

percent of covered payroll in both years.

All but six States—Nebraska, New Mexico, Ohio, Oklahoma, South Dakota, and Wyoming—reported increased benefit payments for 1957. Eleven States and the system for Federal employees, with about 18 percent of the covered workers, had increases of 10 percent or more; increases were 15 percent or more in three jurisdictions—the District of Columbia, Florida, and Louisiana. In 21 States, with approximately one-half of all covered employment, the increases ranged from 5.0 percent to 9.9 percent. The remaining 11 States, with one-fourth of the coverage, had increases of less than 5 percent. Regionally, the Southeastern States showed the greatest relative advance, with the Rocky Mountain States second. The smallest percentage gains were scored in the industrial and Plains States of the Middle West.

As in 1956, private carriers were responsible for 62 percent of total benefit payments, State funds (including the system for Federal employees) for 26 percent, and self-insurers for 12 percent. Differences among the three types of insurance in the rate of increase—6.8 percent for private carriers, 5.0 percent for State funds, and 5.4 percent for self-insurers—were not sufficiently great to change the proportions of the total paid by each type of insurer in the 2 years.

In keeping with the increased benefit payments, the cost of workmen's compensation rose both in dollar amounts and as a percentage of covered payroll in 1957. The 1957 estimate of more than \$1,760 million spent by employers to insure or self-insure their risks under workmen's compensation programs was about \$100 million higher than the amount estimated for 1956 and represented about 95 cents per \$100 of covered payroll, compared with 94 cents in 1956. The 1957 total consists of (a) \$1,223 million in premiums paid to private insurance carriers; (b) \$399 million in premiums paid to State funds (for the Federal employees' program, which is financed through congressional appropriations, these "premiums" are the sum of the benefit payments and the cost of the administrative agency); and (c) about \$140

million as the cost of self-insurance (benefits paid by self-insurers, with the total increased 5-10 percent to allow for administrative costs).

The \$1,064 million paid in medical and cash benefits amounted to 60 cents for every dollar of the \$1.8 billion spent in premiums by employers during 1957 to insure their workers. This proportion is approximately the same as that recorded for 1955 and 1956. The loss ratio (losses paid as a percentage of direct premiums written) of private carriers was 54 percent—the same percentage as in 1956. State funds (exclusive of the Federal employees' system) showed a drop of 1 percentage point in their loss ratio—from 64 percent in 1956 to 63 percent in 1957.

Medical and hospitalization benefits amounted to an estimated \$365 million in 1957, about a third of total benefits. Of the \$699 million in non-medical payments, more than seven-eighths took the form of cash compensation for nonfatal injuries and the remainder was paid in death cases. The estimated distributions by type of payment are shown below; data for 1957 are preliminary.

(In millions)

Type of payment	1957	1956
Total.....	\$1,064	\$1,003
Medical and hospitalization.....	365	350
Compensation, total.....	699	653
Disability.....	619	578
Survivor.....	80	75

## Employers, Workers, and Earnings Under OASDI\*

In the calendar year 1957, according to preliminary estimates, 74 million persons had earnings under old-age, survivors, and disability insurance that amounted to \$183 billion. These totals represented increases of 8.8 percent and 7.6 percent, respectively, from those in 1956. Average annual taxable earnings in 1957 are estimated at \$2,470—slightly less than the average a year earlier. These changes in covered employment, tax-

\*Prepared in the Division of Program Analysis, Bureau of Old-Age and Survivors Insurance.

able earnings, and average taxable earnings resulted from the extension of coverage. On the one hand, the inclusion of members of the Armed Forces under the program contributed significantly to the increase in the number of persons and the total amount of earnings. The level of taxable earnings for this newly covered group was, on the other hand, the direct cause of the decline from 1956 in estimated average taxable earnings for all covered employment, since the average increased for persons in civilian employment.

The effect of the extension of coverage is also apparent in the estimates of total earnings and average earnings (taxable and nontaxable combined) in covered employment in the calendar year 1957. Total annual earnings are estimated at \$233 billion, an increase of 8.9 percent from 1956. Average annual earnings, estimated at \$3,150, were about the same as in the preceding year.

Because of the extension of coverage, each quarter of 1957 showed increases from the corresponding quarter of 1956 in the number of workers with taxable wages, the total number of workers with wages in covered employment, and the amount of their total and taxable wages. The increases for the fourth quarter of 1957 were, however, smaller than those for the earlier quarters as a result of the slowing up of economic activity in the last part of 1957. (Quarterly data exclude those whose earnings are reported on an annual basis—agricultural workers, whose taxable earnings were first reported annually in 1955, and the self-employed.)

There was a seasonal decline in average taxable wages and average wages in covered employment during the third quarter of 1957 as young, lower-paid workers took jobs during the summer vacation or entered the labor market upon completion of their schooling. Another seasonal decline occurred in the fourth quarter of 1957; the number of workers with taxable wages (48 million), their taxable wages (\$30 billion), and their average taxable wages (\$620) were less than in the third quarter because of the limitation on wages taxable under old-age, survivors, and disability insurance.

**Estimated number of employers<sup>1</sup> and workers and amount of earnings in employment covered under old-age, survivors, and disability insurance, for specified periods, 1940-57<sup>2</sup>**

[Data corrected to Aug. 29, 1958. Beginning 1951, annual data include self-employment; quarterly data exclude self-employment and, after 1954, agricultural labor. Beginning 1955, estimates are preliminary.]

Year and quarter	Employers reporting wages (in thousands)	Workers with taxable earnings <sup>3</sup> during period (in thousands)	Taxable earnings <sup>4</sup>		All workers in covered employment during period <sup>5</sup> (in thousands)	Total earnings in covered employment <sup>6</sup>	
			Total (in millions)	Average per worker		Total (in millions)	Average per worker
1940	2,500	35,393	\$32,974	\$932	35,393	\$35,668	\$1,008
1941	2,646	40,976	41,848	1,021	40,976	45,463	1,110
1942	2,655	46,363	52,939	1,142	46,363	58,219	1,256
1943	2,394	47,656	62,423	1,310	47,656	69,653	1,462
1944	2,469	46,296	64,426	1,392	46,296	73,349	1,584
1945	2,614	46,392	62,945	1,357	46,392	71,560	1,543
1946	3,017	48,845	69,088	1,414	48,845	79,260	1,623
1947	3,246	48,908	78,372	1,602	48,908	92,449	1,890
1948	3,298	49,018	84,122	1,716	49,018	102,255	2,086
1949	3,316	46,796	81,808	1,748	46,796	99,989	2,137
1950	3,345	48,283	87,498	1,812	48,283	109,804	2,274
1951	4,440	58,120	120,968	2,081	58,120	148,000	2,550
1952	4,450	59,576	128,724	2,161	59,576	161,000	2,700
1953	4,350	60,839	136,003	2,235	60,839	173,000	2,840
1954	4,350	59,610	133,588	2,241	59,610	172,000	2,890
1955	5,000	66,000	158,000	2,390	66,000	196,000	2,970
1956	5,100	68,000	170,000	2,500	68,000	214,000	3,150
1957	5,200	74,000	183,000	2,470	74,000	233,000	3,150
1948							
January-March	2,588	39,560	23,080	583	39,560	23,923	605
April-June	2,690	40,245	22,708	564	40,524	24,668	609
July-September	2,699	40,585	21,150	521	41,675	25,700	617
October-December	2,661	36,790	17,184	467	41,540	27,964	673
1949							
January-March	2,639	38,162	23,376	613	38,162	24,254	636
April-June	2,693	38,591	22,571	585	38,864	24,570	632
July-September	2,697	38,333	20,160	526	39,601	24,971	631
October-December	2,692	34,529	15,701	455	39,477	26,194	664
1950							
January-March	2,671	37,393	23,490	628	37,393	24,316	650
April-June	2,766	39,264	24,052	613	39,557	26,210	663
July-September	2,768	40,486	22,382	563	41,923	28,165	672
October-December	2,741	35,609	17,574	494	41,792	31,113	744
1951							
January-March	3,552	43,908	30,336	691	43,908	31,000	710
April-June	3,658	45,483	30,693	675	45,718	33,000	720
July-September	3,635	45,693	27,815	609	46,778	33,000	710
October-December	3,638	41,846	22,702	543	46,107	35,000	760
1952							
January-March	3,595	45,145	33,159	734	45,145	34,000	750
April-June	3,690	46,659	32,627	699	46,903	35,000	750
July-September	3,663	46,772	29,166	624	48,082	36,000	750
October-December	3,640	42,630	24,067	565	47,697	39,000	820
1953							
January-March	3,590	46,951	36,382	775	46,951	37,000	790
April-June	3,662	48,220	35,963	746	48,497	39,000	800
July-September	3,654	47,637	30,864	648	49,187	39,000	790
October-December	3,652	41,353	22,824	552	48,046	41,000	850
1954							
January-March	3,620	45,984	35,813	779	45,984	37,000	800
April-June	3,726	46,790	35,084	750	47,115	38,000	810
July-September	3,715	46,250	30,058	660	47,972	38,000	790
October-December	3,768	40,292	22,598	561	46,984	41,000	870
1955							
January-March	3,830	46,700	38,053	815	46,700	39,000	840
April-June	3,951	48,400	38,770	801	48,600	41,000	840
July-September	3,948	49,300	35,621	723	50,500	43,000	850
October-December	3,985	44,800	28,054	626	50,000	46,000	920
1956							
January-March	3,976	48,500	42,606	878	48,500	44,000	910
April-June	4,060	50,400	42,072	835	50,600	45,000	890
July-September	4,060	50,500	36,600	720	52,000	46,000	880
October-December	4,090	45,000	28,600	640	51,500	49,000	930
1957							
January-March	4,060	53,000	47,100	780	53,000	49,000	920
April-June	4,160	54,000	45,700	750	54,500	50,000	920
July-September	4,180	54,000	40,000	740	56,000	51,000	910
October-December	4,200	48,000	30,000	620	54,000	52,000	960

<sup>1</sup> Annual data represent number of different employers filing returns for year; quarterly data, number of returns for quarter. A return may relate to more than 1 establishment if employer operates several separate establishments but reports for concern as a whole.

<sup>2</sup> Excludes joint coverage under the railroad retirement and the old-age, survivors, and disability insurance programs.

<sup>3</sup> Represents reported workers with taxable

earnings. Annual limit on taxable earnings was \$3,000 through 1950; for 1951-54, it was \$3,600; beginning 1955 it is \$4,200.

<sup>4</sup> Excludes earnings in excess of annual taxable limit.

<sup>5</sup> Includes workers with earnings in excess of annual taxable limit.

<sup>6</sup> Includes earnings in excess of annual taxable limit.

<sup>7</sup> Rounded to nearest \$10.

It is estimated that 5.2 million employers paid taxable wages in the calendar year 1957—2.0 percent more than in the preceding year. In each quarter of 1957 the number exceeded that in the corresponding quarter of 1956.

## Civil Service Retirement Act Amendments, 1958\*

Several laws affecting the civil-service retirement system were enacted during the second session of the Eighty-fifth Congress. Those of general interest include (1) Public Law 85-465, providing increased annuities for employees who retired before October 1, 1956, and for their survivors and granting annuities to certain widows and widowers of employees and annuitants who died before February 29, 1948; (2) Public Law 85-661, allowing voluntary contributions to be withdrawn from the civil-service retirement fund; (3) Public Law 85-772, which allows deposits after the death of an employee in order to establish additional survivor benefit credit and also changes the minimum service requirements for payment of annuities to survivors of Members of Congress; and (4) Public Law 85-844 (the Independent Offices Appropriation Act of 1959), which includes a provision requiring special congressional appropriations in order to make effective any future legislation increasing civil-service annuities.

The 1956 amendments to the Civil Service Retirement Act had greatly liberalized benefits for employees retiring on or after October 1, 1956. Public Law 85-465 (signed June 25, 1958, and effective August 1, 1958) adjusts benefits for employees who retired before October 1, 1956,<sup>1</sup> and for their survivors (present and future) by providing a 10-percent increase in all annuities, with the amount of the increase limited to \$500 a year for employee annuitants

\*Prepared by John P. Jones, Division of the Actuary, Office of the Commissioner.

<sup>1</sup> An employee who separated from service before October 1, 1956, electing a deferred annuity, is entitled to the increase only if he reached age 62 (thus becoming entitled to the annuity) before August 1, 1958.