

Disability Insurance for Railroad Workers

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THE PROMINENCE given in recent months to proposals for the establishment of a comprehensive system of disability insurance emphasizes the distinction in that respect between the Railroad Retirement Act and old age and survivors insurance under the Social Security Act. While both provide protection to workers who withdraw permanently from the labor market at or after age 65, either voluntarily or because of physical handicaps, the former provides additional protection, under certain conditions, to railroad workers who are forced to retire from gainful employment before age 65 because of illness or injury. By means of such disability benefits, which the railroad worker enjoys in common with employees covered by nearly all retirement systems in the country except Federal old age and survivors insurance, additional security is offered the individual through the partial adjustment of the retirement age to his state of health and his ability to continue working.

In the railroad industry the presence of a relatively large number of old, long-service employees and of employees with impaired efficiency, the risks of serious and costly accidents inherent in their continued employment, the need for maintaining an efficient, loyal, and steady working force through the provision of promotional opportunities for younger employees and, at the same time, providing a measure of security for displaced older employees—all these factors led to an early recognition of the security problem not only of the superannuated, but also of the incapacitated, railroad worker. Long before the passage of the Railroad Retirement Act, most of the important railroads in the country had company pension plans in operation, under which retirement was usually compulsory at age 70 and voluntary at age 65, with 20 or 25 years of continuous service as the most common requirement. Most of the plans also provided for disability pensions payable irrespective of age, generally after 20, 25, or 30 years of continuous service. Permanent and total disability benefit plans had also been established by a number of the railway

unions. Because the unusual hazards of their occupation made it difficult for their members to buy insurance from private companies, death and disability benefits were the first forms of fraternal insurance adopted by the unions.

It was only natural, therefore, that the Railroad Retirement Act should contain a provision for disability annuities, although its primary purpose was to provide benefits for workers who reach the normal retirement age. The present disability provisions allow an annuity after 30 years of service, irrespective of age, or at age 60, irrespective of length of service. An annuity granted under the latter provision is reduced by $\frac{1}{100}$ for each calendar month by which the employee is less than 65. The 1935 act provided only for the first of these two types, but with a less restrictive definition of disability.¹ Neither act makes provision for benefits other than cash.

Definition of Disability

The definition of disability adopted by the Railroad Retirement Board under the 1937 act is governed by the stipulation in the act that the applicant must be "totally and permanently disabled for regular employment for hire." The wording clearly implies a loss of earning capacity in the general labor market, rather than an incapacity to perform the duties of the accustomed occupation; the latter concept² was implied in the 1935 act, which required merely that the applicant be "retired by the carrier on account of mental or physical disability." Under the 1935 act, therefore, an individual who became incapacitated subsequent to his withdrawal from the railroad industry could not qualify for a disability annuity. This type of restriction was removed from the amended act.

The regulations of the Board governing the interpretation of the 1937 act make the concept of invalidity more precise by providing that an

¹ The 1935 act now applies to only a negligible number of individuals who became eligible for an annuity prior to June 24, 1937, but delayed filing applications for a number of years.

² For a general discussion of concepts of disability, see Stocking, Ruth E., "Certification of Disability in Social Insurance," *Social Security Bulletin*, Vol. 4, No. 6 (June 1941), pp. 3-14.

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individual shall be considered permanently and totally disabled if (1) his mental or physical condition is such that he is unable to perform regularly, in the usual and customary manner, the duties of any regular and gainful employment, which is substantial and not trifling, with any employer whether or not subject to the act, and (2) the facts of his mental or physical condition afford a reasonable basis for an inference that this condition is permanent. It is to be noted that, in addition to being totally disabling, the condition must be permanent, i. e., it must be diagnosed as one which will continue to cause total disablement throughout the lifetime of the applicant. Thus, an annuity based on disability must be denied if the condition is susceptible to treatment, in spite of the fact that it may be serious enough to preclude any gainful employment for an extended period. Due recognition is given, of course, to the fact that recuperative capacity declines with age and that a given disability or injury is more likely to cause permanent invalidity in an older man than in a younger.

Adjudication of Claims

Determinations as to the existence of claimed disability are the chief function of a disability rating board consisting of two physicians and an attorney.³ The physician members do not personally conduct physical examinations but base their opinions upon medical reports. In awarding claims, the attorney of the rating board must concur in their decision, since disability may be allowed only if the ruling is unanimous. Since the rating board does not actually see the applicant but relies entirely on the medical report, the report must be unusually complete, with a detailed description of the clinical history of the applicant and the symptoms present at the time of the examination. The examining physician himself is not required to express a judgment or opinion on the extent of the disability.

In the majority of cases, pertinent medical data submitted on a prescribed form by the surgeon of

³ The discussion which follows deals only with the determination of an applicant's eligibility for a disability annuity under the 1937 act. The rating board is responsible also for rulings on (1) the state of health of an applicant for a joint and survivor annuity, (2) the eligibility for a disability annuity in cases where the 1935 act is still applicable, (3) the eligibility for benefits under the 1935 act of an applicant who was not in active service on the enactment date and is therefore required to show that he was "ready and willing to serve" on or after that date. Until April 8, 1942, the rating board handled cases dealing with mental competency, but amendments enacted on that date now make such decisions unnecessary.

the applicant's last railroad employer provide the basis for the disability determination. If the carrier's medical report is unobtainable, incomplete, or not based on a recent examination, arrangements are made for a special medical examination, the cost of which is borne by the Board, to be conducted at a Veterans Administration Facility or, if that is impracticable, by a designated physician in the applicant's community. Of the 5,000 ratings made in the year ended June 30, 1942, 54 percent were based on carriers' reports and 42 percent on examinations at the Board's expense. The remaining 4 percent were based on courtesy examinations voluntarily performed by a hospital, State institution, or private physician.

The 1937 act requires that the disability annuity be discontinued if the annuitant recovers from his disability before reaching age 65. Accordingly, if the disability is such that a possibility of recovery exists, the annuitant may be required, until he reaches age 65, to submit to periodic, usually annual, reexaminations to be held at the Board's expense. The cessation of the disability annuity does not prejudice any rights the individual may have or may thereafter acquire to an old-age annuity, except that the amount of such annuity is reduced on an actuarial basis to compensate for the amount received for disability.

Reexaminations are not required of annuitants whose annuities begin after age 64 or whose disabilities result from amputation, organic blindness, organic deafness, permanent disfigurement, or any other static condition. On the basis of its experience, the rating board has gradually added certain diseases and combinations of diseases, with given degrees of severity, to the types of disabilities not requiring reexamination. Consequently, only 45 percent of the applicants determined to be totally and permanently disabled in the last fiscal year were held subject to reexamination, compared with more than 70 percent when the rating board was first set up.

Relatively few of the disability annuitants initially held subject to reexamination are actually reexamined periodically until they attain their sixty-fifth birthday. Reexamination is often waived or postponed because of new medical evidence submitted to the Board, or because the reexaminations already held are sufficient to establish that the applicant's condition is static in

Table 1.—Railroad retirement: Permanent and total disability determinations allowed and disallowed, through June 1942, by class of primary disability

Class of primary disability	Total		Allowed			Disallowed	
	Number	Percentage distribution	Number	Percentage of total	Percentage distribution	Number	Percentage distribution
Total.....	36,057	100.0	31,232	86.0	100.0	4,825	100.0
Cardiovascular system.....	17,728	49.2	16,446	92.8	52.0	1,282	26.0
Brain and nervous system....	6,017	16.7	5,075	84.3	18.2	342	7.1
Bones and joints.....	4,268	11.8	2,807	67.2	9.2	1,401	29.0
Surgical conditions.....	2,562	6.9	1,008	39.3	0.1	564	12.3
Respiratory system.....	1,560	4.3	1,433	91.9	4.6	127	2.6
Organs of vision.....	1,857	5.2	1,350	73.2	4.4	498	10.3
General medical conditions ¹	1,090	3.0	804	73.8	2.6	286	5.9
Organs of hearing and mastoid process.....	810	2.2	601	74.2	1.9	209	4.4
Blood and blood-forming organs.....	168	.5	139	82.7	.4	29	.6
No disability.....	57	.2				57	1.2

¹ Includes cancers, ulcers, hernias, varicose veins.
² Includes diabetes, skin diseases (except cancer and tuberculosis), non-respiratory tuberculosis, nephritis, syphilis.

nature; other applicants die before the time of the scheduled reexamination. The 1,500 reexaminations held during the year represented only about one-third of the total number scheduled. In 74 percent of the cases reexamined, further reexaminations were waived; in 24 percent, although the disability was found to be still present, recovery was considered possible and another examination was scheduled for the following year; and in 2 percent a recovery was found to have been effected and the disability annuity was terminated. In general, these data reflect not only the stringency of the disability requirements embodied in the law but also the care taken by the rating board in arriving at its initial decisions.

By the end of June 1942, the rating board had handled 36,100 applications for disability annuities under the 1937 act (table 1). Taking into account amended decisions, the claim to disability had been allowed in 31,200 or 87 percent of the cases, and disallowed in 4,800 or 13 percent. The proportion of disallowed claims was somewhat lower at the outset than in more recent years, because of the large number of applications filed immediately after the enactment of the 1937 act by individuals who had been disabled and out of service for a considerable period before that date.

The amended decisions arise from reconsiderations of initial determinations. Rulings are reopened for reconsideration when additional medical evidence is received, when a reexamination of

a disabled annuitant discloses that he has recovered from disability, or when the Board is notified that the annuitant has returned to compensated service,⁴ and it is necessary to determine whether such employment is compatible with the previous finding of permanent and total disability. Through June 1942, nearly 1,700 reconsiderations were made; in 59 percent of the cases the previous decision was sustained, in 41 percent reversed. In practically all the latter, the previously disallowed claim was allowed.

Basis of Disability Determination

In the absence of evidence to the contrary, an individual is presumed to be permanently and totally disabled if one of the following disabilities is present: (1) loss of, or permanent loss of use of, both feet; (2) loss of, or permanent loss of use of, both hands; (3) loss of, or permanent loss of use of, one hand and one foot; (4) permanent industrial blindness; (5) permanent total loss of hearing in both ears unless offset or capable of being offset by some practicable device; (6) aphonia (complete loss of vocalization from organic, that is, nonfunctional cause); (7) permanent helpless or bedridden condition.

If evidence on hand establishes the existence of one of these conditions, the disability rating board may grant the claim without requiring a detailed medical report. Aside from the last-named disability, which represents the effect of various disabling conditions, cases under these headings have been only a little more than 5 percent of all awards of permanent and total disability. In the remaining cases, the determination as to permanent and total disability has been based on a report of a detailed physical examination, as well as other evidence pertaining to the nature and degree of the applicant's disabilities and the extent to which such disabilities have interfered with his ability to engage in any regular employment for hire.

Since no two cases of disability are exactly alike, it is impracticable to describe in detail the varying degrees and combinations of medical conditions which result in findings of permanent and total disability. The rating board, however, classifies the cases on the basis of the types of disabilities

⁴ Return to service after the certification of a disability annuity is very infrequent. Subsequent railroad service is performed, however, in about one-third of the cases in which disability has been disallowed and the applicant did not immediately accept an age annuity.

found to exist and defines a disability as any condition which may result in some significant impairment of the individual's working capacity. Such impairment may be either total or partial, permanent or temporary, depending on the nature and degree of the disability. In cases in which more than one type of significant disability appears in the diagnosis, the primary, or most severe, is indicated. Of the individuals whose claims were allowed, about two-thirds were diagnosed as suffering from more than one significant disability; for disallowed claims the corresponding proportion was approximately 15 percent.

For certain conditions, such as those included among the presumptive conditions listed above, relatively simple standards are available, which define the degree of disability. For example, industrial blindness is defined as corrected vision of 20/200 or less, and total loss of hearing as inability to hear the conversational tone of voice at any distance. In most of the cases, however, the determination of the degree of disability necessarily depends largely on the judgment of the members of the rating board in evaluating the symptoms reported, the clinical findings, and any other available information on the disabling effects of the condition.

The cases handled by the rating board through June 1942 are shown in table 1, classified under the nine major groups into which the disabilities fall. Since this table does not distinguish between the various stages or degrees of disability for each type of primary disability and, moreover, does not indicate the existence of any additional complicating impairments which may have been reported for the applicant, it is not possible to determine from the table the precise basis for the allowance or disallowance of each claim. It does, however, indicate the relative frequencies of the types of disability. It will be seen that certain types almost always result in the allowing of a claim—diseases of the cardiovascular system, the brain and nervous system, and the respiratory system. The first of these make up more than half of all allowed cases. On the other hand, conditions of the bones and joints (mostly arthritis and the effects of injuries), resulted in permanent and total disability in only 67 percent of the claims involving such conditions as a primary disability. It is to be noted, in this connection, that the loss of one extremity, unless accompanied by other disabling

conditions, does not of itself constitute total incapacity within the meaning of the act.

As would be expected, certain diagnoses, such as cancer, organic neurological diseases, tuberculosis, and specified heart conditions, when adequately supported by the evidence, have resulted in determinations of permanent and total disability in all but a very small proportion of the rulings. Cancer, for example, which was the primary disability in 72 percent of the allowed cases classified under surgical conditions, was practically never recorded as a disability among the disallowed claims. In view of the severe and chronic nature of these conditions, any sustained activity on the part of the person so affected is usually precluded. In the small number of such cases which were denied, either the diagnosis of one of these disabilities was not fully supported by the findings or the disease was found to be present only in a mild or arrested stage, without serious complicating conditions, and subject to remedial treatment. In these circumstances, the ailment, though present, could not be considered permanently and totally disabling. From past experience, however, it can be expected that in some cases of this type the disease will progress to the point at which the claim will be allowed at some future date.

In contrast, claims based on primary disabilities such as generalized arteriosclerosis, minor functional nervous states, or arthritis and the effects of injuries were frequently disallowed by the rating board. Conditions of this type normally do not produce permanent and total disability, unless they exist in a severe form or in combination with other serious disabilities.

The occupational grouping of applicants whose disability claims were ruled on by the end of June 1942 is shown in table 2. Variations may be seen in the number of times certain types of disability occur among the major occupational groups. Thus, the proportion of claims allowed on the basis of bone and joint ailments was much greater among manual workers—maintenance-of-way employees, shop-craft employees, firemen, and brakemen—than among white-collar and other nonmanual groups. The latter—executives, professional and supervisory employees, clerks, station agents, and telegraphers—had the highest proportion of claims allowed on the basis of diseases of the brain and nervous system.

The proportion of claims based on defects of vision is of particular interest. The train and engine occupations show the largest proportion of disallowed claims based primarily on defective vision, but a relatively small proportion of allowed claims of the same type. Because of the high physical standards established by the carriers for employees in the train and engine occupations, only individuals with relatively good vision are selected at the outset. As a result of periodic physical examinations, these employees may be disqualified for further service when their vision falls below the standard, though they may still be capable of regular employment in other occupations. The tendency of train and engine employees

to apply for disability annuities in these circumstances accounts for the relatively high proportion of claims that must be disallowed in accordance with the provisions of the act.

Disability Annuities Certified

Disability annuities, the great majority of which were based on 30 years of service, have constituted a little more than one-fifth of all annuities certified. Of the 168,000 annuities with beginning dates prior to July 1, 1942, 26,400 were based on disability after 30 years of service, and 9,700 on disability after less than 30 years.⁵ The average

⁵ Data include 1935 act annuities and also cases adjudicated on or after July 1, 1942, with retroactive beginning dates.

Table 2.—Railroad retirement: Permanent and total disability determinations allowed and disallowed, through June 1942, by occupational group and class of primary disability

Occupational group	Total		Cardio-vascular system		Brain and nervous system		Bones and joints		Surgical conditions		Respiratory system		Organs of vision		General medical conditions		Organs of hearing and mastoid process		Blood and blood-forming organs	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Allowed																				
Total	31,232	100.0	10,446	52.7	5,675	18.1	2,867	9.2	1,908	6.1	1,433	4.6	1,359	4.4	804	2.6	601	1.9	139	0.4
Executives, professional and supervisory employees	1,891	100.0	1,030	54.0	379	20.0	104	5.5	125	6.6	104	5.5	69	3.6	55	2.9	19	1.0	6	.3
Gang foremen	1,641	100.0	908	55.4	260	16.2	145	8.8	104	6.3	69	4.2	68	4.1	47	2.9	24	1.5	10	.6
Clerks	1,709	100.0	891	46.6	430	25.2	119	7.0	99	5.8	100	5.9	61	3.6	47	2.8	39	2.3	13	.8
Maintenance of way, skilled employees	711	100.0	362	50.8	110	15.6	85	12.0	54	7.6	28	3.9	36	5.1	17	2.4	16	2.3	3	.4
Maintenance of way, laborers	2,503	100.0	1,403	56.1	338	13.6	274	10.9	92	3.7	70	3.2	158	6.3	81	3.2	68	2.7	10	.4
Maintenance of equipment, skilled employees	4,833	100.0	2,518	52.1	828	17.1	487	10.1	302	6.3	227	4.7	207	4.3	126	2.6	117	2.4	21	.4
Maintenance of equipment, laborers	1,525	100.0	750	49.8	265	17.4	182	11.9	64	4.2	61	4.0	101	6.6	51	3.3	39	2.6	3	.2
Helpers and apprentices	1,657	100.0	858	51.8	271	16.4	157	9.5	95	5.7	81	4.9	93	5.6	32	1.9	34	2.1	6	.4
Station agents and telegraphers	1,571	100.0	758	48.3	385	24.5	93	5.9	110	7.0	67	4.3	65	4.1	48	3.1	35	2.2	10	.6
Station and platform laborers	857	100.0	477	55.6	151	17.6	69	8.1	41	4.8	40	4.7	41	4.8	21	2.5	8	.9	3	.4
Engineers and conductors	5,621	100.0	3,043	54.2	1,024	18.2	421	7.5	455	8.1	236	4.2	107	3.6	137	2.4	74	1.3	34	.6
Firemen, brakemen, switchmen, and hostlers	4,262	100.0	2,240	52.6	744	17.5	480	11.3	256	6.0	214	5.0	144	3.4	75	1.8	89	2.1	14	.3
Express company employees	495	100.0	250	51.7	108	21.8	42	8.5	27	5.5	34	6.9	11	2.2	13	2.6	4	.8	0	0
Other occupations	1,950	100.0	997	51.1	376	19.2	209	10.7	84	4.3	87	4.4	108	5.5	54	2.8	35	1.8	6	.3
Disallowed																				
Total	4,826	100.0	1,282	26.6	342	7.1	1,401	29.0	504	12.3	127	2.6	408	10.3	286	5.9	209	4.4	29	0.6
Executives, professional and supervisory employees	181	100.0	55	30.2	28	15.5	36	19.9	24	13.3	3	1.7	11	6.1	13	7.2	7	3.9	2	1.1
Gang foremen	332	100.0	84	25.3	28	8.4	95	28.7	49	14.8	10	3.0	33	9.9	16	4.8	14	4.2	0	0
Clerks	214	100.0	58	27.1	40	18.7	33	15.4	20	9.3	2	.9	21	9.8	13	6.1	11	5.1	3	1.4
Maintenance of way, skilled employees	149	100.0	37	24.8	0	0.0	47	31.5	21	14.1	2	1.3	13	8.7	12	8.1	6	4.0	1	.7
Maintenance of way, laborers	647	100.0	206	31.8	23	3.6	180	27.8	92	14.2	12	1.9	93	9.7	33	5.1	29	4.5	1	.2
Maintenance of equipment, skilled employees	812	100.0	202	24.8	43	5.3	243	29.9	131	16.1	34	4.2	66	8.1	35	4.3	42	5.3	8	1.0
Maintenance of equipment, laborers	207	100.0	46	22.2	0	0.0	70	34.1	34	16.4	3	1.4	14	6.8	16	7.7	9	4.3	3	1.4
Helpers and apprentices	252	100.0	84	33.3	12	4.8	72	28.6	17	6.7	10	4.0	23	9.1	20	7.9	7	2.8	3	1.2
Station agents and telegraphers	213	100.0	48	22.7	39	18.3	89	41.8	25	11.7	0	0.0	27	12.7	15	7.0	13	6.1	2	.9
Station and platform laborers	141	100.0	36	25.5	3	2.1	56	39.7	17	12.1	3	2.1	11	7.8	7	5.0	6	4.3	0	0
Engineers and conductors	676	100.0	177	26.2	47	7.0	178	26.3	70	10.4	22	3.3	97	14.3	43	6.4	24	3.6	6	.9
Firemen, brakemen, switchmen, and hostlers	668	100.0	155	23.2	34	5.1	259	38.9	49	7.3	14	2.1	84	12.6	35	5.2	31	4.6	1	.1
Express company employees	80	100.0	24	30.0	10	12.5	23	28.8	7	8.8	2	2.5	8	10.0	3	3.7	3	3.7	0	0
Other occupations	254	100.0	70	27.6	17	6.7	73	28.7	29	11.4	4	1.6	27	10.6	20	10.2	7	2.8	0	0

¹ See table 1, footnote 1.
² See table 1, footnote 2.

³ Includes 57 cases or 1.2 percent in which no significant disability was found to exist.

length of service credited for the latter type was a little less than 22 years.

Benefits for disabled annuitants with 30 years of service were computed on the basis of an average monthly compensation of \$176, as compared with \$120 for those with less than 30 years. Chiefly because of the longer service and higher compensation involved, and also partly because such annuities are not subject to reduction, the average annuity payable for the first type was \$80.80, as against \$34.66 for the second.⁶

The average ages at retirement for the two classes of annuitants were, respectively, 59.5 and 62.0 years. The latter group, of course, includes many individuals who became disabled before their sixtieth birthday and, consequently, could not have had their annuities begin immediately upon disablement; in such cases, workers frequently prefer to postpone the acceptance of an annuity, even after they reach age 60, either through hope of recovery or through a desire to minimize the stipulated reduction. Sometimes, ignorance of the provisions of the act also results in delay in filing an application. About 20 percent of the disabled annuitants with less than 30 years of service whose annuities began in the first 6 months of 1942 had last worked in the railroad industry before 1937, and 43 percent before 1941. The individuals who accepted their annuities immediately upon the attainment of their sixtieth birthday comprised about 25 percent of the total number in this group. Since there is no age requirement for disability annuities based on 30 years of service, the number of such cases which begin soon after retirement from the industry is very high; 95 percent of the individuals in this group whose annuities began in the first 6 months of 1942 last worked in 1941 or 1942.

Though disability annuitants, as a group, are younger than age annuitants, their rate of mortality is much higher. For the 4 years ended June 30, 1942, the annual aggregate death rate of disability annuitants, both those with 30 years of service and those with less than 30 years, has been about 10 percent; the corresponding rate for age annuitants retiring at or after age 65 was 6 percent. The death rate for age annuitants retiring before

⁶ In addition to the reduction for retirement before age 65, disability annuities based on less than 30 years of service are subject to a further reduction when a joint and survivor annuity is elected; such election is not permitted under the 1937 act for disability annuities based on 30 years of service.

age 65, the group for which the age composition is more comparable to the disabled groups, was only about 3 percent. Since the disabled annuitants with less than 30 years of service are generally older than those with 30 years, it might be expected that mortality would be higher in the older group. This group, however, includes many individuals who had been disabled for some time before entering the annuity rolls, and, as is well known, mortality rates are higher immediately after the incidence of disability than after the lapse of a number of years. Thus, of the employees who become disabled before age 60, some of the most seriously disabled do not live long enough to become eligible for annuities.

Adequacy of Disability Benefits

The high standards of physical and mental competence applied by the railroads often result in removing from active service persons who are disabled insofar as the practices in force on the railroads are concerned but who do not satisfy the requirements for disability embodied in the retirement act. Although these individuals may very well be unable to pursue their accustomed occupation, many of them are able to engage in other work and thus are not permanently and totally disabled for regular employment for hire. The majority, however, have probably been following a single occupation for many years and are not fitted by experience or training to engage in any other occupation which would yield them an income comparable with their previous earnings. Many, moreover, because of their physical handicaps or age, will never be able to obtain employment, including that for which they might be qualified, even under present favorable labor-market conditions.

Furthermore, many cases occur in which applicants who have not yet reached their sixtieth birthday can prove permanent and total disability according to the statutory definition but lack the required 30 years of service. The applicant must, in these circumstances, wait until he reaches age 65 before becoming eligible for a full annuity or retire on a reduced annuity at any time after age 60 and before 65.

The relative inadequacy of the disability provision for large numbers of employees thus presents a serious problem. Numerous proposals have been made and bills introduced into Congress to

reduce the service requirement for disability annuities, eliminate the reduction applicable to individuals with less than 30 years of service, and change the concept of disability to include broader categories of employees. Apart from the relative merits of the proposals made, the Railroad Retirement Board has consistently found it necessary to call attention to the fact that any fundamental liberalization of the disability provisions of the retirement act would require an increase in the revenues of the retirement system. One set of amendments, to which the Board has devoted intensive study, would reduce to 10 years the service requirement for individuals permanently and totally disabled for regular employment for hire and would award annuities, without reduction, to employees who become permanently and totally disabled for their regular occupation and have either completed 25 years of service or attained age 60. This more generous definition of disability would be restricted to persons who, at the time of becoming disabled, presumably have some current connection with the industry. It has been estimated that amendments of this type would require an addition of approximately 1 percent to the total tax rate.

Injury and Disease Investigation

The present retirement act provides disability benefits only at relatively advanced ages. Protection in the event of work accidents and diseases is now afforded under the Employers' Liability Act, the Longshoremen's and Harbor Workers' Compensation Act, and State workmen's compensation and liability laws. With a view toward the ultimate establishment of a complete Federal system of workmen's compensation in the railroad industry, the Senate, on July 22, 1941, adopted a resolution directing and authorizing the Board to conduct an investigation of the incidence and social

and economic consequences of injuries and diseases incurred through railroad employment.

A memorandum on the purpose and scope of the resolution sent to the Board by the clerk of the Senate Committee on Interstate Commerce, which sponsored the resolution, emphasized that Congress should be fully informed of the extent to which the burden of railroad employee incapacities falls on employers, the Government, and the employees and their families, in order that it may be in a position to formulate further legislative policies.

The special hazards of injury and disease to which employees in the railroad industry are subject, the memorandum stated, has to some extent been changed and emphasized by the development of retirement and unemployment insurance. It pointed out that "to the extent that persons incapacitated to render effective service are eligible for retirement annuities, the burden of their support has been shifted from railroad pay rolls, pension rolls, and relief rolls."

"The cost of disability retirements has been greater than was anticipated, notwithstanding a very narrow and rigid definition of disability," the memorandum went on. "Again, unemployment insurance provides support for the able-bodied unemployed but affords no protection for those whose unemployment is due to disability or who become ill while unemployed."

In view of the language of the memorandum, the study, which is now nearing completion, deals with three main topics: an analysis of the nature and extent of work injuries in the railroad industry, the relative merits of proposals for a Federal workmen's compensation plan for railroad workers or the laws under which they are now protected, and the present cost to the railroads resulting directly and indirectly from industrial accidents and injuries.

A full report of the results of the injury and disease study will become available shortly.