

investments in public issues of Federal securities increased slightly, and investments in special obligations rose to \$46.1 billion—an increase of \$2.4 billion or 5.5 percent.

The largest increase, amounting to \$1,272 million, occurred in the civil-service retirement fund. Substantial growth also occurred in the old-age and survivors insurance trust fund and in the unemployment trust fund, which increased their total investments by about \$600 million and \$710 million, respectively. There was a slight decrease in the investments of the disability insurance trust fund. By the end of 1964 the highway trust fund had temporarily disposed of all its investments in Federal securities.

At the end of 1964 the trust funds connected with the two social insurance programs directly administered by the Social Security Administration held nearly one-third (32.6 percent) of all Federal securities held by all the Government investment accounts. The percentages of total Federal securities (face value held by all Government investment accounts) held by the retirement and social insurance trust funds were as follows:

<i>Account or fund</i>	<i>Percent</i>
Total, all accounts -----	100.0
Old-age and survivors insurance trust fund -----	29.4
Disability insurance trust fund -----	3.2
Unemployment trust fund -----	12.3
Railroad retirement account -----	5.9
Civil-service retirement fund -----	24.3
Foreign service retirement fund -----	0.1
Veterans' life insurance funds -----	11.4
All other accounts and funds -----	13.4

During 1964, the average interest rate on special obligations held by all Government investment accounts increased from 3.103 percent to 3.248 percent. The average rate on special securities issued to the railroad retirement account rose to slightly more than 4 percent (4.017 percent), and the comparable rate for the unemployment trust fund increased from 3.270 percent to 3.500 percent. Other accounts that had average interest rates of more than 3.5 percent on their special issues but that are not individually itemized in table 3 included the exchange stabilization fund (3.650 percent), the foreign service retirement fund (3.973 percent), and the Government life insurance fund for World War I veterans (3.526 percent). For the first time the average interest

rate on special obligations held by the old-age and survivors insurance trust fund was more than 3 percent, having gone from 2.905 percent to 3.053 percent. The average rate on the disability insurance trust fund's special issues remained above 3 percent, increasing from 3.042 percent to 3.194 percent.

Social Security Legislation in 1964

Several laws amending the Social Security Act were passed by the Eighty-eighth Congress in its second session. Changes were made in both the old-age, survivors, and disability insurance (OASDI) and public assistance provisions.

OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE

Most of the revisions in the OASDI program were made by Public Law 88-650, signed by President Johnson on October 14, 1964. This law (1) permits disabled workers to establish the beginning of a period of disability as of the date of actual disablement, regardless of the date they apply for the benefits; (2) extends through April 15, 1965, the time within which clergymen (including Christian Science practitioners) can elect coverage; (3) excludes from the definition of wages payments made by an employer to a newly hired employee to reimburse him for moving expenses incurred in reporting to the new place of employment; and (4) validates, for coverage purposes, earnings that were erroneously reported for engineering aides working for local soil and water conservation districts in Oklahoma.

The provision permitting full retroactivity for disability determinations is the most significant of these amendments. Disability insurance benefits were first provided in 1956. At that time, benefits were made available to workers who had become disabled many years before provided that, at the time the disability began, disability insured-status requirements were met. It was assumed then that there would be little difficulty in the future in determining disability insured status. The legislation therefore required that, after a specified period, relatively prompt filing would be prerequisite to eligibility for full benefits. The effective date was postponed several times.

Despite continuing efforts to inform disabled persons of their rights under OASDI, many still did not apply promptly and suffered loss or diminution of benefits. Public Law 88-650 largely avoids that result by providing that disabled workers may establish the beginning of a period of disability as of the date of actual disablement, even though the application for benefits is filed much later.

The legislation helps more than 100,000 persons—totally disabled workers and their dependents—who have already applied for benefits and will help many who apply in the future. Benefits, or increased benefits, under this change in the law are not payable, however, for more than 12 months before the effective date of the law or the application for benefits, whichever is later.

Public Law 88-350, approved July 2, 1964, extends the time within which teachers and other employees covered by the same retirement system in Maine may be treated, for OASDI purposes, as being covered by separate retirement systems.

Public Law 88-382, signed on July 23, includes Nevada among the States that are permitted to divide their retirement systems into two parts for purposes of obtaining OASDI coverage under Federal-State agreement.

The OASDI program is also affected by provisions of the Economic Opportunity Act (Public Law 88-452), signed August 20, 1964.¹ Enrollees in two programs established by the act—the “Job Corps” and VISTA (Volunteers in Service to America)—are considered to be Federal employees for OASDI purposes and are covered under that program on the same basis as other Federal employees who may be covered under OASDI.

PUBLIC ASSISTANCE

Four of the 1964 laws amending the Social Security Act affected the public assistance provisions.

Public Law 88-345 extends to June 30, 1967, the expiration date of the 1962 provision authorizing Federal participation under certain conditions in payments for foster care of children

¹ For a brief description of the act, see the *Bulletin*, October 1964, page 1.

under aid to families with dependent children, when the responsibility for placement and care is in a public agency other than the State public welfare agency.

Public Law 88-347 extends to June 30, 1967, the period during which temporary assistance may be provided to United States citizens returned from foreign countries.

Public Law 88-641 authorizes Federal sharing in payments under aid to families with dependent children for children under age 21 who are attending high school or vocational school; the age limit had been 18. This law also extends to June 30, 1967, the period during which Federal payments may be made for foster care in nonprofit, private child-care institutions.

Public Law 88-650, in addition to amending the OASDI provisions, amends the provision for aid to the blind to permit the States, in determining need under that program, to exclude for up to 36 months additional resources of recipients who have an approved plan of rehabilitation. States were formerly required to exclude such resources for 12 months.

The public assistance titles were also amended by the Economic Opportunity Act, which requires the exemption of the first \$85 plus half the remainder of payments made under titles 1 and 2 of that act in determining need for public assistance.

Recent Publications*

SOCIAL SECURITY ADMINISTRATION

DIVISION OF THE ACTUARY. *Actuarial Cost Estimates for Hospital Insurance Act of 1965 and Social Security Amendments of 1965*, by Robert J. Myers. (Actuarial Study No. 59.) Washington: Social Security Administration, Jan. 1965. 54 pp. Limited free distribution; apply to the Division of the Actuary, Social Security Administration, Washington, D. C. 20201.

WELFARE ADMINISTRATION

BUREAU OF FAMILY SERVICES. *Guides to Improving the Caseworker's Manual*. Washington: The Administration, (Continued on page 27)

*Prepared in the Library, Department of Health, Education, and Welfare. Orders for items listed should be directed to publishers and booksellers; Federal publications for which prices are listed should be ordered from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402.