

Table 3.—Minimum and maximum monthly retired-worker benefits payable to individuals who retired at age 65, 1940–81¹

Year attained age 65 ²	Minimum benefit		Maximum benefit ³			
	Payable at retirement	Payable effective June 1981	Payable at retirement		Payable effective June 1981	
			Men	Women	Men	Women
1940	\$10.00	\$170.30	\$41.20	.....	\$329.30	.....
1941	10.00	170.30	41.60	.....	329.30	.....
1942	10.00	170.30	42.00	.....	333.30	.....
1943	10.00	170.30	42.40	.....	333.30	.....
1944	10.00	170.30	42.80	.....	336.90	.....
1945	10.00	170.30	43.20	.....	336.90	.....
1946	10.00	170.30	43.60	.....	341.00	.....
1947	10.00	170.30	44.00	.....	344.20	.....
1948	10.00	170.30	44.40	.....	344.20	.....
1949	10.00	170.30	44.80	.....	347.50	.....
1950	10.00	170.30	45.20	.....	351.90	.....
1951	20.00	170.30	68.50	.....	351.90	.....
1952	20.00	170.30	68.50	.....	351.90	.....
1953	25.00	170.30	85.00	.....	388.70	.....
1954	25.00	170.30	85.00	.....	388.70	.....
1955	30.00	170.30	98.50	.....	388.70	.....
1956	30.00	170.30	103.50	.....	410.50	.....
1957	30.00	170.30	108.50	.....	429.20	.....
1958	30.00	170.30	108.50	.....	429.20	.....
1959	33.00	170.30	116.00	.....	429.20	.....
1960	33.00	170.30	119.00	.....	440.00	.....
1961	33.00	170.30	120.00	.....	443.40	.....
1962	40.00	170.30	121.00	\$123.00	447.40	\$455.00
1963	40.00	170.30	122.00	125.00	451.20	461.90
1964	40.00	170.30	123.00	127.00	455.00	469.50
1965	44.00	170.30	131.70	135.90	455.00	469.50
1966	44.00	170.30	132.70	135.90	458.30	469.50
1967	44.00	170.30	135.90	140.00	469.50	483.40
1968	⁴ 55.00	170.30	⁴ 156.00	⁴ 161.60	476.70	493.60
1969	55.00	170.30	160.50	167.30	490.60	511.30
1970	64.00	170.30	189.80	196.40	504.20	521.90
1971	70.40	170.30	213.10	220.40	514.60	531.90
1972	70.40	170.30	216.10	224.70	521.90	542.50
1973	84.50	170.30	266.10	276.40	535.40	556.20
1974	84.50	170.30	274.60	284.90	552.40	573.20
1975	93.80	170.30	316.30	333.70	573.20	604.60
1976	101.40	170.30	364.00	378.80	610.40	635.30
1977	107.90	170.30	412.70	422.40	650.50	665.70
1978	114.30	170.30	459.80	.....	684.20	.....
1979	121.80	170.30	503.40	.....	703.40	.....
1980	133.90	170.30	572.00	.....	727.10	.....
1981	153.10	170.30	677.00	.....	752.90	.....

¹ Based on AIME method.

² Assumes retirement at beginning of year.

³ Benefit for both men and women is shown in men's column, except where benefits shown separately. Assumes no prior period of disability.

⁴ Effective for February 1968.

age 62, became disabled, or died in 1981, the formula is as follows:

90 percent of the first \$211 of AIME, plus 32 percent of AIME in excess of \$211 through \$1,274, plus 15 percent of AIME in excess of \$1,274.

The 11.2-percent cost-of-living increase is then added to the above result. Table 2 shows examples of benefits payable to various types of beneficiaries and family groups at selected AIME levels.

The 1977 amendments also introduced a transitional guarantee provision to protect workers who were nearing retirement age when the amendments went into effect. This provision is applicable only to workers who attain age 62 from January 1979 through December 1983, had some covered earnings before 1979, and were not eligible for a disability benefit before 1979. It guarantees the worker a benefit amount derived from his or her AME using the December 1978 PIA tables if it results in a higher benefit amount than under the AIME method. This computation method may also be used to compute benefits for survivors of workers who were eligible for benefits but never applied for them.¹

Effective June 1981, the highest PIA for a worker who retired at age 65 and who did not have a prior period of disability is \$752.90, based on an AME of \$846.² Minimum and maximum benefits payable to workers retiring at age 65 during the period 1940–81 are shown in table 3.

¹ For a more complete discussion and analysis of the computation methods, see Steven F. McKay, **Computing a Social Security Benefit After the 1977 Amendments** (Actuarial Note No. 100), Office of the Actuary, Social Security Administration, February 1980, and Steven F. McKay and Bruce D. Schobel, **Effects of the Various Social Security Benefit Computation Procedures** (Actuarial Note No. 86), Office of the Actuary, Social Security Administration, July 1981.

² The AME method is applicable because the worker attained age 62 before 1979.

Gifts to the Trust Funds*

A small number of persons each year—grateful for benefits they or their relatives have received and/or worried about the solvency of the trust funds—give money to the Social Security system. Money gifts or bequests may be accepted by the Managing Trustee for deposit in any one or more of the four Social Security trust funds: Old-Age and Survivors Insurance (OASI), Disability Insurance (DI), Hospital Insurance (HI), and Supplementary Medical Insurance (SMI).

Acceptance of these gifts is authorized by section 201(i) of the Social Security Act. It specifies that the gifts must be unconditional, except that the donor may designate to which fund the gift should be donated. If no fund is designated, the gift is credited to the OASI Trust Fund. The section was added to the Act by the 1972 amendments. Before then, bequests naming Social Security or a trust fund as a beneficiary could not be accepted. Occasionally, this caused problems in the final settlement of estates.

*Prepared by the Office of Research and Statistics, Office of Policy, Social Security Administration.

In a report (H.R. 92-231) on these amendments the Committee on Ways and Means made clear that additional revenue was not the primary reason for enactment. "... it seems unjustifiable that an act presumably motivated by appreciation for, and confidence in, a Government program should cause complicated and perhaps interminable legal problems for the survivors."

As was anticipated, total revenue from gifts to the trust funds has been quite small. Gifts to the trust funds for calendar years 1974-80 are shown in table 1. The greatest amount received in any one year was \$91,949.88 in 1979. Excluding 1974 as an atypical startup year, the average annual amount has been \$39,847.

Table 1.—Amount of gifts to the trust funds, calendar years 1974-80

Year	Total	OASI	DI	HI	SMI
1974	\$12,114.16	\$136.23	. . . .	\$8,477.93	\$3,500.00
1975	14,732.46	14,732.46	. . . .	. . . .	. . . .
1976	59,356.31	40,938.50	\$100.00	15,834.41	2,483.40
1977	10,274.73	10,214.73	. . . .	10.00	50.00
1978	50,533.67	50,092.97	440.70	. . . .	. . . .
1979	91,949.88	88,960.88	2,989.00	. . . .	. . . .
1980	30,612.08	30,612.08	. . . .	. . . .	. . . .

Also, the typical gift has been small. Table 2 contains a distribution of the 59 gifts received by the OASI Trust Fund in 1980 by size of gift. It shows that almost two-thirds of the gifts were less than \$100. The median gift size was \$50. However, eight of the 59 gifts were more than \$1,000. The largest gift ever received was a bequest amounting to \$43,239.19 in 1978.

Although section 201(i) was originally passed with bequests in mind, many gifts are received from living persons. Most of the very small ones are individual contributions. One person, for example, donated \$13.11. She arrived at that amount by applying 5.85 percent, the employee tax rate then in effect, to her benefit amount and donated it to help " 'shore up' the sagging, dwindling Social Security fund."

Table 2.—Number of gifts to the OASI Trust Fund, by size of gift, calendar year 1980

Size of gift	Gifts	
	Number	Percentage distribution
Total	59	100.0
\$10.00 or less	23	39.0
\$10.01-\$100.00	14	23.7
\$100.01-\$1,000.00	14	23.7
\$1,000.00-\$5,000.00	5	8.5
\$5,000.01-\$10,000.00	2	3.4
Over \$10,000.00	1	1.7

Some of the larger gifts recorded have also come from living individuals. One donor explained that her father paid less than \$500 in Social Security contributions and received benefits for about 20 years. The daughter then donated her \$9,000 share of his estate to the trust funds. The largest gift from a living individual was \$25,000 in 1979.

Some persons also have volunteered to forgo current benefits in exchange for a refund of Social Security taxes they paid previously, but of course the Social Security Act does not permit the refund of contributions except in cases of overpayments. However, it should be noted that gifts to the trust funds are tax deductible; section 170(c)(1) of the Internal Revenue Code lists the U.S. Government among the educational or charitable organizations to which donations are acceptable.

Recent Publications*

Social Security Administration Office of Policy, Office of Research and Statistics

Four Decades of International Social Security Research: A Bibliography of Studies by the Social Security Administration, 1937-80. 1981. \$4.75. 68 pages. SSA Pub. No. 13-11733.

This bibliography lists studies of programs in 35 countries in 14 categories, ranging from administration to old-age, survivors, and invalidity insurance to work injury coverage. An "international" section enumerates multi-country studies. Under each section, entries appear in reverse chronological order.

Program and Demographic Characteristics of Supplemental Security Income Beneficiaries, December 1979, by Arthur L. Kahn. 1981. 38 pages. SSA Pub. No. 13-11977.

Characteristics tabulated include average benefit amounts, living arrangements, income, age, sex, and race. The report also contains a summary of findings and an outline of program provisions as of July 1980.

Supplemental Security Income, State and County Data, December 1980, compiled by Theodosia P. Rasberry. 1981. 137 pages. SSA Pub. No. 13-11976.

This compilation covers both beneficiary counts and amounts of federally administered payments. A brief description of procedures introduces the detailed tabulations.

* Orders for items listed should be directed to publishers and book-sellers. Federal publications for which prices are listed should be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402.