AN ACT

To improve benefits under the old-age, survivors, and disability insurance program by increasing the minimum benefits and aged widow's benefits and by making additional persons eligible for benefits under the program, 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 1961".

TITLE I—AMENDMENTS TO TITLE II OF THE SOCIAL SECURITY ACT

INCREASE IN MINIMUM BENEFITS

SEC. 101. (a) The table in section 215 (a) of the Social Security Act is amended by striking out all the figures in columns I, II, III, IV, and V down through the line which reads

"$13.49 14.00 37.10 38.00 68 69 41 61.50"

and inserting in lieu thereof the following:

"13.48 13.49 37.00 37.10 67 68 69 41 61.50"

(b) The amendment made by subsection (a) shall apply only in the case of monthly insurance benefits under title II of the Social Security Act for months beginning on or after the effective date of this title, and in the case of lump-sum death payments under such title with respect to deaths on or after such effective date.

REDUCED BENEFITS FOR MEN AT AGE 62

SEC. 102. (a) Section 202 of the Social Security Act is amended by striking out "retirement age" and "retirement age (as defined in section 216(a))" each place they appear therein and inserting in lieu thereof "age 62".

(b) (1) Subsections (q) and (r) of section 202 of such Act are amended to read as follows:

"Adjustment of Old-Age, Wife’s, or Husband’s Insurance Benefit Amounts in Accordance With Age of Beneficiary

“(q) (1) If the first month for which an individual is entitled to an old-age, wife’s, or husband’s insurance benefit is a month before the month in which such individual attains age 65, the amount of such benefit for each month shall, subject to the succeeding paragraphs of this subsection, be reduced by—

“(A) % of 1 percent of such amount if such benefit is an old-age insurance benefit, or $25% of 1 percent of such amount if such benefit is a wife’s or husband’s insurance benefit; multiplied by

“(B) (i) the number of months in the reduction period for such benefit (determined under paragraph (5)), if such benefit is for a month before the month in which such individual attains age 65, or

“(ii) the number of months in the adjusted reduction period for such benefit (determined under paragraph (6)), if such benefit is for the month in which such individual attains age 65 or for any other month thereafter."
(2) (A) If the first month for which an individual both is entitled to a wife's or husband's insurance benefit and has attained age 62 is a month for which such individual is also entitled to—
   
   (i) an old-age insurance benefit (to which such individual was first entitled for a month before he attains age 65), or
   
   (ii) a disability insurance benefit,
then in lieu of any reduction under paragraph (1) (but subject to the succeeding paragraphs of this subsection) such wife's or husband's insurance benefit for each month shall be reduced as provided in subparagraph (B), (C), or (D).

(B) For any month for which such individual is entitled to an old-age insurance benefit, such individual's wife's or husband's insurance benefit shall be reduced by the sum of—

   (i) the amount by which such old-age insurance benefit is reduced under paragraph (1), and
   
   (ii) the amount by which such wife's or husband's insurance benefit would be reduced under paragraph (1) if it were equal to the excess of such wife's or husband's insurance benefit (before reduction under this subsection) over such old-age insurance benefit (before reduction under this subsection).

(C) For any month for which such individual is entitled to a disability insurance benefit, such individual's wife's or husband's insurance benefit shall be reduced by the amount by which such benefit would be reduced under paragraph (1) if it were equal to the excess of such benefit (before reduction under this subsection) over such disability insurance benefit.

(D) For any month for which such individual is entitled neither to an old-age insurance benefit nor to a disability insurance benefit, such individual's wife's or husband's insurance benefit shall be reduced by the amount by which it would be reduced under paragraph (1).

(3) If—

   (A) an individual is or was entitled to a benefit subject to reduction under this subsection, and
   
   (B) such benefit is increased by reason of an increase in the primary insurance amount of the individual on whose wages and self-employment income such benefit is based,
then the amount of the reduction of such benefit for each month shall be computed separately (under paragraph (1) or (2), whichever applies) for the portion of such benefit which constitutes such benefit before any increase described in subparagraph (B), and separately (under paragraph (1) or (2), whichever applies to the benefit being increased) for each such increase. For purposes of determining the amount of the reduction under paragraph (1) or (2) in any such increase, the reduction period and the adjusted reduction period shall be determined as if such increase were a separate benefit to which such individual was entitled for and after the first month for which such increase is effective.

(4) (A) No wife's insurance benefit shall be reduced under this subsection—

   (i) for any month before the first month for which there is in effect 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, or
   
   (ii) for any month in which she has in her care (individually or jointly with the person on whose wages and self-employment income her wife's insurance benefit is based) a child of such person entitled to child's insurance benefits.
"(B) Any certificate described in subparagraph (A) (i) shall be effective for purposes of this subsection (and for purposes of preventing deductions under section 203(c) (2))—

"(i) for the month in which it is filed and for any month thereafter, and

"(ii) for months, in the period designated by the woman filing such certificate, of one or more consecutive months (not exceeding 12) immediately preceding the month in which such certificate is filed;

except that such certificate shall not be effective for any month before the month in which she attains age 62, nor shall it be effective for any month to which subparagraph (A) (ii) applies.

"(C) If a woman does not have in her care a child described in subparagraph (A) (ii) in the first month for which she is entitled to a wife's insurance benefit, and if such first month is a month before the month in which she attains age 65, she shall be deemed to have filed in such first month the certificate described in subparagraph (A) (i).

"(5) For purposes of this subsection, the 'reduction period' for an individual's old-age, wife's, or husband's insurance benefit is the period—

"(A) beginning—

"(i) in the case of an old-age or husband's insurance benefit, with the first day of the first month for which such individual is entitled to such benefit, or

"(ii) in the case of a wife's insurance benefit, with the first day of the first month for which a certificate described in paragraph (4) (A) (i) is effective, and

"(B) ending with the last day of the month before the month in which such individual attains age 65.

"(6) For purposes of this subsection, the 'adjusted reduction period' for an individual's old-age, wife's, or husband's insurance benefit is the reduction period prescribed by paragraph (5) for such benefit, excluding from such period—

"(A) any month in which such benefit was subject to deductions under section 203(b), 203(c) (1), 203(d) (1), or 222(b),

"(B) in the case of wife's insurance benefits, any month in which she had in her care (individually or jointly with the person on whose wages and self-employment income such benefit is based) a child of such person entitled to child's insurance benefits, and

"(C) in the case of wife's or husband's insurance benefits, any month for which such individual was not entitled to such benefits because the spouse on whose wages and self-employment income such benefits were based ceased to be under a disability.

"(7) This subsection shall be applied after reduction under section 203(a) and after application of section 215(g). If the amount of any reduction computed under paragraph (1) or (2) is not a multiple of $0.10, it shall be reduced to the next lower multiple of $0.10.

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

"(r) (1) If the first month for which an individual is entitled to an old-age insurance benefit is a month before the month in which such individual attains age 65, and if such individual is eligible for a wife's or husband's insurance benefit for such first month, such individual shall be deemed to have filed an application in such month for wife's or husband's insurance benefits.
Section 202(s) of the Social Security Act is hereby repealed.

Section 223(a) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) If, for any month before the month in which an individual attains age 65, such individual is entitled to—

"(A) a widow’s, widower’s, or parent’s insurance benefit, or

"(B) an old-age, wife’s, or husband’s insurance benefit which is reduced under subsection (q) of section 202,

such individual may not, for any month after the first month for which such individual is so entitled, become entitled to disability insurance benefits; and a period of disability may not begin with respect to such individual in any month after such first month."

Section 223(a)(1) of such Act is amended by striking out “the month in which he attains the age of sixty-five,” and inserting in lieu thereof “the month in which he attains age 65, the first month for which he is entitled to old-age insurance benefits.”

The third sentence of section 216(i)(2) of such Act is amended by striking out “a period of disability shall begin” and inserting therein “a period of disability shall (subject to section 223(a)(3)) begin.”

Section 202(j)(3) of such Act is amended to read as follows:

“(3) Notwithstanding the provisions of paragraph (1), an individual may, at his option, waive entitlement to any benefit referred to in paragraph (1) for any one or more consecutive months (beginning with the earliest month for which such individual would otherwise be entitled to such benefit) which occur before the month in which such individual files application for such benefit; and, in such case, such individual shall not be considered as entitled to such benefits for any such month or months before such individual filed such application. An individual 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.”

Section 216(a) of the Social Security Act is hereby repealed.

The following provisions of title II of such Act are amended by striking out “retirement age” each place it appears therein and inserting in lieu thereof “age 62”:

(A) the next to the last sentence of section 213(a),

(B) subsections (b), (c), (f), and (g) of section 216, and

(C) the second sentence of section 223(a)(2).

The following provisions of title II of such Act are amended by striking out “retirement age” and “retirement age (as defined in
Section 216(a))” each place they appear therein and inserting in lieu thereof “age 62 (if a woman) or age 65 (if a man)”:

(A) section 209(i),

(B) the last sentence of section 213(a),

(C) section 216(i)(3)(A),

(D) the first sentence of section 223(a)(2), and

(E) section 223(c)(1)(A).

(d) (1) Section 215(a)(4) of such Act is amended to read as follows:

“(4) In the case of—

(A) a woman who was entitled to a disability insurance benefit for the month before the month in which she died or became entitled to old-age insurance benefits, or

(B) a man who was entitled to a disability insurance benefit for the month before the month in which he died or attained age 65,

the amount in column IV which is equal to such disability insurance benefit.”

(2) Section 215(b)(3) of such Act is amended to read as follows:

“(3) For purposes of paragraph (2), the number of an individual's elapsed years is the number of calendar years after 1950 (or, if later, the year in which he attained age 21) and before—

(A) in the case of a woman, the year in which she died or (if earlier) the first year after 1960 in which she both was fully insured and had attained age 62,

(B) in the case of a man who has died, the year in which he died or (if earlier) the first year after 1960 in which he both was fully insured and had attained age 65, or

(C) in the case of a man who has not died, the first year after 1960 in which he attained (or would attain) age 65 or (if later) the first year in which he was fully insured.

For purposes of the preceding sentence, any calendar year any part of which was included in a period of disability shall not be included in such number of calendar years.”

(3) Section 215(f) of such Act is amended by adding at the end thereof the following new paragraph:

“(7) (A) In the case of a man who attains age 65 and who became entitled to old-age insurance benefits before the month in which he attained such age, his primary insurance amount shall be recomputed as provided in subsection (a) as though he became entitled to old-age insurance benefits in the month in which he attained age 65, except that his computation base years referred to in subsection (b)(2) shall include the year in which he attained age 65. Such recomputation shall be effective for and after the month in which he attained age 65.

(B) In the case of a man who became entitled to old-age insurance benefits and died before the month in which he attained age 65, the Secretary shall, if any person is entitled to monthly insurance benefits or a lump-sum death payment on the basis of the wages and self-employment income of the decedent, recompute his primary insurance amount as provided in subsection (a) as though he became entitled to old-age insurance benefits in the month in which he died; except that (i) his computation base years referred to in subsection (b)(2) shall include the year in which he died, and (ii) his elapsed years referred to in subsection (b)(3) shall not include the year in which he died or any year thereafter. In the case of monthly insurance benefits, such recomputation of a man's primary insurance amount shall be effective for and after the month in which he died.”

(e) (1) Section 202(b)(1)(C) of such Act is amended to read as follows:
“(C) is not entitled to old-age or disability insurance benefits, or is entitled to old-age or disability insurance benefits based on a primary insurance amount which is less than one-half of the primary insurance amount of her husband."

(2) So much of section 202(b)(1) of such Act as follows clause (C) is amended by striking out "equal to or exceeds one-half of an old-age or disability insurance benefit of her husband," and inserting in lieu thereof "equal to or exceeds one-half of the primary insurance amount of her husband."

(3) Section 202(b)(2) of such Act is amended by striking out "old-age or disability insurance benefit" and inserting in lieu thereof "primary insurance amount".

(4) Section 202(c)(1)(D) of such Act is amended to read as follows:

“(D) is not entitled to old-age or disability insurance benefits, or is entitled to old-age or disability insurance benefits based on a primary insurance amount which is less than one-half of the primary insurance amount of his wife."

(5) So much of section 202(c)(1) of such Act as follows clause (D) is amended by striking out "old-age or disability insurance benefit equal to or exceeding one-half of the primary insurance amount of his wife," and inserting in lieu thereof "old-age or disability insurance benefit based on a primary insurance amount which is equal to or exceeds one-half of the primary insurance amount of his wife.".

(6) Section 202(c)(3) of such Act is amended by striking out "Such" and inserting in lieu thereof "Except as provided in subsection (q), such".

(f)(1) The amendments made by subsection (a) shall apply with respect to monthly benefits for months beginning on or after the effective date of this title based on applications filed in or after March 1961.

(2) (A) Except as provided in subparagraphs (B), (C), and (D), section 202(q) of such Act, as amended by subsection (b)(1), shall apply with respect to monthly benefits for months beginning on or after the effective date of this title.

(B) Section 202(q)(3) of such Act, as amended by subsection (b)(1), shall apply with respect to monthly benefits for months beginning on or after the effective date of this title, but only if the increase described in such section 202(q)(3)—

(i) is not effective for any month beginning before the effective date of this title, or

(ii) is based on an application for a recomputation filed on or after the effective date of this title.

(C) In the case of any individual who attained age 65 before the effective date of this title, the adjustment in such individual's reduction period provided for in section 202(q)(6) of such Act, as amended by subsection (b)(1), shall not apply to such individual unless the total of the months specified in subparagraphs (A), (B), and (C) of such section 202(q)(6) is not less than 5.

(D) In the case of any individual entitled to a monthly benefit for the last month beginning before the effective date of this title, if the amount of such benefit for any month thereafter is, solely by reason of the change in section 202(q) of such Act made by subsection (b)(1), lower than the amount of such benefit for such last month, then it shall be increased to the amount of such benefit for such last month.

(3) Section 202(r) of such Act, as amended by subsection (b)(1), shall apply only with respect to monthly benefits for months beginning on or after the effective date of this title, except that subpara-
(B) of section 202(r)(2) (as so amended) shall apply only if the first subsequent month described in such subparagraph (B) is a month beginning on or after the effective date of this title.

(4) The amendments made by subsection (b)(2) shall take effect on the effective date of this title.

(5) The amendments made by subsection (b)(3) shall apply with respect to applications for monthly benefits filed on or after the effective date of this title.

(6) The amendments made by subsections (c) and (d)(1) and (2) shall apply with respect to—

(A) monthly benefits for months beginning on or after the effective date of this title based on applications filed in or after March 1961, and

(B) lump-sum death payments under title II of the Social Security Act in the case of deaths on or after the effective date of this title.

(7) The amendment made by subsection (d)(3) shall take effect on the effective date of this title.

(8) The amendments made by subsection (e) shall apply with respect to monthly benefits for months beginning on or after the effective date of this title.

(9) For purposes of this subsection, the term "monthly benefits" means monthly insurance benefits under title II of the Social Security Act.

FULLY INSURED STATUS

Sec. 103. (a) Section 214(a) of the Social Security Act is amended to read as follows:

"Fully Insured Individual"

"(a) The term ‘fully insured individual’ means any individual who had not less than—

“(1) one quarter of coverage (whenever acquired) for each calendar year elapsing after 1950 (or, if later, the year in which he attained age 21) and before—

“A) in the case of a woman, the year in which she died or (if earlier) the year in which she attained age 62,

“B) in the case of a man who has died, the year in which he died or (if earlier) the year in which he attained age 65, or

“C) in the case of a man who has not died, the year in which he attained (or would attain) age 65, except that in no case shall an individual be a fully insured individual unless he has at least 6 quarters of coverage; or

“(2) 40 quarters of coverage; or

“(3) in the case of an individual who died before 1951, 6 quarters of coverage; not counting as an elapsed year for purposes of paragraph (1) any year any part of which was included in a period of disability (as defined in section 216(i))."

(b) The amendment made by subsection (a) shall apply—

(1) in the case of monthly benefits under title II of the Social Security Act for months beginning on or after the effective date of this title, based on applications filed in or after March 1961,

(2) in the case of lump-sum death payments under such title with respect to deaths on or after the effective date of this title, and

(3) in the case of an application for a disability determination (with respect to a period of disability, as defined in section 216(i) of such Act) filed in or after March 1961.

42 USC 401-425.

42 USC 414.

42 USC 416.
(c) In the case of any widower or parent who would not be entitled to widower’s insurance benefits under section 202(f), or parent’s insurance benefits under section 202(h), of the Social Security Act except for the enactment of this Act (other than this subsection), the requirement in sections 202(f)(1)(D) and 202(h)(1)(B), respectively, of the Social Security Act relating to the time within which proof of support must be filed shall not apply if such proof of support is filed before the close of the 2-year period which begins on the effective date of this title.

(d) Effective as of September 13, 1960, the last sentence of section 303(g)(1) of the Social Security Amendments of 1960 is amended to read as follows: “The terms used in this subsection shall have the meaning assigned to them by title II of the Social Security Act; except that the terms ‘fully insured’ and ‘retirement age’ shall have the meaning assigned to them by such title II as in effect on September 13, 1960.”

INCREASE IN WIDOW’S, WIDOWER’S, AND PARENT’S INSURANCE BENEFITS

Sec. 104. (a) Section 202(e)(2) of such Act is amended to read as follows:

“(2) Such widow’s insurance benefit for each month shall be equal to 82 1/2 percent of the primary insurance amount of her deceased husband.”

(b) Section 202(f)(3) of such Act is amended to read as follows:

“(3) Such widower’s insurance benefit for each month shall be equal to 82 1/2 percent of the primary insurance amount of his deceased wife.”

(c) Section 202(h)(2) of such Act is amended to read as follows:

“(2)(A) Except as provided in subparagraphs (B) and (C), such parent’s insurance benefit for each month shall be equal to 82 1/2 percent of the primary insurance amount of such deceased individual.

“(B) For any month for which more than one parent is entitled to parent’s insurance benefits on the basis of such deceased individual’s wages and self-employment income, such benefit for each such parent for such month shall (except as provided in subparagraph (C)) be equal to 75 percent of the primary insurance amount of such deceased individual.

“(C) In any case in which—

“(i) any parent is entitled to a parent’s insurance benefit for a month on the basis of a deceased individual’s wages and self-employment income, and

“(ii) another parent of such deceased individual is entitled to a parent’s insurance benefit for such month on the basis of such wages and self-employment income, and on the basis of an application filed after such month and after the month in which the application for the parent’s benefits referred to in clause (i) was filed,

the amount of the parent’s insurance benefit of the parent referred to in clause (i) for the month referred to in such clause shall be determined under subparagraph (A) instead of subparagraph (B) and the amount of the parent’s insurance benefit of a parent referred to in clause (ii) for such month shall be equal to 150 percent of the primary insurance amount of the deceased individual minus the amount (before the application of section 203(a)) of the benefit for such month of the parent referred to in clause (i).”

(d) (1) Subsections (e)(1) and (f)(1) of section 202 of such Act are amended by striking out “three-fourths” each place it appears therein and inserting in lieu thereof “82 1/2 percent”.

42 USC 402.
(2) Section 202(h)(1) of such Act is amended by striking out “three-fourths of the primary insurance amount of such deceased individual” each place it appears therein and inserting in lieu thereof “82 1/2 percent of the primary insurance amount of such deceased individual if the amount of the parent’s insurance benefit for such month is determinable under paragraph (2)(A) (or 75 percent of such primary insurance amount in any other case)”.

(e) The amendments made by this section shall apply with respect to monthly benefits under section 202 of the Social Security Act for months beginning on or after the effective date of this title.

(f) Where—

(1) two or more persons were entitled (without the application of subsection (j)(1) of section 202 of the Social Security Act) to monthly benefits under such section 202 for the last month beginning before the effective date of this title on the basis of the wages and self-employment income of a deceased individual, and one or more of such persons is entitled to a monthly insurance benefit under subsection (e), (f), or (h) of such section 202 for such last month; and

(2) no person, other than the persons referred to in paragraph (1) of this subsection, is entitled to benefits under such section 202 on the basis of such individual’s wages and self-employment income for a subsequent month or for any month after such last month and before such subsequent month; and

(3) the total of the benefits to which all persons are entitled under such section 202 on the basis of such individual’s wages and self-employment income for such subsequent month is reduced by reason of the application of section 203(a) of such Act, then the amount of the benefit to which each such person referred to in paragraph (1) of this subsection is entitled for such subsequent month shall be determined without regard to this Act if, after the application of this Act, such benefit for such month is less than the amount of such benefit for such last month. The preceding provisions of this subsection shall not apply to any monthly benefit of any person for any month beginning after the effective date of this title unless paragraph (3) also applies to such benefit for the month beginning on such effective date (or would so apply but for the next to the last sentence of section 203(a) of the Social Security Act).

RETROACTIVE EFFECT OF CERTAIN APPLICATIONS FOR DISABILITY DETERMINATIONS

SEC. 105. Effective with respect to applications for disability determinations filed on or after July 1, 1961, section 216(i)(4) of the Social Security Act is amended by striking out “July 1961” and inserting in lieu thereof “July 1962” and by striking out “July 1960” and inserting in lieu thereof “January 1961”.

EXTENSION OF TIME WITHIN WHICH CERTAIN STATE-FEDERAL AGREEMENTS MAY BE MODIFIED

SEC. 106. (a) Section 218(d)(6)(F) of the Social Security Act is amended by striking out “prior to 1960 or, if later, the expiration of one year after the date” and inserting in lieu thereof “prior to 1963 or, if later, the expiration of two years after the date”.

(b) Section 218(d)(6)(F) of the Social Security Act is further amended by adding at the end thereof the following new sentence: “Notwithstanding subsection (f)(1), any such modification or later modification, providing for the transfer of additional positions within a retirement system previously divided pursuant to subparagraph
(C) to the separate retirement system composed of positions of members who desire coverage, shall be effective with respect to services performed after the same effective date as that which was specified in the case of such previous division."

INCLUSION OF NEW MEXICO AMONG STATES WHICH MAY DIVIDE THEIR RETIREMENT SYSTEMS INTO TWO PARTS

SEC. 107. The first sentence of section 218(d)(6)(C) of the Social Security Act is amended by inserting "New Mexico," after "Minnesota."

LIBERALIZATION OF THE EARNED-INCOME LIMITATION

SEC. 108. (a) Paragraph (3) of section 203(f) of the Social Security Act is amended by striking out "$300" wherever it appears therein and inserting in lieu thereof "$500".

(b) The amendment made by subsection (a) shall apply in the case of taxable years ending after the enactment of this Act.

EFFECTIVE DATE

SEC. 109. Except as otherwise provided, the effective date of this title is the first day of the first calendar month which begins on or after the 30th day after the date of the enactment of this Act.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

CHANGES IN TAX SCHEDULES

Self-Employment Income Tax

SEC. 201. (a) Section 1401 of the Internal Revenue Code of 1954 (relating to rate of tax on self-employment income) 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, 1961, and before January 1, 1963, the tax shall be equal to 4.7 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, 1962, and before January 1, 1966, the tax shall be equal to 5.4 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, 1965, and before January 1, 1968, the tax shall be equal to 6.2 percent of the amount of the self-employment income for such taxable year; and

"(4) in the case of any taxable year beginning after December 31, 1967, the tax shall be equal to 6.9 percent of the amount of the self-employment income for such taxable year."
Tax on Employees

(b) Section 3101 of such Code (relating to rate of tax on employees under the Federal Insurance Contributions Act) 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 year 1962, the rate shall be 3½ percent;
"(2) with respect to wages received during the calendar years 1963 to 1965, both inclusive, the rate shall be 3⅞ percent;
"(3) with respect to wages received during the calendar years 1966 to 1967, both inclusive, the rate shall be 4⅛ percent; and
"(4) with respect to wages received after December 31, 1967, the rate shall be 4½ percent."

Tax on Employers

(c) Section 3111 of such Code (relating to rate of tax on employers under the Federal Insurance Contributions Act) 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 year 1962, the rate shall be 3½ percent;
"(2) with respect to wages paid during the calendar years 1963 to 1965, both inclusive, the rate shall be 3⅞ percent;
"(3) with respect to wages paid during the calendar years 1966 to 1967, both inclusive, the rate shall be 4⅛ percent; and
"(4) with respect to wages paid after December 31, 1967, the rate shall be 4½ percent."

Effective Dates

(d) The amendment made by subsection (a) shall apply with respect to taxable years beginning after December 31, 1961. The amendments made by subsections (b) and (c) shall apply with respect to remuneration paid after December 31, 1961.

EXTENSION OF TIME TO ELECT COVERAGE ON BEHALF OF MINISTERS

SEC. 202. (a) Section 1402(e) of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new paragraph:

"(6) CERTIFICATE FILED BY FIDUCIARIES OR SURVIVORS ON OR BEFORE APRIL 15, 1962.—In any case where an individual, whose death has occurred after September 12, 1960, and before April 16, 1962, derived earnings from the performance of services described in subsection (c)(4), or in subsection (c)(5) insofar as it relates to the performance of service by an individual in the exercise of his profession as a Christian Science practitioner, a certificate may be filed after the date of enactment of this paragraph, and on or before April 15, 1962, by a fiduciary acting for such individ-
The amendment made by subsection (a) shall take effect on the date of enactment of this Act; except that no monthly benefits under title II of the Social Security Act for the month in which this Act is enacted or any prior month shall be payable or increased by reason of such amendment, and no lump-sum death payment under such title shall be payable or increased by reason of such amendment in the case of any individual who died prior to the date of enactment of this Act.

TITLE III—MISCELLANEOUS

AMENDMENT PRESERVING RELATIONSHIP BETWEEN RAILROAD RETIREMENT AND OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE

Sec. 301. Section 1(q) of the Railroad Retirement Act of 1937 is amended by striking out “1960” and inserting in lieu thereof “1961”.

ASSISTANCE FOR RETURNING UNITED STATES CITIZENS

Sec. 302. Title XI of the Social Security Act is amended by adding at the end thereof the following new section:

"ASSISTANCE FOR UNITED STATES CITIZENS RETURNED FROM FOREIGN COUNTRIES"

"Sec. 1113. (a) (1) The Secretary is authorized to provide temporary assistance to citizens of the United States and to dependents of citizens of the United States, if they (A) are identified by the Department of State as having returned, or been brought, from a foreign country to the United States because of the destitution of the citizen of the United States or the illness of such citizen or any of his dependents or because of war, threat of war, invasion, or similar crisis, and (B) are without available resources.

"(2) Except in such cases or classes of cases as are set forth in regulations of the Secretary, provision shall be made for reimbursement to the United States by the recipients of the temporary assistance to cover the cost thereof.

"(3) The Secretary may provide assistance under paragraph (1) directly or through utilization of the services and facilities of appropriate public or private agencies and organizations, in accordance with agreements providing for payment, in advance or by way of reimbursement, as may be determined by the Secretary, of the cost thereof. Such cost shall be determined by such statistical, sampling, or other method as may be provided in the agreement.

"(b) The Secretary is authorized to develop plans and make arrangements for provision of temporary assistance within the United States to individuals specified in subsection (a) (1). Such plans shall be developed and such arrangements shall be made after consultation with the Secretary of State, the Attorney General, and the Secretary of Defense. To the extent feasible, assistance provided under subsection (a) shall be provided in accordance with the plans developed pursuant to this subsection, as modified from time to time by the Secretary.

"(c) For purposes of this section, the term 'temporary assistance' means money payments, medical care, temporary billeting, transportation, and other goods and services necessary for the health or welfare of individuals (including guidance, counseling, and other welfare
services) furnished to them within the United States upon their ar­
ril in the United States and for such period after their arrival as
may be provided in regulations of the Secretary.
“(d) No temporary assistance may be provided under this section
after June 30, 1962.”

ADDITIONAL FEDERAL PARTICIPATION IN PUBLIC ASSISTANCE PAYMENTS

Sec. 303. (a) (1) Section 3(a)(1) of the Social Security Act is
amended—
(A) by striking out “$30” and inserting in lieu thereof “$31”; and
(B) by striking out “$65” each place it appears therein and
inserting in lieu thereof “$66”; and
(C) by striking out “$80” and inserting in lieu thereof “$81”.
(2) Section 3(a)(2) of such Act is amended—
(A) by striking out “$35” each place it appears therein and
inserting in lieu thereof “$35.50”; and
(B) by striking out “$42.50” and inserting in lieu thereof
“$43”.
(b) (1) Section 1003(a)(1) of such Act is amended—
(A) by striking out “$30” and inserting in lieu thereof “$31”; and
(B) by striking out “$65” and inserting in lieu thereof “$66”.
(2) Section 1003(a)(2) of such Act is amended by striking out
“$35” and inserting in lieu thereof “$35.50”.
(c) (1) Section 1403(a)(1) of such Act is amended—
(A) by striking out “$30” and inserting in lieu thereof “$31”; and
(B) by striking out “$65” and inserting in lieu thereof “$66”.
(2) Section 1403(a)(2) of such Act is amended by striking out
“$35” and inserting in lieu thereof “$35.50”.
(d) Effective only for the fiscal year ending June 30, 1962, section
1108 of the Social Security Act (as amended by section 6 of Public
Law 87–31) is amended by striking out “$9,425,000”, “$318,750”, and
“$425,000” and inserting in lieu thereof “$9,500,000”, “$320,000”, and
“$430,000”, respectively.
(e) The amendments made by subsections (a), (b), and (c) of this
section shall apply only in the case of expenditures made after Sep­
ember 30, 1961, and before July 1, 1962, under a State plan approved
under title I, X, or XIV, as the case may be, of the Social Security
Act.

MEANING OF TERM “SECRETARY”

Sec. 304. As used in this title and title I, and in the provisions of
the Social Security Act amended thereby, the term “Secretary”, unless
the context otherwise requires, means the Secretary of Health, Educa­
tion, and Welfare.

Approved June 30, 1961, 10:45 a.m.