

ing vehicles; printing and binding (in addition to that otherwise provided by law); and for all other necessary expenses in carrying out the provisions of this chapter. (Aug. 5, 1937, c. 565, § 7, 50 Stat. 561.)

**§ 137g. Miscellaneous provisions—(a) Appointment of commissioned officers.** There is hereby authorized to be appointed in the Public Health Service, in accordance with applicable law, such commissioned officers as may be necessary to aid in carrying out the provisions of this chapter.

**(b) Laws unaffected.** This chapter shall not be construed as superseding or limiting (1) the functions, under any other Act, of the Public Health Service or any other agency of the United States relating to the study of the prevention, diagnosis, and treatment of cancer; or (2) the expenditure of money therefor.

**(c) Rules and regulations.** The Surgeon General with the approval of the Secretary of the Treasury is authorized to make such rules and regulations as may be necessary to carry out the provisions of this chapter.

**(d) Report of Surgeon General.** The Surgeon General shall include in his annual report for transmission to Congress a full report of the administration of this chapter, including a detailed statement of receipts and disbursements.

**(e) Effective date.** This chapter shall take effect thirty days after August 5, 1937.

**(f) Citation.** This chapter may be cited as the "National Cancer Institute Act." (Aug. 5, 1937, c. 565, § 8, 50 Stat. 562.)

## Chapter 1.—SOCIAL SECURITY ACT

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### TITLE I.—GRANTS TO STATES FOR OLD-AGE ASSISTANCE

**§ 301. Appropriation.** For the purpose of enabling each State to furnish financial assistance, as far as practicable under the conditions in such State, to aged needy individuals, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of \$19,750,000, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of sections 301 to 306 of this chapter. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Social Security Board established by section 901 of this chapter (hereinafter referred to as the "Board"), State plans for old-age assistance. (Aug. 11, 1935, c. 531, Title I, § 1, 49 Stat. 620.)

**§ 302. State old-age assistance plans; contents; approval by Board.** (a) A State plan for old-age assistance must (1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them; (2) provide for financial participation by the State; (3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan; (4) provide for granting to any individual, whose claim for old-age assistance is denied, an opportunity for a fair hearing before such State agency; (5) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the Board to be necessary for the efficient operation of the plan; (6) provide that the State agency will make such reports, in such form and containing such information, as the Board may from time to time require, and comply with such provisions as the Board may from time to time find necessary to assure the correctness and verification of such reports; and (7) provide that, if the State or any of its political subdivisions collects from the estate of any recipient of old-age assistance any amount with respect to old-age assistance furnished him under the plan, one-half of the net amount so collected shall be promptly paid to the United States. Any payment so made shall be deposited in the Treasury to the credit of the appropriation for the purposes of sections 301 to 306 of this chapter.

(b) The Board shall approve any plan which fulfills the conditions specified in subsection (a), except that it shall not approve any plan which imposes, as a condition of eligibility for old-age assistance under the plan—

(1) An age requirement of more than sixty-five years, except that the plan may impose, effective until January 1, 1940, an age requirement of as much as seventy years; or

(2) Any residence requirement which excludes any resident of the State who has resided therein five years during the nine years immediately preceding the application for old-age assistance and has resided therein continuously for one year immediately preceding the application; or

(3) Any citizenship requirement which excludes any citizen of the United States. (Aug. 14, 1935, c. 531, Title I, § 2, 49 Stat. 620.)

**§ 303. Payment to States; computation of amounts.**

(a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for old-age assistance, for each quarter, beginning with the quarter commencing July 1, 1935, (1) an amount, which shall be used exclusively as old-age assistance, equal to one-half of the total of the sums expended during such quarter as old-age assistance under the State plan with respect to each individual who at the time of such expenditure is sixty-five years of age or older and is not an inmate of a public institution, not counting so much of such expenditure with respect to any individual for any month as exceeds \$30, and (2) 5 per centum of such amount, which shall be used for paying the costs of administering the State plan or for old-age assistance, or both, and for no other purpose: *Provided*, That the State plan, in order to be approved by the Board, need not provide for financial participation before July 1, 1937 by the State, in the case of any State which the Board, upon application by the State and after reasonable notice and opportunity for hearing to the State, finds is prevented by its constitution from providing such financial participation.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Board shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of clause (1) of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in ac-

cordance with the provisions of such clause, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than one-half of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, (B) records showing the number of aged individuals in the State, and (C) such other investigation as the Board may find necessary.

(2) The Board shall then certify to the Secretary of the Treasury the amount so estimated by the Board, reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State under clause (1) of subsection (a) for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Board for such prior quarter.

(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Board, the amount so certified, increased by 5 per centum. (Aug. 14, 1935, c. 531, Title I, § 3, 49 Stat. 621.)

**§ 304. Stopping payment on deviation from required provisions of plan or failure to comply therewith.**

In the case of any State plan for old-age assistance which has been approved by the Board, if the Board, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds—

(1) that the plan has been so changed as to impose any age, residence, or citizenship requirement prohibited by section 302 (b), or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of such State agency, in a substantial number of cases; or

(2) that in the administration of the plan there is a failure to comply substantially with any provision required by section 302 (a) to be included in the plan;

the Board shall notify such State agency that further payments will not be made to the State until the Board is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until it is so satisfied it shall make no further certification to the Secretary of the Treasury with respect to such State. (Aug. 14, 1935, c. 531, Title I, § 4, 49 Stat. 622.)

**§ 305. Appropriation for administration.** There is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of \$250,000, for all necessary expenses of the Board in administering the provisions of sections 301 to 306 of this chapter. (Aug. 11, 1935, c. 531, Title I, § 5, 49 Stat. 622.)

**§ 306. "Old-age assistance" defined.** When used in sections 301 to 306 of this chapter the term "old-age assistance" means money payments to aged individuals. (Aug. 14, 1935, c. 531, Title I, § 6, 49 Stat. 622.)

**TITLE 42.—FEDERAL OLD-AGE BENEFITS**

**§ 401. Old-age reserve account; creation; appropriation; investment.** (a) There is hereby created an account in the Treasury of the United States to be known as the "Old-Age Reserve Account" hereinafter in this title called the "Account." There is hereby authorized to be appropriated to the Account for each fiscal year, beginning with the fiscal year ending June 30, 1937, an amount sufficient as an annual premium to provide for the payments required under sections 401 to 410 of this title, such amount to be determined on a reserve basis in accordance with accepted actuarial principles, and based upon such tables of mortality as the Secretary of the Treasury shall from time to time adopt, and upon an interest

rate of 3 per centum per annum compounded annually. The Secretary of the Treasury shall submit annually to the Bureau of the Budget an estimate of the appropriations to be made to the Account.

(b) It shall be the duty of the Secretary of the Treasury to invest such portion of the amounts credited to the Account as is not, in his judgment, required to meet current withdrawals. Such investment may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at par, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under section 752 of Title 31 are hereby extended to authorize the issuance at par of special obligations exclusively to the Account. Such special obligations shall bear interest at the rate of 3 per centum per annum. Obligations other than such special obligations may be acquired for the Account only on such terms as to provide an investment yield of not less than 3 per centum per annum.

(c) Any obligations acquired by the Account (except special obligations issued exclusively to the Account) may be sold at the market price, and such special obligations may be redeemed at par plus accrued interest.

(d) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Account shall be credited to and form a part of the Account.

(e) All amounts credited to the Account shall be available for making payments required under sections 402 to 404 of this chapter.

(f) The Secretary of the Treasury shall include in his annual report the actuarial status of the Account. (Aug. 14, 1935, c. 531, Title II, § 201, 49 Stat. 622.)

**§ 402. Old-age benefit payments; persons entitled; amounts.** (a) Every qualified individual (as defined in section 410 of this chapter) shall be entitled to receive, with respect to the period beginning on the date he attains the age of sixty-five, or on January 1, 1942, whichever is the later, and ending on the date of his death, an old-age benefit (payable as nearly as practicable in equal monthly installments) as follows:

(1) If the total wages (as defined in section 410 of this chapter) determined by the Board to have been paid to him, with respect to employment (as defined in section 410 of this chapter) after December 31, 1936, and before he attained the age of sixty-five, were not more than \$3,000, the old-age benefit shall be at a monthly rate of one-half of 1 per centum of such total wages;

(2) If such total wages were more than \$3,000, the old-age benefit shall be at a monthly rate equal to the sum of the following:

(A) One-half of 1 per centum of \$3,000; plus

(B) One-twelfth of 1 per centum of the amount by which such total wages exceeded \$3,000 and did not exceed \$15,000; plus

(C) One-twenty-fourth of 1 per centum of the amount by which such total wages exceeded \$45,000.

(b) In no case shall the monthly rate computed under subsection (a) exceed \$85.

(c) If the Board finds at any time that more or less than the correct amount has theretofore been paid to any individual under this section, then, under regulations made by the Board, proper adjustments shall be made in connection with subsequent payments under this section to the same individual.

(d) Whenever the Board finds that any qualified individual has received wages with respect to regular employment after he attained the age of sixty-five, the old-age benefit payable to such individual shall be reduced, for each calendar month in any part of which such regular employment occurred, by an amount equal to one month's benefit. Such reduction shall be made, under regulations prescribed by the

Board, by deductions from one or more payments of old-age benefit to such individual. (Aug. 14, 1935, c. 531, Title II, § 202, 49 Stat. 623.)

**§ 403. Payments upon death.** (a) If any individual dies before attaining the age of sixty-five, there shall be paid to his estate an amount equal to  $3\frac{1}{2}$  per centum of the total wages determined by the Board to have been paid to him, with respect to employment after December 31, 1936.

(b) If the Board finds that the correct amount of the old-age benefit payable to a qualified individual during his life under section 402 of this chapter was less than  $3\frac{1}{2}$  per centum of the total wages by which such old-age benefit was measurable, then there shall be paid to his estate a sum equal to the amount, if any, by which such  $3\frac{1}{2}$  per centum exceeds the amount (whether more or less than the correct amount) paid to him during his life as old-age benefit.

(c) If the Board finds that the total amount paid to a qualified individual under an old-age benefit during his life was less than the correct amount to which he was entitled under section 402 of this chapter, and that the correct amount of such old-age benefit was  $3\frac{1}{2}$  per centum or more of the total wages by which such old-age benefit was measurable, then there shall be paid to his estate a sum equal to the amount, if any, by which the correct amount of the old-age benefit exceeds the amount which was so paid to him during his life. (Aug. 14, 1935, c. 531, Title II, § 203, 49 Stat. 623.)

**§ 404. Payments to aged persons not qualified for benefits.** (a) There shall be paid in a lump sum to any individual who, upon attaining the age of sixty-five, is not a qualified individual, an amount equal to  $3\frac{1}{2}$  per centum of the total wages determined by the Board to have been paid to him, with respect to employment after December 31, 1936, and before he attained the age of sixty-five.

(b) After any individual becomes entitled to any payment under subsection (a), no other payment shall be made under this section or sections 402 and 403 of this chapter in any manner measured by wages paid to him, except that any part of any payment under subsection (a) which is not paid to him before his death shall be paid to his estate. (Aug. 14, 1935, c. 531, Title II, § 204, 49 Stat. 624.)

**§ 405. Amounts of \$500 or less payable to estates without administration.** If any amount payable to an estate under section 403 or 404 of this chapter is \$500 or less, such amount may, under regulations prescribed by the Board, be paid to the persons found by the Board to be entitled thereto under the law of the State in which the decedent was domiciled, without the necessity of compliance with the requirements of law with respect to the administration of such estate. (Aug. 14, 1935, c. 531, Title II, § 205, 49 Stat. 624.)

**§ 406. Repayment by estate of overpayments during life.** If the Board finds that the total amount paid to a qualified individual under an old-age benefit during his life was more than the correct amount to which he was entitled under section 402 of this chapter, and was  $3\frac{1}{2}$  per centum or more of the total wages by which such old-age benefit was measurable, then upon his death there shall be repaid to the United States by his estate the amount, if any, by which such total amount paid to him during his life exceeds whichever of the following is the greater:

(1) Such  $3\frac{1}{2}$  per centum, or (2) the correct amount to which he was entitled under section 402 of this chapter. (Aug. 14, 1935, c. 531, Title II, § 206, 49 Stat. 624.)

**§ 407. Method of making payments.** The Board shall from time to time certify to the Secretary of the Treasury the name and address of each person entitled to receive a payment under sections 402 to 404 of this chapter, the amount of such payment, and the time at which it should be made, and the Secretary of the Treasury through the Division of Dis-

bursment of the Treasury Department, and prior to audit or settlement by the General Accounting Office, shall make payment in accordance with the certification by the Board. (Aug. 14, 1935, c. 531, Title II, § 207, 49 Stat. 624.)

§ 408. Assignment of future payments; exemption of payments from execution, etc. The right of any person to any future payment under sections 402 to 404 of this chapter shall not be transferable or assignable, at law or in equity, and none of the moneys paid or payable or rights existing under said sections shall be subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law. (Aug. 14, 1935, c. 531, Title II, § 208, 49 Stat. 625.)

§ 409. Penalty for false statement in application. Whoever in any application for any payment under sections 402 to 404 of this chapter makes any false statement as to any material fact, knowing such statement to be false, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both. (Aug. 14, 1935, c. 531, Title II, § 209, 49 Stat. 625.)

§ 410. Definitions. When used in sections 401 to 409 of this chapter—

(a) The term "wages" means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include that part of the remuneration which, after remuneration equal to \$3,000 has been paid to an individual by an employer with respect to employment during any calendar year, is paid to such individual by such employer with respect to employment during such calendar year.

(b) The term "employment" means any service, of whatever nature, performed within the United States by an employee for his employer, except—

- (1) Agricultural labor;
- (2) Domestic service in a private home;
- (3) Casual labor not in the course of the employer's trade or business;
- (4) Service performed as an officer or member of the crew of a vessel documented under the laws of the United States or of any foreign country;
- (5) Service performed in the employ of the United States Government or of an instrumentality of the United States;
- (6) Service performed in the employ of a State, a political subdivision thereof, or an instrumentality of one or more States or political subdivisions;
- (7) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

(c) The term "qualified individual" means any individual with respect to whom it appears to the satisfaction of the Board that—

- (1) He is at least sixty-five years of age; and
- (2) The total amount of wages paid to him, with respect to employment after December 31, 1930, and before he attained the age of sixty-five, was not less than \$2,000; and
- (3) Wages were paid to him, with respect to employment on some five days after December 31, 1930, and before he attained the age of sixty-five, each day being in a different calendar year. (Aug. 14, 1935, c. 531, Title II, § 210, 49 Stat. 625.)

§ 410a. Limitation on definition of employment. The term "employment", as defined in subsection (b) of section 110 of this title, shall not include service performed by an individual as an employee as defined in section 228a (b) of Title 45. (Aug. 29, 1935, c. 812, § 17, as amended June 21, 1937, c. 382, Part I, § 1, 50 Stat. 317.)

### TITLE III.—GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION ADMINISTRATION

§ 501. Appropriation. For the purpose of assisting the States in the administration of their unemployment compensation laws, there is hereby authorized to be appropriated, for the fiscal year ending June 30, 1936, the sum of \$4,000,000, and for each fiscal year thereafter the sum of \$19,000,000, to be used as hereinafter provided. (Aug. 14, 1935, c. 531, Title III, § 301, 49 Stat. 626.)

#### § 502. Payments to States; computation of amounts.

(a) The Board shall from time to time certify to the Secretary of the Treasury for payment to each State which has an unemployment compensation law approved by the Board under section 1103 of this chapter, such amounts as the Board determines to be necessary for the proper administration of such law during the fiscal year in which such payment is to be made. The Board's determination shall be based on (1) the population of the State; (2) an estimate of the number of persons covered by the State law and of the cost of proper administration of such law; and (3) such other factors as the Board finds relevant. The Board shall not certify for payment under this section in any fiscal year a total amount in excess of the amount appropriated therefor for such fiscal year.

(b) Out of the sums appropriated therefor, the Secretary of the Treasury shall, upon receiving a certification under subsection (a), pay, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, to the State agency charged with the administration of such law the amount so certified. (Aug. 14, 1935, c. 531, Title III, § 302, 49 Stat. 626.)

§ 503. State laws, provisions required; stopping payments on failure to comply with law. (a) The Board shall make no certification for payment to any State unless it finds that the law of such State, approved by the Board under section 1103 of this chapter, includes provisions for—

- (1) Such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the Board to be reasonably calculated to insure full payment of unemployment compensation when due; and
- (2) Payment of unemployment compensation solely through public employment offices in the State or such other agencies as the Board may approve; and
- (3) Opportunity for a fair hearing, before an impartial tribunal, for all individuals whose claims for unemployment compensation are denied; and
- (4) The payment of all money received in the unemployment fund of such State, immediately upon such receipt, to the Secretary of the Treasury to the credit of the Unemployment Trust Fund established by section 1104 of this chapter; and
- (5) Expenditure of all money requisitioned by the State agency from the Unemployment Trust Fund, in the payment of unemployment compensation, exclusive of expenses of administration; and
- (6) The making of such reports, in such form and containing such information, as the Board may from time to time require, and compliance with such provisions as the Board may from time to time find necessary to assure the correctness and verification of such reports; and
- (7) Making available upon request to any agency of the United States charged with the administration of public works or assistance through public employment, the name, address, ordinary occupation and employment status of each recipient of unemployment compensation, and a statement of such recipient's rights to further compensation under such law.

(b) Whenever the Board, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that in the administration of the law there is—

(1) a denial, in a substantial number of cases, of unemployment compensation to individuals entitled thereto under such law; or

(2) a failure to comply substantially with any provision specified in subsection (a);

the Board shall notify such State agency that further payments will not be made to the State until the Board is satisfied that there is no longer any such denial or failure to comply. Until it is so satisfied it shall make no further certification to the Secretary of the Treasury with respect to such State. (Aug. 14, 1935, c. 531, Title III, § 303, 49 Stat. 626.)

#### TITLE IV.—GRANTS TO STATES FOR AID TO DEPENDENT CHILDREN

**§ 601. Appropriation.** For the purpose of enabling each State to furnish financial assistance, as far as practicable under the conditions in such State, to needy dependent children, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of \$24,750,000, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of sections 601 to 606 of this chapter. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Board, State plans for aid to dependent children. (Aug. 14, 1935, c. 531, Title IV, § 401, 49 Stat. 627.)

**§ 602. State plans for aid to dependent children; contents; approval by Board.** (a) A State plan for aid to dependent children must (1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them; (2) provide for financial participation by the State; (3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan; (4) provide for granting to any individual, whose claim with respect to aid to a dependent child is denied, an opportunity for a fair hearing before such State agency; (5) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the Board to be necessary for the efficient operation of the plan; and (6) provide that the State agency will make such reports, in such form and containing such information, as the Board may from time to time require, and comply with such provisions as the Board may from time to time find necessary to assure the correctness and verification of such reports.

(b) The Board shall approve any plan which fulfills the conditions specified in subsection (a), except that it shall not approve any plan which imposes as a condition of eligibility for aid to dependent children, a residence requirement which denies aid with respect to any child residing in the State (1) who has resided in the State for one year immediately preceding the application for such aid, or (2) who was born within the State within one year immediately preceding the application, if its mother has resided in the State for one year immediately preceding the birth. (Aug. 14, 1935, c. 531, Title IV, § 402, 49 Stat. 627.)

**§ 603. Payment to States; computation of amounts.** (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to dependent children, for each quarter, beginning with the quarter commencing July 1, 1935, an amount, which shall be used exclusively for carrying out the State plan, equal to one-third of the total of the sums expended during such quarter under such plan, not counting so much of such expenditure with respect to any dependent child for any month as exceeds \$18, or if there is more than one dependent child in the same home, as exceeds \$18 for any month with respect to one such dependent child and \$12 for such month with respect to each of the other dependent children.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Board shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than two-thirds of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, (B) records showing the number of dependent children in the State, and (C) such other investigation as the Board may find necessary.

(2) The Board shall then certify to the Secretary of the Treasury the amount so estimated by the Board, reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Board for such prior quarter.

(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Board, the amount so certified. (Aug. 14, 1935, c. 531, Title IV, § 403, 49 Stat. 628.)

**§ 604. Stopping payments on deviation from required provisions of plan or failure to comply therewith.** In the case of any State plan for aid to dependent children which has been approved by the Board, if the Board, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds—

(1) that the plan has been so changed as to impose any residence requirement prohibited by section 602 (b) of this chapter, or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of such State agency, in a substantial number of cases; or

(2) that in the administration of the plan there is a failure to comply substantially with any provision required by section 602 (a) of this chapter to be included in the plan;

the Board shall notify such State agency that further payments will not be made to the State until the Board is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until it is so satisfied it shall make no further certification to the Secretary of the Treasury with respect to such State. (Aug. 14, 1935, c. 531, Title IV, § 404, 49 Stat. 628.)

**§ 605. Appropriation for administration.** There is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of \$250,000 for all necessary expenses of the Board in administering the provisions of sections 601 to 605 of this chapter. (Aug. 14, 1935, c. 531, Title IV, § 405, 49 Stat. 629.)

**§ 606. Definitions.** When used in sections 601 to 605 of this chapter—

(a) The term "dependent child" means a child under the age of sixteen who has been deprived of parental support or care by reason of the death, continued absence from the home, or physical or mental incapacity of a parent, and who is living with his father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, or aunt, in a place of residence maintained by one or more of such relatives as his or their own home;

(b) The term "aid to dependent children" means money payments with respect to a dependent child or dependent children. (Aug. 14, 1935, c. 531, Title IV, § 406, 49 Stat. 629.)

#### TITLE V.—GRANTS TO STATES FOR MATERNAL AND CHILD WELFARE

##### MATERNAL AND CHILD HEALTH SERVICES

**§ 701. Appropriation.** For the purpose of enabling each State to extend and improve, as far as practicable under the conditions in such State, services for promoting the health of mothers and children, especially in rural areas and in areas suffering from severe economic distress, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of \$3,800,000. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Chief of the Children's Bureau, State plans for such services. (Aug. 14, 1935, c. 531, Title V, § 501, 49 Stat. 629.)

**§ 702. Allotments to States.** (a) Out of the sums appropriated pursuant to section 701 for each fiscal year the Secretary of Labor shall allot to each State \$20,000, and such part of \$1,800,000 as he finds that the number of live births in such State bore to the total number of live births in the United States, in the latest calendar year for which the Bureau of the Census has available statistics.

(b) Out of the sums appropriated pursuant to section 701 for each fiscal year the Secretary of Labor shall allot to the States \$980,000 (in addition to the allotments made under subsection (a)), according to the financial need of each State for assistance in carrying out its State plan, as determined by him after taking into consideration the number of live births in such State.

(c) The amount of any allotment to a State under subsection (a) for any fiscal year remaining unpaid to such State at the end of such fiscal year shall be available for payment to such State under section 704 until the end of the second succeeding fiscal year. No payment to a State under section 704 shall be made out of its allotment for any fiscal year until its allotment for the preceding fiscal year has been exhausted or has ceased to be available. (Aug. 14, 1935, c. 531, Title V, § 502, 49 Stat. 629.)

**§ 703. State plans; contents; approval by Chief of Children's Bureau.** (a) A State plan for maternal and child-health services must (1) provide for financial participation by the State; (2) provide for the administration of the plan by the State health agency or the supervision of the administration of the plan by the State health agency; (3) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are necessary for the efficient operation of the plan; (4) provide that the State health agency will make such reports, in such form and containing such information, as the Secretary of Labor may from time to time require, and comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports; (5) provide for the extension and improvement of local maternal and child-health services administered by local child-health units; (6) provide for cooperation with medical, nursing, and welfare groups and organizations; and (7) provide for the development of demonstration services in needy areas and among groups in special need.

(b) The Chief of the Children's Bureau shall approve any plan which fulfills the conditions specified in subsection (a) and shall thereupon notify the Secretary of Labor and the State health agency of his approval. (Aug. 14, 1935, c. 531, Title V, § 503, 49 Stat. 630.)

##### § 704. Payment to States; computation of amounts.

(a) From the sums appropriated therefor and the allotments available under section 702 (a) of this chapter, the Secretary of the Treasury shall pay to each State which has an approved plan for maternal and child-health services, for each quarter, beginning with the quarter commencing July 1, 1935, an amount, which shall be used exclusively for carrying out the State plan, equal to one-half of the total sum expended during such quarter for carrying out such plan.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Secretary of Labor shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than one-half of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such investigation as he may find necessary.

(2) The Secretary of Labor shall then certify the amount so estimated by him to the Secretary of the Treasury, reduced or increased, as the case may be, by any sum by which the Secretary of Labor finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Labor for such prior quarter.

(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Labor, the amount so certified.

(c) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury the amounts to be paid to the States from the allotments available under section 702 (b) of this chapter, and the Secretary of the Treasury shall, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, make payments of such amounts from such allotments at the time or times specified by the Secretary of Labor. (Aug. 14, 1935, c. 531, Title V, § 501, 49 Stat. 630.)

**§ 704a. Allotments excluded from computation.** Any allotment to a State pursuant to section 702 (b) of this title shall not be included in computing for the purposes of subsections (a) and (b) of section 704 of this title an amount expended or estimated to be expended by the State. (May 15, 1936, c. 405, § 1, 49 Stat. 1350; June 16, 1937, c. 359, § 1, Title IV, 50 Stat. 301.)

**§ 705. Stopping payment on failure to comply with plan.** In the case of any State plan for maternal and child-health services which has been approved by the Chief of the Children's Bureau, if the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by section 703 of this chapter to be included in the plan, he shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State. (Aug. 14, 1935, c. 531, Title V, § 505, 49 Stat. 631.)

## SERVICES FOR CRIPPLED CHILDREN

**§ 711. Appropriation.** For the purpose of enabling each State to extend and improve (especially in rural areas and in areas suffering from severe economic distress), as far as practicable under the conditions in such State, services for locating crippled children, and for providing medical, surgical, corrective, and other services and care, and facilities for diagnosis, hospitalization, and aftercare, for children who are crippled or who are suffering from conditions which lead to crippling, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of \$2,850,000. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Chief of the Children's Bureau, State plans for such services. (Aug. 14, 1935, c. 531, Title V, § 511, 49 Stat. 631.)

**§ 712. Allotments to states.** (a) Out of the sums appropriated pursuant to section 711 of this chapter for each fiscal year the Secretary of Labor shall allot to each State \$20,000, and the remainder to the States according to the need of each State as determined by him after taking into consideration the number of crippled children in such State in need of the services referred to in section 711 of this chapter and the cost of furnishing such services to them.

(b) The amount of any allotment to a State under subsection (a) for any fiscal year remaining unpaid to such State at the end of such fiscal year shall be available for payment to such State under section 714 of this chapter until the end of the second succeeding fiscal year. No payment to a State under section 714 of this chapter shall be made out of its allotment for any fiscal year until its allotment for the preceding fiscal year has been exhausted or has ceased to be available. (Aug. 14, 1935, c. 531, Title V, § 512, 49 Stat. 631.)

**§ 713. State plans; contents; approval by Chief of Children's Bureau.** (a) A State plan for services for crippled children must (1) provide for financial participation by the State; (2) provide for the administration of the plan by a State agency or the supervision of the administration of the plan by a State agency; (3) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are necessary for the efficient operation of the plan; (4) provide that the State agency will make such reports, in such form and containing such information, as the Secretary of Labor may from time to time require, and comply with such provisions as he may from time to time find necessary to assure the correctness and verification of such reports; (5) provide for carrying out the purposes specified in section 711 of this chapter; and (6) provide for cooperation with medical, health, nursing, and welfare groups and organizations and with any agency in such State charged with administering State laws providing for vocational rehabilitation of physically handicapped children.

(b) The Chief of the Children's Bureau shall approve any plan which fulfills the conditions specified in subsection (a) and shall thereupon notify the Secretary of Labor and the State agency of his approval. (Aug. 14, 1935, c. 531, Title V, § 513, 49 Stat. 632.)

**§ 714. Payment to states; computation of amounts.**

(a) From the sums appropriated therefor and the allotments available under section 712 of this chapter, the Secretary of the Treasury shall pay to each State which has an approved plan for services for crippled children, for each quarter, beginning with the quarter commencing July 1, 1935, an amount, which shall be used exclusively for carrying out the State plan, equal to one-half of the total sum expended during such quarter for carrying out such plan.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Secretary of Labor shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than one-half of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, and (B) such investigation as he may find necessary.

(2) The Secretary of Labor shall then certify the amount so estimated by him to the Secretary of the Treasury, reduced or increased, as the case may be, by any sum by which the Secretary of Labor finds that his estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Labor for such prior quarter.

(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Labor, the amount so certified. (Aug. 11, 1935, c. 531, Title V, § 514, 49 Stat. 632.)

**§ 715. Stopping payment on failure to comply with state plan.** In the case of any State plan for services for crippled children which has been approved by the Chief of the Children's Bureau, if the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by section 713 of this chapter to be included in the plan, he shall notify such State agency that further payments will not be made to the State until he is satisfied that there is no longer any such failure to comply. Until he is so satisfied he shall make no further certification to the Secretary of the Treasury with respect to such State. (Aug. 14, 1935, c. 531, Title V, § 515, 49 Stat. 633.)

## CHILD WELFARE SERVICES

**§ 721. Appropriation; allotments to states.** (a) For the purpose of enabling the United States, through the Children's Bureau, to cooperate with State public-welfare agencies in establishing, extending, and strengthening, especially in predominantly rural areas, public-welfare services (hereinafter in this section referred to as "child-welfare services") for the protection and care of homeless, dependent, and neglected children, and children in danger of becoming delinquent, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of \$1,500,000. Such amount shall be allotted by the Secretary of Labor for use by cooperating State public-welfare agencies on the basis of plans developed jointly by the State agency and the Children's Bureau, to each State, \$10,000, and the remainder to each State on the basis of such plans, not to exceed such part of the remainder as the rural population of such State bears to the total rural population of the United States. The amount so allotted shall be expended for payment of part of the cost of district, county or other local child-welfare services in areas predominantly rural, and for developing State services for the encouragement and assistance of adequate methods of community child-welfare organization in areas predominantly rural and other areas of special need. The amount of any allotment to a State under this section



for any fiscal year remaining unpaid to such State at the end of such fiscal year shall be available for payment to such State under this section until the end of the second succeeding fiscal year. No payment to a State under this section shall be made out of its allotment for any fiscal year until its allotment for the preceding fiscal year has been exhausted or has ceased to be available.

(b) From the sums appropriated therefor and the allotments available under subsection (a) the Secretary of Labor shall from time to time certify to the Secretary of the Treasury the amounts to be paid to the States, and the Secretary of the Treasury shall, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, make payments of such amounts from such allotments at the time or times specified by the Secretary of Labor. (Aug. 14, 1935, c. 531, Title V, § 521, 49 Stat. 633.)

#### ADMINISTRATION

§ 731. **Appropriation for administration.** (a) There is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of \$125,000, for all necessary expenses of the Children's Bureau in administering the provisions of sections 701 to 731 of this chapter.

(b) The Children's Bureau shall make such studies and investigations as will promote the efficient administration of sections 701 to 731 of this chapter.

(c) The Secretary of Labor shall include in his annual report to Congress a full account of the administration of sections 701 to 731 of this chapter. (Aug. 14, 1935, c. 531, Title V, § 511, 49 Stat. 634.)

#### TITLE VI.—PUBLIC HEALTH WORK

§ 801. **Appropriation.** For the purpose of assisting States, counties, health districts, and other political subdivisions of the States in establishing and maintaining adequate public-health services, including the training of personnel for State and local health work, there is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of \$8,000,000 to be used as hereinafter provided. (Aug. 14, 1935, c. 531, Title VI, § 601, 49 Stat. 634.)

§ 802. **Allotment of appropriation to states.** (a) The Surgeon General of the Public Health Service, with the approval of the Secretary of the Treasury, shall, at the beginning of each fiscal year, allot to the States the total of (1) the amount appropriated for such year pursuant to section 801 of this chapter; and (2) the amounts of the allotments under this section for the preceding fiscal year remaining unpaid to the States at the end of such fiscal year. The amounts of such allotments shall be determined on the basis of (1) the population; (2) the special health problems; and (3) the financial needs; of the respective States. Upon making such allotments the Surgeon General of the Public Health Service shall certify the amounts thereof to the Secretary of the Treasury.

(b) The amount of an allotment to any State under subsection (a) for any fiscal year, remaining unpaid at the end of such fiscal year, shall be available for allotment to States under subsection (a) for the succeeding fiscal year, in addition to the amount appropriated for such year.

(c) Prior to the beginning of each quarter of the fiscal year, the Surgeon General of the Public Health Service shall, with the approval of the Secretary of the Treasury, determine in accordance with rules and regulations previously prescribed by such Surgeon General after consultation with a conference of the State and Territorial health authorities, the amount to be paid to each State for such quarter from the allotment to such State, and shall certify the amount so determined to the Secretary of the Treasury. Upon receipt of such certification, the Secretary of the Treasury shall, through the Division of Disbursement

of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay in accordance with such certification.

(d) The moneys so paid to any State shall be expended solely in carrying out the purposes specified in section 801 of this chapter, and in accordance with plans presented by the health authority of such State and approved by the Surgeon General of the Public Health Service. (Aug. 14, 1935, c. 531, Title VI, § 602, 49 Stat. 634.)

§ 803. **Investigations by Public Health Service; appropriation; annual report to Congress.** (a) There is hereby authorized to be appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1936, the sum of \$2,000,000 for expenditure by the Public Health Service for investigation of disease and problems of sanitation (including the printing and binding of the findings of such investigations), and for the pay and allowances and traveling expenses of personnel of the Public Health Service, including commissioned officers, engaged in such investigations or detailed to cooperate with the health authorities of any State in carrying out the purposes specified in section 801 of this chapter: *Provided*, That no personnel of the Public Health Service shall be detailed to cooperate with the health authorities of any State except at the request of the proper authorities of such State.

(b) The personnel of the Public Health Service paid from any appropriation not made pursuant to subsection (a) may be detailed to assist in carrying out the purposes of this title. The appropriation from which they are paid shall be reimbursed from the appropriation made pursuant to subsection (a) to the extent of their salaries and allowances for services performed while so detailed.

(c) The Secretary of the Treasury shall include in his annual report to Congress a full account of the administration of this title. (Aug. 14, 1935, c. 531, Title VI, § 603, 49 Stat. 635.)

#### TITLE VII.—SOCIAL SECURITY BOARD

§ 901. **Establishment of Board; composition and term of office; compensation.** There is hereby established a Social Security Board (in this chapter referred to as the "Board") to be composed of three members to be appointed by the President, by and with the advice and consent of the Senate. During his term of membership on the Board, no member shall engage in any other business, vocation, or employment. Not more than two of the members of the Board shall be members of the same political party. Each member shall receive a salary at the rate of \$10,000 a year and shall hold office for a term of six years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed, shall be appointed for the remainder of such term; and (2) the terms of office of the members first taking office after August 14, 1935 shall expire, as designated by the President at the time of appointment, one at the end of two years, one at the end of four years, and one at the end of six years, after August 14, 1935. The President shall designate one of the members as the chairman of the Board. (Aug. 14, 1935, c. 531, Title VII, § 701, 49 Stat. 635.)

§ 902. **Duties of Board.** The Board shall perform the duties imposed upon it by this chapter and shall also have the duty of studying and making recommendations as to the most effective methods of providing economic security through social insurance, and as to legislation and matters of administrative policy concerning old-age pensions, unemployment compensation, accident compensation, and related subjects. (Aug. 14, 1935, c. 531, Title VII, § 702, 49 Stat. 636.)

§ 903. **Expenses of Board; appointment and compensation of officers and employees.** The Board is authorized to appoint and fix the compensation of



such officers and employees, and to make such expenditures, as may be necessary for carrying out its functions under this chapter. Appointments of attorneys and experts may be made without regard to the civil-service laws. (Aug. 14, 1935, c. 531, Title VII, § 703, 49 Stat. 636.)

§ 904. **Annual report to Congress.** The Board shall make a full report to Congress, at the beginning of each regular session, of the administration of the functions with which it is charged. (Aug. 14, 1935, c. 531, Title VII, § 704, 49 Stat. 636.)

#### TITLE VIII.—TAXES WITH RESPECT TO EMPLOYMENT

§ 1001. **Income tax on employees.** In addition to other taxes, there shall be levied, collected, and paid upon the income of every individual a tax equal to the following percentages of the wages (as defined in section 811) received by him after December 31, 1930, with respect to employment (as defined in section 1011 of this chapter) after such date:

(1) With respect to employment during the calendar years 1937, 1938, and 1939, the rate shall be 1 per centum.

(2) With respect to employment during the calendar years 1940, 1941, and 1942, the rate shall be 1½ per centum.

(3) With respect to employment during the calendar years 1943, 1944, and 1945, the rate shall be 2 per centum.

(4) With respect to employment during the calendar years 1946, 1947, and 1948, the rate shall be 2½ per centum.

(5) With respect to employment after December 31, 1948, the rate shall be 3 per centum. (Aug. 14, 1935, c. 531, Title VIII, § 801, 49 Stat. 636.)

§ 1002. **Deduction of tax from wages.** (a) The tax imposed by section 1001 of this chapter shall be collected by the employer of the taxpayer, by deducting the amount of the tax from the wages as and when paid. Every employer required so to deduct the tax is hereby made liable for the payment of such tax, and is hereby indemnified against the claims and demands of any person for the amount of any such payment made by such employer.

(b) If more or less than the correct amount of tax imposed by section 1001 of this chapter is paid with respect to any wage payment, then, under regulations made under this title, proper adjustments, with respect both to the tax and the amount to be deducted, shall be made, without interest, in connection with subsequent wage payments to the same individual by the same employer. (Aug. 14, 1935, c. 531, Title VIII, § 802, 49 Stat. 636.)

§ 1003. **Deductibility from income tax.** For the purposes of the income tax imposed by sections 11 and 12 of Title 26 or by any Act of Congress in substitution therefor, the tax imposed by section 1001 of this chapter shall not be allowed as a deduction to the taxpayer in computing his net income for the year in which such tax is deducted from his wages. (Aug. 14, 1935, c. 531, Title VIII, § 803, 49 Stat. 637.)

§ 1004. **Excise tax on employers.** In addition to other taxes, every employer shall pay an excise tax, with respect to having individuals in his employ, equal to the following percentages of the wages (as defined in section 1011 of this chapter) paid by him after December 31, 1930, with respect to employment (as defined in section 1011 of this chapter) after such date:

(1) With respect to employment during the calendar years 1937, 1938, and 1939, the rate shall be 1 per centum.

(2) With respect to employment during the calendar years 1940, 1941, and 1942, the rate shall be 1½ per centum.

(3) With respect to employment during the calendar years 1943, 1944, and 1945, the rate shall be 2 per centum.

(4) With respect to employment during the calendar years 1946, 1947, and 1948, the rate shall be 2½ per centum.

(5) With respect to employment after December 31, 1948, the rate shall be 3 per centum. (Aug. 14, 1935, c. 531, Title VIII, § 804, 49 Stat. 637.)

§ 1005. **Adjustment of employers' tax.** If more or less than the correct amount of tax imposed by section 1004 of this chapter is paid with respect to any wage payment, then, under regulations made under this title, proper adjustments with respect to the tax shall be made, without interest, in connection with subsequent wage payments to the same individual by the same employer. (Aug. 14, 1935, c. 531, Title VIII, § 805, 49 Stat. 637.)

§ 1006. **Refunds and deficiencies.** If more or less than the correct amount of tax imposed by section 1001 or 1004 of this chapter is paid or deducted with respect to any wage payment and the overpayment or underpayment of tax cannot be adjusted under section 1002 (b) or 1005 of this chapter the amount of the overpayment shall be refunded and the amount of the underpayment shall be collected, in such manner and at such times (subject to the statutes of limitations properly applicable thereto) as may be prescribed by regulations made under sections 1001 to 1011 of this chapter. (Aug. 14, 1935, c. 531, Title VIII, § 806, 49 Stat. 637.)

§ 1007. **Collection and payment of taxes.** (a) The taxes imposed by sections 1001 and 1004 of this chapter shall be collected by the Bureau of Internal Revenue under the direction of the Secretary of the Treasury and shall be paid into the Treasury of the United States as internal-revenue collections. If the tax is not paid when due, there shall be added as part of the tax interest (except in the case of adjustments made in accordance with the provisions of sections 1002 (b) and 1005) at the rate of one-half of 1 per centum per month from the date the tax became due until paid.

(b) Such taxes shall be collected and paid in such manner, at such times, and under such conditions, not inconsistent with sections 1001 to 1011 of this chapter (either by making and filing returns, or by stamps, coupons, tickets, books, or other reasonable devices or methods necessary or helpful in securing a complete and proper collection and payment of the tax or in securing proper identification of the taxpayer), as may be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury.

(c) All provisions of law, including penalties, applicable with respect to any tax imposed by sections 900, 908 (a), 1120 and 1124 (a) of Title 26, and the provisions of section 1551 of Title 26, shall, insofar as applicable and not inconsistent with the provisions of sections 1001 to 1011 of this chapter, be applicable with respect to the taxes imposed by sections 1001 to 1011 of this chapter.

(d) In the payment of any tax under sections 1001 and 1004 of this chapter a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to 1 cent. (Aug. 14, 1935, c. 531, Title VIII, § 807, 49 Stat. 637.)

§ 1008. **Rules and regulations.** The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make and publish rules and regulations for the enforcement of sections 1001 to 1011 of this chapter. (Aug. 14, 1935, c. 531, Title VIII, § 808, 49 Stat. 638.)

§ 1009. **Sale by postmasters of stamps or other devices for collection or payment of tax.** The Commissioner of Internal Revenue shall furnish to the Postmaster General without prepayment a suitable quantity of stamps, coupons, tickets, books, or other devices prescribed by the Commissioner under section 1007 of this chapter for the collection or payment of any tax imposed by this title, to be distributed to, and kept on sale by, all post offices of the first and second classes,

and such post offices of the third and fourth classes as (1) are located in county seats, or (2) are certified by the Secretary of the Treasury to the Postmaster General as necessary to the proper administration of sections 1001 to 1011 of this chapter. The Postmaster General may require each such postmaster to furnish bond in such increased amount as he may from time to time determine, and each such postmaster shall deposit the receipts from the sale of such stamps, coupons, tickets, books, or other devices, to the credit of, and render accounts to, the Postmaster General at such times and in such form as the Postmaster General may by regulations prescribe. The Postmaster General shall at least once a month transfer to the Treasury as internal-revenue collections all receipts so deposited together with a statement of the additional expenditures in the District of Columbia and elsewhere incurred by the Post Office Department in performing the duties imposed upon said Department by this section, and the Secretary of the Treasury is hereby authorized and directed to advance from time to time to the credit of the Post Office Department from appropriations made for the collection of the taxes imposed by sections 1001 to 1011 of this chapter, such sums as may be required for such additional expenditures incurred by the Post Office Department. (Aug. 14, 1935, c. 531, Title VIII, § 809, 49 Stat. 638.)

**§ 1010. Penalties.** (a) Whoever buys, sells, offers for sale, uses, transfers, takes or gives in exchange, or pledges or gives in pledge, except as authorized in sections 1001 to 1011 of this chapter or in regulations made pursuant thereto, any stamp, coupon, ticket, book, or other device, prescribed by the Commissioner of Internal Revenue under section 1007 of this chapter for the collection or payment of any tax imposed by sections 1001 to 1011 of this chapter, shall be fined not more than \$1,000 or imprisoned for not more than six months, or both.

(b) Whoever, with intent to defraud, alters, forges, makes, or counterfeits any stamp, coupon, ticket, book, or other device prescribed by the Commissioner of Internal Revenue under section 1007 of this chapter for the collection or payment of any tax imposed by sections 1001 to 1011 of this chapter, or uses, sells, lends, or has in his possession any such altered, forged, or counterfeited stamp, coupon, ticket, book, or other device, or makes, uses, sells, or has in his possession any material in imitation of the material used in the manufacture of such stamp, coupon, ticket, book, or other device, shall be fined not more than \$5,000 or imprisoned not more than five years, or both. (Aug. 14, 1935, c. 531, Title VIII, § 810, 49 Stat. 638.)

**§ 1011. Definitions.** When used in sections 1001 to 1010 of this chapter—

(a) The term "wages" means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash; except that such term shall not include that part of the remuneration which, after remuneration equal to \$3,000 has been paid to an individual by an employer with respect to employment during any calendar year, is paid to such individual by such employer with respect to employment during such calendar year.

(b) The term "employment" means any service, of whatever nature, performed within the United States by an employee for his employer, except—

- (1) Agricultural labor;
- (2) Domestic service in a private home;
- (3) Casual labor not in the course of the employer's trade or business;
- (4) Service performed by an individual who has attained the age of sixty-five;
- (5) Service performed as an officer or member of the crew of a vessel documented under the laws of the United States or of any foreign country;
- (6) Service performed in the employ of the United States Government or of an instrumentality of the United States;

(7) Service performed in the employ of a State, a political subdivision thereof, or an instrumentality of one or more States or political subdivisions;

(8) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual. (Aug. 14, 1935, c. 531, Title VIII, § 811, 49 Stat. 639.)

## TITLE IX.—TAX ON EMPLOYERS OF EIGHT OR MORE

**§ 1101. Imposition of tax.** On and after January 1, 1936, every employer (as defined in section 1107 of this chapter) shall pay for each calendar year an excise tax, with respect to having individuals in his employ, equal to the following percentages of the total wages (as defined in section 1107 of this chapter) payable by him (regardless of the time of payment) with respect to employment (as defined in section 1107 of this chapter) during such calendar year:

(1) With respect to employment during the calendar year 1936 the rate shall be 1 per centum;

(2) With respect to employment during the calendar year 1937 the rate shall be 2 per centum;

(3) With respect to employment after December 31, 1937, the rate shall be 3 per centum. (Aug. 14, 1935, c. 531, Title IX, § 901, 49 Stat. 639.)

**§ 1102. Credit against tax.** The taxpayer may credit against the tax imposed by section 1101 of this chapter the amount of contributions, with respect to employment during the taxable year, paid by him (before the date of filing his return for the taxable year) into an unemployment fund under a State law. The total credit allowed to a taxpayer under this section for all contributions paid into unemployment funds with respect to employment during such taxable year shall not exceed 90 per centum of the tax against which it is credited, and credit shall be allowed only for contributions made under the laws of States certified for the taxable year as provided in section 1103 of this chapter. (Aug. 14, 1935, c. 531, Title IX, § 902, 49 Stat. 639.)

**§ 1103. Approval and certification of state laws.** (a) The Social Security Board shall approve any State law submitted to it, within thirty days of such submission, which it finds provides that—

(1) All compensation is to be paid through public employment offices in the State or such other agencies as the Board may approve;

(2) No compensation shall be payable with respect to any day of unemployment occurring within two years after the first day of the first period with respect to which contributions are required;

(3) All money received in the unemployment fund shall immediately upon such receipt be paid over to the Secretary of the Treasury to the credit of the Unemployment Trust Fund established by section 1104 of this chapter;

(4) All money withdrawn from the Unemployment Trust Fund by the State agency shall be used solely in the payment of compensation, exclusive of expenses of administration;

(5) Compensation shall not be denied in such State to any otherwise eligible individual for refusing to accept new work under any of the following conditions: (A) If the position offered is vacant due directly to a strike, lockout, or other labor dispute; (B) If the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality; (C) If as a condition of being employed the individual would be required to join a company union or to resign from or refrain from joining any bona fide labor organization;

(6) All the rights, privileges, or immunities conferred by such law or by acts done pursuant thereto

shall exist subject to the power of the legislature to amend or repeal such law at any time.

The Board shall, upon approving such law, notify the Governor of the State of its approval.

(b) On December 31 in each taxable year the Board shall certify to the Secretary of the Treasury each State whose law it has previously approved, except that it shall not certify any State which, after reasonable notice and opportunity for hearing to the State agency, the Board finds has changed its law so that it no longer contains the provisions specified in subsection (a) or has with respect to such taxable year failed to comply substantially with any such provision.

(c) If, at any time during the taxable year, the Board has reason to believe that a State whose law it has previously approved, may not be certified under subsection (b), it shall promptly so notify the Governor of such State. (Aug. 11, 1935, c. 531, Title IX, § 903, 49 Stat. 640.)

Act August 21, 1937, c. 755, 50 Stat. 751, provided "for payment to the unemployment fund of each State or Territory which was not certified by the Social Security Board under section 903 of the Social Security Act (section 1103 of this title) on December 31, 1936, but which enacted in the year 1937 an unemployment-compensation law approved by the Social Security Board under such section, an amount equal to 90 per centum of the proceeds of the tax paid on or before January 31, 1938, with respect to employment in such State or Territory during the calendar year 1936 under title IX of such Act (sections 1101 to 1110 of this title). Out of the sums appropriated therefor, the Secretary of the Treasury shall pay such amount, through the Division of Disbursement of the Treasury Department, to each such State unemployment fund. The terms used in this Act shall have the same meaning as identical terms in title IX of the Social Security Act (sections 1101 to 1110 of this title)."

**§ 1101. Unemployment Trust Fund; establishment; investment; payments to states.** (a) There is hereby established in the Treasury of the United States a trust fund to be known as the "Unemployment Trust Fund", hereinafter called the "Fund". The Secretary of the Treasury is authorized and directed to receive and hold in the Fund all moneys deposited therein by a State agency from a State unemployment fund. Such deposit may be made directly with the Secretary of the Treasury or with any Federal reserve bank or member bank of the Federal Reserve System designated by him for such purpose.

(b) It shall be the duty of the Secretary of the Treasury to invest such portion of the Fund as is not, in his judgment, required to meet current withdrawals. Such investment may be made only in interest bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at par, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under section 752 of Title 31, are hereby extended to authorize the issuance at par of special obligations exclusively to the Fund. Such special obligations shall bear interest at a rate equal to the average rate of interest, computed as of the end of the calendar month next preceding the date of such issue, borne by all interest-bearing obligations of the United States then forming part of the public debt; except that where such average rate is not a multiple of one-eighth of 1 per centum, the rate of interest of such special obligations shall be the multiple of one-eighth of 1 per centum next lower than such average rate. Obligations other than such special obligations may be acquired for the Fund only on such terms as to provide an investment yield not less than the yield which would be required in the case of special obligations if issued to the Fund upon the date of such acquisition.

(c) Any obligations acquired by the Fund (except special obligations issued exclusively to the Fund) may be sold at the market price, and such special obligations may be redeemed at par plus accrued interest.

(d) The interest on, and the proceeds from the sale or redemption of any obligations held in the

Fund shall be credited to and form a part of the Fund.

(e) The Fund shall be invested as a single fund, but the Secretary of the Treasury shall maintain a separate book account for each State agency and shall credit quarterly on March 31, June 30, September 30, and December 31, of each year, to each account, on the basis of the average daily balance of such account, a proportionate part of the earnings of the Fund for the quarter ending on such date.

(f) The Secretary of the Treasury is authorized and directed to pay out of the Fund to any State agency such amount as it may duly requisition, not exceeding the amount standing to the account of such State agency at the time of such payment. (Aug. 11, 1935, c. 531, Title IX, § 904, 49 Stat. 640.)

**§ 1105. Administration, refunds and penalties—(a) Collection; penalties.** The tax imposed by section 1101 of this chapter shall be collected by the Bureau of Internal Revenue under the direction of the Secretary of the Treasury and shall be paid into the Treasury of the United States as internal-revenue collections. If the tax is not paid when due, there shall be added as part of the tax interest at the rate of one-half of 1 per centum per month from the date the tax became due until paid.

(b) **Returns.** Not later than January 31, next following the close of the taxable year, each employer shall make a return of the tax under sections 1101 to 1110 of this chapter for such taxable year. Each such return shall be made under oath, shall be filed with the collector of internal revenue for the district in which is located the principal place of business of the employer, or, if he has no principal place of business in the United States, then with the collector at Baltimore, Maryland, and shall contain such information and be made in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations prescribe. All provisions of law (including penalties) applicable in respect of the taxes imposed by sections 1120, 1124 (a) of Title 26, shall, insofar as not inconsistent with sections 1101 to 1110 of this chapter, be applicable in respect of the tax imposed by sections 1101 to 1110 of this chapter. The Commissioner may extend the time for filing the return of the tax imposed by sections 1101 to 1110 of this chapter, under such rules and regulations as he may prescribe with the approval of the Secretary of the Treasury, but no such extension shall be for more than sixty days.

(c) **Inspection of returns.** Returns filed under sections 1101 to 1110 of this chapter shall be open to inspection in the same manner, to the same extent, and subject to the same provisions of law, including penalties, as returns made under section 55 of Title 26.

(d) **Payment in installments.** The taxpayer may elect to pay the tax in four equal installments instead of in a single payment, in which case the first installment shall be paid not later than the last day prescribed for the filing of returns, the second installment shall be paid on or before the last day of the third month, the third installment on or before the last day of the sixth month, and the fourth installment on or before the last day of the ninth month, after such last day. If the tax or any installment thereof is not paid on or before the last day of the period fixed for its payment, the whole amount of the tax unpaid shall be paid upon notice and demand from the collector.

(e) **Extension of time for payment.** At the request of the taxpayer the time for payment of the tax or any installment thereof may be extended under regulations prescribed by the Commissioner with the approval of the Secretary of the Treasury, for a period not to exceed six months from the last day of the period prescribed for the payment of the tax or any installment thereof. The amount of the tax in respect of which any extension is granted shall be paid (with interest at the rate of one-half of 1 per centum per month) on or before the date of the expiration of the period of the extension.

(f) **Fractional part of cent.** In the payment of any tax under sections 1101 to 1110 of this chapter a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to 1 cent. (Aug. 14, 1935, c. 531, Title IX, § 905, 49 Stat. 641.)

§ 1106. **Engaging in interstate commerce not to excuse payment of tax.** No person required under a State law to make payments to an unemployment fund shall be relieved from compliance therewith on the ground that he is engaged in interstate commerce, or that the State law does not distinguish between employees engaged in interstate commerce and those engaged in intrastate commerce. (Aug. 14, 1935, c. 531, Title IX, § 906, 49 Stat. 642.)

§ 1107. **Definitions.** When used in sections 1101 to 1110 of this chapter—

(a) The term "employer" does not include any person unless on each of some twenty days during the taxable year, each day being in a different calendar week, the total number of individuals who were in his employ for some portion of the day (whether or not at the same moment of time) was eight or more.

(b) The term "wages" means all remuneration for employment, including the cash value of all remuneration paid in any medium other than cash.

(c) The term "employment" means any service, of whatever nature, performed within the United States by an employee for his employer, except—

(1) Agricultural labor;

(2) Domestic service in a private home;

(3) Service performed as an officer or member of the crew of a vessel on the navigable waters of the United States;

(4) Service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child under the age of twenty-one in the employ of his father or mother;

(5) Service performed in the employ of the United States Government or of an instrumentality of the United States;

(6) Service performed in the employ of a State, a political subdivision thereof, or an instrumentality of one or more States or political subdivisions;

(7) Service performed in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual.

(d) The term "State agency" means any State officer, board, or other authority, designated under a State law to administer the unemployment fund in such State.

(e) The term "unemployment fund" means a special fund, established under a State law and administered by a State agency, for the payment of compensation.

(f) The term "contributions" means payments required by a State law to be made by an employer into an unemployment fund, to the extent that such payments are made by him without any part thereof being deducted or deductible from the wages of individuals in his employ.

(g) The term "compensation" means cash benefits payable to individuals with respect to their unemployment. (Aug. 14, 1935, c. 531, Title IX, § 907, 49 Stat. 642.)

§ 1108. **Rules and regulations.** The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make and publish rules and regulations for the enforcement of sections 1101 to 1110 of this chapter, except sections 1103, 1104 and 1110. (Aug. 14, 1935, c. 531, Title IX, § 908, 49 Stat. 643.)

§ 1109. **Additional credit against tax.** (a) In addition to the credit allowed under section 1102 of this

chapter, a taxpayer may, subject to the conditions imposed by section 1110 of this chapter, credit against the tax imposed by section 1101 of this chapter for any taxable year after the taxable year 1937, an amount, with respect to each State law, equal to the amount, if any, by which the contributions, with respect to employment in such taxable year, actually paid by the taxpayer under such law before the date of filing his return for such taxable year, is exceeded by whichever of the following is the lesser—

(1) The amount of contributions which he would have been required to pay under such law for such taxable year if he had been subject to the highest rate applicable from time to time throughout such year to any employer under such law; or

(2) Two and seven-tenths per centum of the wages payable by him with respect to employment with respect to which contributions for such year were required under such law.

(b) If the amount of the contributions actually so paid by the taxpayer is less than the amount which he should have paid under the State law, the additional credit under subsection (a) shall be reduced proportionately.

(c) The total credits allowed to a taxpayer under sections 1101 to 1110 of this chapter shall not exceed 90 per centum of the tax against which such credits are taken. (Aug. 14, 1935, c. 531, Title IX, § 909, 49 Stat. 643.)

§ 1110. **Conditions of additional credit allowance.**

(a) A taxpayer shall be allowed the additional credit under section 1109 of this chapter, with respect to his contribution rate under a State law being lower, for any taxable year, than that of another employer subject to such law, only if the Board finds that under such law—

(1) Such lower rate, with respect to contributions to a pooled fund, is permitted on the basis of not less than three years of compensation experience;

(2) Such lower rate, with respect to contributions to a guaranteed employment account, is permitted only when his guaranty of employment was fulfilled in the preceding calendar year, and such guaranteed employment account amounts to not less than 7½ per centum of the total wages payable by him, in accordance with such guaranty, with respect to employment in such State in the preceding calendar year;

(3) Such lower rate, with respect to contributions to a separate reserve account, is permitted only when (A) compensation has been payable from such account throughout the preceding calendar year, and (B) such account amounts to not less than five times the largest amount of compensation paid from such account within any one of the three preceding calendar years, and (C) such account amounts to not less than 7½ per centum of the total wages payable by him (plus the total wages payable by any other employers who may be contributing to such account) with respect to employment in such State in the preceding calendar year.

(b) Such additional credit shall be reduced, if any contributions under such law are made by such taxpayer at a lower rate under conditions not fulfilling the requirements of subsection (a), by the amount bearing the same ratio to such additional credit as the amount of contributions made at such lower rate bears to the total of his contributions paid for such year under such law.

(c) As used in this section—

(1) The term "reserve account" means a separate account in an unemployment fund, with respect to an employer or group of employers, from which compensation is payable only with respect to the unemployment of individuals who were in the employ of such employer, or of one of the employers comprising the group.

(2) The term "pooled fund" means an unemployment fund or any part thereof in which all contributions are mingled and undivided, and from which compensation is payable to all eligible individuals, except that to individuals last employed by employers

with respect to whom reserve accounts are maintained by the State agency, it is payable only when such accounts are exhausted.

(3) The term "guaranteed employment account" means a separate account, in an unemployment fund, of contributions paid by an employer (or group of employers) who

(A) guarantees in advance thirty hours of wages for each of forty calendar weeks (or more, with one weekly hour deducted for each added week guaranteed) in twelve months, to all the individuals in his employ in one or more distinct establishments, except that any such individual's guaranty may commence after a probationary period (included within twelve or less consecutive calendar weeks), and

(B) gives security or assurance, satisfactory to the State agency, for the fulfillment of such guaranties,

from which account compensation shall be payable with respect to the unemployment of any such individual whose guaranty is not fulfilled or renewed and who is otherwise eligible for compensation under the State law.

(4) The term "year of compensation experience", as applied to an employer, means any calendar year throughout which compensation was payable with respect to any individual in his employ who became unemployed and was eligible for compensation. (Aug. 14, 1935, c. 531, Title IX, § 910, 49 Stat. 644.)

#### TITLE X.—GRANTS TO STATES FOR AID TO THE BLIND

§ 1201. **Appropriation.** For the purpose of enabling each State to furnish financial assistance, as far as practicable under the conditions in such State, to needy individuals who are blind, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of \$3,000,000, and there is hereby authorized to be appropriated for each fiscal year thereafter a sum sufficient to carry out the purposes of sections 1201 to 1206 of this chapter. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Social Security Board, State plans for aid to the blind. (Aug. 14, 1935, c. 531, Title X, § 1001, 49 Stat. 645.)

§ 1202. **State plans for aid to blind.** (a) A State plan for aid to the blind must (1) provide that it shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them; (2) provide for financial participation by the State; (3) either provide for the establishment or designation of a single State agency to administer the plan, or provide for the establishment or designation of a single State agency to supervise the administration of the plan; (4) provide for granting to any individual, whose claim for aid is denied, an opportunity for a fair hearing before such State agency; (5) provide such methods of administration (other than those relating to selection, tenure of office, and compensation of personnel) as are found by the Board to be necessary for the efficient operation of the plan; (6) provide that the State agency will make such reports, in such form and containing such information, as the Board may from time to time require, and comply with such provisions as the Board may from time to time find necessary to assure the correctness and verification of such reports; and (7) provide that no aid will be furnished any individual under the plan with respect to any period with respect to which he is receiving old-age assistance under the State plan approved under section 302 of this chapter.

(b) The Board shall approve any plan which fulfills the conditions specified in subsection (a), except that it shall not approve any plan which imposes, as a condition of eligibility for aid to the blind under the plan—

(1) Any residence requirement which excludes any resident of the State who has resided therein five

years during the nine years immediately preceding the application for aid and has resided therein continuously for one year immediately preceding the application; or

(2) Any citizenship requirement which excludes any citizen of the United States. (Aug. 14, 1935, c. 531, Title X, § 1002, 49 Stat. 645.)

§ 1203. **Payment to states.** (a) From the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for aid to the blind, for each quarter, beginning with the quarter commencing July 1, 1935, (1) an amount, which shall be used exclusively as aid to the blind, equal to one-half of the total of the sums expended during such quarter as aid to the blind under the State plan with respect to each individual who is blind and is not an inmate of a public institution, not counting so much of such expenditure with respect to any individual for any month as exceeds \$30, and (2) 5 per centum of such amount, which shall be used for paying the costs of administering the State plan or for aid to the blind, or both, and for no other purpose.

(b) The method of computing and paying such amounts shall be as follows:

(1) The Board shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of clause (1) of subsection (a), such estimate to be based on (A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such clause, and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than one-half of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived, (B) records showing the number of blind individuals in the State, and (C) such other investigation as the Board may find necessary.

(2) The Board shall then certify to the Secretary of the Treasury the amount so estimated by the Board, reduced or increased, as the case may be, by any sum by which it finds that its estimate for any prior quarter was greater or less than the amount which should have been paid to the State under clause (1) of subsection (a) for such quarter, except to the extent that such sum has been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Board for such prior quarter.

(3) The Secretary of the Treasury shall thereupon, through the Division of Disbursement of the Treasury Department and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Board, the amount so certified, increased by 5 per centum. (Aug. 14, 1935, c. 531, Title X, § 1003, 49 Stat. 646.)

§ 1204. **Change in or failure to comply with plans; stopping payments.** In the case of any State plan for aid to the blind which has been approved by the Board, if the Board, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds—

(1) that the plan has been so changed as to impose any residence or citizenship requirement prohibited by section 1202(b) of this chapter, or that in the administration of the plan any such prohibited requirement is imposed, with the knowledge of such State agency, in a substantial number of cases; or

(2) that in the administration of the plan there is a failure to comply substantially with any provision required by section 1202 of this chapter to be included in the plan;

the Board shall notify such State agency that farther payments will not be made to the State until the Board is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer

any such failure to comply. Until it is so satisfied it shall make no further certification to the Secretary of the Treasury with respect to such State. (Aug. 14, 1935, c. 531, Title X, § 1004, 49 Stat. 616.)

§ 1205. **Appropriation for administration.** There is hereby authorized to be appropriated for the fiscal year ending June 30, 1936, the sum of \$30,000, for all necessary expenses of the Board in administering the provisions of sections 1201 to 1204 of this chapter. (Aug. 14, 1935, c. 531, Title X, § 1005, 49 Stat. 647.)

§ 1206. **"Aid to the blind" defined.** When used in sections 1201 to 1204 of this chapter the term "aid to the blind" means money payments to blind individuals. (Aug. 14, 1935, c. 531, Title X, § 1006, 49 Stat. 617.)

## TITLE XI.—GENERAL PROVISIONS

§ 1301. **Definitions.** (a) When used in this chapter—

(1) The term "State" (except when used in section 45b of Title 29) includes Alaska, Hawaii, and the District of Columbia.

(2) The term "United States" when used in a geographical sense means the States, Alaska, Hawaii, and the District of Columbia.

(3) The term "person" means an individual, a trust or estate, a partnership, or a corporation.

(4) The term "corporation" includes associations, joint-stock companies, and insurance companies.

(5) The term "shareholder" includes a member in an association, joint-stock company, or insurance company.

(6) The term "employee" includes an officer of a corporation.

(b) The terms "includes" and "including" when used in a definition contained in this chapter shall not be deemed to exclude other things otherwise within the meaning of the term defined.

(c) Whenever under this chapter or any Act of Congress, or under the law of any State, an employer is required or permitted to deduct any amount from the remuneration of an employee and to pay the amount deducted to the United States, a State, or any political subdivision thereof, then for the purposes of this chapter the amount so deducted shall be considered to have been paid to the employee at the time of such deduction.

(d) Nothing in this chapter shall be construed as authorizing any Federal official, agent, or representative, in carrying out any of the provisions of this chapter, to take charge of any child over the objection of either of the parents of such child, or of the person standing in loco parentis to such child. (Aug. 14, 1935, c. 531, Title X, § 1101, 49 Stat. 647.)

§ 1302. **Rules and Regulations.** The Secretary of the Treasury, the Secretary of Labor, and the Social Security Board, respectively, shall make and publish such rules and regulations, not inconsistent with this chapter, as may be necessary to the efficient administration of the functions with which each is charged under this chapter. (Aug. 14, 1935, c. 531, Title X, § 1102, 49 Stat. 647.)

§ 1303. **Separability clause.** If any provision of this chapter, or the application thereof to any person or circumstance, is held invalid, the remainder of the chapter, and the application of such provision to other persons or circumstances shall not be affected thereby. (Aug. 14, 1935, c. 531, Title X, § 1103, 49 Stat. 648.)

§ 1304. **Reservation of right to amend or repeal.** The right to alter, amend, or repeal any provision of this chapter is hereby reserved to the Congress. (Aug. 14, 1935, c. 531, Title X, § 1104, 49 Stat. 648.)

§ 1305. **Short title of chapter.** This chapter may be cited as the "Social Security Act". (Aug. 14, 1935, c. 531, Title X, § 1105, 49 Stat. 648.)

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1409. Loans for low-rent housing and slum-clearance projects.  
1410. Annual contributions in assistance of low rentals.  
    (a) Authorization.  
    (b) Limitation on particular contribution and periods.  
    (c) Periodic examination of projects; modifications; duration of contracts.  
    (d) Availability of funds.  
    (e) Limitation on aggregate contractual contributions.  
1411. Capital grants in assistance of low rentals.  
    (a) Authorization.  
    (b) Limitation on amount of particular grant.  
    (c) Availability of funds.  
    (d) Limitation on aggregate grants.  
    (e) Additional grants for labor costs.  
    (f) Contribution by State as conditions.  
1412. Disposal of Federal projects.  
    (a) Purpose.  
    (b) Authorization.  
    (c) Sale.  
    (d) Lease.  
    (e) Rentals pending sale or lease.  
1413. Powers of Authority; miscellaneous.  
    (a) Foreclosure and other rights.  
    (b) Civil and criminal jurisdiction of States.  
    (c) Payment in lieu of taxes.  
    (d) Insurance.  
    (e) Sale or lease of non-project property.  
1414. Same; modification of contracts.  
1415. Same; preservation of low rents.  
    (1) Low-rent housing projects.  
    (2) Slum-clearance projects.  
    (3) Annual contributions.  
    (4) Contractual aids.  
    (5) Limitation on dwelling-unit costs.  
1416. Same; labor protection.  
    (1) Minimum wages; bonds of contractors.  
    (2) Wages to conform to local rates.  
    (3) Hours.  
    (4) Workmen's compensation.  
    (5) Applicability of "kick back" provisions.  
    (6) Reports to Secretary of labor by contractors.  
1417. Capital stock of Authority.  
1418. Appropriation.  
1419. Allocation of other funds to Authority.  
1420. Issuance of obligations by Authority.  
    (a) Authorization; form; amount.  
    (b) Exemption from taxation.  
    (c) Unconditional guarantee by United States.  
    (d) Lawfulness for investment of public funds; sale of Treasury.  
    (e) Marketing.  
1421. Deposit of funds; limitation on aid to particular State.  
    (a) Idle moneys.  
    (b) Federal Reserve banks as financial agents.  
    (c) Authority as financial agent of Government.  
    (d) Limitation on aid to single State.  
1422. Penalties; applicability of general penal statutes concerning moneys.  
1423. Same; false entries and reports.  
1424. Same; defrauding or hindering Authority.