

FOR IMMEDIATE RELEASE

AUGUST 3, 1976

Office of the White House Press Secretary

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THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

I am transmitting herewith the Annual Report of the Federal Council on Aging, together with two studies undertaken by the Council as required by sections 205(f-h) of the Older Americans Act (P.L. 93-29).

Last year I indicated that I was looking forward to receiving then two studies from the Federal Council on Aging. The Council recognized its responsibilities and undertook the task in a forthright manner. I appreciate the fine work that the Council has done, particularly with the severe time constraints imposed upon it.

The Council's report and studies provide documentation, from the viewpoint of our elderly citizens, which support the need for legislation along the lines of my proposed Financial Assistance for Health Care Act and the Income Assistance Simplification Act which I will be proposing shortly. My proposals would permit both Federal and State programs to be simplified and integrated into a coordinated system that would best meet the needs of our citizens.

Council Recommendations

With respect to the Supplemental Security Income (SSI) program, the Council has recommended in its program report that legislation be passed that mandates continuance of a specific State supplementation for certain recipients. The Federal Government took over this program from the States on January 1, 1974, and provided a basic payment level to recipients. For those individuals who received benefits under the State programs in December 1973 that were larger than the basic Federal payment level, and who continue to be eligible for SSI, States are required to supplement the basic Federal payment up to the level of the December 1973 payment to such recipients. The requirement does not apply to new recipients who became eligible after December 1973. The Council's legislative proposal would require that the size of the State supplementation to recipients carried over from the State programs on January 1, 1974, could not be reduced. Thus, whenever the basic Federal payment level is increased, this proposal would allow States to continue to maintain a disparity in the benefits for the carried-over recipients versus those recipients who came on the rolls after December 1973 --- a disparity equal to the amount of the original State supplementation.

Adoption of this recommendation would have two effects. First, it would dictate to the States how they should spend the taxes they assess on their residents. Such action would distort the original concept of the program of separate but complementary roles of the States and the Federal Government.

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Second, it would require the States to maintain payments to people based on the date they started receiving assistance, even though other residents of the States may have equivalent needs and incomes.

The Council also recommends that the Veterans' Administration (VA) be directed to study the problem of benefit reduction rates caused by simultaneous receipt of benefits from pensions for veterans with nonservice-connected disabilities and other Federal programs. We share the concern of the Council. This problem is being studied by the Veterans' Administration within the context of total reform of the veterans' pension program. The Agency has discussed pension reform with both the House and Senate Veterans' Affairs Committees, and is committed to continuing these discussions with Congress this year. The relationship of veterans' pensions to other Federal benefits can best be addressed in the course of these discussions.

To assess the tax burden on the elderly, the Older Americans Act also required the Council to undertake a study of the combined impact of all taxes on the elderly. Since many of the tax recommendations of the Council are directed towards State and local government, consistent with the enabling authority I am also transmitting this study to the Governors and legislatures of the States for their consideration.

In recognition of the Bicentennial and the many contributions made by older Americans to the welfare of the nation, the Council's annual report requests the promulgation of a Bicentennial Charter for Older Americans. I have asked Secretary Mathews of the Department of Health, Education, and Welfare, in consultation with the Administration on Aging, to promote discussion of these vital matters at forums of older persons organized by Advisory Committees to the Area Agencies on Aging.

The Federal Council on Aging Annual Report and attendant studies reflect an earnest effort to deal with the lack of equity and efficiency in the present patchwork of income security programs. This unfortunate situation, which has developed over the years, presents problems not only to the elderly and other population groups, but to the taxpayer who must pay the added costs resulting from such inefficiency. My legislative proposals reflect careful consideration of how best to resolve these issues, and I urge prompt action on them by the Congress.

Additional mention should be made of the substantial contribution of the two studies undertaken by the Federal Council on Aging. The efforts of those that participated in the studies will contribute to our effort to provide necessary income and services to our less fortunate elderly citizens in an efficient manner.

These reports will be sent for review and analysis to those Federal agencies serving older persons. After this review, decisions on the recommendations contained in the Council's report will be reflected in future legislative proposals and administrative actions of this Administration.

GERALD R. FORD

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AUGUST 3, 1976

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