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new Soc Sec Law*

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CONGRESSIONAL RECORD

The New Social-Security Law

SPEECH
OF
HON. MIKE MANSFIELD
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Monday, September 18, 1950

Mr. MANSFIELD. Mr. Speaker, in my opinion, one of the outstanding achievements of this Eighty-first Congress is the enactment of a law expanding and bringing up to date our social-security system. This law extends security in their old age to 10,000,000 additional Americans as a matter of their earned right, not as a matter of charity or a public dole. It raises social-security benefits to conform with higher costs of living.

In view of the widespread interest in this law I think it will be helpful to set forth the changes in our social-security system which it brings about.

MAJOR CHANGES SUMMARIZED

Summarized in a few sentences, the major changes are—

First, larger benefits. The people of Montana now receiving social-security payments will find that in the checks to be mailed out October 3 their benefits will be, on the average, roughly, 75 percent greater than they have been. For those who will retire after June 1952 benefits will be twice what they are now, on the average.

Second, broader coverage. On January 1, 1951, many Montanans, who up to now have not been covered by social security, will come under the system. For the first time the nonfarm, self-employed persons in business for themselves, such as grocery-store, retail-store, or gas-station owners, will have the opportunity to earn security in their later life under the social-security system.

Third, Easier eligibility: In general, it will take less years of social-security coverage before you are eligible to draw benefits. Specifically, persons who are now 65 or over, and who have had six quarter-years—a year and a half—of social-security coverage can and should apply immediately for benefits. Any retired worker as well as survivors and dependents will be able to earn \$50 a month as against the present limit of \$15—without losing their benefit payments.

Here, in more detail, are the answers to questions I think will be of most general interest:

HOW MUCH LARGER BENEFITS?

First, How much larger will benefits be under the new law? Benefit increases will go to two main groups of people: (a) those who are currently receiving benefits, or who will begin receiving them before 1952; and (b) those who will reach retirement age after June 1952. These are called new starts. Let me explain more fully how the new bill affects each of these groups.

IMMEDIATE INCREASES AVERAGE SEVENTY-SEVEN AND ONE-HALF PERCENT

There are approximately 30,000 people in the State of Montana who are now receiving social-security benefits. In the checks which they will receive early in October—their September payments—they will find that their payments will be, on the average, 77½ percent greater than they have been up to now.

The table below shows what the increases will be for an insured wage earner without any dependents, and for a married couple:

Retired wage earner without dependents

Now:	New law
\$10	\$20.00
\$11	22.00
\$12	24.00
\$13	26.00
\$14	28.00
\$15	30.00
\$16	31.70
\$17	33.20
\$18	34.50
\$19	35.70
\$20	37.00
\$21	38.50
\$22	40.20
\$23	42.20
\$24	44.50
\$25	46.50
\$26	48.30
\$27	50.00
\$28	51.50
\$29	52.80
\$30	54.00
\$31	55.10
\$32	56.20
\$33	57.20
\$34	58.20
\$35	59.20
\$36	60.20
\$37	61.20
\$38	62.20
\$39	63.10
\$40	64.00
\$41	64.90
\$42	65.80
\$43	66.70
\$44	67.60
\$45	68.50
\$46	68.50

Retired wage earner and wife

Now:	New law
\$15	\$30.00
\$16.50	33.00
\$18	36.00
\$19.50	39.00
\$21	42.00
\$22.50	45.00
\$24	47.55
\$25.50	49.80
\$27	51.75
\$28.50	53.55
\$30	56.50
\$31.50	57.75
\$33	60.30
\$34.50	63.30
\$36	66.75
\$37.50	69.75
\$39	72.45
\$40.50	75.00
\$42	77.25
\$43.50	79.20
\$45	81.00
\$46.50	82.65
\$48	84.30
\$49.50	85.80
\$51	87.30
\$52.50	88.80
\$54	90.30

Now:	New law
\$55.50	91.80
\$57	93.30
\$58.50	94.65
\$60	96.00
\$61.50	97.35
\$63	98.70
\$64.50	100.05
\$66	101.40
\$67.50	102.75
\$69	102.75

These same increases apply to anyone who retired before June 1952.

The following table shows the benefits that will appear in the September checks of a widow with two children who is currently receiving benefits:

Widow with 2 children	
Present benefit:	New benefit
\$20	\$40
\$25	46
\$30	53
\$35	59
\$40	67
\$45	76
\$50	92
\$55	110
\$60	117
\$65	122
\$70	128
\$75	133

INCREASES SENT AUTOMATICALLY

You do not have to apply for the increases; they will be sent to you automatically. If, for any reason, the increase fails to show up in your October check, it will show up very soon, in full. Recipients are asked not to start writing in for information because the more letters that have to be answered, the slower the program will be in getting under way.

BENEFITS DOUBLED IN 1952

For anyone who retired after June 1952 a new formula may be used to compute benefits which will yield, roughly, twice the benefits now being received. You can begin to use this new formula just as soon as you have worked for six quarter-years—or a full year and a half—under the social-security system after January 1, 1951.

The following table shows, roughly, how much the benefits will be according to this new formula:

Average monthly wage	Single	Married
\$50	\$25	\$38
\$100	50	75
\$150	75	105
\$200	100	140
\$250	125	175
\$300	150	210

The minimum primary benefit has been raised from \$10 to \$25 in most cases, and the maximum family benefit has been raised from \$85 to \$150. These changes are long overdue in bringing our social-security system into line with high living costs.

WHO WILL BE COVERED NOW?

Second, What new people will be covered under the new law? On January 1, 1951, nearly 10,000,000 people in the Nation as a whole will come under the social-security system for the first time.

THE NONFARM SELF-EMPLOYED

The largest and most important group to come under the system are the nonfarm self-employed. For the first time the druggist, the grocer, the gas-station owner, and thousands of other persons who are in business for themselves can look forward to security in their later years as an earned right, to which they have contributed during their working lifetime.

Farmers are still not included under social security; nor are many professional people, such as doctors and lawyers.

ELIGIBLE FOR BENEFITS MUCH SOONER

At this point, I should emphasize, for the benefit of these businessmen, as well as all those who will come under the social-security system now, it will be much easier for you to become eligible for benefits under the new law. If you are 62 or over on January 1, 1951, and begin your social-security coverage on that date, you will need to work only a year and a half under the system in order to be fully insured and eligible for benefit payments upon retirement. That means that you will begin to draw benefits just as soon as you reach the retirement age of 65.

AGRICULTURAL WORKERS

Agricultural workers will come under the social security program on January 1. This includes not only persons who regularly work on farms, but also the so-called borderline agricultural workers—those who work, say, in raising livestock or fur animals; or in processing or delivering crops to storage or to market; or those engaged in household work on a farm. Employees of commercial handlers of fruits and vegetables are included in this borderline group, as are employees of farmer cooperatives.

Those who regularly work on farms must work for one farm operator for 3 months before their social-security coverage even begins. After that, they must work for him for 60 full days and earn \$50 in cash during each 3-month period. If they change employers, they must work regularly for 3 months before their work with the new employer begins to count for social security.

DOMESTIC WORKERS

Domestic workers in nonfarm homes will join the system next January, provided they work 24 days for one employer and receive cash wages of at least \$50 during each quarter year.

VOLUNTARY COVERAGE FOR STATE AND LOCAL EMPLOYEES

With regard to the inclusion of employees of the State, and of cities, towns or counties, this is the situation; sometime after January 1, the State of Montana may, if it wishes, enter into an agreement with the Federal Government. That agreement will set forth specifically which groups of employees of the State, or of cities, towns, or counties will be covered under social security. Any State or local employee who is covered by an existing retirement system cannot be in-

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cluded in such an agreement. In this way existing retirement systems will be fully protected. If any group of State or local employees is included in the agreement, then social-security coverage for all members of the group will be automatic.

Employees of the Federal Government in Montana who are not presently covered by a Federal retirement system, will be included under social security.

EMPLOYEES OF NONPROFIT INSTITUTIONS

Employees of nonprofit institutions (hospitals, churches, schools, and the like) will be covered only if the employer agrees to pay his share of the tax contribution and if two-thirds or more of the employees favor social-security coverage.

Ministers and members of religious orders will continue to be excluded.

SALESMEN AND TRUCK DRIVERS INCLUDED

The new bill will also include all full-time life-insurance salesmen, certain full-time traveling salesmen (other than house-to-house), many delivery-truck drivers, and home industrial workers who satisfy certain conditions.

HOW LONG TO QUALIFY?

Third. How long will you have to work under social security before you can start drawing benefits?

One of the greatest advantages of the new social-security law is that although the retirement age is still 65, in the future you will not have to work under the social-security system nearly as long before you are fully insured and eligible to draw benefits upon reaching the retirement age of 65.

The following table shows how many quarter years of coverage under social security you will have to have under the new law, as compared with the present law. Simply look at the figure next to your age on January 1, 1951.

Quarter years of coverage required to be fully insured

Age reached in first half of 1951	Present law	New law
76 or over.....	6	6
75.....	8	6
74.....	10	6
73.....	12	6
72.....	14	6
71.....	16	6
70.....	18	6
69.....	20	6
68.....	22	6
67.....	24	6
66.....	26	6
65.....	28	6
64.....	30	6
63.....	32	6
62.....	34	6
61.....	36	8
60.....	38	10
59.....	40	12
58.....	40	14
57.....	40	16
56.....	40	18
55.....	40	20
54.....	40	20
53.....	40	30
52.....	40	30
51.....	40	30
50.....	40	30
49.....	40	40
48 or under.....	40	40

All of the time you have worked under social security up to now still counts toward meeting your coverage requirement.

This change means three main things.

MANY AGED 65 CAN GET BENEFITS IMMEDIATELY

First, any insured worker who is now 65 or over, and who has had 6 quarter years—or a full year and half—of social-security coverage, can draw benefits immediately. He should apply for them at the nearest Social Security Administration field office.

Second, any worker who is 62 or over on January 1, 1951, even if he only starts his social-security coverage next year, will be eligible to begin drawing benefits just as soon as he reaches the retirement age of 65, or if he has had six quarter years—a year and a half—of coverage.

ELIGIBILITY MUCH EASIER FOR THE NEWLY COVERED

Third, and most important to the thousands who will become eligible to join the social-security system next year, it will be possible for them to begin drawing benefits upon retirement—at age 65—with much less social security coverage than now. The table above shows the tremendous improvements brought about by this law.

BENEFITS FOR SURVIVORS AND DEPENDENTS

The fourth main question of general interest is: How much will dependents and survivors receive under the new law?

The primary benefit is the basic payment made to an insured wage earner who has no dependents. Generally speaking, dependents and survivors will receive the same part of the primary as at present. This means that their benefits will also be about 75 percent higher than at present, up until 1952, and double the present levels after that.

The major changes in dependents' and survivors' benefits are:

(a) A retired worker's wife who is under 65 can receive benefits if she has a child in her care.

(b) The benefit for a dependent parent has been raised to three-quarters of the "primary" benefit of the wage earner (it has been one-half).

(c) Lump-sum death payments, though reduced to three times the primary benefit of the wage earner, are now payable to the family of every insured worker. Formerly, these payments were made only when no other member of the family was entitled to survivors' benefits at the time of the wage earner's death.

(d) Retired workers, survivors, or dependents may now earn \$50 a month—against \$14.99 under the present law—without losing their benefit privileges.

Another major improvement is the provision allowing war veterans an arbitrary wage credit of \$160 per month for all the time spent in the service. This provision will be of direct benefit to thousands of Montana veterans.

Further information and details will be supplied by the local offices of the Social Security Board throughout Montana.