

File #1415

*the*  
**O'Dwyer Plan**  
*for*  
*Industrial Peace*



*Factor Section*

100



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**O'Dwyer Plan**  
*for*  
*Industrial Peace*





New York Sun photo

WILLIAM O'DWYER, MAYOR OF THE CITY OF NEW YORK





## *foreword:*

ROUGHLY ONE-TENTH OF THE ENTIRE POPULATION of the United States lives within a fifty mile radius of Times Square. For 7,783,000 persons New York City is home. Every day another million pass through its railroad stations, airline terminals and steamship piers or come to the City to work, visit, shop or seek entertainment.

Only superlatives or statistics can even suggest the vastness and complexity of New York City and its economic life.

For generations New York City has been the chief financial center of North America with its preeminence in banking, insurance and finance beyond challenge. Its two big security exchanges — the New York Stock Exchange and New York Curb Exchange — handle more business than all other American exchanges combined.

The management of gigantic portions of America's industrial and financial structure is directed from New York City.

Through the Port of New York, in peace-time years, flow imports as great as are received in all other American ports combined and between one-third and one-half of all U. S. exports.

Because New York City is not a "one industry town" the importance of its manufacturing activities is frequently overlooked. Yet since 1812 New York City has been America's leading manufacturing city. With some 300 different industries giving jobs to 3,475,000 workers in more than 25,000 establishments New York City has the greatest industrial diversification of any community in the world.



Its largest manufacturing industry, wearing apparel and accessories, gives jobs to 392,987 workers and sets the fashions for a nation. In the apparel industries other "fashion centers" can only boast of how closely they follow the leadership of New York City.

After apparel, New York City's most important manufacturing industries, are foods and beverages, printing and publishing, machinery and metal products. Here are produced more than a third of the national total value of such varied products as fur goods, men's and boys' caps, millinery, feathers, leather goods, periodicals, corsets, lapidary work, dolls.

More than half the American workers producing scientific instruments, pencils and umbrellas are employed in New York City.

The City's wholesale business exceeds all other cities in number of workers employed and dollar volume of goods handled. More than 75 per cent of the U.S. wholesale trade in piece goods, general merchandise, women's and children's garments, notions, millinery, watches and diamonds is transacted in New York City. In amusement and sporting goods, drugs and drug sundries, electrical goods, furniture and house furnishings, hardware and a dozen other items New York City's wholesale market ranks at or very near the top.

But always the vast and intricate economic activities of New York City work back to a simple, primary equation — jobs, people; work, folks.

This is an effort to tell the story of what New York City, under the leadership of Mayor William O'Dwyer, has done about the relation of New Yorkers to their jobs — what's been done about "industrial relations." Under Mayor O'Dwyer New York has tried to remember that "industrial relations" is basically a matter of a worker's relation to his job, his union and their relation to the "boss" and the relation of the "boss" to his workers and their organization.





This pamphlet has been prepared, printed and distributed by a group of representative New York City citizens, who actively participated as members of Mayor O'Dwyer's committees in the settlement of labor disputes. Because they, from such experience, are confident that the formula employed has been successful in New York City, and inspired by a sense of high public service, they have caused this pamphlet to receive wide national distribution.

Their business, labor, and public positions are listed merely for the purpose of identification.

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*President, Heyden Chemical Corp.*

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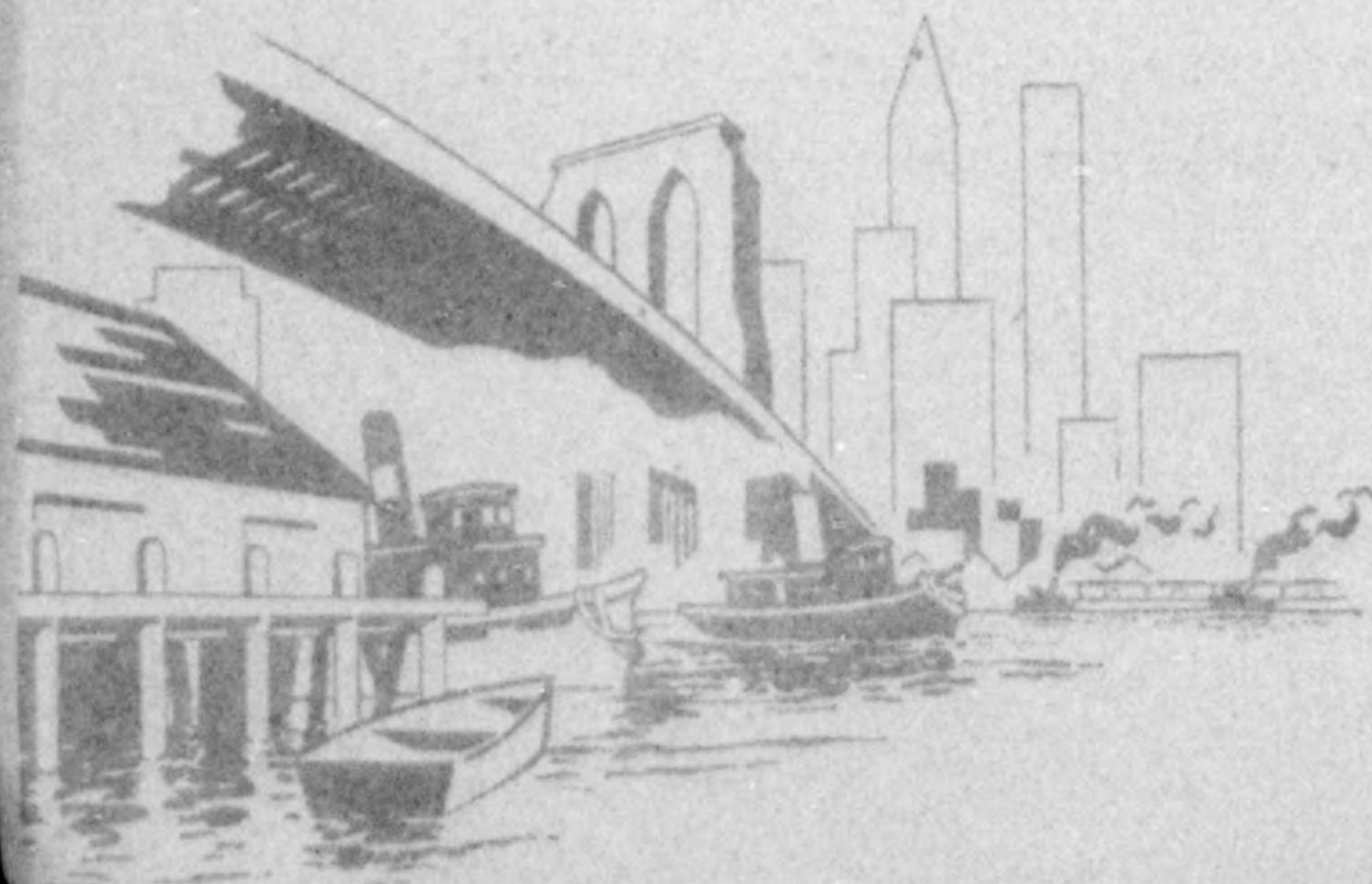
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## out of crisis—a plan

*New York City was especially vulnerable (to the effects of labor disputes) and William O'Dwyer who presumably had been gladdened by his election as Mayor, found his first year in office turning into one long round of strike negotiations.*

EDITORS OF FORTUNE in their discussion of "The Labor Situation."

WILLIAM O'DWYER BECAME MAYOR OF NEW YORK CITY January 1, 1946, at a moment when people felt themselves freed of war-time restraints but hadn't yet fully shouldered the responsibilities of peace-time living and working together.

The uncertainties, doubts and confusions of this "in between" period were most manifest and troublesome in industrial relations. Industry and labor were free of the war-time "no strike, no lockout" truce, government control of wages and collective bargaining had lessened but hadn't disappeared. During the four years of war-time restrictions and compulsions the habits of free collective bargaining had grown rusty. Among both the men of labor and of management nerves were rasped, thinking was often awry, irritation was sharp, suspicion all too general.

In addition to the local effects of national industrial disputes — e.g. the steelworkers strike halted production of milk containers in Brooklyn, endangering distribution of the City's milk supply — Mayor O'Dwyer's first months in office were marked by crisis after crisis in industrial relations.

Eight days after he took office 7,500 Western Union employees went on strike and for four weeks telegraphic communication between New York City and the rest of the nation and the world was disrupted.

Then came the first threat of a strike on the City-owned rapid transit system which carries 7,000,000 passengers a day. A rapid transit system shutdown would paralyze the City.

Just after that disaster was averted the 2,800 men who man the 400 tugs in New York Harbor struck. Coal, oil, a big part of the City's food supply reach the City with the



help of tugboats. The flow of those, and a hundred and one other essential items, ceased when the tugboatmen struck.

Before he succeeded in settling that dispute Mayor O'Dwyer was forced to issue an extraordinary proclamation which closed schools, all places of amusement, cut transit service and brought all but absolutely essential business activity to a halt. The shutdown lasted a day, was revoked when the Mayor saw his efforts to bring settlement would succeed.

Next, with barely time for a heartfelt sigh of relief, came the second transit strike threat. After days and nights of work, conferring, preparing to handle a strike, the walk-out was averted on the basis of a formula which was accepted as satisfactory by the workers and assured uninterrupted transportation to the people of the City.

For a few weeks industrial relations returned to "normal" — which meant there were merely a series of smaller disputes and problems each of which had, or threatened to have, a serious effect on the welfare of some section of the community. Each was met, resolved.

One week before Labor Day the thousands of teamsters who haul the bulk of New York City's food and handle most of the industrial trucking threatened to strike. Despite efforts by the State Mediation Board and the Mayor's Office, the strike began on Labor Day. It spread to New Jersey, to other locals of the teamsters union in New York City.

Little food was being hauled, supplies on store shelves dwindled, in many places disappeared. Thousands of workers, their plants unable to get raw materials, or move finished products, were thrown out of work. Railroads embargoed shipments to and from New York City.

Night and day the Mayor, his staff, representatives of the public he called on for help, worked, talked, pleaded, persuaded, finally got an agreement from some employers which sent many men back to work. The other employers soon accepted the same terms and the tieup ended.

In nine months Mayor O'Dwyer received a dramatically intensive training in industrial relations. Out of that experience he built his own plan, his own techniques for handling industrial relations in New York City.



## the plan

THE ESSENTIALS OF MAYOR WILLIAM O'DWYER'S PLAN for handling industrial disputes in New York City are clear, simple, direct.

He believes all parties to every dispute owe definite obligations to the people of their City to reach fair, just and mutually satisfactory agreements without endangering the welfare, health or safety of their 7,783,000 neighbors. Mayor O'Dwyer is firmly convinced that genuine and sincere collective bargaining by management and labor, without interference from government, is the surest and soundest method of arriving at settlements which meet that obligation to the community.

However, Mayor O'Dwyer feels, where for any reason disputing parties are unable to reach agreement the City is bound to intervene and get the wheels of collective bargaining turning again and thus help the parties resolve their difficulties without resort to strike or lockout.

He points out that while there is general recognition that neither management nor labor should endanger the public welfare there has not been equally widespread recognition of the duty of the community to *help* disputing factions get together on a basis which will insure just, stable and harmonious relations.

He believes the community should *help* bring real harmony and agreement rather than *force* settlement because any group compelled to sign a contract it considers unjust can always find justification for evading its terms and that means continued strife.

In handling labor-management situations affecting the public welfare Mayor O'Dwyer found that the tripartite committee — made up of men from the general public, labor and management — was the most effective means for inducing disputing groups to see, to acknowledge and to act on their civic responsibility.

Of course tripartite panels became a familiar part of industrial relations during the war, particularly as part of the National and Regional War Labor Boards. But members of the war-time panels were chosen as the spokesmen and representatives for the group — public, labor, management — from which they were selected. Then too, war-time panels were part of a system which could compel action and acceptance; the O'Dwyer committees are used to get *voluntary* action. The O'Dwyer plan committee members are



chosen because of their skill, knowledge and standing within their special fields but committee members act as a team using their combined skills, knowledge and prestige on behalf of the whole community.

In substance, what it amounts to is this: leading citizens of New York City are asked by the Mayor to help resolve a dispute between an important company in New York City and a union of members in New York City so as to avoid serious difficulties to the people of New York City.

After nine months in office, during which a large part of his time was devoted to wrestling with labor-management problems, Mayor O'Dwyer said:

"I have long recognized the need for developing and maintaining sound labor relations in the City of New York. Recent events have emphasized the part that the Mayor's office can play in preventing costly industrial disputes that vitally affect the people of our City and bringing those that occur to a quick and satisfactory conclusion.

"As I see the problem, we need a long range program designed to anticipate and prevent industrial strife in our City. My experience has been that management-labor disputes reach the Mayor's office at the last minute and when we are literally on the brink of a strike or the strike is already in effect.

"We cannot, and we will not, undertake to intervene in every labor dispute in this City but we cannot evade the responsibility of preventing, if possible, or shortening disturbances in our key industries on which the health and welfare of our people depend.

"The urgency of maintaining sound labor relations in this City for the protection and safety of the public, the encouragement of business enterprises and the welfare of working men and women are such that I have decided to enlarge my council of advisers and establish as a formal and official part of our City government a Division of Labor Relations.

"It is also my intention to continue to call upon influential and public-spirited citizens, representatives of industry and labor to serve from time to time to assist or advise me on important labor problems.

"This City leads the nation in cultural, industrial and financial activities. With the help of its mature and seasoned body of union leaders and management representatives, we will, I am sure, succeed not only in adjusting differences between management and labor with a minimum of friction but in establishing a pattern for the peaceful settlement of labor disputes that will prove of great value everywhere."

Mayor O'Dwyer named three men to his Division of Labor Relations.

Edward C. Maguire, labor adviser to the Mayor and then also a deputy commissioner of the Board of Transportation was named Director. Maguire, a one-time City



magistrate, has a long record as an able and successful counsel in labor relations in which he won the confidence of both labor and employers.

Theodore W. Kheel, an attorney who's been actively engaged in the field of labor relations for many years was appointed Deputy Director. He was a public member of the National War Labor Board and served as chairman of the New York-New Jersey Regional WLB. He was also a member of Mayor O'Dwyer's Special Advisory Transit Committee named to study wage and labor relations problems on the City-owned transit system.

Julius Kass who during the war was chief of labor relations and manpower problems for the Army Air Forces in the Eastern District and was chief of the strike section of the NWLB was chosen as Counsel.

Under the mandate given it by Mayor O'Dwyer the Division of Labor Relations works within definite, well defined limitations.

It does not try to take the place of existing agencies such as the New York State Mediation Board or the United States Conciliation Service and it cannot assume any of the functions of the National and State Labor Relations Boards.

Use of the Division by disputing parties, or intervention by the Division, does not deprive any group or person of any rights or privileges they previously enjoyed. Every action, every step, by the Division is designed to encourage voluntary action. Mayor O'Dwyer is convinced neither industry nor labor wants compulsion.

The Division, following the specific instructions of Mayor O'Dwyer, does not attempt to intervene in every dispute or threatened dispute but limits itself to those which, because of the nature of the industry or service involved, have a vital, direct relation to the public health, safety or welfare.

Mayor O'Dwyer's experience had shown that best results were obtained by naming a special committee of outstanding men for each dispute rather than having one large panel handle every case. And top caliber men could be enlisted for limited service when they could not find the time for continuous activity.

Again and again, labor leaders, employers and public officials who have first hand knowledge of the O'Dwyer plan have stressed the point that, to a vast extent, its successful operation depends upon the type of men selected for the tripartite committees.

They must be persons "who know their way around," who have experience in industrial, labor and public affairs and are well equipped to deal with people. They must also know and understand the varying economic, social — and above all — the human factors which are present in every industrial dispute. Further, they must have a profound and



sincere civic interest and their status in the community must be such as to command respect for their attitudes and judgments.

Mayor O'Dwyer has been able to get men with exactly such qualifications and a willingness to work hard and unremittingly at the tasks assigned them. One industrialist who's seen the tripartite setup work said: "The parties in dispute know that the members of the committee are serving unselfishly, have nothing to gain and are not professional conciliators; this helps to create a friendly and objective atmosphere thus adding greatly to the chances of success."

So, where committees are needed, the Mayor has followed the practice of getting men especially fitted to handle a specific case. The advantages of that method are shown in the typical experience of one committee.

The committee members found that even before negotiations started both the union and employers had taken a firm position and both sides seemed more intent on being tough and inflexible than in reaching a "live and let live" compromise. The committeeman from labor had far more experience than the union negotiators had. He got the facts of the union case in short order, saw where the union could give ground, where it must stand firm and why. The management committee member was respected by the employers because of his experience and business standing and they eagerly sought his advice.

Both men talked hard facts in separate meetings with union representatives and employers. They got facts neither disputant would, at that stage, have been willing to give the other.

Then the labor and management members conferred with the public committee member and the outline for a possible settlement was developed. Then the public member "felt out" the employers and union.

It worked. It worked because both employers and union men respected the committeemen and their special knowledge and understanding and were willing to yield to the persuasions of the committee when neither would have yielded to the other.

Emphasis is on man-to-man dealing. "Paper work" is avoided — the Division does not have a single form with which to pester anyone.

Since every dispute, no matter how much it resembles others, is different if only because each involves different personalities the Division's approach is always elastic. In some cases it is not necessary to have a tripartite committee. On occasion one of the three Division members, cooperating with a State Mediator or U. S. Conciliator, helps bring settlement.

The Division has compiled a list of the industries which are vital to the public health, welfare and safety and of each concern and union under contract within each such in-



dustry. It also has the expiration date of all existing contracts. Thirty days before a contract expires the Division communicates with the union and employer and urges that negotiations be started so there need be no work stoppage. Then, both directly and through the State and U. S. mediation and conciliation services, it keeps informed on what progress, or lack of it, is being made toward a new contract.

The mere fact the Division has put all parties on notice that the City is interested encourages voluntary bargaining. And such vigilance, which enables the Division to learn about the issues involved in each case, enables the Division fully to be prepared to act if action becomes necessary.

Since it began work October 1, 1946 the New York City Division of Labor Relations has been called or intervened in 24 situations. Of that number 16 were settled without a strike or lockout and in eight the Division helped bring about settlement after a work stoppage had occurred.

The Division, after a mere four months in operation, can thus point to concrete and specific accomplishments achieved through the use of O'Dwyer plan techniques. It has helped bring satisfactory settlements and prevent work stoppages which — had they occurred — would have involved tens of thousands of workers and brought immeasurable hardship and suffering to their families, stiff economic loss to the employers directly involved and further loss to business and the community in general.

For instance: The Division intervened in a dispute between wholesale grocery drivers and their employers because a shutdown would have interfered with distribution of food. An agreement was reached and a work stoppage averted. Had there been a stoppage, the local union president reported, it would have cost the 1,200 drivers about \$200,000 in lost wages. The employers would have lost business totaling five to ten times that amount and the independent grocers they serve would have suffered additional losses.

But the money savings of industrial peace, however great, do not tell the whole story.

The Division handled two disputes of funeral car drivers. In both cases strikes certainly would have occurred if the Division had not intervened. Walkouts would have meant the people of the City could not dispose of their dead. The shock, the tragedy thus visited upon bereaved families is something beyond measurement by economic standards.

Again: Just as New York City was preparing to welcome the first meeting of the United Nations General Assembly came the threat of a new Western Union strike. Without speedy, absolutely dependable telegraphic communication between the delegations and their governments the General Assembly would not be able to function. A tripartite committee named by Mayor O'Dwyer brought a settlement mutually satisfactory to workers and the company, prevented any interruption to service.

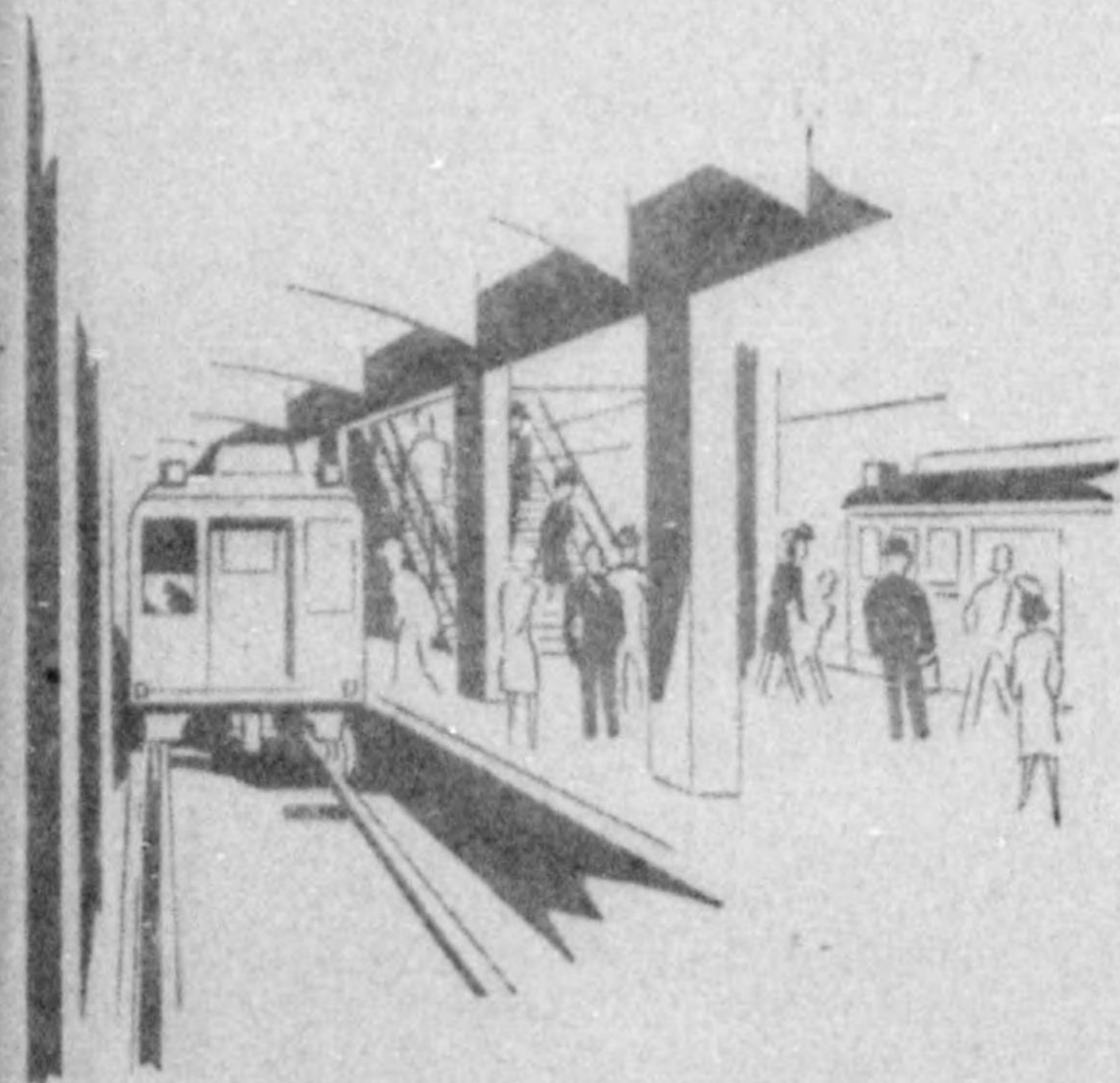


Despite many such outstanding successes neither Mayor O'Dwyer nor any of the people who have worked with him on the problems of industrial relations in New York City feel the O'Dwyer plan is a simple, easy panacea which will end all industrial strife. They know it is not a quick cure-all that will bring magic results if applied according to simple directions.

They do know that for and in New York City the plan has worked, has saved untold millions for workers, employers and the New York City business community. They also know it has worked because Mayor O'Dwyer, the men of the Division of Labor Relations and the many citizens he called upon for help have put their best thought, judgment, untiring energy into making it work.

Mayor O'Dwyer preaches two points to every person with whom he discusses his industrial relations plan: First, men and women, employers and workers alike, are inherently decent, want to get along and work with each other and, Second, every threatened strike is preventable.

Preventing a strike requires intelligent, intensive application and a realization that, as one industrialist put it in evaluating the O'Dwyer plan, "Although the basis for most labor-management disputes is economic, it is the underlying human factors which determine the outcome."









File #1414

**C10**



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## I. WHY CIO WAS FORMED

In 1935, a Committee for Industrial Organization was set up within the American Federation of Labor, for the purpose of organizing the workers in mass production industries.

There were at that time 2,300,000 members of the American labor movement, organized mostly into craft unions. Most of the millions of unskilled industrial workers were unorganized. They wanted organization; they even tried to organize themselves. But the AFL did not furnish them with the leadership and the form of organization they needed.

The purpose of the Committee was "to encourage and promote organization of the workers in the mass production and unorganized industries of the nation and affiliation with the AFL."

Twelve industrial unions were organized within the AFL by the Committee, when in 1936, the AFL executive council ordered that they disband and discontinue organization, under penalty of suspension from the Federation. This was a bombshell! It was also illegal under the AFL constitution. But the ouster went through, and the labor movement was split by it.

The CIO unions, however, were benefited by this division. The reactionary craft policies of the AFL council had antagonized many workers who now flocked to the independent CIO standard. And as organizing campaigns broadened and won victories in leading industries, the AFL continued its divisive tactics.

By 1937, the CIO unions had come to represent the main body of American labor, with a membership approaching that of the AFL. In two years, 3,000,000 members had been added to CIO unions. It had been proved that industrial unionism and aggressive organizing were the key to successful organization of industries which had defied unionism in the past.



In November, 1938, the Committee for Industrial Organization held its first constitutional convention and emerged as the Congress of Industrial Organizations. The constitution which was adopted is a simple, democratic document, designed to insure the wishes of the membership being carried out by their elected representatives.

The work of organization has steadily continued. In 1940, when John L. Lewis, Republican isolationist, was repudiated by the membership and resigned after opposing the reelection of President Roosevelt, Philip Murray was unanimously elected CIO President. Subsequently, Mr. Lewis withdrew the United Mine Workers out of the CIO, and has unsuccessfully attempted to reaffiliate them with the AFL, which has also pursued a vacillating isolationist policy toward world affairs.

Meanwhile, war has added a tremendous membership and tremendous new responsibilities to the CIO. Under the leadership of President Philip Murray, as chief executive officer, and James B. Carey as Secretary-Treasurer, seemingly impossible tasks have been achieved on the economic, production and political fronts, by the more than six million members of the CIO.





## II. HOW CIO WORKS

The six million CIO members belong to 41 national and international unions and organizing committees, covering the major industries in the United States and Canada. Each industrial union is autonomous and elects its own officers at its convention.

At the annual national CIO convention, the President, Secretary-Treasurer and nine Vice-Presidents are elected by majority vote of the delegates. This regular convention also elects an Executive Board composed of one member from each affiliated organization; the President, Secretary-Treasurer and Vice-Presidents are members of the Executive Board by virtue of their office.

Industrial union councils are organized on a regional basis, and are composed of the locals of national and international unions, organizing committees, local industrial unions and local industrial union councils within the territorial limits of such councils.

Within the framework of this simple organizational set-up, the CIO conducts affairs ranging from simple grievances within a shop to those of international importance.

In keeping with the broad aspects of modern life, the CIO has progressed from the early labor movement's preoccupation with wages, hours and working conditions in a given locality, to an active interest in the wide fields affecting the living standards of workers everywhere. In so doing, it has become involved in cooperation with government, with management and with professional, civic and church groups in many communities. It has proposed and supported a great deal of social legislation. It has actively entered politics. It has pioneered in the field of race relations. And it has called for close collaboration between the labor movements of the world.

In all these activities, CIO has come a long way from the days of strictly business unionism, when AFL leaders con-



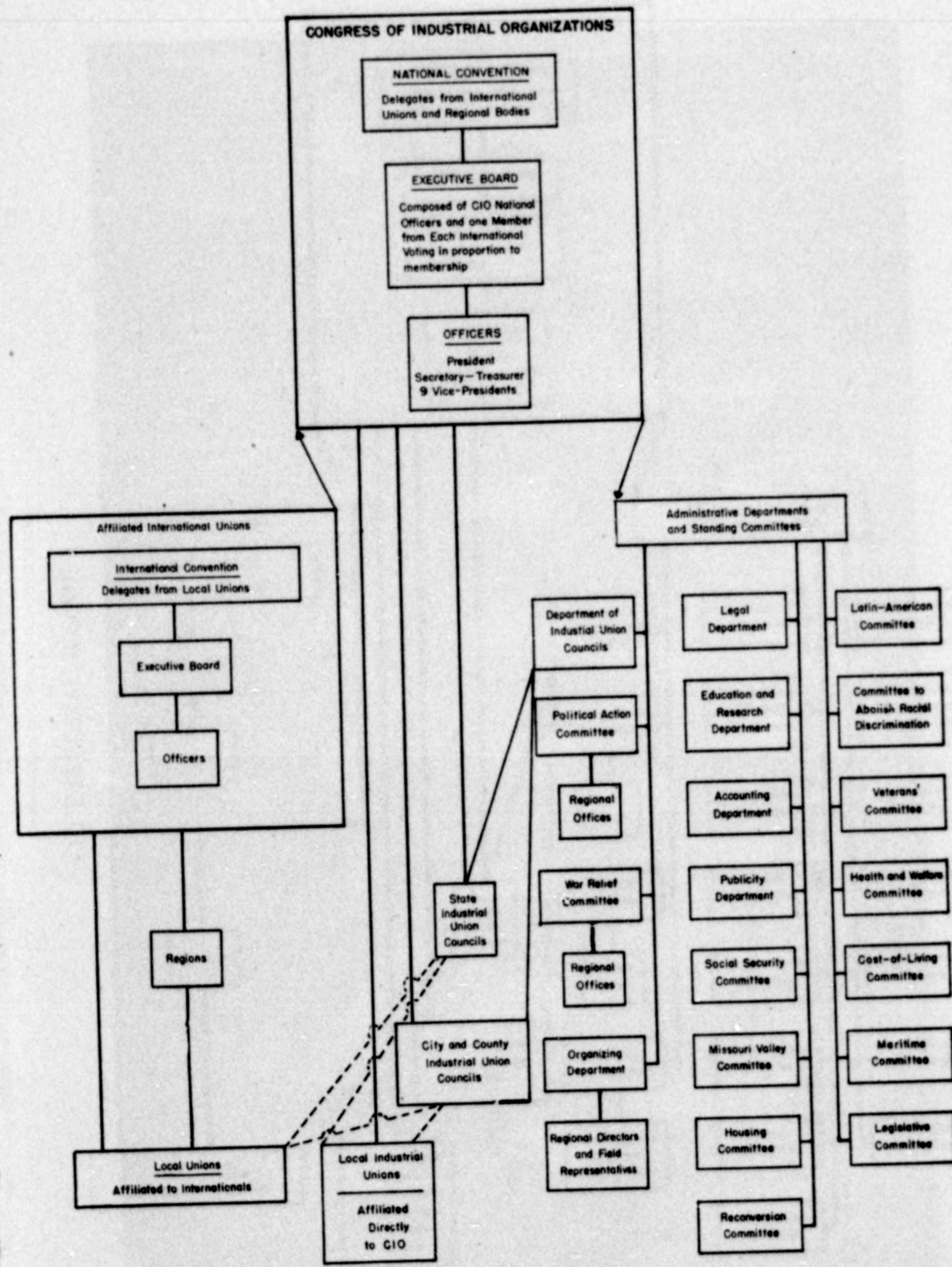
demned political action by organized workers. Even in 1944, the AFL tried to remain officially impartial to the presidential candidates, while the CIO Political Action Committee, under the leadership of Sidney Hillman, fought for the reelection of President Roosevelt.

CIO has also come a long way from traditional AFL policies of racial discrimination which follow the prejudice of the people rather than trying to eradicate them. For CIO recognizes that a house divided against itself cannot stand, that the rights of minorities are essential to a real civilization, and that the hardships which oppress minorities have a way of spreading to the majority.

CIO has departed, too, from the narrow nationalism of the AFL, and has learned something of international cooperation. The old type of fraternal relations between the AFL and the labor groups of other countries were limited to fine words, to gifts properly inscribed, to a minimum of influence. When CIO now speaks of international cooperation, it means mutual work, mutual assimilation of new ideas and mutual shaping of policy which will benefit the common men of the various nations.

We have not learned all the answers. But with open minds, we seek them. In ten years, the American labor movement has more than quadrupled its membership. The leadership of American labor has multiplied its responsibilities many more times than that.





CIO ORGANIZATION





CIO EXECUTIVE BOARD



### III. WHO IS IN THE CIO

Who are these millions of CIO members? What do they work at? And who are their officers?

They are the plain people of America, the plain people who have built a great industrial nation.

They work in the factories, the mines, the mills, the shops, the shipyards, the offices, the classrooms, the transportation systems and the professions of their country.

Their officers and leaders have mainly come up from the ranks, achieving wisdom and experience through long years of work and struggle in trade unionism. Philip Murray, James B. Carey, Sidney Hillman and most of the other top-flight officials had positions of leadership within the AFL before they helped form the CIO.

The unions described below are among the largest in the CIO. The men portrayed below have been designated by the CIO Executive Board to attend the 1945 World Trade Union Congress in Paris, as delegates from international unions in major U. S. industries.



### UNITED STEELWORKERS OF AMERICA

There is a saying in this country: As steel goes, so goes the nation. This barometer of our economic position in times of peace, while not necessarily binding, has proved to be a good rule of thumb. War did not change the position of this gigantic industry but tended to emphasize its basic qualities. Without steel there could be no war machine. The cry was for steel, steel and more steel!

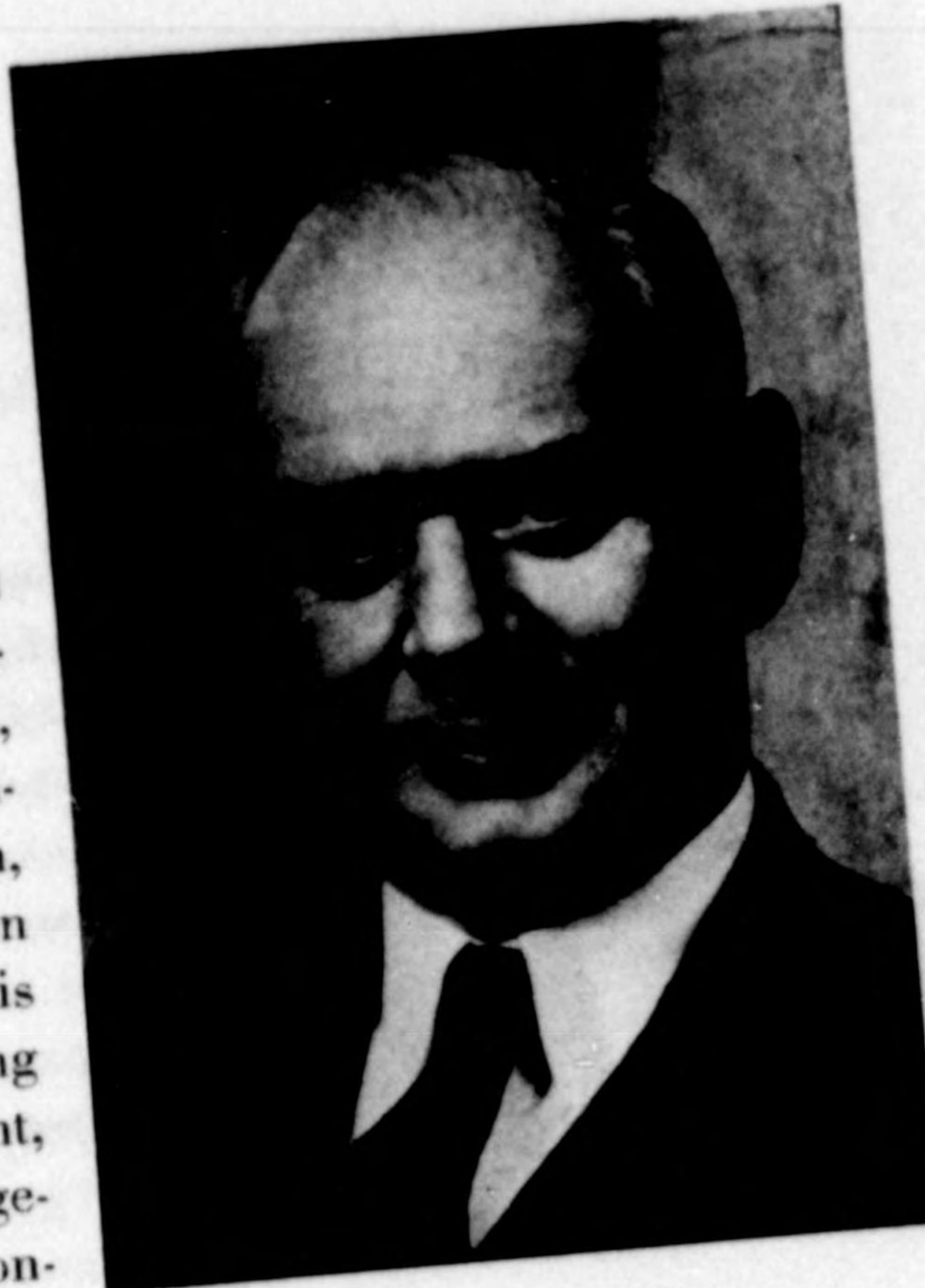
Fortunately for the nation, this industry is unionized—by USA-CIO. Even before war was declared, this union foresaw what might happen; and its ceaseless prodding of management and government for production and more production was truly a lifesaver in the dark days of Pearl Harbor. Without exception every basic steel company in the United States has established new production records. One of them recently reported that 10,000 records had been broken since Pearl Harbor!

The steel capacity of this nation, greater than all other countries combined, has turned the tide of war and helped spell victory for the United Nations.





**PHILIP MURRAY**  
**President, CIO**  
**President, USA-CIO**



"Phil" Murray is known and loved by working people throughout the world. His whole life, which has been devoted to improving the lot of the common man, is proof of the fact that all men do not live by bread alone. It is typical of him that, as a young man, he turned down an important, well-paying position with management, in order that he might continue to serve his fellow workers.

He was born in Scotland in 1886. At the age of 10, he earned about 30c a day, working in the mine with his father. In 1902 his family emigrated to Pennsylvania.

By 1912 he was on the international executive board of the United Mine Workers; elected international vice-president in 1920, which position he held for 22 years.

In 1936 he became Chairman of the Steel Workers Organizing Committee and guided it through the period in which the giant steel industry was unionized. Under his leadership workers in the steel mills won a 40-hour work week, time-and-a-half for overtime, vacations with pay, seniority rights, and the establishment of grievance machinery which provides, in the last step, for the selection of an impartial umpire. In 1942 the SWOC became a full fledged international union, the United Steelworkers of America. Elected president was "Phil" Murray. Today it enrolls over 900,000 members.

In 1940 "Phil" Murray was unanimously chosen as president of the CIO, a position which he holds at the present time. Under his leadership CIO achieved the following: the Ford Motor Co. signed a closed shop contract; "Little Steel" was

*(Continued on page 34)*



### **AMALGAMATED CLOTHING WORKERS OF AMERICA**

In 1939, the Census of Manufactures reported that the men's clothing industry employed more than 137,000 workers in almost 2,500 shops which produced men's clothing valued at \$600,000,000. Over 90 percent of the men's clothing workers have been organized by the Amalgamated Clothing Workers of America whose membership includes, in addition, some 200,000 workers in the cotton garment, glove, neckwear, sheep-lined and leather garments, and button manufacturing industries, as well as in the two major clothing service industries, laundry, and cleaning and dyeing.

Since 1940 the union and the industry have organized all their resources to make a maximum contribution to the war effort. At the peak of government demand for military products, 30 to 40 percent of the union's members were engaged in manufacturing uniforms and other military garments, while the remainder were engaged in essential civilian production.







**SIDNEY HILLMAN**  
President, ACWA-CIO

Born in Lithuania. Came to this country and became a clothing worker in Chicago, at 20. Impressed by economic and social injustices, led the famous Hart, Schaffner and Marx strike in 1910. President, Amalgamated Clothing Workers, since its inception in 1914.

As Labor Advisor to President Roosevelt, and as a leader in building a strong union in the men's clothing industry, has taken a deep interest in the broader problems affecting the labor movement and public welfare.

Has served as member, National Industrial Recovery Board, 1933, National Youth Administration, Advisory Board of the U. S. Employment Service, Advisory Commission of the Council of National Defense; treasurer, Labor's Non-Partisan League; director, American Labor Party; chairman, Textile Workers Union; CIO Vice-President; associate director, Office of Production Management; head, Labor Division, War Production Board. At present, chairman, CIO Political Action Committee, National Citizens' Political Action Committee.



### **UNITED ELECTRICAL, RADIO AND MACHINE WORKERS OF AMERICA**

War production increased 16 times between 1940 and 1944. Communications and electrical equipment, which is largely UE organized in national contracts in 20 states, increased 63 times.

Sixty-four awards of the Army-Navy E, the Army-Navy Star, the Maritime E and the Maritime Star, awarded to 54 UE organized plants covering 87,600 employees during 1944. 171 awards made to 153 UE shops covering 398,000 workers since the beginning of the war.

Third largest CIO affiliate represents 750,000 workers producing one-fifth of all war materials produced from metal in this country. Radio-radar and electrical equipment branches of this industry, largely organized by UE. Its members produce in peace times practically all of the nation's electrical equipment, including washing machines, radios, refrigerators, stoves, fans, irons, etc.







**ALBERT J. FITZGERALD**  
**President, UE-CIO**

Born 38 years ago in Massachusetts. Shop steward in the huge General Electric Company plant in Lynn. Later elected president of the local union; then union district chairman of the New England region. Elected General President of the International Union for four terms. CIO Vice-President; member, CIO Political Action Committee.



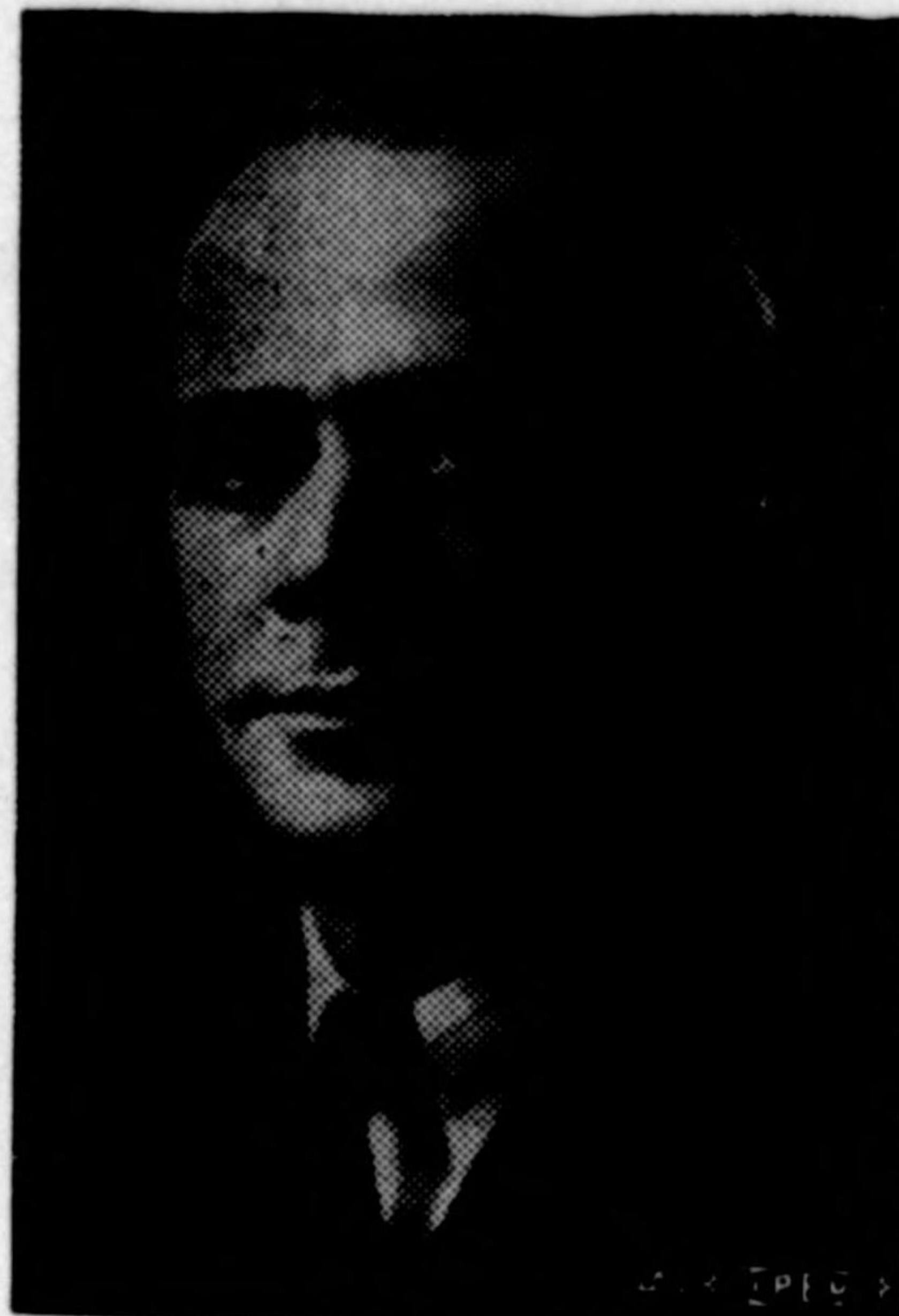
### **INDUSTRIAL UNION OF MARINE AND SHIPBUILDING WORKERS OF AMERICA**

Practically all of the 400,000 members of the fourth largest CIO affiliate are employed in private shipbuilding, repair, and allied industries, constructing a substantial part of the merchant and naval vessels for our war work. Sixty local unions are scattered on all three coasts of the United States, along the Great Lakes and inland.

With its tremendously expanded membership mainly in the old, established American shipyards, rather than in the emergency ones built to answer the need for increased war tonnage, IUMSWA will remain the dominant organization in the industry after the war, expecting a peacetime membership of some 200,000 for at least five years after the war ends. They will be engaged in reconversion of present war vessels for peacetime use, long overdue repairs on all other types of merchant vessels, as well as the construction of new and modern vessels to meet the demands of a free world trade.







**JOHN GREEN**  
**President, IUMSWA-CIO**

"Johnny" Green, as he is known to hundreds of thousands of American shipyard workers, was born and raised in Scotland's Clydebank. The International Congress of Labor in London will afford him his first opportunity to return to Great Britain since he emigrated to the United States in 1923, at the age of 27.

At the Cramp shipyard in Philadelphia, he put to work the training as shipfitter and tinsmith, received during apprenticeship on the Clydebank. Forced out of the trade when the shipyard closed down. Found work in other industries, until going to the New York Shipbuilding Corp., in Camden, in 1933, where the CIO Shipbuilders Union was born.

CIO Vice-President; international union President for 11 years, and still closely identified with the rank and file. Lives in Audubon Park, a cooperative housing project sponsored by the union, and occupied mainly by former co-workers.

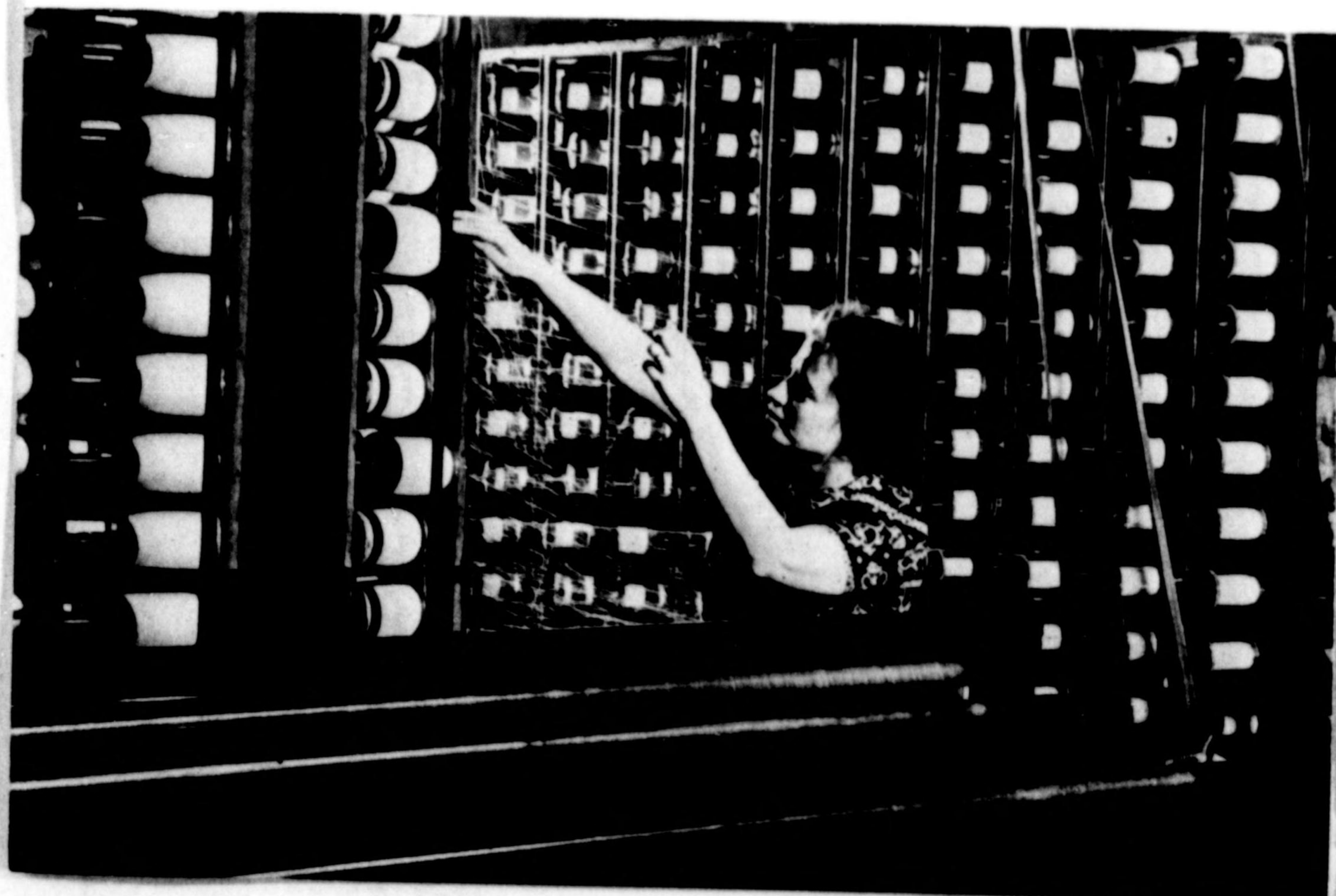


### TEXTILE WORKERS UNION OF AMERICA

The textile industry in normal years probably is the largest in the country. In 1939 it employed 1,144,000 people. As of September, 1944, the Bureau of Labor Statistics placed the employment figure at 1,077,000. The fifth largest CIO union, the Textile Workers has under contract approximately 450,000 out of a peacetime potential of nearly a million and a quarter workers.

The value of textile products in 1939 has been estimated at \$3,930,678,000. Although no figures are available, the best estimates place the value of production in 1944 at around \$7,000,000,000.

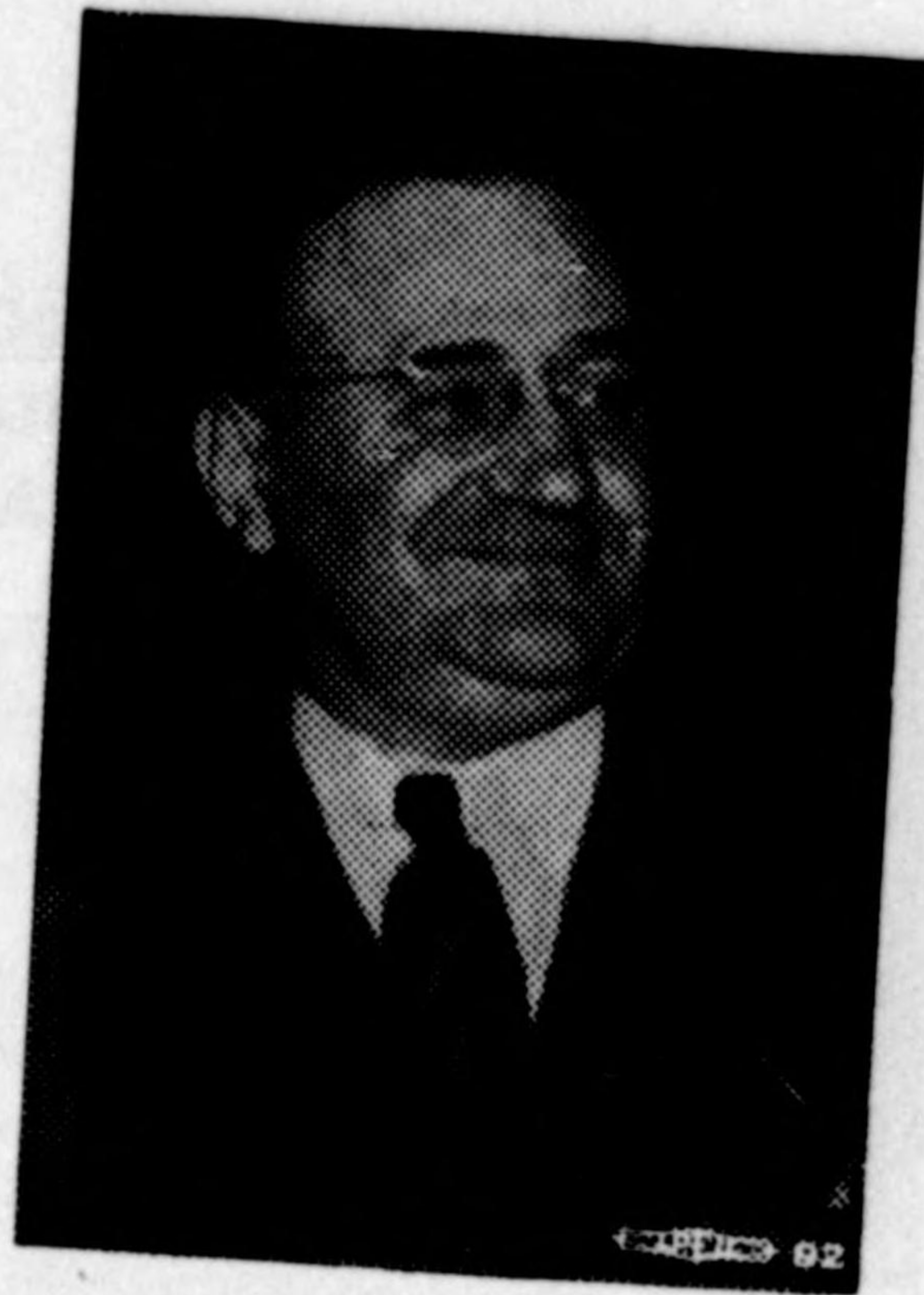
Products include cotton, wool, and synthetic yarns; cotton, wool, and synthetic cloths; all knit goods; stockings and narrow fabrics; draperies, carpets and rugs; bags and miscellaneous textile items. Operations run the gamut from spinning to weaving, from opening a bale of cotton at the mill to dyeing and finishing the cloth.





**EMIL RIEVE**  
**President, Textile Workers**

Born in Poland, in 1893, son of a textile mill machinist. As a child, saw Cossacks ride down strikers from the Warsaw mill where his father worked. Came to the United States in 1904 and worked with the Nolde and Horst Company, hosiery manufacturers in Reading, Pa. In 1907, at 14, joined the newly organized United Textile Workers.



Vice-president, American Federation of Hosiery Workers, 1915; member, Federation executive board, 1922; Federation president, 1929. When elected, the union had 6,300 members. At retirement from the presidency 10 years later, 52,000 members were in good standing and a great majority of the mills in the industry were organized.

Appointed member, Textile Workers Organizing Committee, 1937; later, acting chairman; then executive director. Elected President, Textile Workers' Union, 1939; reelected three times; CIO Vice-President since 1939.

Alternate labor member, National War Labor Board; director, Foreign Policy Association; member, Special Committee on Labor Standards and Social Security, Interdepartmental Committee on Post-War Foreign Economic Policy (U. S. Department of Labor); executive committee member, national International Labor Office committee; board member, American Arbitration Association; consultant board member, Institute on Post-War Reconstruction; secretary, National Planning Association; former member, Labor Advisory Committee, Office of Production Management. American delegate, Inter-American Conference on Social Security, Chile, 1942.



### **UNITED AUTOMOBILE, AIRCRAFT AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA**

War materials to the value of about 17 billion dollars have come from the assembly lines of UAW-CIO plants in 1944. This means production of weapons from cartridges to B-29's at a rate of close to one and one-half million dollars per hour.

Since 1939, employment in the auto industry has more than doubled, to bring the union membership to 1,200,000. Such increased employment has brought with it a 325 percent increase in total shipments from the industry. 1944 output has been at prices one-third less than 1942's.

In 1944 UAW-CIO workers turned out more than 45,000 war planes. They have also produced a major share of the tanks, trucks, and military vehicles now serving the armies of the United Nations.







**R. J. THOMAS**  
**President, UAW-CIO**

Born in 1901. First employed in the auto industry as a welder in 1923. In 1934, led the fight against company union in Chrysler plants and became National Vice President of the Automotive Industrial Workers Association which merged later with the UAW. Elected President of UAW, the largest union in the world, in 1939. Reelected five times. CIO Vice-President; CIO member of war-time government agencies, including War Labor Board and War Production Board. Twice arrested for labor activities, once during drive to organize Ford workers, and later in a free speech test case in Texas. Forceful speaker and author of numerous articles and pamphlets presenting labor's view on current problems.



### UNITED RUBBER WORKERS OF AMERICA

Rubber products, especially tires and tubes, have been among the most important manufactured articles, particularly since the phenomenal growth of the automobile industry during the past 40 years. Starting in Akron, rubber factories spread throughout North America.

URWA-CIO has organized nearly 200 plants, all the way from New England down to Georgia, and from New York to California. Twelve plants in Canada are included.

The motorization of our armies created unprecedented additional demands for tires and tubes. Many thousands of airplanes also upped normal requirements to a startling total. The Army and Navy also needed badly thousands of other rubber items. Simultaneous with this emergency, sources of crude rubber were cut off, with the result that a synthetic rubber industry had to be created and developed. This major industrial achievement has been characterized as a modern, practical miracle.







**SHERMAN H. DALRYMPLE**  
**President, URWA-CIO**

Born in West Virginia in 1889. Began working in Akron rubber plant when 13. Enlisted in the Marines in World War I; cited for gallantry twice; promoted to Lieutenantcy. President of URWA since its formation in 1935. CIO Vice-President. Strong exponent of no-strike pledge. Visited England and France at request of War Department to get close-up of battlefronts. Realizing the critical need for tires and other rubber products by our armies, campaigned with renewed zeal, for full production. Member of original CIO Political Action Committee.

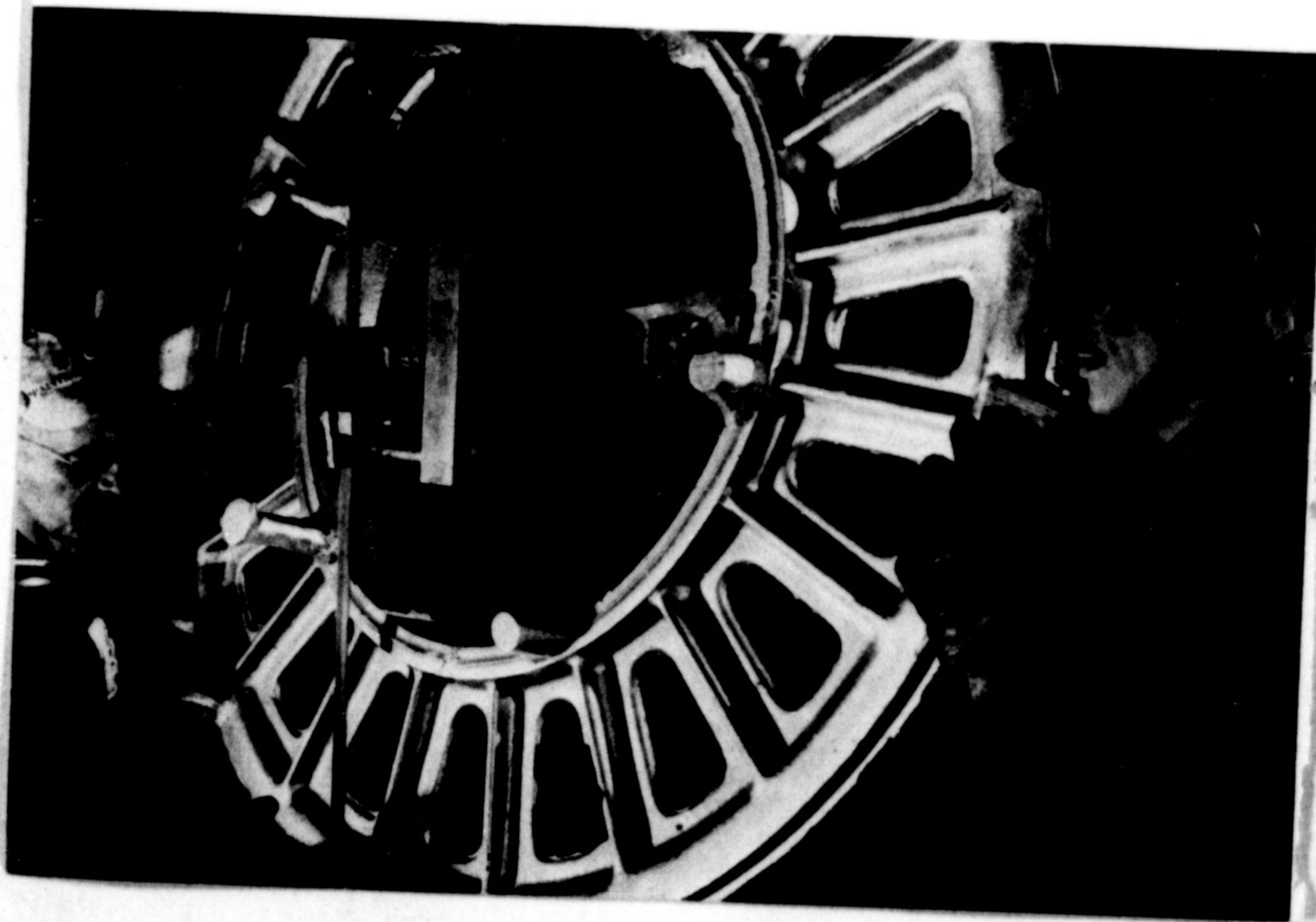


**INTERNATIONAL UNION OF MINE,  
MILL AND SMELTER WORKERS**

Oldest CIO union, organized in 1893 as the Western Federation of Miners. Jurisdiction includes metal mines, mills and smelters of the United States and Canada, fabrication of all non-ferrous metals, and processing of chemicals. Structure of the giant corporations in the metals and chemical industries dictates that the proper bargaining agency for their workers shall be "from the ore to the finished product."

More than 90 percent of all machines, weapons and supplies of war contain parts or materials which have been handled by members of this union. The same is true of production for peace.

International understandings between labor and management among various nations of the world, concerning these industries, will be essential to a lasting peace.







**REID ROBINSON**  
**President, Mine, Mill, Smelter**  
**Workers**

Born in Montana in 1908. Joined AFL's Newsboys' Union in Seattle, at 11. Graduated from Butte high school and started work in the mines in 1926. Elected secretary, Butte Miners Union, 1933; president, local union, 1934-35; delegate, AFL convention, 1935, and to all CIO conventions. International union President since 1936; CIO Vice-President since 1939; fraternal delegate, CTAL Convention, Mexico City, 1941. Very active in supporting the organization of Canadian workers into the international union.



### **NATIONAL MARITIME UNION**

The 90,000 NMU members comprise the overwhelming majority of the unlicensed personnel of American ships. They recognize clearly that all issues are subordinate to the No. 1 job of smashing world fascism. They have kept unbroken their no-strike pledge. They are maintaining an unceasing flow of goods to our allies and our battlefronts. The vital role of the American merchant marine in wartime has been hailed by heads of State and military leaders.

Its role in building world peace and security and in the rehabilitation of devastated areas will be equally vital and will require expansion of our merchant fleet. An imperative prerequisite to the efficient operation of the merchant fleets of all democratic nations is the convening of an international shipping conference to help prevent rate wars, fairly distribute the world's carrying trade, adjust tariff barriers and other problems.







**JOSEPH CURRAN**  
**President, NMU-CIO**

Born on New York's east side in 1906. President of NMU since its inception in 1937; CIO Vice-President since 1941; President, Greater New York Industrial Union Council since 1940; Vice-President, United Seamen's Service; member, War Manpower Commission, New York region.

Author of a weekly column in "The Pilot," official NMU organ, and of many articles and pamphlets, including "Pork Chops and Politics" and "Take the Helm," both of which emphasize the importance of political action by trade unionists.





**ALLAN S. HAYWOOD**  
**CIO Director of Organization**

Born in a coal mining village in England in 1888. Father and three brothers worked in the mines and were members of the Miners' Federation. Entered the mines at 13. Came to Illinois mines in 1906, bringing a transfer card from the British Miners' Federation to the United Mine Workers of America.

Sub-District Vice-President, Sub-District President, District Executive Member, UMW; Vice-President, Illinois State Federation of Labor.

Advisor to URWA-CIO, 1936-7, negotiating their first signed contract with any large rubber company (Firestone Tire and Rubber). Took part in negotiations for UAW-CIO with Dodge, Chrysler and General Motors.

Appointed CIO Regional Director for New York City, 1937. Took part in elections and negotiations for the Transport Workers Union with the IRT, the largest transportation service in the world, to bring about the first closed shop contract in the history of New York's transportation service.

Sub-Regional Director, Steelworkers Organizing Committee; Chairman, Utility Workers Organizing Committee; President, New York State Industrial Union Council; National Director of Organization, CIO, since 1939.

Labor member, Advisory Board, Advisory Commission to the Council of National Defense, 1940; Administrator, United Federal Workers, 1941-4; member, National Review Committee, 1942; CIO Vice-President, since 1942. Chairman, Paper Workers Organizing Committee, 1944; member, United Railroad Workers Organizing Committee, 1944; member, CIO Committee to Protect Rights of Montgomery-Ward Workers.



**JAMES B. CAREY**  
**CIO Secretary-Treasurer**

Born in 1911, in Philadelphia. Educated in St. Theresa's Parochial School, Philadelphia public schools and high school in New Jersey.

First full-time position with Philco radio laboratory, doing continuity testing, trouble shooting, inspecting, balancing, etc., 1929. Evenings, attended Drexel Institute and the University of Pennsylvania, studying engineering, management of industrial enterprise, financial and business forecasting—subjects valuable to understanding obstacles to organized labor.

Active in organizing Federal Labor Union 18368 (Philco); Vice-President, Philadelphia Central Labor Union. Elected national President and delegate by the first convention of AFL local unions in the radio and electrical industry, 1933. Appointed AFL General Organizer for the United States, 1934; resigned, 1935.

Elected President, United Electrical and Radio Workers—the youngest leader, at that time, of a nationwide labor organization, 1936. UE joined the Committee for Industrial Organization, 1936. Elected Secretary of the new parent organization, 1938; re-elected three times. Elected CIO Secretary-Treasurer, 1942.

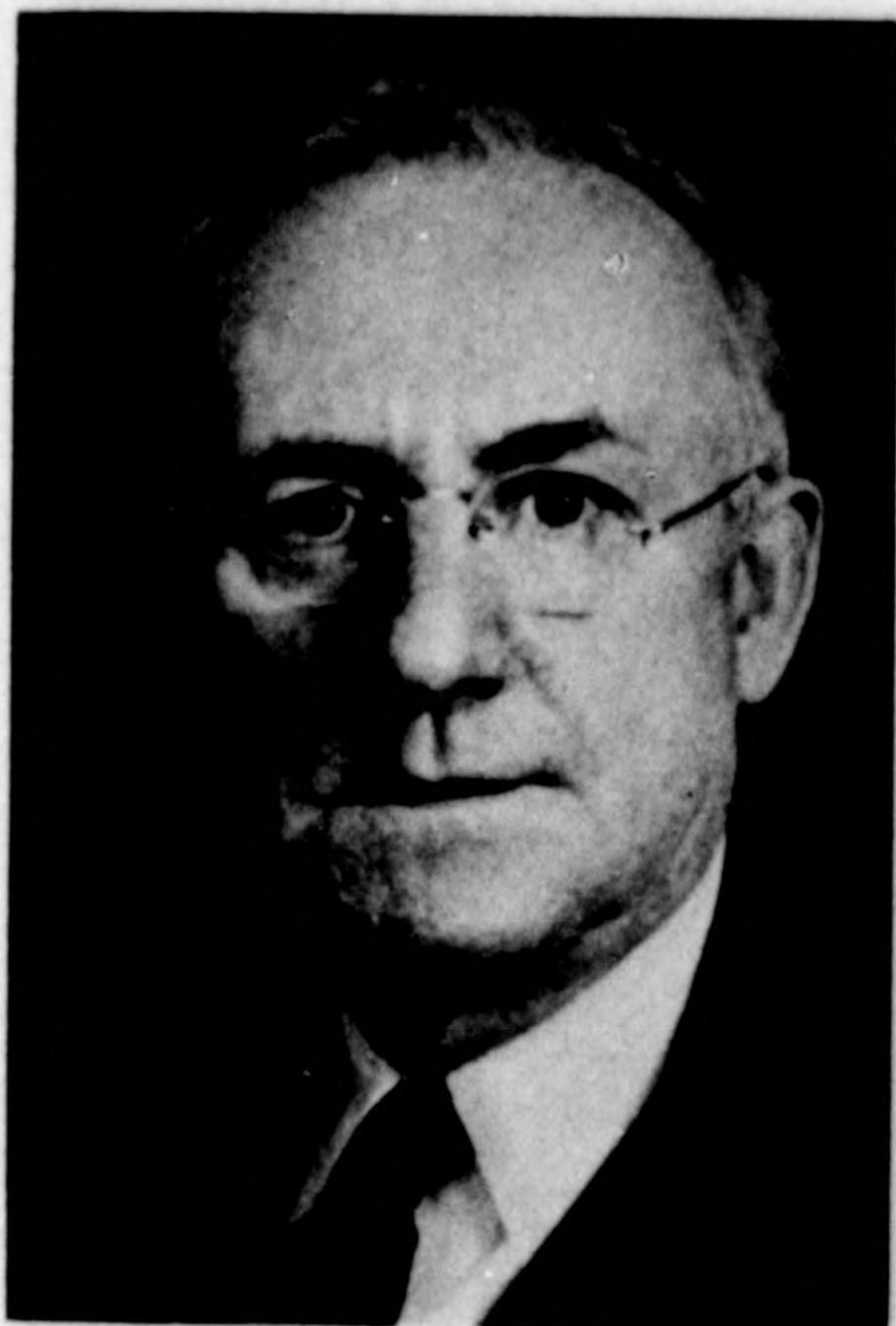
Chairman, CIO Committee on Unemployment, CIO Committee to Abolish Racial Discrimination; Secretary, CIO Legislative Committee.

Labor delegate, International Labour Organization Conference, Havana, Cuba, 1939.

*(Continued on page 34)*







**JOHN BROPHY**  
**Director, Industrial Union**  
**Councils, CIO**

John Brophy was born in St. Helens, Lancashire, England, in 1883, and came to America at the age of 9, settling in Philipsburg, Pennsylvania. He started to work in the mines when he was 12, and joined the United Mine Workers of America in 1899.

Mr. Brophy worked in the mines of Pennsylvania, Iowa, Michigan, and Illinois for a period of 21 years, during which time he was active in local union affairs. He held various local union offices, served on many mine committees, and attended international, district, and sub-district conventions as a delegate. For 10 years he was president of Bituminous District No. 2, UMWA, in central Pennsylvania.

Mr. Brophy was one of the original group that set up the CIO, following the AFL convention in 1935, and was its national director from that date until the end of 1939. He was active in the organization work of the automobile industry in 1937 and 1938, and participated in the negotiations which resulted in the first national agreement with General Motors Corporation.

At the present time Mr. Brophy is Director of CIO Industrial Union Councils, Treasurer of the National CIO War Relief Committee, Chairman of the Missouri Valley Committee of the CIO, a member of the National War Labor Board, and a member of the President's Committee on Fair Employment Practice.





**MICHAEL ROSS**  
Director, Department for  
International Affairs, CIO

Born in 1898 and educated in England. From 1915 to 1919 served in British Army in First World War. After demobilization, continued studies in economics and became an active member of the British Labor Party. After newspaper work which involved extensive travel throughout Europe and several years' residence in France, came to America in 1932. Worked as Research Assistant for the La Follette Civil Liberties Committee, 1936 to 1937, investigating labor spies and strike-breaking agencies. Later became Research Director of the Industrial Union of Marine and Shipbuilding Workers; in 1943 opened their Washington office and served as the Union's Washington Representative. Labor member on the Shipbuilding Stabilization Committee of the War Production Board; labor member on the Shipbuilding Commission, National War Labor Board; served as alternate for President Philip Murray, representing the CIO on the Management-Labor Policy Committee, War Manpower Commission. May, 1945 was appointed Director of the newly established CIO Department for International Affairs.





**LEE PRESSMAN**  
**General Counsel, CIO and**  
**United Steelworkers of**  
**America**

Lee Pressman is at present the General Counsel of the Congress of Industrial Organizations and of the United Steelworkers of America.

Prior to becoming identified with the labor movement, he first engaged in the practice of law in New York City with one of its

largest legal firms. Subsequently he became Assistant General Counsel of the Agricultural Adjustment Administration of the Department of Agriculture. Additional service in the government was performed as General Counsel of the Resettlement Administration, now known as the Farm Security Administration, when Rexford G. Tugwell was Administrator. He also served as General Counsel of the Works Progress Administration.

In 1936 he was named as the first attorney for the Steelworkers Organizing Committee and the CIO. He has spent full time ever since with the CIO and the United Steelworkers of America.

In addition to active participation in important negotiating conferences between the United Steelworkers of America and the steel corporations, the legal work has involved representation on behalf of the CIO before almost all government agencies. In addition he has prosecuted litigation on behalf of labor unions before State and Federal courts testing the legality of anti-labor laws and protecting the interests of labor organizations. In this connection, in recent years, some of the most important opinions of the United States Supreme Court have been made in CIO cases.



#### IV. WHAT CIO BELIEVES IN

CIO believes in the dignity of labor. In order to preserve his dignity, a worker must first be considered as a human being. To protect and expand the rights of human beings is the main goal of CIO.

This task is being approached from many aspects. The immediate urgency is the winning of this war in which the dignity and freedom of all mankind is being challenged. The CIO is totally involved in war production while maintaining its no-strike pledge. Its production has been record-breaking. Over a million of its members are in the armed services, due partly to the age level of the membership.

Meanwhile CIO has championed those on the home front, in its fight for price control, fair tax legislation, wage adjustments, war housing, educational opportunities, etc. It has also led the fight to protect the best interests of veterans on their return.

In planning its program for the post-war, domestic and international aims are seen to be closely inter-related. What CIO believes in for the American worker, it believes in for workers everywhere. This program is being forwarded by the work of a dozen national CIO committees: the Political Action Committee, Veterans Committee, Committee to Abolish Racial Discrimination, Reconversion Committee, Committee on Housing, Committee on Social Security, Cost of Living Committee, Maritime Committee, Missouri Valley Committee, National CIO War Relief Committee, Health and Welfare Committee and the Committee on Latin-American Affairs.

Through the concerted efforts of these committees, of local and national leaders and of the rank and file workers of America, the CIO believes it can and must join with men of good will everywhere in cooperative enterprise in building a truly free world.



**Philip Murray***(Continued from page 11)*

organized; the growing industrialization of the South was accompanied by a growth in CIO membership; millions of dollars of wage increases were won by industrial workers.

The Murray Industry Council Plan, urging labor participation in adequate planning for full production, resulted in the widespread functioning of labor management committees. His challenging Reemployment Plan is gaining nation-wide attention from all quarters as is his demand that workmen receive a guaranteed annual wage.

On problems of reconversion President Murray is a member of the Office of War Mobilization and Reconversion Advisory Board, nominated by the President of the U. S. and confirmed by the Senate.

He was a member of the Pittsburgh Board of Education from 1919 to 1943. Today he is a member, sponsor or director of more than 40 national organizations.

**James B. Carey***(Continued from page 29)*

Appointed member, Production Planning Board, Office of Production Management, by the President of the United States, January, 1941; associate member, National Defense Mediation Board, 1941; member, National War Labor Board from which he resigned in 1942. Selected as one of America's ten outstanding young men, by the U. S. Junior Chamber of Commerce, through its official publication, "Future", 1941.

Member, Committee of Catholics for Human Rights, Free Labor Committee; director, Food for Freedom, National Consumers League; sponsor, National Committee to Combat Anti-Semitism, Union for Democratic Action; labor committeeman, National Planning Association; trustee, National Conference of Christians and Jews; board member, Central Atlantic YMCA; and liaison person with many other government and private organizations and agencies.



**Complete List of CIO Affiliates**

Architects, Engineers, Chemists and Technicians, Federation of	Marine and Shipbuilding Workers of America, Industrial Union of
Automobile, Aircraft, Agricultural Implement Workers of America, United	Maritime Union of America, National
Barbers and Beauty Culturists Union of America	Mine, Mill and Smelter Workers, International Union of
Clothing Workers of America, Amalgamated	Newspaper Guild, American
Communications Association, American	Office and Professional Workers of America, United
Die Casting Workers, National Association of	Oil Workers International Union
Electrical, Radio and Machine Workers of America, United	Optical and Instrument Workers Organizing Committee
Farm Equipment and Metal Workers of America, United	Packinghouse Workers of America, United
Fishermen and Allied Workers of America, International Union of	Paper Workers Organizing Committee
Fur and Leather Workers Union, International	Playthings, Jewelry and Novelty Workers, International Union of
Federal Workers of America, United	Railroad Workers Organizing Committee, United
Food, Tobacco, Agricultural and Allied Workers of America	Retail, Wholesale and Department Store Employees of America, United
Furniture Workers of America, United	Rubber Workers of America, United
Gas, Coke and Chemical Workers of America, United	Shoe Workers of America, United State, County and Municipal Workers of America
Glass, Ceramic and Silica Sand Workers of America, Federation of	United Steelworkers of America
Inlandboatmen's Union of the Pacific	Stone and Allied Products Workers of America, United
Longshoremen's and Warehousemen's Union, International	Textile Workers Union of America
Marine Cooks' and Stewards' Association, National	Transport Service Employees of America, United
Marine Engineers' Beneficial Association, National	Transport Workers Union of America
	Utility Workers Organizing Committee
	Woodworkers of America, International







A HANDBOOK  
on  
**Federal Old-Age and  
Survivors Insurance**

as provided in  
THE SOCIAL SECURITY ACT  
as amended

United States Government Printing Office  
Washington : 1947



A HANDBOOK  
Federal Old-Age and  
Survivors Insurance  
THE SOCIAL SECURITY ACT

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## PURPOSE OF THIS HANDBOOK

THIS HANDBOOK has been prepared for the use of organizations, their officers and representatives, or other persons who may be in a position to guide or assist workers who are or may be covered by the Federal old-age and survivors insurance system. It describes the system and explains who is entitled to benefits. It tells what each worker must do to safeguard his interests and the interests of his family under the system. It also tells how to do these things and where to go for any information not furnished here.

Nothing in these pages is to be understood as having the force of law or regulations. It is merely an explanation of the old-age and survivors insurance system intended to answer questions of importance to the workers and their families who are affected by the law.

There will, of course, be questions that cannot be answered here—questions arising in special cases or under peculiar circumstances. There are also some points of the program that can best be explained in personal interviews with Administration representatives or in correspondence with officers of the Administration.

Therefore, to the users of this handbook, the following suggestions are offered:

1. Keep in touch with the nearest Social Security Administration's field office for any further information or assistance needed. (A list of these offices is given on page 98.)



2. Become familiar with the forms that may be filled out by workers and members of their families in connection with social security accounts or claims, as the case may be.

3. Ask the field office for leaflets or other material that might be useful for distribution to workers or members of their families. This handbook is printed in limited numbers, but short explanations of the program are published by the Social Security Administration in the following pamphlets which are free for general distribution:

"Social Security. A Brief Explanation of the Social Security Act." ISC-1;

"Federal Old-Age and Survivors Insurance." ISC-35.

: 1 :

## THE OLD-AGE AND SURVIVORS INSURANCE SYSTEM

### What It Is

Old-age and survivors insurance for wage earners and their families is provided in the Social Security Act. The original Act, as passed by Congress in 1935, provided for old-age insurance for wage earners only. By amendments in 1939, the old-age insurance system was enlarged to provide benefits for members of the wage earner's family also, after he retires and after his death.

It is a system of social insurance—contributory social insurance—operated by the United States Government. The wage earners who are covered, and the employers of those wage earners, contribute equally to a trust fund out of which benefits are paid.

Insurance payments are based on wages earned on jobs in commerce or industry. The wage earner becomes eligible for monthly insurance payments at age 65, or later, if he has received, on covered jobs, a certain minimum amount of pay in each of a specified number of calendar quarters.

When the wage earner becomes eligible for his monthly payments, his wife also is eligible, if she is 65 years old; if not yet 65, she becomes eligible when she reaches that age. His unmarried children are eligible if they are under 18 years of age.



Upon the death of the insured wage earner, his widow and children or his dependent parents are eligible for monthly or lump-sum insurance payments if they meet certain requirements, which will be explained later. If he has no family, a lump sum may be paid toward funeral expenses.

The Social Security Act Amendments of 1946 added Section 210 to the Act, which provides for survivors' benefits under certain conditions in the cases of deceased veterans of World War II. This special veterans' legislation is not based upon contributory social insurance and the trust fund will be reimbursed by appropriation for the payments made under this section.

Amendments to the Railroad Retirement Act adopted in July of 1946 provide that, beginning January 1, 1947, benefits payable under either the old-age and survivors insurance system or the railroad retirement system to the survivors of a deceased wage earner who had worked under both systems will be based on his combined earnings under the two systems. These new provisions will enable many persons to qualify for benefits, under one or the other system, who could not otherwise have done so, and in some cases will result in the payment of higher benefit amounts than would otherwise have been payable. Moreover, benefits payable under old-age and survivors insurance, which were awarded before January 1, 1947, the effective date of the amendments, may upon application after that date be recomputed to take account of earnings under both systems and will be increased if the earnings record justifies it. Whether a claim for benefits by the survivors

of a wage earner who worked under both systems should be filed with the Bureau of Old-Age and Survivors Insurance or with the Railroad Retirement Board will depend roughly upon the extent to which the deceased worker had been recently employed in the railroad industry.

### How It Operates

The old-age and survivors insurance system is administered by the Social Security Administration and the U. S. Treasury. The Administration's responsibilities, briefly stated, include the keeping of wage records on which benefits are based and the handling of claims for benefits. The Treasury collects the taxes and makes the benefit payments due on claims certified by the Social Security Administration.

#### SOCIAL SECURITY ADMINISTRATION DUTIES

The Administration, through its Bureau of Old-Age and Survivors Insurance, keeps a record of the wages received by all workers on jobs that are covered by the program. To provide the necessary wage records, employers who come under this law are required to report every 3 months the exact amount of wages paid to each person they employ. The Social Security Administration credits each worker's pay as thus reported to the proper social security account, kept under the worker's name and his social security account number.

The Administration assigns a number to each social security account in order to distinguish it from the accounts of other workers with similar



names. The worker is then furnished with a social security account number card, bearing his name and account number, to keep until the time comes to claim benefits. When that time comes, the Social Security Administration adds up the worker's wages—that is, the wages recorded on his social security account—and calculates his benefits on that basis, by a rule contained in the law.

The Administration examines and decides upon all claims for benefits. The claims are received at field offices of the Administration situated throughout the country. (For list and location of field offices, see page 98.) When all the necessary claim documents have been assembled in the field office, they are forwarded to the appropriate area office of the Administration's Bureau of Old-Age and Survivors Insurance. There they are examined and, when found to be correct and proper under the law, are approved by the Administration and certified to the U. S. Treasury for payment.

Claimants who are dissatisfied with decisions are given opportunity (a) for reconsideration by the Bureau; (b) for a local hearing by a referee of the Social Security Administration; and (c) for appeal to the national appeals council of the Administration in Washington. They have also the right to appeal to a Federal court.

#### TREASURY DUTIES

The U. S. Treasury, through its Bureau of Internal Revenue, collects the social security taxes from employers and puts them in the Federal old-age and survivors insurance trust

fund. Employers deduct each worker's tax from his pay and turn it in quarterly to the collector of internal revenue with an equal tax of their own. At the same time they turn in a report that shows each worker's wage and the amount of the workers' taxes.

The tax returns are audited by the Bureau of Internal Revenue. Then the wage reports included in the return are forwarded to the Social Security Administration, where the wages are credited to the workers' respective social security accounts, as already explained.

The old-age and survivors insurance fund is managed by a Board of Trustees which is composed of the Secretary of the Treasury, the Secretary of Labor, and the Commissioner for Social Security.

When claims for benefits have been certified by the Social Security Administration, the Treasury sends out the checks direct to the claimant by mail.

#### What It Is Not

The Federal old-age and survivors insurance system should be distinguished from other programs established by the Social Security Act, such as the public assistance programs and unemployment insurance.

Under the old-age assistance program the State, with the Federal Government sharing the cost, provides monthly allowances to needy old people because of their need. There are programs of this same kind for the needy blind and for dependent children deprived of parental care or support. These three public assist-



ance programs cover men, women, and children who can show evidence that they are in immediate need of assistance. The Federal old-age and survivors insurance system pays benefits only on the basis of wages paid on jobs covered by the law or under the veterans' section, and without regard to the need of the individual beneficiary.

Federal old-age and survivors insurance payments have nothing to do with the amount of unemployment insurance a worker may have received before he retired. Neither are the benefits to any of his family affected by unemployment insurance payments they may have received. Unemployment insurance is a State program, and out-of-work payments come out of State unemployment insurance funds. Old-age and survivors insurance is a Federal program, and benefit payments come out of the Federal old-age and survivors insurance trust fund.

### Important Facts to Remember

It will be useful to keep in mind the following facts about the old-age and survivors insurance program:

1. Benefit payments are based upon the worker's wages from jobs covered by the Social Security Act. (See page 30.) This is true of payments to other beneficiaries as well as to the worker himself. (See page 37.) However, in cases of deceased veterans of World War II, certain minimum benefits may be payable to survivors without regard to wages earned in covered employment. (See page 86.) In addi-

tion, survivors' benefits may be based in part on wages from railroad employment.

2. Benefits are paid only after they have been applied for and the claim established by, or on behalf of, the person entitled to them.

3. Claims must be supported by certain proofs, as explained later. (See page 57.)

4. Payments are made to all persons who qualify for them under the law. To qualify, it is not required that the claimant be in need.

5. Wages count toward benefits only if earned in the United States (including the territories of Alaska and Hawaii), or on or in connection with an American ship, but it is not necessary to be a citizen of the United States to be eligible for benefits. Nor is it necessary to live in the United States in order to receive benefit payments.

6. A person who is entitled to monthly benefits may not receive his payment for any month during which he earns more than \$14.99 in employment covered by the Act. This is not a permanent disqualification but applies only to the months in which he earns such pay. It does not apply if the pay is earned in employment not covered by the Act—for example, public employment, agricultural labor, or in domestic service.

7. When a person who has been receiving old-age benefits loses a monthly payment because of earning more than \$14.99 in "covered" employment during that month, his wife and child also will lose the payments they might otherwise receive for that same month.

8. The widow or the dependent parent of a worker who dies may be eligible for a lump-



sum death benefit immediately upon the death of the worker and at age 65 may become eligible for monthly benefits thereafter.

9. The widow and young children of an insured worker who dies may receive monthly payments.

10. Persons eligible for more than one kind of benefit will automatically receive the larger amount; for example, the widow of an insured worker when she is 65, if she has herself been a wage earner and would be entitled to larger benefits on her own account, will receive the larger amount.

11. A parent who expects to claim monthly benefits when he (or she) reaches age 65 must file proof of dependency upon the worker within 2 years after the latter's death.

12. A wage earner who has already received a lump-sum payment because he reached age 65 in the years 1937, 1938, or 1939, may nevertheless receive monthly benefits if he has the necessary wage credits. His dependents also may receive benefits under those circumstances. But the amount the worker has already received as a lump-sum payment will be deducted from the monthly payments to which he or his family are entitled.

13. Benefit checks are mailed monthly by the Treasury to persons entitled to receive them. They are mailed for delivery about the third day of each month, to cover the preceding month's benefit.

: II :

## WHO MAY RECEIVE BENEFITS

Benefits under the Federal old-age and survivors insurance system are either monthly payments or lump sums.

### Monthly Payments

Monthly benefits are payable to—

1. Workers who have reached the age of 65 and are "fully insured" under the system (as explained later).
2. Wives, at age 65 and over, of workers receiving monthly benefit payments.
3. Children of workers receiving monthly benefit payments, if unmarried and under the age of 18.
4. Widows, at age 65 and over, of workers who died fully insured after December 31, 1939.
5. Widows, at any age, of workers who died either "fully" or "currently" insured (as explained later) after December 31, 1939, provided they are caring for dependent children of those workers.
6. Children of workers who died fully or currently insured after December 31, 1939, if the children are under the age of 18 and unmarried.
7. Parents, at age 65 and over, of workers who died fully insured after December 31, 1939, leaving no widow or child who could ever



become entitled to a monthly benefit on the worker's wage record, provided such parents were chiefly dependent upon the worker for support.

Monthly benefits may be payable to survivors indicated above based upon the death of a World War II veteran who died within 3 years after his discharge or release to inactive duty, provided certain requirements are met. (See Chapter VIII.)

### Lump-Sum Death Payments

Where a worker dies either fully or currently insured, leaving no surviving widow, child, or parent immediately eligible for monthly benefits, a lump-sum death payment may be made.

#### Where Death Occurred Before 1947

If the worker died before January 1, 1947, the lump sum is payable to the following person or persons:

1. Widow or widower.
2. If there is no widow or widower living, then to any child or children of the deceased and to any grandchildren who are entitled to share with the children under the State inheritance laws.
3. If there is no widow, widower, child, or grandchild, then to the parents of any age.
4. If none of the above is living, other persons who may be equitably entitled by reason of having paid the worker's burial expenses. Lump-sum payments may go to the worker's estate.

#### Where Death Occurred After 1946

If the worker died after December 31, 1946, the lump sum is payable as follows:

1. Widow or widower who was living with the worker at the time of his death.
2. If there is no widow or widower, or if the widow or widower was not living with the worker, the lump sum may be paid to any persons who are equitably entitled by reason of having paid the worker's burial expenses. Lump-sum payments may go to the worker's estate.

These provisions are also applicable to persons eligible for a lump-sum payment by reason of the death of a veteran of World War II.



When Death Occurred After 1945

: III :

### ELIGIBILITY FOR BENEFITS

#### Requirements for the Wage Earner

A wage earner's eligibility for old-age insurance benefits depends upon his age, the kind of jobs he has had, and the amount of pay he has received in given periods of time. To receive his benefits, however, he must apply for them—that is, he must file his claim at a Social Security Administration office.

Specifically the requirements are:

#### AGE

The worker must be 65 years old or more. If he reaches age 65 without being able to fulfill all the requirements, he may become eligible at any later age when he does fulfill them.

#### KINDS OF JOBS COVERED

The wage earner must have worked on the kind of job or jobs covered under the Social Security Act as indicated below.

In general, "covered employment" includes work in a factory, mill, mine, shop, store, office, or other place of commerce or industry, including jobs in building construction and maintenance, in cafeterias and restaurants, in commercial fisheries, and after December 31, 1939, on American ships.

The size of the business or the employing organization—that is, the number of persons

on the pay roll—makes no difference. The job is covered even if there is only one employee on the pay roll.

#### KINDS OF JOBS NOT COVERED

Jobs not covered by the old-age and survivors insurance system may be classified as follows:

1. Domestic service in a private home.
2. Casual labor not in the course of the employer's trade or business; but employment by a corporation is not considered casual labor.
3. Self-employment—independent contractors.
4. After December 31, 1939, employment of an individual by his son, daughter, or spouse, or of a child under 21 years old by his parent.
5. Employment by a government or instrumentality of a government, domestic or foreign (Federal, State, county, city).
6. Employment by nonprofit institutions organized for religious, charitable, scientific, literary, or educational purposes.
7. Railroad employment. (There is a separate retirement system for railroad employment.) (For exceptions, see page 2.)
8. Work for an organization that is exempt from Federal income tax if the pay does not exceed \$45 a calendar quarter, or the work is the collection of dues away from the home office, or is performed by a student. Employment by most voluntary employees' beneficial associations, or an agricultural or horticultural association without regard to the amount of pay.



earner's account, but provides for survivors' insurance protection during the period the veteran is reestablishing himself in civilian employment. Any retirement benefits that may become payable to the veteran himself will be based solely upon wages earned in "covered employment" and the "quarters of coverage" referred to above.

#### If the Worker Reached 65 Before 1939

If the worker reached age 65 before 1937, he can count quarters of coverage only for employment after January 1, 1939.

If he reached age 65 during 1937 or 1938, he can count quarters of coverage for employment after January 1, 1939, and, in addition, for employment between January 1, 1937, and the date he reached age 65.

**Example.**—A man who became 65 years old on May 4, 1938, had worked regularly and received wages of \$25 a week from January 2, 1937, to February 15, 1938. He did not work again after that date until April 1, 1939, when he went back to his old job at the same rate of pay and worked until November 15, 1939. After that date he retired.

This man has 8 quarters of coverage—4 in 1937, 1 in 1938, and 3 in 1939. As shown in the table, the required number of quarters under these circumstances is 6; therefore, this man is fully insured and eligible for benefits.

#### If Wages Are More Than \$3,000 a Year

There is a limit upon the wages credited to any one person for old-age and survivors insurance benefit purposes—a limit of \$3,000 received in a year. This provision applies to *total* earnings of \$3,000 or more *received* in a

year, no matter whether from one or more employers. In such cases, however, if \$3,000 or more has been received in less than 4 quarters of a year, each quarter of that year following the first quarter of coverage counts as a quarter of coverage, except the quarter in which the wage earner dies or becomes entitled to benefits, and the succeeding quarters in that calendar year.

For the years 1937, 1938, and 1939, not more than \$3,000 *earned* in a year with *each* employer can be credited as wages, even though the excess was not actually paid until the following year. For the years 1940 to 1946, inclusive, not more than \$3,000 earned in any of these years may be credited regardless of the number of employers or the amount of total earnings in such year.

### Requirements for the Wife

When a worker begins to receive monthly benefits, at age 65 or after, monthly benefits are payable also to his wife if she meets the following requirements, and if she makes application:

#### AGE

The wife must be 65 years old or more.

If less than 65 at the time her husband begins to receive monthly benefits, she may become eligible as soon as she reaches age 65.

#### LEGAL STATUS

The wife must be living with her husband. She is considered to be living with him if they



9. Employment as student nurse or interne.

10. Fishing and fish culture, except commercial salmon and halibut fishing or work on or in connection with a vessel of more than 10 net tons.

11. Work as newsboys by persons under 18 years of age.

12. Agricultural labor.

13. Employment on non-American vessels if employed when outside the United States.

#### WAGE QUALIFICATIONS

To be eligible for benefits, the worker must have received, in covered employment, wages of at least \$50 in each of a minimum number of calendar quarters. A calendar quarter is a period of 3 consecutive calendar months beginning January 1, April 1, July 1, or October 1. Calendar quarters in which the worker received \$50 or more in covered employment are called "quarters of coverage."

When the worker has the required minimum number of quarters of coverage, he is "fully insured."

In general, the number of quarters of coverage required for a worker to be fully insured is one-half the number of calendar quarters from the first of the year 1937 (when the old-age and survivors insurance system began to operate) to the beginning of the quarter in which he reached age 65. There must be at least 6 quarters of coverage in any case.<sup>1</sup> With

<sup>1</sup>This minimum of 6 calendar quarters applies in the case of persons who reached age 65 before July 1, 1940, and most of those who are 24 years of age or younger.

40 quarters of coverage or more a worker is fully insured as long as he lives. The following table shows the number of quarters of coverage required, according to the date when the worker reached 65.

If the worker reaches age 65—	The required number of quarters is—
Before July 1, 1940.....	6
July 1 to December 31, 1940.....	7
January 1 to June 30, 1941.....	8
July 1 to December 31, 1941.....	9
January 1 to June 30, 1942.....	10
July 1 to December 31, 1942.....	11
January 1 to June 30, 1943.....	12
July 1 to December 31, 1943.....	13
January 1 to June 30, 1944.....	14
July 1 to December 31, 1944.....	15
January 1 to June 30, 1945.....	16
July 1 to December 31, 1945.....	17
January 1 to June 30, 1946.....	18
July 1 to December 31, 1946.....	19
January 1 to June 30, 1947.....	20
July 1 to December 31, 1947.....	21
January 1 to June 30, 1948.....	22
July 1 to December 31, 1948.....	23

The quarters of coverage do not have to be consecutive, but the total number must be at least as great as the number shown in the table.

Since the old-age and survivors insurance program did not become effective until January 1, 1937, no period before 1937 can be counted as a quarter of coverage.

A veteran of World War II may be deemed fully insured for a period of 3 years immediately following his discharge or release to inactive duty, irrespective of the nature of his employment or lack of the required number of quarters of coverage. The veterans' legislation does not provide for wage credits to the wage



earner's account, but provides for survivors' insurance protection during the period the veteran is reestablishing himself in civilian employment. Any retirement benefits that may become payable to the veteran himself will be based solely upon wages earned in "covered employment" and the "quarters of coverage" referred to above.

**If the Worker Reached 65 Before 1939**

If the worker reached age 65 before 1937, he can count quarters of coverage only for employment after January 1, 1939.

If he reached age 65 during 1937 or 1938, he can count quarters of coverage for employment after January 1, 1939, and, in addition, for employment between January 1, 1937, and the date he reached age 65.

**Example.**—A man who became 65 years old on May 4, 1938, had worked regularly and received wages of \$25 a week from January 2, 1937, to February 15, 1938. He did not work again after that date until April 1, 1939, when he went back to his old job at the same rate of pay and worked until November 15, 1939. After that date he retired.

This man has 8 quarters of coverage—4 in 1937, 1 in 1938, and 3 in 1939. As shown in the table, the required number of quarters under these circumstances is 6; therefore, this man is fully insured and eligible for benefits.

**If Wages Are More Than \$3,000 a Year**

There is a limit upon the wages credited to any one person for old-age and survivors insurance benefit purposes—a limit of \$3,000 received in a year. This provision applies to *total* earnings of \$3,000 or more *received* in a

year, no matter whether from one or more employers. In such cases, however, if \$3,000 or more has been received in less than 4 quarters of a year, each quarter of that year following the first quarter of coverage counts as a quarter of coverage, except the quarter in which the wage earner dies or becomes entitled to benefits, and the succeeding quarters in that calendar year.

For the years 1937, 1938, and 1939, not more than \$3,000 *earned* in a year with *each* employer can be credited as wages, even though the excess was not actually paid until the following year. For the years 1940 to 1946, inclusive, not more than \$3,000 earned in any of these years may be credited regardless of the number of employers or the amount of total earnings in such year.

**Requirements for the Wife**

When a worker begins to receive monthly benefits, at age 65 or after, monthly benefits are payable also to his wife if she meets the following requirements, and if she makes application:

**AGE**

The wife must be 65 years old or more. If less than 65 at the time her husband begins to receive monthly benefits, she may become eligible as soon as she reaches age 65.

**LEGAL STATUS**

The wife must be living with her husband. She is considered to be living with him if they



are members of the same household, or if she is receiving regular contributions from him toward her support, or he is under court order to contribute to her support.

The wife must either (1) be the mother of a child of the wage earner, or (2) have been married to him for at least 36 months before the month in which his application is filed. If she meets neither of these requirements at present, she may become eligible 36 months after the marriage.

On the worker's death, payments to him and his wife are discontinued, but she may then be eligible to receive a widow's benefit. For this she must make a new application.

### Requirements for the Child

The child of a worker who is receiving old-age insurance benefit payments is eligible for monthly payments if the child meets the following requirements:

#### AGE

The child must be under 18 years of age.

#### LEGAL STATUS

The term "child" means a child of the worker in the ordinary sense. In the case of an illegitimate child, or a child born of a bigamous marriage, his rights under the Act depend on his capacity to inherit from the worker under State law. The term "child" also includes the worker's legally adopted child by an adoption that has been in effect for at least 36 months, and the worker's stepchild by a

marriage that has existed for at least 36 months. A legally adopted child or stepchild who does not at present meet these requirements may become eligible later when the 36-month requirement is met.

The child must be unmarried.

#### DEPENDENCY

In order to be eligible for benefits, the child must be dependent upon the worker at the time the application is filed.

The child is considered dependent upon his natural father if the father is living with or contributing to the support of the child. Even if the father is not living with the child or contributing to his support, the child, if legitimate, is considered dependent upon his father unless the child is living with and being chiefly supported by his stepfather or has been adopted by some other person.

An adopted child is considered dependent upon his adopting father under the same conditions as those which apply to a father and his natural child.

A child is considered dependent upon a stepfather only if such child is not living with his own father or adopting father and is not receiving contributions toward his support from either of them.

If the wage earner is a woman, the child's benefits may be payable to her child or adopted child or stepchild if such child is considered dependent upon her. However, a child is considered dependent upon the mother, adopting mother, or stepmother, only if such child is not living with his father or adopting father



are members of the same household, or if she is receiving regular contributions from him toward her support, or he is under court order to contribute to her support.

The wife must either (1) be the mother of a child of the wage earner, or (2) have been married to him for at least 36 months before the month in which his application is filed. If she meets neither of these requirements at present, she may become eligible 36 months after the marriage.

On the worker's death, payments to him and his wife are discontinued, but she may then be eligible to receive a widow's benefit. For this she must make a new application.

### Requirements for the Child

The child of a worker who is receiving old-age insurance benefit payments is eligible for monthly payments if the child meets the following requirements:

#### AGE

The child must be under 18 years of age.

#### LEGAL STATUS

The term "child" means a child of the worker in the ordinary sense. In the case of an illegitimate child, or a child born of a bigamous marriage, his rights under the Act depend on his capacity to inherit from the worker under State law. The term "child" also includes the worker's legally adopted child by an adoption that has been in effect for at least 36 months, and the worker's stepchild by a

marriage that has existed for at least 36 months. A legally adopted child or stepchild who does not at present meet these requirements may become eligible later when the 36-month requirement is met.

The child must be unmarried.

#### DEPENDENCY

In order to be eligible for benefits, the child must be dependent upon the worker at the time the application is filed.

The child is considered dependent upon his natural father if the father is living with or contributing to the support of the child. Even if the father is not living with the child or contributing to his support, the child, if legitimate, is considered dependent upon his father unless the child is living with and being chiefly supported by his stepfather or has been adopted by some other person.

An adopted child is considered dependent upon his adopting father under the same conditions as those which apply to a father and his natural child.

A child is considered dependent upon a stepfather only if such child is not living with his own father or adopting father and is not receiving contributions toward his support from either of them.

If the wage earner is a woman, the child's benefits may be payable to her child or adopted child or stepchild if such child is considered dependent upon her. However, a child is considered dependent upon the mother, adopting mother, or stepmother, only if such child is not living with his father or adopting father



and is not receiving contributions toward his support from either of them.

If the child is entitled to benefits on the basis of more than one person's wages, the child's benefit will be based on the wages of the worker whose primary benefit is largest.

Payments to a child do not cease upon the death of the wage earner. They continue until the child reaches age 18 (See page 18), or marries, or dies, or is adopted by someone other than a stepparent, grandparent, aunt, or uncle, after the worker's death.

### Requirements for Survivors

The survivors of a wage earner are eligible for insurance payments if he was fully insured and if they meet certain requirements as to age and family relationships. A widow and children are eligible not only if the worker was "fully insured" but also if he was "currently insured."

The survivors of a veteran of World War II who died within 3 years after his discharge or release to inactive duty may be eligible for insurance payments based upon a deemed fully insured status, depending upon the veteran's length of service and type of discharge, if the survivors meet the necessary requirements as to age and family relationships.

To be "fully insured," he must have the necessary "quarters of coverage" at the time of his death. In other words, he must have received, up to that time, at least \$50 in wages in each of a certain number of calendar quarters—that is, in 40 or more quarters, or in each of

half as many quarters as passed between January 1, 1937, when this Government insurance system began (or the time he became 21 years old, if that was later) and the quarter of his death. He must, in any case, have at least 6 quarters.

To be "currently insured" at the time of his death, he must have received wages of not less than \$50 in each of 6 or more quarters during the period consisting of the quarter in which he died and the 12 calendar quarters immediately preceding such quarter.

**Example of "currently insured."**—A young man who was 35 years old on November 22, 1944, worked in July, August, and September 1944, and received wages of \$20 a week. He was unemployed until June 1, 1945, then worked on a covered job at \$30 a week until his death on October 13, 1946.

His quarters of coverage include 1 for 1944, 3 for 1945, and 4 for 1946—making 8 quarters of coverage in all. But he is not "fully insured," because for that he needs 19 quarters of coverage.

He is, however, "currently insured," and his surviving widow and children are entitled to monthly benefit payments, because he received wages of at least \$50 in each of 6 or more quarters of the prescribed 13-quarter period.

### REQUIREMENTS FOR WIDOW

A widow is eligible for monthly benefit payments if all of the following requirements are met, whether or not she has minor children of the deceased worker in her care:

1. The husband must have died after December 31, 1939, and must have been fully insured at the time of his death, as explained on pages 14 and 20.



2. The widow must be 65 years old or more. If she was under 65 at the time of the husband's death, she may become eligible for monthly benefits when she reaches 65.

3. She must not have married again.

4. She must have been living with her husband at the time of his death. She is considered to have been living with him—

(a) if they were members of the same household at the time of his death, or

(b) if she was receiving regular contributions from him toward her support at such time, or

(c) if he was under court order to contribute to her support.

5. She must (a) have been married to the deceased worker at least 12 complete calendar months prior to the month of his death, or (b) she must be the mother of his child.

#### REQUIREMENTS FOR WIDOW WITH CHILDREN

The widow of an insured worker who has a child or children of his in her care is eligible for monthly benefit payments regardless of her age, until the youngest child is 18 years old. These are called "widow's current benefits," and are payable if the following requirements are met:

1. The husband must have died after December 31, 1939, and must have been either fully or currently insured at the time of his death, as explained on pages 14, 20, and 21.

2. The widow must have in her care one or more children of the deceased worker entitled to child's benefits.

3. She must not have married again.

4. She must have been living with her husband at the time of his death. She is considered to have been living with him—

(a) if they were members of the same household at the time of his death, or

(b) if she was receiving regular contributions from him toward her support at such time, or

(c) if he was under court order to contribute to her support.

5. She must (a) have been married to the deceased worker at least 12 complete calendar months prior to the month of his death, or (b) she must be the mother of his child.

#### REQUIREMENTS FOR CHILDREN OF DECEASED WORKERS

The children of workers who died after December 31, 1939, may receive monthly benefit payments if all the following requirements are met:

1. The worker must have been either fully or currently insured at the time of his death, as explained on pages 14, 20, and 21.

2. The child must be under the age of 18.

3. The child must be unmarried.

4. The child must have been dependent upon the worker at the time of the worker's death.

If the child was receiving monthly insurance benefits because the worker had retired, he will continue to receive the payments without further application.



**Legal Status**

The term "child" means a child of the worker in the ordinary sense. In the case of an illegitimate child, a child of a bigamous marriage, or a child adopted by some other person, his rights under the Act depend on his capacity to inherit from the worker under State law.

The term "child" also includes a child legally adopted by the worker at least 12 full calendar months before the month in which he died, and a stepchild of the worker by a marriage contracted at least 12 full calendar months before the month in which he died.

**Dependency**

A child is considered dependent upon his natural father if the father at the time of his death was living with or contributing to the support of the child. Even if the father was not living with or contributing to the child's support, the child, if legitimate, is considered dependent upon his father unless living with and chiefly supported by his stepfather or adopted by some other person.

A child is considered dependent upon his adopting father if the adopting father at the time of his death was living with or contributing to the support of the child. Even if the adopting father was not living with or contributing to the child's support, the child is considered dependent upon his adopting father unless living with and chiefly supported by his stepfather or adopted by any other person.

A child is considered dependent upon his stepfather at the time of the latter's death

only if at that time the child was *not* living with his father or adopting father and was *not* receiving contributions toward his support from either of them.

If the deceased worker was a woman, the child's benefits may be payable to her child or adopted child or stepchild if such child is considered to have been dependent upon her. But a child is considered dependent upon the mother, adopting mother, or stepmother only if at the time of her death such child was *not* living with his father or adopting father and was *not* receiving contributions toward his support from either of them.

If the child is entitled to benefits on the basis of wages of more than one person, the child's benefit will be based upon the wages of the worker whose primary benefit is largest.

**REQUIREMENTS FOR PARENTS**

Parents of workers who died after December 31, 1939, may be eligible for monthly benefit payments if the following requirements are met:

1. The worker must have been fully insured at the time of his death (see pages 14 and 20).
2. The worker must not have left a widow or child who could ever qualify for monthly benefits on the worker's wage record.
3. The parent must have attained the age of 65. If the parent is under 65 at the time of the worker's death, he may become eligible for monthly benefits upon reaching age 65.



4. The parent must be chiefly dependent upon and supported by the worker at the time of the worker's death and must file proof of such dependency and support within 2 years of such death.

5. The parent must not have married since the worker's death.

The term "parent" is used in the ordinary sense. It also includes a stepparent by a marriage contracted before the worker attained the age of 16. It includes an adopting parent if the adoption occurred before the worker was 16.

When there is more than one worker with respect to whose wages the parent would be entitled to receive an insurance benefit, such benefit will be based upon the wages of the worker whose primary benefit is largest. For example: a widowed dependent mother who at age 65 might be eligible for benefits on account of her husband's wages and also a deceased daughter's wages would receive the larger benefit.

#### LUMP-SUM DEATH PAYMENTS

Upon the death of a worker, a lump-sum death payment may be made, if all the following requirements are met:

1. The worker must have been either fully or currently insured at the time of his death, as explained on pages 14, 20, and 21.

2. There must be no widow, child, or parent who, upon filing application in the month of death, would immediately be entitled to monthly benefit payments. The fact that

the monthly benefits may be withheld, because of the provisions for suspension of benefits, is immaterial.

3. Claim for the lump-sum death payment must be made within 2 years after the death of the person with respect to whose wages the lump sum is payable, with the following exceptions:

- a. Where the claimant is a serviceman, or the heir of a serviceman, the 2-year period is suspended by the Soldiers' and Sailors' Civil Relief Act for the period of military service.
- b. Where the worker died outside the United States after December 6, 1941, and before August 10, 1946, the period for filing an application is extended through August 9, 1948.

#### Where Death Occurred Before 1947

If the worker died before January 1, 1947, the lump sum is payable to the following person or persons:

1. Widow or widower.
2. If there is no widow or widower living, then to any child or children of the deceased, and to any grandchildren who are entitled to share with the children under the State inheritance laws.
3. If none of the persons above-mentioned are living, then to the parents of the deceased.
4. If neither the parents nor others mentioned above are living, the lump-sum death payment may be made to any other person



equitably entitled to it because of having paid the burial expenses of the deceased.

**Where Death Occurred After 1946**

If the worker died after December 31, 1946, the lump sum is payable as follows:

1. Widow or widower, if living with the worker at the time of his death.

A widow is considered to have been living with her husband at the time of his death if:

- a. They were members of the same household, or
- b. She was receiving regular contributions from him toward her support, or
- c. He was under a court order to contribute to her support.

A widower is considered to have been living with his wife at the time of her death only if they were members of the same household at that time.

2. If there is no widow or widower, or if the widow or widower was not living with the worker, the lump sum may be paid to those persons who are equitably entitled to it because they paid burial expenses. A widow or widower may be equitably entitled even though not living with the worker at the time of death.

**Who May Be Equitably Entitled**

If there is no one entitled to the lump sum by reason of relationship, the person who paid burial expenses may ordinarily receive the lump sum. If the burial expenses were paid by more than one person, the lump-sum payment

will be divided between them proportionately. No one can receive more than he paid.

If burial expenses were paid by the worker's estate, the lump sum may be paid to a legal representative of the estate. If there is no legal representative for the estate, the amount due the estate may, under certain conditions, be paid to any individual who paid part of the burial expenses or to a close relative of the worker.

Organizations that are contractually obligated to pay burial expenses, or that customarily do so—that is, unions or fraternal societies—cannot be equitably entitled to the lump sum. In such cases, however, the lump sum may usually be paid to the person named as beneficiary under the contract or to the worker's estate.

Federal governmental agencies cannot be entitled, but State or municipal agencies may be.



## BENEFIT PAYMENTS

### How to Calculate Payments

The method of calculating benefit payments under the old-age and survivors insurance program is explained here, but the exact amount of the payment to any particular claimant can be calculated only by the Social Security Administration when the claim is filed.

A worker can figure out roughly for himself, however, the approximate amount of his monthly payments, on the basis of his usual pay and the time he has worked or expects to work before he is 65. He can tell in the same way about what his wife's or children's payments may be, or about what his widow would receive in the event of his death.

#### OLD-AGE INSURANCE PAYMENTS TO THE WORKER

The old-age insurance payments a worker receives are related to his average monthly wage. Family benefits are based upon the worker's monthly benefit. Therefore, the worker's old-age insurance payment is called the "primary benefit."

There are two steps in the calculation of the primary benefit:

1. Computing the worker's average monthly wage.
2. Computing his primary benefit, based on his average monthly wage.

#### Average Monthly Wage

As a general rule, the average monthly wage is determined by dividing the total wages paid to the worker by the total number of months after 1936 but before the quarter he attained age 65 or died.

Specifically, this rule may be stated as follows: Add up all the wages a worker has received from jobs covered by the law from the time it went into effect on January 1, 1937, to the beginning of the calendar quarter in which he becomes 65 or dies. Then divide this total amount of wages by the total number of months in that same period of time, including any intervals in which he was not in covered employment or was unemployed. The wages in the quarter in which he died, or in the quarter in which he became 65, are not counted, nor are the months in that quarter counted.

That general rule applies in most cases, but there are some specific exceptions applying in particular circumstances:

#### For Workers Who Reached Age 65 Before 1939

There is a special rule for these older workers because the change in the law allowing credit for wages earned after age 65 goes back only to January 1, 1939.

If the worker reached age 65 before January 1, 1937, when the system first went into effect, his average monthly wage will be computed from the beginning of January 1, 1939.

If he reached age 65 in 1937 or 1938, the total wages counted will be his wages received in covered employment from January 1, 1937, to



the date he attained age 65, plus his wages from January 1, 1939, on. The *months* between the end of the quarter in which he reached age 65 and the first of January 1939 will not be counted.

**Example.**—"A" has received a regular salary of \$100 a month, payable on the last day of the month, since the beginning of 1937. He reached age 65 on September 1, 1938. He continued to work at the same job and salary until he retired and filed application for benefits on March 1, 1940.

"A's" total wages are \$3,200—\$1,200 in 1937, \$800 in 1938 (service performed after age 65 prior to 1939 is not included), and \$1,200 in 1939. (Wages in the quarter in which his claim comes due are not counted in the total.) The number of quarters that count is 11: 4 in 1937, 3 in 1938, and 4 in 1939. The number of months is therefore 33, and "A's" average monthly wage is \$96.97.

**For Workers Who Reached Age 22 On or After January 1, 1937**

To calculate the average monthly wage of a worker who reached age 22 after the law first went into effect, count all his wages from the beginning of 1937, but in counting the months by which to divide, leave out the months in any quarter before he reached age 22 in which he was paid less than \$50.

**Example.**—"B" is paid wages of \$15 a month during 1937 and up to January 1938, at which time his wages are increased to \$50 a month. He reached age 22 on October 7, 1937. He continued to receive wages of \$50 a month until his death on June 15, 1940.

The total wages are \$1,530, including \$180 in 1937, \$600 in 1938, \$600 in 1939, and \$150 in 1940. The number of quarters to count is 10: 1 in 1937, 4 in 1938, 4 in 1939, and 1 in 1940. The number of months is 30, and "B's" average monthly wage is \$51.

**For Workers Who Earn More Than \$3,000 a Year**

For the years 1937, 1938, and 1939, earnings up to \$3,000 a year from each employer were counted as wages under the system. For the years 1939 through 1946, however, only a total of \$3,000 *earned* in any year is counted toward benefits, regardless of whether the worker had one or more than one employer. After December 31, 1946, only earnings up to \$3,000 that are *paid* in a year are counted toward benefits and the year in which *earned* is not material.

**Example.**—"C" received \$3,500 a year from each of two employers, or a total of \$7,000 a year, from the time the program first went into effect in 1937. "C" attained age 65 and retired in January 1947, after 10 years at that same salary. His total wage credits would be \$6,000 (\$3,000 from each employer) for 1937, 1938, and 1939, and \$3,000 for each year from 1940 through 1946. Thus, he would be credited with a total of \$39,000 in wages for the 10 years. Dividing this amount by 120, which is the number of months in the period, gives \$325 as the average monthly wage. All that can be counted toward the computation of benefits, however, is \$250 of the average monthly wage.

**For Workers Who Continue to Work After Reaching Age 65**

Earnings after age 65 may be counted also in figuring the average monthly wage if by including the additional earnings and the additional months that have elapsed the average monthly wage would be increased.

**Example.**—"A" attained age 65 on April 1, 1942. His total wages from January 1, 1937, to April 1, 1942, (63 months) were \$4,725 making his average monthly wage \$75. "A" continued to work until October 1, 1946, and was paid additional wages of \$6,975. Including the additional wages and the additional months (54) would increase "A's" average monthly wage to \$100. (\$11,700



divided by 117 months.) "A's" average monthly wage for benefit purposes is, therefore, \$100.

#### For Deceased Veterans of World War II

An average monthly wage of at least \$160 is provided by law to insure a minimum level of benefits in the cases of deceased veterans of World War II who died within 3 years after discharge or release to inactive duty. If the veteran was insured on the basis of his wage record and had a higher average monthly wage on his wage record, the wage record will be used.

**Example.**—"D," who was 25 years old in 1937, received \$1,500 a year ever since the program first went into effect in 1937, until he entered the armed forces on January 2, 1943. He was discharged on January 15, 1946, and died on March 10, 1946. Thus his wage record is credited with a total of \$9,000 in wages. Dividing this amount by 108, which is the number of months in the period, gives \$83.33 as the average monthly wage, which will be increased to \$160. If "D" had received \$3,000 annually for the same period, the general rule would be applied, which would result in a higher average monthly wage of \$166.67.

#### Eligible Workers Should File Claim When Unemployed

A worker after reaching age 65 should get in touch with the nearest Social Security Administration field office as soon as he becomes unemployed or when his earnings in covered employment drop as low as \$14.99 per month. He should do this even if he does not intend to retire permanently. Delay in filing application for any reason, even a disabling illness, may cause a loss of benefits.

No advantage will result, however, from filing an application before the worker's earnings

fall to \$14.99 or lower in any month. An amendment to the law effective in August 1946 gives the worker the highest benefit rate payable under the law on his wage record even though application is not filed when his earnings are at their highest average rate.

If a worker returns to work at a higher average rate of pay for a sufficient period of time, after filing, the additional earnings will be included to increase his average monthly wage and, therefore, his benefits. However, he must file an additional claim for the increase when he stops working.

#### Recomputation of Benefits

Before August 10, 1946, the amount of a retired worker's primary benefit could be computed only as of the date he filed application or he died. Thus, a delay in filing application after becoming eligible had the effect of reducing the amount of the primary benefit where the worker's average monthly earnings in covered employment after he became eligible were lower than before he became eligible. On August 10, 1946, the law was changed to permit computation of the primary benefit as if application had been filed in the quarter that would yield the highest benefit rate. A worker may, therefore, have his benefits calculated upon application so as to receive the highest rate allowable under the law on the basis of his wage record. If the benefit rate of a survivor of a worker who was eligible before his death has not been computed under the 1946 amendments, the survivor may have his benefits recomputed upon application.



The increased rate in either case will begin with the month of application for recomputation and will not be paid for back periods.

**"Primary Benefit"**

After the average monthly wage is determined, the monthly primary benefit is computed from it. This is done as follows:

1. Take 40 percent of the first \$50 of average monthly wage and add to it 10 percent of the remainder up to \$200;

2. Add 1 percent of the sum thus obtained for each year in which the worker was paid as much as \$200 of wages in covered employment. The sum of these figures is the amount of the monthly primary benefit. (In the case of a deceased veteran, this rule applies only if he had insured status on the basis of his wage record.)

3. In computing the primary insurance benefit in cases of deceased veterans of World War II, also add 1 percent for each calendar year in which the veteran had 30 days or more of active service after September 16, 1940. Not more than 1 percent may be given for the same calendar year under "2" and "3."

**Example.**—"D's" average monthly wage is \$100, and he has been earning that amount or more steadily on a covered job for 4 years before he qualifies for benefits. His primary benefit would be computed as follows: 40 percent of the first \$50 of the average monthly wage, or \$20, plus 10 percent of the remaining \$50 of average monthly wage, or \$5, making a total basic amount of \$25. This will be increased 4 percent or \$1 because he has earned at least \$200 in wages in each of 4 years. His total monthly benefit, or primary benefit, is therefore \$26.

**Minimum Primary Benefit**

If the primary benefit computed according to the above rule is less than \$10, the benefit will be raised to \$10 a month.

**Example.**—"E" works in covered employment for only 4 months of each year over a 5-year period and earns \$60 a month in that period. His average monthly wage from covered employment is, therefore, \$20 a month. His primary benefit on this basis would come to \$8.40 a month, but he would receive \$10, and any benefits payable to his family would be based on the \$10.

**FAMILY BENEFITS**

The amount of the monthly benefit payments to members of the worker's family depends upon the amount of his "primary benefit." This, as already explained, is the amount the insured worker receives when he retires, or the amount his wage credits yield when he dies.

The monthly payment to a wife or to the child of a retired worker is one-half the amount of his primary insurance benefit.

The monthly payment to a widow is three-fourths the amount of her husband's primary benefit.

The monthly payment to an orphaned child is one-half as much as his parent's primary benefit; to a dependent parent at age 65 it is the same.

**Examples.**—"F" has a wife over age 65 and a child aged 15. "F" is entitled to a primary benefit of \$28. Therefore, his wife is entitled to a wife's benefit of \$14. If he should die before his wife dies, she could file an application for a widow's benefit and receive \$21 a month. "F's" child is entitled to a child's benefit of \$14 a month until he reaches age 18. The total family benefits would thus be \$56.



"G" dies leaving a widow aged 36, one child aged 10, and another child aged 8. "G's" primary benefit is computed at \$20 a month. "G's" widow will receive a benefit of \$15 until both children reach age 18. Each child will receive a benefit of \$10 until he reaches age 18, marries, is adopted by any person other than a stepparent, grandparent, aunt, or uncle, or dies. The total family benefits would thus be \$35 a month for a maximum of 8 years and \$25 a month for another 2 years. Benefits would then stop until the widow reaches age 65, at which time (if "G" was fully insured) she may again be entitled to a benefit of \$15 per month.

"H" dies leaving no widow or child under age 18 and is survived by a father aged 66 and a mother aged 62, both chiefly dependent upon him. "H" was fully insured, and his primary benefit is computed at \$30 a month. Upon "H's" death his father will be immediately entitled to a benefit of \$15 a month, and his mother will be entitled to a benefit of \$15 a month as soon as she reaches age 65, provided she filed proof of dependency within 2 years after "H's" death.

#### Maximum Family Benefits

The total amount of benefit based upon one worker's wages may not exceed the smallest of the following three amounts:

- (a) Twice the amount of the worker's primary benefit, *or*
- (b) 80 percent of his average monthly wage, *or*
- (c) \$85.

If the total of the family benefits as otherwise computed would exceed this amount, then each of the monthly benefits, with the exception of the worker's primary benefit, must be reduced proportionately. However, the maximum provision is not applied if the total of the benefits is computed at less than \$20 a month, and if the maximum is applied it must not reduce the total benefits below \$20.

**Examples.**—"J" dies leaving a widow and three young children entitled to monthly benefits. "J's" primary benefit is \$30. The total benefits cannot exceed \$60, which is twice the primary benefit. Therefore, the widow's benefit, otherwise \$22.50, will be reduced to \$20, and the children's benefits, instead of being \$15 each, will be \$13.33, \$13.33, and \$13.34, respectively.

"K" has an average monthly wage of \$50, and has received this rate of pay steadily for 10 years, after which he dies, leaving four children under the age of 18. "K's" primary benefit would be \$22, and each child's benefit would originally be computed at \$11. However, the maximum total benefits based on "K's" wages cannot exceed \$40 or 80 percent of the worker's average monthly wage. Therefore, each child's benefit would be reduced to \$10.

"L" has worked for 25 years with wages covered under the program of at least \$3,000 a year. At the time he reaches age 65 and retires he has two children under the age of 18. His primary benefit is \$50, and each child's benefit would be computed at \$25, but the total would thus exceed the maximum of \$85. Therefore, each child's benefit is reduced. "L's" primary benefit remains unchanged and each child's benefit is reduced to \$17.50, one-half of \$35, which is the difference between the maximum of \$85 and "L's" primary benefit of \$50.

#### Minimum Family Benefits

The total family benefits based on one worker's wage record will be at least \$10.

**Example.**—"M" has been receiving a primary benefit of \$12, and his wife has been receiving a wife's benefit of \$6. "M" dies, and his wife applies for a widow's benefit. This would first be computed at \$9, but it is raised to \$10, the minimum monthly benefit based on one person's wages.

#### Lump-Sum Payments

The payment to a person who is qualified to receive the lump sum as a survivor of a worker



is equal to six times the amount of the worker's primary benefit. If there is no survivor entitled to the lump sum, the person or persons who have paid burial expenses may receive a lump sum equal to the amount of burial expenses but not to exceed six times the primary benefit.

**Examples.**—"N" is an insured worker who dies in January 1947, leaving no widow, child, or parent entitled to monthly benefits. He is survived by a widow, under the age of 65, who was living with him when he died. His primary benefit is \$25 a month. The widow is entitled to a lump-sum payment of six times the primary benefit, or \$150.

"O," an insured worker, dies in January 1947 and leaves no surviving spouse. His primary insurance benefit is computed to be \$40. Burial expenses of \$250 are paid by a friend. The friend will be entitled to a lump-sum payment of six times the primary benefit, or \$240.

If the burial expenses were \$150, the friend would receive only \$150, because the lump-sum payment to a person who paid burial expenses cannot exceed the amount of the expenses paid.

If the total burial expenses were \$400 and the friend paid \$300, he would receive only \$180, because the lump-sum payment cannot exceed the proportion of actual payment to total expenses.

If the burial expenses were \$200, of which the Veterans Administration paid \$150 because the deceased worker was a veteran, and the friend paid the remaining \$50, the friend would receive \$50. The allowance paid by the Veterans Administration is subtracted from the total burial expenses in order to determine the amount of reimbursable burial expenses.

### Duration of Monthly Payments

Monthly insurance payments begin with the month in which application is filed. If the application is late, back payments can be made

for not more than 3 months. Payments to the worker continue up to the month in which he dies.

An insured worker's wife will continue to receive her monthly benefit payments until her death or their divorce. If her husband dies first, she will be eligible for a widow's benefit instead of a wife's benefit.

A widow who qualifies because she is over 65 will receive her monthly payments as long as she lives unless she marries again.

The child of an insured worker receives benefit payments until the month in which the child reaches age 18, marries, is adopted (except for adoption, after the worker's death, by a stepparent, grandparent, aunt, or uncle), or dies.

A widow who is eligible only because she has a child or children in her care receives payments until the month in which the youngest unmarried child reaches age 18, marries, is adopted by some other person (except as indicated in the preceding paragraph), or dies, or until the widow herself remarries or dies.

A parent's payments will stop in the month in which the parent marries or dies.

### CHANGES IN PAYMENTS

Persons whose benefits stop may later become eligible for another kind. For example:

A widow receiving monthly payments because of having a child in her care stops receiving those payments as soon as the child reaches age 18. When the widow reaches age 65, however, she may be eligible for the aged widow's benefit.



A widow under 65 who receives a lump sum at her husband's death may be eligible for a widow's monthly benefit payment when she becomes 65 years old.

A wife past 65 who is receiving monthly payments during her husband's life may receive a widow's benefit after his death.

#### SUSPENSION OF MONTHLY PAYMENTS

The law requires that after insurance benefits have been awarded to an insured worker or any of his family, certain conditions must be met if payments are to continue. Failure to fulfill these conditions will result in the suspension of payments until the conditions are met.

(1) Any person entitled to monthly insurance benefits may not receive payment for any month during which he or she earns more than \$14.99 in work covered by the Social Security Act. Likewise, a wife's or child's benefit is suspended for any month in which the wage earner upon whose wages the benefits are based earns more than \$14.99 in covered employment.

This is not a permanent disqualification and applies only to the month in which the money is earned. It does not apply if the money was earned on a job that is not covered by the Social Security Act, no matter what the amount of wages earned.

(2) A widow receiving monthly payments because she has a child in her care may not receive the payment for any month in which the child is not in her care.

When circumstances occur that would cause the suspension of a monthly payment, as stated

under (1) or (2) above, the fact must be reported to the Social Security Administration by the person receiving payment within 2 months. The first failure to make such a report will cause loss of an extra month's benefit. Subsequent failures to report will cause the loss of an extra month's benefit for each monthly payment received and retained improperly.

#### Adjustments

Changes in the Social Security Act in 1939 removed the 65-year age limit for wage credits and thus made it possible for many workers otherwise eligible only for lump-sum payments to qualify for monthly benefits. In 1943 the Act was changed to afford wage credits for earnings in maritime employment for the War Shipping Administration. Because of these changes certain adjustments may be required as follows:

(1) If a worker has received a lump-sum payment under the Social Security Act as it stood before 1940, the amount of the lump-sum payment will be deducted from any insurance payments to which he or his family may become entitled.

(2) If a worker reached age 65 before or during 1939 and continued in covered employment during 1939, he is liable for the old-age insurance wage tax during that part of the year 1939 which came after his sixty-fifth birthday. If the amount of that wage tax was not deducted from his wages or paid by his employer, it will be deducted by the Social Security Administration from any benefit payments to



which the worker or members of his family may be entitled.

(3) Similarly, if a worker was paid wages for maritime services after September 30, 1941, for the War Shipping Administration with respect to which the wage tax was not deducted from his wages or paid by his employer, the amount of the tax will be deducted from any benefit payments to which the worker or members of his family may be entitled.

: V :

## TAXES

Workers and their employers share the cost of the old-age and survivors insurance system. The worker pays a tax on wages he receives; the employer pays a tax on his pay roll.

The cost of benefits attributable to the veterans' legislation will be borne entirely by the Government and is not based upon contributions by workers or their employers. The trust fund will be reimbursed by appropriation for the amounts expended under this law.

### Tax Rate

At present the tax rate for the worker is 1 cent on each dollar of his wages. The employer pays 1 cent on each dollar of his pay roll. This rate will continue until 1948. At that time, under the law as it now stands, the rate will be increased to 2½ percent.

### Tax Collection

The worker's tax is taken out of his pay by his employer, who holds it in trust for the United States Government until the end of the calendar quarter. The employer then turns over the worker's tax, with his own, to the United States collector of internal revenue for that district. The employer does this within 1 month after the end of each calendar quarter;



: VI :

CLAIMS

How to File Claims

Benefits under the Federal old-age and survivors insurance program are paid only if applied for by the person entitled to receive them, or some person authorized to act in his behalf. The applicant must fill out claim application blanks and furnish proof of the statements as to age and certain other facts needed to establish the claim.

Application blanks and any other necessary blanks are furnished by all field offices of the Administration. (See list of field offices on page 98.)

When the application is completed, the claimant turns it in to the field office, which forwards it to the appropriate area office of the Bureau of Old-Age and Survivors Insurance for examination. If found correct and in accordance with the law, the Social Security Administration approves the claim and notifies the United States Treasury that payment should be made.

Any field office of the Administration will give the claimant any help he needs in making out his application, including notary services, free of charge.

If there is no field office in his community, the claimant can obtain the blanks and full information by writing to the nearest Social

Security Administration field office. If he does not know the address, he can get it from his post office.

Application Blanks

The information called for on claim application blanks is explained in detail in the following pages. General instructions for the claimant are:

1. In filling out the blanks, write or print *clearly*; or use a typewriter if possible.
2. If you do not know the answer to a question, write in the word "unknown."
3. Claimants may be required to furnish proof of age, of marriage, or of death, and other proofs as indicated later on. It may save time for the claimant to secure these proofs, if possible, in advance. He should file his claim as soon as he is eligible, however, with or without proofs, in order that his benefit payments may start as soon as possible.
4. Sign the application, preferably in ink. For a claimant who cannot write, the name should be written in for him on the signature line and the claimant should make an "X" mark. Signature by mark must be witnessed by two persons who know the claimant. Space for their signatures is provided on the blank.
5. The Social Security Administration, through the Bureau of Old-Age and Survivors Insurance, is responsible for developing rules and regulations on claims procedure. As such rules and regulations are



that is, before the end of April, July, October, and January of each year.

The employer, when he pays his tax, furnishes the collector of internal revenue a tax return that shows the total of employee and employer taxes. At the same time he furnishes a report showing each worker's name, account number, and the amount of wages paid to him. Tax returns are then audited by the Bureau of Internal Revenue.

The employer also furnishes the worker a receipt for taxes taken out of his pay, as explained on page 74.

### Taxable Wages

All wages paid on jobs that are covered by the Social Security Act are taxable wages and the word "wages" as used here includes pay of any kind. Thus it includes salaries, fees, bonuses, back pay, commissions on sales or on insurance premiums, as well as pay by the hour, day, or week, or by the piece. It includes cash, of course, and it includes payment in kind; for example, meals and lodging instead of cash.

Wages in all these forms are taxable under the Social Security Act, with, however, the following interpretation of some points:

1. The worker on a covered job, who is paid more than \$3,000 in a year, is required to pay taxes on only the first \$3,000 received from each employer. If he has more than one employer, it may be found at the end of the year that the worker has paid taxes on more than a total of \$3,000. He may, in that case, obtain a refund of taxes paid on any amount over \$3,000.

2. Waiters, waitresses, or any other workers who receive part or all of their pay in the form of meals or lodging, rent, or goods of any sort are taxed on the cash wage they receive plus the fair value of anything else they receive from their employers as pay for their services. Thus, if the cash wage is \$12 a week, and the employer furnishes 2 meals a day, 6 days in the week, the value of the meals ("fair value at time of payment") must be added in. If the meals are valued at 25 cents each, or \$3 a week, the wage would be \$12 plus \$3, or \$15.

3. Tips or gratuities paid directly to a worker by a customer of the employer, and accounted for by the worker to the employer, count as wages and are taxed.

4. Paid officers and employees of labor organizations, or other organizations that are exempt from income tax, are not taxed on their pay from a union, either cash or remission of dues, if they receive from the union not more than \$45 in a calendar quarter.

Therefore, unions as employers need not report or pay old-age and survivors insurance taxes on the pay of any officers or employees who receive from the union \$45 or less per quarter.

### Tax Refunds

If a worker has several employers, any or all of whom have deducted taxes from his pay, the Federal Government, on the worker's request, will refund his part of the tax on wages for the year above \$3,000. To get such a refund, the worker must apply to the Collector of Internal Revenue within 2 years after the calendar year in which the wages were received.



: VI :  
CLAIMS

How to File Claims

Benefits under the Federal old-age and survivors insurance program are paid only if applied for by the person entitled to receive them, or some person authorized to act in his behalf. The applicant must fill out claim application blanks and furnish proof of the statements as to age and certain other facts needed to establish the claim.

Application blanks and any other necessary blanks are furnished by all field offices of the Administration. (See list of field offices on page 98.)

When the application is completed, the claimant turns it in to the field office, which forwards it to the appropriate area office of the Bureau of Old-Age and Survivors Insurance for examination. If found correct and in accordance with the law, the Social Security Administration approves the claim and notifies the United States Treasury that payment should be made.

Any field office of the Administration will give the claimant any help he needs in making out his application, including notary services, free of charge.

If there is no field office in his community, the claimant can obtain the blanks and full information by writing to the nearest Social

Security Administration field office. If he does not know the address, he can get it from his post office.

Application Blanks

The information called for on claim application blanks is explained in detail in the following pages. General instructions for the claimant are:

1. In filling out the blanks, write or print *clearly*; or use a typewriter if possible.
2. If you do not know the answer to a question, write in the word "unknown."
3. Claimants may be required to furnish proof of age, of marriage, or of death, and other proofs as indicated later on. It may save time for the claimant to secure these proofs, if possible, in advance. He should file his claim as soon as he is eligible, however, with or without proofs, in order that his benefit payments may start as soon as possible.
4. Sign the application, preferably in ink. For a claimant who cannot write, the name should be written in for him on the signature line and the claimant should make an "X" mark. Signature by mark must be witnessed by two persons who know the claimant. Space for their signatures is provided on the blank.
5. The Social Security Administration, through the Bureau of Old-Age and Survivors Insurance, is responsible for developing rules and regulations on claims procedure. As such rules and regulations are



subject to change, it will be desirable for users of this book to check from time to time with a field office of the Social Security Administration for latest information.

#### WORKER'S APPLICATION

The following information is called for on the worker's application for insurance payments.

##### Name

Write in the full name as given on the worker's social security account number card. If he has used more than one name, give all.

##### Social Security Account Number

If possible, copy the number directly off the social security account number card. In any case, be sure it is given exactly. If the worker has had more than one number, write in all of them.

##### Date and Place of Birth

Give month, day, and year; city, county, State, and country. These statements must be supported by proofs. (For kind of proofs, see page 59.)

##### Employer's Name and Address and Period of Employment

Give the covered employers by whom employed during the 1-year period just before the date of the application for benefits.

Give periods of employment for each employer separately. If exact dates are not known, give the approximate dates. Where there is question as to whether a particular job was covered, see page 75 of this book.

##### Family

If the worker is a married man, give date of marriage, wife's maiden name, age, and date of birth. Give number of children, also, including stepchildren and legally adopted children, under 18 years of age and unmarried.

##### Employment

Applicant must state whether he is at work on a covered job that pays more than \$14.99 per month. He must state also whether he agrees to notify the Social Security Administration of any month thereafter in which he may work for more than \$14.99 on a covered job. Benefits are not payable for any month in which the applicant is so employed.

#### WIFE'S APPLICATION

This application blank calls for name in full, date of marriage, maiden name, and date of birth.

It also includes the following questions:

Are you and your husband living together at the same address?

If not, is he contributing to your support? If so, how often and in what amounts?

Is he under order by any court to contribute to your support?

If these questions are answered "no," state reasons why you and your husband are not living together.

Were you married prior to your marriage to the wage earner? If so, give date of earlier marriage, name of person to whom married, whether marriage was ended by death or divorce, and the date of such ending. (Unless



the wife was married to the wage earner for at least 36 complete months, or is the mother of his child, she is not eligible for monthly benefits based on his wages.)

A wife's application blank states that if she or her husband is employed on a covered job at wages of more than \$14.99 per month, benefits are not payable. She must agree to notify the Social Security Administration of any month in which either of them is so employed, and also to notify the Administration in the event of her husband's death or of their absolute divorce.

With a wife's application, the husband must file a certification identifying her as his wife.

#### CHILD'S APPLICATION

For a child of an insured worker, the application blank may be filled in by the responsible parent or representative on the child's behalf, or in exceptional circumstances by the child himself, if old enough. Information called for includes the name and date of birth of each living child (under 18 years of age and unmarried) of the worker. It should show which if any of these are stepchildren, adopted, or illegitimate.

Proof of age is required for every child. For a stepchild, proof of marriage of the natural parent and the worker, and proof of relationship of the child to the natural parent, must be furnished also. For an adopted child, adoption papers must be furnished. If the worker is the mother or stepparent, the application must show whether or not the child was receiving support from its natural father.

Application on behalf of any child must show the name, address, and relationship of the person with whom the child was residing at the time the application was made or at the time of the worker's death. If the child is not living with the person who makes the application in its behalf, a statement must be filed showing the nature of the applicant's interest in the welfare of the child.

For the child of a worker who has died, the application should give the name and address of each of the worker's employers for the 1-year period immediately preceding his death, with the period of employment in each case. (See also page 50.)

The person who makes application on behalf of a child must state that all payments on the child's behalf will be used for the benefit of the child.

Where more than one child is named on the application, it will be taken for granted by the Social Security Administration that benefits are being claimed for all unless there is a statement to the contrary. In the case of the retired worker with more than two children, however, or of a widow and more than three children, it may not be desirable to claim benefits for all of the children because of the limit on the amount of benefit payments to a family (explained on page 38). In such cases the children for whom such benefits are not claimed should be specified.

Payment of the child's benefit will be suspended during any month he or the worker earns more than \$14.99 in covered employment. The person applying for the child must agree



to notify the Administration if this occurs and when the child becomes 18, marries, dies, or is legally adopted (except for adoption, after the worker's death, by a stepparent, grandparent, aunt, or uncle). If any of the four latter events occurs, benefits will be permanently terminated.

#### WIDOW'S APPLICATION

The application of a widow, like that of a wife, must show the date of her birth and the date of her marriage to the insured worker; her maiden name; the date and place of her husband's birth and death; his domicile at the time of his death; whether they were living together at that time; and information as to any previous marriage of hers or of his—that is, whether it was ended by death or divorce, when and where.

"Domicile" means the place of an individual's true, fixed, and permanent home, to which, whenever he is absent, he has the intention of returning. This question may be important in certain cases because State laws differ in their recognition of certain family relationships.

The widow's application should give also the names and addresses of the employers for whom her husband worked during the 1-year period immediately preceding his death, and the period of employment in each case.

The widow's application blank also calls for information about the deceased worker's children under 18 and unmarried. The names of the children must be given, including stepchildren and legally adopted children, with each child's date of birth, his address, and the

relationship of the person with whom the child was living at the time of the worker's death.

If the worker was married before his marriage to the claimant, the application must show the date of previous marriage, the name of the person to whom married, and whether the marriage ended by death or divorce, also where and when. For any previous marriage of the widow, the same information must be given.

If the widow has married again after the wage earner's death, she is not eligible for insurance benefits based on his wages. Nor does she receive benefits for any month in which she earns more than \$14.99 on a covered job. A widow who is receiving benefits because she has a child or children in her care does not receive benefits for any month in which there is no child entitled to benefits in her care. On her application the widow must agree to notify the Social Security Administration in any of these events.

#### PARENT'S APPLICATION

The application of the parent of an insured worker must show the date and place of the worker's birth and death, the domicile at time of death, and the names and addresses of his employers during the 1-year period immediately preceding his death. (See page 50.) It must show the parent's age, and whether he or she was dependent upon the worker at the time of death. It must state whether the worker is survived by a widow, or an unmarried child under 18 years of age, and must state exact relationship to the worker—mother or father, adopting mother or father, stepmother or step-



father. In the case of stepparents, date and place of marriage to worker's parent must be shown; for adopting parents date and place of adoption.

A parent may not receive benefits for any month in which he or she earns more than \$14.99 on a covered job, or after his or her remarriage after the worker's death. On the application blank he must agree to notify the Social Security Administration in either such event.

#### APPLICATION FOR LUMP-SUM PAYMENT

The application for a lump-sum death payment must show the date of the worker's death. This is important because application must be filed within 2 years of the worker's death unless the 2-year period is extended by the Soldiers' and Sailors' Civil Relief Act. (See page 27.) However, where the worker died outside of the United States after December 6, 1941, and before August 10, 1946, the period for filing an application is extended through August 9, 1948.

The worker's domicile (see page 54) at the time of death may be important because State laws differ in their recognition of family relationship.

The applicant must state whether the worker was survived by a widow, unmarried child under age 18, or a parent who was dependent upon him. If a dependent parent survives, his age must be shown. If the applicant is the widow, she must give her age and state whether the worker was living with her or contributing

to her support, or was under court order to contribute to her support, when he died.

If the claim is based on payment of burial expenses, the applicant must show the total burial expenses and the portion of such expenses paid by the claimant.

#### Proofs Required

Proof is required of certain statements made on applications for benefits filed by claimants. An insured worker claiming old-age insurance benefits must have proof of age.

A wife must furnish proof of age and marriage.

A child's age, relationship to the wage earner, and dependency must be proved. For the child of an insured worker who has died, there must be proof of the parent's death.

A widow must furnish proof of her husband's death and may be required to furnish proof of her age, their marriage, and, if she was married before, the date and manner in which the marriage ended.

A dependent parent must furnish proof of his or her age, and of his or her dependency, and proof of the worker's death.

In some cases other proofs may be required. In such cases, which will probably be complicated, assistance should be obtained at the nearest office of the Social Security Administration.

Some of the documents acceptable as proofs are birth certificates, infant baptismal records, marriage certificates, government records, passports, citizenship papers, other public records,



and affidavits of persons who have personal knowledge of the facts. Where the original document cannot be furnished, a photostat or certified copy is acceptable, except in case of passports and citizenship papers, which it is against the law to copy.

Whenever a claimant files for a lump-sum death payment as a person equitably entitled, it is necessary for him to submit proof that he paid burial expenses before any payment may be made. In addition to the statement in his application, the claimant must ordinarily furnish an itemized, receipted statement from the funeral director and other persons who supplied goods and services for the burial, showing the total cost, the amount remaining unpaid, if any, the name of each person who paid any portion of such costs, and the amount and date of each payment.

#### HOW TO PROVIDE DOCUMENTS IN PROOF

If the claimant has the necessary proof in his own possession, or can obtain possession of it, he may do one of the following:

*Either:* Bring or send the document to the local office of the Social Security Administration. An official in the office will examine the document, make a record of its contents, and return the original document to the claimant. There is no charge for this service.

*Or:* File a photostatic copy of the original document with his claim application.

*Or:* Ordinarily if the document is not suitable for mailing, take the original document to a notary public, justice of the peace, judge

or clerk of a court, or district attorney, and have that official fill out a Social Security Administration form provided for the purpose of reporting the existence of such a record.

#### PROOF OF AGE

Proof of age is required of claimants for monthly old-age or survivors insurance benefits (except widows who are considerably less than 65 years old).

#### Acceptable Proofs

One of the types of proofs of age listed below must be furnished. Proof of the highest order on the list should be submitted if the claimant has it, or if it is readily obtainable, because such proof is generally more convincing. For instance, if the claimant has or can readily obtain a birth certificate, it should be submitted rather than a baptismal certificate or a statement of birth shown by a church record. If the claimant does not have any of these proofs, or they are not readily obtainable, he should try to submit the proof listed next in order, rather than one low on the list. Additional proof of age may be requested by the Social Security Administration if the document submitted is not convincing proof. Therefore, it is to the claimant's advantage to furnish a document that is high in order of preference on the list.

Birth certificate.

A baptismal certificate or a statement as to the date of birth shown by a church record, certified by the custodian of such record.



Census Bureau notification of registration of birth.

Hospital birth record or certificate.

A foreign church or government record.

A signed statement by the physician or midwife who was in attendance at birth, as to the date of birth shown on his or her records.

Certification, on approved form, of Bible or other family records.

Naturalization record.

Immigration papers.

Military records.

Passport.

School records, certified by the custodian of such record.

Vaccination record, certified by the custodian of such record.

An insurance policy that shows the age or date of birth.

Labor union or fraternal record certified by the custodian of such record.

Marriage records showing date of birth or age (application for marriage license or church record, certified by the custodian of such record; or marriage certificate).

Other evidence such as affidavits from persons who have knowledge of the date of birth, voting records, poll-tax receipts, driver's license, etc.

#### **Birth and Baptismal Certificates**

If the claimant does not have the original record or certificate, but knows that such a record exists, he will usually be able to obtain a copy by requesting it from the public official

or church official in charge of keeping the records.

#### **Organization Records**

If the claimant wishes to submit records of an organization or business concern as proof of age, it will be necessary to obtain a signed statement by the official in charge of the records, giving the official's name and title.

This statement must be notarized unless it is made on the organization's letterhead with the organization's or official's seal.

#### **Government Records**

If the claimant's age has been recorded by an agency of the Federal Government (see foregoing list), the records may be obtained by communicating with the agency concerned. In order to obtain such records, it will be necessary to give information that will identify the applicant with the record.

#### **Affidavits**

Affidavits acceptable as proof of age may be those of the physician or midwife who attended at the birth of the claimant or those of other persons who have knowledge of the claimant's date of birth. These affidavits may be submitted on the Social Security Administration form "Statement Regarding Date of Birth by Person Having Knowledge Thereof." The affidavits must state the source of the knowledge of the person making the statement (such as family history or recollections of personal incidents or events that relate to the question of the claimant's age).



If an affidavit can be obtained from the physician or midwife, only one is required. Otherwise, two persons' affidavits are generally required. In some cases only one affidavit from a parent, brother, sister, or grandparent is required.

#### PROOF OF DEATH

Proof of the death of the worker is required with all claims for survivors insurance benefits, or for a lump-sum death payment.

Any one of the following proofs will be acceptable:

1. A death certificate, or a certified copy of a public record of death.
2. A coroner's report of death or verdict of the coroner's jury.
3. A statement of the funeral director, or physician attending the worker at the time of his death; or a statement by the superintendent, physician, or interne of the institution where death occurred.

If none of these can be obtained, the claimant may submit affidavits by persons who have knowledge of the death of the worker. Such affidavits must state the facts and circumstances surrounding the death, and state the place, date, time, and probable cause of the death.

If the wage earner has disappeared, or if the body has not been recovered, the claimant should present the facts surrounding the case and obtain affidavits by persons who have knowledge of those facts.

Where a civilian died outside the United States and his body was returned to this

country, submit one of the proofs listed in 1 through 3 above. If his body was not returned to this country, a report of the death by a United States Consul or other agent of the State Department or a certified copy of the public record of death, authenticated by the United States Consul or other agent of the State Department, must be furnished, if possible. When the above proof is not readily available, other evidence of death may be acceptable. Where the worker was a member of the armed forces at the time of his death, the claimant should submit whatever proof of death he has received from the service department or from one of its officers which sets forth the date of death. Such evidence may be a finding of actual death or it may be a presumptive finding of death. Where the worker was serving with the Merchant Marine, the claimant should submit whatever evidence of death he has received. Where the question concerns the death of a member of the armed forces or of a merchant seaman, the Social Security Administration will inform the claimant whether the proof submitted is sufficient or whether further verification is needed. Where more proof is necessary, it will advise the claimant what evidence to obtain and how to obtain it.

#### PROOF OF MARRIAGE

A wife or widow who files a claim for monthly insurance benefits must furnish proof of marriage.

A stepchild must furnish proof of the marriage of his natural parent to his stepparent.

A stepparent applying for insurance benefits



on the basis of the wage credits of a deceased stepson or stepdaughter must furnish proof of his own (or her own) marriage to the natural parent of the wage earner who has died.

Any of the following proofs of marriage will be acceptable:

1. A marriage certificate.
2. A copy of the public record of marriage, certified by the custodian of the record.
3. A copy of a church record of marriage, certified by the custodian of the records.

When none of these proofs is obtainable, one of the following may be acceptable:

1. Affidavit of the clergyman or other official who performed the marriage ceremony.
2. Affidavits of two witnesses to the marriage ceremony.
3. Other legal, governmental, or business documents that show the marital relationship, such as citizenship papers, insurance policies, passports, church records, etc.

#### Common-Law Marriage

A common-law marriage will be considered to be a marriage if it was contracted in a State that recognizes such marriages. In such cases the following proofs will be acceptable:

1. When the husband and wife are both living, the affidavit of each, together with the affidavit of a blood relative of each party to the marriage, should be furnished on the appropriate Social Security Administration forms.
2. If the affidavit of a blood relative is not available, an affidavit of another person hav-

ing knowledge of the marriage should be obtained instead.

When one spouse has died, the affidavit of the surviving spouse should be obtained on the appropriate Social Security Administration form. In addition, an affidavit of two blood relatives of the deceased spouse should be obtained, if possible; otherwise, an affidavit of two other persons having knowledge of the marriage.

#### End of Earlier Marriage

To establish the relationship of a claimant, or some other person, to the wage earner, it is sometimes necessary to show that an earlier marriage was ended. In such a case the statement by the claimant on his (or her) application will be accepted, unless there is reason to doubt the statement.

When there is reason to doubt that a previous marriage was ended, proof may be required—either an official record of divorce or proof of death of the former spouse, as the case may be.

#### PROOF OF PARENT AND CHILD RELATIONSHIP

Proof of parent and child relationship is required whenever a claim for monthly benefits is filed in behalf of a child, based upon the wage credits of his parent.

Any one of the following proofs will, generally, be acceptable:

1. A proof-of-age document that shows the name of at least one of the parents as well as of the child.
2. An official, public, church, or family



record that indicates the parent and child relationship.

When an illegitimate child has been legitimated or recognized for inheritance purposes in accordance with State law, proof of compliance with the State laws will be accepted as proof of relationship.

When a parent is filing a claim based upon the wage credits of a son or daughter, a statement by the parent on the claim application will require no further proof if it is corroborated by the son's or daughter's original application for a social security account number that is on file with the Social Security Administration.

When the claimant is an adopted child, or an adopting parent, a certified copy of the order or decree of adoption must be furnished.

When the claim is for a lump-sum death payment and the wage earner died before January 1, 1947 (see page 27), the claimant's statement on the application form will be sufficient, except where relationship by adoption is alleged.

#### PROOF OF DISCHARGE

Proof of active military or naval service and discharge or release to inactive duty is required whenever a claim is based upon the death of a veteran of World War II. The following proofs will be acceptable:

1. The certificate of discharge or release to inactive duty, indicating the type of discharge (honorable, dishonorable, satisfactory, etc.), name, rank, service number, branch of service, date of entry upon active duty, and

date of discharge or release to inactive duty. The entire period of active military or naval service should be accounted for, as in some instances the veteran may have served both as an officer and an enlisted man, or he may have been discharged and reenlisted for another term.

2. Official records of State, county, or municipal agencies; or local draft boards.



: VII :  
**PROTECTION OF THE WORKER'S  
RIGHTS**

To safeguard the worker's rights and interests under the old-age and survivors insurance program, the law, regulations, and procedures of the Social Security Administration all provide opportunity for correction of its records if error is shown. They provide also for reconsideration, hearing, review, and appeal of all Administration decisions.

With these opportunities the worker can make sure his interests are protected. He must, however, take the initiative in the following ways:

1. By applying for a social security account number.
2. By checking up on his wage credits and reporting errors if he finds them.
3. By asking for reconsideration or review of claim decisions unsatisfactory to him or by making a formal appeal.

Another form of protection for the worker is the Social Security Administration's regulation requiring that all records affecting the individual worker shall be confidential. Ordinarily no information concerning the worker personally, or concerning his wage credits or his claim, will be given to any person other than himself, unless he so requests.

**Social Security Accounts**

A social security account is a record of the wages a worker receives on jobs that come under the old-age and survivors insurance program. It is kept for him by the Social Security Administration throughout his working life, as a means of determining the amount of the benefits payable to him and his family when he is old or when he dies. The account is kept under the worker's name and a number assigned by the Administration. It is set up on application of the worker, who applies for an account number.

**HOW TO APPLY FOR A SOCIAL SECURITY  
ACCOUNT NUMBER**

The worker makes his application for an account number by going in person or writing to the nearest Social Security Administration field office (see list on page 98). On an application card, furnished by the field office, he writes in his name, date, and place of birth, his father's name, and his mother's maiden name. All this is required as a means of identifying the worker. He must give also the name and business address of his employer.

This application, when filled out, can be handed in to the Social Security Administration field office, or it can be mailed in a sealed envelope.

In the cases of deceased veterans who never applied for an account number, and survivors who are eligible for benefits under the veterans' legislation, an account number may be assigned at the time a claim is filed.



### SOCIAL SECURITY ACCOUNT NUMBER CARD

In response to his application, the worker receives from the Social Security Administration a social security account number card. This card shows his name and the number that the Administration has given to his account. It is issued with a stub attached, which contains a copy of the information on the card.

The card is important to the worker because it shows the number which will be used to identify his account with the Social Security Administration. Therefore, the Administration recommends that he keep the stub in some safe place and carry the original card with him.

Should he lose his social security account card, he should report the loss immediately to the nearest field office of the Social Security Administration and ask for another card with the same number. If he can show the duplicate stub, he can get the new card without delay.

### REPORTING ACCOUNT NUMBER TO EMPLOYER

The worker must report his account number to each employer he works for. This is necessary because the employer is required, on his wage and tax reports to the Government, to show each worker's exact name and account number. The number is necessary to distinguish persons who have the same name or a similar one. Without it, the Social Security Administration could not be sure of crediting wages to the proper account.

A worker going to a new job may find that the employer will insist on knowing his number before he can go to work. If he does not have

a number, he may have to take time out to get one.

### ONLY ONE ACCOUNT NUMBER

Ordinarily a worker should have the same social security account number all his life. If, for important personal reasons, he wants a card with a new name and number on it, he can get one. In order to be sure of getting all his benefits, however, he should notify the Administration that he has two numbers and what they are.

### Wage Credits

The term "wage credits" means the wages reported to the Social Security Administration for each worker and credited to him on his social security account. When he or a member of his family claims benefits, the wage items on his social security account are used by the Social Security Administration to calculate the amount of the benefits payable, as explained on page 30.

### HOW TO CHECK UP ON WAGE CREDITS

It is to the worker's interest to check up on his social security account as often as once a year, to make sure he has credit for all his taxable wages. For his convenience, the Social Security Administration furnishes "wage credit inquiry cards" on which he may ask for a statement of his wage credits.

Supplies of the wage credit inquiry cards are on hand at all field offices of the Administration. They can be obtained by union officers for



their own headquarters also, if desired, for use of union members.

The wage credit inquiry card calls for information necessary to identify the account; therefore it must show the worker's name and address, account number, and, for identification, date of his birth. On one side the card is addressed to the Social Security Administration and needs only a one-cent stamp for postage. It can be mailed in a sealed envelope if desired, however, under first-class postage.

Request for a statement of wage credits can, of course, be made on any post card, or by letter addressed to the Social Security Administration, Candler Building, Baltimore 2, Maryland. Such a request should give the worker's full name and account number as they appear on his card in order to identify his account. Reply to such a request is ordinarily sent within 10 days.

#### CORRECTION OF WAGE RECORDS

If the worker finds that the wage credit statement furnished him by the Administration is not in accordance with his own record of his wages, or his own belief as to what his credits should be, he should report this fact to the Social Security Administration. He must do this, however, within 4 years after the wages are paid. Where the worker is a serviceman, the 4-year period is suspended by the Soldiers' and Sailors' Civil Relief Act for the period of military service.

In order that his social security account may be corrected, the worker will be asked to furnish necessary information. He must give the

name, address, and kind of business of any employer from whom he received wages not credited or inaccurately credited to his account. He must state the kind of work he did, how long he was employed, and the amount of wages he received. The Social Security Administration furnishes a special blank form which the worker may use for this purpose, and which he can get at any field office.

When the Social Security Administration receives this information, it checks its own records. If it finds there no indication of error, the Administration will ask the employers to check their records. This ordinarily involves the use of the worker's name, but if the worker asks the Administration to withhold it, effort will be made to obtain the information without disclosing the name.

If, in this investigation, the Social Security Administration does not find any error or omission, the worker will be asked to furnish evidence in support of his contention that correction should be made.

#### EVIDENCE TO SUPPORT WORKER'S CASE

In support of his own statement as to his wage credits, the worker may submit any of the following:

1. Pay envelopes, vouchers, wage statements of social security tax receipts that have been furnished him by his employer or employers.
2. Statements based upon the records of his union.
3. His income tax return.



4. Statements of his supervisors and foremen.
5. Statements of fellow employees.
6. Statements of other persons having knowledge of the worker's employment and wages.
7. The worker's own personal record of his wages, if accurately kept.

#### Receipts or Statements From Employers

The best form of evidence that a worker can present in proving his right to wage credits is a statement or a tax receipt from his employer.

Employers are required to provide each worker with a statement of the amount of taxes deducted from his wages. These statements are required to be in a form that the worker can keep, and they must show:

1. The name of the employer.
2. The name of the employee.
3. The period of employment covered by the receipt.
4. The amount of wages paid to the employee during that period.
5. The amount of the social security taxes taken out of his pay.

Employers are required to furnish such receipts at least once every year. Receipts may, however, be furnished as often as every pay day, or every month. When a worker leaves a job, the law requires that the employer furnish him with a statement or receipts as described above, covering the period since the last receipt was given.

#### Worker's Own Record of His Wages

As a check on his social security account as kept by the Social Security Administration, a worker may wish to keep his own personal record of the wages he has been paid. Such record should include the name and address of every person, firm, or company by whom he was employed; and it should show the rate of pay and the amount of wages received. Such records will not be considered conclusive evidence of the worker's right to the wage credits he claims, but, if accurately kept, they should help to establish his proper wage credits.

#### WAGE CREDIT ERRORS

Errors in a worker's social security account may be due to one of the following causes:

1. The employer may believe that his business is not taxable under the old-age and survivors insurance program, in which case he would have furnished no tax returns and no wage reports.

2. The employer's wage report to the Government may be inaccurate as to the worker's name or account number or as to the amount of wages paid. In this case, the employer will be asked by the Administration to send in a signed statement showing the correct name, number, or wage figures, as the case may be.

3. The employer may be failing to pay his social security taxes.

A worker who believes his job is covered, but whose pay envelope shows no deduction for social security taxes, should immediately send



in a wage credit inquiry card. If the Administration replies that the worker's account shows no wages credited from that employer, the worker should ask for an investigation. The Administration will then try to establish the facts and make the necessary adjustments.

### Social Security Records Confidential

Social Security Administration Regulation No. 1 provides that no disclosure of any information, obtained at any time by any officer or employee of the Administration in the course of administering the Social Security Act shall be made directly or indirectly except as authorized by the regulation or as expressly authorized by the Commissioner for Social Security. The following are some of the cases and purposes for which the regulation authorizes the disclosure of information:

To any social security account number holder, or any claimant or prospective claimant of benefits or payments under Title II of the Social Security Act, as amended, as to matters directly concerning himself, or to some other person authorized by him to obtain such information.

To any officer or employee of the Treasury Department of the United States lawfully charged with the administration of the tax provisions of the Social Security Act, as amended, the Federal Insurance Contributions Act, or the Federal Unemployment Tax Act, for the purpose of such administration only.

To any officer or employee of an agency of the Federal Government or a State government

lawfully charged with the administration of a Federal or State unemployment compensation law or contribution or tax levied in connection therewith, for the purpose of such administration only.

### Reconsideration, Hearing, and Review

The Social Security Act provides full opportunity for reconsideration, hearing, and review in case a decision of the Administration is unsatisfactory to any person directly concerned. This applies to questions of wage credits as well as to claims for benefits.

#### QUESTIONS THAT ARISE

Such questions as the following will arise:

#### Concerning Benefits—

Whether the claimant is entitled to a benefit.

The amount of the benefit.

Whether a monthly benefit should be suspended.

Whether the benefits should be stopped.

#### Concerning Wage Credits—

The amount of wages that should be credited to a worker's social security account.

Whether the wage payments are credited to the right month and calendar quarter.

Whether a particular job is covered by the Social Security Act.

Whether all the pay earned in that em-



ployment can be credited toward benefits.

All wage-credit questions should be brought to the Administration within 4 years after the year in which the wages in question are said to be paid. If this is not done the records of the Social Security Administration may be considered conclusive (see page 72).

**Concerning Dependency of Parents—**

Whether the parent of an insured worker was chiefly dependent upon and supported by him at the time of the worker's death.

Proof of dependency must be filed within 2 years after the worker's death.

**OPPORTUNITIES FOR ADJUSTMENT**

All claims and all questions relating to benefits are acted upon in the first place by the Bureau of Old-Age and Survivors Insurance, which is a part of the Social Security Administration.

In each case the persons concerned are notified in writing of the decision. If they are dissatisfied with the Bureau's findings, they have the following opportunities to secure further consideration:

1. Reconsideration by the Bureau of Old-Age and Survivors Insurance.
2. Hearing before a referee who is an employee of the Social Security Administration but independent of the Bureau of Old-Age and Survivors Insurance.
3. Review by an Appeals Council established within the Social Security Administra-

tion at Washington, but independent of the Bureau of Old-Age and Survivors Insurance.

4. A civil suit in the Federal courts.

**Reconsideration and Hearing**

Any decision, whether it concerns a worker's wage credits or a claim for benefits, may be reconsidered on the request of the person or persons concerned; or, if preferred, a hearing before a referee may be obtained without asking for reconsideration by the Bureau of Old-Age and Survivors Insurance.

Requests for reconsideration or for a hearing before a referee should be made in writing and should be made promptly—in any case not later than 6 months from the date the notice of the original decision is received.

The written request may be mailed or handed in to any local office of the Social Security Administration. That office will be able to suggest the kinds of evidence that may be presented and will also give information as to the procedure to be followed.

Whether the case is reconsidered by the Bureau of Old-Age and Survivors Insurance or heard by a referee, a written notice of the action will be sent to the person or persons concerned.

**Hearing**

When a hearing before a referee has been requested, all persons involved in the case will have an opportunity to appear in person and present their evidence.

In addition to persons who are immediately