at the end of the year, $27,320 million or 88.4 percent (the same proportion as in the 2 preceding years) was invested in special obligations—$27,051 million at 2½ percent and the $269 million of the unemployment trust fund at 2⅝ percent (table 1).

The old-age and survivors insurance trust fund also acquired a net total of $168 million in marketable Government obligations in 1956. Of these, $101 million was in Treasury notes, $63 million in Treasury certificates of indebtedness (not to be confused with the special certificates of indebtedness issued by the Treasury to various trust and other funds), and $4 million in Treasury bonds. The fund invested in April $500,000 in the 2⅜-percent bonds of 1958, which it had not held before. Other bond transactions were among the several 2½-percent issues, of which the fund previously had held varying amounts.

The unemployment trust fund has acquired no public issues since November 1953. Investments of this fund in other than special obligations must be at interest rates at least equal to the rates payable on special obligations.

The Treasury also manages several other social insurance and related trust funds. The principal ones are the railroad retirement account and the civil service retirement fund. In 1956 the total receipts of the railroad retirement account amounted to $727 million; contributions were $626 million and interest was $101 million.[5] Railroad retirement benefits of $630 million were paid out in 1956; administrative expenses totaled $7 million. At the end of the year the total assets of the account were $3,641 million; of this total, $3,585 million was invested and $56 million was undisbursed cash balance. The interest rate for this fund's investments is set by law at 3 percent.

In previous years the total invested assets of the railroad retirement account have been in the form of 3-percent special Treasury notes maturing at intervals of 1–5 years. In 1956, for the first time, $6 million was invested in public marketable issues (Treasury bonds) bearing interest ranging from 2¼ percent to 3 percent. The discount at which these securities were acquired was presumably sufficient to bring the return on all of them up to 3 percent for the duration of the period for which they may be held.

Contributions to the civil service retirement fund totaled $1,120 million in 1956, and interest earned $212 million. Benefits and refunds of $552 million were paid during 1956. The administrative expenses of the civil service retirement program are chargeable not to the fund but to the General Treasury. At the end of the year the invested assets of the fund totaled $7,256 million.

At the end of 1956, all types of special Government obligations outstanding amounted to $45,639 million, 17 percent of the outstanding interest-bearing Federal debt. Together, the two social security funds held 60 percent of all special obligations, the same proportion as in 1955. Most of the remainder was held by other trust funds, including the civil service retirement fund (16 percent), the several veterans' insurance funds (15 percent), and the railroad retirement account (8 percent).

[5] This amount excludes $5.2 million transferred to the old-age and survivors insurance trust fund under the financial interchange provisions of the Railroad Retirement Act.

Survivor Benefit Protection for Federal Judges*

Public Law No. 973, approved August 3, 1956, established a system of survivor benefits for Federal judges. In many respects it is like the system of survivor benefits provided for Members of Congress in the Civil Service Retirement Act before the 1956 amendments to that act.

There is no formal retirement system for the Federal judges themselves, since a judge holds office for life unless he resigns or is removed. A judge with 10 years of service may resign at age 70 and continue to receive the salary he was receiving when he resigned. Rather than resign on salary, most judges retire from regular active duty and continue to perform their duties to the extent that they are able to do so.

Participation in the system of survivor benefits is by voluntary election, but election must be made before February 3, 1957, or within 6 months after taking office. Judges contribute 3 percent of salary. After a judge resigns on salary or retires from regular active duty, he continues to make contributions; on his death the same survivor benefits are paid as if he had remained fully active as a judge. The justices of the Supreme Court are excluded; annuities are already provided for their widows on a noncontributory basis.

When a judge dies after at least 5 years of service for which contributions were made, his widow receives an annuity. It begins immediately if she has a dependent child or is over age 50 but otherwise it begins when she reaches age 50, and it terminates upon her death or remarriage. The amount is 1¼ percent of the average salary during the last 5 years of service, multiplied by years of credited service, with a maximum of 37½ percent of the average salary. Nonjudicial Government service that is not credited toward another annuity may be counted, but the part of the annuity based on service in the executive department or service of more than 15 years as an employee of Congress is only ¾ of 1 percent of the average judicial salary times the years of such earlier service.

Child survivor benefits are paid to children under age 18 or regardless of age if they are incapable of self-support because of mental or physical disability. When the widowed mother is present, each child receives $30 a month; the maximum combined amount for all children is $75. When there is no widowed mother present, each child receives $40 a month (with no maximum on total family benefits).

Service before the judge became covered by the system is credited if he pays the contributions for the past service with interest. Alternatively, credit may be given for the past service by reducing the annuity by 10

* Prepared by Paul W. Nowlin, Division of the Actuary, Office of the Commissioner.

percent of the accumulated unpaid contributions. For judges currently in service to have immediate survivor benefit protection, they must obtain credit, through purchase, for sufficient service in the past to make a total of 5 years of contributory past and present service.

Salaries of Federal judges were increased 50 percent in March 1955; district judges receive $22,500 a year and judges of the Courts of Appeals $25,500. Thus the widow of a district judge who dies after February 1960 would receive an annual annuity equal to $281.25, multiplied by years of service if only judicial service was credited and all credited service was paid for, subject to a maximum of $8,437.50.

When a judge resigns but not on salary or when he dies leaving no survivor eligible for an annuity, his contributions are refunded with interest. Upon termination of all survivor annuities, any excess of the judge's contributions, accumulated to the date of death, over the total amount of the annuity paid is refunded.

Annuities are paid to widows of judges who died before the law was passed, even if the judge had less than 5 years of service. In addition, a judge who died between August 3, 1956, and February 2, 1957, without having elected coverage is deemed to have elected coverage, and the widow is eligible for an annuity despite the fact that no contributions were made. In these cases the annuity is computed in the normal manner and is reduced by 10 percent of the accumulated unpaid contributions.

The system is to be administered by the Administrative Office of the United States Courts. A judicial survivors annuity fund is created, into which the judges contribute and from which the benefits are paid. Any part of the fund not required for immediate payment of benefits is to be invested in interest-bearing securities of the United States Government. It is estimated that the cost of the benefits will increase from about 3 percent of payroll in the first year to about 11 percent ultimately. That part of the cost not met by contributions and interest earnings of the fund must be met by Government appropriations to the fund. Periodic valuations of the system are to be made by an actuary, who may be an employee of another Government department temporarily assigned for this purpose.

*Recent Publications**

Social Security Administration

BUREAU OF PUBLIC ASSISTANCE. *State and Local Financing of Public Assistance, 1935-1955,* by Ellen J. Perkins. (Public Assistance Report No. 28.) Washington: The Bureau, 1956. 35 pp. and 17 tables. Processed. Limited free distribution; apply to the Bureau of Public Assistance, Social Security Administration, Washington 25, D. C.

CHILDREN'S BUREAU. *Selected Child Welfare Expenditures of State and Local Public Welfare Agencies, 1954-55,* by Seth Low. (Statistical Series, No. 36.) Washington: The Bureau, 1956. 26 pp. Processed. Limited free distribution; apply to the Children's Bureau, Social Security Administration, Washington 25, D. C.

CHILDREN'S BUREAU. *Training Under the Maternal and Child Health and Crippled Children's Programs, 1954,* by Margaret McKiever. (Statistical Series, No. 34.) Washington: The Bureau, 1956. 20 pp. Processed. Limited free distribution; apply to the Children's Bureau, Social Security Administration, Washington 25, D. C.

MERRIAM, IDA C. *Trends in Welfare Expenditures.* (Research and Statistics Note No. 1—1957.) Washington: Office of the Commissioner, Division of Program Research, 1957. 4 pp. Processed. Limited free distribution; apply to the Division of Program Research, Social Security Administration, Washington 25, D. C.

General

CALIFORNIA. UNIVERSITY. THE HELLER COMMITTEE FOR RESEARCH IN SOCIAL ECONOMICS. *Quantity and Cost Budgets for Two Income Levels: Prices for the San Francisco Bay Area, September, 1955.* Berkeley, Calif.: The University, 1956. 92 pp. $1.50.

Budgets for a family of a salaried junior professional and executive worker and for a family of a wage earner.

CHAMBER OF COMMERCE OF THE UNITED STATES. ECONOMIC RESEARCH DEPARTMENT. *Fringe Benefits—1955.* Washington: The Department, 1956. 40 pp. $1.

A survey of the costs of fringe benefits in 1,000 companies. Includes data on average payments, industry and regional variations, and wage and payroll data, with a comparison of earlier years and 1955.

"Extension of Social Security in India." *Industry and Labour,* Geneva, Vol. 17, Jan. 1, 1957, pp. 32-33. 25 cents.

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Includes chapters on the financing of the Federal, State, and local governments, government expenditures and public welfare, intergovernmental fiscal relations, and the economics of social security.

"Social Security: Reform of the National Pensions Scheme in the Union of Soviet Socialist Republics." *Industry and Labour,* Geneva, Vol. 16, Dec. 15, 1956, pp. 517-524. 25 cents.

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"Social Security Changes in Great Britain." *Industry and Labour,* Vol. 17, Jan. 1, 1957, pp. 35-36. 25 cents.

Retirement and Old Age

COHEN, RUTH G. "Casework with Older Persons." *Social Work,* New York, Vol. 2, Jan. 1957, pp. 30-35. $1.75.

COMINSKY, J. R. "Older Workers Are People Too." *Personnel Journal,* Swarthmore, Pa., Vol. 35, Jan. 1957, pp. 294-296. 75 cents.

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* Prepared in the Library, Department of Health, Education, and Welfare. Orders for items listed should be directed to publishers and booksellers; Federal publications for which prices are listed should be ordered from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.