

rity Act and their initial administration by the former Social Security Board. The basic system for identification of covered workers through the Social Security account number is maintained by the Social Security Administration but is also used by all the States in the administration of unemployment insurance. Employment and payroll information in the files of the SSA is available to the States and is frequently used by them for verification of State records on claims, special studies, and research projects.

d. *With State Agencies* (See *a* above).—The Secretary of Labor has entered into formal agreements under which the State employment security agency acts as an agent of the Secretary in administering MDTA training allowances mentioned previously. Procedural guidelines are spelled out by the Bureau of Employment Security in the *MDTA Handbook*, and State operation are reviewed by the Bureau.

Temporary disability insurance (TDI) systems have been established in four States, insuring against the risk of short-term unemployment due to illness or accident not covered by workmen's compensation. Coordination between unemployment insurance and temporary disability insurance on the State level, is necessary to prevent duplication of benefits through fraud or error. In three of the States, temporary disability insurance and unemployment insurance are administered by the same agency. Also, there are operating advantages in the joint administration of the two programs. For example, a single tax return from the employer can suffice for both programs; also, a single wage record file can be used for both programs. In such areas of joint activity, the Bureau must determine a fair allocation of administrative costs between the two programs, since the unemployment insurance costs are paid out of Federal appropriations and temporary disability insurance costs are paid out of State funds. The four States supply temporary disability insurance program information to the Bureau on an informal reporting arrangement. The Bureau also furnishes technical assistance when requested in drafting proposals for TDI in States which have no TDI program.

e through i. *With Other Organizations*.—The unemployment insurance program does not entail coordination with other organizations although the BES does provide information to organizations requesting data for research and similar purposes.

8. *Laws and regulations*

Laws

1. P.L. 74-271, August 14, 1935. Social Security Act of 1935 (SSA).

2. P.L. 75-353, August 24, 1937. Payments authorized to each State Trust Fund which in 1937 enacted an approved UC law.

3. P.L. 75-722, June 25, 1938. Railroad Unemployment Insurance Act, established separate UC system for railroads and provided for the transfer of funds contributed previously by RR employers under Title IX of SSA.

4. P.L. 76-1, February 10, 1939. Taxing provisions in Title IX of SSA transferred to Internal Revenue Code, identified as Federal Unemployment Tax Act (FUTA).

5. P.L. 76-379, August 10, 1939. Tax base in FUTA limited to \$3,000 and definition of "employment" amended; SSA and FUTA amended to require State personnel merit system.