

sons covered by the program, to beneficiaries and claimants, and to persons who appeal claims decisions. The Bureau of District Office Operation, through its regional representatives in the field, supervises the activities of over 600 district offices concerned with operations of the program. Eight regional assistant commissioners report directly to the Office of the Commissioner and have overall responsibility for all social security activities in a geographic area including the coordination of district office and payment center activities. Seven regional hearings representatives of the Bureau of Hearings and Appeals provide administrative direction to hearings examiners located in 60 cities throughout the country, who hold hearings and render decisions in connection with appeals of OASDHI determinations.

3. History

The severe depression of the 1930's dramatized the fact that new methods were needed to cope with the economic problems that faced the American people. In 1935, President Franklin D. Roosevelt proposed to the Congress economic security legislation, embodying the recommendations of a specially created Committee on Economic Security. The Congress adopted many of the recommendations of the Committee and passed the Social Security Act which was signed into law on August 14, 1935. This law established a Federal system of old-age benefits for retired workers who had been employed in industry and commerce, along with a Federal-State unemployment insurance system. Federal financial aid was also provided to the States to help them meet the costs of assistance to the needy and for public health and vocational rehabilitation services.

The old-age insurance program was not actually in full operation before significant changes were adopted. The Congress in 1939 made the old-age insurance system a family program rather than a program for retired workers only, by providing benefits to a worker's dependents and survivors. Also, the basis for computing benefits was changed from cumulative lifetime earnings after 1936 to average monthly earnings in covered work, making it possible to pay reasonably adequate benefits to many workers approaching retirement age and to their dependents. The amendments also made monthly benefits first payable in 1940, instead of 1942 as originally planned.

No major changes were made again in the program until 1950 when it was broadened to cover many jobs that had at the beginning been excluded, chiefly because experience was needed to work out ways to report earnings and collect contributions of certain occupational groups. Among the groups covered by the 1950 amendments were regularly employed farm and household employees and most persons—other than farmers and professional people—who work for themselves. Employees of State and local governments, if not protected by public employee retirement systems, and employees of nonprofit organizations were covered by special arrangements on a voluntary group basis.

During the 1950's coverage was extended to farm operators, most self-employed professional people, and the members of the Armed Forces; coverage was also made available to State and local employees