fits for dependents of a retired or deceased worker are defined below:

Fully insured—credited with the required number of covered quarters (at least 1 quarter for each calendar year after 1950 or after the year age 21 is reached, if later) and before the year a woman reaches 62 or dies, a living man reaches 65, or a deceased man reached 65 or died

Permanently insured—fully insured for life, with at least 40 quarters of coverage or, if less, at least the number needed for fully insured status at age 62 (women) or age 65 (men)

Currently insured—with at least 6 quarters in the 13-quarter period ending with December 31, 1965

Transitionally insured—with the same number of quarters as for fully insured status, except that the worker may be insured with fewer than 6 quarters (but a minimum of 3) if he reached age 72 before 1969

Not insured—with insufficient quarters of coverage to be fully, currently, or transitionally insured.

Notes and Brief Reports

Railroad Retirement Supplemental Annuities Revised

On March 17, 1970, President Nixon signed Public Law 91–215, a measure that provides additional employer financing for the supplemental annuities under the Railroad Retirement Act. The annuities were established in 1966 to supplement the regular retirement benefits paid to long-service employees under the railroad retirement system. They are financed solely by employer contributions, unlike the regular benefits financed through taxes paid in equal amounts by employers and employees. A separate railroad retirement account handles the transactions of the program.

The supplemental annuities are payable at age 65 to railroad workers retiring with 25 or more years of railroad service and a current connection with the railroad industry. They range from $45 a month for a 25-year annuitant to $70 for one with 30 or more years of service.

Under the old law, the annuities—which are now payable to more than 60,000 retired railroad employees—were scheduled to end in October 1971. Employers were paying a tax of 2 cents per manhour of work performed. Because the supplemental account in the railroad retirement trust fund was depleted, legislative action was needed at this time.

Under the new law, the supplemental annuity program is made permanent and the employers are to pay whatever tax per manhour is needed to finance the annuities. The tax may eventually rise to 11½ cents an hour, according to estimates.

After 1973, the railroad employee will forfeit his entire supplemental annuity unless he retires by the end of the month following the month in which he reaches age 65. During a transitional period lasting until the end of 1973, the age limit will gradually be reduced from age 68 to age 65. Thus employees who are age 68 before the end of 1970 must retire on or before January 1, 1971; those who reach age 67 in 1971 must retire by January 1, 1972, and so forth. If an employee has at least 23 years of railroad service but less than 25 when he reaches the age at which he must otherwise retire or forfeit his supplemental annuity, he may continue to work until he qualifies for the annuity, unless he is or becomes eligible for social security benefits.

Effect of OASDI Benefit Increases

March 1970 checks for those receiving monthly cash benefits under the old-age, survivors, disability, and health insurance program included for the first time the increases provided by the 1969 amendments to the Social Security Act.[1] The checks, delivered in the first week of April, were at least 15 percent higher than the amount payable under the old rates.

The total amount payable to the 25.7 million persons receiving benefits at the end of March was $2.5 billion. It was about $343 million more

[1] The new rates were effective beginning with benefits for January 1970, and a separate check for the amount of the January and February increases was mailed to beneficiaries in the third week of April.

Monthly benefits in current-payment status under old and new rates and percentage increase, by type of beneficiary, at end of March 1970

Type of beneficiary	Number	Total amount (in thousands)		Average amount		Percentage increase
		Old rates	New rates	Old rates	New rates	
Total	25,713,710	$2,206,015	$2,549,836			15.6
Retired workers and dependents	16,235,413	1,476,832	1,709,969			
Retired workers	13,031,508	1,316,704	1,523,773	$101.04	$116.93	15.7
Wives and husbands	2,664,682	139,016	161,904	52.17	60.76	16.5
Children	539,223	21,111	24,292	39.15	45.05	15.0
Disabled workers and dependents	2,542,630	200,413	230,687			
Disabled workers	1,419,240	160,516	184,796	113.10	130.21	15.1
Wives and husbands	269,679	10,272	11,810	38.09	43.79	15.0
Children	853,711	29,625	34,081	34.70	39.92	15.0
Survivors of deceased workers	6,350,498	505,826	582,797			
Widowed mothers	516,991	38,723	44,529	74.90	86.13	15.0
Children	2,669,506	190,202	218,794	71.25	81.96	15.0
Widows and widowers, nondisabled	3,091,286	271,199	312,881	87.73	101.21	15.4
Widows and widowers, disabled	42,847	3,039	3,528	70.92	82.34	16.1
Parents	29,868	2,663	3,065	89.15	102.63	15.1
Special age-72 beneficiaries	585,169	22,943	26,382			
Primary	570,026	22,641	26,035	39.72	45.67	15.0
Wives	15,143	302	348	19.96	22.96	15.0

than it would have been if the benefits had been computed under the old rates.

For retired workers, the amendments brought the average benefit to $117—a difference of about $16; for disabled workers the increase meant an average amount of $130. The entitled dependents of these retired or disabled workers received raises in their benefits that ranged, on the average, from $5.22 for the children of disabled workers to $8.59 for the wives and husbands of retired workers.

Among the different types of survivor beneficiaries, the average increase in benefit amount ranged from about $10.70 to $13.50. The greatest rise in dollar amount occurred in the average benefit for widows and widowers (nondisabled) and for parents. Relatively, the biggest increase was in the average benefit amount for disabled widows and widowers.

The 1969 legislation called for a 15-percent across-the-board increase. Benefits for some individuals were raised slightly more than 15 percent, as the accompanying table indicates. The amendments also raised the minimum for the primary insurance amount[2] on which benefits are based from $55 to $64. Persons with benefits at the minimum therefore received a 16.4-percent increase. For persons who claimed their benefits before age 65 and thus had the amount actuarially reduced, the increase also amounted to somewhat more than 15 percent.

[2] The amount payable to a retired worker who gets his benefit at age 65 or to a disabled worker; it is related to the worker's average monthly earnings. It is used as the base for computing all types of benefits payable on the basis of one individual's earnings record.

Social Security Abroad

Social Security for Rural Workers in Brazil*

A "basic plan" to protect the rural worker in Brazil against the risks of sickness, old-age and disability was formally enacted in a decree issued by the Brazilian Government on September 5, 1969. Although the plan initially affects only workers in the sugar cane industry, it will eventually apply to all workers in agricultural enterprises, to producers and suppliers of agricultural raw materials, and to seasonally employed agricultural workers. The plan entered into force on January 1, 1970. It is one of several programs being undertaken by the Brazilian Government to extend social security to the agricultural sector.

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