under old-age assistance and in two States under general assistance. For all programs combined, the per capita cost of vendor payments for medical care was more than $2.00 in 18 States, less than 50 cents in 12 States, and from 50 cents to $1.99 in 11 States.

Trust Fund Operations, 1957 *

All financial operations of the old-age, survivors, and disability insurance system are carried on through the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund.[1] Amounts equivalent to 100 percent of current collections under the Federal Insurance Contributions Act and under chapter 21 of the Internal Revenue Code of 1954, as amended, are transferred by permanent appropriation to the trust funds on the basis of estimates made by the Secretary of the Treasury. Differences between these estimates and the contributions actually payable on the basis of reported earnings are adjusted periodically. Contributions received under voluntary agreements with States for the coverage of State and local government employees are deposited directly in the trust funds.

The total contributions appropriated to and deposited in the old-age and survivors insurance trust fund—less any reimbursements to the General Treasury for refund of excess employee tax collections [2]—amounted in 1957 to $6,825 million, 10.6 percent more than 1956 collections. The increase is largely the result of 1956 legislation that extended coverage to most self-employed professional persons, to certain self-employed farmers, and to members of the uniformed services. Employment tax contributions for these newly covered persons were paid for the first time in 1957. Coverage of State and local employees also rose during 1957 as additional groups elected to enter the system. The rising wage level and normal population growth also played their part in the contribution increase.

The invested assets of the old-age and survivors insurance trust fund earned $556 million in 1957. An additional $2 million in interest was received during the year under the financial interchange provisions of the 1951 amendments to the Railroad Retirement Act. Total interest received, including the $2 million transfer, was 5.0 percent higher than in the previous year.

Expenditures for old-age and survivors insurance benefit payments amounted to $7,347 million or 28.6 percent more than in 1956. Benefits paid to women aged 62–64 (first payable for November 1956 to women of that age other than those caring for entitled children) and to some of the newly covered groups account for a large part of this increase.

Administrative costs paid out of the old-age and survivors insurance trust fund amounted to $162 million in 1957, an increase of 22.3 percent from 1956. This sum is subject to a significant reduction because it includes the cost to the Department of Health, Education, and Welfare of operating the new disability insurance program. Reimbursement to the old-age and survivors insurance trust fund will be made later from the disability insurance trust fund.

The total assets of the old-age and survivors insurance trust fund at the end of 1957 were $22,393 million, a net decrease of $126 million or 0.6 percent during the year, compared with an increase of $856 million in 1956. Of these assets, $21,566 million was held in the form of Government securities and $827 million in cash.[3]

A new social security trust fund—the disability insurance trust fund—was established by the 1956 amendments to the Social Security Act for the purpose of financing disability insurance benefits to eligible individuals aged 50–64. The new fund was activated as of January 1, 1957, to receive contributions at the rate of ¼ of 1 percent of payroll each from employers and employees and at ⅜ of 1 percent from the self-employed. In the first year of operation [4] a total of $702 million in contribution income was appropriated to the fund, including $22 million in deposits by States.

Investment of the disability insurance trust fund is governed by the same provisions that apply to the old-age and survivors insurance trust fund. From March—when its first investments were acquired—to the end of 1957, the disability fund earned $7 million in interest. Total receipts for the year amounted to $709 million.

Disbursements from the new fund for disability insurance benefits began in August 1957 (for July). In the last 5 months of 1957, benefits totaling $57 million were paid to disabled persons on the basis of their past covered employment.[5]

Administrative expenses of slightly less than $3 million were paid from the disability insurance trust fund in 1957. This sum represents the cost to the Treasury Department of establishing the new trust fund and operating it during its first year. Costs of operating the disability insurance program incurred by the Department of Health, Education, and Welfare have not yet been charged to the fund; they have been met on a current basis from the old-age and survivors insurance trust fund. The 1956 amendments provide for an annual adjustment of administrative costs between the two funds.

After the close of each fiscal year, the Secretary of Health, Education, and Welfare shall analyze the costs of

* Prepared by Sophie R. Dales, Division of Program Research, Office of the Commissioner.

[1] The disability insurance trust fund was established by the 1956 amendments to the Social Security Act.

[2] Refunds are payable to employees who work for more than one employer during a year, each of whom deducts the tax on wages up to $4,200.

[3] In day-to-day operations the cash balances of the trust fund are relatively small. At the end of each month, however, cash on hand is built up to pay the checks that are to be issued the following month for benefits and administrative expenses. Benefit payments in December 1957, for example, were $638 million and administrative expenses $13 million.

[4] The fund had actually been in operation only 11 months at the end of 1957, since monthly receipts pertain to wages of the preceding month or earlier periods.

[5] Payments to disabled dependent or surviving children aged 18 or over who were disabled before attainment of that age are chargeable to the old-age and survivors insurance trust fund.

administration of this title incurred during such fiscal year in order to determine the portion of such costs which should have been borne by each of the Trust Funds and shall certify to the Managing Trustee the amount, if any, which should be transferred from one to the other of such Trust Funds in order to insure that each of the Trust Funds has borne its proper share of the costs of administration of this title incurred during such fiscal year. The Managing Trustee is authorized and directed to transfer any such amount from one to the other of such Trust Funds in accordance with any certification so made.[6]

The unemployment insurance trust fund is composed of the 51 accounts for the State unemployment insurance programs, the railroad unemployment insurance account, and the Federal unemployment account. The total assets of the unemployment trust fund on December 31, 1957, amounted to $9,109 million, an increase of $39.4 million from the $9,069 million at the end of 1956.

During 1957 the State accounts were credited with deposits of $1,547 million and interest of $220 million. Withdrawals for benefit payments amounted to $1,744 million, $345 million more than in 1956. The net balance in the State accounts at the end of the year was $8,641 million.

The balance in the railroad unemployment insurance account continued its reduction from the 1948 peak of nearly $1 billion. It dropped from $317 million at the beginning of 1957 to $288 million by September and to $262 million by the end of the year. As a result, the tax rate for 1958—tied by law to the size of the fund the previous September—was raised ½ of 1 percent of payroll from the 1957 rate of 2 percent. Since the 1956 rate was three times the rate paid from 1948 through 1955, and the 1957 rate was ½ of 1 percent more than that of 1956, contributions showed a similar upward trend. Deposits in 1957 (including the annual transfer from the railroad unemployment insurance administration fund) amounted to $86 million, more than five times the $16 million deposited in 1955 and about 1½ times the $57 million deposited in 1956. Interest earned in 1957, however, decreased along with the total size of the account (the bulk of which is in the form of Government securities, with a minimum in cash). In 1957, the railroad unemployment insurance account earned $7 million in interest; in 1956, $8 million; in 1955, $10 million; and in 1954, $14 million.

The balance in the Federal unemployment account[7] remained slightly above its statutory level of $200 million throughout 1957. Additional amounts by which Federal employment taxes exceeded administrative expenses were held in an undistributed appropriations (suspense) account in the unemployment trust fund, and in July 1957 the $71 million thus accumulated was distributed directly to the State accounts. One loan from the Federal unemployment account—$2.6 million to Alaska (the legal maximum for Alaska at that time, based on the largest amount paid in benefits in any of the 4 preceding quarters)—was made on January 3, 1957, and was outstanding at the end of the year. The account earned $5 million in interest during the year and stood at $205 million at the close of the year.

Under the provisions of the Social Security Act, as amended, the Federal old-age and survivors insurance trust fund and the disability insurance trust fund are administered by a Board of Trustees composed of the Secretary of the Treasury as Managing Trustee, the Secretary of Labor, and the Secretary of Health, Education, and Welfare. The Commissioner of Social Security is Secretary of the Board.

The Managing Trustee invests the portions of the old-age and survivors insurance trust fund and of the disability insurance trust fund that, in his judgment, are not required for current expenditures for benefit payments and administrative expenses. The Social Security Act restricts permissible investments of the trust funds to interest-bearing obligations of the United States Government and to obligations guaranteed as to principal and interest by the United States. Obligations of these types may be acquired on original issue at par or by purchase of outstanding issues at market price, and they may be sold at market price. In addition, the Act authorizes issuance of public-debt obligations exclusively to the trust funds that may be redeemed at par plus accrued interest.

Although the unemployment trust fund is composed of the separate State accounts, the railroad unemployment account, and the Federal unemployment account, investments are made by the Secretary of the Treasury for the fund as a unit. Interest earned on investments is distributed quarterly among all accounts on the basis of the average daily balance of each account. Permissible types of investments are the same as for the other two social security trust funds.

The investments of the old-age and survivors insurance trust fund decreased during 1957 by a net total of $265 million or 1.2 percent, compared with a net increase of $729 million or 3.4 percent in 1956. At the end of the year the fund's portfolio of Government securities amounted to $21,566 million and included Treasury bonds, notes, certificates of indebtedness, and bills (table 1). The disability insurance trust fund had accumulated investments of $612 million by the end of 1957. Its portfolio included the same types of securities, except for the Treasury bills, as were held by the old-age and survivors insurance trust fund. The net securities acquired by the unemployment trust fund during 1957 totaled $37 million compared with $308 million in 1956 and $14 million in 1955. The fund's total invested assets were $9,098 million at the end of 1957. Among them, the three social security trust funds added a net total of $384 million in Government securities to their holdings during the year; the sum of their total in-

[6] Section 201(g)(1) of the Social Security Act, as amended. The costs of disability "freeze" operations, however, remain chargeable to the old-age and survivors insurance trust fund.

[7] In this account, activated in December 1954 under Public Law 567 (83d Cong., 2d sess.), a $200 million fund for emergency loans to the State unemployment insurance systems is to be accumulated from the excess of Federal unemployment tax collections over State and Federal employment security administrative expenses; amounts exceeding $200 million are to be pro-rated back to the States.

Table 1.—*Investments of the social security trust funds, by type and earnings, end of December 1956 and 1957*

[In millions]

Type of investment	Old-age and survivors insurance trust fund		Disability insurance trust fund, 1957	Unemployment trust fund	
	1957	1956		1957	1956
Total	$21,565.9	$21,830.6	$611.9	$9,098.1	$9,061.1
Public issues	3,046.7	2,606.7	32.1	1,060.0	964.8
Treasury bonds	2,454.7	2,391.7	10.0	979.0	964.0
2¼ percent	4.2	4.2		4.0	4.0
2⅜ percent	.5	.5			
2½ percent	1,201.3	1,191.8		150.0	150.0
2¾ percent	1,083.9	1,081.9		760.0	760.0
3 percent	68.2	68.2			
3¼ percent	45.1	45.1		50.0	50.0
3⅞ percent	25.0		5.0	5.0	
4 percent	26.5		5.0	10.0	
Treasury notes	536.1	131.0	12.0	50.2	
2⅞ percent	143.5	131.0			
3½ percent	62.5			10.0	
3⅝ percent	176.0			5.2	
3¾ percent	20.0		7.0	15.0	
4 percent	134.1		5.0	20.0	
Treasury certificates of indebtedness	50.3	83.1	10.0	30.0	
2⅝ percent		34.1			
3¼ percent		49.0			
3¾ percent	25.0			10.0	
4 percent	25.3		10.0	20.0	
Treasury bills [1]	6.2				
3.485 percent	6.0				
4.173 percent	.2				
Net unamortized premium and discount [2]	−.7	.7		.7	.8
Accrued interest purchased	.1	.2	.1	.1	
Special issues	18,519.2	19,223.8	579.9	8,038.1	8,096.3
Treasury bonds, 2½ percent	2,500.0		37.5		
Treasury notes, 2½ percent	2,000.0		30.0		
Treasury certificates of indebtedness	14,019.2	19,223.8	512.4	8,038.1	8,096.3
2½ percent	14,019.2	19,223.8	512.4		7,827.7
2⅝ percent				7,816.8	268.6
2⅞ percent				221.3	

[1] Treasury bills are noninterest-bearing and are sold on a discount basis with competitive bids for each issue. The average sale price of the series gives an approximate yield on a bank-discount basis (360 days a year) as indicated here.

[2] Refers only to the investments acquired above or below par value in open-market operations. "Premium" is the excess of the price paid in the open market over par value; "discount" is the amount by which the price paid is less than par value. The Treasury Department amortizes this positive or negative difference over the remaining life of the obligations. At any given time, the "net unamortized" figure represents a subtraction of the amount remaining to be written off between that time and maturity on issues bought at a premium from the amount still to be "written on" for issues bought at a discount.

Source: *Daily Statement of the U. S. Treasury* and unpublished Treasury releases.

vestments on December 31 stood at more than $31 billion. This sum represented 11.5 percent of the total interest-bearing public debt, compared with 11.3 percent at the end of 1956—immediately before the new disability fund was activated (table 2).

The Social Security Act of 1935 required that the investments of the old-age reserve account (now the old-age and survivors insurance trust fund) earn at least 3 percent. The 1939 amendments removed all reference to a minimum yield except on "special obligations issued to the trust fund," which were required to bear the average rate of interest on the interest-bearing portion of the public debt, computed as of the end of the month next preceding the date of issue and rounded to the next lowest ⅛ of 1 percent if the average rate was not itself an exact multiple of ⅛ of 1 percent. The 1956 amendments changed the interest base to reflect the essentially long-term character of these investments. The rate is now "the average rate . . . borne by all *marketable* interest-bearing obligations of the United States . . . *not due or callable until after the expiration of 5 years* from the date of original issue," computed as of the end of the month before and rounded to the *nearest* ⅛ of 1 percent. This provision, in effect, ties the interest rate of special obligations issued to the old-age and survivors insurance and the disability insurance trust funds to the average rate on Treasury bonds (including one relatively small issue of 3-percent Panama Canal bonds of 1961).

At the start of 1957 the old-age and survivors insurance trust fund held special certificates of indebtedness bearing 2½-percent interest and maturing June 30, 1957. The special issue rate remained at 2½ percent during all of 1957. Acquisition of special certificates in February, March, and May outweighed net redemptions in January and April by $182 million. Further acquisitions in June increased the net acquisition of special issues for the first half of 1957 to $239 million.

Under the 1956 amendments, special obligations "shall have maturities fixed with due regard for the needs of the trust funds." In recent years, all special obligations issued to the old-age and survivors insurance trust fund have been 1-year special certificates of indebtedness. At one time the fund held, in addition to its marketable issues, only 5-year special Treasury notes, but the last series of those notes was issued in 1943 and matured on June 30, 1948.

On June 30, 1957, when all the fund's special certificates of indebtedness matured, the Managing Trustee began to put into effect the new maturities provision. A total of $4.5 billion was invested in longer-term special obligations: $500 million in each of four issues of special Treasury notes maturing a year apart in 2–5 years and $500 million in each of five issues of special Treasury bonds maturing a year apart in 6–10 years. Both the special notes and special bonds are first redeemable 1 year after date of issue. The remaining funds were reinvested in 1-year special certificates of indebtedness from which redemptions were made as needed for trust fund expenditures. The amount of special obligations redeemed was $705 million greater than the amount invested in these obligations in 1957—the first time in this fund's history that its holdings of special obligations declined. This drop was partially offset by an increase of $440 million in the net total of public marketable obligations acquired.

Investment of the disability insurance trust fund assets in special obligations followed a similar pattern. Special certificates of indebtedness at 2½ percent, maturing June 30, 1957, were issued to the fund, March through May; they totaled $251 million. At their maturity $7.5 million was invested in each of four series of 2½-percent special Treasury notes maturing annually June 30, 1959–62; $7.5 million in each of five series of special Treasury bonds maturing annually June 30, 1963–67; and the remainder in 1-year special certificates. By the end of the year the fund had acquired $512 million of special certificates; its holdings of the other special obligations remained at $67.5 million.

The new formula for the interest rate on special obligations issued to the old-age and survivors insurance and the disability insurance trust funds (based on the average bond rate of the month before, rounded to the nearest ⅛ of 1 percent) was applied for the first time to special certificates issued in October 1956. Through the rest of 1956 and all of 1957 the rate continued as before at 2½ percent, but—in every month but December 1957—only because of the new rounding method. The average rate on Treasury bonds from September 1956 through September 1957 was 2.482 percent; in October and November 1957, 2.494 percent; and in December, 2.505 percent. Had the old rounding method (to the next lowest ⅛ of 1 percent) continued to be applied to the new interest base, the rate borne by special obligations issued in all 15 months except December would have been only 2⅜ percent. With the old interest base (the total interest-bearing public debt) and the old rounding method, special obligations issued to the fund would have borne interest at 2½ percent in October 1956, at 2⅝ percent from November 1956 through August 1957, at 2¾ percent in September, and at 2⅞ percent from October through December 1957.

Thus in a period of generally rising interest rates, made manifest first in shorter-term issuances, the interest formula provided by the 1956 amendments results in a lower rate for the fund's special obligations than the previous formula. Conversely, in a period of falling rates, the new formula places the fund among the last to be affected, along with the longest-term Treasury securities. The difference over the years between the average rate on the total interest-bearing debt and on the long-term bonds is indicated in table 3, with the computed average interest rate on all investments (special obligations and other) of the three trust funds. The long-term marketable securities had a higher average rate in the 16 years 1936–51. During the past 6 years, 1952–57, the average interest rate on the total debt took the lead, but by a smaller margin than for the reverse situation in many of the earlier years.

The 1956 amendments did not affect the interest formula of the un-

Table 2.—*Investments of social security trust funds and interest-bearing public debt at end of specified period, 1936–57*

[Amounts in millions]

At end of—	Interest-bearing public debt	Social security trust fund investments				
		Total amount	Percent of public debt	Old-age and survivors insurance trust fund	Disability insurance trust fund	Unemployment trust fund
1936	$33,699	$64	0.2			$64
1937	36,715	1,138	3.1	$513		625
1938	38,899	1,926	5.0	862		1,064
1939	41,445	2,944	7.1	1,435		1,509
1940	44,458	3,962	8.9	2,016		1,945
1941	57,451	5,468	9.5	2,736		2,732
1942	107,308	7,342	6.8	3,655		3,687
1943	164,508	9,874	6.0	4,779		5,095
1944	228,891	12,546	5.5	5,967		6,579
1945	275,694	14,563	5.3	7,054		7,508
1946	257,649	15,643	6.1	8,079		7,564
1947	254,205	17,371	6.8	9,268		8,102
1948	250,579	19,052	7.6	10,556		8,496
1949	255,019	19,424	7.6	11,728		7,696
1950	254,283	20,970	8.2	13,331		7,639
1951	257,070	23,444	9.1	15,017		8,427
1952	265,293	25,983	9.8	16,960		9,023
1953	272,881	27,836	10.2	18,291		9,545
1954	275,731	28,602	10.4	19,863		8,740
1955	277,799	29,855	10.7	21,102		8,754
1956	274,219	30,892	11.3	21,831		9,061
1957:						
June	268,486	31,563	11.8	22,263	$325	8,975
December	272,874	31,276	11.5	21,566	612	9,098

Source: *Daily Statement of the U.S. Treasury* and other Treasury Department releases.

Table 3.—*Computed average interest rate (percent) on social security trust fund investments, total interest-bearing public debt, and long-term marketable debt at end of specified period, 1936–57*

At end of—	Total interest-bearing public debt	Long-term marketable U.S. obligations	Social security trust fund investments		
			Old-age and survivors insurance trust fund	Disability insurance trust fund	Unemployment trust fund
1936	2.570	3.088			2.50
1937	2.568	3.059	3.00		2.50
1938	2.586	2.978	3.00		2.50
1939	2.598	2.915	3.00		2.50
1940	2.566	2.868	2.84		2.50
1941	2.409	2.751	2.66		2.49
1942	2.059	2.675	2.44		2.24
1943	1.956	2.421	2.22		1.89
1944	1.919	2.326	2.20		1.91
1945	1.965	2.323	2.14		1.93
1946	2.057	2.307	2.04		1.94
1947	2.144	2.296	2.09		2.05
1948	2.216	2.310	2.20		2.16
1949	2.208	2.316	2.20		2.16
1950	2.209	2.359	2.19		2.16
1951	2.308	2.322	2.20		2.18
1952	2.353	2.320	2.30		2.30
1953	2.414	2.393	2.41		2.41
1954	2.291	2.480	2.29		2.30
1955	2.490	2.485	2.31		2.31
1956	2.671	2.482	2.52		2.53
1957:					
June	2.730	2.482	2.53	2.50	2.64
December	2.889	2.505	2.55	2.57	2.66

Source: *Daily Statement of the U.S. Treasury* and other Treasury Department releases.

employment trust fund—a fund of essentially different character and purpose from the old-age and survivors insurance trust fund. The formula remained the same as the "old" formula for the old-age and survivors insurance trust fund. The unemployment insurance trust fund therefore acquired special obligations in 1956 at the same rates as the old-age and survivors insurance trust fund through October. Obligations acquired from November 1956 through September 1957 carried 2⅝-percent interest, in October none were acquired, and the acquisitions in November and December carried a 2⅞-percent rate. The net total acquired in 1957 amounted to $58 million less than the year's redemptions of special issues; the difference, plus the bulk of the annual increment to the fund, was invested in public marketable issues (table 1). Of the total investments of $31,276 million in the portfolios of the three funds at the end of the year, $27,137 million or 86.8 percent was invested in special obligations—$19,099 million at the 2½-percent interest rate, $7,817 million at 2⅝ percent, and $221 million at 2⅞ percent.

The old-age and survivors insurance trust fund acquired a net total of $442 million of public marketable obligations in 1957;[8] $63 million was added in Treasury bonds and $405 million in Treasury notes. Holdings of Treasury certificates of indebtedness (not to be confused with Treasury special certificates of indebtedness) were reduced by $33 million during the year. In August, for the first time in its history, the fund acquired a total of $11 million in Treasury bills, the shortest-term Government security. Treasury bills are usually of 90-day maturity; the two series in which the fund invested, however, had maturities of just over and just under 8 months, respectively. Of the first, a tax-anticipation series, the fund acquired $6 million, which it still held at the end of the year. The fund's original acquisition of $5 million of the second series was increased to $22 million in September, dropped to $20 million in October, and to $200,000 in November, where it remained at the end of 1957.

Marketable public issues were first acquired for the disability insurance trust fund in September 1957, when $10 million was invested in 4-percent Treasury certificates of indebtedness and $5 million in 4-percent Treasury notes. In October, $5 million was invested in the Treasury 4-percent bonds of 1969; $7 million in 3¾-percent notes was added in November and $5 million in the Treasury 3⅞-percent bonds of 1974 in December. None of these acquisitions were disposed of during 1957.

Investments of the unemployment trust fund in other than special issues must bear interest at rates at least equal to the rates payable on special obligations. From November 1953 when this fund held $964 million[9] in Treasury bonds, through March 1957, the fund made no further acquisitions of public issues. In the last 3 quarters of 1957, however, the fund added $95 million in Treasury public marketable obligations at interest rates of 3½ percent ($10 million), 3⅝ percent ($15 million), 3¾ percent ($15 million), 3⅞ percent ($5 million), and 4 percent ($50 million) (table 1).

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 1957 total receipts of the railroad retirement account amounted to $721 million—$610 million in contributions and $111 million[10] in interest. Railroad retirement benefits of $693 million were paid in 1957; administrative expenses were $8 million. At the end of the year the total assets of the account were $3,660 million, of which $3,596 million was invested and $64 million was undisbursed cash balance. The interest rate for this fund's investments is set by law at a minimum of 3 percent.

Contributions to the civil-service retirement fund totaled $915 million in 1957, and interest earned $224 million. Benefits of $645 million were paid during 1957. 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 $7,703 million.

At the end of 1957, all types of special Government obligations outstanding amounted to $45,799 million, 17 percent of the outstanding interest-bearing Federal debt. Together, the three social security funds held 59 percent of all special obligations, about the same proportion as in 1955 and 1956. Most of the remainder was held by related trust funds, including the civil-service retirement fund (16 percent), the several veterans' insurance funds (15 percent), and the railroad retirement account (7 percent).

[8] The total includes accrued interest purchased and net unamortized premium and discount.

[9] This amount does not include $1 million of unamortized premium.

[10] This amount excludes $2 million transferred to the old-age and survivors insurance trust fund under the financial interchange provisions of the Railroad Retirement Act.

Diagnoses in Disability Freeze Allowances, July 1955-December 1956 *

The Social Security Amendments of 1954 included the provision that a worker who has a severe impairment that results in "inability to engage in any substantial gainful activity" may have his social security account "frozen." This provision makes it possible, in determining eligibility for and the amount of benefits payable at retirement or death, to disregard extended periods in which a worker had little or no covered earnings because of a disability that made it impossible for him to work. Before this amendment was adopted, such periods of disability could result in loss of insured status or a reduction in the benefit amount.

Before a worker can have his account frozen he must have worked in covered employment for at least 5 years out of the 10 years immediately preceding the beginning date of the disability; at least 1½ years of covered employment must have been within the 3 years immediately before the beginning date of the disability. The disability must have

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