AN ACT
To amend title II of the Social Security Act to provide disability insurance benefits for certain disabled individuals who have attained age fifty, to reduce to age sixty-two the age on the basis of which benefits are payable to certain women, to provide for child’s insurance benefits for children who are disabled before attaining age eighteen, to extend coverage, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the “Social Security Amendments of 1956”.

TITLE I—AMENDMENTS TO TITLE II OF THE SOCIAL SECURITY ACT
CHILD’S INSURANCE BENEFITS FOR CHILDREN WHO ARE DISABLED BEFORE ATTAINING AGE EIGHTEEN

Sec. 101. (a) Section 202 (d) (1) of the Social Security Act is amended to read as follows:
“(1) Every child (as defined in section 216 (e)) of an individual entitled to old-age insurance benefits, or of an individual who died a fully or currently insured individual after 1939, if such child—
“(A) has filed application for child’s insurance benefits,
“(B) at the time such application was filed was unmarried and either (i) had not attained the age of eighteen, or (ii) was under a disability (as defined in section 223 (c) which began before he attained the age of eighteen, and
“(C) was dependent upon such individual at the time such application was filed, or, if such individual has died, was dependent upon such individual at the time of such individual’s death, shall be entitled to a child’s insurance benefit for each month, beginning with the first month after August 1950 in which such child becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: such child dies, marries, is adopted (except for adoption by a stepparent, grandparent, aunt, or uncle subsequent to the death of such fully or currently insured individual), attains the age of eighteen and is not under a disability (as defined in section 223 (c)) which began before he attained such age, or ceases to be under a disability (as so defined) on or after the day on which he attains age eighteen.”

(b) (1) Paragraphs (3), (4), and (5) of section 202 (d) of such Act are each amended by striking out “A child” wherever it appears and inserting in lieu thereof “A child who has not attained the age of eighteen”.

(2) Section 202 (d) of such Act is further amended by adding at the end thereof the following new paragraph:
“(6) A child who has attained the age of eighteen and who is under a disability (as defined in section 223 (c)) which began before he attained the age of eighteen shall be deemed dependent upon his natural or adopting father, his natural or adopting mother, his stepfather, or his stepmother at the time specified in paragraph (1) (C) if the child—
“(A) was or would, upon filing an application therefor, have been entitled to a child’s insurance benefit on the basis of the wages and self-employment income of such father, mother, stepfather, or stepmother for any month before the month in which he attained the age of eighteen, or
“(B) was, at the time specified in paragraph (1) (C), receiving at least one-half of his support from such father, mother, stepfather, or stepmother.”

(c) Section 202 (h) (1) of such Act (relating to parent’s benefits) is amended by striking out “or an unmarried child under the age of eighteen deemed dependent on such individual under subsection (d) (3), (4), or (5)” and inserting in lieu thereof “an unmarried child under the age of eighteen deemed dependent on such individual under subsection (d) (3), (4), or (5), or an unmarried child who has attained the age of eighteen and is under a disability (as defined in section 223 (c)) which began before he attained such age and who is deemed dependent on such individual under subsection (d) (6)”.

(d) The first sentence of section 203 (a) of such Act (relating to maximum benefits) is amended by striking out “after any deductions under this section,” each place it appears and inserting in lieu thereof “after any deductions under this section, after any deductions under section 222 (b), and after any reduction under section 224.”.

(e) Section 203 (b) of such Act (relating to deductions from benefits on account of certain events) is amended by adding after paragraph (5) the following:

“For purposes of paragraphs (3), (4), and (5), a child shall not be considered to be entitled to a child’s insurance benefit for any month in which an event specified in section 222 (b) occurs with respect to such child. No deduction shall be made under this subsection from any child’s insurance benefit for the month in which the child entitled to such benefit attained the age of eighteen or any subsequent month.”

(f) Section 203 (d) of such Act (relating to occurrence of more than one event) is amended by inserting after “(c)” the following: “and section 222 (b)”,

(g) Section 203 (h) of such Act (relating to circumstances under which deductions not required) is amended to read as follows:

“Circumstances Under Which Deductions and Reductions Not Required

“(h) In the case of any individual—

“(1) deductions by reason of the provisions of subsection (b), (f), or (g) of this section, or the provisions of section 222 (b), shall, notwithstanding such provisions, be made from the benefits to which such individual is entitled, and

“(2) any reduction by reason of the provisions of section 224 shall, notwithstanding the provisions of such section, be made with respect to the benefits to which such individual is entitled, only to the extent that such deductions and reduction reduce the total amount which would otherwise be paid, on the basis of the same wages and self-employment income, to such individual and the other individuals living in the same household.”

(h) (1) The amendments made by this section, other than subsection (c), shall apply with respect to monthly benefits under section 202 of the Social Security Act for months after December 1956, but only, except as provided in paragraph (2), on the basis of an application filed after September 1956. For purposes of title II of the Social Security Act, as amended by this Act, an application for wife’s, child’s, or mother’s insurance benefits under such title II filed, by reason of this paragraph, by an individual who was entitled to benefits prior to, but not for, December 1956 and whose entitlement terminated as a result of a child’s attainment of age eighteen shall be treated as the application referred to in subsection (b), (d), and (g), respectively, of section 202 of such Act.
(2) In the case of an individual who was entitled, without the application of subsection (j) (1) of such section 202, to a child's insurance benefit under subsection (d) of such section for December 1956, such amendments shall apply with respect to benefits under such section 202 for months after December 1956.

(3) The amendment made by subsection (c) shall apply in the case of benefits under section 202 (h) of the Social Security Act based on the wages and self-employment income of an individual who dies after August 1956.

**RETIREMENT AGE FOR WOMEN**

SEC. 102. (a) Section 216 (a) of the Social Security Act is amended to read as follows:

"Retirement Age

(a) The term 'retirement age' means—

(1) in the case of a man, age sixty-five, or

(2) in the case of a woman, age sixty-two."

(b) (1) The amendment made by subsection (a) shall apply in the case of benefits under subsection (e) of section 202 of the Social Security Act for months after October 1956, but only, except in the case of an individual who was entitled to wife's or mother's insurance benefits under such section 202 for October 1956, or any month thereafter, on the basis of applications filed after the date of enactment of this Act. The amendment made by subsection (a) shall apply in the case of benefits under subsection (h) of such section 202 for months after October 1956 on the basis of applications filed after the date of enactment of this Act.

(2) Except as provided in paragraphs (1) and (4), the amendment made by subsection (a) shall apply in the case of lump-sum death payments under section 202 (i) of the Social Security Act with respect to deaths after October 1956, and in the case of monthly benefits under title II of such Act for months after October 1956 on the basis of applications filed after the date of enactment of this Act.

(3) For purposes of section 215 (b) (3) (B) of the Social Security Act (but subject to paragraphs (1) and (2) of this subsection)—

(A) a woman who attains the age of sixty-two prior to November 1956 and who was not eligible for old-age insurance benefits under section 202 of such Act (as in effect prior to the enactment of this Act) for any month prior to November 1956 shall be deemed to have attained the age of sixty-two in 1956 or, if earlier, the year in which she died;

(B) a woman shall not, by reason of the amendment made by subsection (a), be deemed to be a fully insured individual before November 1956 or the month in which she died, whichever month is the earlier; and

(C) the amendment made by subsection (a) shall not be applicable in the case of any woman who was eligible for old-age insurance benefits under such section 202 for any month prior to November 1956.

A woman shall, for purposes of this paragraph, be deemed eligible for old-age insurance benefits under section 202 of the Social Security Act for any month if she was or would have been, upon filing application therefor in such month, entitled to such benefits for such month.

(4) For purposes of section 209 (i) of such Act, the amendment made by subsection (a) shall apply only with respect to remuneration paid after October 1956.
Section 202 of the Social Security Act is amended by adding after subsection (p) (added by section 114 of this Act) the following new subsections:

“Adjustment of Old-Age and Wife’s Insurance Benefit Amounts in Accordance With Age of Female Beneficiary

“(q) (1) The old-age insurance benefit of any woman for any month prior to the month in which she attains the age of sixty-five shall be reduced by—

“(A) 5/9 of 1 per centum, multiplied by

“(B) the number equal to the number of months in the period beginning with the first day of the first month for which she is entitled to an old-age insurance benefit and ending with the last day of the month before the month in which she would attain the age of sixty-five.

“(2) The wife’s insurance benefit of any wife for any month after the month preceding the month in which she attains the age of sixty-two and prior to the month in which she attains the age of sixty-five shall be reduced by—

“(A) 25/36 of 1 per centum, multiplied by

“(B) the number equal to the number of months in the period beginning with the first day of the first month for which she is entitled to such wife’s insurance benefit and ending with the last day of the month before the month in which she would attain the age of sixty-five, except that in no event shall such period start earlier than the first day of the month in which she attains the age of sixty-two.

The preceding provisions of this paragraph shall not apply to the benefit for any month in which such wife has in her care (individually or jointly with the individual on whose wages and self-employment income such wife’s insurance benefit is based) a child entitled to child’s insurance benefits on the basis of such wages and self-employment income. With respect to any month in the period specified in clause (B) of the first sentence, if such wife does not have in such month such a child in her care (individually or jointly with such individual), she shall be deemed to have such a child in her care in such month for the purposes of the preceding sentence unless there is in effect for such month a certificate filed by her with the Secretary, in accordance with regulations prescribed by him, in which she elects to receive wife’s insurance benefits reduced as provided in this subsection. Any certificate filed pursuant to the preceding sentence shall be effective for purposes of such sentence—

(i) for the month in which it is filed, and for any month thereafter, if in such month she does not have such a child in her care (individually or jointly with such individual), and

(ii) for the period of one or more consecutive months (not exceeding twelve) immediately preceding the month in which such certificate is filed which is designated by her (not including as part of such period any month in which she had such a child in her care (individually or jointly with such individual)).

If such a certificate is filed, the period referred to in clause (B) of the first sentence of this paragraph shall commence with the first day of the first month (i) for which she is entitled to a wife’s insurance benefit, (ii) which occurs after the month preceding the month in which she attained the age of sixty-two, and (iii) for which such certificate is effective.

“(3) In the case of any woman who is entitled to an old-age insurance benefit to which paragraph (1) is applicable and who, for the
first month for which she is so entitled (but not for any prior month)
or for any later month occurring before the month in which she attains
the age of sixty-five, is entitled to a wife's insurance benefit to which
paragraph (2) is applicable, the amount of such wife's insurance bene-
fit for any month prior to the month in which she attains the age of
sixty-five shall, in lieu of the reduction provided in paragraph (2), be
reduced by the sum of—

"(A) an amount equal to the amount by which such old-age in-
surance benefit for such month is reduced under paragraph (1),
plus

"(B) an amount equal to—

"(i) the number equal to the number of months specified
in clause (B) of paragraph (2), multiplied by

"(ii) 25/36 of 1 per centum, and further multiplied by

"(iii) the excess of such wife's insurance benefit prior to
reduction under this subsection over the old-age insurance
benefit prior to reduction under this subsection.

"(4) In the case of any woman who is or was entitled to a wife's
insurance benefit to which paragraph (2) is applicable and who, for
any month after the first month for which she is or was so entitled
(but not for such first month or any earlier month) occurring before
the month in which she attains the age of sixty-five, is entitled to an
old-age insurance benefit, the amount of such old-age insurance bene-
fit for any month prior to the month in which she attains the age of
sixty-five shall, in lieu of the reduction provided in paragraph (1),
be reduced by the sum of—

"(A) an amount equal to the amount by which such wife's
insurance benefit is reduced under paragraph (2) for such month
(or, if she is not entitled to a wife's insurance benefit for such
month, by an amount equal to the amount by which such benefit
was reduced for the last month for which she was entitled thereto),
plus

"(B) if the old-age insurance benefit for such month prior to
reduction under this subsection exceeds such wife's insurance
benefit prior to reduction under this subsection, an amount equal
to—

"(i) the number equal to the number of months specified in
clause (B) of paragraph (1), multiplied by

"(ii) 5% of 1 per centum, and further multiplied by

"(iii) the excess of such old-age insurance benefit over such
wife's insurance benefit.

"(5) In the case of any woman who is entitled to an old-age in-
surance benefit for the month in which she attains the age of sixty-
five or any month thereafter, such benefit for such month shall, if
she was also entitled to such benefit for any one or more months prior
to the month in which she attained the age of sixty-five and such
benefit for any such prior month was reduced under paragraph (1)
or (4), be reduced as provided in such paragraph, except that there
shall be subtracted, from the number specified in clause (B) of such
paragraph—

"(A) the number equal to the number of months for which
such benefit was reduced under such paragraph, but for which
such benefit was subject to deductions under paragraph (1) or
(2) of section 203 (b),

and except that, in the case of any such benefit reduced under para-
graph (4), there also shall be subtracted from the number specified
in clause (B) of paragraph (2), for the purpose of computing the
amount referred to in clause (A) of paragraph (4)—
(B) the number equal to the number of months for which the wife's insurance benefit was reduced under such paragraph (2), but for which such benefit was subject to deductions under paragraph (1) or (2) of section 203 (b) or under section 203 (c), and

(C) the number equal to the number of months occurring after the first month for which such wife's insurance benefit was reduced under such paragraph (2) in which she had in her care (individually or jointly with the individual on whose wages and self-employment income such benefit is based) a child of such individual entitled to child's insurance benefits.

Such subtraction shall be made only if the total of such months specified in clauses (A), (B), and (C) of the preceding sentence is not less than three. For purposes of clauses (B) and (C) of this paragraph, a wife's insurance benefit shall not be considered terminated for any reason prior to the month in which she attains the age of sixty-five.

(6) In the case of any woman who is entitled to a wife's insurance benefit for the month in which she attains the age of sixty-five or any month thereafter, such benefit for such month shall, if she was also entitled to such benefit for any one or more months prior to the month in which she attained the age of sixty-five and such benefit for any such prior month was reduced under paragraph (2) or (3), be reduced as provided in such paragraph, except that there shall be be subtracted from the number specified in clause (B) of such paragraph—

(A) the number equal to the number of months for which such benefit was reduced under such paragraph, but for which such benefit was subject to deductions under paragraph (1) or (2) of section 203 (b) or under section 203 (c), and

(B) the number equal to the number of months, occurring after the first month for which such benefit was reduced under such paragraph, in which she had in her care (individually or jointly with the individual on whose wages and self-employment income such benefit is based) a child of such individual entitled to child's insurance benefits,

and except that, in the case of any such benefit reduced under paragraph (3), there also shall be subtracted from the number specified in clause (B) of paragraph (1), for the purpose of computing the amount referred to in clause (A) of paragraph (3)—

(C) the number equal to the number of months for which the old-age insurance benefit was reduced under such paragraph (1) but for which such benefit was subject to deductions under paragraph (1) or (2) of section 203 (b).

Such subtraction shall be made only if the total of such months specified in clauses (A), (B), and (C) of the preceding sentence is not less than three.

(7) In the case of a woman who is entitled to an old-age insurance benefit to which paragraph (5) is applicable and who, for the month in which she attains the age of sixty-five (but not for any prior month) or for any later month, is entitled to a wife's insurance benefit, the amount of such wife's insurance benefit for any month shall be reduced by an amount equal to the amount by which the old-age insurance benefit is reduced under paragraph (5) for such month.

(8) In the case of a woman who is or was entitled to a wife's insurance benefit to which paragraph (2) was applicable and who, for the month in which she attains the age of sixty-five (but not for any prior month) or for any later month, is entitled to an old-age insurance benefit, the amount of such old-age insurance benefit for any month shall be reduced by an amount equal to the amount by which the wife's insurance benefit is reduced under paragraph (6) for such month (or,
if she is not entitled to a wife's insurance benefit for such month, by (i) an amount equal to the amount by which such benefit for the last month for which she was entitled thereto was reduced, or (ii) if smaller, an amount equal to the amount by which such benefit would have been reduced under paragraph (6) for the month in which she attained the age of sixty-five if entitlement to such benefit had not terminated before such month).

"(9) The preceding paragraphs shall be applied to old-age insurance benefits and wife's insurance benefits after reduction under section 203 (a) and application of section 215 (g). If the amount of any reduction computed under paragraph (1), under paragraph (2), under clause (A) or clause (B) of paragraph (3), or under clause (A) or clause (B) of paragraph (4) is not a multiple of $0.10, it shall be reduced to the next lower multiple of $0.10.

"Presumed Filing of Application by Woman Eligible for Old-Age and Wife's Insurance Benefits"

"(t) Any woman who becomes entitled to an old-age insurance benefit for any month prior to the month in which she attains the age of sixty-five and who is eligible for a wife's insurance benefit for the same month shall be deemed to have filed an application in such month for wife's insurance benefits. Any woman who becomes entitled to a wife's insurance benefit for any month prior to the month in which she attains the age of sixty-five and who is eligible for an old-age insurance benefit for the same month shall be deemed, unless she has in such month a child in her care (individually or jointly with the individual on whose wages and self-employment income her wife's insurance benefits are based) a child entitled to child's insurance benefits on the basis of such wages and self-employment income, to have filed an application in such month for old-age insurance benefits. For purposes of this subsection an individual shall be deemed eligible for a benefit for a month if, upon filing application therefor in such month, she would have been entitled to such benefit for such month.

"Female Disability Insurance Beneficiary"

"(s) (1) If any woman becomes entitled to a widow's insurance benefit or parent's insurance benefit for a month before the month in which she attains the age of sixty-five, or becomes entitled to an old-age insurance benefit or wife's insurance benefit for a month before the month in which she attains the age of sixty-five which is reduced under the provisions of subsection (q), such individual may not thereafter become entitled to disability insurance benefits under this title.

"(2) If a woman would, but for the provisions of subsection (k) (2) (B), be entitled for any month to a disability insurance benefit and to a wife's insurance benefit, subsection (q) shall be applicable to such wife's insurance benefit for such month only to the extent it exceeds such disability insurance benefit for such month.

"(3) The entitlement of any woman to disability insurance benefits shall terminate with the month before the month in which she becomes entitled to old-age insurance benefits."

(d) (1) The last sentence of subsection (a) of section 202 of such Act is amended by striking out "Such" and inserting in lieu thereof "Except as provided in subsection (q), such".

(2) Clause (D) of subsection (b) (1) of such section is amended to read as follows:

"(D) is not entitled to old-age insurance benefits, or is entitled to old-age insurance benefits based on a primary insurance amount
which is less than one-half of an old-age insurance benefit of her husband."

(3) So much of such subsection as follows clause (D) is amended by striking out "or she becomes entitled to an old-age insurance benefit equal to or exceeding one-half of an old-age insurance benefit of her husband" and inserting in lieu thereof "or she becomes entitled to an old-age insurance benefit based on a primary insurance amount which is equal to or exceeds one-half of an old-age insurance benefit of her husband".

(4) Subsection (b) (2) of such section is amended by striking out "such" and inserting in lieu thereof "except as provided in subsection (q), such".

(5) Paragraph (1) (E) of subsection (c) of section 202 of such Act is amended by striking out "an old-age insurance benefit of his wife" and inserting in lieu thereof "the primary insurance amount of his wife".

(6) So much of paragraph (1) of such subsection as follows clause (E) is amended by striking out "an old-age insurance benefit of his wife" and inserting in lieu thereof "the primary insurance amount of his wife".

(7) Paragraph (2) of such subsection and the first sentence of subsection (d) (2) of such section are each amended by striking out "old-age insurance benefit" and inserting in lieu thereof "primary insurance amount".

(8) Subsection (j) of such section is amended by adding at the end thereof the following new paragraph:

"(3) Notwithstanding the provisions of paragraph (1), a woman may, at her option, waive entitlement to old-age insurance benefits or wife's insurance benefits for any one or more consecutive months which occur—

(A) after the month before the month in which she attains the age of sixty-two,

(B) prior to the month in which she attains the age of sixty-five, and

(C) prior to the month in which she files application for such benefits;

and, in such case, she shall not be considered as entitled to such benefits for any such month or months before she filed such application. A woman shall be deemed to have waived such entitlement for any such month for which such benefit would, under the second sentence of paragraph (1), be reduced to zero."

(9) Subsection (k) (3) of such section is amended to read as follows:

"(3) If an individual is entitled to an old-age insurance benefit for any month and to any other monthly insurance benefit for such month, such other insurance benefit for such month, after any reduction under subsection (q) and any reduction under section 203 (a), shall be reduced, but not below zero, by an amount equal to such old-age insurance benefit (after reduction under such subsection (q))."

(10) Subsection (m) of such section is amended by inserting "and subsection (q)" after "subsection (k) (3)" each time it appears therein.

(11) Section 203 (b) (3) of such Act is amended to read as follows:

"(3) in which such individual, if a wife under age 65 entitled to a wife's insurance benefit, did not have in her care (individually or jointly with her husband) a child of her husband entitled to a child's insurance benefit and such wife's insurance benefit for such month was not reduced under the provisions of section 203 (q); or".
(12) The second and fourth sentences of section 216 (i) (2) of such Act are each amended by striking out "retirement age" and inserting in lieu thereof "the age of sixty-five".

DISABILITY INSURANCE BENEFITS FOR CERTAIN DISABLED INDIVIDUALS WHO HAVE ATTAINED AGE FIFTY

SEC. 103. (a) Title II of the Social Security Act is amended by inserting after section 222 the following new sections:

"DISABILITY INSURANCE BENEFIT PAYMENTS"

"Disability Insurance Benefits"

"SEC. 223. (a) (1) Every individual who—

"(A) is insured for disability insurance benefits (as determined under subsection (c) (1)),

"(B) has attained the age of fifty and has not attained the age of sixty-five,

"(C) has filed application for disability insurance benefits, and

"(D) is under a disability (as defined in subsection (c) (2)) at the time such application is filed,

shall be entitled to a disability insurance benefit for each month, beginning with the first month after his waiting period (as defined in subsection (c) (3)) in which he becomes so entitled to such insurance benefits and ending with the month preceding the first month in which any of the following occurs: his disability ceases, he dies, or he attains the age of sixty-five.

"(2) Such individual's disability insurance benefit for any month shall be equal to his primary insurance amount for such month determined under section 215 as though he became entitled to old-age insurance benefits in the first month of his waiting period.

"Filing of Application"

"(b) No application for disability insurance benefits which is filed more than nine months before the first month for which the applicant becomes entitled to such benefits shall be accepted as a valid application for purposes of this section.

"Definitions"

"(c) For purposes of this section—

"(1) An individual shall be insured for disability insurance benefits in any month if—

"(A) he would have been a fully and currently insured individual (as defined in section 214) had he attained retirement age and filed application for benefits under section 202 (a) on the first day of such month, and

"(B) he had not less than twenty quarters of coverage during the forty-quarter period ending with the quarter in which such first day occurred, not counting as part of such forty-quarter period any quarter any part of which was included in a period of disability (as defined in section 216 (i)) unless such quarter was a quarter of coverage.

"(2) The term ‘disability’ means inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of long-continued and indefinite duration."
An individual shall not be considered to be under a disability unless he furnishes such proof of the existence thereof as may be required.

"(3) The term 'waiting period' means, in the case of any application for disability insurance benefits, the earliest period of six consecutive calendar months—

"(A) throughout which the individual who files such application has been under a disability, and

"(B) (i) which begins not earlier than with the first day of the sixth month before the month in which such application is filed if such individual is insured for disability insurance benefits in such sixth month, or (ii) if he is not so insured in such month, which begins not earlier than with the first day of the first month after such sixth month in which he is so insured.

Notwithstanding the preceding provisions of this paragraph, no waiting period may begin for any individual before January 1, 1957; nor may any such period begin for any individual before the first day of the sixth month before the month in which he attains the age of fifty.

"REDUCTION OF BENEFITS BASED ON DISABILITY

"Sec. 224. (a) If—

"(1) any individual is entitled to a disability insurance benefit for any month, or to a child's insurance benefit for the month in which he attained the age of eighteen or any subsequent month, and

"(2) either (A) it is determined by any agency of the United States under any other law of the United States or under a system established by such agency that a periodic benefit is payable by such agency for such month to such individual, and the amount of or eligibility for such periodic benefit is based (in whole or in part) on a physical or mental impairment of such individual, or (B) it is determined that a periodic benefit is payable for such month to such individual under a workmen's compensation law or plan of the United States or of a State on account of a physical or mental impairment of such individual,

then the benefit referred to in paragraph (1) shall be reduced (but not below zero) by an amount equal to such periodic benefit or benefits for such month. If such benefit referred to in paragraph (1) for any month is a child's insurance benefit and the periodic benefit or benefits referred to in paragraph (2) exceed such child's insurance benefit, the monthly benefit for such month to which an individual is entitled under subsection (b) or (g) of section 202 shall also be reduced (but not below zero) by the amount of such excess, but only if such individual (i) did not attain retirement age in such month or in any prior month, and (ii) would not be entitled to such monthly benefit if she did not have such child in her care (individually or jointly with her husband, in the case of a wife).

"(b) If any periodic benefit referred to in subsection (a) (2) is determined to be payable on other than a monthly basis (excluding a benefit payable in a lump sum unless it is a commutation of, or a substitute for, periodic payments), reduction of the benefits under this section shall be made at such time or times and in such amounts as the Secretary finds will approximate, as nearly as practicable, the reduction prescribed in subsection (a).

"(c) In order to assure that the purposes of this section will be carried out, the Secretary may, as a condition to certification for payment of any monthly insurance benefit payable to an individual under this title (if it appears to him that such individual may be eligible for a periodic benefit which would give rise to a reduction under this section), require adequate assurance of reimbursement to the Federal
Disability Insurance Trust Fund in case periodic benefits, with respect to which such a reduction should be made, become payable to such individual and such reduction is not made.

"(d) Any agency of the United States which is authorized by any law of the United States to pay periodic benefits, or has a system of periodic benefits, which are based in whole or in part on physical or mental impairment, shall (at the request of the Secretary) certify to him, with respect to any individual, such information as the Secretary deems necessary to carry out his functions under subsection (a).

"(e) For purposes of this section, the term 'agency of the United States' means any department or other agency of the United States or any instrumentality which is wholly owned by the United States.

"Suspension of Benefits Based on Disability

"Sec. 225. If the Secretary, on the basis of information obtained by or submitted to him, believes that an individual entitled to benefits under section 223, or that a child who has attained the age of eighteen and is entitled to benefits under section 202 (d), may have ceased to be under a disability, the Secretary may suspend the payment of benefits under such section 223 or 202 (d) until it is determined (as provided in section 221) whether or not such individual's disability has ceased or until the Secretary believes that such disability has not ceased. In the case of any individual whose disability is subject to determination under an agreement with a State under section 221 (b), the Secretary shall promptly notify the appropriate State of his action under this section and shall request a prompt determination of whether such individual's disability has ceased. For purposes of this section, the term 'disability' has the meaning assigned to such term in section 223 (c) (2)."

(b) Section 222 of such Act is amended to read as follows:

"Rehabilitation Services

"Referral for Rehabilitation Services

"Sec. 222. (a) It is hereby declared to be the policy of the Congress that disabled individuals applying for a determination of disability, and disabled individuals who are entitled to child's insurance benefits, shall be promptly referred to the State agency or agencies administering or supervising the administration of the State plan approved under the Vocational Rehabilitation Act for necessary vocational rehabilitation services, to the end that the maximum number of such individuals may be rehabilitated into productive activity.

"Deductions on Account of Refusal To Accept Rehabilitation Services

"(b) Deductions, in such amounts and at such time or times as the Secretary shall determine, shall be made from any payment or payments under this title to which an individual is entitled, until the total of such deductions equals such individual's benefit or benefits under sections 202 and 223 for any month in which such individual, if a child who has attained the age of eighteen and is entitled to child's insurance benefits or if an individual entitled to disability insurance benefits, refuses without good cause to accept rehabilitation services available to him under a State plan approved under the Vocational Rehabilitation Act. Any individual who is a member or adherent of any recognized church or religious sect which teaches its members or adherents to rely solely, in the treatment and cure of any physical or mental impairment, upon prayer or spiritual means through the
application and use of the tenets or teachings of such church or sect, and who, solely because of his adherence to the teachings or tenets of such church, or sect, refuses to accept rehabilitation services available to him under a State plan approved under the Vocational Rehabilitation Act, shall, for the purposes of the first sentence of this subsection, be deemed to have done so with good cause.

“Service Performed Under Rehabilitation Program

(c) For purposes of sections 216 (i) and 223, an individual shall not be regarded as able to engage in substantial gainful activity solely by reason of services rendered by him pursuant to a program for his rehabilitation carried on under a State plan approved under the Vocational Rehabilitation Act. This subsection shall not apply with respect to any such services rendered after the eleventh month following the first month during which such services are rendered.”

(e) (1) Section 202 (a) (3) of such Act (relating to old-age insurance benefits) is amended to read as follows:

“(3) has filed application for old-age insurance benefits or was entitled to disability insurance benefits for the month preceding the month in which he attained the age of 65.”

(2) Section 202 (k) (2) (B) of such Act (relating to entitlement to more than one benefit) is amended by striking out “who under the preceding provisions of this section” and inserting in lieu thereof “who, under the preceding provisions of this section and under the provisions of section 223,”

(3) Section 202 (n) (1) (A) of such Act (relating to denial of benefits in certain cases of deportation) is amended by inserting “or section 223” after “this section”.

(4) Section 215 (a) of such Act (relating to computation of the primary insurance amount) is amended by adding at the end thereof the following new paragraph:

“(3) Notwithstanding paragraphs (1) and (2), in the case of any individual who in the month before the month in which he becomes entitled to old-age insurance benefits or dies, whichever first occurs, was entitled to a disability insurance benefit, his primary insurance amount shall be the amount computed as provided in this section (without regard to this paragraph) or his disability insurance benefit for such earlier month, whichever is the larger.”

(5) Section 215 (g) of such Act (relating to rounding of benefits) is amended (A) by striking out “section 202” and inserting in lieu thereof “section 202 or 223” and (B) by striking out “section 203 (a)” and inserting in lieu thereof “sections 203 (a) and 224”.

(6) The first sentence of section 216 (i) (1) of such Act (defining “disability” for purposes of preserving insurance rights during periods of disability) is amended by striking out “The” at the beginning and inserting in lieu thereof “Except for purposes of sections 202 (d), 223, and 225, the”.

(7) The first sentence of section 221 (a) of such Act (relating to determinations of disability by State agencies) is amended by striking out “(as defined in section 216 (i))” and inserting in lieu thereof “(as defined in section 216 (i) or 223 (c))”.

(8) Section 221 (c) of such Act (relating to review by Secretary of determinations of disability) is amended by striking out “a disability” the two places it appears and inserting in lieu thereof “a disability (as defined in section 216 (i) or 223 (c))” the first place it appears and “a disability (as so defined)” the second place it appears.

(d) (1) The amendment made by subsection (a) shall apply only with respect to monthly benefits under title II of the Social Security Act for months after June 1957.
(2) For purposes of determining entitlement to a disability insurance benefit for any month after June 1957 and before December 1957, an application for disability insurance benefits filed by any individual after July 1957 and before January 1958 shall be deemed to have been filed during the first month after June 1957 for which such individual would (without regard to this paragraph) have been entitled to a disability insurance benefit had he filed application before the end of such month.

(e) Section 201 of such Act is amended to read as follows:

"FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND AND FEDERAL DISABILITY INSURANCE TRUST FUND"

"Sec. 201. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the 'Federal Old-Age and Survivors Insurance Trust Fund'. The Federal Old-Age and Survivors Insurance Trust Fund shall consist of the securities held by the Secretary of the Treasury for the Old-Age Reserve Account and the amount standing to the credit of the Old-Age Reserve Account on the books of the Treasury on January 1, 1940, which securities and amount the Secretary of the Treasury is authorized and directed to transfer to the Federal Old-Age and Survivors Insurance Trust Fund, and, in addition, such amounts as may be appropriated to, or deposited in, the Federal Old-Age and Survivors Insurance Trust Fund as hereinafter provided. There is hereby appropriated to the Federal Old-Age and Survivors Insurance Trust Fund for the fiscal year ending June 30, 1941, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 per centum of—

"(1) the taxes (including interest, penalties, and additions to the taxes) received under subchapter A of chapter 9 of the Internal Revenue Code of 1939 (and covered into the Treasury) which are deposited into the Treasury by collectors of internal revenue before January 1, 1951; and

"(2) the taxes certified each month by the Commissioner of Internal Revenue as taxes received under subchapter A of chapter 9 of such Code which are deposited into the Treasury by collectors of internal revenue after December 31, 1950, and before January 1, 1953, with respect to assessments of such taxes made before January 1, 1951; and

"(3) the taxes imposed by subchapter A of chapter 9 of such Code with respect to wages (as defined in section 1426 of such Code), and by chapter 21 of the Internal Revenue Code of 1954 with respect to wages (as defined in section 3121 of such Code) reported to the Commissioner of Internal Revenue pursuant to section 1420 (c) of the Internal Revenue Code of 1939 after December 31, 1950, and to the Secretary of the Treasury or his delegates pursuant to subtitle F of the Internal Revenue Code of 1954 after December 31, 1954, as determined by the Secretary of the Treasury by applying the applicable rates of tax under such subchapter or chapter 21 to such wages, which wages shall be certified by the Secretary of Health, Education, and Welfare on the basis of the records of wages established and maintained by such Secretary in accordance with such reports, less the amounts specified in clause (1) of subsection (b) of this section; and

"(4) the taxes imposed by subchapter E of chapter 1 of the Internal Revenue Code of 1939, with respect to self-employment income (as defined in section 481 of such Code), and by chapter 2 of the Internal Revenue Code of 1954 with respect to self-
employment income (as defined in section 1402 of such Code) reported to the Commissioner of Internal Revenue on tax returns under such subchapter or to the Secretary of the Treasury or his delegate on tax returns under subtitle F of such Code, as determined by the Secretary of the Treasury by applying the applicable rate of tax under such subchapter or chapter to such self-employment income, which self-employment income shall be certified by the Secretary of Health, Education, and Welfare on the basis of the records of self-employment income established and maintained by the Secretary of Health, Education, and Welfare in accordance with such returns, less the amounts specified in clause (2) of subsection (b) of this section.

The amounts appropriated by clauses (3) and (4) shall be transferred from time to time from the general fund in the Treasury to the Federal Old-Age and Survivors Insurance Trust Fund, and the amounts appropriated by clauses (1) and (2) of subsection (b) shall be transferred from time to time from the general fund in the Treasury to the Federal Disability Insurance Trust Fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes, specified in clauses (3) and (4) of this subsection, paid to or deposited into the Treasury; and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than the taxes specified in such clauses (3) and (4) of this subsection.

"There is hereby created on the books of the Treasury of the United States a trust fund to be known as the 'Federal Disability Insurance Trust Fund'. The Federal Disability Insurance Trust Fund shall consist of such amounts as may be appropriated to, or deposited in, such fund as provided in this section. There is hereby appropriated to the Federal Disability Insurance Trust Fund for the fiscal year ending June 30, 1957, and for each fiscal year thereafter, out of any moneys in the Treasury not otherwise appropriated, amounts equivalent to 100 per centum of—

"(1) 1/2 of 1 per centum of the wages (as defined in section 3121 of the Internal Revenue Code of 1954) paid after December 31, 1956, and reported to the Secretary of the Treasury or his delegate pursuant to subtitle F of the Internal Revenue Code of 1954, which wages shall be certified by the Secretary of Health, Education, and Welfare on the basis of the records of wages established and maintained by such Secretary in accordance with such reports; and

"(2) 3/8 of 1 per centum of the amount of self-employment income (as defined in section 1402 of the Internal Revenue Code of 1954) reported to the Secretary of the Treasury or his delegate on tax returns under subtitle F of the Internal Revenue Code of 1954 for any taxable year beginning after December 31, 1956, which self-employment income shall be certified by the Secretary of Health, Education, and Welfare on the basis of the records of self-employment income established and maintained by the Secretary of Health, Education, and Welfare in accordance with such returns.

"(c) With respect to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund (hereinafter in this title called the 'Trust Funds') there is hereby created a body to be known as the Board of Trustees of the Trust Funds (hereinafter in this title called the 'Board of Trustees') which Board of Trustees shall be composed of the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, all ex officio. The Secretary of the Treasury shall be the Man-
aging Trustee of the Board of Trustees (hereinafter in this title called the 'Managing Trustee'). The Commissioner of Social Security shall serve as Secretary of the Board of Trustees. It shall be the duty of the Board of Trustees to—

"(1) Hold the Trust Funds;

"(2) Report to the Congress not later than the first day of March of each year on the operation and status of the Trust Funds during the preceding fiscal year and on their expected operation and status during the next ensuing five fiscal years;

"(3) Report immediately to the Congress whenever the Board of Trustees is of the opinion that during the ensuing five fiscal years either of the Trust Funds will exceed three times the highest annual expenditures from such Trust Fund anticipated during that five-fiscal-year period, and whenever the Board of Trustees is of the opinion that the amount of either of the Trust Funds is unduly small; and

"(4) Recommend improvements in administrative procedures and policies designed to effectuate the proper coordination of the old-age and survivors insurance and Federal-State unemployment compensation program.

The report provided for in paragraph (2) above shall include a statement of the assets of, and the disbursements made from, the Trust Funds during the preceding fiscal year, an estimate of the expected future income to, and disbursements to be made from, the Trust Funds during each of the next ensuing five fiscal years, and a statement of the actuarial status of the Trust Funds. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(d) It shall be the duty of the Managing Trustee to invest such portion of the Trust Funds as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at par, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the Trust Funds. Such obligations issued for purchase by the Trust Funds shall have maturities fixed with due regard for the needs of the Trust Funds, and bear interest at a rate equal to the average rate of interest, computed as to the end of the calendar month next preceding the date of such issue, borne by all marketable interest-bearing obligations of the United States then forming a part of the Public Debt that are not due or callable until after the expiration of five years from the date of original issue; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligations shall be the multiple of one-eighth of 1 per centum nearest such average rate. Such obligations shall be issued for purchase by the Trust Funds only if the Managing Trustee determines that the purchase in the market of other interest-bearing obligations of the United States, or of obligations guaranteed as to both principal and interest by the United States on original issue or at the market price, is not in the public interest.

"(e) Any obligations acquired by the Trust Funds (except special obligations issued exclusively to the Trust Funds) may be sold by the Managing Trustee at the market price, and such special obligations may be redeemed at par plus accrued interest.
Credit of interest and proceeds.

(f) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall be credited to and form a part of the Federal Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund, respectively.

(g) (1) The Managing Trustee is directed to pay from the Trust Funds into the Treasury the amounts estimated by him and the Secretary of Health, Education, and Welfare which will be expended, out of moneys appropriated from the general funds in the Treasury, during a three-month period by the Department of Health, Education, and Welfare and the Treasury Department for the administration of titles II and VIII of this Act and subchapter E of chapter 1 and subchapter A of chapter 9 of the Internal Revenue Code of 1939, and chapters 2 and 21 of the Internal Revenue Code of 1954. Such payments shall be covered into the Treasury as repayments to the account for reimbursement of expenses incurred in connection with the administration of titles II and VIII of this Act and subchapter E of chapter 1 and subchapter A of chapter 9 of the Internal Revenue Code of 1939, and chapters 2 and 21 of the Internal Revenue Code of 1954. There are hereby authorized to be made available for expenditure, out of either or both of the Trust Funds, such amounts as the Congress may deem appropriate to pay the costs of administration of this title. After the close of each fiscal year, the Secretary of Health, Education, and Welfare shall analyze the costs of administration of this title incurred during such fiscal year in order to determine the portion of such costs which should have been borne by each of the Trust Funds and shall certify to the Managing Trustee the amount, if any, which should be transferred from one to the other of such Trust Funds in order to insure that each of the Trust Funds has borne its proper share of the costs of administration of this title incurred during such fiscal year. The Managing Trustee is authorized and directed to transfer any such amount from one to the other of such Trust Funds in accordance with any certification so made.

(2) The Managing Trustee is directed to pay from time to time from the Trust Funds into the Treasury the amount estimated by him as taxes which are subject to refund under section 6413 (c) of the Internal Revenue Code of 1954 with respect to wages (as defined in section 1426 of the Internal Revenue Code of 1939 and section 3121 of the Internal Revenue Code of 1954) paid after December 31, 1950. Such taxes shall be determined on the basis of the records of wages established and maintained by the Secretary of Health, Education, and Welfare in accordance with the wages reported to the Commissioner of Internal Revenue pursuant to section 1420 (c) of the Internal Revenue Code of 1939 and to the Secretary of the Treasury or his delegate pursuant to subtitle F of the Internal Revenue Code of 1954, and the Secretary shall furnish the Managing Trustee such information as may be required by the Trustee for such purpose. The payments by the Managing Trustee shall be covered into the Treasury as repayments to the account for refunding internal revenue collections. Payments pursuant to the first sentence of this paragraph shall be made from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund in the ratio in which amounts were appropriated to such Trust Funds under clause (3) of subsection (a) of this section and clause (1) of subsection (b) of this section.

(3) Repayments made under paragraph (1) or (2) shall not be available for expenditures but shall be carried to the surplus fund of the Treasury. If it subsequently appears that the estimates under
either such paragraph in any particular period were too high or too low, appropriate adjustments shall be made by the Managing Trustee in future payments.

\( (h) \) Benefit payments required to be made under section 223 shall be made only from the Federal Disability Insurance Trust Fund. All other benefit payments required to be made under this title shall be made only from the Federal Old-Age and Survivors Insurance Trust Fund.\]

\( (f) \) Subsection \( (h) \) (1) of section 218 of such Act is amended to read as follows:

\( (h) \) (1) All amounts received by the Secretary of the Treasury under an agreement made pursuant to this section shall be deposited in the Trust Funds in the ratio in which amounts are appropriated to such Funds pursuant to subsections \( (a) \) (3) and \( (b) \) (1) of section 201.\]

\( (g) \) Subsection \( (j) \) of section 218 of such Act is amended to read as follows:

"Failure To Make Payments

\( (j) \) In case any State does not make, at the time or times due, the payments provided for under an agreement pursuant to this section, there shall be added, as part of the amounts due, interest at the rate of 6 per centum per annum from the date due until paid, and the Secretary of Health, Education, and Welfare may, in his discretion, deduct such amounts plus interest from any amounts certified by him to the Secretary of the Treasury for payment to such State under any other provision of this Act. Amounts so deducted shall be deemed to have been paid to the State under such other provision of this Act. Amounts equal to the amounts deducted under this subsection are hereby appropriated to the Trust Funds in the ratio in which amounts are deposited in such Funds pursuant to subsection \( (h) \) (1).\]

\( (h) \) Subsections \( (e) \) and \( (f) \) of section 221 of such Act are amended to read as follows:

\( (e) \) Each State which has an agreement with the Secretary under this section shall be entitled to receive from the Trust Funds, in advance or by way of reimbursement, as may be mutually agreed upon, the cost to the State of carrying out the agreement under this section. The Secretary shall from time to time certify such amount as is necessary for this purpose to the Managing Trustee, reduced or increased, as the case may be, by any sum (for which adjustment hereunder has not previously been made) by which the amount certified for any prior period was greater or less than the amount which should have been paid to the State under this subsection for such period; and the Managing Trustee, prior to audit or settlement by the General Accounting Office, shall make payment from the Trust Funds at the time or times fixed by the Secretary, in accordance with such certification. Appropriate adjustments between the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund with respect to the payments made under this subsection shall be made in accordance with paragraph \( (1) \) of subsection \( (g) \) of section 201 (but taking into account any refunds under subsection \( (f) \) of this section) to insure that the Federal Disability Trust Fund is charged with all expenses incurred which are attributable to the administration of section 223 and the Federal Old-Age and Survivors Insurance Trust Fund is charged with all other expenses.

\( (f) \) All money paid to a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned to the Treasury of the United States for deposit in the Trust Funds."
(i) The heading of title II of the Social Security Act is amended to read as follows:

"TITLE II—FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE BENEFITS"

(j) Section 3121 (1) (6) of the Internal Revenue Code of 1954 is amended—

(1) by striking "TRUST FUND", in the heading, and inserting in lieu thereof "TRUST FUNDS"; and

(2) by inserting after “Federal Old-Age and Survivors Insurance Trust Fund” the following: “and the Federal Disability Insurance Trust Fund”.

EXTENSION OF COVERAGE

Foreign Agricultural Workers

Sec. 104. (a) Section 210 (a) (1) (B) of the Social Security Act is amended to read as follows:

“(B) Service performed by foreign agricultural workers (i) under contracts entered into in accordance with title V of the Agricultural Act of 1949, as amended, or (ii) lawfully admitted to the United States from the Bahamas, Jamaica, and the other British West Indies, or from any foreign country or possession thereof, on a temporary basis to perform agricultural labor;”.

Employees of Federal Home Loan Banks and of the Tennessee Valley Authority

(b) (1) Section 210 (a) (6) (B) (ii) of such Act is amended by inserting “a Federal Home Loan Bank,” after “a Federal Reserve Bank,”.

(2) Section 210 (a) (6) (C) (vi) of such Act is amended to read as follows:

“(vi) by any individual to whom the Civil Service Retirement Act does not apply because such individual is subject to another retirement system (other than the retirement system of the Tennessee Valley Authority);”.

Share-Farming Arrangements

(c) (1) Section 210 (a) of such Act is amended by striking out “or” at the end of paragraph (14), by striking out the period at the end of paragraph (15) and inserting in lieu thereof a semicolon, and by adding after paragraph (15) the following new paragraph:

“(16) Service performed by an individual under an arrangement with the owner or tenant of land pursuant to which—

(A) such individual undertakes to produce agricultural or horticultural commodities (including livestock, bees, poultry, and fur-bearing animals and wildlife) on such land,

(B) the agricultural or horticultural commodities produced by such individual, or the proceeds therefrom, are to be divided between such individual and such owner or tenant, and

(C) the amount of such individual’s share depends on the amount of the agricultural or horticultural commodities produced; or”.

(2) Section 211 (a) (1) of such Act is amended by adding at the end thereof the following: “except that the preceding provisions of
this paragraph shall not apply to any income derived by the owner or tenant of land if (A) such income is derived under an arrangement, between the owner or tenant and another individual, which provides that such other individual shall produce agricultural or horticultural commodities (including livestock, bees, poultry, and fur-bearing animals and wildlife) on such land, and that there shall be material participation by the owner or tenant in the production or the management of the production of such agricultural or horticultural commodities, and (B) there is material participation by the owner or tenant with respect to any such agricultural or horticultural commodity;”.

(3) Section 211 (c)(2) of such Act is amended to read as follows:
“(2) The performance of service by an individual as an employee (other than service described in section 210 (a) (14) (B) performed by an individual who has attained the age of eighteen, service described in section 210 (a) (16), and service described in paragraph (4) of this subsection);”.

Professional Self-Employed

(d) Paragraph (5) of section 211 (c) of such Act is amended to read as follows:
“(5) The performance of service by an individual in the exercise of his profession as a doctor of medicine or Christian Science practitioner; or the performance of such service by a partnership.”

Certain State and Local Employees

(e) Section 218 (d) (6) of such Act is amended by adding at the end thereof the following new sentences: “For the purposes of this subsection, any retirement system established by the State of Florida, Georgia, New York, North Dakota, Pennsylvania, Tennessee, Washington, Wisconsin, or the Territory of Hawaii, or any political subdivision of any such State or Territory, which, on, before, or after the date of enactment of this sentence is divided into two divisions or parts, one of which is composed of positions of members of such system who desire coverage under an agreement under this section and the other of which is composed of positions of members of such system who do not desire such coverage, shall, if the State or Territory so desires and if it is provided that there shall be included in such division or part composed of members desiring such coverage the positions of individuals who become members of such system after such coverage is extended, be deemed to be a separate retirement system with respect to each such division or part. The position of any individual which is covered by any retirement system to which the preceding sentence is applicable shall, if such individual is ineligible to become a member of such system on the date of enactment of such sentence or, if later, the day he first occupies such position, be deemed to be covered by the separate retirement system consisting of the positions of members of the division or part who do not desire coverage under the insurance system established under this title. For the purposes of this subsection, in the case of any retirement system of the State of Florida, Georgia, Minnesota, North Dakota, Pennsylvania, Wisconsin, or the Territory of Hawaii which covers positions of employees of such State or Territory who are compensated in whole or in part from grants made to such State or Territory under title III, there shall be deemed to be, if such State or Territory so desires, a separate retirement system with respect to any of the following: (A) the positions of such employees; (B) the positions of all employees of such State or Territory covered by such retirement system who are employed in the department of such State or Territory in which
the employees referred to in clause (A) are employed; or (C) employees of such State or Territory covered by such retirement system who are employed in such department of such State or Territory in positions other than those referred to in clause (A)."

Certain Nonprofessional School District Employees

(f) Notwithstanding the provisions of subsection (d) of section 218 of the Social Security Act, any agreement under such section entered into prior to the date of enactment of this Act by the State of Florida, Nevada, New Mexico, Minnesota, Oklahoma, Pennsylvania, Texas, Washington, or the Territory of Hawaii shall if the State or Territory concerned so requests, be modified prior to July 1, 1957, so as to apply to services performed by employees of the respective public school districts of such State or Territory who, on the date such agreement is made applicable to such services, are not in positions the incumbents of which are required by State or Territorial law or regulation to have valid State or Territorial teachers' or administrators' certificates in order to receive pay for their services. The provisions of this subsection shall not apply to services of any such employees to which any such agreement applies without regard to this subsection.

Policemen and Firemen in the States of Florida, North Carolina, Oregon, South Carolina, and South Dakota

(g) Section 218 of such Act is amended by adding at the end thereof the following new subsection:

Policemen and Firemen in Certain States

"(p) Any agreement with the State of Florida, North Carolina, Oregon, South Carolina, or South Dakota entered into pursuant to this section prior to the date of enactment of this subsection may, notwithstanding the provisions of subsection (d) (5) (A) and the references thereto in subsections (d) (1) and (d) (3), be modified pursuant to subsection (c) (4) to apply to service performed by employees of such State or any political subdivision thereof in any policeman's or fireman's position covered by a retirement system in effect on or after the date of the enactment of this subsection, but only upon compliance with the requirements of subsection (d) (3). For the purposes of the preceding sentence, a retirement system which covers positions of policemen or firemen, or both, and other positions shall, if the State concerned so desires, be deemed to be a separate retirement system with respect to the positions of such policemen or firemen, or both, as the case may be."

Ministers

(h) Paragraph (7) (B) of section 211 (a) of the Social Security Act is amended to read as follows:

"(B) a citizen of the United States performing service described in subsection (c) (4) as an employee of an American employer (as defined in section 210 (e)) or as a minister in a foreign country who has a congregation which is composed predominantly of citizens of the United States,"

Effective Dates

(i) (1) The amendment made by subsection (a) shall apply with respect to service performed after 1956. The amendments made by
paragraph (1) of subsection (c) shall apply with respect to service performed after 1954. The amendment made by paragraph (2) of subsection (c) shall apply with respect to taxable years ending after 1955. The amendment made by paragraph (3) of subsection (c) shall apply with respect to taxable years ending after 1954. The amendment made by subsection (d) shall apply with respect to taxable years ending after 1955. The amendment made by subsection (h) shall apply with respect to the same taxable years with respect to which the amendment made by section 201 (g) of this Act applies.

(2) (A) Except as provided in subparagraphs (B) and (C), the amendments made by subsection (b) shall apply only with respect to service performed after June 30, 1957, and only if—

(i) in the case of the amendment made by paragraph (1) of such subsection, the conditions prescribed in subparagraph (B) are met; and

(ii) in the case of the amendment made by paragraph (2) of such subsection, the conditions prescribed in subparagraph (C) are met.

(B) The amendment made by paragraph (1) of subsection (b) shall be effective only if—

(i) the Federal Home Loan Bank Board submits to the Secretary of Health, Education, and Welfare, and the Secretary approves, before July 1, 1957, a plan, with respect to employees of Federal Home Loan Banks, for the coordination, on an equitable basis, of the benefits provided by the retirement system applicable to such employees with the benefits provided by title II of the Social Security Act; and

(ii) such plan specifies, as the effective date of the plan, July 1, 1957, or the first day of a prior calendar quarter beginning not earlier than January 1, 1956.

If the plan specifies as the effective date of the plan a day before July 1, 1957, the amendment made by paragraph (1) of subsection (b) shall apply with respect to service performed on or after such effective date; except that, if such effective date is prior to the day on which the Secretary approves the plan, such amendment shall not apply with respect to service performed, prior to the day on which the Secretary approves the plan, by an individual who is not an employee of a Federal Home Loan Bank on such day.

(C) The amendment made by paragraph (2) of subsection (b) shall be effective only if—

(i) the Board of Directors of the Tennessee Valley Authority submits to the Secretary of Health, Education, and Welfare, and the Secretary approves, before July 1, 1957, a plan, with respect to employees of the Tennessee Valley Authority, for the coordination, on an equitable basis, of the benefits provided by the retirement system applicable to such employees with the benefits provided by title II of the Social Security Act; and

(ii) such plan specifies, as the effective date of the plan, July 1, 1957, or the first day of a prior calendar quarter beginning not earlier than January 1, 1956.

If the plan specifies as the effective date of the plan a day before July 1, 1957, the amendment made by paragraph (2) of subsection (b) shall apply with respect to service performed on or after such effective date; except that, if such effective date is prior to the day on which the Secretary approves the plan, such amendment shall not apply with respect to service performed, prior to the day on which the Secretary approves the plan, by an individual who is not an employee of the Tennessee Valley Authority on such day.

(D) The Secretary of Health, Education, and Welfare shall, on or before July 31, 1957, submit a report to the Congress setting forth
the details of any plan approved by him under subparagraph (B) or (C).

AMENDMENTS WITH RESPECT TO AGRICULTURAL LABOR

SEC. 105. (a) Paragraph (2) of subsection (h) of section 209 of the Social Security Act is amended to read as follows:

"(2) Cash remuneration paid by an employer in any calendar year to an employee for agricultural labor unless (A) the cash remuneration paid in such year by the employer to the employee for such labor is $150 or more, or (B) the employee performs agricultural labor for the employer on twenty days or more during such year for cash remuneration computed on a time basis;"

(b) Section 210 of such Act is amended by adding at the end thereof the following new subsection:

"Crew Leader"

"(o) The term 'crew leader' means an individual who furnishes individuals to perform agricultural labor for another person, if such individual pays (either on his own behalf or on behalf of such person) the individuals so furnished by him for the agricultural labor performed by them and if such individual has not entered into a written agreement with such person whereby such individual has been designated as an employee of such person; and such individuals furnished by the crew leader to perform agricultural labor for another person shall be deemed to be the employees of such crew leader. A crew leader shall, with respect to services performed in furnishing individuals to perform agricultural labor for another person and service performed as a member of the crew, be deemed not to be an employee of such other person."

(c) Section 213 (a) (2) (B) (iv) of such Act (relating to quarters of coverage) is amended by striking out "if such wages are less than $200" and inserting in lieu thereof "if such wages equal or exceed $100 but are less than $200."

(d) The amendment made by subsection (a) of this section shall apply with respect to remuneration paid after 1956, and the amendment made by subsection (b) of this section shall apply with respect to service performed after 1956.

COMPUTATION OF SELF-EMPLOYMENT INCOME BY FARM OPERATORS

SEC. 106. (a) Subsection (a) of section 211 of the Social Security Act is amended by striking out the last two sentences and inserting in lieu thereof the following: "In the case of any trade or business which is carried on by an individual or by a partnership and in which, if such trade or business were carried on exclusively by employees, the major portion of the services would constitute agricultural labor as defined in section 210 (f) —

"(i) in the case of an individual, if the gross income derived by him from such trade or business is not more than $1,800, the net earnings from self-employment derived by him from such trade or business may, at his option, be deemed to be 66% percent of such gross income; or

"(ii) in the case of an individual, if the gross income derived by him from such trade or business is more than $1,800 and the net earnings from self-employment derived by him from such trade or business (computed under this subsection without regard to this sentence) are less than $1,200, the net earnings from self-
employment derived by him from such trade or business may, at his option, be deemed to be $1,200; and

"(iii) in the case of a member of a partnership, if his distributive share of the gross income of the partnership derived from such trade or business (after such gross income has been reduced by the sum of all payments to which section 707 (c) of the Internal Revenue Code of 1954 applies) is not more than $1,800, his distributive share of income described in section 702 (a) (9) of such Code derived from such trade or business may, at his option, be deemed to be an amount equal to 66 2/3 percent of his distributive share of such gross income (after such gross income has been so reduced); or

"(iv) in the case of a member of a partnership, if his distributive share of the gross income of the partnership derived from such trade or business (after such gross income has been reduced by the sum of all payments to which section 707 (c) of the Internal Revenue Code of 1954 applies) is more than $1,800 and his distributive share (whether or not distributed) of income described in section 702 (a) (9) of such Code derived from such trade or business (computed under this subsection without regard to this sentence) is less than $1,200, his distributive share of income described in such section 702 (a) (9) derived from such trade or business may, at his option, be deemed to be $1,200.

For purposes of the preceding sentence, gross income means—

"(v) in the case of any such trade or business in which the income is computed under a cash receipts and disbursements method, the gross receipts from such trade or business reduced by the cost or other basis of property which was purchased and sold in carrying on such trade or business, adjusted (after such reduction) in accordance with the provisions of paragraphs (1) through (6) of this subsection; and

"(vi) in the case of any such trade or business in which the income is computed under an accrual method, the gross income from such trade or business, adjusted in accordance with the provisions of paragraphs (1) through (6) of this subsection;

and, for purposes of such sentence, if an individual (including a member of a partnership) derives gross income from more than one such trade or business, such gross income (including his distributive share of the gross income of any partnership derived from any such trade or business) shall be deemed to have been derived from one trade or business."

(b) The amendment made by subsection (a) shall be effective with respect to taxable years ending on or after December 31, 1956.

**TIME FOR FILING REPORTS OF EARNINGS AND FOR CORRECTING SECRETARY'S RECORDS**

Sec. 107. (a) The second sentence of section 203 (g) (1) of the Social Security Act (relating to report of earnings to Secretary) is amended by striking out "third" and inserting in lieu thereof "fourth". The amendment made by the preceding sentence shall apply in the case of monthly benefits under title II of such Act for months in any taxable year (of the individual entitled to such benefits) beginning after 1954.

(b) Section 205 (c) (1) (B) of such Act (relating to period of limitation for correcting records) is amended by striking out "two" and inserting in lieu thereof "three".
Sec. 108. Section 214 (a) (3) of the Social Security Act is amended to read as follows:

"(3) In the case of any individual who did not die prior to January 1, 1955, the term 'fully insured individual' means any individual who meets the requirements of paragraph (2) and, in addition, any individual with respect to whom all but four of the quarters elapsing after 1954 and prior to (i) July 1, 1957, or (ii) if later, the quarter in which he attained retirement age or died, whichever first occurred, are quarters of coverage, but only if not fewer than six of such quarters so elapsing are quarters of coverage."

Sec. 109. (a) Section 215 (b) (4) of the Social Security Act is amended by striking out the last sentence and by striking out "four" in the first sentence and inserting in lieu thereof "five".

(b) The amendment made by subsection (a) shall apply in the case of monthly benefits under section 202 of the Social Security Act, and the lump-sum death payment under such section, based on the wages and self-employment income of an individual—

(1) who becomes entitled to benefits under subsection (a) of such section on the basis of an application filed on or after the date of enactment of this Act; or

(2) who is (but for the provisions of subsection (f) (6) of section 215 of the Social Security Act) entitled to a recomputation of his primary insurance amount under subsection (f) (2) (A) of such section 215 based on an application filed on or after the date of enactment of this Act; or

(3) who dies without becoming entitled to benefits under subsection (a) of such section 202 and no individual was entitled to survivor's benefits and no lump-sum death payment was payable under such section 202 on the basis of an application filed prior to such date of enactment; or

(4) who dies on or after such date of enactment and whose survivors are (but for the provisions of subsection (f) (6) of such section 215) entitled to a recomputation of his primary insurance amount under subsection (f) (4) (A) of such section 215; or

(5) who dies prior to such date of enactment and (A) whose survivors are (but for the provisions of subsection (f) (6) of such section 215) entitled to a recomputation of his primary insurance amount under subsection (f) (4) (A) of such section 215, and (B) on the basis of whose wages and self-employment income no individual was entitled to survivor's benefits under such section 202, and no lump-sum death payment was payable under such section, on the basis of an application filed prior to such date of enactment and no individual was entitled to such a benefit, without the filing of an application for the month in which this Act is enacted or any month prior thereto.

Sec. 110. In the case of an individual who died or became (without the application of section 202 (j) (1) of the Social Security Act) entitled to old-age insurance benefits in 1957 and with respect to whom not less than six of the quarters elapsing after 1955 and prior to the quarter following the quarter in which he died or became entitled to old-age insurance benefits, whichever first occurred, are quarters of coverage, his primary insurance amount shall be computed under
section 215 (a) (1) (A) of such Act, with a starting date of December 31, 1955, and a closing date of July 1, 1957, but only if it would result in a higher primary insurance amount. For the purposes of section 215 (f) (3) (C) of such Act, the determination of an individual’s closing date under the preceding sentence shall be considered as a determination of the individual’s closing date under section 215 (b) (3) (A) of such Act, and the recomputation provided for by such section 215 (f) (3) (C) shall be made using July 1, 1957, as the closing date, but only if it would result in a higher primary insurance amount. In any such computation on the basis of a July 1, 1957, closing date, the total of his wages and self-employment income after December 31, 1956, shall, if it is in excess of $2,100, be reduced to such amount.

TIME LIMITATION ON FILING REQUESTS FOR HEARING

SEC. 111. (a) Section 205 (b) of the Social Security Act is amended by striking out the second sentence and inserting in lieu thereof the following: “Upon request by any such individual or upon request by a wife, widow, former wife divorced, husband, widower, child, or parent who makes a showing in writing that his or her rights may be prejudiced by any decision the Secretary has rendered, he shall give such applicant and such other individual reasonable notice and opportunity for a hearing with respect to such decision, and, if a hearing is held, shall, on the basis of evidence adduced at the hearing, affirm, modify, or reverse his findings of fact and such decision. Any such request with respect to such a decision must be filed within such period after such decision as may be prescribed in regulations of the Secretary, except that the period so prescribed may not be less than six months after notice of such decision is mailed to the individual making such request.”

(b) The amendment made by subsection (a) shall be effective upon enactment; except that the period of time prescribed by the Secretary pursuant to the third sentence of section 205 (b) of the Social Security Act, as amended by subsection (a) of this section, with respect to decisions notice of which has been mailed by him to any individual prior to the enactment of this Act may not terminate for such individual less than six months after the date of enactment of this Act.

EARNINGS TEST FOR BENEFICIARIES IN ACTIVE MILITARY OR NAVAL SERVICE OVERSEAS

SEC. 112. (a) Section 203 (e) (4) (C) of the Social Security Act is amended by inserting “or performed outside the United States in the active military or naval service of the United States” after “performed within the United States by the individual as an employee”.

(b) The first sentence of section 203 (k) of such Act is amended by inserting “and are not performed in the active military or naval service of the United States” after “if he performs services outside the United States as an employee and such services do not constitute employment as defined in section 210”.

(c) The amendments made by subsections (a) and (b) shall be applicable with respect to taxable years ending after 1955.

EFFECT OF REMARRIAGE IN CASE OF CERTAIN WIDOWS

SEC. 113. Section 202 (e) of the Social Security Act is amended by adding after paragraph (2) the following new paragraph:

“(3) In the case of any widow of an individual—

“(A) who marries another individual,
"(B) whose marriage to the individual referred to in subparagraph (A) is terminated by his death but she is not his widow (as defined in section 216 (c)), the marriage to the individual referred to in clause (A) shall, for purposes of paragraph (1), be deemed not to have occurred. No benefits shall be payable under this subsection by reason of the preceding sentence for any month prior to whichever of the following is the latest: (i) the month in which the death referred to in subparagraph (B) of the preceding sentence occurs, (ii) the twelfth month before the month in which such widow files application for purposes of this paragraph, or (iii) November 1956."

EXTENSION OF PERIOD FOR FILING PROOF OF SUPPORT AND APPLICATIONS FOR LUMP-SUM DEATH PAYMENT

SEC. 114. (a) Section 202 of the Social Security Act is amended by inserting after subsection (o) the following new subsection:

"Extension of Period for Filing Proof of Support and Applications for Lump-Sum Death Payment

"(p) In any case in which there is a failure—

"(1) to file proof of support under subparagraph (D) of subsection (c) (1), clause (i) or (ii) of subparagraph (E) of subsection (f) (1), or subparagraph (B) of subsection (h) (1), or subparagraph (B) of subsection (f) (1) of this section as in effect prior to the Social Security Act Amendments of 1950 within the period prescribed by such subparagraph or clause, or

"(2) to file, in the case of a death after 1946, application for a lump-sum death payment under subsection (i), or under subsection (g) of this section as in effect prior to the Social Security Act Amendments of 1950, within the period prescribed by such subsection,

and it is shown to the satisfaction of the Secretary that there was good cause for failure to file such proof or application, as the case may be, within such period, such proof or application shall be deemed to have been filed within such period if it is filed within two years following such period or within two years following August 1956, whichever is later. The determination of what constitutes good cause for purposes of this subsection shall be made in accordance with regulations of the Secretary."

(b) The amendment made by subsection (a) shall apply in the case of lump-sum death payments under title II of the Social Security Act, and monthly benefits under such title for months after August 1956, based on applications filed after August 1956.

COMPUTATION OF AVERAGE MONTHLY WAGE

SEC. 115. (a) Section 215 (b) (1) of the Social Security Act is amended to read as follows:

"(b) (1) An individual's 'average monthly wage' shall be the quotient obtained by dividing the total of his wages and self-employment income after his starting date (determined under paragraph (2)) and prior to his closing date (determined under paragraph (3)), by the number of months elapsing after such starting date and prior to such closing date, excluding from such elapsed months—

"(A) the months in any year prior to the year in which he attained the age of twenty-two if less than two quarters of such prior year were quarters of coverage, and
“(B) the months in any year any part of which was included in a period of disability except the months in the year in which such period of disability began if their inclusion in such elapsed months (together with the inclusion of the wages paid in and self-employment income credited to such year) will result in a higher primary insurance amount. Notwithstanding the preceding provisions of this paragraph when the number of the elapsed months computed under such provisions (including a computation after the application of paragraph (4)) is less than eighteen, it shall be increased to eighteen.”

(b) Section 215 (d) (5) of such Act is amended by striking out “any quarter prior to 1951 any part of which was included in a period of disability shall be excluded from the elapsed quarters unless it was a quarter of coverage, and any wages paid in any such quarter shall not be counted.” and inserting in lieu thereof “all quarters, in any year prior to 1951 any part of which was included in a period of disability, shall be excluded from the elapsed quarters and any wages paid in such year shall not be counted. Notwithstanding the preceding sentence, the quarters in the year in which a period of disability began shall not be excluded from the elapsed quarters and the wages paid in such year shall be counted if the inclusion of such quarters and the counting of such wages result in a higher primary insurance amount.”

(c) Section 215 (e) (4) of such Act is amended to read as follows: “(4) in computing an individual’s average monthly wage, there shall not be counted—

“(A) any wages paid such individual in any year any part of which was included in a period of disability, or

“(B) any self-employment income of such individual credited pursuant to section 212 to any year any part of which was included in a period of disability,

unless the months of such year are included as elapsed months pursuant to section 215 (b) (1) (B).”

(d) The amendments made by this section shall apply in the case of an individual (1) who becomes entitled (without the application of section 202 (j) (1) of the Social Security Act) to benefits under section 202 (a) of such Act after the date of enactment of this Act, or (2) who dies without becoming entitled to benefits under such section 202 (a) and on the basis of whose wages and self-employment income an application for benefits or a lump-sum death payment under section 202 of such Act is filed after the date of enactment of this Act, or (3) who becomes entitled to benefits under section 223 of such Act, or (4) who files, after the date of enactment of this Act, an application for a disability determination which is accepted as an application for purposes of section 216 (i) of such Act.

ADVISORY COUNCIL ON SOCIAL SECURITY FINANCING

SEC. 116. (a) There is hereby established an Advisory Council on Social Security Financing for the purpose of reviewing the status of the Federal Old-Age and Survivors Insurance Trust Fund and of the Federal Disability Insurance Trust Fund in relation to the long-term commitments of the old-age, survivors, and disability insurance program.

(b) The Council shall be appointed by the Secretary after February 1957 and before January 1958 without regard to the civil-service laws and shall consist of the Commissioner of Social Security, as chairman, and of twelve other persons who shall, to the extent possible, represent employers and employees in equal numbers, and self-employed persons and the public.
(c) (1) The Council is authorized to engage such technical assistance, including actuarial services, as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Council such secretarial, clerical, and other assistance and such actuarial and other pertinent data prepared by the Department of Health, Education, and Welfare as it may require to carry out such functions.

(2) Members of the Council, while serving on business of the Council (inclusive of travel time), shall receive compensation at rates fixed by the Secretary, but not exceeding $50 per day; and shall be entitled to receive actual and necessary traveling expenses and per diem in lieu of subsistence while so serving away from their places of residence.

(d) The Council shall make a report of its findings and recommendations (including recommendations for changes in the tax rates in sections 1401, 3101, and 3111 of the Internal Revenue Code of 1954) to the Secretary of the Board of Trustees of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, such report to be submitted not later than January 1, 1959, after which date such Council shall cease to exist. Such findings and recommendations shall be included in the annual report of the Board of Trustees to be submitted to the Congress not later than March 1, 1959.

(e) Not earlier than three years and not later than two years prior to January 1 of the first year for which each ensuing scheduled increase (after 1960) in the tax rates is effective under the provisions of sections 3101 and 3111 of the Internal Revenue Code of 1954, the Secretary shall appoint an Advisory Council on Social Security Financing with the same functions, and constituted in the same manner, as prescribed in the preceding subsections of this section. Each such Council shall report its findings and recommendations, as prescribed in subsection (d), not later than January 1 of the year preceding the year in which such scheduled change in the tax rates occurs, after which date such Council shall cease to exist, and such report and recommendations shall be included in the annual report of the Board of Trustees to be submitted to the Congress not later than the March 1 following such January 1.

**CORRECTION OF RECORDS OF SELF-EMPLOYMENT INCOME**

**SEC. 117.** Section 205 (c) (5) of the Social Security Act is amended by striking out “in excess of the amount which has been deleted pursuant to this subparagraph as payments erroneously included in such records as wages paid to such individual in such taxable year” in subparagraph (F), striking out “or” at the end of subparagraph (H), striking out the period at the end of subparagraph (I) and inserting in lieu thereof “; or”, and adding after subparagraph (I) the following new subparagraph:

“(J) to include self-employment income for any taxable year, up to, but not in excess of, the amount of wages deleted by the Secretary as payments erroneously included in such records as wages paid to such individual, if such income (or net earnings from self-employment), not already included in such records as self-employment income, is included in a return or statement (referred to in subparagraph (F)) filed before the expiration of the time limitation following the taxable year in which such deletion of wages is made.”
Sec. 118. (a) Section 202 of the Social Security Act is amended by adding after subsection (s) (added by section 102 of this Act) the following new subsection:

"Suspension of Benefits of Aliens Who Are Outside the United States

"(t) (1) Notwithstanding any other provision of this title, no monthly benefits shall be paid under this section or under section 223 to any individual who is not a citizen or national of the United States for any month which is—

"(A) after the sixth consecutive calendar month during all of which the Secretary finds, on the basis of information furnished to him by the Attorney General or information which otherwise comes to his attention, that such individual is outside the United States, and

"(B) prior to the first month thereafter for all of which such individual has been in the United States.

"(2) Paragraph (1) shall not apply to any individual who is a citizen of a foreign country which the Secretary finds has in effect a social insurance or pension system which is of general application in such country and under which—

"(A) periodic benefits, or the actuarial equivalent thereof, are paid on account of old age, retirement, or death, and

"(B) individuals who are citizens of the United States but not citizens of such foreign country and who qualify for such benefits are permitted to receive such benefits or the actuarial equivalent thereof while outside such foreign country without regard to the duration of the absence.

"(3) Paragraph (1) shall not apply in any case where its application would be contrary to any treaty obligation of the United States in effect on the date of the enactment of this subsection.

"(4) Paragraph (1) shall not apply to any benefit for any month if—

"(A) not less than forty of the quarters elapsing before such month are quarters of coverage for the individual on whose wages and self-employment income such benefit is based, or

"(B) the individual on whose wages and self-employment income such benefit is based has, before such month, resided in the United States for a period or periods aggregating ten years or more, or

"(C) the individual entitled to such benefit is outside the United States while in the active military or naval service of the United States.

"(5) No person who is, or upon application would be, entitled to a monthly benefit under this section for December 1956 shall be deprived, by reason of paragraph (1), of such benefit or any other benefit based on the wages and self-employment income of the individual on whose wages and self-employment income such monthly benefit for December 1956 is based.

"(6) If an individual is outside the United States when he dies and no benefit may, by reason of paragraph (1), be paid to him for the month preceding the month in which he dies, no lump-sum death payment may be made on the basis of such individual's wages and self-employment income.

"(7) Subsections (b) and (c) of section 203 shall not apply with respect to any individual for any month for which no monthly benefit may be paid to him by reason of paragraph (1) of this subsection.
The Attorney General shall certify to the Secretary such information regarding aliens who depart from the United States to any foreign country (other than a foreign country which is territorially contiguous to the continental United States) as may be necessary to enable the Secretary to carry out the purposes of this subsection and shall otherwise aid, assist, and cooperate with the Secretary in obtaining such other information as may be necessary to enable the Secretary to carry out the purposes of this subsection."

(b) The amendment made by subsection (a) shall apply in the case of monthly benefits under title II of the Social Security Act for months after December 1956 and in the case of lump-sum death payments under section 202 (i) of such Act with respect to deaths occurring after December 1956.

DEFINITION OF SECRETARY

Sec. 119. As used in this Act and in the provisions of the Social Security Act set forth in this Act, the term "Secretary" means the Secretary of Health, Education, and Welfare.

AMENDMENTS PRESERVING RELATIONSHIP BETWEEN RAILROAD RETIREMENT AND OLD-AGE AND SURVIVORS INSURANCE

Sec. 120. (a) Section 1 (q) of the Railroad Retirement Act of 1937, as amended, is amended by striking out "1954" and inserting in lieu thereof "1956."

(b) Section 5 (f) (2) of the Railroad Retirement Act of 1937, as amended, is amended—

(1) by striking out "age sixty-five" each place it appears and inserting in lieu thereof "retirement age (as defined in section 216 (a) of the Social Security Act)"; and

(2) by striking out "section 202" each place it appears and inserting in lieu thereof "title II".

(c) Section 5 (k) (2) of the Railroad Retirement Act of 1937, as amended, is amended to read as follows:

"(2) (A) The Board and the Secretary of Health, Education, and Welfare shall determine, no later than January 1, 1954, the amount which would place the Federal Old-Age and Survivors Insurance Trust Fund in the same position in which it would have been at the close of the fiscal year ending June 30, 1952, if service as an employee after December 31, 1936, had been included in the term 'employment' as defined in the Social Security Act and in the Federal Insurance Contributions Act.

(B) On January 1, 1954, for the fiscal year ending June 30, 1953, and at the close of each fiscal year beginning with the fiscal year ending June 30, 1954, the Board and the Secretary of Health, Education, and Welfare shall determine, and the Board shall certify to the Secretary of the Treasury for transfer from the Railroad Retirement Account (hereafter termed 'Retirement Account') to the Federal Old-Age and Survivors Insurance Trust Fund, interest for such fiscal year at the rate specified in subparagraph (D) on the amount determined under subparagraph (A) less the sum of all offsets made under subparagraph (C) (i).

(C) (i) At the close of the fiscal year ending June 30, 1953, and each fiscal year thereafter, the Board and the Secretary of Health, Education, and Welfare shall determine the amount, if any, which if added to or subtracted from the Federal Old-Age and Survivors Insurance Trust Fund would place such Fund in the same position in which it would have been if service as an employee after December
31, 1936, had been included in the term 'employment' as defined in the Social Security Act and in the Federal Insurance Contributions Act. For the purposes of this subparagraph, the amount determined under subparagraph (A), less such offsets as have theretofore been made under this subdivision of this subparagraph, and the amount determined under subparagraph (B) for the fiscal year under consideration shall be deemed to be part of the Federal Old-Age and Survivors Insurance Trust Fund. Such determination shall be made no later than June 15, following the close of the fiscal year. If such amount is to be added to the Federal Old-Age and Survivors Insurance Trust Fund, the board shall, within ten days after the determination, certify such amount to the Secretary of the Treasury for transfer from the Retirement Account to the Federal Old-Age and Survivors Insurance Trust Fund; if such amount is to be subtracted from the Federal Old-Age and Survivors Insurance Trust Fund, the Secretary of Health, Education, and Welfare shall, within ten days after the determination, certify such amount to the Secretary of the Treasury for transfer from the Federal Old-Age and Survivors Insurance Trust Fund to the Retirement Account. The amount so certified shall further include interest (at the rate determined in subparagraph (D) for the fiscal year under consideration) payable from the close of such fiscal year until the date of certification. In the event the Secretary of Health, Education, and Welfare is required under the provisions of this subdivision of this subparagraph to certify to the Secretary of the Treasury an amount to be transferred to the Retirement Account from the Federal Old-Age and Survivors Insurance Trust Fund, the Secretary of Health, Education, and Welfare, in lieu of such certification, may offset the amount determined under the first sentence of this subdivision of this subparagraph against the amount determined under subparagraph (A) as diminished by any prior offsets and the offsets shall be made to be effective as of the first day of the fiscal year following the fiscal year under consideration.

(ii) At the close of the fiscal year ending June 30, 1958, and each fiscal year thereafter, the Board and the Secretary of Health, Education, and Welfare shall determine the amount, if any, which, if added to or subtracted from the Federal Disability Insurance Trust Fund would place such Fund in the same position in which it would have been if service as an employee after December 31, 1936, had been included in the term 'employment' as defined in the Social Security Act and in the Federal Insurance Contributions Act. Such determination shall be made no later than June 15, following the close of the fiscal year. If such amount is to be added to the Federal Disability Insurance Trust Fund the Board shall, within ten days after the determination, certify such amount to the Secretary of the Treasury for transfer from the Retirement Account to the Federal Disability Insurance Trust Fund; if such amount is to be subtracted from the Federal Disability Insurance Trust Fund the Secretary of Health, Education, and Welfare shall, within ten days after the determination, certify such amount to the Secretary of the Treasury for transfer from the Federal Disability Insurance Trust Fund to the Retirement Account. The amount so certified shall further include interest (at the rate determined in subparagraph (D) for the fiscal year under consideration) payable from the close of such fiscal year until the date of certification.

(D) For the purposes of subparagraphs (B) and (C), for any fiscal year, the rate of interest to be used shall be equal to the average rate of interest, computed as of May 31 preceding the close of such fiscal year, borne by all interest-bearing obligations of the United States then forming a part of the public debt; except that where such
average rate is not a multiple of one-eighth of 1 per centum, the rate of interest shall be the multiple of one-eighth of 1 per centum next lower than such average rate.

“(E) The Secretary of the Treasury is authorized and directed to transfer to the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund from the Retirement Account or to the Retirement Account from the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund, as the case may be, such amounts as, from time to time, may be determined by the Board and the Secretary of Health, Education, and Welfare pursuant to the provisions of subparagraphs (B) and (C) of this subsection, and certified by the Board or the Secretary of Health, Education, and Welfare for transfer from the Retirement Account or from the Federal Old-Age and Survivors Insurance Trust Fund or the Federal Disability Insurance Trust Fund.”

EFFECT ON BENEFITS OF CONVICTION OF ESPIONAGE, SABOTAGE, TREASON, SEDITION, OR SUBVERSIVE ACTIVITIES; EMPLOYMENT BY COMMUNIST ORGANIZATIONS

SEC. 121. (a) Section 202 of the Social Security Act is amended by adding after subsection (t) (added by section 118 of this Act) the following new subsection:

“Conviction of Subversive Activities, Etc.

“(u) (1) If any individual is convicted of any offense (committed after the date of the enactment of this subsection) under—

“(A) chapter 37 (relating to espionage and censorship), chapter 105 (relating to sabotage), or chapter 115 (relating to treason, sedition, and subversive activities) of title 18 of the United States Code, or

“(B) section 4, 112, or 113 of the Internal Security Act of 1950, as amended,

then the court may, in addition to all other penalties provided by law, impose a penalty that in determining whether any monthly insurance benefit under this section or section 223 is payable to such individual for the month in which he is convicted or for any month thereafter, and in determining the amount of any such benefit payable to such individual for any such month, there shall not be taken into account—

“(C) any wages paid to such individual or to any other individual in the calendar quarter in which such conviction occurs or in any prior calendar quarter, and

“(D) any net earnings from self-employment derived by such individual or by any other individual during a taxable year in which such conviction occurs or during any prior taxable year.

“(2) As soon as practicable after an additional penalty has, pursuant to paragraph (1), been imposed with respect to any individual, the Attorney General shall notify the Secretary of such imposition.

“(3) If any individual with respect to whom an additional penalty has been imposed pursuant to paragraph (1) is granted a pardon of the offense by the President of the United States, such additional penalty shall not apply for any month beginning after the date on which such pardon is granted.”

(b) The amendment made by subsection (a) of this section shall not be construed to restrict or otherwise affect any of the provisions of the Act entitled “An Act to prohibit payments of annuities to officers and employees of the United States convicted of certain offenses, and for other purposes”, approved September 1, 1954 (Public Law 769, Eighty-third Congress).
(c) Section 210 (a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(17) Service in the employ of any organization which is performed (A) in any quarter during any part of which such organization is registered, or there is in effect a final order of the Subversive Activities Control Board requiring such organization to register, under the Internal Security Act of 1950, as amended, as a Communist-action organization, a Communist-front organization, or a Communist-infiltrated organization, and (B) after June 30, 1956."

(d) Section 3121 (b) of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new paragraph:

"(17) service in the employ of any organization which is performed (A) in any quarter during any part of which such organization is registered, or there is in effect a final order of the Subversive Activities Control Board requiring such organization to register, under the Internal Security Act of 1950, as amended, as a Communist-action organization, a Communist-front organization, or a Communist-infiltrated organization, and (B) after June 30, 1956."
FOREIGN AGRICULTURAL WORKERS

(c) Section 3121 (b) (1) (B) of such Code is amended to read as follows:

"(B) service performed by foreign agricultural workers
(i) under contracts entered into in accordance with title V
of the Agricultural Act of 1949, as amended (65 Stat. 119;
7 U.S.C. 1461-1468), or (ii) lawfully admitted to the United
States from the Bahamas, Jamaica, and the other British
West Indies, or from any foreign country or possession
thereof, on a temporary basis to perform agricultural labor;".

EMPLOYEES OF FEDERAL HOME LOAN BANKS AND OF THE TENNESSEE
VALLEY AUTHORITY

(d) (1) Section 3121 (b) (6) (B) (ii) of such Code is amended by
inserting "a Federal Home Loan Bank," after "a Federal Reserve
Bank;".

(2) Section 3121 (b) (6) (C) (vi) of such Code is amended to read
as follows:

"(vi) by any individual to whom the Civil Service
Retirement Act does not apply because such individual
is subject to another retirement system (other than the
retirement system of the Tennessee Valley Authority);".

SHARE-FARMING ARRANGEMENTS

(e) (1) Section 3121 (b) of such Code is amended by striking out
"or" at the end of paragraph (14), by striking out the period at the
end of paragraph (15) and inserting in lieu thereof a semicolon, and
by adding after paragraph (15) the following new paragraph:

"(16) service performed by an individual under an arrange­
ment with the owner or tenant of land pursuant to which—

"(A) such individual undertakes to produce agricultural
or horticultural commodities (including livestock, bees, poultry,
and fur-bearing animals and wildlife) on such land,

"(B) the agricultural or horticultural commodities pro­
duced by such individual, or the proceeds therefrom, are to
be divided between such individual and such owner or tenant,
and

"(C) the amount of such individual’s share depends on the
amount of the agricultural or horticultural commodities
produced; or"

(2) Section 1402 (a) (1) of such Code is amended by adding at
the end thereof the following: "except that the preceding provisions
of this paragraph shall not apply to any income derived by the owner
or tenant of land if (A) such income is derived under an arrange­
ment, between the owner or tenant and another individual, which
provides that such other individual shall produce agricultural or
horticultural commodities (including livestock, bees, poultry, and
fur-bearing animals and wildlife) on such land, and that there shall
be material participation by the owner or tenant in the production or
the management of the production of such agricultural or horticul­
tural commodities, and (B) there is material participation by the
owner or tenant with respect to any such agricultural or horticultural
commodity;".
(3) Section 1402 (c) (2) of such Code is amended to read as follows: “(2) the performance of service by an individual as an employee (other than service described in section 3121 (b) (14) (B) performed by an individual who has attained the age of 18, service described in section 3121 (b) (16), and service described in paragraph (4) of this subsection);”.

PROFESSIONAL SELF-EMPLOYED

(f) Section 1402 (c) (5) of such Code is amended to read as follows: “(5) the performance of service by an individual in the exercise of his profession as a doctor of medicine, or Christian Science practitioner; or the performance of such service by a partnership.”

MINISTERS

(g) Paragraph (8) (B) of section 1402 (a) of the Internal Revenue Code of 1954 is amended to read as follows: “(B) a citizen of the United States performing service described in subsection (c) (4) as an employee of an American employer (as defined in section 3121 (h)) or as a minister in a foreign country who has a congregation which is composed predominantly of citizens of the United States,”.

AMENDMENTS WITH RESPECT TO AGRICULTURAL LABOR

(h) (1) Paragraph (8) (B) of section 3121 (a) of the Internal Revenue Code of 1954 is amended to read as follows: “(B) cash remuneration paid by an employer in any calendar year to an employee for agricultural labor unless (i) the cash remuneration paid in such year by the employer to the employee for such labor is $150 or more, or (ii) the employee performs agricultural labor for the employer on 20 days or more during such year for cash remuneration computed on a time basis.”

(2) Section 3121 of such Code is amended by adding at the end thereof the following new subsection:

“(o) CREW LEADER.—For purposes of this chapter, the term 'crew leader' means an individual who furnishes individuals to perform agricultural labor for another person, if such individual pays (either on his own behalf or on behalf of such person) the individuals so furnished by him for the agricultural labor performed by them and if such individual has not entered into a written agreement with such person whereby such individual has been designated as an employee of such person; and such individuals furnished by the crew leader to perform agricultural labor for another person shall be deemed to be the employees of such crew leader. For purposes of this chapter and chapter 2, a crew leader shall, with respect to service performed in furnishing individuals to perform agricultural labor for another person and service performed as a member of the crew, be deemed not to be an employee of such other person.”

(3) Section 3102 (a) of such Code is amended by striking out “$100” in the last sentence thereof, and inserting in lieu thereof “$150 and the employee has not performed agricultural labor for the employer on 20 days or more in the calendar year for cash remuneration computed on a time basis.”
(i) Subsection (a) of section 1402 of the Internal Revenue Code of 1954 is amended by striking out the last two sentences thereof and inserting in lieu thereof the following: “In the case of any trade or business which is carried on by an individual or by a partnership and in which, if such trade or business were carried on exclusively by employees, the major portion of the services would constitute agricultural labor as defined in section 3121 (g)—

“(i) in the case of an individual, if the gross income derived by him from such trade or business is not more than $1,800, the net earnings from self-employment derived by him from such trade or business may, at his option, be deemed to be 66⅔ percent of such gross income; or

“(ii) in the case of an individual, if the gross income derived by him from such trade or business is more than $1,800 and the net earnings from self-employment derived by him from such trade or business (computed under this subsection without regard to this sentence) are less than $1,200, the net earnings from self-employment derived by him from such trade or business may, at his option, be deemed to be $1,200; and

“(iii) in the case of a member of a partnership, if his distributive share of the gross income of the partnership derived from such trade or business (after such gross income has been reduced by the sum of all payments to which section 707 (c) applies) is not more than $1,800, his distributive share of income described in section 702 (a) (9) derived from such trade or business may, at his option, be deemed to be an amount equal to 66⅔ percent of his distributive share of such gross income (after such gross income has been so reduced); or

“(iv) in the case of a member of a partnership, if his distributive share of the gross income of the partnership derived from such trade or business (after such gross income has been reduced by the sum of all payments to which section 707 (c) applies) is more than $1,800 and his distributive share (whether or not distributed) of income described in section 702 (a) (9) derived from such trade or business (computed under this subsection without regard to this sentence) is less than $1,200, his distributive share of income described in section 702 (a) (9) derived from such trade or business may, at his option, be deemed to be $1,200. For purposes of the preceding sentence, gross income means—

“(v) in the case of any such trade or business in which the income is computed under a cash receipts and disbursements method, the gross receipts from such trade or business reduced by the cost or other basis of property which was purchased and sold in carrying on such trade or business, adjusted (after such reduction) in accordance with the provisions of paragraphs (1) through (7) of this subsection; and

“(vi) in the case of any such trade or business in which the income is computed under an accrual method, the gross income from such trade or business, adjusted in accordance with the provisions of paragraphs (1) through (7) of this subsection; and

and, for purposes of such sentence, an individual (including a member of a partnership) derives gross income from more than one such trade or business, such gross income (including his distributive share of the gross income of any partnership derived from any such trade or business) shall be deemed to have been derived from one trade or business.”
FOREIGN SUBSIDIARIES

(j) Subparagraph (A) of paragraph (8) of section 3121 (k) of the Internal Revenue Code of 1954 is amended to read as follows:

"(A) a foreign corporation not less than 20 percent of the voting stock of which is owned by such domestic corporation; or".

FILING OF SUPPLEMENTAL LISTS BY NONPROFIT ORGANIZATIONS

(k) The third sentence of section 3121 (k) (1) of such Code is amended by inserting "or at any time prior to January 1, 1959, whichever is the later," after "the certificate is in effect,"

EFFECTIVE DATE FOR WAIVER CERTIFICATES FILED BY NONPROFIT ORGANIZATIONS

(l) The fifth sentence of section 3121 (k) (1) of such Code is amended by striking out "the first day following the close of the calendar quarter in which such certificate is filed," and inserting in lieu thereof "the first day of the calendar quarter in which such certificate is filed or the first day of the succeeding calendar quarter, as may be specified in the certificate,"

EFFECTIVE DATES

(m) (1) The amendments made by subsection (a) and paragraph (1) of subsection (h) shall apply with respect to remuneration paid after 1956. The amendment made by subsection (b) shall apply with respect to remuneration paid after October 1956. The amendments made by subsection (c) and paragraph (2) of subsection (h) shall apply with respect to service performed after 1956. The amendments made by paragraphs (1) and (2) of subsection (d) shall apply with respect to service with respect to which the amendments made by paragraphs (1) and (2) of subsection (b) of section 104 of this Act apply. The amendments made by paragraph (1) of subsection (e) shall apply with respect to service performed after 1954. The amendment made by paragraph (3) of such subsection shall apply with respect to taxable years ending after 1954. The amendments made by paragraph (2) of subsection (e) and by subsection (f) shall apply with respect to taxable years ending after 1955. The amendment made by subsection (i) shall apply with respect to taxable years ending on or after December 31, 1956. The amendment made by subsection (l) shall apply with respect to certificates filed after 1956 under section 3121 (k) of the Internal Revenue Code of 1954.

(2) (A) Except as provided in subparagraph (B), the amendment made by subsection (g) shall apply only with respect to taxable years ending after 1956.

(B) Any individual who, for a taxable year ending after 1954 and prior to 1957, had income which by reason of the amendment made by subsection (g) would have been included within the meaning of "net earnings from self-employment" (as such term is defined in section 1402 (a) of the Internal Revenue Code of 1954), if such income had been derived in a taxable year ending after 1956 by an individual who had filed a waiver certificate under section 1402 (e) of such Code, may elect to have the amendment made by subsection (g) apply to his taxable years ending after 1954 and prior to 1957. No election made by any individual under this subparagraph shall be valid unless such individual has filed a waiver certificate under section 1402 (e) of such
Code prior to the making of such election or files a waiver certificate at the time he makes such election.

(C) Any individual described in subparagraph (B) who has filed a waiver certificate under section 1402 (e) of such Code prior to the date of enactment of this Act, or who files a waiver certificate under such section on or before the due date of his return (including any extension thereof) for his last taxable year ending prior to 1957, must make such election on or before the due date of his return (including any extension thereof) for his last taxable year ending prior to 1957, or before April 16, 1957, whichever is the later.

(D) Any individual described in subparagraph (B) who has not filed a waiver certificate under section 1402 (e) of such Code on or before the due date of his return (including any extension thereof) for his last taxable year ending prior to 1957 must make such election on or before the due date of his return (including any extension thereof) for his first taxable year ending after 1956. Any individual described in this subparagraph whose period for filing a waiver certificate under section 1402 (e) of such Code has expired at the time he makes such election may, notwithstanding the provisions of paragraph (2) of such section, file a waiver certificate at the time he makes such election.

(E) An election under subparagraph (B) shall be made in such manner as the Secretary of the Treasury or his delegate shall prescribe by regulations. Notwithstanding the provisions of paragraph (3) of section 1402 (e) of such Code, the waiver certificate filed by an individual who makes an election under subparagraph (B) (regardless of when filed) shall be effective for such individual’s first taxable year ending after 1954 in which he had income which by reason of the amendment made by subsection (g) would have been included within the meaning of “net earnings from self-employment” (as such term is defined in section 1402 (a) of such Code), if such income had been derived in a taxable year ending after 1956 by an individual who had filed a waiver certificate under section 1402 (e) of such Code, or for the taxable year prescribed by such paragraph (3) of section 1402 (e), if such taxable year is earlier, and for all succeeding taxable years.

(F) No interest or penalty shall be assessed or collected for failure to file a return within the time prescribed by law, if such failure arises solely by reason of an election made by an individual under subparagraph (B), or for any underpayment of the tax imposed by section 1401 of such Code arising solely by reason of such election, for the period ending with the date such individual makes an election under subparagraph (B).

(3) Any tax under chapter 2 of the Internal Revenue Code of 1954 which is due, solely by reason of the enactment of subsection (f), or paragraph (2) of subsection (e), of this section, for any taxable year ending on or before the date of the enactment of this Act shall be considered timely paid if payment is made in full on or before the last day of the sixth calendar month following the month in which this Act is enacted. In no event shall interest be imposed on the amount of any tax due under such chapter solely by reason of the enactment of subsection (f), or paragraph (2) of subsection (e), of this section for any period before the day after the date of enactment of this Act.

(4) Any tax due under chapter 21 of the Internal Revenue Code of 1954 which is due, solely by reason of the enactment of subsection (d) and an effective date prescribed pursuant to paragraph (2) (B) or (2) (C) of section 104 (1), for any calendar quarter beginning prior to the day on which the Secretary of Health, Education, and Welfare approves the plan which prescribes such effective date shall be considered timely paid if payment is made in full on or before the last
day of the sixth calendar month following the month in which such plan is approved. In no event shall interest be imposed on the amount of any such tax due under such chapter for any period before the day on which the Secretary of Health, Education, and Welfare approves such plan.

**CHANGES IN TAX SCHEDULES**

**SEC. 202.** (a) Section 1401 of the Internal Revenue Code of 1954 is amended to read as follows:

"SEC. 1401. RATE OF TAX.

"In addition to other taxes, there shall be imposed for each taxable year, on the self-employment income of every individual, a tax as follows:

"(1) in the case of any taxable year beginning after December 31, 1956, and before January 1, 1960, the tax shall be equal to 3\% percent of the amount of the self-employment income for such taxable year;

"(2) in the case of any taxable year beginning after December 31, 1959, and before January 1, 1965, the tax shall be equal to 4\% percent of the amount of the self-employment income for such taxable year;

"(3) in the case of any taxable year beginning after December 31, 1964, and before January 1, 1970, the tax shall be equal to 4\% percent of the amount of the self-employment income for such taxable year;

"(4) in the case of any taxable year beginning after December 31, 1969, and before January 1, 1975, the tax shall be equal to 5\% percent of the amount of the self-employment income for such taxable year; and

"(5) in the case of any taxable year beginning after December 31, 1974, the tax shall be equal to 6\% percent of the amount of the self-employment income for such taxable year."

(b) Section 3101 of such code is amended to read as follows:

"SEC. 3101. RATE OF TAX.

"In addition to other taxes, there is hereby imposed on the income of every individual a tax equal to the following percentages of the wages (as defined in section 3121 (a)) received by him with respect to employment (as defined in section 3121 (b))—

"(1) with respect to wages received during the calendar years 1957 to 1959, both inclusive, the rate shall be 2\% percent;

"(2) with respect to wages received during the calendar years 1960 to 1964, both inclusive, the rate shall be 2\% percent;

"(3) with respect to wages received during the calendar years 1965 to 1969, both inclusive, the rate shall be 3\% percent;

"(4) with respect to wages received during the calendar years 1970 to 1974, both inclusive, the rate shall be 3\% percent; and

"(5) with respect to wages received after December 31, 1974, the rate shall be 4\% percent."

(c) Section 3111 of such code is amended to read as follows:

"SEC. 3111. RATE OF TAX.

"In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the following percentages of the wages (as defined in section 3121 (a)) paid by him with respect to employment (as defined in section 3121 (b))—

"(1) with respect to wages paid during the calendar years 1957 to 1959, both inclusive, the rate shall be 2\% percent;
“(2) with respect to wages paid during the calendar years 1960 to 1964, both inclusive, the rate shall be 23/4 percent;
“(3) with respect to wages paid during the calendar years 1965 to 1969, both inclusive, the rate shall be 31/4 percent;
“(4) with respect to wages paid during the calendar years 1970 to 1974, both inclusive, the rate shall be 33/4 percent; and
“(5) with respect to wages paid after December 31, 1974, the rate shall be 41/4 percent.”

(d) The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1956. The amendments made by subsections (b) and (c) shall apply with respect to remuneration paid after December 31, 1956.

TITLE III—PUBLIC ASSISTANCE AMENDMENTS

DECLARATION OF PURPOSE

Sec. 300. It is the purpose of this title (a) to promote the health of the Nation by assisting States to extend and broaden their provisions for meeting the costs of medical care for persons eligible for public assistance by providing for separate matching of assistance expenditures for medical care, (b) to promote the well-being of the Nation by encouraging the States to place greater emphasis on helping to strengthen family life and helping needy families and individuals attain the maximum economic and personal independence of which they are capable, (c) to assist in improving the administration of public assistance programs (1) through making grants and contracts, and entering into jointly financed cooperative arrangements, for research or demonstration projects and (2) through Federal-State programs of grants to institutions and traineeships and fellowships so as to provide training of public welfare personnel, thereby securing more adequately trained personnel, and (d) to improve aid to dependent children.

PART I—MATCHING OF ASSISTANCE EXPENDITURES FOR MEDICAL CARE

MEDICAL CARE FOR OLD-AGE ASSISTANCE RECIPIENTS

Sec. 301. (a) Clauses (1) and (2) of section 3 (a) of the Social Security Act are each amended by striking out “during such quarter as old-age assistance under the State plan” and inserting in lieu thereof “during such quarter as old-age assistance in the form of money payments under the State plan”.

(b) Section 3 (a) (1) (A) of such Act is amended by striking out “who received old-age assistance for such month” and inserting in lieu thereof “who received old-age assistance in the form of money payments for such month”.

(c) Section 3 (a) of such Act is further amended by inserting the following new clause immediately before the period at the end thereof: “, and (4) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as old-age assistance under the State plan in the form of medical or any other type of remedial care (including expenditures for insurance premiums for such care or the cost thereof), not counting so much of such expenditure for any month as exceeds the product of $6 multiplied by the total number of individuals who received old-age assistance under the State plan for such month”.
MEDICAL CARE FOR RECIPIENTS OF AID TO DEPENDENT CHILDREN

Sec. 302. (a) Clauses (1) and (2) of section 403 (a) of the Social Security Act are each amended by striking out “during such quarter as aid to dependent children under the State plan” and inserting in lieu thereof “during such quarter as aid to dependent children in the form of money payments under the State plan”.

(b) Section 403 (a) (1) (A) of such Act is amended by striking out “with respect to whom aid to dependent children is paid for such month” and inserting in lieu thereof “with respect to whom aid to dependent children in the form of money payments is paid for such month”.

(c) Section 403 (a) of such Act is further amended by inserting the following new clause immediately before the period at the end thereof: “; and (4) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as aid to dependent children under the State plan in the form of medical or any other type of remedial care (including expenditures for insurance premiums for such care or the cost thereof), not counting so much of such expenditure for any month as exceeds (A) the product of $3 multiplied by the total number of dependent children who received aid to dependent children under the State plan for such month plus (B) the product of $6 multiplied by the total number of other individuals who received aid to dependent children under the State plan for such month”.

MEDICAL CARE FOR RECIPIENTS OF AID TO THE BLIND

Sec. 303. (a) Clauses (1) and (2) of section 1003 (a) of the Social Security Act are each amended by striking out “during such quarter as aid to the blind under the State plan” and inserting in lieu thereof “during such quarter as aid to the blind in the form of money payments under the State plan”.

(b) Section 1003 (a) (1) (A) of such Act is amended by striking out “who received aid to the blind for such month” and inserting in lieu thereof “who received aid to the blind in the form of money payments for such month”.

(c) Section 1003 (a) of such Act is further amended by inserting the following new clause immediately before the period at the end thereof: “; and (4) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as aid to the blind under the State plan in the form of medical or any other type of remedial care (including expenditures for insurance premiums for such care or the cost thereof), not counting so much of such expenditure for any month as exceeds the product of $6 multiplied by the total number of individuals who received aid to the blind under the State plan for such month”.

MEDICAL CARE FOR RECIPIENTS OF AID TO PERMANENTLY AND TOTALLY DISABLED

Sec. 304. (a) Clauses (1) and (2) of section 1403 (a) of the Social Security Act are each amended by striking out “during such quarter as aid to the permanently and totally disabled under the State plan” and inserting in lieu thereof “during such quarter as aid to the permanently and totally disabled in the form of money payments under the State plan”.

(b) Section 1403 (a) (1) (A) of such Act is amended by striking out “who received aid to the permanently and totally disabled for such month” and inserting in lieu thereof “who received aid to the perma-
nently and totally disabled in the form of money payments for such month”.

(c) Section 1403 (a) of such Act is further amended by inserting the following new clause immediately before the period at the end thereof: “; and (4) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as aid to the permanently and totally disabled under the State plan in the form of medical or any other type of remedial care (including expenditures for insurance premiums for such care or the cost thereof), not counting so much of such expenditure for any month as exceeds the product of $6 multiplied by the total number of individuals who received aid to the permanently and totally disabled under the State plan for such month”.

EFFECTIVE DATE

SEC. 305. The amendments made by this part shall become effective July 1, 1957.

PART II—SERVICES IN PROGRAMS OF OLD-AGE ASSISTANCE, AID TO DEPENDENT CHILDREN, AID TO THE BLIND, AND AID TO THE PERMANENTLY AND TOTALLY DISABLED

OLD-AGE ASSISTANCE

42 USC 301. SEC. 311. (a) The first sentence of section 1 of the Social Security Act is amended to read: “For the purpose of enabling each State to furnish financial assistance, as far as practicable under the conditions in such State, to aged needy individuals and of encouraging each State, as far as practicable under such conditions, to help such individuals attain self-care, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this title.”

(b) Subsection (a) of section 2 of such Act is amended by striking out “and” before clause (10) thereof, and by striking out the period at the end of such subsection and inserting in lieu thereof a semicolon and the following new clause: “and (11) provide a description of the services (if any) which the State agency makes available to applicants for and recipients of old-age assistance to help them attain self-care.”

(c) (1) Clauses (1) and (2) of section 3 (a) of such Act are each amended by striking out “which shall be used exclusively as old-age assistance,”.

(2) Clause (3) of such section 3 (a) is amended by striking out “which amount shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose” and inserting in lieu thereof “including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of old-age assistance to help them attain self-care”.

AID TO DEPENDENT CHILDREN

42 USC 601. SEC. 312. (a) The first sentence of section 401 of the Social Security Act is amended to read: “For the purpose of encouraging the care of dependent children in their own homes or in the homes of relatives by enabling each State to furnish financial assistance and other services, as far as practicable under the conditions in such State, to needy dependent children and the parents or relatives with whom they are living to help maintain and strengthen family life and to help such parents or relatives to attain the maximum self-support and personal independence consistent with the maintenance of continuing parental
care and protection, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this title.”

(b) Subsection (a) of section 402 of such Act is amended by striking out “and” before clause (11) thereof, and by striking out the period at the end of such subsection and inserting in lieu thereof a semicolon and the following new clause: “and (12) provide a description of the services (if any) which the State agency makes available to maintain and strengthen family life for children, including a description of the steps taken to assure, in the provision of such services, maximum utilization of other agencies providing similar or related services.”

(c) (1) Clauses (1) and (2) of section 403 (a) of such Act are each amended by striking out “, which shall be used exclusively as aid to dependent children,”.

(2) Clause (3) of such section 403 (a) is amended by striking out “which amount shall be used for paying the costs of administering the State plan or for aid to dependent children, or both, and for no other purpose” and inserting in lieu thereof “including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision), to relatives with whom such children (applying for or receiving such aid) are living, in order to help such relatives attain self-support or self-care, or which are provided to maintain and strengthen family life for such children”.

AID TO THE BLIND

Sec. 313. (a) The first sentence of section 1001 of the Social Security Act is amended to read: “For the purpose of enabling each State to furnish financial assistance, as far as practicable under the conditions in such State, to needy individuals who are blind and of encouraging each State, as far as practicable under such conditions, to help such individuals attain self-support or self-care, there is hereby authorized to be appropriated for each fiscal year a sum sufficient to carry out the purposes of this title.”

(b) Subsection (a) of section 1002 of such Act is amended by striking out “and” before clause (12) thereof, and by striking out the period at the end of such subsection and inserting in lieu thereof a semicolon and the following new clause: “and (13) provide a description of the services (if any) which the State agency makes available to applicants for and recipients of aid to the blind to help them attain self-support or self-care, including a description of the steps taken to assure, in the provision of such services, maximum utilization of other agencies providing similar or related services.”

(c) (1) Clauses (1) and (2) of section 1003 (a) of such Act are each amended by striking out “, which shall be used exclusively as aid to the blind,”.

(2) Clause (3) of such section 1003 (a) is amended by striking out “which amount shall be used for paying the costs of administering the State plan or for aid to the blind, or both, and for no other purpose” and inserting in lieu thereof “including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of aid to the blind to help them attain self-support or self-care”.

AID TO THE PERMANENTLY AND TOTALLY DISABLED

Sec. 314. (a) The first sentence of section 1401 of the Social Security Act is amended to read: “For the purpose of enabling each State to furnish financial assistance, as far as practicable under the conditions in such State, to needy individuals eighteen years of age and older
who are permanently and totally disabled and of encouraging each
State, as far as practicable under such conditions, to help such in­
dividuals attain self-support or self-care, there is hereby authorized
to be appropriated for each fiscal year a sum sufficient to carry out
the purposes of this title.”

(b) Subsection (a) of section 1402 of such Act is amended by strik­
ing out “and” before clause (11) thereof, and by striking out the
period at the end of such subsection and inserting in lieu thereof a
semicolon and the following new clause: “and (12) provide a descrip­
tion of the services (if any) which the State agency makes available
to applicants for and recipients of aid to the permanently and totally
disabled to help them attain self-support or self-care, including a
description of the steps taken to assure, in the provision of such serv­
ices, maximum utilization of other agencies providing similar or re­
lated services.”

(c) (1) Clauses (1) and (2) of section 1403 (a) of such Act are
each amended by striking out “which shall be used exclusively as aid
to the permanently and totally disabled.”

(2) Clause (3) of such section 1403 (a) is amended by striking
out “which amount shall be used for paying the costs of administering
the State plan or for aid to the permanently and totally disabled, or
both, and for no other purpose” and inserting in lieu thereof “includ­
ing services which are provided by the staff of the State agency (or of
the local agency administering the State plan in the political sub­
division) to applicants for and recipients of such aid to help them
attain self-support or self-care”.

EFFECTIVE DATE

SEC. 314. The amendments made by sections 311 (b), 312 (b), 313
(b), and 314 (b) shall become effective July 1, 1957.

PART III—EXTENSION OF AID TO DEPENDENT CHILDREN

ADDITIONAL RELATIVES

SEC. 321. Section 406 (a) of the Social Security Act is amended by
striking out “or aunt” and inserting in lieu thereof “aunt, first cousin,
nephew, or niece.”

REQUIREMENT OF SCHOOL ATTENDANCE ELIMINATED

SEC. 322. Such section 406 (a) is further amended by striking out
“child under the age of sixteen, or under the age of eighteen if found
by the State agency to be regularly attending school,” and inserting
in lieu thereof “child under the age of eighteen”.

EFFECTIVE DATE

SEC. 323. The amendments made by this part shall become effective
July 1, 1957.

PART IV—RESEARCH AND TRAINING

COOPERATIVE RESEARCH OR DEMONSTRATION PROJECTS

SEC. 331. Title XI of the Social Security Act is amended by adding
at the end thereof the following new section:
"SEC. 1110. (a) There are hereby authorized to be appropriated for the fiscal year ending June 30, 1957, $5,000,000 and for each fiscal year thereafter such sums as the Congress may determine for (1) making grants to States and public and other nonprofit organizations and agencies for paying part of the cost of research or demonstration projects such as those relating to the prevention and reduction of dependency, or which will aid in effecting coordination of planning between private and public welfare agencies or which will help improve the administration and effectiveness of programs carried on or assisted under the Social Security Act and programs related thereto, and (2) making contracts or jointly financed cooperative arrangements with States and public and other nonprofit organizations and agencies for the conduct of research or demonstration projects relating to such matters.

(b) No contract or jointly financed cooperative arrangement shall be entered into, and no grant shall be made, under subsection (a), until the Secretary obtains the advice and recommendations of specialists who are competent to evaluate the proposed projects as to soundness of their design, the possibilities of securing productive results, the adequacy of resources to conduct the proposed research or demonstrations, and their relationship to other similar research or demonstrations already completed or in process.

(c) Grants and payments under contracts or cooperative arrangements under subsection (a) may be made either in advance or by way of reimbursement, as may be determined by the Secretary; and shall be made in such installments and on such conditions as the Secretary finds necessary to carry out the purposes of this section."

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"SEC. 332. Title VII of the Social Security Act is amended by adding after section 704 the following new section:

"SEC. 705. (a) In order to assist in increasing the effectiveness and efficiency of administration of public assistance programs by increasing the number of adequately trained public welfare personnel available for work in public assistance programs, there are hereby authorized to be appropriated for the fiscal year ending June 30, 1958, the sum of $5,000,000, and for each of the four succeeding fiscal years such sums as the Congress may determine.

(b) From the sums appropriated pursuant to subsection (a), the Secretary shall make allotments to the States on the basis of (1) population, (2) relative need for trained public welfare personnel, particularly for personnel to provide self-support and self-care services, and (3) financial need.

(c) From each State's allotment under subsection (b), the Secretary shall from time to time pay to such State 80 per centum of the total of its expenditures in carrying out the purposes of this section through (1) grants to public or other nonprofit institutions of higher learning for training personnel employed or preparing for employment in public assistance programs, (2) special courses of study or seminars of short duration conducted for such personnel by experts hired on a temporary basis for the purpose, and (3) establishing and maintaining, directly or through grants to such institutions, fellowships or traineeships for such personnel at such institutions, with such stipends and allowances as may be permitted under regulations of the Secretary."
"(d) Payments pursuant to subsection (c) shall be made in advance on the basis of estimates by the Secretary and adjustments may be made in future payments under this section to take account of overpayments or underpayments in amounts previously paid.

(e) The amount of any allotment to a State under subsection (b) for any fiscal year which the State certifies to the Secretary will not be required for carrying out the purposes of this section in such State shall be available for reallocation from time to time, on such dates as the Secretary may fix, to other States which the Secretary determines have need in carrying out such purposes for sums in excess of those previously allotted to them under this section and will be able to use such excess amounts during such fiscal year; such reallocations to be made on the basis provided in subsection (b) for the initial allotments to the States. Any amount so reallocated to a State shall be deemed part of its allotment under such subsection."

Sec. 333. Section 1101 (a) (1) of the Social Security Act is amended by striking out "titles I, IV, V, X, and XIV" and inserting in lieu thereof "titles I, IV, V, VII, X, and XIV".

PART V—AMENDMENTS TO MATCHING FORMULAS

AMENDMENT TO MATCHING FORMULA FOR OLD-AGE ASSISTANCE

Sec. 341. Section 3 (a) of the Social Security Act is amended to read as follows:

"(a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing October 1, 1956, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as old-age assistance under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $60—

"(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $30 multiplied by the total number of such individuals who received old-age assistance for such month; plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and

(2) in the case of Puerto Rico and the Virgin Islands, an amount, which shall be used exclusively as old-age assistance, equal to one-half of the total of the sums expended during such quarter as old-age assistance under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30, and

(3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of old-age assistance to help them attain self-care."

AMENDMENT TO MATCHING FORMULA FOR AID TO DEPENDENT CHILDREN

Sec. 342. Section 403 (a) of the Social Security Act is amended to read as follows:

"(a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to dependent children, for each quarter, beginning with the quarter
commencing October 1, 1956, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to dependent children under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $82, or if there is more than one dependent child in the same home, as exceeds $32 with respect to one such dependent child and $23 with respect to each of the other dependent children, and not counting so much of such expenditure for any month with respect to a relative with whom any dependent child is living as exceeds $82—

"(A) fourteen-seventeenths of such expenditures, not counting so much of the expenditures with respect to any month as exceeds the product of $17 multiplied by the total number of dependent children and other individuals with respect to whom aid to dependent children is paid for such month; plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and

(2) in the case of Puerto Rico and the Virgin Islands, an amount equal to one-half of the total of the sums expended during such quarter as aid to dependent children under the State plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds $18, or if there is more than one dependent child in the same home, as exceeds $18 with respect to one such dependent child and $12 with respect to each of the other dependent children, and not counting so much of such expenditure for any month with respect to a relative with whom any dependent child is living as exceeds $18; and

(3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to relatives with whom such children (applying for or receiving such aid) are living, in order to help such relatives attain self-support or self-care, or which are provided to maintain and strengthen family life for such children."

AMENDMENT TO MATCHING FORMULA FOR AID TO THE BLIND

Sec. 343. Section 1003 (a) of the Social Security Act is amended to read as follows:

"(a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind for each quarter, beginning with the quarter commencing October 1, 1956, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the blind under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $80—

"(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $30 multiplied by the total number of such individuals who received aid to the blind for such month; plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and

(2) in the case of Puerto Rico and the Virgin Islands, an amount equal to one-half of the total of the sums expended during such quar-
ter as aid to the blind under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of aid to the blind to help them attain self-support or self-care."

**AMENDMENT TO MATCHING FORMULA FOR AID TO THE PERMANENTLY AND TOTALLY DISABLED**

Sec. 344. Section 1403 (a) of the Social Security Act is amended to read as follows:

"(a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the permanently and totally disabled, for each quarter, beginning with the quarter commencing October 1, 1956, (1) in the case of any State other than Puerto Rico and the Virgin Islands, an amount equal to the sum of the following proportions of the total amounts expended during such quarter as aid to the permanently and totally disabled under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $60—

"(A) four-fifths of such expenditures, not counting so much of any expenditure with respect to any month as exceeds the product of $30 multiplied by the total number of such individuals who received aid to the permanently and totally disabled for such month; plus

"(B) one-half of the amount by which such expenditures exceed the maximum which may be counted under clause (A); and (2) in the case of Puerto Rico and the Virgin Islands, an amount equal to one-half of the total of the sums expended during such quarter as aid to the permanently and totally disabled under the State plan, not counting so much of such expenditure with respect to any individual for any month as exceeds $30; and (3) in the case of any State, an amount equal to one-half of the total of the sums expended during such quarter as found necessary by the Secretary of Health, Education, and Welfare for the proper and efficient administration of the State plan, including services which are provided by the staff of the State agency (or of the local agency administering the State plan in the political subdivision) to applicants for and recipients of such aid to help them attain self-support or self-care."

**EFFECTIVE DATE**

Sec. 345. The amendments made by this part shall be effective for the period beginning October 1, 1956, and ending with the close of June 30, 1959, and after such amendments cease to be in effect any provision of law amended thereby shall be in full force and effect as though this part had not been enacted.

**PART VI—MISCELLANEOUS ASSISTANCE AMENDMENTS**

**AID TO DEPENDENT CHILDREN IN PUERTO RICO AND THE VIRGIN ISLANDS**

Sec. 351. (a) Clause (2) of subsection (a) of section 403 of the Social Security Act is amended by inserting immediately before the
semicolon the following: "and not counting so much of such expenditure for any month with respect to a relative with whom any dependent child is living as exceeds $18".

(b) Subsection (b) of section 406 of such Act is amended by striking out "(except when used in clause (2) of section 403 (a))".

(c) Section 1108 of such Act is amended by striking out "$4,250,000" and inserting in lieu thereof "$5,812,500", and by striking out "$160,000" and inserting in lieu thereof "$200,000".

(d) The amendments made by this section shall be effective with respect to the fiscal year ending June 30, 1957, and all succeeding fiscal years.

TITLE IV—MISCELLANEOUS PROVISIONS

SERVICE FOR CERTAIN TAX-EXEMPT ORGANIZATIONS PRIOR TO ENACTMENT OF THIS ACT

Sec. 401. Section 403 of the Social Security Amendments of 1954 is amended to read as follows:

"SERVICE FOR CERTAIN TAX-EXEMPT ORGANIZATIONS PRIOR TO ENACTMENT OF THE SOCIAL SECURITY AMENDMENTS OF 1956

"Sec. 403. (a) In any case in which—

"(1) an individual has been employed, at any time subsequent to 1950 and prior to the enactment of the Social Security Amendments of 1956, by an organization which is described in section 501 (c) (2) of the Internal Revenue Code of 1954 and which is exempt from income tax under section 501 (a) of such Code but which has failed to file prior to the enactment of the Social Security Amendments of 1956 a valid waiver certificate under section 1426 (1) (1) of the Internal Revenue Code of 1939 or section 3121 (k) (1) of the Internal Revenue Code of 1954;

"(2) the service performed by such individual as an employee of such organization during the period subsequent to 1950 and prior to 1957 would have constituted employment (as defined in section 210 of the Social Security Act and section 1426 (b) of the Internal Revenue Code of 1939 or section 3121 (b) of the Internal Revenue Code of 1954, as the case may be, at the time such service was performed) if such organization had filed prior to the performance of such service such a certificate accompanied by a list of the signatures of employees who concurred in the filing of such certificate and such individual's signature had appeared on such list;

"(3) the taxes imposed by sections 1400 and 1410 of the Internal Revenue Code of 1939 or sections 3101 and 3111 of the Internal Revenue Code of 1954, as the case may be, have been paid with respect to any part of the remuneration paid to such individual by such organization for such service;

"(4) part of such taxes have been paid prior to the enactment of the Social Security Amendments of 1956;

"(5) so much of such taxes as have been paid prior to the enactment of the Social Security Amendments of 1956 have been paid by such organization in good faith and upon the assumption that a valid waiver certificate had been filed by it under section 1426 (1) (1) of the Internal Revenue Code of 1939 or section 3121 (k) (1) of the Internal Revenue Code of 1954, as the case may be; and
“(6) no refund of such taxes has been obtained, the amount of such remuneration with respect to which such taxes have been paid shall, upon the request of such individual (filed in such form and manner, and with such official, as may be prescribed by regulations under chapter 21 of the Internal Revenue Code of 1954), be deemed to constitute remuneration for employment as defined in section 210 of the Social Security Act and section 1426 (b) of the Internal Revenue Code of 1939 or section 3121 (b) of the Internal Revenue Code of 1954, as the case may be.

“(b) In any case in which—

“(1) an individual has been employed, at any time subsequent to 1950 and prior to the enactment of the Social Security Amendments of 1956, by an organization which has filed a valid waiver certificate under section 1426 (1) (1) of the Internal Revenue Code of 1939 or section 3121 (k) (1) of the Internal Revenue Code of 1954;

“(2) the service performed by such individual during the time he was so employed would have constituted employment (as defined in section 210 of the Social Security Act and section 1426 (b) of the Internal Revenue Code of 1939 or section 3121 (b) of the Internal Revenue Code of 1954, as the case may be, at the time such service was performed) if such individual's signature had appeared on the list of signatures of employees who concurred in the filing of such certificate;

“(3) the taxes imposed by sections 1400 and 1410 of the Internal Revenue Code of 1939 or sections 3101 and 3111 of the Internal Revenue Code of 1954, as the case may be, have been paid prior to the enactment of the Social Security Amendments of 1956 with respect to any part of the remuneration paid to such individual by such organization for such service; and

“(4) no refund of such taxes has been obtained, the amount of such remuneration with respect to which such taxes have been paid shall, upon the request of such individual (filed on or before January 1, 1959, and in such form and manner, and with such official, as may be prescribed by regulations made under chapter 21 of the Internal Revenue Code of 1954), be deemed to constitute remuneration for employment as defined in section 210 of the Social Security Act and section 1426 (b) of the Internal Revenue Code of 1939 or section 3121 (b) of the Internal Revenue Code of 1954, as the case may be, and such individual shall be deemed to have concurred in the filing of the waiver certificate filed by such organization under section 1426 (l) (1) of the Internal Revenue Code of 1939 or section 3121 (k) (1) of the Internal Revenue Code of 1954.”

Amendment Relating to Maternal and Child Welfare Services

Sec. 402. The first sentence of subsection (a) of section 521 of the Social Security Act is amended by striking out “for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of $10,000,000” and inserting in lieu thereof “for each fiscal year, beginning with the fiscal year ending June 30, 1958, the sum of $12,000,000.”

Effective Date

Sec. 403. The amendment made by section 402 shall be effective with respect to fiscal years beginning after June 30, 1957.

Approved August 1, 1956.