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ADDENDUM

TITLE 42: SOCIAL SECURITY ACT

This memorandum discusses the applicability to Guam and the TTPI of the Social Security Act, codified in Chapter 7 of Title 42, 42 U.S.C. § 301, et seq.^{*/}

For convenience, this memorandum is divided into three sections. Section I discusses the provisions of the Act dealing with (a) Old Age, Survivors, and Disability Insurance (Title 2) and (b) Health Insurance for the Aged, i.e., "Medicare" (Title 18). Section II discusses the public assistance provisions of the Act. Section III discusses miscellaneous provisions of the Act.

I. Social Security and Medicare

Title 2 of the Act provides for federal insurance benefits payments, financed out of payroll taxes, to the elderly, to survivors and to the disabled. Title 18 provides for federal health insurance for the aged ("Medicare").

Guam is expressly named in the definition of the term "State" in both Title 2 and Title 18. 42 U.S.C. § 410(h); 42 U.S.C. § 1395x. Consequently, the programs in Titles 2 and 18 apply to Guam. These two Titles do not, however, apply to the TTPI.

^{*/} Since the substantive provisions of the Social Security Act are treated in detail in separate economic studies, no attempt will be made in this memorandum to describe the nature of the substantive provisions of the Act.

II. Public Assistance

The public assistance titles of the Social Security Act can be listed as follows:

Title 1	Federal Grants for Old Age Assistance
Title 4	Federal Grants for Aid and Services to Needy Families with Children ("AFDC") and Child Welfare Services
Title 10	Federal Grants for Aid to the Blind
Title 14	Federal Grants for Aid to the Permanently and Totally Disabled
Title 16	Federal Grants for Aid to the Aged, Blind or Disabled
Title 19	Federal Grants for Medical Assistance Programs ("Medicaid")

Effective January 1, 1974, a new, wholly federal program of "Supplemental Security Income" ("SSI") replaced the federal-state programs of aid to the aged, blind, and disabled, except in Guam, Puerto Rico and the Virgin Islands. By amendments to the Social Security Act,^{*/} Titles 1, 10, 14 and 16 of the Act were repealed with respect to the fifty states; however, it was specifically provided that these titles shall continue to apply to Guam, Puerto Rico, and the Virgin Islands and that the term "State" in such titles (except for Title 16^{**/}) includes these three territories. 42 U.S.C. § 1301(a). Thus, for these three territories,

^{*/} Pub. L. Nos. 92-603, 93-66 and 93-233.

^{**/} Title 16, as amended in 1972 by Pub. L. No. 92-603, provides for SSI aid to needy people residing in the United States. The previous Title 16 continues to apply to Puerto Rico, Guam and the Virgin Islands, but these three territories are excluded from eligibility for the amended Title 16. 42 U.S.C. § 1301(a).

welfare is still provided by federal grants through "State" programs to eligible needy persons. For the States, the SSI program provides a monthly income payment of \$140 for an individual and \$210 for a couple effective January 1, 1974 (and raised to \$146 and \$219, respectively, in July 1974).

Thus, under a general formula for applying federal laws to the Marianas that relies on all laws of general application and in effect in Guam, the grant programs replaced by the SSI programs would not apply in the Marianas. Although in effect in Guam, these programs are not of "general application" and would thus not apply under the formula. Consequently, it will be necessary to specifically provide in the status agreement that Titles 1, 10, 14 and 16 shall apply to the Marianas in order for the Marianas to have the benefit of federal grants under those titles.

The two remaining public assistance titles of the Act, however, continue to be applicable to the several States. These titles are Title 4, which provides for grants to States for aid to needy families with children (AFDC), and Title 19 (Medicaid). Guam is expressly included by name in the definition of the term "State" for both of these titles. 42 U.S.C. § 1301(a). Consequently, under the formula for applying federal laws described above, the Marianas would be eligible for the federal grants available under these two titles.

The TTPI is not eligible for aid under any of the public assistance titles of the Social Security Act.

III. Miscellaneous Provisions

Title 5 of the Act provides federal grants to States for maternal, child health and crippled children's services. Guam and the TTPI are expressly named in the definition of the term "State" for Title 5. 42 U.S.C. § 1301(a). Under the formula described above, the Marianas would be eligible for aid under Title 5.

Title 17 of the Act provides federal grants to States for planning action to combat mental retardation. Guam is expressly named as eligible for aid under Title 17. 42 U.S.C. § 1391.

Titles 3 and 12 of the Act provide federal aid to State unemployment compensation programs. Title 3 authorizes grants to States to pay the cost of administering such programs. Title 12 provides for federal monthly loans to States to pay unemployment benefits under State programs. Neither Guam nor the TTPI are eligible for aid under Titles 3 and 12.