<table>
<thead>
<tr>
<th>Year and quarter</th>
<th>Employer reporting (in thousands)</th>
<th>Workers with taxable earnings</th>
<th>Taxable earnings</th>
<th>All workers in covered employment (in thousands)</th>
<th>Total earnings (in millions)</th>
<th>Average per worker</th>
</tr>
</thead>
<tbody>
<tr>
<td>1940</td>
<td>2,500</td>
<td>35,393</td>
<td>$32,974</td>
<td>$35,303</td>
<td>$35,668</td>
<td>$1,008</td>
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<td>41,976</td>
<td>41,848</td>
<td>1,021</td>
<td>40,976</td>
<td>45,463</td>
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<td>46,368</td>
<td>32,462</td>
<td>1,392</td>
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<td>73,409</td>
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<td>2,521</td>
<td>42,596</td>
<td>62,945</td>
<td>1,357</td>
<td>60,392</td>
<td>71,509</td>
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<tr>
<td>1944</td>
<td>3,017</td>
<td>48,845</td>
<td>89,088</td>
<td>1,141</td>
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<tr>
<td>1945</td>
<td>3,246</td>
<td>48,908</td>
<td>78,372</td>
<td>1,062</td>
<td>74,399</td>
<td>62,000</td>
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<tr>
<td>1946</td>
<td>3,161</td>
<td>46,392</td>
<td>62,945</td>
<td>1,357</td>
<td>60,392</td>
<td>71,509</td>
</tr>
<tr>
<td>1947</td>
<td>3,017</td>
<td>48,845</td>
<td>89,088</td>
<td>1,141</td>
<td>84,845</td>
<td>79,290</td>
</tr>
<tr>
<td>1948</td>
<td>3,161</td>
<td>46,392</td>
<td>62,945</td>
<td>1,357</td>
<td>60,392</td>
<td>71,509</td>
</tr>
<tr>
<td>1949</td>
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<td>48,283</td>
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<td>4,530</td>
<td>59,576</td>
<td>126,724</td>
<td>2,161</td>
<td>122,724</td>
<td>130,700</td>
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<tr>
<td>1952</td>
<td>4,505</td>
<td>59,576</td>
<td>126,724</td>
<td>2,161</td>
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<td>130,700</td>
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<tr>
<td>1953</td>
<td>4,470</td>
<td>59,576</td>
<td>126,724</td>
<td>2,161</td>
<td>122,724</td>
<td>130,700</td>
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<tr>
<td>1954</td>
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<td>158,900</td>
<td>2,586</td>
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<tr>
<td>1955</td>
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<td>74,000</td>
<td>183,000</td>
<td>2,470</td>
<td>181,000</td>
<td>233,000</td>
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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 after 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 appropriiations 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, 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.
1 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.
and to $250 a year for survivors. For many persons, the increases provided by this act are in addition to certain previous annuity increases; the most recent was Public Law 369 of 1955, under which the amount of the increase depended on the date of retirement or on the starting date of the survivor annuity.

An example will illustrate the relative positions, under the 1958 amendments, of annuitants who retired immediately before and immediately after the effective date of the 1956 amendments. An employee who retired between July 1 and September 30 of 1956, with 30 years of service and a "high-5" average salary of $5,000, was receiving as of July 31, 1958, an annuity of $198 a month (under the provisions of Public Law 369, applied to his basic annuity of $188 a month). Beginning in August 1958, this amount was raised by 10 percent to $218 a month. In comparison, an employee who had the same salary and service and who retires on or after October 1, 1956, receives $234 a month.

Another section of Public Law 85-465 grants annuities to unremarried widows and widowers of former employees and annuitants who died before February 29, 1948, provided (1) the survivor was married to the employee or annuitant for the 5 years immediately before his death; (2) the survivor is not eligible for any other civil-service annuity based on the service of the former employee; and (3) the employee had at least 10 years of creditable service. The amount of the annuity is half that to which the deceased annuitant was entitled or to which the deceased employee would have been entitled by his service and salary, but the maximum is $750 a year. This provision is related to earlier legislation—the act of February 28, 1948, which established annuities for widows of active employees dying after February 28, 1948, and which, with the act of July 6, 1950, established annuities for widows and widowers of married annuitants who were on the retired rolls on February 29, 1948, or who retired during the following month.

The annuities and increases provided under Public Law 85-465 are temporary. They are effective after June 30, 1960, only if Congress makes special appropriations to cover the cost.

No terminal date is given, however, for a minor provision of Public Law 85-465, which applies to certain employees separated from service before July 31, 1956, under the automatic separation provisions of the Civil Service Retirement Act. Such an individual may have his benefit recomputed under the liberalized formula in the 1956 amendments if his separation would not have taken place until after July 30, 1956, had he been allowed to continue working for the period of time represented by all accumulated and current annual leave to his credit at the time of his actual separation. He must apply for the recomputation before January 1, 1959.

With the enactment of Public Law 85-465, automatic benefits for widows and widowers—as distinguished from elective benefits requiring reduction of employee annuities—are now available for (1) survivors of employees or annuitants who died before February 29, 1948, with the annuity subject to the $750 limitation (no subsequently enacted increases apply) and terminating on remarriage or death; (2) survivors of married annuitants who were on the rolls on February 29, 1948, or who retired the following month, with the annuity subject to a limitation of $600 (although subsequent increases may raise the amount to as much as $936) and terminating only on death; (3) widows over age 50, or under age 50 if there is a child under age 18, of employees who died during the period February 29, 1948—September 30, 1956, with no special limitation on the amount of the annuity, which continues until remarriage or death; and (4) certain widows of annuitants who retired during the period February 29, 1948—September 30, 1956 (the widow must be under age 50 and have a child under age 18 in her care), with no limitation on the amount and with the annuity terminating at age 50, remarriage, or death. Widows of annuitants retiring October 1, 1956, or later receive no automatic benefits. For survivors of active employees dying after September 30, 1956, the 1956 amendments provided automatic benefits for dependent widowers, as well as widows, and made all annuities payable immediately and until death or remarriage.

Before the enactment of Public Law 85-661 (signed August 14, 1958) an employee could use his special voluntary contribution account only to purchase an additional annuity, unless he separated from service before he became eligible for an immediate annuity. He may now withdraw such contributions at any time, provided no annuity payments have been made from the account. The employee may not again make voluntary contributions, however, unless he is separated for a period of more than 3 days and then reemployed.

Public Law 85-772 (approved August 27, 1958) permits the survivor of an employee who died on or after March 1, 1958, to make deposits in the retirement fund in order to obtain credit for periods of service for which contributions were not made or for which refunds of contributions were made and were not redeposited by the employee. Deposits are not allowed, however, after commencement of a survivor annuity. Previously such deposits could be made only by the employee.

A further provision of Public Law 85-772 revises the minimum service requirement for payment of annuities to survivors of Members of Congress from 5 years of service as a Member of Congress to 5 years of civilian service of any kind (including service as a Member of Congress). Thus the service requirement for survivor benefits for a Member of Congress is now the same as for the career employee.

Financing of any legislation enacted after August 28, 1958, increasing civil-service annuity benefits or providing new annuity benefits, will be affected by a provision of Public Law 85-844 (the Independent Offices Appropriations Act of 1959, signed August 28, 1958). Before increased

Social Security
payments can be made from the fund, an appropriation must be made to prevent an immediate rise in the unfunded liability. This provision means that, for any annuity increase, the total estimated future costs of any portion of the increase attributable to past service of the then existing employees and annuitants must be appropriated to the fund. For an increase for annuitants already on the rolls, all costs would be attributable to past service. If prospective annuities of existing employees are increased, a considerable portion of total future costs may be attributable to past service, on the basis of actuarial estimates.

In addition to the acts discussed thus far, legislation was enacted to cover certain employees under the civil-service retirement system. These employees are (1) certain citizens of Panama employed by the United States (Public Law 85-550 of July 25, 1958); (2) office staff members allotted to former Presidents (Public Law 85-745, signed August 25, 1958); (3) Federal employees who transfer to public international organizations in which the United States Government participates (Public Law 85-750, signed August 25, 1958); and (4) certain temporary rural carriers in the field service of the Post Office Department (Public Law 85-827, signed August 28, 1958).

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