The liberalizing of the definition of disability by the 1965 amendments accounted for 4,416 new awards made to disabled workers and their dependents in September–November. The new definition eliminates the requirement that a worker's disability must be expected to be of long-continued and indefinite duration and specifies instead that a worker qualifies for benefits if he has a disability that can be expected to result in death or that has lasted or can be expected to last at least 12 months.

A small number of other awards were made as a result of changes in the disability provisions for blind persons. Another group of awards involved 507 workers who had previously become entitled to retirement benefits and had been prevented, before the amendments, from becoming eligible for subsequent disability benefits.

Because disability claims take longer to process than other types of claims, it may be a few months before awards resulting from the new disability provisions increase significantly.

About 3,500 of the awards made in September–November went to other new beneficiaries who were entitled as a consequence of several miscellaneous provisions in the 1965 amendments. Benefits are now payable, for example, to widows (and widowers) even when they have remarried, if the remarriage was after age 60 (age 62 for widowers). Their benefits are one-half of the deceased spouse's primary insurance amount, instead of the 82½ percent payable to other widows and widowers. About 1,780 of these beneficiaries were awarded benefits in September–November, and the average November award was $49.09. The benefits awarded to widows and widowers aged 62 and over averaged $78.00 in that month.

A few women also became entitled to wife's or widow's benefits based on their divorced husband's earnings through the new provision for payment of benefits to a worker's divorced wife if she had been married to him for 20 years and was dependent on him for support.

Broadening of the definition of a child under the Social Security Act brought benefit awards during the period September–November to almost 500 children who would not have been entitled earlier chiefly because of State inheritance laws. Under the new law, benefits are payable to a child whether or not he has the status of "child" under the State law if the father was supporting the child or had the legal obligation to do so. In addition, a child's benefit rights are no longer terminated if he is adopted by a brother or sister.

Of the total number of persons who, it was estimated, would benefit from the changes in these provisions, 29 percent were awarded benefits in the first 3 months; they included 56 percent of the estimated 295,000 students, 30 percent of the 185,000 widows, about 10 percent of the 355,000 persons eligible under the transitional insured-status provision, and almost 7 percent of the 60,000 disabled workers and their dependents.

Legislation Affecting Veterans and Servicemen, 1965*

A number of important laws affecting veterans and servicemen were enacted by Congress in 1965. Benefits were increased for veterans with a service-connected disability, children of certain veterans, and widows of veterans whose death was service-connected, and higher subsistence allowances were provided for veterans receiving rehabilitation training. Basic pay for members of the uniformed services was increased, and a new life insurance program was established.

DISABILITY COMPENSATION

Public Law 89–311, signed by President Johnson on October 31, 1965, provides a 10-percent increase in compensation payments to all veterans with a service-connected disability. The increases range from $1 for a 10-percent disability to $50 for a 100-percent disability incurred in wartime (table 1). They are even larger for more seriously disabled veterans—those with multiple amputations, for example—and bring the monthly compensation to more than $800 in some cases. Veterans disabled during peacetime receive 80 percent of the wartime-service rate. Almost 2 million veterans began receiving the higher payments in December 1965.

* Prepared in the Interprogram Studies Branch, Office of Research and Statistics.

Allowances to dependents of a veteran whose disability is 50 percent or more are raised by Public Law 89–311 by about 10 percent (table 2); for a dependent child in school the maximum monthly allowance is now $40. Allowances paid on behalf of a child are usually discontinued at age 18 unless he is attending school. Under the new law the allowance may be paid for a child in school until he reaches age 23; the former age limit was 21.

WAR ORPHANS' EDUCATION ASSISTANCE ALLOWANCES

Public Law 89–222, enacted September 30, 1965, liberalizes the eligibility requirements under the War Orphans' Education Assistance Act and increases the education allowances payable to the child of a deceased or totally disabled veteran. The Act makes assistance available for 36 months of full-time education or the equivalent of approved part-time enrollment. Assistance is provided to the children of individuals who lost their lives or were totally disabled as the result of services in the Armed Forces during the Spanish-American War, World War I, World War II, or the Korean Conflict and, under certain conditions, some periods of service since then. Formerly the assistance was available only to children of veterans who died or were disabled in the performance of duty. Although the amendments removed that requirement, currently the disability or death of the parent must still have been service-connected.

Between 20,000 and 30,000 students in the current school year are receiving higher allowances. The new rates are $130 a month for full-time study, $95 for study three-fourths of the time, and $60 for half-time study; the old rates were $110 a month, $80, and $50. Eighty percent of the 77,000 who have participated in the program to date have been enrolled in colleges and universities, and the others have taken special training courses.

TABLE 1.—Veterans' disability compensation

Percent of disability	Wartime rates		Peacetime rates	
	Old law	New law	Old law	New law
10	$20	$21	$16	$17
20	38	40	30	32
30	58	60	46	48
40	77	82	62	65
50	107	113	86	90
60	128	136	102	109
70	149	161	119	129
80	170	186	136	149
90	191	209	153	167
100	250	300	200	240

TABLE 2.—Additional allowances for dependents [1]

Status	Old law	New law
Totally disabled veteran with—		
Wife but no child	$23	$25
Wife and 1 child	39	43
Wife and 2 children	50	55
Wife and 3 children	[2] 62	[3] 68
1 child	15	17
2 children	27	30
3 children	[2] 39	[3] 43
1 or 2 dependent parents	[4] 19	[4] 21

[1] Based on 100-percent disability. Rates for disabilities of 50 percent or more are payable at the same ratio that the degree of disability bears to 100 percent.
[2] Plus $12 for the fourth and each additional child.
[3] Plus $13 for the fourth and each additional child.
[4] Payable in addition to other dependency allowances to which veteran is entitled.

VOCATIONAL REHABILITATION

Public Law 89–137, approved August 26, 1965, provided a realistic cost-of-living increase in the rates of subsistence allowances paid to disabled veterans pursuing vocational rehabilitation training. In general, a veteran who suffered a service-connected disability after September 1940, and who is entitled to compensation may receive vocational training at Government expense, providing the Veterans Administration determines that he needs such training to overcome the handicap imposed by the disability. While in training and for 2 months after rehabilitation, eligible disabled veterans may receive subsistence allowances in addition to their disability compensation.

The new subsistence rates for veterans taking full-time institutional training are $110 a month if the veteran has no dependents, $150 if he has one dependent, and $175 if he has two or more. The old rates were $75, $105, and $120. Basic rates for on-the-job training were raised to $95 a month to a veteran without dependents, $125 with one dependent, and $150 with two or more dependents. Under the old law the rates were $65 if the veteran had no dependents and $90 if he had one or more dependents. Additional allowances may be provided, depending on the degree of the veteran's disability and the additional number of dependents he has.

Public Law 89–138, which was also approved August 26, extended the period of eligibility for seriously disabled veterans to take vocational rehabilitation training. The period varies with the date the disability was incurred and the date the veteran was released from service.

PAY INCREASE

Public Law 89–132, approved August 21, 1965, which authorized a basic pay increase for military personnel averaging 10.4 percent, resulted in an automatic increase in dependency and indemnity compensation paid by the Veterans Administration to eligible widows of veterans who died as the result of a service-connected disability. The compensation is based on the veteran's grade and years of service. The monthly rate to widows is $120 plus 12 percent of basic pay. The minimum is $132 (previously $130), effective September 1, 1965.

Another provision of Public Law 89–132 brought a 4.4-percent rise in Armed Forces retirement pay for persons currently on the rolls. The act provides for a cost-of-living increase, based on the percentage rise in the Bureau of Labor Statistics consumer price index for August 1965 from the monthly average index for the calendar year 1962. Future increases will be made whenever the Secretary of Defense determines that the consumer price index for 3 consecutive months is at least 3 percent higher than the index on which the most recent increase had been based. The index must be examined each month. The old (1963) law provided for raising retirement pay only when, in January of each year, the Secretary of Defense determined that the consumers price index for the preceding calendar year had increased 3 percent or more from the index used as the base for the preceding pay raise. (The new method is similar to that adopted in September 1965 for determining cost-of-living increases in civil-service annuities.)

GROUP LIFE INSURANCE AND DEATH GRATUITY

Public Law 89–214, approved September 29, 1965, provides group life insurance, with a maximum of $10,000, for members of the uniformed services on active duty on or after that date. All servicemen are eligible, even though they already have Government life insurance from World War II or the Korean Conflict. Since 1957 the only servicemen insured by the Government were those with the old "GI" policies. Servicemen could buy commercial life insurance, but commercial policies, particularly since the Vietnam crisis, did not always protect them in case of hostilities.

Premium rates of $2 a month for a $10,000 policy are automatically deducted from the serviceman's pay unless he indicates, in writing, that he prefers a $5,000 policy for $1 a month or that he rejects the insurance entirely. The Government will pay for any excess mortality costs resulting from extra hazards of service; otherwise the program will be self-supporting.

The insurance will continue without charge for 120 days after separation from the service. During that period the serviceman may convert the group insurance to an individual policy with a commercial life insurance company without a medical examination. Beneficiaries named by the insured may be paid in a lump sum or in 36 equal monthly installments.

The actual insurance is handled by commercial insurers. The Prudential Insurance Company of America is the prime insurer and administrator; its administrative expenses are paid out of premium income, and other private insurance companies act as reinsurers. The Government reimburses the companies for the added risk of death in combat. The Veterans Administration will not handle claims or payments; all death claims will go through the appropriate military branch and the Prudential Insurance Company. In the first month of operation, more than $690,000 was paid out under the program to beneficiaries of servicemen killed in Vietnam.

Under another provision of Public Law 89–214 a $5,000 death gratuity is payable to surviving dependents of certain servicemen who died between January 1, 1957, and September 29, 1965. The gratuity is reduced by the amount of Government Life Insurance or National Service Life Insurance or any dependency or indemnity compensation paid to any or all beneficiaries. Persons accepting the gratuity must waive their rights to future compensation.