

# Institutional Documentation for United States 1997

Most information is taken from the Social Security Act Handbook WebPages:

[http://www.ssa.gov/OP\\_Home/handbook/handbook.01/hbktoc01.htm](http://www.ssa.gov/OP_Home/handbook/handbook.01/hbktoc01.htm) and should give the user a basic understanding of the social security programs in the United States. In addition to this you'll also find information taken from Social Security Programs Throughout the World.

This information is combined with information about the composition of LIS variables for the US 1997 Current Population Survey.

## **General Introduction**

### **Purposes of Social Security**

THE SOCIAL SECURITY ACT and related laws establish a number of programs which have the basic objectives of providing for the material needs of individuals and families, protecting aged and disabled persons against the expenses of illnesses that could otherwise exhaust their savings, keeping families together, and giving children the opportunity to grow up in health and security. These programs include:

- A. Retirement insurance.
- B. Survivors insurance.
- C. Disability insurance.
- D. Hospital and medical insurance for the aged, the disabled, and those with end-stage renal disease.
- E. Black lung benefits.
- F. Supplemental security income.
- G. Unemployment insurance.
- H. Public assistance and welfare services. :
  - 1. Aid to needy families with children.
  - 2. Medical assistance.
  - 3. Maternal and child health services.
  - 4. Child support enforcement.
  - 5. Family and child welfare services.
  - 6. Food stamps.
  - 7. Energy assistance.

The Federal Government operates the retirement, survivors, disability, hospital and medical insurance, black lung benefit, and the supplemental security income programs. This Handbook is primarily concerned with these programs. The programs listed in G. and H. above are operated by the States with Federal co-operation.

### **LIS V variables and the corresponding Social Security Programs, see also lissification tables**

#### **Old Age benefits**

To have a complete overview of the different old age benefits one has to look at the following LIS variables V19, V32 and V33

LIS variable: V19 Social retirement benefits

For US 1997 this variable includes V19S1: basic Old Age Benefits this variable contains social security benefits for persons older than 62 and US railroad retirement, retirement disability and survivor benefits.

Information about the retirement insurance program (included in V19s1) is provided below.

V19SR: This variable contains the same benefits as V19S1 but paid to persons under 62.

LIS variable V32, private sector pensions, this variable includes:  
Retirement income from

- Company or union pension
- Regular payment from annuities or paid insurance policies
- Regular payment from IFA/Keogh or 401 accounts
- Other sources or not known

LIS variable V33, public sector pensions, this variable includes Retirement income from

- Federal/State and Local government retirement/survivor benefits and disability payments
- US military retirement benefits/survivor income and disability payments

For information about disability payments, see disability pay.

## RETIREMENT INSURANCE BENEFITS

First and current law: 1935 (with amendments)

It covers gainfully occupied persons, including self-employed persons. There are special programs for Federal, State and local government employees and railroad employees. (Social Security Throughout the World, 1999)

The retirement, survivors, disability, and hospital insurance programs cover about 90% of U.S workers who are in employment or self-employment. The major groups not covered are:

- A. Federal civilian employees hired before 1984.
- B. Employees of State and local governments who are members of their employer's retirement system and who have not been covered by a voluntary Federal/State Social Security agreement.
- C. Certain agricultural and domestic workers.

### Qualifying conditions for Old Age pensions

Age 65 (62-64 with reduction); gradually increasing to 67 over period 2000-2027. Insured: 40 quarters of coverage (QC) (less for those reaching 62 before 1991). Pension reduced \$1 for each \$ 2 earnings above \$ 9600 a year for people under age 65 and reduced \$ 1 for each \$ 3 of earnings above \$15500 for beneficiaries age 65-69. (Earnings limits adjusted annually based on average wage increases.

#### Old Age Pension

Based on covered earnings averaged over period after 1950 (or age 21, if later), and indexed for past wage inflation up to age 62 (or death, if earlier) excluding 5 years with the lowest earnings. (Earnings in years outside this period may be substituted, if higher). Available at age 62, but reduced for each month of receipt prior to age 65.

#### General

MONTHLY CASH RETIREMENT INSURANCE BENEFITS (also called old-age insurance benefits) may be payable to an individual age 62 or over under the conditions in §§301-304. Additional monthly benefits, called auxiliary benefits, may be payable to other persons based on the earnings record of the retirement insurance beneficiary as follows:

- A. Monthly spouse's insurance benefits (see §§30--322);
- B. Monthly child's insurance benefits (see §§3~3-345).

These auxiliary benefits may also be payable on the earnings record of an individual entitled to a disability insurance benefit. (See Chapter 5.)

## Retirement Insurance Benefits

A WORKER IS ENTITLED TO RETIREMENT INSURANCE BENEFITS IF HE OR SHE:

- A. Is at least age 62 throughout his or her first month of entitlement and is fully insured; and
- B. Has filed an application for retirement insurance benefits.

An application is not required if the claimant is entitled to disability insurance benefits for the month before the month in which he or she reaches age 65. The disability insurance benefit is ended and the retirement insurance benefit is begun automatically. .

If the requirements of (A) above were met before the month, in which the application is filed, the worker, with certain limitations as explained in §1513, may be entitled to retirement insurance benefits *retroactively to the first month in which those requirements were met.*

See § 346 for a special monthly cash payment for certain uninsured persons age 72 or older.

## Unemployment Insurance

LIS variables V21: Unemployment benefits, for US 1997 this variable includes: unemployment compensation and strike benefits. Information about unemployment insurance is provided below.

### THE UNEMPLOYMENT INSURANCE PROGRAM

Federal law: 1935

State laws, first enacted between 1932 and 1937. (Social Security Programs Throughout the World, 1999)

It covers employees of firms in industry and commerce, employees of non-profit organizations with 4 or more employees during 20 weeks in a year. Almost all State and local government employees, domestics and 2/5 of farm workers are covered. There exist special Federal programs for railroad employees, Federal employees and ex-servicepersons. (Social Security Programs Throughout the World, 1999)

THE UNEMPLOYMENT INSURANCE PROGRAM provides partial income replacement for a limited period to persons who become unemployed. It is a State-administered program with Federal participation. "State" for unemployment insurance purposes means the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands.

If a State has an unemployment insurance law that meets the basic provisions of the Federal law, employers can credit their State taxes against the Federal tax. In order that employers may continue to obtain the tax offset provided in the Federal law, the State unemployment insurance system must continue to conform to the general requirements in the Federal law. This offset also extends to the taxes the employer is excused from paying by provisions of State law varying the tax rate in accordance with the employer's experience with unemployment. This is called "experience rating" and is provided for in all jurisdictions.

In many States, the law applies to employers who are engaged in types of work not covered by the Federal law. In three States, employees are also taxed.

Unemployment insurance benefits are included in the individual's gross income, regardless of his or her amount of other income, for Federal income tax: purposes.

EACH STATE SPECIFIES in its laws:

- A. Who may receive unemployment benefits.
- B. How each worker can qualify for benefits.
- C. The amount of the weekly unemployment benefit.
- D. The maximum number of weeks for which unemployment benefits may be paid.

The State unemployment insurance agency is responsible for handling the claims of unemployed workers, deciding in each case whether the claimant is entitled to unemployment benefits and for paying the benefits.

## **GENERAL REQUIREMENTS FOR BENEFITS**

REQUIREMENTS FOR GETTING UNEMPLOYMENT INSURANCE BENEFITS are generally as follows:

- A. The worker must register for work at a State employment service office and file a claim for benefits.
- B. The worker must have worked previously on a job covered by the State law. This includes most types of paid employment in industry and government except certain agricultural and domestic employment.
- C. The worker must have a prescribed amount of employment or earnings in covered employment during a specified "base period," generally a year, prior to the time he or she claims benefits.
- D. The worker must be able to work. In general, unemployment insurance benefits are not payable to workers who are sick or unable to work for any other reason, although a few States continue to pay the benefits within the legal limits to workers who became ill after they had established their claims. (In five States and Puerto Rico, workers contribute to special disability funds from which disability benefits are paid for non-work-connected sickness or accident.)
- E. The worker must be available for work and must be ready and willing to take a suitable job if one is offered.
- F. The worker must not have:
  - 1. Quit his or her job voluntarily without good cause. (In some States the law says "without good cause attributable to the employer" or "connected with the work.")
  - 2. Been discharged for misconduct in connection with his or her work.
  - 3. Refused or failed, without good cause, to apply for or accept an offer of suitable work. (What is "suitable" work is generally decided by the State; however, under Federal law no worker may be denied benefits for refusing to accept a new job under substandard labor conditions, or where a labor dispute is involved, or where he or she would be required to join a company union or to resign from or refrain from joining any bona fide labor organization.)
  - 4. Become unemployed because of a stoppage of work as the result of a labor dispute, in which he or she is interested or participating, that occurred at the establishment where last employed.

*Many States disqualify claimants for other causes.* Disqualification in some States amounts to postponement of benefits for a few weeks; in others, benefits are reduced as well as postponed. However, work credits cannot be cancelled or benefit rights eliminated completely because of a disqualifying act, except under limited conditions.

### **• AMOUNT OF UNEMPLOYMENT INSURANCE BENEFITS**

THE AMOUNT OF THE WEEKLY UNEMPLOYMENT BENEFIT PAYMENT a worker may receive while unemployed varies according to the benefit formula in the law of each State. Usually it is about half the worker's full-time weekly pay within top and bottom limits.

Minimum limits on benefits are provided in every State. All States provide partial benefits for partial unemployment. In some States an unemployed worker may be paid an allowance, in addition to his or her own unemployment benefit, for certain dependents.

### **• NUMBER OF WEEKS BENEFITS PAYABLE**

The number of weeks for which unemployment benefits can be paid ranges from 1 to 30 weeks, depending upon the particular State law—the average is 26 weeks. In addition, some State laws provide for the payment of additional benefits for a limited period to workers who have exhausted their regular unemployment benefits during a period of high unemployment. Federal laws may also, when deemed necessary, provide additional benefits for workers who exhaust their regular State benefits during periods of high unemployment.

## • FILLING CLAIMS FOR BENEFITS

An unemployed worker must file a claim for benefits at an office or in such other manner as directed by the state e.g., telephone or mail. Claims may be filed in any state, regardless of where the worker was previously employed.

If the unemployed worker gets a full-time job, he or she will not be entitled to benefits. But if the worker does not find a job within a certain "waiting period" after a claim is filed--usually 1 week--depending upon State law -- payments will begin for the following week.

A worker who has been employed in several States, or who moves into a new State and is out of a job, must do the same thing he or she would do if he or she had been working in that State all the time. The worker must file a claim and register for a job. He or she should explain about his or her work in other States. State officials will take the claim and forward it to the other State in which he or she may be qualified or will provide a telephone number for the individual to file directly with the other state. Any benefits to which the worker may be entitled will be paid by check directly from the State that owes them. Wages, which have been earned in two or more states, will be combined.

## DISABILITY PAY

LIS variables: V18, For US 1997, this variable includes:

- State disability payments and worker's compensation (information about worker's compensation is provided below under the section work injury)
- Worker's compensation survivor income

Note!!!!

Some disability benefits are included in LIS variables V19, V32 ,V33 and V36 (disability payments from private insurance)

## Disability

First and current law 1935 (see also Old Age) for Coverage

### Disability pension

Inability to engage in substantial gainful activity due to impairment expected to last at least one year or result in death. Insured: 1QC for each year since age 21 , up to year disability began; maximum, 40 QC's. Also 20 QC's in the 10 year period before disability began. There is a more liberal requirement for young and blind.

### Permanent disability pension

Based on covered earnings averaged over period after 1950 (or age 21, if later) and indexed for past wage inflation up to onset of disability, excluding up to 5 years with the lowest earnings. Automatic cost-of-living adjustment. No minimum benefit for workers becoming disabled after 1981.

Dependent's allowance: 50 % of worker's pension paid to wife or husband ( or divorced spouse, if marriage lasted 10 years<sup>9</sup> at age 65 (reduced if 62-64) or to wife or husband at any age caring for a child under age 16 or disabled; to each child (or dependent grandchild) under age 18 or age 18-19 and attending elementary or secondary school full time <sup>8</sup>no age limit if disabled before age 22.

A means-tested allowance is payable to needy disabled and blind under SSI program.

**TYPES OF DISABILITY PROTECTION UNDER SOCIAL SECURITY (in this section you'll already find some information which will be provided under the section work injury, marked with \*)**

SEVEN TYPES OF DISABILITY PROTECTION are included in the disability provisions of the Social Security Act:

\*A. *Monthly cash benefits for a disabled worker* (see §§501-506) and family. The benefits for the disabled worker are called "disability insurance benefits", but in this Chapter they are called "disabled worker's benefits" to distinguish them from other benefits for disabled persons.

B. *Monthly cash benefits for needy, blind or disabled individuals* including blind or disabled children (see §2110 for the definition of a child» under the supplemental security income (SSI) program; The evaluation of the disability is discussed in Chapter 6. Other conditions for eligibility are discussed in Chapter 21.

\*C. *The establishment of a period of disability for a disabled worker*, which protects against the loss of or the reduction in the amount of disability or retirement insurance benefits, or benefits for survivors, by providing that the period during which he or she is disabled and, therefore, likely not to have substantial earnings will be excluded in determining either insured status or the amount of benefits. (See §§508-512.) The requirements for disabled worker's benefits and for establishing a period of disability are nearly the same, and a worker entitled to either one is usually entitled to both.

D. *Monthly cash benefits for a disabled widow (er), or disabled surviving divorced spouse* age 50- 59 who meets the other requirements for entitlement to widow (er)'s insurance benefits. (See §§401-403; the disability-related requirements are explained in §§513-515.) Statements in this Chapter which apply equally to disabled widow (er)s and disabled surviving divorced spouses will refer to them simply as "*disabled widow(er)s*."

E. *Monthly cash benefits for a disabled son or daughter* of a worker entitled to disabled worker's or retirement benefits or of an insured worker who died. These benefits are payable as early as age 18. They are referred to as *childhood disability benefits* because the son or daughter must have become disabled before reaching age 22. (See Chapter 3 for an explanation of other requirements for entitlement to child's insurance benefits which must be met by a worker's son or daughter.)

F. *Vocational rehabilitation services* for a Social Security disability beneficiary or an SSI disabled or blind recipient who is potentially capable of achieving productive activity with the assistance of a State vocational rehabilitation agency or another approved state agency or an approved non-State vocational rehabilitation program. (See § 517 )

G. *Hospital and supplementary medical insurance protection to:*

1. A person under age 65 who has been entitled to disability benefits as a disabled worker, widow(er), or adult child or eligible as a disabled widow(er), for a period of not less than 24 months (not necessarily consecutive) (*NOTE:* The person must be entitled to benefits on the basis of insured status established under the Social Security Act-not including credits earned under the program of any other country .)

2. A person who:

a. Has chronic kidney failure requiring a regular course of dialysis or a kidney transplant, and

b. Is either fully or currently insured or entitled to monthly insurance payments because of work covered by the Social Security Act or the Railroad Retirement Act. This includes the spouse or dependent child of a person who is insured or entitled to monthly benefits payable under these Acts.

3. A person, whose disability did not cease prior to December 1, 1980, may have his or her medical coverage continued for a maximum of 24 months after termination of entitlement based on disability provided medical recovery has not occurred.

After this period, a person may elect to purchase premium Medicare coverage provided he or she continues to have a disabling impairment, files during an enrolment period, and his or her premium-free Medicare coverage terminated because of substantial gainful activity.

**Work Injury**, refers to the workers' compensation benefits included in LIS variable V18

## Legislation

First laws: 1908 (federal employees) and 1911 (10 State laws)

Current laws. All States, Puerto Rico and district of Columbia; Federal employees, longshoremen, and harbor workers; special federal program for miners (pneumoconiosis). 4/5 of laws enacted before 1920.

Type of program: Compulsory insurance (elective in 3 states) through public or private carrier (according to State) or self-insurance.

Covered are: employees in industry and commerce generally, and most public employees.

NOT covered are: Agricultural employees (1/5 of States); domestic servants (1/2 of States); casual employees (3/5 of States); employees of firms with fewer than 3-5 employees (1/6 of States)

## Administration

Administration of program by State worker's compensation agencies, in about 1/2 of States, State Departments of Labor in about 3/8 of States and courts in 3 States.

Pneumoconiosis: Federal Government before 1974; state participation authorized after 1973. Governmental workers' compensation funds exist in about 1/3 of states. Employers most insure with State fund in 6 States; may insure with State fund or private carrier in 14 States; and may insure with private carrier in remainder. Self-insurance also permitted under all but 3 State laws.

## Qualifying conditions

For Work injury benefits there's no minimum qualifying period

Temporary disability benefits: 66% - 2/3 of earnings in most states. About 1/5 of States also provide supplements for dependents. Benefits are payable after a 2-or 7-day waiting period. Benefits are paid retroactively if injury lasts a specified period, ranging from 3 days to 6 weeks.

Permanent disability benefits: 66% -2/3 of earnings in most States if totally disabled.

Constant-attendance and dependents' supplements provided in some states. Payable for life or throughout disability in 4/5 of States, but only for 104-500 weeks or up to \$100,000-\$214,000 in rest.

Partial disability: Proportionate to wage loss or full rate for fewer weeks in case of scheduled injuries.

## HOSPITAL AND MEDICAL INSURANCE

LIS variable V29: Non Cash Medical benefits, For US 97 this variable includes:

- the value of medicare and medicaid received

## Legislation

First and Current laws: medical benefits: 1965 (health insurance for aged), 1972 (health insurance for disabled)

Social Insurance systems.

## Coverage

For Medical Benefits: Hospitalization: persons eligible for a pension age, 65 and over, certain others who qualify at age 65, disability pensioners on roll for more than 2 years, and persons with chronic kidney disease. Other medical services available to these groups and to all other persons aged 65 or over through voluntary coverage.

### Cash benefits/ Sick pay, does only exist in 6 states

Cash benefits: Rhode Island (1942), California (1946), New Jersey (1948), New York (1949), Hawaii (1969) and Puerto Rico (1968).

Cash benefits: Employees in industry and commerce in 6 jurisdictions. Most agricultural workers, except in New York. Self-employed in California may elect to participate.

Special national system for railroad employees (cash benefits) and Federal-state system for medically indigent (medical benefits)

### Qualifying conditions:

Minimum insured wages in last year, specific weeks of employment in last year (4-20), or a combination of conditions.

### Content of the program

MEDICARE consists of hospital insurance (part A) and medical insurance (part B). Medicare is administered by the Health Care Financing Administration (HCF A); this Chapter will cover general information about the program. Further information regarding this program may be obtained from the booklet "The Medicare Handbook" and its supplement "Medicare Coverage of Kidney Dialysis and

## MEDICARE HOSPITAL INSURANCE (PART A)

"MEDICARE HOSPITAL INSURANCE (PART A)" covers certain hospital and related health care services A person entitled to Social Security monthly benefits or a qualified railroad retirement beneficiary -is automatically entitled to hospital insurance beginning with the first day of the month in which the individual attains age 65. Under limited circumstances, services furnished in Canada or Mexico, or aboard ship in U.S. territorial waters, may be paid for by the Health Care Financing Administration, but otherwise, services furnished outside the U.S. are not covered by Medicare.

## ELIGIBILITY

PERSONS ARE ELIGIBLE FOR HOSPITAL INSURANCE if they are:

### A. Age 65 or older and:

1. Eligible for monthly Social Security benefits under the Social Security Act; or
2. Qualified railroad retirement beneficiaries; or
3. Not eligible for monthly Social Security or railroad retirement benefits but meet the requirements of a special transitional provision; or
4. Not eligible for monthly Social Security benefits or railroad retirement benefits but voluntarily enrolled and pay a monthly premium; or
5. Would be eligible for monthly Social Security benefits if their governmental employment were covered work under the Social Security Act; or

### B. Under age 65 and disabled and:



1. Entitled to or deemed entitled to Social Security disability benefits for more than 24 months; or
2. Would be entitled to Social Security benefits for more than 24 months because of a disability if their governmental employment were covered work under the Social Security Act; or
3. Under specified circumstances, entitled to railroad retirement benefits because of disability; or
4. Lose their entitlement to disability benefits and hospital insurance solely because they are engaging in substantial gainful employment but voluntarily elect to enroll and pay a monthly premium (referred to as Premium Hospital Insurance for the Working Disabled). State Medicaid agencies must make payments on behalf of qualified disabled and working, Medicare beneficiaries who are low income individuals (not more than 200 percent of the Federal poverty level, and resources below 200 percent of the Supplemental Security Income SSI limit), only for Part A premiums.

C. Any age and have end-stage renal disease treated by a kidney transplant or a regular course of dialysis and meet the special insured status requirements.

A health insurance identification card is issued to each person entitled to Medicare.

## MEANS TESTED CASH BENEFITS

LIS variables: V25

For US 1997 this variable includes:

- V25S1, social assistance, including: AFDC, TANF +other forms of social assistance (for information about these programs see : Administration for children and families programs.
- V25S2 Old Age Assistance, Supplemental Security Income for persons older than 65 (information about supplemental security income SSI is provided below)
- V25SR value of the earned income tax credit (EITC)

## SUPPLEMENTAL SECURITY INCOME

### INTRODUCTION

SUPPLEMENTAL SECURITY INCOME (SSI) is a cash assistance program funded and administered by the Federal Government. Beginning in January 1974, it replaced the prior Federal/State matching grant program of adult assistance to the aged, blind and disabled. For the first time, under SSI, there is no minimum age limit in establishing eligibility on the basis of blindness or disability.

### PURPOSE AND BASIC PRINCIPLES

The basic purpose of SSI is to assure a minimum level of income to people who are aged, blind or disabled and who have limited income and resources.

Several basic principles underlie the SSI program:

- A. The law provides that payments are to be made to aged, blind and disabled persons whose income and resources are below specified amounts. This provides objective, measurable standards for determining a person's eligibility and amount of payment.
- B. A person's right to SSI benefits--how much he or she can get and under what conditions--are defined in title XVI. If an individual disagrees with the decision on the case, he or she can obtain an administrative review of the decision and, if still not satisfied, may initiate court action.
- C. SSI benefits are paid under conditions that are as protective as possible of people's dignity .No restrictions, implied or otherwise, are placed on how people spend their SSI benefits.

D. The eligibility requirements and the Federal income floor are identical everywhere the program operates (see RIQ,1). This provides assurance of a minimum income which States and the District of Columbia may choose to supplement.

E. Although some of a person's earned income is counted against the SSI income limit, benefit amounts are not reduced dollar-for-dollar as the result of income from work. Thus, people are encouraged to work if they can. (See ~ for a discussion of work incentives.) Blind and disabled recipients if they are capable are referred to the appropriate State vocational rehabilitation agencies for services to help them enter the labor market. (See for more information on work incentives for the blind and disabled.)

#### **STATE SUPPLEMENTATION OF BASIC SSI BENEFITS**

States may supplement the basic SSI benefits as explained in §2170. In addition, any State may enter into an agreement to have SSA administer its supplementation program and pay the State supplementary amounts along with the basic SSI benefits. Each month SSA will charge the State an administration fee for every State supplementary payment issued during that month. For fiscal year 1995 the fee is \$3.33 per payment. For fiscal year 1996 the fee will be \$5.00 per payment. For subsequent fiscal years the fee will be \$5.00 per payment or such different rate as determined by SSA to be appropriate.

#### **FINANCING**

SSI benefits are financed from the general funds of the United States Treasury. They are not paid out Of the Social Security or Medicare trust funds. States which supplement the Federal benefits make these payments from State funds.

### **ADMINISTRATION FOR CHILDREN AND FAMILIES PROGRAMS**

THE ADMINISTRATION FOR CHILDREN AND FAMILIES was created within the Department of Health and Human Services (HHS) in April 1991. It houses the many Federal programs that work to promote economic and social self-sufficiency for families, children, and individuals across America. These programs focus on improving the well-being of low-income families, neglected and abused children and youth, Native Americans, refugees, and individuals with developmental disabilities and with mental retardation.

A brief description of the major programs follows:

The Temporary Assistance to Needy Families (TANF) program was created August 22, 1996 by the Personal Responsibility and Work Opportunity Reconciliation Act (PL 104-193). It replaces the Aid to Families with Dependent Children program (AFDC), the Job Opportunities and Basic Skills Training program (JOBS), and the Emergency Assistance program (EA). The overall objective is to promote work, responsibility and self-sufficiency. TANF has a two-fold mission:

- A. To assist families with dependent children to meet transitional financial need; and
- B. To help these families become self-sufficient.

To carry out the first mission, TANF funds may be used to provide needy families time-limited transitional cash assistance. Most commonly, these are single parent families.

TANF funds are provided as a block grant to States and certain Tribes (that operate their own programs) under broad Federal guidelines.

Under the new law, States and Tribes have great flexibility to determine the range of benefits and services that they will provide. TANF gives them the opportunity to design programs that meet the specific needs of the recipients within their jurisdiction and allows them to develop their own strategies for achieving program goals, including how to help recipients move into the work force. TANF funds may not be used to provide assistance to any family in excess of 60 months, though a State may choose a shorter time limit.

The central goal of the new law is to move welfare recipients into work. The law reflects this important goal in several ways. With few exceptions, the new law requires all adults receiving assistance to work or participate in work activities. In addition, States must meet certain work participation rate requirements. Recipients who lose eligibility because of employment are entitled to a transitional period of Medicaid benefits.

The newly established Child Care and Development Fund (CCDF) is authorized by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, PoL. 104-193, to assist low-income families and those transitioning off welfare to obtain child care so that they can work or attend training or education. The recipients of these funds are States, Territories and Tribes.

Under the Child Care and Development Fund, States are required to serve families through a single, integrated child care system. Three programs --AFDC/JOBS Child Care, Transitional Child Care, and At-Risk of Welfare Dependency Child Care (formerly called Title IV-A Child Care) --have been repealed and all child care funding is now combined under the former Child Care and Development Block Grant (CCDBG) program. The CCDBG regulations apply to the combined Child Care and Development Fund program when they correspond with the statute, and new regulations will be developed to revise and conform the old regulations with the new law.

Subsidized childcare is available to eligible parents, who earn up to 85 percent of the State median income, through certificates or contracted programs. Features of the program include:

1. Parents may select any legally operating childcare provider.
2. Child care providers serving children funded by CCDF must meet the basic health and safety requirements set by grantees.
3. A minimum of four percent of CCDF funds must be used by grantees to improve the quality of childcare and to offer additional services to parents, such as resource and referral programs. In order to improve the health and safety of available childcare, many grantees have provided training, grants and loans to providers, improved monitoring, compensation projects and other innovative programs.
4. Tribes may use a portion of their funds to construct childcare facilities provided that there is no reduction in the current level of childcare services.

The goal of the Child Support Enforcement (CSE) Program, established in 1975 under Title IV-D of the Social Security Act, is to ensure that children are financially supported by both their parents.

Designed as a joint Federal, State, and local partnership, the program involves 54 separate State systems, each with its own unique laws and procedures. The program is usually run by State and local human services departments, often with the help of prosecuting attorneys, other law enforcement agencies, and officials of family or domestic relations courts.

Child Support Enforcement services are available automatically for families receiving assistance under the new Temporary Assistance for Needy Families (TANF) programs. Any current child support collected reimburses the State and Federal governments for TANF payments made to the family.

Child support services are also available to families not receiving TANF who apply for such services. Child support payments that are collected on behalf of non-TANF families are sent to the family. For these families, states must charge an application fee of up to \$25, but may pay this fee from state funds. Some states may also charge for the cost of services rendered.

The most recent census data show that, in the Spring of 1992, 11.5 million families with children had a parent living elsewhere. Custodial parent families, 86 percent of which were headed by women and 14 percent headed by men, comprised one third of all families with their own, never married children under 21. Of the 11.5 million, only 6.2 million (54 percent) of the custodial parents had awards or agreements for child support. Of the total \$17.7 billion owed for child support in 1991, \$5.8 billion was not paid. Among that due support, about half received the full amount, about a quarter received partial payment and about a quarter received nothing. During FY 1996, about \$12 billion in child support payments were collected. Paternity was established for nearly 1 million children that year through the CSE Program and voluntary in-hospital acknowledgements, providing vital links between the children and their non-custodial parents.

The Child Support Enforcement Program provides four major services: locating non-custodial parents, establishing paternity, establishing child support obligations, and enforcing child support orders.

Welfare reform legislation provides strong measures for ensuring that children receive the support due them:

States are required to enact uniform interstate laws by January 1, 1998. State and Federal CSE programs will provide registries of newly hired employees. Paternity establishment will be streamlined. States will have computerized state-wide support collection and disbursement centers. Tough new penalties, such as license revocation and seizure of assets, will be available when

child support obligations are not met.

The 1996 legislation also recognizes the importance to children of access to their non-custodial parent: the new law includes grants to help States establish programs that support and facilitate non-custodial parents' visitation with and access to their children.

Head Start, authorized under title I of the Human Services Reauthorization Act of 1990" provides comprehensive developmental services to low-income, pre-school children and their families.

Head Start is based on the philosophy that a child benefits from a comprehensive, interdisciplinary program, which fosters development and remedies problems through a broad range of services. Head Start involves the child's entire family and community.

Grants to conduct Head Start programs are awarded to local public or private, non-profit agencies. Grantees must match the total cost of the program at a rate of 20 percent. At least 10 percent of the enrolment opportunities in each program must be made available to children with disabilities.

In recognition of the powerful research evidence that the period from birth to age three is critical to healthy growth and development and to later success in school and in life, the 1994 Head Start Reauthorization established a new program, Early Head Start, for low-income pregnant women and families with infants and toddlers. Projects must co-ordinate with local Head Start programs to ensure continuity of services for children and families.

The Social Services Block Grant, authorized by the Omnibus Budget Reconciliation Act of 1981, provides Federal funds to the States, including the territories and insular areas, for social services directed at the goals of achieving economic self-support or self-sufficiency; preventing or remedying neglect, abuse or exploitation of children or adults; preventing or reducing inappropriate institutionalization; and securing referral for institutional care, where appropriate. States have responsibility for determining the services they will provide, the distribution method, and eligibility requirements. Each State's allocation from the total appropriation is based on its population. The most frequently provided services are the following: child day care; home-based services which help individuals or families with household and personal care; protective services which prevent or remedy abuse, neglect, or exploitation of children or adults; special services for the physically, mentally, emotionally disabled; and social support.

Foster Care and Adoption Assistance programs, authorized under Title N-E (Federal Payments for Foster Care and Adoption Assistance) of the Social Security Act, help States provide care for children who need placement outside their homes, in a foster family home, or in an institution. These programs also facilitate the placement of special needs children in permanent adoptive homes, thereby preventing long, inappropriate stays in foster care. Special needs children include those who are older, members of minority or sibling groups, and/or physically, mentally, or emotionally handicapped individuals. These programs are funded jointly by the Federal and State governments. Monthly payments to families and institutions for foster and adoptive children vary from State to State.

Child Welfare Services help State public welfare agencies keep families together. Authorized under Title IV-B, Subpart 1 of the Social Security Act, Child Welfare Services are available to children and their families without regard to income. State services include the following:

- A. Preventive intervention aimed at keeping children within the home
- B. Services to develop alternative placements, such as foster care or adoption if children cannot remain at home; and
- C. Reunification services so that children can return home if at all possible.

Family Preservation and Support Services are authorized by Title IV-B, Subpart 2, of the Social Security Act. They encourage and enable each State to develop and establish, or expand, and to operate a program of family preservation services and community-based family support services. *Family preservation services* typically are activities to assist families in crisis, often families where a child is at imminent risk of being placed in out-of-home care because of abuse and/or neglect. *Family support services* are primarily preventive activities with the aim of increasing the ability of families to successfully nurture their children, most often provided at the local level by community-based organizations. Grants are made to State agencies and may also be made to Indian Tribes, which qualify under the allotment formula.

Refugee Assistance programs were established by the Immigration and Nationality Act in 1980 in order to assist refugees and Cuban and Haitian entrants to become employed, economically self-sufficient, and assimilated into our society as soon as

possible after their arrival in the U.S. Federal funds are provided to States to help offset necessary costs. A major emphasis is on increasing refugee employment and reducing welfare dependency.

The Community Services Block Grant (CSBG) provides annual funding to States, Territories, Indian tribes, and tribal organizations to alleviate poverty in communities. The money is used to provide a wide range of services and activities to local communities through a network of public and private agencies, which include 950 Community Action Agencies and several hundred other community-based organizations, to assist low-income persons, including the elderly. CSBG funds are primarily used to meet employment, education, housing, income management, energy, health, and emergency needs of the poor.

Through the Family Violence Prevention and Services Act, the Department makes grants to State agencies, territories and Indian Tribes for the provision of shelter services to victims of family violence and their dependents. State agencies distribute the family violence prevention and services funds through a "request for proposals" procedure at the local level. In addition, these grants also provide support for related services in shelter programs such as alcohol and substance abuse prevention, family violence prevention counselling, and other prevention activities. ACF funds the four national resource centers which provide information, technical assistance, and research findings via toll-free numbers: National Resource Center on Domestic Violence (800-537-2238); the Battered Women's Justice Project (800-903-0111); the Resource Center on Child Custody and Protection (800-527-3223); and the Health Resource Center on Domestic Violence (800-792-2873). A national toll-free Domestic Violence Hotline is available 24 hours every day to provide information and referral services, counselling and assistance to victims of domestic violence, their children and the general public.

Authorized by the Developmental Disabilities Assistance and Bill of Rights Act, as amended, Developmental Disabilities funds are awarded in support of programs that protect the rights and promote the self-sufficiency of individuals with developmental disabilities and their families (State Developmental Disabilities Councils; Protection and Advocacy Systems; University Affiliated Programs; and Projects of National Significance). Developmental Disabilities are severe, chronic disabilities attributable to mental and/or physical impairment, which manifest before age 22 and are likely to continue indefinitely. They result in substantial limitations in three or more areas: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency, as well as the continuous need for individually planned and co-ordinated services. The programs work in partnership with individuals with developmental disabilities and their families, State governments, local communities, and the private sector to address such issues as: prevention, diagnosis, early intervention, therapy, education, training, employment, leisure opportunities, community and institutional living.

The Administration for Native Americans (ANA), authorized under the Native American Programs Act of 1974, as amended, promotes the goal of social and economic self-sufficiency of American Indians, Alaska Natives, Native Hawaiians, and other Native American Pacific Islanders, including Native Samoans. Self-sufficiency is that level of development at which a Native American community can control and internally generate resources to provide for the needs of its members and meet its own economic and social goals. Social and economic underdevelopment is the paramount obstacle to the self-sufficiency of Native American communities and families.

ANA is the only Federal agency serving all Native Americans, including over 500 federally recognized tribes, 60 tribes that are State recognized or seeking Federal recognition, Indian organizations, over 200 Alaska villages, Native Hawaiian communities, and populations throughout the Pacific basin. ANA provides grants, training, and technical assistance to eligible tribes and Native American organizations representing 2.2 million individuals.

Major goals are to:

- 1) Assist tribal and village governments, Native American institutions, and local leadership to exercise control and decision making over their resources;
- 2) Foster the development of stable, diversified local economies and economic activities which will provide jobs, promote economic well-being, and reduce dependency on public funds and social services; and
- 3) Support local access to, control of, and co-ordination of services and programs which safeguard the health and well-being of people, essential to a thriving and self-sufficient community.

ANA promotes lasting self-sufficiency and enhances self-government largely through grants with social and economic development strategies (SEDS). These are competitive financial assistance grants in support of locally determined and designed projects to address community needs and goals. This approach of promoting self-sufficiency has moved the focus from dependency on services to increasing community and individual productivity through community development. These programs affirm that Indian tribes are fully sovereign nations, entitled by treaty and law to be dealt with on a direct,

government-to-government basis. SEDS implements this policy of committing the Federal government to foster self-determination and self-governance for Native American peoples, and promotes consultation and increased tribal authority in the administration of Federal funds.

An Indian Environmental Regulatory Enhancement grant program assists with improving the capability of Indian Tribal governments to regulate environmental quality. The Native American Languages Act was enacted (public Law 102-524) to address the decline in the number of Native American languages that have survived over the past five hundred years. ANA's Native American Languages grant program promotes the survival and continuing vitality of Native American languages. The Commissioner of the ANA is the Chair of the Intra-Departmental Council on Native American Affairs (IDCNAA) and advises the Secretary on Native American issues. IDCNAA is the Departmental focal point for all initiatives affecting Native American people;

Child Abuse and Neglect programs, under the authority of the National Center on Child Abuse and Neglect, administer Federal funds which serve as catalysts to initiate diverse programs. These programs assist State intervention in cases of child abuse and neglect, support prevention and family resources programs and facilitate information dissemination.

The Runaway and Homeless Youth Programs, initially authorized by the Runaway Youth Act, enacted in 1974, provide grants to public and private State and local organizations for the provision of crisis intervention and family reunification services; transitional living services; and street outreach services to prevent the sexual abuse of runaway, homeless and street youth.

Through the Repatriation program, HHS provides temporary assistance to U.S citizens and their dependents who are identified by the State Department as needing to return from a foreign country to the U.S., but do not have resources to return without help. The Repatriation program assists U.S. citizens and dependents who are returned to the U.S. by the State Department. If an American citizen in a foreign country becomes ill, is without funds, or needs to be returned to the U.S. because of a threatening situation in a foreign country, necessary services and loans are provided through this program.

The President's Committee on Mental Retardation (PCMR) was established in 1966 to act in an advisory capacity to the President and Secretary of HHS on critical matters regarding programs and services for persons with mental retardation. This Committee also co-ordinates Federal agency activities in mental retardation, conducts studies of existing programs, highlights the needs for changes, where appropriate, and promotes research. In 1995, the PCMR embarked on a five-year project to encourage State planning for life-long community involvement and participation by persons with mental retardation.

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### **All near Cash benefits**

LIS variable: V26

For US 1997, this variable includes:

- value of Food stamps (information on this program is provided below)
- value of school lunch
- value of energy assistance (LIHEAP) (information is provided below)

### **FOOD STAMPS**

FOOD STAMPS ARE COUPONS ISSUED BY THE STATES under the Food Stamp Act of 1977 as amended. The Secretaries of the Department of Health and Human Services (HHS) and the Department of Agriculture entered into an agreement whereby Social Security offices will notify Social Security and SSI applicants/recipients of the benefits under the food stamp program and make food stamp applications available to them.

The law also provides for Social Security offices to take food stamp applications from potentially eligible or eligible SSI households which are not receiving food stamps and do not have a food stamp application pending. Food stamp applications may be taken in connection with initial SSI claims or at the time of a re-determination. Food stamp applicants have the choice of applying at Social Security offices or applying at State food stamp offices if expedited service is required.

Food stamp eligibility is based on the household unit's circumstances and not on the individual's circumstances.

Therefore, for food stamp purposes, an SSI household is a household in which all members are either receiving SSI or have an SSI application pending. Social Security offices forward the food stamp applications and any supporting documents to the

local food stamp offices within 1 day of taking the application. Eligibility for food stamps is determined by the food stamp agency.

SSI applicants in California receive a cash payment included in the State's supplementary payment instead of food stamps. These States are called food stamp "cash-out" States.

### **LOW INCOME HOME ENERGY ASSISTANCE PROGRAM**

With Low Income Home Energy Assistance Program (LIHEAP) funds, the Federal Government provides grants to States, Territories, Indian tribes, and tribal organizations that wish to assist low income households in meeting the costs of home heating and cooling needs. Payments may be made directly to eligible households or to home energy suppliers who comply with legislative provisions. LIHEAP funds can also be used by grantees to help low-income households deal with energy-related crises or pay for energy-related repairs to make their homes more energy efficient.

