AMEND THE EMPLOYEES' COMPENSATION ACT

JANUARY 25, 1927.—Ordered to be printed

Mr. MEANS, from the Committee on Claims, submitted the following

REPORT

[To accompany H. R. 11325]

The Committee on Claims, to whom was referred the bill (H. R. 11325) to amend an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, and acts in amendment thereof, having considered the same report favorably thereon with the recommendation that the bill do pass without amendment.

This legislation is intended to increase the rates of compensation provided by the United States employees' compensation act as amended in 1916, so as to make the relief afforded injured Government employees more equitable and more adequate in view of the present advances that have taken place in the cost of living since the present rates were established.

The bill has the indorsement of the United States Employees' Compensation Commission, and there is appended hereto as a part of this report a memorandum furnished by the commission which fully sets forth the necessity for this legislation.

MEMORANDUM IN REGARD TO AMENDMENT OF EMPLOYEES' COMPENSATION ACT

The need of amendment of the employees' compensation act of September 7, 1916, is due to the fact that the rates of compensation provided by that act have not been changed since it came into operation in 1916. The rates provided in the act are, as a matter of fact, the standards established in 1914 when the original bill was considered and reported favorably by the Committee on the Judiciary. The standards accepted at that time were not changed in the act of 1916.

Since 1914, when the rates of compensation were fixed, the cost of living, according to the Department of Labor, had in December, 1925, increased 73 per cent and union rates of wages, according to the same authority, had increased 133 per cent. Naturally, and to some extent necessarily, the standards and costs of living of Government employees have been adjusted to their rates of wages
and the cost of commodities. Consequently, the Government employee when injured and disabled for work suffers not only from the results of his injury but from the necessity to which it is often impossible for him to adjust himself of attempting to maintain himself and his family on a maximum allowance of $66.67 per month. The result is that at the present time the compensation paid the injured employee is on the average less than one-half of the pay which he receives when at work. For a large number of skilled employees the compensation paid amounts to not more than 40 per cent and at times not more than one-third of the actual loss of wages. It is because of these conditions that it is believed that an increase in the maximum and minimum limits of compensation should be made as is now recommended in the bill reported by the committee.

The bill provides for an increase in the maximum and minimum limits of compensation of 75 per cent over the maximum and minimum limits fixed in 1914. It should be understood that the benefits of this amendment are not applicable to all cases and that there will still remain the limitation of compensation to two-thirds of the rate of pay which the employee was receiving at the time of injury, so that the employee will lose in wages over and above what he may be paid in compensation the full pay for his first three days of disability and at least one-third of his pay for the entire time covered by the payment of compensation. The increase as provided in the bill when applied to the payments of the year 1925 would result in an increase in the amount of compensation paid of $274 per cent, or $668,692. It is believed that the increases here recommended are not more than is reasonable when consideration is given to the advances in cost of living and wages since the standards of the present act were established.

The results of an increase in the maximum and minimum will benefit the widows, children, and other dependents of employees killed while in the performance of duty as well as those disabled and suffering a loss of wages. This is provided for by the amendment to section 10-K of the law. The amount of the increase in compensation paid to widows, children, and other dependents of employees killed is included in the amount already given as the result of the increase in the maximum and minimum limits of compensation.

The amendment to section 11 of the act proposes that the allowance for funeral and burial expenses shall be increased from a maximum of $100 to a maximum of $200. It is believed this increase is warranted by the increases in the actual cost of funeral and burial rates, an increase which must be met regardless of any desire which the family of the employee may have to limit such expenses. The increase in cost which would result from such amendment applied to the experience of the year 1925 is estimated to be about $18,000.

The amendment to section 10-H extends the definition of “widow” for the purposes of compensation to include “any wife living apart for reasonable cause or by reason of her husband’s desertion” Such cases are not numerous and probably can only be determined by personal investigation on the part of the commission, but in the opinion of the committee, such cases are quite as meritorious as those described under the terms of the act as it now reads, which is limited to the wife living with or dependent for support on the deceased employee at the time of his death.

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