World Trends in Social Security Benefits, 1955 to 1957

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Most years from the 1880's to the present have seen the enactment of laws establishing new social security programs or expanding existing ones. Programs established before 1955 have been reported in earlier issues of the Bulletin and in special reports by the Social Security Administration. New legislation affecting the various programs is summarized in the first part of the article; some of the details of the most important changes are given, country by country, in the supplement.

AMONG the more notable changes in social security programs during 1955, 1956, and early 1957 were the widespread increases in cash benefits, the enactment in three countries of laws establishing entirely new programs, and the adoption of new techniques developed in the search for ways of providing adequate benefits.[1] The benefit increases were pronounced in industrialized countries with long-established social security programs. The new legislation has naturally appeared in less industrialized nations—specifically Bolivia, Iraq, and Nicaragua. The new developments in theory and methods have arisen in Western Europe, most notably in Denmark, France, and Germany.

Major Program Developments

Expansion of coverage continued, as in former years, with various methods being used. Countries where the program was expanded to cover new occupational groups include Belgium, Germany, Norway, and the United States, all of which added new groups of self-employed persons to those covered by one or more programs. Argentina extended the protection of old-age, survivors and disability insurance to domestic servants, and Austria covered female domestic servants under unemployment insurance. Cuban retirement programs began to operate in several new occupational fields. In Uruguay, agricultural employers came under the family allowances program.

Another type of coverage expansion—to additional areas in countries where the social security system did not originally operate throughout a nation's territory—occurred in Colombia, India, Mexico, Panama, and Venezuela.

In Finland, Germany, Mexico, the Netherlands, and Spain, protection of more persons has resulted from the adoption of higher income limits for coverage.

Legislative activity was most pronounced in old-age, invalidity, and survivors insurance programs; it was least apparent in unemployment insurance and family allowances. There were few marked changes during the period 1955–57 in health and maternity protection and workmen's compensation programs.

Three new laws of a general character are noteworthy. Nicaragua adopted in 1955 a unified system under which insurance against sickness, old-age, permanent disability, death, and work injuries became operative in the national capital in January 1957. Bolivia in December 1956 enacted a new Social Security Code that introduced old-age insurance for the first time and consolidated it with health and maternity insurance and workmen's compensation, as well as with other related programs. Iraq in 1956 adopted and put into effective operation a new program providing both long- and short-term benefits, which may not, however, exceed the balance in the individual's own social security account at the time he claims benefits. In effect, therefore, the program sets up what is essentially a compulsory savings or provident fund.

The following tabulation shows the number of countries with various types of programs as of January 1955 and, according to the latest available information, as of March 1957.[2]

Type of program	Countries with programs in operation	
	January 1955	March 1957
Old-age, invalidity, and survivors insurance (or pensions)	49	51
Health and maternity insurance	45	47
Workmen's compensation	[1] 72	74
Unemployment insurance	20	20
Family allowances	34	34

[1] Includes Iraq (omitted from the count in the 1956 *Bulletin* article) whose Labor Code of 1936 provided for workmen's compensation.

Under legislation adopted in 1956, new programs of old-age, invalidity, and survivors insurance became operative in January 1957 in Bolivia and Nicaragua. New health and maternity insurance programs are now operating in Burma (act of 1955, effective 1956) and Nicaragua. Ghana and Tunisia are listed for the first time among the independent nations with workmen's compensation pro-

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[1] For reports on legislation enacted before 1955, see (1) *Old-Age, Survivors, and Invalidity Programs Throughout the World, 1954* (Report No. 19, Division of Research and Statistics), June 1954; (2) *Health and Maternity Insurance Throughout the World, 1954—Principal Legislative Provisions in 48 Countries* (extracted from part 8 of the Hearings before the House Committee on Interstate and Foreign Commerce, 1954), 1954; and (3) *Social Security Legislation Throughout the World—Five Charts Summarizing the Principal Legislative Provisions* (Report No. 16, Division of Research and Statistics), 1949.

[2] See Carl H. Farman, "World Trends in Social Security Benefits, 1935–55," *Social Security Bulletin*, May 1956.

grams, but the legislation dates from 1941 for Ghana and from 1921 for Tunisia.

Old-Age, Invalidity, and Survivors Insurance

Pension reform, fundamental in nature and widespread in effect, has been the leading social security development in the period 1955–57. Amending laws made extensive changes in the benefit structure of most European programs and of several systems elsewhere. The higher benefits thus provided reflect, at least in part, increases in living costs and in national output and productivity.

Several countries passed legislation making other types of change. Amendments adopted in the United States in 1956 [3] introduced permanent disability insurance for persons aged 50–64 and thus expanded significantly its old-age and survivors insurance program. Coverage was extended on a contributory basis to the Armed Forces and to practically every occupation except self-employed physicians, and the minimum retirement age for women was lowered from 65 to 62.

In Belgium, which has a large number of aged persons in relation to the total population, the emphasis has been on long-range pension planning. The present system for wage workers, established by a 1955 law, is an insurance program with a rather high minimum for all beneficiaries. The "normal" benefit is based on the assumption of 45 years' coverage.

Provision is made for automatic changes in the benefit level if specified variations occur in the cost-of-living index.

The law of June 30, 1956, effective July 4, expanded coverage by including self-employed persons.

In Czechoslovakia significant pension adjustments took effect in 1957. The minimum pensionable age was reduced 5 years for men (to age 60 for most workers) and 10 years for women—from 65 to 55. The fixed basic sum formerly used in computing benefits was discarded for a formula using a percentage of average wages, plus increments. The average pension determined under the new formula is estimated at 790 crowns a month; the average wage in industry is 1,300 crowns. Existing pensions were increased an average of 10 percent, but the rise did not bring them to the level of those computed under the new formula.

In adjusting the benefit formula to favor workers in certain occupations, Czechoslovakia followed the typical Eastern European approach under which retirement age, qualifying period, method of computing benefits, and other elements affecting the status of the claim are related to the kind of employment. Underground miners and aviation (flight) personnel, for example, make up the first of three groups or categories; they may receive an old-age benefit 5 years earlier than the other groups; their basic benefit is higher than that received by other workers; and the annual increments are also greater.

Europe's oldest noncontributory pension program is that of Denmark, which had built up an elaborate system of special allowances; fuel and clothing allowances and additional payments for very advanced age and other special causes supplemented the basic pension. By the act of October 2, 1956, most of these supplements were merged with the "basic pension," which was raised to a level some 13 percent higher than the amount of the former basic pension and supplements combined. The full payments are subject to an income test, which is, however, more liberal than the previous requirements. A new universal pension is paid without an income test. Changes in pension amounts will continue to follow changes in the cost-of-living index—a technique originated by Denmark after the first World War and now widely copied.

The minimum age for pensioners was raised 2 years; the change will be made in two stages, and by April 1, 1961, the minimum ages for receipt of the basic pension will be 67 for men and 62 for women. To receive the new universal pension, however, women as well as men must be aged 67.

Denmark now offers a more favorable provision than before for persons who defer receipt of their pension beyond the age when they might receive it. The "waiting allowance" is 10 percent of the basic pension for men who delay their claim until they are aged 70 and for women who wait until they attain age 65. It is 15 percent if the man waits until age 72, and the woman until age 67.

Funds to finance the old-age pensions, which for more than 65 years had been paid in full by the Government, are now met in part by an earmarked income tax of 1 percent. Persons with low incomes are exempted; the tax is not collected if the contributions by a person with dependents would amount to less than 40 crowns a year or by a single person to less than 25 crowns. In disability insurance, which has always had separate financing, the amount of the flat-rate contributions is increased.

In Finland an act of June 8, 1956—effective January 1957—provided for increased benefits and for abandoning the principle of a large old-age reserve fund. The dual nature of the pension—part being paid subject to an income test and part as a right—is continued. The basic pension paid to all covered workers was raised from about 4,000 marks a year to 24,000 marks. The supplements for persons without other income vary—according to cost-of-living area—from 54,000 marks to 72,000 marks (previously they varied from 28,000 to 42,000). No part of the pension is related to previous contributions, because the basic pension has now become universal.

A bonus for deferring the receipt of the pension appears in Finnish law for the first time. The pension is raised by 12.5 percent of the basic benefit for each year the aged person postpones making his claim, so that those who wait as long as 5 years beyond the minimum pensionable age will have their pensions increased by an amount equal to 62.5 percent of their basic pension.

In 1956, France increased by 31,200 francs annually the amount paid to pensioners with low incomes. The addition raised the lowest pensions by 100 percent but meant a smaller

[3] See Charles I. Schottland, "Social Security Amendments of 1956: A Legislative History," *Social Security Bulletin*, September 1956.

increase, proportionately, for persons with retirement income above the minimum.

The funds necessary to make these higher payments to more than 4 million pensioners are being raised by methods that depart radically from those formerly used. Instead of depending on the payroll tax, which has traditionally been France's main source of revenue for social insurance purposes, the law of June 30, 1956, provides for 11 distinct sources of funds—some of them new taxes and some increases in existing taxes. The measure accordingly creates what is designated as a "National Solidarity Fund," through which the whole Nation contributes to raise the incomes of aged persons of small means.

The world's oldest general old-age insurance system, that of Germany, was transformed early in 1957 by adoption of the new "dynamic pension" program. The main change lay in the new method of computing benefits, which increased pensions an estimated 50–60 percent. At the same time, the wage workers' system and the system for salaried employees were made identical as to substantive provisions, although the administration remains separate.

Benefits continue to be related to wages and the number of years worked. The former basic amount was the same for all beneficiaries within a program and was supplemented by increments based on wages and years worked. Under the new law the benefit is based on current wage levels and varies according to the average level of the claimant's lifetime earnings in relation to past general wage levels. The existing benefits of Germans already pensioned are adjusted by amounts specified in the law.

Contributions are raised immediately to 14 percent of wages or salary, paid half by the insured person and half by the employer. Although the increase means that both employer and employee pay 1½ percent more for the pension program, they pay only 1 percent more for the total insurance program since unemployment insurance contributions were reduced ½ percent.

Some changes in the minimum pensionable age have been made. This age is normally 65, as before, but a woman of 60 may be entitled to the pension if she has worked in covered employment for at least 10 of the 20 years preceding her claim. A provision formerly applicable only to salaried employees is now extended to wage earners also; at age 60 an insured worker becomes entitled to a pension if he has been out of work 1 year.

In Great Britain, benefits and the contribution rates were raised about one-fourth in 1955 under legislation of December 1954. The increases applied not only to retirement and other pensions but also to other social security payments. A 1956 liberalization in the retirement test permits pensioners to earn more money than formerly without having their benefits suspended or the amount reduced.

Unlike many recently adopted laws, that of the Netherlands makes many fundamental changes without providing for substantial benefit increases. It is the first comprehensive, public old-age pension law to be enacted by the Netherlands and includes many departures from traditional protection of this type.

The act, dated May 31, 1956, and effective January 1, 1957, creates a universal contributory pension system that applies to persons who work for another, to the self-employed, and to the nonemployed. There is no exemption for persons with large earnings. At age 65 every resident of the country will be eligible for benefits except those who could have paid contributions and did not do so.

The amount of the benefit is about the same as under the Emergency Old Age Pension Act of 1947 but is free of income test. The benefit amounts are to vary with changes in both the wage index and the cost-of-living index. Private pension plans, which became compulsory under a 1949 law, must be harmonized with the newly enacted universal old-age pensions.

Recent Spanish action affecting old-age and invalidity insurance has been an explicit counterattack on inflation. It has involved benefit increases and some entirely new—though temporary—financing devices.

In January 1956 the amount of the old-age and permanent disability benefits in Spain was increased by one-third, to 400 pesetas monthly for former wage earners in agriculture and for those former workers in industry and commerce who were not entitled to insurance benefits from a mutual benefit society. For those entitled to such benefits there was a 10-percent increase, to 250 pesetas monthly.

Survivor benefits—available previously under the family allowances program—were made part of the pension system through a provision that a widow aged 65 who had been married 10 years would get half the benefit received by her husband or to which he would have been entitled.

Soon after the pension changes took effect, a general wage and salary increase of slightly more than one-fourth was decreed; the rises were to be made in two steps—in April and October 1956. In order that the salary increase should not encourage higher prices, the total social security contributions of the employers, who were obliged to meet the increased wage costs, were reduced sharply. The employee's contribution was also cut, but only 1.2 percent.[4] The Government assumed responsibility for meeting the difference between the old and the new revenue through a special credit to the Ministry of Labor of more than 1 billion pesetas for social insurance financing. The arrangement lasted only until October, when amending measures increased the employer's total contribution by 10 percent of payroll. During the first and last quarters of 1956, workers contributed 1.0 percent of earnings for old-age and disability insurance; from April through September they contributed 1.5 percent. The employer contribution for these two benefits was 5.0 percent at the beginning of the year, dropped to 0.5 percent, and was then raised to the present 3.0 percent.

The most significant lasting developments in Spain in the field of old-age and invalidity insurance seem

[4] The unified contribution covered health and pensions insurance, family allowances, union dues, and occupational training and included (before April 1, 1956) 0.35 percent of payroll from the employer for technological unemployment benefits.

to be the benefit increase—which was the first in 5 years—and the provision of full benefits, on a par with those in industry, for agricultural workers.

In the Union of Soviet Socialist Republics, the act of July 14, 1956, effective October 1, provided for sharp pension increases, thus reestablishing, at least in part, the earlier relationship of benefits to wages and living costs. In modifying a system that had changed little in the past 20 years, the law provided old-age benefits on a sliding scale, weighted for the lower-paid worker. The other main elements of the Soviet system were not changed; pensionable ages, favored treatment for unhealthful occupations, supplements for periods of uninterrupted work, and disability benefits varying with length of service and degree of disablement are among the features retained. Pensions are paid from the general budget of the Soviet Union.

Summary.—At least 11 nations made fundamental changes in their old-age, survivors, and disability programs in the period 1955 through early 1957. No other similar period had witnessed so many basic changes in this important type of social security protection.

Higher benefits and liberalized eligibility conditions were the distinguishing marks of practically all the newly enacted laws. This trend was centered in the Western European nations and in a few other countries having high per capita incomes. Among the smaller systems, relatively few changes appeared.

Automatic adjustment of benefits to future cost-of-living changes proved increasingly popular, as did the use of the benefit formula to encourage persons to work longer without claiming old-age benefits.

Health and Maternity Insurance

The general expansion of health and maternity insurance continued at a moderate tempo during 1955–57. In Burma and Nicaragua, health and maternity insurance programs were introduced for the first time, with older employer liability laws replaced by work-injury benefits administered in conjunction with the health insurance program. Operations were restricted to specified population centers. In Bolivia and Norway, new laws went into operation. The Norwegian law amended a 40-year-old compulsory program by extending coverage to everyone in the country. The Bolivian change incorporated health insurance—which had been operating since 1951—into a new comprehensive Social Security Code designed to pay more nearly adequate benefits and promote efficiency.

Territorial expansion took place in Colombia, where workers and their dependents in the District of Valle were covered, and in India, Panama, and Venezuela.

Increases in cash benefits were adopted in many countries. Two relatively new programs, those of Australia (which first offered subsidized medical and hospital insurance in 1953) and Sweden (where the change from a voluntary to a compulsory program took effect in January 1955) were in operation. Both these countries had had extensive experience with various kinds of public medical and cash benefits before adopting their present programs.

In Canada, after five Provinces had signified approval of a Federal-Provincial national health service to begin with hospitalization benefits, Parliament enacted the Hospital Insurance and Diagnostic Services Law by unanimous vote of the House and Senate in April 1957. This law authorizes Federal-Provincial agreements under which the Provinces will provide services on an insurance basis and the Federal Government will pay approximately half the cost.

In Great Britain the National Health Service continued to expand. The limitation on annual costs that had been set in 1951 was removed in 1954–55.

In France, where health insurance provides partial reimbursement for the costs of medical service, the doctors may charge what they please, but the reimbursement is limited by regulations. A Government-sponsored bill of 1956, considered and favorably reported in Committee in 1957 and still under consideration by Parliament in July 1957, would limit doctors' fees so that the intent of the health insurance law to meet four-fifths of the cost of medical care would in fact be realized. The bill authorizes the Minister of Labor and Social Security to intervene on his own initiative in the fixing of medical charges and to have them determined by a specially appointed committee.

The 3-year time limit for benefits under the special program for extended illness was eliminated.

Workmen's Compensation

Although programs of protection against employment injuries remained substantially unchanged during 1955–57, one nation—Jordan—enacted a law for the first time, and several countries improved their existing programs through new legislation.

A few of these amending acts integrated or partially integrated workmen's compensation with other social insurance programs. For example, Sweden merged many parts of its program with the new general compulsory health insurance program. In Nicaragua workmen's compensation, formerly the only social insurance program in the country, is now consolidated into a unified system under the Social Security Code adopted in December 1955; this move has not eliminated protection under the policies issued by private companies in areas where the new system has not yet been introduced.

Bolivia consolidated workmen's compensation with health, maternity, and pension programs through its Social Security Code of December 14, 1956. Until November 1951 the only form of general social security in Bolivia was that provided by work-accident and occupational disease legislation, although there was also a system of compulsory savings from which lump-sum withdrawals could be made. The present Code combines all the programs, including old-age, invalidity, and survivors insurance and family allowances.

The Union of Soviet Socialist Republics—in addition to increasing benefit amounts—relaxed certain disciplinary aspects of short-term cash benefits that had operated in health and accident insurance since the late 1930's. A decree of February 1957 repealed the 6-month requalifying period formerly demanded of persons who had left their jobs without permission or been absent without due cause. The former 50-percent reduction in the cash benefit paid to nonunion members was also revoked.

Spain unified agricultural accident insurance with that for commerce and industry in 1955; the benefits for a large sector of the population were thus raised. An El Salvador decree of 1956 provided for new legislation to replace its 1911 law.

In Australia, Canada, and the United States numerous States and Provinces increased benefits without fundamentally modifying other aspects of workmen's compensation. There were increases in benefits in Austria, Chile, Great Britain, Ireland, and the Netherlands. Haiti covered privately employed workers outside the capital for the first time in 1956. Two countries recently achieving independence presumably continue their former programs—Tunisia, under the act of 1921 as amended, and Ghana, under its workmen's compensation law of 1941. The number of countries without some sort of law for compensating for employment injuries has about reached the vanishing point.

Unemployment Insurance

Most of the unemployment insurance systems in the world have been in existence for many years. The Japanese system is 10 years old; the Swedish and American programs have had 20 years of experience; the German, 30; the Italian, more than 35; and the Danish, 50. The British system, the world's first compulsory unemployment insurance program, started 45 years ago.

In the present state of economic activity there has been no rush to establish such programs. Today, as in 1954, there are 14 compulsory unemployment insurance systems in operation, plus four Government-subsidized plans in which there is no compulsion (at the national level, at least) to become insured. Benefits subject to an income or means test are paid under national legislation in at least four other countries, and a few nations pay benefits to special groups of workers.

Among the changes made by recent enactments has been a rise in benefits in Canada, where a somewhat shorter qualifying period for claimants of seasonal benefits has also been adopted. Amendments increasing benefits were enacted in nearly all jurisdictions in the United States. In Austria coverage under unemployment insurance was extended to female domestic servants, effective August 1956.

Denmark's system, for which the basic law is now that of 1921, became the focus of discussion early in the winter of 1956–57. The occasion was a bill (later enacted) providing grants to the country's largest unemployment society, that for general workers. The debate broadened into a discussion of the voluntary system. An unemployment insurance committee established in 1954 is expected to present suggestions.

Family Allowances

Germany's family allowances program, enacted in November 1954 and fully in operation early in 1955, provided 25 marks a month for the third and each subsequent child of employed or self-employed persons living in the Federal Republic.

Austria first voted family allowances for the self-employed at the end of 1955, and a year later increased the rates to make them the same for this group as for wage and salary workers. Originally the program for the self-employed did not provide a benefit for the first child. In Belgium the allowance was increased if the mother is in the home (1956), and contributions were raised 0.5 percent to meet the higher cost.

Bolivia brought the existing family allowances into a single system with other benefits through its Social Security Code of December 1956. Contributions remain at 13 percent of wage or salary, paid entirely by the employer, and there are five kinds of benefits: lump sums at birth, marriage, and death; periodic payments for nursing mothers; and the family allowance itself, which is 3,000 bolivianos a month for each child under age 16 (age 19 if the child is in school and indefinitely if he is an invalid).

Canada reduced from four to two the number of age groups for which different rates are paid. Chile, which first paid family allowances to salaried employees in 1937, added families of wage earners in 1954. Thereafter, because of the method of paying the allowances, the amount of the payments rose rapidly (within 2 years) from 4.65 pesos a day to 44.60. The legislature was considering further increases in 1957. Under the nonreserve or "distribution" system for the retirement program, 40 percent of the revenue originally planned for old-age and other pensions is used to pay family allowances. In addition, the latter plan receives money from taxes collected in foreign currency because of variations in foreign exchange rates. Uruguay enacted regulations for its new program of agricultural family allowances in 1956. In addition to these changes, nearly all countries increased the amount of the allowances.

Supplement

The following pages give in some detail the more important social security changes adopted by the various countries during 1955, 1956, and early 1957. Some pertinent legislation enacted before 1955 and not carried in the earlier reports is included.

Argentina

Domestic workers over age 18 are covered under a special retirement program (decree of 1956), under which the insured person contributes 5 percent of his wages and the employer 7 percent. The benefit formula is weighted to favor low-income workers. The program is administered by the commercial workers' fund, within the National Social Insurance Institute.

Australia

Cash benefits are now £4 weekly for age and invalidity, £4 5s. for a widow caring for a child under age 16, and £3 7s. 6d. for other eligible widows. Property and income tests have been liberalized for these benefits. The family allowance remains unchanged at 10s. a week for the second and each subsequent child and at 5s. for the first child.

A 1954 law authorized the Federal Government to make capital grants to homes for the aged to encourage provision of suitable residential care.

Austria

Old-age, invalidity, and survivors insurance.—Benefits were increased 16.67 percent by the 1956 amendments, effective January 1957. The minimum monthly benefit is 550 schillings for a primary beneficiary or widow, 200 for a wife, and 50 for a child. These increases followed the general Social Insurance Law of 1955, which had improved and simplified the program and brought the wage earners' system much closer to that for salaried employees. The previous special provision adding 1 month's pension annually was made permanent. Small independent income may be received without reduction of the old-age benefit.

Unemployment insurance. — Domestic servants were covered by a 1956 ordinance, effective in August. The only groups now exempted are public employees, agricultural workers on small farms, apprentices, persons earning less than 270 schillings a month, and near relatives of the employer. Effective January 1956, the General Social Insurance Law of 1955 added five new wage classes for contribution and benefit purposes. Benefits range from 82 schillings a week to 142.50 schillings for single persons, plus 30 schillings for the first dependent and 11 schillings for each additional dependent.

Belgium

Old-age and survivors insurance.—The laws of 1953, 1954, and 1955 are basically the same. The benefit amount is related to average earnings during a full working lifetime. The old-age benefit for a man with a dependent wife is 1/45 of 75 percent of his average wage for each year of work; the benefit for a single man is 1/45 of 60 percent; and for a woman it is 1/40 of 60 percent. The law applies only to wage earners and not to salaried employees.

An arbitrary amount is assigned as the average wage for each year before 1955. The minimum benefit for persons reaching pensionable age before the program came into effect is 28,000 francs a year for a married man and 18,700 francs for other beneficiaries. The amount rises or falls with each 5-percent change in the cost-of-living index. The widow's benefit is 30 percent (formerly 25 percent) of the husband's highest annual wage.

Contributions rose according to plan to 8.5 percent of wages and are shared equally by worker and employer; the Government contribution—1,280 million francs in 1956—is scheduled to rise by 40 million francs annually to an ultimate total of 2 billion francs.

Coverage was extended to the self-employed by the 1956 act, which gives a choice of affiliation in the General Savings and Retirement Fund (governmental) or in an occupational or similar fund. The individual contributes 1,200 francs a year, and the Government, 750 million francs.

Family allowances.—The temporary increase (1954) in the allowance if the mother is in the home was made permanent by the 1956 law. To meet the cost, the law raised the contribution rate by 0.5 percent to 8.0 percent of payroll. The 1956 law also raised the allowances for the second and subsequent children; for the second child the increase amounted to 54 francs a month, for the third child it was 75 francs a month, for the fourth child 100 francs, and for the fifth and subsequent children 125 francs.

Bolivia

The Social Security Code of 1956 established an old-age, invalidity, and survivors insurance program and amended the health and maternity insurance, workmen's compensation, and family allowances programs. Operation of the pension program began in January 1957 and is scheduled for all major population centers by the end of 1957.

The insured person contributes 7½ percent of the full amount of wages, and the employer, 30 percent. For benefits, full credit is given for the first 6,000 bolivianos daily (180,000 a month) and 30 percent for amounts in excess of that sum. The Government contribution is set at 1 percent of total wages in 1957 and is to rise by stages to 5 percent after 6 years; funds are to be raised by taxes on tin and other metals exported and on business profits. Governments at various levels pay employer contribution for public employees.

Persons who work for another in areas where the program operates are covered. Public employees are included; occasional workers are excluded. The law authorizes coverage of the self-employed at an appropriate time.

Old-age, invalidity, and survivors insurance.—The old-age benefit is equal to 50 percent of the wage, plus increments (not yet fixed) for contributions in excess of 180 months. Contributions for 180 months are required. The pensionable age for men is 55, and for women 50 (subject to change after actuarial study). A lump sum is paid after more than 24 but less than 180 contributions.

The benefit for permanent disability is the same as for old age. The individual must be 50-percent disabled for work and have paid contributions for 60 months—18 of them in the past 36 months.

Widows (or disabled or aged widowers) are paid the equivalent of 40 percent of the old-age pension. Smaller benefits go to orphans, parents, brothers, and sisters. The maximum total pension for survivors is the same as the insured person's pension. A funeral benefit equal to 1 month's wages or, for a pensioner, 1½ month's pension is payable for a dependent wife as well as the covered worker.

Health and maternity insurance.—The insured person and his dependents (including a common-law wife) are entitled to comprehensive care that includes dentistry, hospitalization, and medicines. Benefits are provided after 1 month's contribution in the 2 months preceding sickness and after 6 months' contributions in the 12 months preceding confinement. The cash benefit for sickness and maternity is equal to 100 percent of the national minimum wage, plus 70 percent of the amount earned in excess of this minimum; a waiting period of 3 days is required, and qualifications are the same as for medical care.

Workmen's compensation. — The same benefit is paid for temporary disability as for sickness, with a waiting period of 3 days. For permanent, total disability, the benefit is equal to 100 percent of the national minimum wage, plus 30 percent of earnings in excess of the minimum. The partial disability benefit represents a percentage of the wage loss, according to a schedule in the law. A lump sum equal to four times the annual pension is paid if the reduction in working capacity does not exceed 25 percent. Medical care benefits are comprehensive; they include appliances and occupational retraining and have a duration of up to 52 weeks.

Family allowances.—A matrimonial grant of 3,500 bolivianos a month is made during marriage if either husband or wife is a covered worker. The nursing grant consists of milk products to the value of 5,000 bolivianos a month, delivered daily to the mother for 1 year following birth of the child. The child's allowance is 3,000 bolivianos a month for each child under age 16 (age 19 if in school, and indefinitely if an invalid). A birth grant of 10,000 bolivianos is paid in a lump sum if insurance medical services are available; otherwise 30,000 bolivianos. A funeral grant of 10,000 bolivianos is paid if the deceased child was aged 1 or under and 15,000 bolivianos if the child was more than a year old.

Burma

The act of 1954, as amended, established a system of health and maternity insurance and workmen's compensation, initially restricted to Rangoon and its suburbs. Operations began in January 1956. The program covers wage and salary workers in industrial establishments with 10 or more workers. Administration is by the Social Security Board, on which workers, employers, and the Government are represented.

For health and maternity insurance, the worker contributes 1 percent of his wage and the employer 3 percent; the Government contributes by subsidizing the construction of medical facilities. There are six wage classes; the contributions range from 0.40 kyats a week to 2.40.

A cash benefit equal to two-thirds of the wage is paid for 13 weeks for sickness and 12 weeks for maternity, after a 3-day waiting period. The funeral grant is 200 kyats. To receive sickness benefits the insured person must have paid 17 contributions in the preceding 26 weeks, and for maternity benefits, 26 contributions in the preceding 52 weeks. Medical care is provided the insured person, usually for the same duration as the cash benefit. He may be reimbursed for the cost of private attention if care in the program's dispensaries or in its clinics is not available.

Benefits for work injuries are entirely employer-financed. Medical care and cash benefits are provided for temporary and permanent disability, and benefits are paid to survivors of deceased workers.

Canada

Old-age security.—Benefits (payable at age 70 without an income test or insurance requirement) were increased from $40 a month to $46 in 1957. Federal grants to the Provinces for assistance to the aged (still 50 percent of the payment) and the blind (still 75 percent) take into account the new maximum. The amount of total income (benefits plus outside income) allowable before a reduction is made in the assistance payment was raised $10 to $110 a month.

Hospitalization insurance.—Under the Hospital Insurance and Diagnostic Services Law, adopted in 1957, in Provinces signing an agreement with the Federal Government, Federal grants will meet about half the cost of hospital and related services (with a larger share for Provinces with low per capita incomes); individual contributions will meet all or most of the costs not federally financed. Contribution rates are to be determined by the Province. The law requires that at least six Provinces having half the population of the country must sign the agreement before Federal payments are made. Five Provinces had met the condition in early 1957, and a sixth had indicated its intention to sign.

Unemployment insurance.—Amendments of 1956 extended coverage to commercial fishermen, whether employed, self-employed, or working on shares. The program coverage is otherwise limited to persons employed by another. Effective 1950, for salaried employees the upper salary limit for coverage purposes is $4,800 a year.

Under a new schedule of contributions and benefits, effective October 1955, there are nine wage classes. Both employer and employee pay 16 cents a week if the weekly earnings are less than $15, 24 cents if they are $15.00–$20.99, and so on, rising to a maximum of 70 cents if earnings are $57 or more. The Government meets the cost of administration and also contributes an amount equal to one-fifth the combined employer-employee contribution.

Benefits to the worker who earned less than $15 are $6 a week; if he has dependents, he receives an additional $2. The maximum benefit, paid to a worker who earned $57 or more, is $23; it is $30 if he has dependents. Reduced benefits are payable for partial unemployment.

The 1950 provision establishing seasonal unemployment benefits mainly for workers in logging, lumbering, and stevedoring was liberalized in 1955 and 1956. Contributions and benefits are the same as those for other workers under the unemployment insurance system.

Family allowances.—The program was amended in 1957 to provide $6 monthly for children under age 10 and $8 for those aged 10–15. Formerly $5 was payable for a child under age 5 and $7 for those aged 10–12.

Chile

Workmen's compensation.—Pensions were increased by a 1957 law to a minimum of 3,750 pesos a month. (The 1949 minimum was 3,600 pesos a year.)

Family allowances.—Allowances were made payable on behalf of the children of pensioners, including recipients of a widow's pension.

China (*Nationalist*)

Old-age insurance.—The Labor Insurance Law of 1950 includes provision for a lump-sum payment of up to 15 months' wages (according to length of coverage) at age 60.

Health and maternity insurance and workmen's compensation.—Amending legislation of 1953–56 extended coverage to sugar-cane farmers (1956) and provided for a Government contribution of NT$1.20 a month for employed persons and NT$3.60 for self-employed craftsmen (first covered in 1951). Worker and employer contributions were unchanged (1 percent and 3 percent respectively of wages). Medical care first became available in July 1956 in the form of hospitalization for industrial workers.

Czechoslovakia

A new pension formula and other changes took effect January 1957. The employer contributes 15 percent of wages if the worker is covered by the general family allowances program and 10 percent otherwise. The worker contributes through a progressive income tax. The Government meets costs not covered by other revenue. There is no wage ceiling for contributions, but earnings in excess of 24,000 crowns a year are not counted in full for benefit purposes.

Old-age, invalidity, and survivors insurance.—The basic old-age benefit after 20 years of work is equal to 60, 55, or 50 percent of the average wage, according to the individual's work group (I, aviation and underground mining; II, 800 specified important occupations; and III, other). An increment of 2.0, 1.5, or 1.0 percent (according to the work group) is paid for each year of employment in excess of 20 in groups I and II and of 25 years in group III. The benefit is normally payable at age 60 after 20 years' work for men and at age 55 after 20 years' work for women (and for men in group I). The benefit is reduced two-thirds for employees in groups II and III who continue to work.

The minimum benefit for disability is the same as for old age; it is equal to 50 percent of average earnings, plus an increment (varying with the work group) for each year of work after the first 15. To qualify the worker must have had 5 years' work out of the past 10 if he is aged 28 or over; the requirement is lower if he is younger.

Survivor benefits are equal to 70 percent of the insured person's pension for the widow, 25 percent for a half orphan, and 50 percent for a full orphan. A woman under age 50 and not having a child in her care is entitled to 1 year's pension only, unless she is aged 45 and has raised two or more children.

Health and maternity insurance.—The cash sickness benefit is equal to 60–90 percent of the average wage; the maternity benefit (payable for 18 weeks) is 75–90 percent of the employed woman's wage. The rates vary with the length of uninterrupted employment in one enterprise. A lump-sum maternity grant of 650 crowns is made for a birth in the worker's family; a funeral grant of 1,000 crowns is paid when the insured worker dies and 200–800 crowns (according to age) when a dependent dies.

Family allowances.—If the parent works 20 or more days a month in full-time employment, he receives 70 crowns a month for one child, 170 crowns for two children, 310 crowns for three, 490 crowns for four, and 220 crowns for each additional child. The allowances are lower for an employed person who cultivates farm land.

Denmark

The law of 1956, effective April 1, 1957, added a universal pension, payable at age 67. For a couple the benefit is equal to 9 percent of the average gross income of heads of families; for others, two-thirds of that amount. The amount was initially set at 1,020 crowns for a couple and 684 crowns for a single person; the rate will be redetermined each year. An earmarked income tax of 1 percent was introduced to help finance the cost.

The means test for the "national" (former old-age) pension was liberalized and the basic pension expanded to include most sums formerly added as supplements; the total benefit was increased about 13 percent. The minimum pensionable age for this benefit is scheduled to rise from 65 to 67 for men and from 60 to 62 for women. The amount for a single person is 3,312 crowns a year, 3,180 crowns, and 2,964 crowns, depending on the cost-of-living zone; for a couple it is 5,016 crowns, 4,752 crowns, and 4,356 crowns. The benefit is reduced if the beneficiary has other income. The reduction follows a sliding scale, which starts at 60 crowns for each 100 crowns of income in excess of the specified amount. This amount, in the highest cost-of-living area, is 2,300 crowns for a single person and 3,400 crowns for a couple.

El Salvador

Health and maternity insurance.—Registration of workers in the District of El Salvador and adjacent areas was the subject of a regulation of June 11, 1956, which also provided for employer reporting, statistics, and issuance of membership cards to workers.

Workmen's compensation.—Decree No. 2118 of May 24, 1956, provided for a new law to replace the 1911 act.

Finland

The old-age insurance law of 1956, effective January 1, 1957, provides for an estimated fourfold increase in average old-age and permanent disability benefits. The formation of reserves is largely suspended. The dual system of pensions—without and with an income test—is retained, but the insurance benefit is superseded by a universal pension. The contribution rate remains 1 percent each for the insured person and the employer, assessed on full income (the former maximum contribution was 5,000 marks a year). The Government share was increased from about 9 billion marks a year to 22 billion.

A basic old-age insurance benefit of 24,000 marks a year is paid to everyone at age 65. The old-age assistance payment is 72,000 marks, 63,000 marks, or 54,000 marks a year, varying with the cost-of-living area; it is not reduced if the annual income is less than 34,000, 24,000, or 17,000 marks. A couple, both members of whom are eligible, receives 160 percent of the single person's payment.

Under a new provision the basic pension is increased 12.5 percent for each year receipt of pension is postponed (maximum increase, 62.5 percent at age 70). The pensionable age remains at 65, but a woman aged 63 may receive assistance. Neither a record of contributions nor retirement is required.

France

Old-age, invalidity, and survivors insurance.—Under a law effective April 1, 1956, supplements to the old-age pensions are paid after an income test to persons over age 65 (age 60 if unable to work) who receive any legally established old-age payment. Everyone receives the same amount (31,200 francs a year) unless total income, including pension and supplement, exceeds 201,000 francs a year for a single person or 258,000 francs for a couple, when the supplement is reduced by the amount of the excess. This increase is financed by earmarked, special taxes on personal and corporation incomes; taxes on alcohol-based beverages, automobiles, stock-market transactions, luxuries, and gifts; and a stamp tax. Total revenue is estimated at 130–140 billion francs annually.

Since October 1, 1955, the maximum annual earnings considered for contribution and benefit purposes are 528,000 francs. The amount of pension paid to persons not formerly employed by another is 31,200 francs a year, plus a supplement from the national solidarity fund.

Health and maternity insurance.—Under a 1955 decree, cash and other benefits in cases of extended illness are paid for an unlimited period (formerly for 3 years).

Insured persons in the Paris region, instead of paying the full cost of prescriptions and receiving a refund, as before, were permitted under a 1957 administrative decision to pay only the 20 percent that is the insured person's final percentage of the scheduled cost.

Family allowances.—Payments were increased 4.3 percent in January 1955 through an increase in the basic monthly wage in the Paris region, to which the allowances are related. This wage—in theory the minimum wage of unskilled workers in the steel industry—became 18,000 francs, which brought a rise of 165 francs a month for families with two children, 412 francs for those with three children, and 660 francs for those with four children. A new schedule of family allowances became effective April 1, 1956.

Germany (*West*)

Old-age, invalidity, and survivors insurance.—The program was completely revised by a law of 1957, effective January 1 for benefits and March 1 for contributions. The law eliminates all but administrative differences between salaried employees' and wage earners' programs. Payments are scheduled to rise from 7.8 billion marks in 1956 to 13.3 billion in 1957. About 6.5 million pensions were raised an average of more than 50 percent. The program covers mainly wage and salary workers; the latter are not compulsorily covered if they earn more than 15,000 marks a year (formerly 9,000).

The old-age benefit is based on earnings and years covered, changes in the national standard of living (average wage level), and cost-of-living changes. For each year of coverage (actual or credited), the claimant receives 1.5 percent of his credited earnings. The individual's benefit bears the same relation to the general wage level shortly before he qualifies for the pension as his past earnings bore, on the average, to the past general wage level. Employment for 40 years with earnings at the national average, for example, provides benefits equal to 60 percent of the current wage level. The 1957 earnings base for computing benefit is 4,231 marks a year.

The qualifying period for receipt of an old-age pension is 15 years. The pensionable age is 65, but a woman aged 60, retired, with 10 years' coverage in the past 20 years, is eligible; also a person aged 60 and unemployed for 1 full year. Retirement is not required after age 65.

The invalidity benefit is of two types—one paid in case of incapacity for work at the regular occupation and the other (at a higher rate) for general disability. For both benefits the qualifying period is 5 years. Benefit rates for wage earners and salaried employees are now the same. The pension for total disability is computed as if contributions had been paid to age 55.

A widow (or dependent widower) normally receives 60 percent of the pension the insured spouse would have received, but the amount is less if she is under age 45, able to work, and without dependent children. The full orphan receives one-fifth the pension of the insured; the half orphan receives one-tenth.

Contributions, paid in equal amounts by employer and employee, are 14 percent of the wage up to 9,000 marks a year, plus a substantial Government grant. (The former pension contribution was 11 percent, but a 1-percent drop in the unemployment insurance assessment partly offsets the total payroll tax rise.) There are 16 wage classes, with monthly contribution payments ranging from 1.75 to 105.00 marks. Reserves will be smaller. The contribution rate is fixed for the next few years, but actuarial estimates show that higher rates may be necessary later.

A "saving clause," for use in possible financial emergency, permits basic amounts to be fixed by special law if specified financial developments occur, including any adverse effect of benefits on contributions, on Government grants, or on reserves.

Family allowances.—The program became fully operative January 1955, paying 25 marks monthly for the third and each subsequent child of employed or self-employed persons. Allowances are payable to age 18 (age 25 if the child is dependent or receiving occupational training). Administration is through family allowance compensation funds, one in each employers' liability insurance association (agency administering workmen's compensation).

Germany (*East*)

Old-age, invalidity, and survivors insurance.—A benefit increase of 30 marks (East) a month raised the minimum primary benefit 40 percent, to 105 marks, effective December 1956. The minimum pension to a widow is now 96 marks (East), an increase of 46 percent. Benefits for miners, disabled veterans, and totally disabled victims of an accident, as well as general pensions for wage and salary workers and the self-employed, were affected. There are no financing provisions.

Great Britain

Since 1955 Great Britain has increased social security benefits, contributions, and the amount of earnings permitted retired persons and widows.

The contribution paid by an adult man amounts to 6s. 9d. a week; his employer contributes 6s. An employed woman contributes 5s. 6d., and her employer 4s. 11d. An adult man who is self-employed pays 8s. 5d., and a woman pays 7s. 2d. In Great Britain the nonemployed also contribute to the social security program; adult men pay 6s. 6d., and adult women 5s. 2d. The contribution rates are less for workers under age 18 and for their employers. If the worker earns less than 60s. weekly, his own contributions are reduced but those of his employer are raised, and the total employer-employee contribution is the same as for other workers.

Amendments of 1957 allocated 20d. a week to the National Health Service from the man's contribution and corresponding increases from other groups of contributors, thus doubling former allocations and charging insurance with about 11 percent of the cost of the health program.

Weekly benefits paid under the national insurance program for retirement, permanent disability, sickness, and unemployment are, for an adult single person, 40s. (Some benefits are lower for persons aged 16–18.) If the person has an adult dependent, the benefit is 65s. 0d; if he also has a child, it is 76s. 6d. In addition, 3s. 6d. may be paid for each child after the first, plus the family allowance payment. Married women normally receive a weekly unemployment benefit of 30s. and a sickness benefit of 25s., but under some circumstances they may qualify for 40s. The maternity allowance for an employed woman is 40s. for 18 weeks. The maternity grant is a lump-sum payment of £10; for home confinement the grant is £4. Widows receive 55s. weekly for 13 weeks, plus 16s. 6d. for the first child and 8s. 6d. for each additional child, plus family allowances. After 13 weeks, the benefit is reduced 15s. A widow without children is entitled if she is aged 50 or over at widowhood and had been married 3 years when her husband died; formerly, 10 years of marriage were required. A widow with children receives benefits until the youngest child attains age 18 (as long as the child is living with her, and even though the child is not receiving benefits because he does not attend school or because he is not disabled). A widow who no longer has eligible children receives benefits if she is aged 50 or over (formerly aged 40 or over) when the youngest child attains age 18.

As in 1954, the retirement benefits are increased 1s. 6d. a week for every 25 contributions paid during the first 5 years after reaching pensionable age. These benefits (as well as those for permanent disability and, if there are no children, widow's pensions) are reduced by 6d. a week (formerly 1s.) for each shilling earned in excess of 50 but less than 70 a week, and by 1s. for each shilling earned in excess of 80. (Formerly the benefit was reduced shilling for shilling if earnings were more than 40s. weekly.) The widowed mother's allowance is reduced 6d. for each shilling earned between 60 and 80 a week and 1s. for each shilling in excess of 80 (the former reduction was 1s. for each shilling in excess of 60).

National Health Service.—General practitioner, specialist, and hospital services continue to be provided without charge (the patient may voluntarily pay extra to obtain private or small-ward accommodation in the hospital). For dentistry, the patient pays £1 for treatment (not mouth examination) and meets the full cost if the treatment does not cost more than £1; he also pays approximately half the cost of dentures (maximum for denture payments, £4 5s.). For spectacles, the adult patient pays £1 for lenses and the full cost of frames. For prescriptions, a charge of 1s. is made for each item in the prescription (effective December 1956).

Workmen's compensation. — Legislation in 1955 and 1956 increased payments to the following weekly amounts:

	s. d.
Total disability, temporary or permanent	67 6
Special hardship allowance	27 6
Unemployability supplement	40 0
Constant attendance allowance	30 0
Allowance for dependent wife	25 0
Allowance for dependent child, first	16 6
Each additional child (in addition to family allowance)	8 6

Family allowances.—Allowances were increased in July 1956 to 10s. a week for each child after the second; the rate for the second child continues at 8s. As of the same date, the upper age limit for a child still in school or apprenticed was raised to 18. The allowance is paid to age 16 for a child physically unable to attend school or perform gainful work.

Guatemala

Maternity insurance.—Effective in the District of Guatemala May 1. 1953, medical care is provided to the insured woman and the wife or common-law wife of the insured man; it includes monthly examinations for the first 6 months before confinement and more frequent examinations and treatment thereafter. Hospitalization during confinement and necessary specialized services for mother and child are provided. Postnatal care for as long as 6 months is available for the mother and as long as 2 years for the infant. Milk for a mother unable to nurse her child is furnished for 8 months, and a layette is supplied. A cash benefit equal to 50 percent of her wage is paid to the insured woman during her suspension from work before confinement; for absence from work during and after confinement, full wages may be paid for 3 months and two-thirds of the wage thereafter, with no specified time limit. Funeral grants and survivor pensions are payable (the latter to minor or invalid children).

India

Health and maternity insurance and workmen's compensation.—With the geographical expansion of these programs in 1955 and 1956, workers in 43 areas now have coverage for such benefits. Additional cash benefits for insured workers with tuberculosis were provided in 1955. A salaried system is used for physicians in most areas, and a panel system in a few.

Provident funds.—Approximately 20 new industries were placed under the Employees' Provident Funds Act during 1956.

Iraq

The Social Security Act of 1956, effective December 1956, covers persons working in specified professions for firms with 30 or more employees. All employees of oil companies and all government employees not already under a superannuation program are covered. The worker contributes 10 fils (2.8 cents) a day, the employer 15 fils, and the Government 15 fils and an added grant. Benefits consist of periodic payments for sickness and unemployment, lump-sum payments for marriage and maternity, funeral grants, and, when the individual is permanently disabled, attains old age, or dies, payment of the amount remaining in his individual account. The retirement age for men is 60; for women it is 55.

Ireland

Benefits were increased for unemployment, temporary and permanent disability, maternity, and widows' contributory pensions under the amendments of 1956. The single adult receives 30s. a week; the single person under age 18, 22s. 6d; the married woman with her own insurance and not head of a family, 22s. 6d; an adult dependent, 15s.; and children, 8s. each. The combined employer-employee contribution was raised to 5s. 6d. a week for adult men and 4s. 5d. for women.

Italy

Health and maternity insurance.—Small farmers, whether owners or tenants, were covered under the law of November 1954 for general and specialist services, obstetrical care, and hospital care. An estimated 7 million persons in 2 million families are covered. Contributions, which include 12 lire daily per insured person from the Government as well as flat amounts from the individual covered, are based on estimated and actual operating costs of the farm.

Unemployment insurance. — Agricultural workers were covered under 1955 and 1956 decrees giving effect to the 1949 law.

Japan

Health and maternity insurance.—An amendment adopted in 1957 provides for partial payment by the insured person when medical care for sickness is provided by a physician or other personnel designated by the insurance carrier. The patient pays the cost of the first consultation to a maximum of 100 yen. If hospitalized, he pays 30 yen a day for the first 30 days. Other medical service costs are met by insurance. If care is not provided by the insurance staff for any reason, the cost will be reimbursed according to usual insurance program fees.

The dependents' funeral benefit amounts to 2,000 yen, paid in a lump sum. A maternity benefit (lump sum) of 1,000 yen is paid to the wife of an insured worker. Insured woman workers may receive nursing allowances of 200 yen a month, payable for 6 months.

Contributions under the general health insurance program are paid equally by the insured and the employer. The rate is 6.5 percent of wages in Government-managed societies and 3.0–8.0 percent in society-managed programs, with an average of 6.36 percent. The Government pays 3 billion yen a year toward benefits under a 1956 law (formerly it paid administrative costs only). In the voluntary national health insurance program for all residents, the Government share was increased in 1955 to include 20 percent of benefit costs.

Unemployment insurance.—The insured person and the employer contribute 1.6 percent of wages each. Insurance for persons employed by the day was established in 1950; benefits and contributions are at a flat rate instead of a percentage of the wage.

Mexico

Geographical expansion of the unified system in 1955 and 1956 added 250,000 workers, including 130,000 in agriculture. The first agricultural coverage was in portions of Sonora, Sinaloa, and Chihuahua, under a 1954 decree. Agricultural contributions are collected in three ways: for permanent workers, through a regular wage-class system; for temporary workers, by means of coupons; and for colonists and cooperative workers, through cooperative and agricultural banks. Workers' housing units totaled 2,200 in 1956, with an investment of 59 million pesos. Benefits were substantially liberalized by a law of December 1956, modifying 78 of the 142 articles in the basic legislation.

Old-age, invalidity, and survivors insurance.—The basic benefit for old-age and permanent disability was raised from 26 percent of wages to 34 percent; the minimum pension from 50 pesos a month to 120; and the maximum from 600 pesos to 1,200. Existing pensions of more than 120 pesos were increased 10 percent. A permanent disability pension is paid for wage loss of 50 percent (formerly 66⅔ percent); the amount is increased 20 percent if constant attendance is required. A widow receives a pension equal to 50 percent, and a child who is either a half or full orphan 30 percent, of the amount the insured person would have received. (Formerly a widow received 40 percent, and a half orphan 20 percent.) If no widow or orphan survives, the pension is payable to dependent parents or grandparents, who were not previously eligible.

Health and maternity insurance.—Dependent parents, as well as the insured person and his wife and children, are now eligible for medical care. The cash sickness benefit is equal to 50 percent (formerly 40 percent) of the wage. If the worker is hospitalized and there are dependents, the amount is not reduced; formerly it was reduced 50 percent. The funeral benefit was raised from 250 pesos to 500. In extended illness, the benefit is paid for 52 weeks, plus a further 26 weeks if necessary.

Workmen's compensation.—Injuries sustained while traveling to and from work are now specifically included in the risks covered. The temporary disability benefit was raised from 75 percent of the wage to 100 percent.

A new class was added at the top of the wage scale. The maximum wage for both contribution and benefit purposes, formerly 26 pesos daily, is now 50 pesos a day.

The Netherlands

A general old-age pensions act, adopted in 1956 and effective April 1, 1957, applies to all permanent residents. The annual benefit is 1,404 guilders for a couple and 846 guilders for a single person. The benefit varies with the cost of living and is not subject to an income or retirement test. The pensionable age is 65. (The age is the same and the benefit rate nearly the same as under the Emergency Assistance Act, effective 1947–56, which imposed an income test.)

Contributions are paid entirely by the individual. He pays 6.75 percent of income up to 6,900 guilders a year but pays nothing if his income is less than 1,500 guilders if he is single or 2,100 guilders if he is married. A wage increase of 5.6 percent was enacted, to go into effect when the contributions became payable, and at the same time the employer was relieved of the long-standing "equalization tax" of 4 percent of payroll.

The law provides that the extensive system of private plans will be adjusted to the new system.

New Zealand

The latest benefit increase, effective November 1956, made the weekly rate £3 19s. for a single person qualifying for an age, invalidity, or widow's pension and for miner's, sickness, or unemployment benefits. The income test, where applicable, was liberalized. An age benefit is payable, subject to an income test, to a woman aged 55 if she is unmarried and unable—for disability or other cause—to obtain regular work. The universal superannuation benefit payable at age 65 is £105 annually (beginning April 1957).

Nicaragua

A law of 1955 inaugurated a general social security program, including insurance in the event of sickness, maternity, work injury, old age, permanent disability, and death. The program became effective for pensions and sickness and maternity benefits in February 1957 in Managua. Contributions are 16 percent of wages, 8 percent from the employer and 4 percent each from the worker and the Government.

The program is administered through the National Social Security Institute, an autonomous agency. Directors include representatives of workers, employers, physicians, and the Government.

Old-age, invalidity, and survivors insurance.—The old-age benefit amounts to 30 percent of base earnings, with supplements based on duration of coverage and with additions for dependents. The maximum is equal to 80 percent of the base wage. Benefits may be paid at age 60; they are compulsory at age 65, when the beneficiary must retire. Contributions for 750 weeks are required. The benefit for permanent total disability is computed in the same way as the old-age benefit. The claimant must be aged 60 and have made 150 weekly contributions in the 6 years preceding disablement.

A widow is paid 50 percent of the pension the insured person would have received for total disability, and a legitimate child under age 14 receives an amount equal to half the widow's benefit. The total paid to survivors cannot exceed 80 percent of the worker's base pay. The same number of contributions is required for survivor benefits as for disability benefits.

Health and maternity insurance.—The cash benefit equals 60 percent of the wage; if a worker with no dependents is hospitalized, the benefit is reduced one-half. Sickness benefits are paid for 26 weeks; maternity benefits for 12 weeks (6 before and 6 following confinement). For sickness benefits there is a 3-day waiting period.

Benefits in kind include general and specialist care, hospitalization, medicines, and dental care. Dependents are not eligible for medical services, but the wife of an insured worker, as well as the insured woman, receives maternity care. Benefits, in cash or kind, are provided for an infant for the first 6 months. For cash sickness benefits, a qualifying period of 12 weekly contributions in the 6 calendar months preceding the claim for benefits is required; for medical care, 4 weekly contributions in the 9 weeks preceding claim, or 12 contributions in the preceding 6 months. For maternity benefits, but not for prenatal care, 16 weekly contributions in the 9 months preceding the presumed date of confinement are required.

The funeral benefit paid varies with the wage class; it is 600, 1,000, or 1,500 cordobas.

Norway

Health insurance.—Coverage was extended to the entire population by a 1956 act, bringing an estimated 10-percent increase in the number covered. The program had formerly covered only persons employed by another. Benefits at one-third the normal rate were made payable to a single person when hospitalized (formerly no benefit was paid unless there were dependents).

Old-age pensions.—Benefit rates were increased in 1956 from 1,680 crowns a year to 1,860 crowns for single persons and from 2,520 crowns to 2,796 crowns for couples. Supplements for children were increased from 240 crowns a year to 300 crowns.

Poland

The 1955 administrative reorganization abolished the Social Insurance Institution. The Ministry of Labor and Social Insurance now administers pension insurance through provincial offices and local government units. Trade unions administer cash benefits for sickness, maternity, work injuries, funeral costs, and family benefits.

Spain

After a 7-month trial period during 1956, the Government discontinued its contribution for social security, transferring this part of the cost to the employer, whose contributions had been sharply reduced following a wage increase. Beginning October 1956, the insured person contributes 1 percent of his earnings for family allowances and the employer 4 percent. For old-age and permanent disability, the insured person contributes 1 percent and the employer 3 percent, and for sickness insurance the individual pays 2 percent and the employer 12 percent. The worker also pays 0.3 percent for union dues and 0.2 percent for occupational training; the employer pays 1.5 percent and 0.2 percent for these purposes.

Old-age, invalidity, and survivors insurance.—Benefits for old-age and permanent disability were increased in January 1956 by a third, to 400 pesetas monthly for former wage earners in agriculture and for former workers in industry and commerce not entitled to insurance benefits from a mutual benefit society. Under this program a widow aged 65 who had been married 10 years now receives half the benefit received by her husband or to which he would have been entitled.

Workmen's compensation.—Legislation in 1955 on work accidents and occupational diseases extended the general system to agricultural workers and fishermen, replacing special systems. Among the benefit changes was a rise in the total cash disability benefit to 100 percent of the wage (formerly 75 percent). The widow's pension is half the former wage of the insured person (previously 37.5 percent); an additional 10 percent of the wage is paid for each child. (Formerly the total payment for a widow with children could be no more than 75 percent, regardless of the number of children.) A lump-sum payment is provided for certain lesions or mutilations not causing permanent incapacity for work.

Family allowances.—Increases, effective January 1, 1956, brought the allowances to 60 pesetas a month for two dependents, 90 pesetas for three, 130 pesetas for four, 175 pesetas for five, and 250 pesetas for six dependents. The rates continue to increase progressively; for 12 children, allowances total 4,500 pesetas a month, with 3,000 pesetas for each additional child. An allowance is also payable to a widowed mother who is over age 50 or an invalid.

Mutual benefit societies.—Amendments in 1956 raised all pensions awarded before May 1, 1956, by 24 percent as of November 1, with varying increases for pensions awarded later. The benefit for extended illness is now paid for a maximum of 5 years (formerly 2½ years). Orphans' pensions were raised 5 percent, with a new minimum of 150 pesetas a month (formerly 75 or 100 pesetas, according to the society). The old-age pension was increased 10 percent for the wife and 10 percent for each child; the invalidity pension was increased 10 percent for the wife. An order of February 1956 created provincial assemblies of mutual benefit societies, with representation by workers and employers, to consider problems at the provincial level.

Switzerland

Old-age and survivors insurance.—Citizens who were aged 65 in 1948, when the present program went into operation, became entitled to pensions without a means test under an act of 1955. The rates for this new group of aged beneficiaries are 840 francs a year for the single old-age pensioner, 1,360 francs for a couple, and 680 francs for a widow; slightly higher minimums were put into effect for all other types of beneficiaries. Full orphans receive 390 francs; half orphans, 260 francs. Others now over age 65 and not entitled to an insurance benefit receive transitional pensions, subject to a means test.

Amendments effective January 1957 lowered the pensionable age for single women and widows from 65 to 63 and increased minimum and maximum benefits.

Workmen's compensation.—Coverage became compulsory in agriculture beginning January 1955. The insurance may be carried with commercial companies, under administration by the cantons, subject to supervision of the Federal Social Insurance Office.

Turkey

A law of 1956 raised maximum and minimum wages for determining social insurance benefits and contributions to 50 pounds and 3 pounds a day. The insurance applies to work accident, sickness, maternity, old-age, permanent disability, and survivor benefits. The minimum pension is 720 pounds a year; the funeral lump-sum payment is 150 pounds.

Old-age, invalidity, and survivors insurance.—A new act (February 1957) liberalizes the program. Disability and survivor benefits are payable after 5 years' coverage (formerly 25 years); old-age benefits after 15 years (formerly 25).

Health insurance.—Services were extended to almost all large towns.

Union of Soviet Socialist Republics

Old-age, invalidity, and survivors insurance.—All pensions were increased and a retirement test was introduced in a law of July 14, 1956, effective October 1. All programs continue to accord favored treatment, including higher benefits and more liberal qualifying conditions, to persons in special employment. Financing is, as before, through funds provided in the State budget.

The old-age benefit ranges from 100 percent of average earnings in the last year of work for persons with low incomes (up to 350 rubles monthly) to 50 percent in the highest wage bracket (1,000 or more rubles). The minimum benefit is 300 rubles a month; the maximum, 1,200 rubles. Men may retire at age 60 after 25 years of service; women at age 55 after 20 years' service. A supplement may be paid, based on uninterrupted work in the same undertaking.

For permanent disability the benefit for a person in ordinary work is equal to 85, 65, or 45 percent (according to the degree of disability) of earnings up to a specified maximum, plus a portion of earnings above this amount. To qualify, the disabled male worker must have had 2–20 years of employment, according to age.

Survivor benefits vary with the number of survivors and the kind of employment of the insured. The minimum is 160 rubles a month if there is one dependent; 230 rubles if there are two dependents; and 300 rubles if there are three or more dependents. For full benefits, the worker must ordinarily have been employed long enough to meet qualifying conditions for permanent disability pension. The survivor must be "incapable of work" (widow over age 55, widower over age 60 or invalid, and children under age 16—up to age 18 if in school). Higher survivor benefits are paid when death results from work-connected injuries.

Health and maternity insurance.—Various disqualifying or limiting conditions were removed in 1956 and 1957. The cash benefit is now the same for union and nonunion members (formerly the benefit for nonmembers was reduced 50 percent). A labor discipline measure was repealed that prescribed 6 months' employment as a prerequisite for receipt of temporary disability benefits when the worker had previously left employment of his own volition.

The minimum cash benefit is 300 rubles a month in cities and 270 rubles in rural areas. The cash benefit rate is 100 percent of wages, regardless of the time worked in the same establishment (formerly it varied with the length of uninterrupted service and the age of the worker); the old maximum was 90 percent of wages after 12 years if earnings were more than 300 rubles a month.

Workmen's compensation.—Work-connected pensions are slightly higher than general pensions, and no qualifying period is required. Short-term benefits for work accidents are the same as for non-work-connected disability under health insurance and were similarly amended in 1956.

United States

In 1956 Congress made major changes in the old-age and survivors insurance program, including extension of coverage to nearly 4 million persons, reduction of the age at which women may qualify for benefit, and addition of a new type of benefit, payable to workers permanently and totally disabled. (For the details of the amendments, see the September 1956 issue of the *Bulletin.*)

Uruguay

Agricultural employers and workers were covered under the family allowances program by a law of 1954 and regulation of 1956. The initially assigned basis for contributions is 50 pesos a month.

Venezuela

The social insurance system was further extended to seven new areas in 1957, bringing the coverage of health and maternity insurance and workmen's compensation to an estimated 20 percent of the labor force.

Yugoslavia

Contributions are paid exclusively by the employer (industry is generally nationalized) and cover all social security benefits. The rate in 1956 was approximately 43 percent of wages.

A regulation of 1956 provides for some reduction in benefits to persons having income from agriculture, to help offset disadvantages to urban workers in times of temporary unemployment and other dislocations.

Health and maternity insurance.—Amendments of 1954, effective January 1955, provide cash sickness benefits equal to 80 percent of wages for the first 7 days and 90 percent thereafter for persons with 6 months' continuous employment or 12 months' employment in the preceding 2 years. A reduced benefit is paid for shorter qualifying periods. If the insured person is hospitalized, the benefit represents 50 percent of his earnings; if he has dependents, it is 75–100 percent, according to size of family. The benefit is paid during the disability or until permanent disability is certified (usually not more than 1 year). The funeral benefit equals the cost of the funeral, and the surviving family also receives 1 month's pay or pension.

Workmen's compensation.—Amendments (1950) provide 100 percent of wages during temporary disability and 50–100 percent, according to degree of disablement, for permanent disability of a third or more. If the person is one-fifth to one-third disabled, a lump sum is paid. Injuries sustained on the way to or from work are covered.

Unemployment insurance.—The program was reestablished by a 1952 decree; it covers wage and salary workers, apprentices, and members of handicraft cooperatives. Benefits equal to 50 percent of the wage are payable after 1 year's continuous employment or 18 months' employment in the 2 years preceding claim for benefit; they are not paid if the household has other income sufficient to maintain the family. The Federal Government Board for Public Health and Social Policy has general supervision over the program. Local employment offices adjudicate and pay claims and operate the placement service. Their managing committees include union representatives.

Family allowances. — The program, adopted in 1951, covers the first and each subsequent child in families of wage and salary workers, military personnel, and social insurance beneficiaries. Allowances are payable to a child up to age 14 (age 20 if he is an apprentice or in a secondary school and to age 25 if he is in a higher educational institution.) There is no age limit if the child is an invalid. The breadwinner must have been continuously employed at least 12 months or have had 20 months' employment in the past 24 to obtain allowance.

The maximum allowance is 3,240 dinars a month if there is one child, 5,890 for two children, 8,200 for three, 9,960 for four, and 11,200 for five. For each additional child a maximum of 1,240 dinars is payable. The allowance may be reduced 15–75 percent, according to income in addition to wage, and also if the income is from agriculture. About 60 percent of all families received full allowances during 1955.

The program is administered by the Federal Social Insurance Institute and by institutes at the level of local republics (provinces) and also by district and branch offices. Delegates to assemblies (governing bodies) are elected from among insured persons.

PROGRAM OPERATIONS

(Continued from page 2)

cies. West Virginia had by far the largest decreases. Payments were lower by $5.21 in old-age assistance; $8.44 per family in aid to dependent children; $3.58 in aid to the blind; and $4.52 in aid to the permanently and totally disabled. These decreases occurred when the State reduced the percentage of the budget deficit met by payments from 85 percent to 75 percent.

In Oklahoma the average payment to recipients of aid to the permanently and totally disabled rose $15.85 when the State began meeting need in full under that program. Formerly, a 15-percent reduction in payments had been applied. Appreciable increases in average payments in Arizona and Louisiana were attributable to adjustments in assistance standards. In Arizona, for aid to dependent children, additional items were included in the budget for certain Indian children who returned home for the summer from publicly supported boarding schools. While these children are in school they receive an assistance allowance only for clothing and personal incidentals. Louisiana, for aid to dependent children, aid to the permanently and totally disabled, and general assistance, raised the standards for food and also combined personal needs and insurance under a new item called "incidentals."

The average payment in general assistance for the Nation as a whole dropped 87 cents in May. Among the States, changes in the average payment per case ranged from a decrease of $6.04 in Minnesota to an increase of $5.84 in Puerto Rico.

- Insured unemployment among workers covered by the State unemployment insurance programs and the program for Federal employees dropped 9 percent in May to a weekly average of 1,349,700. The average was nearly 8 percent higher, however, than in May 1956. The number of initial claims, which represent new unemployment, also declined 9 percent, to a total of 1,000,700 for the month.

In an average week, 1,199,400 unemployed workers received benefits—111,000 less than in April and 135,000 more than in May 1956. The average weekly benefit for total unemployment was $27.47, and total benefits paid during the month amounted to $145.7 million. A month earlier, benefits totaled $154.3 million, and in May of 1956 they amounted to $125.8 million.