Notes and Brief Reports

Developments in Foreign Social Security Plans*

Important changes have recently been enacted in the social security programs of a number of countries. Summaries of the revisions made in four plans are presented in the following pages.

AUSTRALIA

The Social Services Act of 1962 reduces from 20 years to 10 the period of continuous residence in Australia required to qualify for an old-age pension. Moreover, a person who has resided there continuously for at least 5 years will be able to qualify for a pension in the future if his total period of residence exceeds 10 years by the same number of years that his continuous residence falls short of 10 years.

A person who became disabled outside the country may now qualify for an invalidity pension if he has ever continuously resided in Australia for a period of 10 years. If he has had at least 5 years but less than 10 years of continuous residence, the provisions are the same as those for an old-age pension.

CANADA

Canada's Old-Age Security Act was amended in February 1962 when the universal old-age pension, payable to all residents aged 70 or over, was raised from $55 a month to $65. The pension for an aged couple thus became $130 a month.

Another law raised from $55 a month to $65 the maximum old-age assistance pension payable under the Provincial programs to persons aged 65-69, toward which the National Government contributes 50 percent of the cost. The same increase was made in the maximum disability assistance pension, towards which the Canadian Government also contributes half.

*Prepared in the Division of Program Research, Office of the Commissioner. The information presented is derived from Foreign Service dispatches, the publications of foreign governments and international agencies, and other sources.

COLOMBIA

A decree recently issued in Colombia introduces a new system of pension insurance. The social insurance law of 1946 had contained provisions concerning pensions, but they had never been put into force. The new system will apply in general to employees in industry and commerce, as well as to employees of certain semipublic agencies. Agricultural workers, domestic servants, self-employed workers, and home workers will not be covered until later.

The new pension system will be financed initially from contributions of 2 percent of earnings by insured persons, a matching contribution by the Government, and an employer contribution of 4 percent of payroll. These rates are to be increased by one-half after 5 years, to be doubled after 15 years, and to be raised to 2½ times the initial rate after 25 years. Contributions are to be collected jointly with those for sickness and maternity insurance and work-injury insurance.

The qualifying conditions for an old-age pension will be (1) attainment of age 60 by men and of age 55 by women and (2) completion of either 500 weeks of contribution in the 20 years immediately before attainment of pensionable age or a total of 1,000 weeks' contribution. If a pensioner continues working, his pension will be reduced by an amount equal to the difference between his current earnings plus pension and his average earnings before retirement. The qualifying conditions for an invalidity pension are permanent disablement and 150 weeks of contribution in the 6 years immediately preceding invalidity, including 75 weeks in the last 3 years.

Old-age and invalidity pensions under the Colombian program are to be equal to 45 percent of average wages during the last 150 weeks of contribution, plus 1.2 percent of such wages for each 50 weeks of contribution in excess of 500 weeks. A supplement of 24 pesos a month is to be payable for an aged or invalid spouse and 12 pesos a month for each child under age 14 (age 18 if a student and without age limit if an invalid), subject to a maximum of 72 pesos a month on total dependents' supplements. A constant-attendance supplement equal to 10 percent of wages will be added to the invalidity pension of a disabled beneficiary who requires the continued assistance of another person. The minimum old-age and invalidity pension is fixed at 120 pesos ($16.80) a month. The maximum pension, including supplements, is to be 90 percent of wages.

Pensions will also be payable to widows and orphans. The widow's pension will be equal to 50 percent of the old-age or invalidity pension of the deceased or of the pension to which he would have been entitled. Orphans' pensions, payable to children under age 14 (age 18 if a student or any age if invalid), will be equal to 20 percent of the deceased parent's pension for each orphan and 30 percent for each full orphan.

The Colombian Social Insurance Institute will administer the new program.

PAKISTAN

A new program of sickness, maternity, and work-injury insurance was introduced in Pakistan by Ordinance No. 22 of May 25, 1962. The measure represents the first social insurance program to be established in that country. The Ordinance came into force immediately but is to be applied only gradually, to different areas and industries, in accordance with future regulations. In general, all employees are covered except employees earning more than 500 rupees ($105) a month, railroad employees, domestic servants, government employees, family labor, and casual employees.

The program is to be financed from contributions paid by insured persons and employers. The specific rates will be fixed by later regulations, but employee contributions may not exceed one-third of total contributions payable. The maximum wage ceiling for contribution purposes is 20 rupees ($4.20) a day. All contributions will be paid into an Employees' Social Insurance Fund, where two separate accounts must be maintained—one for sickness and maternity insurance and one for work-injury insurance. All employers in areas or industries that are not covered at the outset will be required to pay a special tax of 2 percent of payroll.

Cash sickness benefits will be payable to disabled workers who have had 90 days of contribution during the 6 months immediately preceding the disability. These benefits will be equal to approximately 50 percent of average wages, according to eight wage classes, with a maximum benefit of 10 rupees ($2.10) a day. They will be paid after a 3-day waiting period (unless following within 15 days another compensable spell of sickness) for a maximum of 91 days in any 365-day period.

Cash maternity benefits will also be payable to insured women who have had 180 days of contribution during the preceding 12 months. The rate will be the same as that for the sickness benefit, and benefits will be payable for a maximum of 12 weeks, including not more than 6 weeks before the expected date of confinement.

A lump-sum funeral grant of 30 days' sickness benefit is also payable if an insured worker dies. The minimum grant is 50 rupees.

If an insured person has had 90 days of contribution in the 6 months immediately preceding the sickness, he and his dependents will also be entitled to receive medical care under the Pakistani program, and the care will be continued during the first 30 days after the cash sickness benefits have been terminated. Such care will include general practitioner care, including house calls; specialist care in hospitals and, to the extent available, outside hospitals; essential prescribed medicines; necessary hospitalization; and prenatal, confinement, and postnatal care either by doctors or midwives. Beneficiaries may be required to pay up to 20 percent of the cost of general practitioner care, specialist care outside a hospital, and medicines. The administering institution is authorized to operate its own dispensaries and hospitals or to enter into agreements with the National or a Provincial government or with employers for the provision of medical care.

The new Pakistani program will also provide work-injury benefits, and the employments it covers will no longer be subject to the workmen's compensation law. A cash benefit will be payable to an injured covered worker, without any qualifying period, after a 3-day waiting period (during which the employer must pay full wages) for a maximum of 180 days. This benefit will be equal to approximately 60 percent of wages, according to eight wage classes, with a maximum benefit of 12 rupees ($2.50) a day. Free medical care will also be provided to injured workers, without any cost-sharing or limit on duration; dental care is included.

A total disability pension will become payable after 180 days, at the same rate as the injury benefit, to injured workers with more than a 66-percent permanent loss of earning capacity. This pension will be increased by one-half if constant attendance is required. For a partial disability of 20–66 percent, the benefit will be a percentage of the full pension equal to the percentage rate of disablement plus one-half that rate. A lump-sum grant equal to 6 months' pension will be payable for a disability of 5–20 percent. A widow's pension equal to 60 percent of the total disability pension of the deceased will be paid if a covered worker dies from a work injury. Each orphan under age 16 will receive a pension equal to 20 percent of the worker's pension (40 percent if a full orphan). If there is no widow, a pension of 20 percent is payable to a dependent parent.

The program will be administered by the newly created Employees' Social Insurance Institution, which will be directed by a Governing Body with the assistance of a Director-General. The Governing Body will be composed of five Government officials, four employer representatives, two employee representatives, and the Director-General of Health. Two separate Provincial institutions are also to be established, one for East Pakistan and one for West Pakistan, that will, in effect, administer the program for the two parts of the country. Each Provincial institution will maintain its own fund built up from contributions collected.

State-Chartered Credit Unions in 1961*

Annual data on the operation of State-chartered credit unions have been collected by the Bureau of Federal Credit Unions since 1952, through a cooperative arrangement with the State credit union supervisors. Comparable data for years before 1952 were collected by the Bureau of Labor Statistics of the Department of Labor.

Information for 1961 was reported by all States except Mississippi, and the data for this State were estimated by the Bureau of Federal Credit Unions and included in the totals for all States. Credit unions were operating under the laws of 44 States, the District of Columbia, and Puerto Rico in 1961. Six States—Alaska, Delaware, Hawaii, Nevada, South Dakota, and Wyoming—and the Canal Zone and the Virgin Islands have no provision for chartering credit unions under local law.

Examination and general supervision of these credit unions, as well as the granting of the charters, are carried out under local jurisdiction except in the District of Columbia. There the examination and general supervision functions are the responsibility of the Bureau of Federal Credit Unions, the supervisory authority for all Federal credit unions, but

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TABLE 1.—Development of State-chartered credit unions, 1925–61

Year	Number of credit unions		Number of members	Assets
	Active	Reporting		
1925	419	176	108,000	(1)
1929	974	838	264,908	(1)
1931	1,500	1,244	286,143	$33,645,343
1932	1,612	1,472	301,119	31,416,072
1933	2,016	1,772	359,646	35,496,668
1934	2,450	2,028	427,097	40,212,112
1935	2,600	2,122	523,132	47,964,068
1936	3,490	2,734	854,475	73,659,146
1937	3,792	3,128	1,055,736	97,087,995
1938	4,299	3,977	1,236,826	117,672,392
1939	4,782	4,677	1,459,377	145,803,444
1940	5,267	5,175	1,700,390	180,649,090
1941	5,663	5,506	1,907,694	216,557,977
1942	5,622	5,400	1,797,084	221,114,849
1943	5,285	5,124	1,721,240	228,314,723
1944	4,993	4,907	1,629,706	253,663,658
1945	4,923	4,858	1,626,364	281,524,015
1946	5,003	4,954	1,717,616	322,082,553
1947	5,155	5,097	1,893,944	380,751,106
1948	5,273	5,271	2,120,708	443,049,653
1949	5,427	5,402	2,271,115	510,726,465
1950	5,602	5,587	2,483,455	599,640,622
1951	5,881	5,886	2,732,495	693,613,296
1952	6,362	6,324	3,035,046	853,709,783
1953	7,096	6,986	3,380,121	1,040,874,593
1954	7,814	7,713	3,756,852	1,237,175,567
1955	8,387	8,258	4,121,421	1,476,014,239
1956	8,901	8,763	4,548,617	1,741,742,069
1957	9,463	9,314	4,963,813	2,021,144,713
1958	9,806	9,740	5,329,111	2,312,053,121
1959	10,054	9,961	5,676,636	2,676,095,037
1960	10,243	10,151	5,970,846	2,988,554,756
1961	10,341	10,296	6,360,840	3,353,819,784

[1] Data not available.

TABLE 2.—Total amount of loans and amount of real-estate loans made by State-chartered credit unions, 25 States, 1961[1]

State	Loans outstanding end of year		Loans made during year	
	Total	Secured by real estate	Total	Secured by real estate
Total, 25 States	$1,807,811,664	$407,303,768	[2] $1,700,000,000	[2] $82,800,000
Ala	44,391,628	4,474,633	52,863,549	(3)
Ariz	9,131,618	373,778	9,393,069	(3)
Calif	296,058,032	44,724,634	260,012,388	(3)
Colo	51,698,992	7,581,156	51,439,859	2,950,216
Fla	56,006,792	4,087,671	71,791,638	(3)
Iowa	59,919,007	7,509,906	59,265,095	2,035,806
Kans. [4]	32,292,860	3,011,732	(3)	(3)
Maine	5,890,000	11,000	(3)	(3)
Mass	155,296,761	85,316,405	(3)	(3)
Mich	252,372,012	47,780,431	242,664,673	2,927,640
Minn	138,825,998	51,982,987	79,800,406	(3)
Nebr	15,979,066	3,682,922	(3)	(3)
N. H. [5]	8,007,505	3,632,559	(3)	(3)
N. Dak	10,464,354	1,234,193	(3)	(3)
Ohio	150,253,782	17,007,796	170,212,475	(3)
Okla	28,290,599	1,202,490	(3)	(3)
Oreg	26,343,407	1,965,147	25,232,457	793,455
R. I	59,284,415	33,345,726	30,889,693	8,601,577
S. C	7,841,008	1,387,500	9,648,341	899,012
Tex	117,741,069	8,573,435	155,118,921	2,733,450
Utah	41,309,128	4,307,208	35,998,156	1,393,561
Vt	5,155,476	571,885	(3)	(3)
Wash	65,126,460	7,104,903	69,880,493	1,714,055
W. Va	3,327,344	316,153	3,732,910	(3)
Wis	166,804,351	66,117,518	101,718,605	14,043,927

[1] States reporting on real-estate loans. Data are for year ended Dec. 31, unless otherwise noted.
[2] Includes estimates for States not reporting.
[3] Data not reported.
[4] Fiscal year ended Sept. 30.
[5] Fiscal year ended June 30.