

## Allowances to Dependents of Servicemen in the United States

By DENZEL C. CLINE

THE problem of financial support for the dependents of men in the armed forces is one that has a vital bearing on the morale, both of the fighting man and of those who previously have been supported by him. The waging of total war necessitates the induction of millions of men into the Army and Navy, and creates a social obligation to provide some measure of financial assistance to their families.

As early as 1940, after the Selective Training and Service Act was adopted, the Federal Security Agency began study of means of meeting dependency of relatives of men in military service. The Family Security Committee, composed of representatives from twenty-nine national welfare organizations and Federal agencies, proposed a specific plan in 1941 for a system of allotments and allowances to dependents of men in the armed forces.<sup>1</sup> Conferences between representatives of the Federal Security Agency, the War Department, and the Navy Department resulted in the drafting of a bill for family allowances which was introduced in both houses of Congress early in 1942. The Senate subcommittee of the Committee on Military Affairs and the House Committee on Military Affairs each conducted public hearings and practically rewrote the bills. The Senate bill (S. 2467) was debated and passed the Senate on June 4, and the House bill (H. R. 7119) was adopted by the House on June 8. The House amended the Senate bill by striking out everything after

the enacting clause and substituting the text of the House bill. This resulted in a conference committee, and after concessions by both sides, a revised bill was accepted by both houses and was finally approved on June 23 as "The Servicemen's Dependents Allowance Act of 1942."<sup>2</sup> There was almost no opposition to this legislation, and the bill as finally enacted had the full support of the War and Navy Departments.

### SCOPE OF THE ACT

The act is divided into two distinct parts. Title I provides for the system of monthly payments to dependents financed jointly by deductions from the pay of the serviceman and contributions by the Federal Government. Title II amends the Selective Service Act with respect to the basis of deferments and the order in which men shall be inducted into the land and naval forces.

The principal provisions of Title I follow the same general pattern of the allowance and allotment act of 1917 which provided financial assistance to the dependents of soldiers and sailors in World War I.<sup>3</sup> The 1942 act covers "dependents of any enlisted man of the fourth, fifth, sixth, or seventh grades in the Army, Navy, Marine Corps, or the Coast Guard." The term "enlisted man" includes any man who has been drafted (inducted) as well as anyone who has volunteered (enlisted). The ranks of servicemen included in the four eligible grades are private, private first class, technician fifth grade, corporal, technician fourth grade, and sergeant, in the Army; and apprentice

<sup>1</sup> Senate Committee on Military Affairs, *Hearings on Family Allowances*, April 29, 1942, pp. 27, 28, Appendix II, Report and Recommendations of Family Security Committee.

<sup>2</sup> Public Law 625, 77th Cong., 2d sess.

<sup>3</sup> 40 U. S. Stat. L., 401-5.

seaman, seaman second class, seaman first class, and petty officer third class, in the Navy. Officers and men of all higher ranks are excluded.

#### PAYMENTS TO DEPENDENTS

The act divides dependents eligible for financial assistance into two distinct groups. Class A includes the wife of a serviceman and unmarried children under the age of 18; also a former wife divorced who has not remarried and to whom alimony has been decreed and is still payable.

All others eligible for an allowance under the act are Class B dependents. This group includes parents and grandparents of either the serviceman or his wife, but not more than two may receive allowances. Class B may also include brothers and sisters of the enlisted man, or a grandchild to whom the enlisted man has stood *in loco parentis* for at least one year prior to his entry into the service. No person is eligible for an allowance as a Class B dependent unless proof is submitted that he is actually dependent upon the serviceman for a "substantial" portion of his support,

and the enlisted man can refuse to authorize the payment of the allowance. These two limitations do not apply to Class A beneficiaries. A child, grandchild, brother, or sister can be eligible for an allowance only if unmarried, under the age of 18, or if over 18, incapable of self-support because of physical or mental defect.

A wife receives \$50 per month, of which \$22 is deducted from the serviceman's pay and \$28 is from public funds. In addition, the Government contributes \$12 monthly for the first child and \$10 for each additional child. If the enlisted man has no wife but has children to support, the Government contributes \$20 for the first child and \$10 for each additional child to supplement the \$22 deducted monthly from the father's pay.

In the case of either a divorced wife who is still eligible for an allowance or an estranged wife living apart and under a court order or written agreement, the monthly payment shall not exceed the amount fixed by the court or by the agreement. The maximum government contribution to a divorced wife is \$20 per month. She may receive

#### ALLOWANCES TO DEPENDENTS IN CERTAIN CASES

Dependents	Government contribution	Deduction from serviceman's pay	Total Payment
<i>To Class A (regardless of whether any Class B dependent)</i>			
Wife, if no child	\$28	\$22	\$50
Wife with 1 child	40	22	62
Wife with 2 children	50	22	72
No wife, but 1 child	20	22	42
<i>To Class B (if there is no Class A dependent)</i>			
1 parent	15	22	37
2 parents	25	22	47
1 parent and 1 sister or brother or grandchild	20	22	42
1 parent and 2 sisters or brothers or grandchildren	25	22	47
<i>To Class B (if there is also a Class A dependent)</i>			
1 parent	15	5	20
2 parents	25	5	30
1 parent and 1 sister or brother or grandchild	20	5	25
1 parent and 2 sisters or brothers or grandchildren	25	5	30
1 sister or brother or grandchild	5	5	10

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her allowance even though one is being paid to the lawful wife of the enlisted man. The allowance of a divorced wife stops at the termination of the court decree granting alimony or when she remarries.

If the man has only Class A or only Class B dependents, the monthly deduction from his pay is \$22, regardless of the number of persons receiving allowances. However, if he has both A and B dependents, the deduction is \$27 per month, of which \$22 is allotted to Class A beneficiaries and the remaining \$5 is apportioned among the Class B dependents. The serviceman cannot prevent the deduction or the payments to any Class A relative. In contrast, the payment to any Class B dependent is voluntary with the enlisted man.

The schedule of benefit payments is somewhat complicated, especially when there are dependents in both classes and payments to several different kinds of relatives. The accompanying table indicates the amount contributed from public funds and the share provided by the enlisted man in some of the more usual situations.

For Class B dependents the Government's monthly contribution is as follows: \$15 for one parent, \$25 for two parents, and \$5 for each sister or brother, but the total may not exceed \$50. When necessary, the Government's contribution for each is reduced proportionately to bring the total within the maximum.

The law stipulates the method of apportionment among beneficiaries of the allotment provided by the serviceman. If he has only Class A or only Class B dependents, the \$22 deduction is apportioned among them in the same ratio as the allowance from public funds. When the serviceman has both A and B beneficiaries, \$22 is apportioned among the Class A dependents as if they were the only beneficiaries; while the remaining

\$5 of the deduction is apportioned among the Class B dependents in the same ratio as the Government contribution.

## EFFECT OF THE PAY READJUSTMENT ACT

A significant change in the allowance bill before its adoption was the increase of \$10 per month in the amount payable to the wife of a soldier or sailor. This occurred when the bill to raise the pay of servicemen (which was under consideration at the same time) was amended to provide larger increases to the two lowest grades than had been originally proposed. Previously the base pay of a seventh-grade man (private or apprentice seaman) with less than four months' service had been \$21 per month. The Senate bill doubled this figure by providing a minimum of \$42, but at the insistence of the House this was raised to \$50. On June 8, 1942 the Senate instructed its conference committee to accept the higher pay scale, and on the same day the House passed the allowance act after amending it to increase the monthly payment to the wife of a serviceman from \$40 to \$50.

The Pay Readjustment Act of 1942<sup>4</sup> increased the monthly base pay of each of the seven grades of enlisted men, the amount of the raise varying from \$8 to as high as \$20. The purpose of the act was to provide a more equitable gradation in the pay scale for the seven grades, and this was attempted by giving a larger increase to some grades than to others. For the four grades of men whose dependents are covered by the allowance act, the base pay is as follows: seventh, \$50; sixth, \$54; fifth, \$60; fourth, \$78. When the man is serving outside the continental United States or is on sea duty, the pay is increased 20 per cent. There is also an increase of 5 per cent for every three years of serv-

<sup>4</sup> Public Law 607, 77th Cong., 2d sess., approved June 16, 1942.

ice, not to exceed thirty years. The Pay Readjustment Act made no change in the pay scale of commissioned officers except to increase the pay of second lieutenants, but it did increase the subsistence and rental allowances of officers.

After the issue of increased pay had been settled, Congress revised the schedule of deductions from pay in the allowance bill. Instead of \$20 and \$25 as first proposed, the deductions were fixed at \$22 and \$27 respectively. The higher deduction is made only when the serviceman has both A and B dependents. Since the payment to a wife was stepped up from \$40 to \$50 per month, this meant that only \$2 of the \$10 increase was provided from the enlisted man's contribution. The public contribution for the first child also was increased by \$2, making it \$12 per month.

The prevailing attitude of Congress in liberalizing both the pay of enlisted men and the allowances to their dependents is epitomized in the statement of Congressman Thomason to the House when presenting the report of the Committee on Military Affairs on the allowance bill:

As was said the other day in connection with the pay bill, you cannot pay a fighting soldier what he deserves. It is impossible to adequately reward patriotism and bravery. Certainly you cannot pay dependent members of the fighting man's family what they deserve. . . . We have certainly leaned to the liberal side. All doubts have been resolved in favor of the soldier and his family.<sup>6</sup>

#### ADMINISTRATION

The system of family allowances is administered by the War Department for dependents of men in the Army, and by the Navy Department for dependents of men in the Navy, the Marine

<sup>6</sup> *Congressional Record*, June 8, 1942, p. 5192.

Corps, and the Coast Guard.<sup>6</sup> The Bureau of War Risk Insurance in the Treasury Department administered family allowances during World War I, but there was criticism of the way the system was handled. When the 1942 act was being considered, there was general agreement that the plan for allowances should be under the direction of the Secretary of War and the Secretary of the Navy. The War and Navy Departments pay the wages and maintain the records of the men in the armed forces. Since they must make the deductions for allotments from the pay of enlisted men, it is logical for them to handle the payment of family allowances. The act provides that these are payable by the War and Navy Departments from any appropriations provided for the pay of enlisted men. The Secretaries of the two Departments are empowered to prescribe necessary regulations and to delegate authority to subordinates to administer the law.<sup>7</sup>

Allowances are paid only after the filing of an application on an official form. Ordinarily the application is filed by the serviceman, but this can be done by a dependent or someone acting in his behalf. No money received from an allowance may be paid to an agent or attorney for services rendered in obtaining an allowance. The Army application form is in three sections: the "original"

<sup>6</sup> The Office of Dependency Benefits of the War Department, which includes as one of its component parts the former Allowance and Allotment Branch, ACO, was moved from Washington, D. C., to 213 Washington Street, Newark, New Jersey, in December 1942, because of overcrowded conditions in the National Capital. The Office of Dependency Benefits administers not only the Family Allowance, but also the Class E Allotment, authorized by Army men from their pay on behalf of dependents, or to banks for personal account, or to an insurance company to pay premiums on life insurance.

<sup>7</sup> At the time of writing, copies of these regulations were not available.

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copy is sent by the soldier's commanding officer to the Office of Dependency Benefits of the War Department; the "official" copy is filed with the soldier's service record; and the third copy is retained by the applicant. A somewhat different form is used by the Navy Department.

## PROOF OF ELIGIBILITY

Documentary proof, such as certified copies of birth and marriage records, must be presented to establish legal eligibility of a dependent for an allowance. Such documents must be submitted within six months from the time that the serviceman files the application, but must accompany it if the application is made by anyone else. In the case of a Class B dependent, affidavits are required from at least two reputable persons not related by blood or marriage to either the dependent or the soldier, and who swear that they have no financial interest in the allowance. They must testify to the relationship of the dependent to the serviceman and the proportion of financial support contributed by the latter. The presentation of documentary evidence is essential to ensure that only those persons who are lawfully eligible will receive family allowances. However, this requirement sometimes causes delay in beginning payments, often is an inconvenience to those concerned, and adds to the volume of administrative work in the approval of applications.

A Class B dependent must be "found by the Secretary of the Department concerned to be dependent upon such enlisted man for a substantial portion of his support." What constitutes a "substantial portion" is left, therefore, for determination by administrative regulation. The fact that administrative officials rely upon affidavits from two disinterested persons simplifies the problem of determining the degree of

dependency. It would be an enormous task if they were required to make a thorough investigation of the actual need of every Class B dependent for assistance.

The act endeavors to protect the Treasury by prescribing stiff penalties for fraud and perjury. The official descriptive booklet<sup>8</sup> and the various standard forms (the application, affidavit of dependency, and reports of change of status and change of address) warn applicants and signers of affidavits by quoting these provisions of the law. Whoever obtains a family allowance "without being entitled thereto and with intent to defraud, shall be punished by a fine of not more than \$2,000, or by imprisonment for not more than one year, or both." Anyone who knowingly makes a false statement of a material fact in an application, affidavit, or other paper shall be guilty of perjury and punishable by a fine of not more than \$5,000, or imprisonment for not more than two years, or both. Other checks against fraud are: (1) the serviceman knows if a deduction is being made from his pay; (2) a Class B allowance must be approved by him; (3) statements on an application for an allowance may be checked against selective service and other records; (4) a fraudulent statement by an enlisted man would have a serious effect on his official service record.

## POWERS OF THE DEPARTMENTS

The law provides that all determinations of facts made by the Departments in administering family allowances shall be final and conclusive, and shall not be subject to review by accounting officers of the Government or by the courts.

At the request of the War Depart-

<sup>8</sup> U. S. War Department, Office of Dependency Benefits, *Monthly Allowances for the Dependents of Soldiers*, Booklet FA-1.

ment, the following additional provision was inserted in the act:

The General Accounting Office shall not refuse to allow credit in the accounts of any disbursing officer for any erroneous payment or overpayment made by him in carrying out the provisions of this title unless such erroneous payment or overpayment was made by him as the result of his gross negligence or with the intent to defraud the United States . . .

It was pointed out at the hearings that it was inevitable that there would be some erroneous payments and overpayments, especially when a soldier is outside the country and cannot be reached quickly. It was feared that in such cases the account of the disbursing officer making the overpayment would be suspended by the Comptroller-General thus working a hardship against an innocent disbursing officer.<sup>9</sup>

#### EFFECTIVE PERIOD OF ALLOWANCES

For men already in service on June 1, 1942, allowances to dependents began to accrue as of that date, if application was made prior to December 23, 1942, and if the serviceman did not request a later effective date; while for others allowances begin from the first of the month following the date of application. To permit sufficient time to set up the necessary administrative machinery, it was specified that payment to dependents should not begin until after November 1, 1942. However, an amendment to the act on August 20, by deleting the sentence prescribing the date, permitted the Departments to begin payments as soon as they were ready.<sup>10</sup> The American Red Cross provides assistance to dependents of servicemen in hardship cases or emergen-

<sup>9</sup> Senate Committee on Military Affairs, *Hearing on Family Allowances*, April 29, 1942, pp. 8-9.

<sup>10</sup> Public Law 705, 77th Cong., 2d sess., approved August 20, 1942.

cies, such as delay in receiving the family allowance.

All allowances are to terminate six months after the present war ends. They are payable in the meantime only as long as the serviceman and the beneficiaries remain eligible. Allowances stop upon the serviceman's death, discharge from the service, or promotion to a grade above the fourth. They also terminate upon conviction of desertion, or after three months' absence in desertion, whichever occurs first. A change in the status of a dependent which makes him ineligible must be reported to the Department administering the allowance. Such changes include: (1) the death of the beneficiary; (2) the marriage of a brother, sister, child, or grandchild; (3) the attainment of age 18 of any of the preceding, unless physically or mentally incapable of self-support; (4) the cessation of dependency of any Class B relative; and (5) the request of the enlisted man that the allowance to a Class B dependent be terminated. A special form is provided for reporting a change of status of a dependent. This is used to report any change resulting in eligibility and also for cases becoming eligible, such as the birth of a child.

#### RELATION TO SELECTIVE SERVICE

The policy of draft boards regarding the induction of men with dependents into the armed forces is so closely related to family allowances that Title II was added to the allowance bill by the Senate, and later agreed to by the House upon recommendation of its conference committee. Title II amended the Selective Service Act by deleting the definition of dependency which had previously guided selective service officials, and it authorized the President to prescribe regulations to govern deferments from military service. Title II also provides that although the family allow-

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ances available for a man's dependents shall be taken into consideration, this shall not remove dependency as a ground for deferment. Title II also provides that regardless of financial considerations, married men maintaining a bona fide family relationship may be deferred.

Immediately following the signing of the allowance act by the President, an order was issued directing draft boards to draft selectees in the following order: (1) those without financial dependents; (2) those with Class B dependents but not wives or children; (3) those with wives; and (4) those with wives and children or with children alone.

Selective service records showed that up to January 31, 1942, 65 per cent of the registrants had been deferred because of dependents, and 59 per cent of the total registrants were married.<sup>11</sup> Since then, the draft has been extended to the 18- and 19-year-old men. This has delayed somewhat, but has not avoided, the necessity of inducting men with families. This latter group is the one for which the cost to the Government of allowances to dependents is most expensive per man inducted. The aggregate cost of allowances is held down somewhat by the fact that men with families are called last. However, this was not the reason for the preferential treatment of married men. The guiding philosophy was well expressed in the report of the House Committee on Military Affairs which was submitted before Title II was added to the allowance act:

Your committee believes that it would be injurious to the welfare of our country to have local draft boards feel that men with families can be freely inducted into the armed services. There is certainly a genuine social reason for preserving estab-

<sup>11</sup> Senate Committee on Military Affairs, Report No. 1431, *Allowances for Servicemen's Dependents*, June 1, 1942, p. 4.

lished families. Neither does your committee feel that it would be to the best interests of our Nation to enact legislation which might give the impression to local draft boards that financial considerations are the only basis upon which families are established and maintained. In other words, established families should not be indiscriminately uprooted and torn from their mooring solely because of the fact that their financial needs have been taken care of, and we certainly do not, by the passage of this legislation, wish to give either the local draft boards or the American public such an impression.<sup>12</sup>

## COST OF ALLOWANCES

The ultimate cost of the allowance system necessarily is in the realm of conjecture, since it depends on two unknowns—the number who will receive allowances, and the length of time they will be paid. The law fixes a scale of monthly payments for the different categories of dependents, and authorizes payments from June 1, 1942 until six months after hostilities cease. The number of allowances approved by the War Department alone had reached 1,294,832 by the end of the calendar year 1942, and total payments of more than \$210,000,000 had been made.<sup>13</sup>

The size of the military establishment has been expanding enormously, and by the beginning of 1943 had reached more than six million men. An expansion to perhaps ten million or more is expected, the total depending largely on how long the war continues. The cost of allowances will rise much faster in proportion than the number of men in service, be-

<sup>12</sup> House of Representatives, Committee on Military Affairs, Report No. 2190, *Providing Family Allowances for the Dependents of Enlisted Men of the Armed Forces*, June 1, 1942, p. 5.

<sup>13</sup> Letter to the author, dated January 26, 1943, from the War Department, Office of Dependency Benefits. More complete statistical information was requested, but was not available at that time.

cause (1) more men with dependents will of necessity be called, since those without dependents are taken first; and (2) more married men will be inducted, and the scale of allowances to Class A beneficiaries is higher than for Class B.

In World War I, when we had only 4,700,000 men in the armed forces, the total payments to dependents amounted to \$583,000,000, of which \$282,000,000 was contributed by the Government.<sup>14</sup> The scale of allowances was much lower than at present. For example, the Government's share was \$15 per month to the wife of a serviceman, as compared to \$28 now. The greater number of allowances, the more liberal scale of benefits, and the probability that allowances will be given for a longer period of time mean that the cost of the allowance

system in this war will far exceed the cost of that of the first World War.

#### CONCLUSION

Although the cost of allowances will undoubtedly be large, it will constitute a relatively small part of the total cost of the war. In any case, allowances are essential; it is unthinkable that we should not provide at least some assistance to families when the men who support them are asked to serve their country. A fighting man should not have to worry too much about the financial problems of his family. From the standpoint of his morale, the welfare of his dependents, and our national unity, the payment of allowances is desirable. The size of the allowances may seem large in comparison with those given in the last war, but in most cases they are far from sufficient to maintain the dependents without supplementation from other sources of income.

<sup>14</sup> House of Representatives, Committee on Military Affairs, *Hearings on Allowances and Allotments for Dependents of Military Personnel*, May 15, 1942, p. 63.

*Denzel C. Cline, Ph.D., is associate professor of economics at Michigan State College, East Lansing, and research tax economist for the Michigan State Department of Revenue. He has served as assistant professor of economics at Princeton University, and as a staff member of the Princeton Survey of Local Government. He is co-author of Money Credit and Finance (1938).*