of the employer the final statement shall be furnished on the day on which the last payment of wages is made to the employee. The employer may at his option furnish such a statement to the employee at the time of each payment of wages, and in such case the statement may

show the date of payment of wages in lieu of the period covered by the statement. Any employer who willfully fails to furnish such a statement as required shall be subject to a fine of not more than \$5 for each such failure. (603; 1403 IRC)

e. The taxing provisions formerly in title VIII of the Social Security Act are included under the Internal Revenue Code in subchapter A of chapter 9, which can be cited as the "Federal Insurance Contributions Act." Such taxing provisions are numbered in the amendments as sections of the Internal Revenue Code. (607)

XVII. Reserves

a. The old-age reserve account of the original act is replaced as of January 1, 1940, by a trust fund to be termed the "Federal old-age and survivors insurance trust fund." Securities and amounts held by or credited to the old-age reserve account are transferred to the trust fund. This fund is administered by a board of trustees composed of the Secretary of the Treasury, who is to be the Managing Trustee, the Secretary of Labor, and the Chairman of the Social Security Board. There is to be credited to the trust fund through permanent appropriation amounts equivalent to the full amount of taxes received annually under the Federal Insurance Contributions Act. The amounts credited to the trust fund shall be available for making the payments required under title II and for the administrative expense of the Treasury Department and Social Security Board in connection with the old-age and survivors insurance provisions of the act. This method of administering the old-age insurance reserve fund will tend to avoid misunderstanding of the use of the funds and will increase confidence in their proper investment. (201 (a), (b))

b. That portion of the fund not needed to meet current claims or administrative expenses is to be invested in obligations of or guaranteed by the United States, purchased by the trust fund at the market price. If the Managing Trustee determines that the purchase of securities on the open market is not in the public interest, special obligations may be acquired at par. Interest on special certificates will be at the current average rate of interest borne by all outstanding interest-bearing obligations composing the public debt. (201 (b))

c. It will be the duty of the Board of Trustees to (1) hold the trust fund, (2) report annually to

the Congress on the operation and status of the trust fund and its expected operation during the ensuing 5 fiscal years, and (3) report to the Congress immediately whenever they are of the opinion that during the ensuing 5 fiscal years the trust fund will exceed three times the highest annual expenditures anticipated during that 5-year period and whenever they are of the opinion that the amount of the trust fund is unduly small. The report required in (2) shall include a statement of assets, disbursements during the preceding year, an estimate of the income and disbursements during each of the next 5 years, and a statement of the actuarial status of the trust fund. (201 (b))

XVIII. Overpayments and Underpayments

a. Whenever an error has been made with respect to payments to an individual under title II, proper adjustment shall be made under regulations prescribed by the Board for increasing or decreasing subsequent payments to which such individual is entitled. If such individual dies before adjustment has been completed, adjustment shall be made by increasing or decreasing subsequent benefits payable with respect to the wages which were the basis of benefits of such deceased individual. However, when incorrect payment has been made to an individual through no fault of the individual and when recovery would defeat the purpose of title II or would be against equity and good conscience, no adjustment or recovery will be made. (204 (a), (b))

b. No certifying or disbursing officer shall be held liable for any amount certified or paid by him incorrectly when the adjustment or recovery is waived under the "equity and good conscience" provision or when adjustment is not completed prior to the death of all persons against whom benefit deductions are authorized. (204 (c))

XIX. Miscellaneous Provisions

a. If there is any question with regard to the wages recorded for any calendar year, upon request made prior to the expiration of the fourth

calendar year following such calendar year, or within 60 days thereafter, the Board shall afford any individual (or after his death shall afford his widow, child, or parent) a reasonable opportunity for hearing with respect to the alleged error or omission. Upon the basis of evidence brought to the attention of the Board within the 4-year period, or evidence adduced at a hearing requested within the period allowed, the Board will correct its records. However, after the expiration of the fourth calendar year, the records of the Board as to the wages of an individual and the periods of payment shall be conclusive except that the Board may revise any entry or include any omitted item to make its records conform to tax returns, portions of tax returns, or such other statements as may have been filed with the Commissioner of Internal Revenue under the taxing provisions. (205 (c))

b. When it appears to the Board that the interest of an applicant entitled to a payment would be served thereby, certification of a payment may be made regardless of the legal competency of the individual entitled thereto. Any payment made under such conditions to a legally incompetent individual, if otherwise valid, shall be a complete settlement and satisfaction of any claim or right to such payment. Likewise, any payment made after December 31, 1939, to a legally incompetent individual without the Board's knowledge of incompetency prior to certification, if otherwise valid, shall be a complete settlement of any claim to such payment. (205 (j), (k))

c. The Board may in its discretion certify any two or more individuals in the same family for joint payment of the total benefits payable to such individuals. In other words, although each person is separately entitled to benefits, the Board may request the Secretary of the Treasury to issue a joint check for all the benefits payable to one family. (205 (n))

d. No application for any benefit under title II filed prior to 3 months before the first month in which the applicant becomes entitled to receive such benefit shall be accepted as application for the purposes of this title. (205 (m))