

United States Social Security Programs: Their Application To Nonnationals and to Beneficiaries Living Abroad

THE UNITED STATES, like most nations, has a number of programs aimed at providing economic security for its citizens.

The basic national social security system provides benefits for old age, for a family in the event of the breadwinner's death, and for total disability. This system—the Federal old-age, survivors, and disability insurance system (OASDI)—covers approximately 90 percent of the labor force. Benefits are paid to about 7 out of every 10 persons aged 65 and over and to approximately 3 out of every 4 paternal orphans under age 18.

With the inclusion of special retirement systems for railroad workers and government employees, 4 out of 5 aged persons currently receive benefits from a public retirement program.

All 50 States, the District of Columbia, and Puerto Rico have unemployment insurance systems that cover about four-fifths of all employed wage and salary workers. (Railroad workers have their own system.) All States have workmen's compensation programs, providing medical care and cash benefits in cases of occupational injury or death. Four States (and railroad workers in all States) have temporary disability insurance programs that provide cash benefits for nonoccupational sickness. These social insurance programs are supplemented by public assistance programs administered by the States and localities with Federal financial aid for most categories of needy persons.

Social insurance programs in the United States have several common features. For the most part, coverage is compulsory and includes all types of workers under the same terms and conditions. Eligibility for benefits is based on past employment or attachment to the labor force. The amount of cash benefits paid is related to past earnings. Payment is not subject to a means test; that is, the beneficiary receives his benefit as a matter of right, no matter how much property or unearned income he may have. The programs are self-supporting, financed without a government subsidy.

The social insurance programs also have differences. Under the OASDI and unemployment in-

surance programs, contributions are paid into publicly operated funds, from which all benefits are paid. Under workmen's compensation laws in most States (and under three temporary disability insurance laws), employers are permitted to make their own private arrangements (usually through purchase of commercial insurance) for insuring the risk.

Under the OASDI system, employees and employers contribute equally to the program; the self-employed contribution rate is three-fourths that of the combined employer-employee rate. Unemployment insurance and workmen's compensation are almost entirely employer-financed; the self-employed are not covered. In the OASDI program, emphasis is placed on the family, with benefits provided for survivors and dependents of insured workers. Under the unemployment insurance and workmen's compensation programs, fewer than a third of the States provide for dependent's allowances to supplement the breadwinner's benefits.

COVERAGE OF CITIZENS AND ALIENS UNDER OASDI

Coverage Within the United States

The Social Security Act provides, with relatively minor exceptions, that workers within the United States (which for OASDI purposes includes the 50 States, the District of Columbia, the Virgin Islands, Puerto Rico, Guam, and American Samoa) are covered by OASDI without regard to citizenship or residence.

Special considerations have led to the exclusion from coverage of certain types of service—among them services performed by aliens temporarily in this country. Coverage often would be of no advantage to aliens working on this basis, simply because of the temporary nature of their stay. In addition, many aliens have protection under the social security systems of their home countries. The types of service excluded are described in the following paragraphs.

Agricultural work performed by aliens ad-

mitted to the United States on a temporary basis to do such work.—The 1956 amendments to the Social Security Act excluded from coverage such foreign agricultural laborers. During 1963 their number ranged from a low of 30,000 in February to a high of 98,000 in October. Most of these workers were from Mexico.

Services performed by aliens employed in the United States by foreign governments and international organizations.—Before 1961, the services performed by both United States citizens and aliens within the United States for a foreign government, an instrumentality wholly owned by a foreign government, or an international organization were excluded from OASDI coverage because of the legal issues that could be raised by a levy of an employer tax on foreign governments and international organizations. For a number of years, requests for coverage of United States employees working in the United States for foreign governments were made by both the employees concerned and by representatives of various foreign governments.

The Social Security Amendments of 1960 provided for compulsory coverage under the self-employment provisions of the law for United States citizens (but not aliens) working in the United States for foreign governments and international organizations. Coverage was provided on this basis because of the employer tax problems. There are approximately 5,000 employees working in the United States who are covered under these provisions.

Certain nonresident, nonimmigrant alien scholars, teachers, and researchers.—The Mutual Educational and Cultural Exchange Act of 1961 contained a provision that excluded from OASDI coverage services performed after 1961 by certain nonresident, nonimmigrant aliens temporarily in the United States. The services excluded are those performed in carrying out the purposes for which the aliens were admitted, such as studying, teaching, or conducting research. The sponsors of the legislation believed that this exclusion would make it easier to achieve the special purposes for which the alien visitors are admitted to the United States.

Filipino contract workers in Guam.—The 1960 amendments extended OASDI coverage to services performed in Guam and American Samoa. At the request of the Philippine Government, the

new provisions excluded the work performed by Filipino contract workers admitted to Guam on a temporary basis.

Nonresident alien self-employed persons.—The 1950 amendments extended OASDI coverage to most nonfarm self-employment performed within the United States. They specifically excluded from coverage, however, any income derived by a nonresident alien from a trade or business carried within the United States.

Coverage Outside the United States

Citizens of the United States working temporarily in self-employment outside the United States for periods of less than 1 or 1½ years are covered under the OASDI program. In general, those persons working outside the United States as employees are excluded from coverage. There are, however, certain exceptions.

Services performed outside the United States by seamen on United States vessels and airmen on United States aircraft.—Services performed outside the United States by seamen on United States vessels and airmen on United States aircraft are covered under OASDI, regardless of citizenship, if the services are performed under a contract of service entered into within the United States or during the performance of which the vessel or aircraft touches at a United States port. In extending coverage to this group, Congress may have been influenced by the fact that activities of such seamen or airmen are closely associated with the United States international economy and by the possibility that many of these alien workers will later become citizens or residents.

Services performed by United States citizens working abroad for United States employers.—Services performed by a United States citizen working abroad as an employee for a United States employer are covered on a compulsory basis. Such workers ordinarily have a close connection with the United States economy and may be expected to return to the United States when their tour of duty is over.

Services performed by United States citizens working abroad for foreign subsidiaries of United States corporations.—The Social Security Act permits a United States corporation to obtain OASDI coverage for all United States citizens employed by a foreign subsidiary of the corpora-

tion. For this purpose, the corporation must agree to cover all United States citizens employed by the foreign subsidiary and to be responsible for the employer and employee contribution.

COVERAGE OF ALIENS UNDER UNEMPLOYMENT INSURANCE AND WORKMEN'S COMPENSATION LAWS

Under both the Federal Unemployment Tax Act and State unemployment insurance laws, coverage generally is based on the nature of the work and the characteristics of the employer, rather than the citizenship of the individual. Workmen's compensation laws generally make no distinction between alien and citizen workers.

The Federal Act does exclude certain categories of nonresident aliens from the coverage of unemployment insurance. Specifically, it excludes service by a nonresident alien temporarily in this country under the Immigration and Nationality Act, when the service is performed in carrying out the purposes of his stay. Those affected are students taking courses approved by the Attorney General and the Office of Education and students, scholars, trainees, and teachers temporarily in the United States to participate in Department of State programs.

Under the Federal law the definition of employment also excludes certain services that, although related to the status of the employer, are more likely to affect aliens than United States citizens. In general, State definitions of employment contain the same exclusions. The exclusions—which apply even if the individual employee is a United States citizen—are listed below.

- (1) Service in the employ of a foreign government;
- (2) Service in the employ of an instrumentality of a foreign government, if the service is similar to that performed abroad by employees of the United States or a Federal instrumentality and if the foreign government grants an equivalent exemption;
- (3) Service in the employ of an international organization;
- (4) Service on or in connection with a foreign vessel or aircraft by an individual employed on such vessel or aircraft outside the United States. The law provides that the controlling element is the citizenship or residence of the employer of the crew. If the crew is employed solely by one or more citizens or residents of the United States, or corporations organized under the laws of the United States or any State, the vessel is an American vessel for the purposes of the law.

Similarly, as a result of court decisions in certain States, coverage under workmen's compensation excludes employees of persons enjoying diplomatic immunity and foreign exchange students.

Title XV of the Social Security Act provides for the payment of unemployment benefits to former civilian employees of the Federal Government and former members of the Armed Forces. The definition of Federal service excludes civilian service performed outside the United States by an individual who is not a citizen of the United States. Service in the Armed Forces, or civilian service in the United States, is accepted as a basis for benefits whether or not the individual is a citizen.

OASDI BENEFIT RIGHTS

Generally speaking, United States citizenship is not a requirement for eligibility for OASDI benefits. Since, with the exceptions noted previously, contributions are paid with respect to covered employment, regardless of the worker's citizenship status, it has seemed reasonable that citizenship should not affect either eligibility under the program or the amounts of the benefit payable.

There are several provisions in the Social Security Act that affect the benefit rights of OASDI beneficiaries residing abroad. Some deal specifically with the right of nonresident aliens to receive benefits. Others affect nonresident aliens through imposition of a retirement or work test that is applicable to all beneficiaries residing abroad except those disabled or aged 72 or over.

Before 1955, all persons who established entitlement to monthly benefits—whether citizens or aliens—could leave the United States without incurring any loss or reduction in benefits. The law made no distinction based on where a beneficiary was living or working. The only restrictions on payments outside the United States were those imposed by the Treasury Department, and they did not affect eligibility but only the physical act of payment.

Since April 1940, the Treasury Department has prohibited payments to, or on behalf of, residents of certain countries where conditions are such that there is no assurance the person would receive the checks or be able to negotiate them for full value. Benefits withheld because of these restrictions are

paid retroactively when the person goes to a country where checks may be sent or when the Treasury Department removes the restrictions on the country of residence.

The 1954 amendments to the Social Security Act included a retirement or work test applicable to noncovered remunerative work abroad, as well as a provision for nonpayment in cases of deportation. The 1956 amendments contained a provision that further restricts the payment of benefits to aliens residing outside the United States.

Foreign Work Test

Up to 1955, only beneficiaries working in covered employment or self-employment were subject to a retirement test. Since beneficiaries residing abroad were not likely to engage in employment covered by the Social Security Act, they were in a more favorable position than beneficiaries living in the United States.

The 1954 amendments removed this advantage by providing that noncovered work, whether performed in or outside the United States, would be cause for deduction in benefits. More specifically, they provided that beneficiaries—United States citizens or aliens—engaged in noncovered remunerative activity outside the United States during 7 or more days of a calendar month were not eligible to receive a benefit for that month, regardless of the amount of the earnings. This provision, which became effective January 1, 1955, affects all beneficiaries under age 72 except those receiving disability benefits.

Since January 1955, beneficiaries in the United States in both covered and noncovered work have been subject to an annual earnings test, under which earnings above \$1,200 a year may cause deductions from their benefits. This annual earnings test applies to beneficiaries working outside the United States if their earnings are covered under the Social Security Act. Beneficiaries who work in noncovered remunerative activity outside the United States are subject to the 7-day work test.

Termination of Benefits for Deported Aliens

The 1954 amendments also included a provision prohibiting payment to certain individuals deported after September 1, 1954, and to certain

auxiliary and survivor beneficiaries entitled on their account. In general, benefits are suspended if the deportation is for unlawful entry into the United States, conviction for certain crimes, or engagement in subversive activities. The dependents and survivors of a deported person also have their benefit payments stopped if they are aliens and are outside the United States. If they are United States citizens, they continue to receive benefits whether they are in or outside the United States. If they are aliens, they receive benefits for any month during all of which they are physically present in the United States.

The U. S. Immigration and Naturalization Service notifies the Social Security Administration when anyone is deported under circumstances that preclude the payment of OASDI benefits. If the person is receiving benefits, payments are stopped the month after the notice of deportation is received. If he is not then receiving benefits, the notice is filed with his earnings record, and no benefits will be paid when the deportee files a claim.

The benefits of a deported wage earner, and those of any beneficiary whose benefit is in nonpayment status because of the worker's deportation, may be reinstated if the worker is subsequently lawfully admitted to the United States for permanent residence. The reinstatement will be effective with the first month in which the worker is physically present in the United States and has permission to live here permanently.

Alien Nonpayment Provision

From 1940 to 1956, benefits were payable to eligible persons irrespective of citizenship or of residence in or outside the United States. In 1956, Congress amended the Social Security Act to prohibit generally the payment of benefits to aliens who are outside the United States for more than 6 consecutive calendar months. The restrictions were adopted because of congressional concern about aliens who became entitled to benefits after only short periods of residence or work in this country and who then returned to their home country to receive benefits. There are, however, a number of exceptions to the alien nonpayment provision, which are designed to avoid inequities in certain situations. Citizens of the United States are not affected by the provision and can receive

benefit payments outside the United States indefinitely.

When an alien beneficiary leaves the United States, the 6-month period of absence begins with the month after his departure. He must stay outside the United States all of 6 consecutive months before his benefit payments are stopped. If he returns for any length of time before the end of the sixth calendar month, the period of absence is broken and benefits are not stopped.

After an alien has been outside the United States for the full 6-month period and his payments have been stopped, he has to be physically present in the United States for an entire calendar month before payments can be resumed. Presence in the United States for just any 30-day period is not sufficient.

Exceptions to the alien nonpayment provision.—An alien beneficiary's benefit payments will not be stopped if he meets any one of eight exceptions. These exceptions were made to avoid inequities that would follow a blanket application of the rule of nonpayment of benefits to aliens outside the United States. Four of them pertain to the beneficiary and four to the insured individual (whether living or dead). The beneficiary's payment will not be stopped if he—

- (1) was eligible for monthly benefits for December 1956;
- (2) is in the active military service of the United States;
- (3) is a national of a country that had in effect on August 1, 1956, a treaty with the United States providing for the payment of social insurance benefits to nationals of that country; or
- (4) is a citizen of a country that has a social insurance system of general application paying periodic benefits because of old age, retirement, or death to eligible United States citizens while they are outside that country, regardless of the duration of their absence and without a reduction in the amount of the benefit because of such absence.

The other four exceptions are based on conditions that must be met by the worker on whose earnings record the benefits are based. The worker must have—

- (1) resided in the United States for a period or periods aggregating 10 years or more;
- (2) had at least 40 quarters of coverage under OASDI;
- (3) had railroad employment that was treated as employment covered by the Social Security Act; or
- (4) died while in the military service of the United States, or died as a result of a service-connected dis-

ability and his release from military service was under conditions other than dishonorable.

These four exceptions to the nonpayment provisions recognize the right of a worker, his dependents, or his survivors to receive benefits when the worker had lived or worked in the United States for many years and contributed substantially to the economy, or when his death was connected with honorable service in the U.S. Armed Forces.

Six of the eight exceptions are based on the equities involved in the beneficiary's individual situation. The treaty and social insurance exceptions are based on the equities involved between the citizens of the United States and the citizens of other countries and not on individual equity. Thus, it is the treaties or social insurance laws of the country involved that must meet the requirements for these exceptions. The Social Security Act does not name the countries that meet them but merely sets up the general requirements.

Treaty exceptions.—The United States and eight other countries had in effect on August 1, 1956, Treaties of Friendship, Commerce and Navigation of the types that meet the treaty exception to the alien nonpayment provision. The eight countries are the Federal Republic of Germany, Greece, Ireland, Israel, Italy, Japan, the Netherlands, and Nicaragua. The treaties provide that nationals of either party shall be accorded equal treatment in the application of laws and regulations establishing systems of compulsory insurance. Thus, the United States pays benefits to nationals of the treaty countries whether they reside in the United States, the country of which the beneficiary is a national, or in a third country, subject only to Treasury regulations.

The treaty with the Netherlands applies only to survivor benefits; nationals of the Netherlands receiving old-age and disability benefits are not excluded from the alien nonpayment provision because of the treaty.

Social insurance exception.—The Social Security Act provides that the alien nonpayment provision will not apply to any beneficiary who is a citizen of a foreign country having in effect a social insurance or pension system that meets certain conditions. One condition is that the system be of general application. In addition, the system must be one that pays periodic benefits, or the actuarial equivalent, on account of old age, retirement, or death. Finally, all citizens of the

United States who qualify for these benefits must be permitted to receive such benefits while outside the foreign country, without any restriction and without respect to the duration of the absence.

The Social Security Administration has the responsibility for determining whether the social insurance or pension system of any country does or does not meet these conditions. To date, the systems of 100 countries have been evaluated to see if all the conditions set forth in the Social Security Act are met. Seventeen countries do meet all the conditions, and 83 do not.

Published information about the social insurance or pension systems of other countries helps the Social Security Administration to establish whether a country meets the conditions for the social insurance exception. Supplemental information is secured by United States embassies and legations and transmitted by the Department of State to the Social Security Administration. Articles from the International Labor Office and the International Social Security Association, the laws of the country, and materials from other sources are used to evaluate the systems.

The Commissioner of the Social Security Administration then determines whether the system qualifies for the exception. A notice of the determination is published in the *Federal Register*, and the nation concerned is notified of the determination by the Department of State. Alien beneficiaries affected by the determination are notified directly by the Social Security Administration.

The following countries have been found to meet all the requirements, and citizens of these countries do not have their benefits stopped under the alien nonpayment provision: Austria (except for the period January 1958–June 1961), Bolivia, Brazil, Chile, Costa Rica (beginning May 1962), Ecuador, the Ivory Coast, Luxembourg, Monaco, Panama, the Philippines (beginning June 1960), Poland (beginning March 1957), Republic of the Congo (Leopoldville) (beginning July 1961), Turkey, the United Kingdom, Upper Volta (beginning October 1960), and Yugoslavia.

As information is received, either from the Department of State or from another source, about changes in the laws governing a foreign country's social insurance system, the data are re-evaluated to find out if the change would affect the country's current status for alien nonpayment purposes.

The most common reason that a system fails to meet the conditions set forth in the Social Security Act is that it imposes some restriction on payments to qualified United States citizens because they are outside the foreign country. Currently the social insurance systems of 30 countries do not meet the conditions for this reason.

Some countries take action to remove restrictions in order to qualify for the exception. A case in point is a country that, although meeting all other requirements, did not pay United States citizens at the full rate if they were outside its borders. After negotiations, it executed a waiver of the restriction, retroactive to January 1, 1957. It was then determined that all the conditions of the United States law were met as of that date.

Another country's system was found to meet all the conditions as of January 1957. Beginning in January 1958, however, and continuing through June 1961, certain payments under the system were not made to qualified United States citizens outside its borders. The original determination was accordingly amended. Beginning July 1961, the restriction was lifted, and the system again met all requirements.

The second most common reason for failure to qualify for the exception is that the social insurance system is not one "of general application." To meet the requirement, the system (or combination of several systems) must cover a substantial portion of the country's paid labor force. The industrial classification, the size of the paid labor force, and the population of the country, as well as the occupational, geographical, and size-of-employer limitations, are all considered in determining if a system is of general application. Twenty-six countries have systems that fail to meet this specific requirement.

Systems covering only one or two occupational groups—for example, one that presently covers only farmers and another that covers only government employees and their survivors—are not "of general application." Although the percentage of the total labor force covered by a system is examined, it is related to the industrialization of the country. As industrialization increases, a greater percentage of the paid labor force must be covered by the system if it is to be considered of general application.

Another system was determined not to be "of general application" in 1959. Coverage was ex-

tended in 1960, and the system has been found to meet all requirements as of June 1960.

The social insurance system of 16 countries failed to provide for the payment of periodic old-age, retirement, or death benefits. An additional 13 countries did not have a system that paid benefits as an earned right, without a means test, and therefore did not have a "system" within the meaning of the Social Security Act.

Another nation was found to have a system that was not "in effect"—that is, it had a law providing for old-age, invalidity, and death benefits, but the law had never become effective.

BENEFIT RIGHTS UNDER UNEMPLOYMENT INSURANCE AND WORKMEN'S COMPENSATION

Unemployment benefit rights are determined in accordance with State unemployment insurance laws. Claims must be filed through public employment offices. All States participate in an interstate benefit payment plan, under which claims against any State may be filed in any public employment office in the 50 States or the District of Columbia. In 35 States, the interstate plan includes Puerto Rico. Under an international agreement, all but four States include Canada within this reciprocal claims arrangement.

There is no provision for accepting and paying unemployment claims filed in any country other than Canada, whether the claimant is a citizen of the United States or an alien. One State requires that at the time an individual files a claim he must be residing in a State or in a foreign country with which it has a reciprocal claims arrangement. This provision precludes an individual living on the Mexican side of the border from commuting across the border to file his claims. Technically, it applies to both citizens and non-citizens, but the latter are more likely to be affected.

Under workmen's compensation, as under unemployment insurance, benefit rights are determined in accordance with State laws. Generally speaking, the major restrictions on the benefit rights of aliens concern death payments to their dependents residing abroad. In 26 States and the District of Columbia, death benefits are provided to nonresident alien dependents, either on a reduced basis or in lump-sum commutations in-
~~clude benefit payments to nonresident alien de-~~
reduced amounts. Four States specifically ex-

cluded benefit payments to nonresident alien dependents. In 12 States whose laws have discriminatory provisions, such provisions do not apply to residents of Canada. In the remaining States, workmen's compensation laws either contain no restrictions regarding nonresident alien dependents or specifically place such dependents on substantially the same footing as resident dependents, particularly with respect to the benefit amount.

The United States has treaties with 18 countries mutually guaranteeing to nonresident alien workers the same workmen's compensation rights and privileges that are granted under like conditions to their own nationals. When a State has a discriminatory provision in its law, the terms of the treaty must be examined to determine if the provision violates guarantees of the treaty. The Constitution of the United States says that the laws of individual States may not be in conflict with international treaties of the Federal Government.

The Migrant Labor Agreement between the United States and Mexico protects any Mexican national employed in the United States as an agricultural worker. The employer of such a worker is required to provide, at no cost to the worker, the same guarantee with respect to medical care and compensation for a work injury that is provided for a domestic agricultural worker in the State in which he is employed at the time of the injury.

OASDI PAYMENTS MADE TO BENEFICIARIES LIVING ABROAD

In 1940, the first year in which OASDI benefits were paid under the Social Security Act, about \$1,000 a month was being paid to 100 beneficiaries residing outside the United States. By December 1963, monthly benefits at a rate of \$9.2 million a month were being paid to about 143,000 beneficiaries in more than 100 foreign countries (table 1). This beneficiary population consists of old-age (retired-worker) beneficiaries and their dependents, disability (disabled-worker) beneficiaries and their dependents, and survivors of deceased workers. At the end of 1963, about two-thirds of these beneficiaries were nationals of other countries.

In 1963 the net increase in the number of beneficiaries abroad was about 16,000. During the

duced basis or in lump-sum commutations in

TABLE 1.—OASDI: Number and monthly amount (dollars) of benefits in current-payment status at end of 1963, payable to beneficiaries living abroad, by type of benefit and by country or continent

Beneficiary's place of residence ¹	Total			Old-age	Dis-ability	Wife's or husband's			Child's			Wid-ow's or wid-ow-er's	Moth-er's	Parent's	
	Total	OASI	DI			Total	OASI	DI	Total	OASI	DI				
Total:															
Number.....	143,152	139,000	4,152	78,094	2,486	21,860	21,307	553	17,631	16,518	1,113	18,476	3,976	629	
Monthly amount.....	9,195,136	8,903,252	291,884	6,113,645	239,730	797,747	778,033	19,714	651,417	618,977	32,440	1,153,517	195,890	41,190	
Africa:															
Number.....	867	856	11	441	3	154	152	2	148	142	6	96	22	3	
Monthly amount.....	55,123	54,582	541	36,365	270	5,796	5,717	79	5,733	5,541	192	5,616	1,083	260	
Cape Verde Islands:															
Number.....	604	596	8	302	3	122	120	2	87	84	3	77	12	1	
Monthly amount.....	37,861	37,405	456	25,126	270	4,524	4,445	79	2,956	2,849	107	4,351	561	73	
Asia:															
Number.....	9,083	8,936	147	5,385	78	1,437	1,416	21	1,053	1,005	48	851	261	18	
Monthly amount.....	562,860	553,228	9,632	401,240	7,410	48,765	48,035	730	39,754	38,262	1,492	50,144	14,312	1,235	
Cyprus:															
Number.....	242	222	20	131	8	50	47	3	29	20	9	19	4	1	
Monthly amount.....	15,123	13,885	1,238	10,154	812	1,715	1,586	129	997	700	297	1,140	252	53	
Hong Kong:²															
Number.....	1,264	1,257	7	656	3	287	285	2	119	117	2	155	43	1	
Monthly amount.....	71,255	70,892	363	45,941	235	9,446	9,382	64	4,379	4,315	64	8,844	2,322	88	
India:															
Number.....	107	103	4	57	2	20	19	1	15	14	1	9	3	1	
Monthly amount.....	7,128	6,854	274	4,604	186	825	781	44	679	635	44	583	169	82	
Israel:															
Number.....	1,374	1,338	36	902	27	213	209	4	66	61	5	143	20	3	
Monthly amount.....	100,125	97,151	2,974	73,805	2,584	8,686	8,521	165	3,642	3,417	225	9,924	1,238	248	
Japan:															
Number.....	4,106	4,081	25	2,652	15	590	586	4	332	326	6	394	118	4	
Monthly amount.....	257,618	255,899	1,719	192,692	1,400	19,696	19,581	115	15,101	14,897	204	21,764	6,652	313	
Jordan:															
Number.....	315	289	26	111	6	62	58	4	107	91	16	17	10	2	
Monthly amount.....	13,745	12,735	1,010	7,809	536	1,672	1,572	100	2,234	1,860	374	1,040	350	74	
Lebanon:															
Number.....	605	597	8	304	4	70	70	0	165	161	4	39	21	2	
Monthly amount.....	34,930	34,461	469	24,174	392	2,157	2,157	0	4,798	4,721	77	2,304	980	125	
Ryukyu Islands:															
Number.....	450	445	5	256	3	74	73	1	78	77	1	25	12	2	
Monthly amount.....	23,526	23,228	298	16,714	258	2,241	2,221	20	2,172	2,152	20	1,393	621	127	
Syrian Arab Republic:															
Number.....	105	105	0	67	0	13	13	0	14	14	0	8	2	1	
Monthly amount.....	7,080	7,080	0	5,396	0	494	494	0	514	514	0	462	154	60	
Turkey:															
Number.....	219	218	1	102	1	18	18	0	65	65	0	20	12	1	
Monthly amount.....	14,420	14,309	111	9,073	111	573	573	0	2,656	2,656	0	1,332	610	65	
Canada:															
Number.....	19,532	18,903	629	10,359	310	2,778	2,693	85	2,876	2,642	234	2,552	603	54	
Monthly amount.....	1,195,227	1,157,727	37,500	755,666	29,053	94,308	91,739	2,569	118,641	112,763	5,878	162,896	30,735	3,928	
Central America and West Indies:															
Number.....	2,250	2,187	72	1,439	52	213	207	6	283	269	14	199	59	14	
Monthly amount.....	150,939	145,750	5,189	106,467	4,563	8,676	8,522	154	13,524	13,052	472	13,369	3,349	991	
Bahamas:															
Number.....	156	139	17	66	6	21	18	3	41	33	8	15	7	0	
Monthly amount.....	9,105	8,321	784	4,748	521	780	705	75	1,856	1,668	188	847	353	0	
Barbados:															
Number.....	242	238	4	166	4	28	28	0	5	5	0	38	0	1	
Monthly amount.....	16,961	16,623	338	12,563	338	1,256	1,256	0	225	225	0	2,519	0	60	
British Leeward and Windward Islands:															
Number.....	327	322	5	214	5	49	49	0	13	13	0	42	2	2	
Monthly amount.....	21,924	21,519	405	15,847	405	1,895	1,895	0	631	631	0	2,875	102	169	
Costa Rica:															
Number.....	119	118	1	69	1	13	13	0	24	24	0	5	7	0	
Monthly amount.....	7,957	7,874	83	5,413	83	583	583	0	1,072	1,072	0	384	422	0	
Dominican Republic:															
Number.....	129	122	7	68	6	14	13	1	28	28	0	7	6	0	
Monthly amount.....	7,545	6,933	612	4,532	559	460	407	53	1,107	1,107	0	574	313	0	
Jamaica:															
Number.....	688	672	16	540	16	46	46	0	32	32	0	42	6	6	
Monthly amount.....	48,677	47,291	1,386	40,039	1,386	1,965	1,965	0	1,589	1,589	0	2,894	411	393	
Nicaragua:															
Number.....	110	107	3	57	3	7	7	0	28	28	0	5	10	0	
Monthly amount.....	6,794	6,506	288	3,990	288	303	303	0	1,313	1,313	0	315	585	0	
Trinidad and Tobago:															
Number.....	118	116	2	79	2	8	8	0	16	16	0	9	3	1	
Monthly amount.....	7,914	7,723	191	5,694	191	322	322	0	894	894	0	633	109	71	
Europe:															
Number.....	92,421	90,070	2,351	54,759	1,652	14,765	14,456	309	6,108	5,718	390	13,565	1,354	218	
Monthly amount.....	6,342,353	6,152,039	190,314	4,395,073	162,574	561,919	549,368	12,551	270,498	255,309	15,189	854,448	81,993	15,848	
Austria:															
Number.....	1,126	1,095	31	814	28	89	89	0	48	45	3	129	17	1	
Monthly amount.....	83,304	80,312	2,992	64,292	2,801	3,641	3,641	0	2,609	2,418	191	8,786	1,091	84	
Belgium:															
Number.....	523	507	16	319	7	73	71	2	33	26	7	79	12	0	
Monthly amount.....	36,949	35,908	1,041	25,570	722	3,103	3,013	90	1,625	1,396	229	5,175	754	0	
Denmark:															
Number.....	791	779	12	581	10	79	78	1	23	22	1	90	8	0	
Monthly amount.....	60,264	59,184	1,080	47,717	992	3,487	3,443	44	1,332	1,288	44	6,113	623	0	

See footnotes at end of table.

TABLE 1.—OASDI: Number and monthly amount (dollars) of benefits in current-payment status at end of 1963, payable to beneficiaries living abroad, by type of benefit and by country or continent—Continued

Beneficiary's place of residence ¹	Total			Old-age	Disability	Wife's or husband's			Child's			Wid-ow's or wid-ower's	Moth-er's	Parent's
	Total	OASI	DI			Total	OASI	DI	Total	OASI	DI			
Finland:														
Number	645	639	6	464	6	54	54	0	19	19	0	94	6	2
Monthly amount	45,760	45,113	647	35,441	647	2,216	2,216	0	1,043	1,043	0	5,903	366	144
France:														
Number	1,824	1,760	64	1,249	37	177	169	8	159	140	19	150	47	5
Monthly amount	131,988	127,554	4,434	99,001	3,433	7,387	7,103	284	8,465	7,748	717	10,303	2,953	446
Germany:														
Number	7,732	7,514	218	5,409	170	708	688	20	485	457	28	750	190	11
Monthly amount	570,747	552,066	18,681	430,546	16,803	29,690	28,924	766	26,868	25,756	1,112	53,937	12,079	824
Greece:														
Number	13,315	13,089	226	7,969	152	2,109	2,076	33	1,363	1,322	41	1,499	179	44
Monthly amount	879,987	863,206	10,781	638,821	14,075	74,790	73,541	1,249	52,720	51,263	1,457	86,360	10,264	2,957
Ireland:														
Number	3,335	3,200	135	2,385	107	265	257	8	242	222	20	249	59	28
Monthly amount	235,786	224,486	11,300	184,234	10,272	10,019	9,669	350	10,352	9,674	678	15,478	3,456	1,975
Italy:														
Number	32,761	31,880	881	17,917	604	6,752	6,615	137	1,630	1,490	140	5,471	318	69
Monthly amount	2,169,756	2,098,711	71,045	1,435,440	59,173	249,796	243,931	5,865	68,380	62,373	6,007	332,639	10,450	4,878
Malta:														
Number	395	357	38	215	29	50	44	6	48	45	3	40	12	1
Monthly amount	28,699	25,194	3,505	18,174	3,118	1,965	1,716	249	1,992	1,854	138	2,676	721	53
Netherlands:														
Number	632	622	10	391	7	74	74	0	61	58	3	80	19	0
Monthly amount	44,406	43,529	877	30,604	729	2,919	2,919	0	3,277	3,129	148	5,771	1,106	0
Norway:														
Number	3,371	3,292	79	2,215	61	507	500	7	145	134	11	398	39	6
Monthly amount	245,265	238,292	6,973	179,794	6,230	21,116	20,814	302	8,448	8,007	441	26,492	2,725	460
Poland:														
Number	1,362	1,346	16	429	12	243	240	3	21	20	1	641	5	11
Monthly amount	90,010	88,708	1,302	35,274	1,116	10,161	10,028	133	976	923	53	41,161	351	971
Portugal:														
Number	3,741	3,599	142	2,003	95	808	785	23	322	298	24	464	45	4
Monthly amount	238,803	227,113	11,690	157,643	9,708	28,837	27,846	991	10,455	9,494	991	29,436	2,418	276
Spain:														
Number	4,046	3,933	113	2,503	82	650	639	11	254	234	20	513	35	9
Monthly amount	292,932	283,415	9,517	212,702	8,587	25,699	25,320	379	10,354	9,803	551	32,751	2,162	677
Sweden:														
Number	3,450	3,378	72	2,608	59	348	342	6	55	48	7	359	16	5
Monthly amount	261,807	255,463	6,344	212,416	5,838	14,734	14,514	220	2,717	2,431	286	24,777	951	374
Switzerland:														
Number	1,353	1,320	33	1,025	27	128	126	2	49	45	4	112	10	2
Monthly amount	103,930	100,887	3,043	84,672	2,748	5,515	5,412	103	2,561	2,369	192	7,723	527	184
United Kingdom:														
Number	7,436	7,270	166	4,396	94	703	676	27	944	899	45	974	311	14
Monthly amount	523,647	512,015	11,632	348,467	9,248	30,083	29,213	870	48,337	47,323	1,514	67,377	18,604	1,031
Yugoslavia:														
Number	4,394	4,308	86	1,784	62	923	910	13	190	179	11	1,405	24	6
Monthly amount	285,465	278,500	6,965	147,944	6,016	35,695	35,119	576	6,544	6,171	373	87,498	1,254	514
Mexico:														
Number	7,301	6,945	356	2,219	161	762	718	44	3,077	2,926	151	326	646	110
Monthly amount	351,997	330,864	21,133	162,991	15,727	23,271	21,857	1,414	95,034	91,042	3,992	19,958	27,652	7,364
Oceania:														
Number	667	644	23	271	7	37	33	4	233	221	12	54	63	2
Monthly amount	41,536	40,533	1,003	20,876	721	1,505	1,435	70	11,247	11,035	212	3,641	3,413	133
Australia:														
Number	519	503	16	206	7	26	24	2	183	176	7	48	47	2
Monthly amount	32,339	31,461	878	15,703	721	1,083	1,047	36	8,989	8,868	121	3,180	2,530	133
New Zealand:														
Number	124	117	7	54	0	9	7	2	42	37	5	6	13	0
Monthly amount	7,604	7,479	125	4,225	0	350	316	34	1,878	1,787	91	461	690	0
Philippines:														
Number	9,734	9,206	528	2,593	204	1,599	1,521	78	3,537	3,291	246	689	909	203
Monthly amount	411,846	387,711	24,135	186,336	17,604	48,766	46,763	2,003	81,713	77,185	4,528	36,222	30,220	10,985
South America:														
Number	1,037	1,008	29	541	14	102	99	3	214	202	12	110	49	7
Monthly amount	68,948	67,046	1,902	42,717	1,313	4,291	4,187	104	10,292	9,807	485	7,148	2,741	446
Argentina:														
Number	256	253	3	145	3	29	29	0	25	25	0	41	11	2
Monthly amount	17,946	17,639	307	11,449	307	1,243	1,243	0	1,414	1,414	0	2,637	761	135
Brazil:														
Number	260	250	10	126	3	29	28	1	66	60	6	23	11	2
Monthly amount	17,485	16,866	619	10,441	297	1,183	1,147	36	3,196	2,910	286	1,501	741	126
Venezuela:														
Number	126	123	3	58	1	8	8	0	40	38	2	12	7	0
Monthly amount	7,533	7,386	147	4,085	88	353	353	0	1,945	1,886	59	764	298	0
U.S. possessions: ³														
Number	251	245	6	87	5	13	12	1	102	102	0	34	10	0
Monthly amount	14,307	13,772	535	5,914	495	450	410	40	4,981	4,981	0	2,075	392	0
Canal Zone:														
Number	241	235	6	86	5	12	11	1	95	95	0	34	9	0
Monthly amount	14,063	13,528	535	5,874	495	430	390	40	4,821	4,821	0	2,075	368	0

¹ Based on monthly benefit check address. Data for places with 100 or more beneficiaries are shown separately. All payments were being withheld on Dec. 31, 1963, from beneficiaries living in the following countries, where there was no reasonable assurance that the payee would actually receive the check and be able to negotiate it: Albania, China (including Outer Mongolia and Tibet), Cuba, Czechoslovakia, East Germany, Hungary, North Korea, and the Union of Soviet Socialist Republics (including Estonia, Latvia, and

Lithuania).
² An additional 152 benefits with a monthly amount of \$8,072 were being paid under a limited-payment procedure to persons living in Hong Kong, as follows—OASI benefits: old-age, 31—\$2,324; wife's or husband's, 49—\$1,807; child's, 28—\$1,113; widow's or widower's, 28—\$1,946; mother's, 10—\$653. DI benefits: disability, 2—\$167; wife's or husband's, 2—\$81; child's, 2—\$81.
³ Excludes American Samoa, Guam, Puerto Rico, and the Virgin Islands.

year, 34,000 beneficiaries who were living abroad were added to the rolls, 16,000 as the result of an application filed from abroad. The other 18,000 had been previously entitled to benefits in the United States and then went abroad. A total of 18,000 left the foreign rolls during the same year: about 10,000 whose benefits were terminated because of death or other events and about 8,000 who returned to the United States.

Approximately 81,000 of the beneficiaries abroad are receiving benefits based on their own covered work. The others are wives, widows, children, and parents who receive benefits as dependents of insured workers and who in many cases have never been in this country.

Lump-sum death benefits are also payable to eligible persons outside the United States. In 1963, about 4,900 payments of this type were made to individuals residing abroad (table 2).

General Administrative Procedures

The Social Security Administration has a network of more than 600 district offices in the United States, staffed by technically trained employees. These facilities make it possible to acquaint the public with the program, to assist claimants filing for benefits, and to assist beneficiaries. Abroad, this close contact and technical training usually does not exist. Language barriers and national differences in customs and traditions also directly affect the administration of the program abroad.

The OASDI program as it covers persons outside the United States is administered from the central office of the Social Security Administration in Baltimore, Maryland. Specific program and operational responsibility is handled by the Foreign Claims Branch of the Division of Claims Control. The day-to-day business abroad is ordinarily conducted by mail. When personal contact with those involved is necessary, the assistance of State Department Foreign Service posts is available. Upon request, personnel in these posts assist the Social Security Administration and individuals by completing applications, verifying records and documents, and conducting investigations with respect to entitlement to benefits.

Individuals filing claims for benefits from abroad must document the various factors on which entitlement will be based—date of birth,

marital status, and the like—in the same manner as claimants in the United States. The claimants are requested to submit the best documentary evidence available. Evidence originating either in the United States or a foreign area generally can be used. In either case, the probative value of the evidence depends on such factors as when and for what purpose the evidence or the source record was established and how and in whose custody it is maintained.

Special Developmental Procedures

Because of the proximity of Canada and Mexico to the United States, claims filed by residents of these countries are developed and adjudicated by social security district offices along the northern and southern borders of the United States. The claims then are forwarded to the Foreign Claims Branch for review and final action. Eleven district offices in eight States handle Canadian claims, and four district offices in three States handle claims received from residents of Mexico.

In the Philippines, the increasing number of claims stimulated a special method of administering the program. In 1960 the Social Security Administration and the Veterans Administration agreed that the latter's regional office in Manila would develop OASDI claims in the Philippines. This arrangement provides fast and personalized service for persons in the Philippines. The Veterans Administration office in Manila verifies documents, establishes identity, distributes checks, participates in survey operations, and otherwise assists in the development of OASDI claims.

All claims for residents of Hong Kong are handled by the U.S. Consul General there. His office establishes identity, assists in filing claims and obtaining evidence of age and other entitlement factors, controls delivery of benefit checks, and performs other necessary functions.

An employee of the Social Security Administration with extensive program knowledge and experience has been assigned to a position in the Foreign Service Reserve program to direct OASDI affairs in Greece. Under his supervision, the Embassy staff concerned with social security matters handles claims for benefits, acts on inquiries, verifies documents and records, helps to evaluate rights to benefits, and distributes checks monthly to the approximately 13,000 beneficiaries in that country.

Delivery of Benefit Checks Abroad

In most countries, benefit checks are delivered by the United States Treasury Department to the State Department, which in turn forwards them to the appropriate Foreign Service posts for distribution to beneficiaries. Either the foreign postal system is used, or the beneficiary calls at the Foreign Service post to pick up his check.

Variations from this procedure exist in Canada, Italy, and the Philippines. Beneficiaries in Canada receive their checks by mail directly from the United States.

In Italy the U.S. Embassy in Rome delivers the checks to the Bank of Italy, an agency of the Italian Government that supervises banks and currency. The Bank of Italy distributes the benefit checks to branch and correspondent banks, where the beneficiaries call for them personally. When disability or infirmity prevents the beneficiary from calling at the bank, arrangements can be made for the checks to be delivered to the beneficiary's home. Because of Italian currency regulations, beneficiaries who are Italian citizens must take their benefits in lire, but American citizens may take their benefits in either lire or dollars.

In the Philippines, the Treasury Department mails the benefit checks in bulk to its disbursing office in Manila. That office removes all checks for more than \$500 and delivers them to the Veterans Administration Regional Office in Manila for personal delivery to the beneficiaries. The remaining checks are mailed to the beneficiaries by the disbursing office.

The benefits of beneficiaries in Egypt, India, Israel, and Pakistan are now being paid in the United States-owned currencies of these countries. These funds have accrued to the United States from the sale of certain commodities and are presently in excess of the normal requirements of the United States in these four countries.

Administrative Controls

With the assistance of the State Department and the Veterans Administration Regional Office in Manila, the Social Security Administration conducts an annual survey of beneficiaries living abroad. The purpose of this survey is to determine continuing entitlement to benefits and to remind beneficiaries that they are required to

TABLE 2.—OASDI: Lump-sum death benefits paid abroad, 1963¹

Beneficiary's place of residence	Number of payments	Amount
Total.....	4,900	\$981,000
Africa.....	(²)	3,400
Asia.....	300	57,800
Canada.....	1,000	200,000
Central America and West Indies.....	100	17,500
Europe.....	2,700	556,400
Mexico.....	300	69,400
Philippines.....	300	53,200
South America.....	(²)	3,400
U.S. possessions ³	100	20,000

¹ Prorated on the basis of a 10-percent sample.

² Less than 50.

³ Excludes American Samoa, Guam, Puerto Rico, and the Virgin Islands.

report any event that would cause a suspension or termination of benefits.

In this phase of program administration, each beneficiary is required to complete a special questionnaire (printed in nine languages in addition to English—French, German, Greek, Italian, Polish, Portuguese, Serbo-Croatian, Spanish, and Turkish). Except in Canada, where the questionnaires are mailed directly to the beneficiaries by the Social Security Administration, all questionnaires are sent by the State Department to the Foreign Service posts for distribution to the beneficiaries. Each calendar quarter, questionnaires are sent to one-fourth of the beneficiaries. Every beneficiary is reached at least once a year.

The Social Security Administration also conducts on-the-spot surveys and studies to assure the integrity and efficient administration of its program abroad. During these studies a thorough review of the program is made. Beneficiaries are interviewed to determine, for example, if they are eligible to continue receiving benefits. The source records of the evidence used to document the cases are examined, and check distribution systems are reviewed. Such studies have been made in Bulgaria, Cyprus, France, Greece, Hong Kong, Ireland, Italy, Jordan, the Philippines, and Turkey. Others are in the planning stage.

In addition to the annual survey and on-the-spot appraisals, extensive efforts are made to insure that the claimants and beneficiaries abroad understand both their rights and obligations under the Social Security Act. Informational material is stocked at most Foreign Service posts. One leaflet, which informs beneficiaries of their reporting responsibilities, is printed in English, French, Greek, German, Italian, and Spanish, and it is sent to everyone who is awarded benefits.