

Old-Age and Survivors Insurance: Insured Workers and Their Representation in Claims

By George E. Immerwahr and Harry Mehlman*

ALMOST 34 million persons are estimated to have been insured¹ under Federal old-age and survivors insurance at the beginning of 1944. That is, there were about 34 million persons whose deaths could result in the award of benefits under the program. Almost a million were fully insured workers who had attained age 65 and therefore could have been entitled to primary benefits—the old-age benefits payable to retired workers; some 380,000 of them actually were entitled to primary benefits. In addition, more than a million, just a few years under age 65 at the beginning of 1944, were not only fully insured, but *permanently* fully insured. In other words, not only would survivor benefits be available at their death, whenever it might occur, but they would also be certain to qualify for primary benefits at age 65, even without receiving additional wages.

The number of insured workers has increased rapidly since the beginning of 1940, when monthly benefits first became payable. That growth is indicated by the following estimates (in millions of workers):

Beginning of calendar year	Number fully or currently insured	Number fully insured	Number currently but not fully insured
1940.....	22.7	22.7	.....
1941.....	24.7	24.0	0.7
1942.....	27.4	25.6	1.8
1943.....	30.2	27.1	3.1
1944.....	33.8	29.8	5.0

The figures for 1940, 1941, and 1942 have been derived from a statistical sample, known as the continuous work-history sample, which is based on 1 percent of the wage records maintained by the Bureau of Old-Age and Survivors Insurance.² The figures

*Members of the Analysis Division, Bureau of Old-Age and Survivors Insurance, and of the Office of the Actuary, respectively.

¹A definition of the terms "fully insured," "currently insured," and "permanently fully insured," as used in this article, will be found in the section, "Definition of Insured Worker."

²For a detailed description of this project, see Perlman, Jacob, and Mandel, Benjamin, "The Continuous Work History

for 1943 and 1944 are projections based primarily on that sample.

The growth in the number of fully insured workers is largely the result of the increased volume and regularity of covered employment in recent years, though to some extent it is due to the gradual maturing of the program. The relatively more rapid growth in the number of workers currently but not fully insured has been caused partly by the large number of comparatively recent entrants to covered employment and partly by the increasing difference between the number of quarters of coverage required for fully insured status and the less stringent requirement for currently insured status. When workers are only currently insured, they cannot be eligible for retirement benefits; also, the death benefit protection for their survivors is more restricted in scope than in the case of fully insured workers.

Definition of Insured Worker

The definitions of "fully insured" and "currently insured" used in this article depart from the phraseology but not from the effect (except in one minor detail) of the provisions of the Social Security Act. The definitions used relate to living workers generally; they may be regarded as a generalization of the actual provisions, which are expressed only in terms of workers who have died or who are filing application for primary benefits. Moreover, these definitions lend themselves more readily to the statistical determination of the number of insured workers.

The basic unit employed in statistical measurement of either currently or fully insured status is the "quarter of coverage"—a calendar quarter in which the worker has been paid at least \$50 in wages for covered employment; in any year in which a worker receives at least \$3,000 in wages, certain additional calendar quarters may also be quarters of coverage.

A worker is fully insured at a given time (throughout a given calendar

Sample Under Old-Age and Survivors Insurance," *Social Security Bulletin*, Vol. 7, No. 2 (February 1944), pp. 12-23.

quarter) provided he has been credited with quarters of coverage equal to at least half the number of "elapsed quarters" preceding the given quarter, but not less than 6. Elapsed quarters include all calendar quarters after 1936, except the quarter in which the worker became age 65 and all subsequent quarters, and the quarter in which he became age 21 and all preceding quarters. If the number of elapsed quarters is odd, the number is reduced by 1 in applying the formula. No more than 40 quarters of coverage are required in any case.

A worker is currently insured throughout a given quarter if he has credit for at least 6 quarters of coverage within the 12 calendar quarters immediately preceding the given quarter.³

The quarter-of-coverage requirements for fully insured status may be illustrated by tracing from quarter to quarter the number of elapsed quarters and the required number of quarters of coverage for a worker born in May 1876.

Quarter in which status is determined	Number of elapsed quarters	Quarters of coverage required for fully insured status
1st quarter, 1940.....	12	6
2d quarter, 1940.....	13	6
3d quarter, 1940.....	14	7
4th quarter, 1940.....	15	7
1st quarter, 1941.....	16	8
2d quarter, 1941 (worker attains age 65).....	17	8
3d quarter, 1941 (and all subsequent quarters)....	17	8

This worker would have been fully insured throughout the first 2 quarters of 1940 with only 6 quarters of coverage. Unless he had obtained a seventh quarter of coverage by the end of the second quarter of 1940, he would enter the third quarter without fully insured status and would not again be fully insured until he met the current requirement. He will be permanently fully insured only when he has obtained credit for 8 quarters of coverage, the number corresponding to his final number of

³The actual provision in the Social Security Act regarding currently insured status relates to calendar quarters for which wages of at least \$50 are paid, rather than to quarters of coverage, which are quarters in which wages of at least \$50 are paid. In practice, however, wages paid in a calendar quarter are also paid for that quarter.

elapsed quarters — 17 — when he reaches age 65. Only when he is permanently fully insured is he eligible for primary benefits either when or after he reaches age 65.

Table 1 indicates the requirements for fully insured status and permanently fully insured status applicable to workers, differentiated by their period of birth. For a very large block of workers—all those born in the years 1892 through 1915—the requirements are uniform, namely, 6 quarters of coverage to be fully insured in the first half of 1940, 7 in the second

half, 8 in the first half of 1941, and so forth, up to 40 quarters of coverage to be permanently fully insured, i. e., fully insured in the first quarter of 1957 or later and eligible for primary benefits at age 65.

Statistical data relating to fully insured workers, as developed from the continuous work-history sample, refer to all workers who would be fully insured in event of death, rather than merely those who are permanently fully insured. Thus, the number of workers tabulated in the sample as fully insured at the beginning of 1942

includes workers of all ages who had obtained 10 or more quarters of coverage in 1937-41, as well as the workers born in the last half of 1870 or the first half of 1916 who had obtained only 9 quarters of coverage, those born in the first half of 1876 or the last half of 1916 who had obtained 8, and so on.

Statistical data on the currently insured workers relate in this article only to workers who are currently but not fully insured. The number of currently but not fully insured workers together with the number of fully

Table 1.—Numbers of quarters of coverage required by workers of specified periods of birth for fully insured status (in event of death) and for permanently fully insured status

Year and quarter of birth (1)	Quarters of coverage ¹ required for fully insured status in event of death in —														Requirement for permanently fully insured status		Earliest quarter when number of quarters in column 15 would be required for fully insured status in event of death (17)
	1st half 1910 (2)	2d half 1910 (3)	1st half 1911 (4)	2d half 1911 (5)	1st half 1912 (6)	2d half 1912 (7)	1st half 1913 (8)	2d half 1913 (9)	1st half 1914 (10)	2d half 1914 (11)	1st half 1915 (12)	2d half 1915 (13)	1st half 1916 (14)	2d half 1916 (15)	First possible quarter when coverage requirement could be met (16)		
Age 21 attained in 1937 or later:																	
1920-4th quar.	6	6	6	6	6	6	6	6	6	6	6	29	30	31	40	4-1946	1-1962
1920-3d quar.	6	6	6	6	6	6	6	6	6	6	6	29-30	30-31	31-32	40	4-1946	4-1961
1920-2d quar.	6	6	6	6	6	6	6	6	6	6	6	30	31	32	40	4-1946	3-1961
1920-1st quar.	6	6	6	6	6	6	6	6	6	6	6	30-31	31-32	32-33	40	4-1946	2-1961
1919-4th quar.	6	6	6	6	6	6	6	6	6	6	7	31	32	33	40	4-1946	1-1961
1919-3d quar.	6	6	6	6	6	6	6	6	6	6-7	7-8	31-32	32-33	33-34	40	4-1946	4-1960
1919-2d quar.	6	6	6	6	6	6	6	6	6	6-7	7-8	32	33	34	40	4-1946	3-1960
1919-1st quar.	6	6	6	6	6	6	6	6	6-7	7-8	8-9	32-33	33-34	34-35	40	4-1946	2-1960
1918-4th quar.	6	6	6	6	6	6	6	6	6	7	8	33	34	35	40	4-1946	1-1960
1918-3d quar.	6	6	6	6	6	6	6	6-7	7-8	8-9	9-10	33-34	34-35	35-36	40	4-1946	4-1959
1918-2d quar.	6	6	6	6	6	6	6	6	7	8	9	34	35	36	40	4-1946	3-1959
1918-1st quar.	6	6	6	6	6	6-7	7-8	8-9	9-10	10-11	11-12	34-35	35-36	36-37	40	4-1946	2-1959
1917-4th quar.	6	6	6	6	6	7	8	9	10	11	12	35	36	37	40	4-1946	1-1959
1917-3d quar.	6	6	6	6	6-7	7-8	8-9	9-10	10-11	11-12	12-13	35-36	36-37	37-38	40	4-1946	4-1958
1917-2d quar.	6	6	6	6	7	8	9	10	11	12	13	36	37	38	40	4-1946	3-1958
1917-1st quar.	6	6	6	6-7	7-8	8-9	9-10	10-11	11-12	12-13	13-14	36-37	37-38	38-39	40	4-1946	2-1958
1916-4th quar.	6	6	6	7	8	9	10	11	12	13	14	37	38	39	40	4-1946	1-1958
1916-3d quar.	6	6	6-7	7-8	8-9	9-10	10-11	11-12	12-13	13-14	14-15	37-38	38-39	39-40	40	4-1946	4-1957
1916-2d quar.	6	6	7	8	9	10	11	12	13	14	15	38	39	40	40	4-1946	3-1957
1916-1st quar.	6	6-7	7-8	8-9	9-10	10-11	11-12	12-13	13-14	14-15	15-16	38-39	39-40	40	40	4-1946	2-1957
Age 21 attained before 1937 but age 65 not attained until 1937 or later:																	
1892-1915.....	6	7	8	9	10	11	12	13	14	15	16	39	40	40	40	4-1946	1-1957
1891-3d or 4th quar.	6	7	8	9	10	11	12	13	14	15	16	39	40	40	40	3-1946	3-1956
1891-1st or 2d quar.	6	7	8	9	10	11	12	13	14	15	16	38	38	38	38	2-1946	1-1956
1870-3d or 4th quar.	6	7	8	9	10	11	12	13	14	15	16	15	15	15	15	3-1940	3-1944
1879-1st or 2d quar.	6	7	8	9	10	11	12	13	14	15	16	14	14	14	14	2-1940	1-1944
1878-3d or 4th quar.	6	7	8	9	10	11	12	13	14	15	16	13	13	13	13	1-1940	3-1943
1878-1st or 2d quar.	6	7	8	9	10	11	12	12	12	12	12	12	12	12	12	4-1939	1-1943
1877-3d or 4th quar.	6	7	8	9	10	11	11	11	11	11	11	11	11	11	11	3-1939	3-1942
1877-1st or 2d quar.	6	7	8	9	10	10	10	10	10	10	10	10	10	10	10	2-1939	1-1942
1876-3d or 4th quar.	6	7	8	9	9	9	9	9	9	9	9	9	9	9	9	1-1939	3-1941
1876-1st or 2d quar.	6	7	8	8	8	8	8	8	8	8	8	8	8	8	8	4-1938	1-1941
1875-3d or 4th quar.	6	7	7	7	7	7	7	7	7	7	7	7	7	7	7	3-1938	3-1940
1875-1st or 2d quar.	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	2-1938	1-1940
1874, 1873, 1872.....	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	(2)	1-1940
Age 65 attained before 1937:																	
1871 or earlier.....	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	2-1910	2-1910

¹ If 2 numbers are given, the smaller number is the requirement in the first 3 months of the period shown in the column heading, larger number in the last 3 months.

² Since workers could not have wages in covered employment before 1939 after attainment of age 65, earliest calendar quarter in which 6 quarters of coverage could be obtained would be as follows:

Year and quarter of birth	Earliest attainment
1874.....	2-1938
1873-2d, 3d, or 4th quar.	2-1938

Year and quarter of birth—Continued	Earliest attainment—Continued
1874-1st quar.	1-1939
1872-4th quar.	2-1939
1872-3d quar.	3-1939
1872-2d quar.	4-1939
1872-1st quar.	1-1940

³ Workers born in 1871 or earlier could not have wages in covered employment before 1939 and therefore could not obtain their sixth quarter of coverage before the second quarter of 1940.

Table 2.—Estimated number of workers with insured status (in event of death) as of various dates, 1940-42,¹ and average primary benefits on January 1, 1942
[Number in thousands]

Sex and year of birth	Number fully insured on -						Number currently but not fully insured on -		Approximate average primary benefit on Jan. 1, 1942, for workers ²	
	Jan. 1, 1940	June 30, 1940	July 1, 1940	Jan. 1, 1941	July 1, 1941	Jan. 1, 1942	Jan. 1, 1941	Jan. 1, 1942	Fully insured ³	Currently but not fully insured
Total.....	22,748	24,382	23,407	23,068	24,618	25,550	694	1,784	\$25.00	\$14.00
Male workers, total.....	17,068	18,233	17,554	17,940	18,411	19,069	468	1,277	20.50	14.50
1920 and later.....	234	353	353	545	800	1,169	.....	.....	22.00	.....
1910-19.....	5,132	5,610	5,407	5,052	5,885	6,134	168	450	24.00	14.00
1900-09.....	4,090	5,101	4,982	4,983	5,008	5,044	140	304	28.00	15.00
1890-99.....	3,614	3,723	3,580	3,552	3,542	3,540	53	251	20.00	15.50
1880-89.....	2,351	2,389	2,203	2,254	2,223	2,211	88	154	28.50	15.00
1877-79.....	380	380	369	350	340	345	9	25	27.50	14.50
1870.....	111	112	106	101	103	105	3	3	28.50	14.00
1875.....	92	93	91	93	94	95	1	(⁴)	25.00	.....
1872-74.....	184	203	203	200	212	215	.....	.....	24.50	.....
1870-71.....	61	61	61	69	72	76	.....	.....	26.00	.....
1869 and earlier.....	.....	109	109	120	123	126	.....	.....	26.00	.....
Female workers, total.....	5,680	6,149	5,853	6,028	6,237	6,490	226	507	21.00	11.50
1920 and later.....	132	225	225	355	515	712	.....	.....	19.00	.....
1910-19.....	2,672	2,794	2,678	2,740	2,817	2,884	96	260	20.00	11.00
1900-09.....	1,680	1,671	1,569	1,555	1,550	1,548	78	187	21.50	11.50
1890-99.....	879	918	867	860	850	852	37	90	22.00	12.00
1880-89.....	404	417	394	387	379	374	13	27	21.50	12.00
1877-79.....	56	57	54	53	51	50	2	3	21.50	11.50
1870.....	16	16	15	15	15	15	(⁴)	(⁴)	20.50	.....
1875.....	13	13	13	13	13	13	(⁴)	(⁴)	10.50	.....
1872-74.....	22	21	21	25	25	20	.....	.....	19.00	.....
1870-71.....	.....	7	7	8	8	8	.....	.....	21.50	.....
1869 and earlier.....	.....	7	7	8	8	8	.....	.....	21.00	.....

¹ Computed from 1937-41 continuous work-history sample, corrected for known deaths and estimated unreported deaths, for unknown ages, for 1937-40 carry-over wages included in 1941 postings, and for estimated 1937-41 carry-over wages to be included in 1942 and subsequent years' postings.

² Average amount on basis of which survivor benefits would be computed if

worker died in first quarter of 1942. Averages not computed on basis of less than 500 workers.

³ For workers aged 65 and over, averages relate to all fully insured workers irrespective of entitlement to primary benefits.

⁴ Less than 500 workers.

insured workers represent the total number of workers upon whose deaths benefits would become payable.

Number of Insured Workers

Although the number of fully insured workers has increased from each calendar year to the next, the growth has not been continuous (table 2). From 22.7 million at the beginning of 1940 the number increased to 24.4 million at the end of June, since throughout the first half of the year the quarter-of-coverage requirement remained at 6, and many workers with only 4 or 5 quarters of coverage at the beginning of the year were able to obtain their sixth quarter during the first half. At the beginning of the second half of the year, however, the requirement moved to 7 quarters for all workers born between the middle of 1875 and the end of 1915 (table 1). Since about a million of these workers had acquired exactly 6 quarters by the end of the first half of the year, they lost fully insured status during the night of June 30, leaving only 23.4 million fully insured on July

1. Some of the million workers quickly regained fully insured status in the second half of the year by acquiring a seventh quarter of coverage; in the interim, many of them were currently insured.

Similarly, between December 31, 1940, and January 1, 1941, the number of fully insured workers dropped from 25.0 million to 24.0 million, and presumably similar decreases occurred at the end of subsequent half-year periods. The figures shown for the number fully insured at the beginning of a calendar year (or half year) are really low points and tend to underrepresent the average insured population. Thus, for example, the number of workers fully insured during the calendar year 1940 averaged about 23.9 million, whereas the mean of the numbers fully insured respectively at the beginning of 1940 and the beginning of 1941 was only about 23.4 million.

For certain of the year-of-birth groups represented in table 2, the growth in the number fully insured is not offset by loss of insured status

due to increasing quarter-of-coverage requirements. Workers born before the second half of 1875, for example, cannot lose fully insured status once it is acquired; the number fully insured in that group therefore can be reduced only by deaths, and the number of insured worker deaths has been outweighed by the number of additional workers who have acquired their sixth quarter of coverage.

Workers born in 1871 or earlier could not possibly acquire their sixth quarter of coverage until the second quarter of 1940, since the employment of these workers was not covered under the program until 1939. Hence, no workers with those birth years were fully insured at the beginning of 1940. Almost 200,000, however, became insured in the second quarter of the year, and considerable numbers in each subsequent quarter.

The intermediate year-of-birth groups (1876-1909) showed little increase, and in most cases a decrease, from one year to the next, in the number fully insured, because the continual increase in the number of re-

quired quarters of coverage limited the growth in the number acquiring fully insured status, and such increments generally were more than offset by deaths and, to a lesser extent, by workers' loss of fully insured status. However, for the youngest year-of-birth group (1920 and later) and partly for the group born in 1910-19, only 6 quarters of coverage were required for fully insured status throughout the period covered by table 2, in which case, a decrease in the number of insured workers could occur only by death, a relatively minor hazard at these ages. However, the rapid growth in the number of fully insured in the youngest year-of-birth group was due primarily to the fact that they all were under age 20 at the beginning of 1940 and therefore only recent entrants to the labor force, while many had become age 20 or 21 by the beginning of 1942; by the latter date, many more had been in covered employment for 6 or more quarters. On an attained-age basis, the number of fully insured workers under age 25 increased from 3.9 million on January 1, 1940, to 4.7 million 2 years later. Increases for other attained-age groups are shown in the following estimates (in thousands):

Attained age last birthday	Number fully insured as of—		
	Jan. 1, 1940	Jan. 1, 1941	Jan. 1, 1942
Total.....	22,748	23,968	25,556
Under 25.....	3,937	4,366	4,707
25-34.....	7,749	7,871	8,329
35-44.....	5,413	5,515	5,852
45-54.....	3,663	3,767	3,975
55-64.....	1,780	1,871	2,006
65 and over....	206	515	687

Female workers showed a proportionately greater increase from January 1, 1940, to January 1, 1942, in the aggregate number fully insured than did male workers, primarily because of the substantial increase in the number under age 25 (chart 1).

All workers who are fully insured and have attained age 65 are also permanently fully insured. Younger workers can also become permanently fully insured if they acquire the number of quarters of coverage which they will need for fully insured status at age 65. At the beginning of 1942, more than 1.3 million workers aged 59 and over had become permanently fully insured. Their distribution by year of birth and sex was as follows:

Year of birth	Attained age, last birthday	Workers permanently fully insured on Jan. 1, 1942 (thousands)		
		Total	Male	Female
Total.....		1,337	1,186	151
1880-82.....	59-61.....	200	254	30
1877-79.....	62-64.....	360	315	45
1876 and earlier.	65 and over..	687	617	70

As stated above, it is estimated that somewhat more than 1 million workers under age 65 were permanently fully insured at the beginning of 1944, and in addition there were about 1 million fully insured workers who had attained age 65, making a total of about 2 million workers with permanently fully insured status.

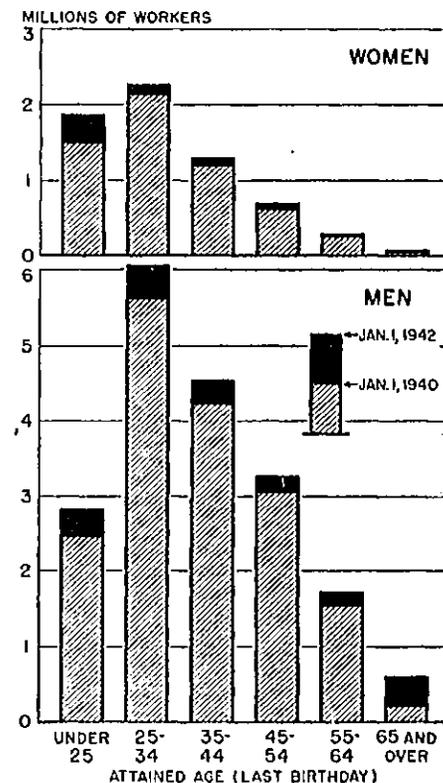
Average Primary Benefits of Insured Workers

The term "primary benefit" usually refers to the amount of the monthly benefit paid under the program to eligible retired workers who have attained age 65. The same term, however, is also applicable to the amount upon which survivors benefits would be based in the event of an insured worker's death. If therefore, at his death, the amount of a worker's primary benefit was determined to be \$20, any widow's current benefits payable to his widow would amount to \$15 monthly (three-fourths of the primary benefit), and each child's benefit would be \$10 monthly (half the primary benefit), subject, of course, to the limitations on maximum family benefits specified in the act.⁴

The approximate average primary benefit of insured workers as of January 1, 1942 (shown in the last two columns of table 2) indicates the average amount on which survivors' benefits would be computed were the worker to die in the first quarter of 1942. It is also the average amount of primary benefit to which the worker could become entitled if he were at least 65 years old, were fully insured, and filed application for primary benefits in the first quarter of 1942.

⁴For the method of computing the primary benefit and the various dependents' and survivors' benefits, see secs. 202, 203, and 209 of the Social Security Act, as amended; or "Federal Old-Age and Survivors Insurance: A Summary of the 1939 Amendments," *Social Security Bulletin*, Vol. 2, No. 12 (December 1939), pp. 3-18.

Chart 1.—Number of women and men fully insured as of January 1, 1940, and 1942, by age



In calculating these averages, which were derived from the data of the 1937-41 continuous work-history sample, it was necessary to make a number of estimated corrections corresponding to the corrections made in deriving the estimates of insured survivors (see footnote 1 of table 2). Moreover, for workers aged 65 or over, the calculated average allows for the fact that for workers entitled to primary benefits the amount becomes fixed as of the date of entitlement.

The marked difference between the average primary benefits for the fully insured and those for the currently but not fully insured arises from the fact that for the latter it was generally necessary to average the aggregate wages in covered employment over the 5 years since 1936, even though most of them had received taxable wages during only a brief period. A worker with earnings from covered employment in only the last 6 calendar quarters of 1937-41, even though such earnings were at the rate of \$100 per month, might have only a \$30 average monthly wage as defined in the act.

**Workers Awarded
Primary Benefits**

During the 3 years 1940-42, some 347,000 workers retired and became entitled to primary benefits.⁵ A comparison of the distribution of these retired workers by year of birth, sex, and quarter of entitlement to benefits (table 3) with the distribution of fully insured workers by year of birth and sex (table 2) indicates the varying incidence of retirement among the different age and sex groups.

For example, an estimated 206,000 workers born in 1872-74 were fully insured as of January 1, 1940, (table 2). These were the only workers eligible for primary benefits at the beginning of 1940. During the first quarter of that year about 25,000 workers became eligible among those who attained age 65 during the quarter, and a number of workers born in 1872-74 obtained their sixth quarter of coverage.

Only 47,000 workers became entitled to primary benefits in the first quarter of 1940 (table 3); most of them were workers born in 1872-74. Only a few thousand workers born in those years became entitled in any subsequent quarter. Thus, by the end of 1942, probably not more than

⁵ Only those primary benefits awarded through the end of 1942 were included; see footnote to table 3.

half the eligible workers born in 1872-74 had become entitled to primary benefits. In each quarter of 1940 and 1941, between 4,000 and 5,000 workers currently attaining age 65 became entitled to primary benefits. The remaining entitlements in the year of attainment of 65 were those of workers who had attained age 65 in some previous quarter of the year.

Both among the workers born in 1872-74 who became eligible for primary benefits in the first quarter of 1940 and among those workers born in 1875 or 1876 who became eligible in the quarter of attainment of age 65, those who actually filed for primary benefits when they first became eligible constituted, by and large, a group whose employment history as well as employment prospects were subnormal. In general they were either workers who, because of disability or unemployment, had actually withdrawn from covered employment some time before they became eligible for primary benefits, or those whose employment had been somewhat irregular, barely providing the necessary quarters of coverage. Many of the latter might still have occasional jobs in covered employment, but in most cases it was worth their while to apply immediately for benefits, as they could draw benefit payments in whatever months they were not earn-

ing as much as \$15 in covered employment. The whole group, because of their history of noncontinuous employment, had lower average wages and therefore lower primary benefits than were typical of the total group who became eligible either in the first quarter of 1940 or upon subsequent attainment of age 65. There were, of course, some workers among these first entitlements whose covered employment had been continuous, but they were in the minority.

Despite the more advanced age of the fully insured workers born before 1872, the rate at which they became entitled to benefits was somewhat less than that of fully insured workers born in 1872-74. The workers born before 1872 who did become eligible in 1940 had necessarily had relatively continuous covered employment, since they had to obtain 6 quarters of coverage in no more than 8 calendar quarters. Those who did become entitled in 1940 had higher primary benefits on the average than the primary beneficiaries born in 1872-76.

Two other interesting observations may be drawn from table 3: (1) slight peaks in entitlements occurred in the first quarter of 1941 and the first quarter of 1942, which were probably due to the tendency of both employers and employees to favor January 1 as a retirement date; and (2) the pro-

Table 3.—Number of workers awarded primary benefits in 1940-42,¹ by year and quarter of entitlement
[In thousands]

Sex and year of birth	Workers becoming entitled in—														
	1940					1941					1942				
	Total	First quarter	Second quarter	Third quarter	Fourth quarter	Total	First quarter	Second quarter	Third quarter	Fourth quarter	Total	First quarter	Second quarter	Third quarter	Fourth quarter
Total	143.0	46.7	32.0	36.6	27.7	110.7	31.0	28.5	26.0	25.2	92.0	20.6	25.8	22.1	15.4
Male workers, total	125.0	41.2	28.6	32.5	24.6	97.2	27.4	25.1	22.7	22.0	80.8	20.0	22.6	19.1	13.1
1877											10.1	4.3	5.2	5.2	4.4
1870						23.0	4.4	5.7	6.1	6.8	11.3	4.7	3.0	2.2	1.4
1875	22.0	3.5	5.6	6.5	7.0	12.3	4.5	3.0	2.5	2.3	7.7	2.6	2.2	1.7	1.2
1874	29.0	18.5	4.8	3.8	2.8	9.0	2.9	2.4	1.9	1.8	0.3	2.0	1.9	1.5	.9
1873	24.6	14.7	4.1	3.3	2.5	7.9	2.5	2.1	1.7	1.6	5.4	1.9	1.5	1.3	.7
1872	13.3	4.5	3.3	3.1	2.4	7.6	2.4	2.0	1.6	1.6	5.8	1.8	1.7	1.4	.9
1871-70	11.5		3.3	4.9	3.3	13.1	3.7	3.5	3.1	2.5	9.1	3.1	2.0	2.1	1.3
1869 and earlier	25.0		7.5	10.9	6.6	24.3	7.0	6.4	5.8	5.1	10.1	5.5	4.5	3.7	2.3
Female workers, total	16.1	5.5	3.4	4.1	3.1	13.5	3.6	3.4	3.3	3.2	12.1	3.6	3.2	3.0	2.3
1877											3.7	.8	1.0	1.0	.9
1870						4.1	.7	1.0	1.1	1.3	2.0	.8	.5	.4	.3
1875	3.5	.6	.8	1.0	1.1	2.0	.5	.4	.4	.4	1.2	.4	.3	.3	.2
1874	4.2	2.5	.7	.6	.4	1.5	.5	.4	.3	.3	1.0	.3	.3	.2	.2
1873	3.4	1.9	.6	.5	.4	1.1	.3	.3	.3	.2	.8	.3	.2	.2	.1
1872	1.6	.6	.4	.4	.3	.9	.3	.2	.2	.2	.8	.2	.2	.2	.2
1871-70	1.2		.3	.6	.3	1.5	.4	.4	.4	.3	1.0	.3	.3	.3	.1
1869 and earlier	2.2		.6	1.0	.6	2.4	.7	.6	.6	.5	1.6	.6	.4	.4	.3

¹ Many awards in 1943 related to entitlements as of a prior year. If these were included, the figures for the last 2 quarters of 1942 would be particularly increased—especially those of the last quarter.

Table 4.—Number and average amount of primary benefit awards, proportion of primary beneficiaries represented in supplementary¹ benefits awarded, and distribution of supplementary benefits by type, by age and sex of primary beneficiary, 1940-42

Age ² and sex of primary beneficiary	Primary benefits awarded		Primary beneficiaries on whose wage records supplementary ¹ benefits were awarded, per 1,000 primary beneficiaries	Number of supplementary ¹ benefit awards, per 1,000 primary beneficiaries		
	Number	Average amount		Total	Wife's benefits	Child's benefits
Males, total	301,888	\$23.57	326	344	292	62
65.....	99,030	23.18	212	210	143	97
66.....	45,091	22.79	255	278	198	80
67.....	30,458	23.08	295	312	219	63
68.....	21,088	23.52	316	301	309	52
69.....	17,064	21.07	407	417	378	39
70-74.....	61,355	21.05	466	475	418	27
75 and over.....	27,202	23.55	490	433	483	10
Married males, total	223,065	24.03	439	461	385	76
65.....	75,393	21.26	270	303	188	115
66.....	33,857	23.28	331	390	264	96
67.....	22,723	23.52	389	410	331	76
68.....	15,511	23.95	465	483	119	61
69.....	13,108	21.38	544	558	510	48
70-74.....	45,670	24.41	653	661	631	33
75 and over.....	16,764	23.87	791	798	784	14
Nonmarried³ males, total	81,823	22.31	17	23	.....	23
65.....	23,637	21.84	30	40	.....	40
66.....	11,234	21.29	21	31	.....	31
67.....	7,735	21.79	18	21	.....	21
68.....	5,547	22.31	14	17	.....	17
69.....	4,556	23.10	12	15	.....	15
70-74.....	18,676	23.11	7	12	.....	12
75 and over.....	10,438	23.04	2	4	.....	4
Females, total	41,729	18.67	(⁴)	(⁴)	.....	(⁴)
65.....	16,448	18.23	(⁴)	(⁴)	.....	(⁴)
66.....	6,884	17.06	(⁴)	1	.....	1
67.....	4,308	18.60	(⁴)	(⁴)	.....	(⁴)
68.....	2,815	19.12	0	0	.....	0
69.....	2,277	19.40	4	4	.....	4
70-74.....	6,860	19.80	0	0	.....	0
75 and over.....	2,137	19.89	0	0	.....	0

¹ Includes only initial entitlements (see text, footnote 7).

² Age on last birthday before entitlement.

³ Single, widowed, divorced, or of unknown marital status.

⁴ Less than 0.5 per 1,000.

portion of female primary beneficiaries has gradually increased, as a result of the fact that women who become eligible for primary benefits have a higher entitlement rate than do men—probably because women's health and employment opportunities deteriorate to a greater extent at advanced ages.

It is clear that the probability of retirement among workers eligible for primary benefits has been very largely dependent upon employment and other economic conditions. When employment opportunities are favorable for the older worker, as in the last few years, workers are able more readily to keep their jobs at advanced ages and are less likely to give them up voluntarily in order to obtain the relatively small retirement benefits. Moreover, the retirement benefits become less attractive in a period of high prices which accompany full employment.

Those who are becoming entitled

to primary benefits today include: (1) workers whose ill health has forced them from regular employment; (2) those engaged for the most part in noncovered employment, who can continue to receive retirement benefits even though they continue to work; (3) those forced into retirement because of employer practices or for various other reasons; and (4) a comparative few who retire voluntarily, many of whom have a substantial amount of savings or other income with which to supplement their benefits. The first three groups include many who are in covered employment some months and out of it in others, so that they find it advantageous to be on the benefit rolls and draw benefits for the months in which they are out of covered employment.

Although the retirements at age 65 in particular have been reduced by the increasingly favorable employment conditions since 1930, they have nevertheless accounted for a large

portion of the total primary benefits awarded. Almost one-third of the men, and about two-fifths of the women, to whom primary benefits were awarded in 1940-42 were 65 years of age at retirement (table 4).

The awards of supplementary benefits for wives and children of retired workers show a varying incidence according to the age of the retired worker.⁵ Only about 25 percent of the primary benefits awarded to married men aged 65 were accompanied by the initial entitlement⁷ of a wife or child, and more than one-third of these supplementary awards were made to children. Almost 80 percent of the awards to married men aged 75 or over at time of retirement included the award of a supplementary benefit—virtually all of them to wives.

To some extent, the nonentitlement of a wife may be due to her not filing because she has become entitled to a primary benefit in her own right, or is working in covered employment, or cannot qualify under the statutory definition of "wife." By far the largest proportion of nonentitlements, however, were due to the fact that the wife was under age 65 at the time of her husband's entitlement; in such cases, of course, the wife can become entitled to benefits when she reaches age 65. During 1940-42, there were 18,179 awards of wife's benefits under subsequent entitlement.

The average primary benefit was significantly higher for men than for women and also higher for married men than for the nonmarried.⁸ These differences are found when the respective average primary benefits of the individual age groups are compared. The 1940 census shows a greater proportion of the married men than the nonmarried in the labor force in each age group. It appears that married men in general are a

⁵ For a more detailed analysis of the family relationships found in benefit awards (but limited to the awards of the year 1940) see Immerwahr, George E., "Family Composition of Workers Represented in Old-Age and Survivors Insurance Claims," *Social Security Bulletin*, Vol. 4, No. 12 (December 1941), pp. 18-30.

⁷ Cases in which a wife becomes entitled to a wife's benefit, or a child to a child's benefit, in the same month that the worker becomes entitled to a primary benefit.

⁸ Single, widowed, divorced, or of unknown marital status.

higher salaried group, with better health, better employment opportunities, and consequently larger average earnings. The higher average primary benefit of married men is largely responsible for the fact that benefits awarded to wives have been greater than half the average primary benefit of all retired male workers.

Reference has already been made to the fact that workers to whom primary benefits were awarded during 1940-42 constituted, for the most part, a segment of the fully insured having subnormal employment history. The average for retired workers was \$22.98 in contrast to about \$26.00 for fully insured workers who were over age 65 as of January 1, 1942, and had not become entitled to primary benefits (and about \$25.00 for all fully insured workers over age 65).

Deceased Workers Represented in Death-Benefit Awards

The number of deaths among insured workers has increased from year to year, but because of seasonal variation in mortality rates the increase has not been continuous from quarter to quarter (table 5). The distribution of 1941 deaths by quarter shows a slight seasonal variation, which will

probably be repeated in much the same form for 1942 when 1943 awards relating to deaths in 1942 are included. Because of the more rapid growth in the number of workers currently but not fully insured and those on the primary benefit rolls, deaths among these two groups have shown a more rapid increase than deaths among all insured workers.

The deaths recorded in the awards of 1940-42, shown in table 5 by year of birth of the deceased wage earner, are shown in table 6 by attained age of the worker at time of death. The latter is more suitable for studying the differences, by age of deceased worker, in the family composition of the survivors who become entitled to benefits.²

Older workers are represented, in general, to a greater extent in death-benefit awards than younger workers, because of the increased mortality rates at advanced ages, which tend to offset the effect of the smaller number insured at the older ages (table 2). After the program has operated longer, the number of persons insured at the advanced ages will be much larger and their representation in death-benefit awards

² See footnote 6.

under initial entitlement will be even greater.

The type and number of death benefits awarded depend not only on the age but also on the sex and marital status of the deceased worker (table 6). Almost half the deaths of insured married men with respect to which benefits were awarded during 1940-42 resulted in monthly benefit awards; in contrast, the corresponding proportions for the nonmarried men and for women were about one-eighth and one-twelfth, respectively. The rest of the deaths resulted in lump-sum payments, which generally have much less value than monthly benefits.

Similar variations in the proportion of the deaths resulting in monthly benefit awards are found for individual age groups of each sex and marital-status category. The variations are particularly wide in the case of married male deceased workers, ranging from about 25 percent at ages 55-64 to more than 70 percent at ages 70 and over.

There is an interesting progression in the proportion of monthly benefit awards with each successive age group. The proportion is somewhat lower for the youngest age group (under 25) than for the age group 25-44,

Table 5.—Number of deaths (after 1939) of insured workers resulting in awards of lump-sum death payments or survivor monthly benefit recorded in awards of 1940-42¹
[In thousands]

Sex and year of birth of deceased worker	Deaths in—										
	1940, total	1941					1942				
		Total	First quarter	Second quarter	Third quarter	Fourth quarter	Total	First quarter	Second quarter	Third quarter	Fourth quarter
Total.....	122.2	138.8	35.0	34.0	33.6	35.2	128.0	39.3	37.5	34.7	10.5
Male workers, total.....	109.5	124.8	31.4	30.6	30.0	32.8	115.6	35.6	33.8	31.2	15.0
1920 and later.....	.7	1.8	.3	.4	.5	.6	2.7	.6	.8	1.0	.3
1910-19.....	10.7	12.5	2.7	3.1	3.4	3.3	11.7	3.5	3.5	3.4	1.3
1900-09.....	15.5	17.1	4.1	4.3	4.2	4.5	15.8	4.9	4.6	4.3	2.0
1890-99.....	23.0	25.2	6.5	6.2	6.0	6.5	22.9	7.1	6.0	6.3	2.9
1880-89.....	31.9	34.4	8.9	8.5	8.1	8.9	31.6	9.9	8.5	7.9	4.3
1870-79.....	23.7	26.1	6.9	6.3	6.0	6.9	24.1	7.5	6.9	6.4	3.3
1869 and earlier.....	4.0	7.7	2.0	1.8	1.8	2.1	6.8	2.1	1.9	1.9	.9
Female workers, total.....	12.7	14.0	3.6	3.4	3.6	3.4	12.4	3.7	3.7	3.5	1.5
1920 and later.....	.2	.4	.1	.1	.1	.1	.4	.1	.1	.2	(?)
1910-19.....	2.7	2.9	.7	.7	.8	.7	2.3	.7	.7	.6	.3
1900-09.....	2.8	2.8	.7	.7	.7	.7	2.7	.7	.8	.8	.4
1890-99.....	2.9	3.2	.8	.8	.8	.8	2.8	.8	.9	.8	.3
1880-89.....	2.5	2.7	.7	.6	.7	.7	2.4	.8	.7	.6	.3
1870-79.....	1.5	1.7	.5	.4	.4	.4	1.4	.4	.4	.4	.2
1869 and earlier.....	.1	.3	.1	.1	.1	(?)	.4	.2	.1	.1	(?)
Total currently but not fully insured workers ².....	.3	3.4	.5	.6	1.2	1.1	6.2	2.1	1.8	1.6	.7
Total primary beneficiaries ³	4.2	10.3	2.2	2.4	2.6	3.1	13.2	3.6	3.7	3.9	2.0

¹ Many awards in 1943 related to deaths in prior years. If these were included, the figures for the last 2 quarters of 1942 would be particularly increased—especially those of the last quarter.

² Less than 50 deaths.

³ Included in total. Not all reported deaths of primary beneficiaries are included in the table, for some did not result in a new award (e. g., when the primary beneficiary was not survived by a widow eligible for benefits, but was survived by eligible children who had previously become entitled to supplementary benefits).

the group most likely to have children eligible for monthly benefits. The proportion is lower at ages 45-64, as many children of persons in this group have reached age 18. Beginning at about age 65, however, the proportion again begins to grow, since there is an increasing likelihood that the widows of the deceased married men have reached age 65 and are therefore immediately eligible for widow's benefits.

A different variation is found in the distribution of the survivors' monthly benefits. An important additional factor in this case is the extent to which more than one monthly benefit may be payable with respect to one death. Although the deaths of married men cannot result in the payment of parent's benefits,¹⁰ the effect

¹⁰ By statutory provision, parent's benefit cannot be paid when a deceased insured worker is survived by a widow or unmarried child under age 18.

of this factor is minor in comparison with the fact that awards of widow's and widow's current benefits are limited to this group; furthermore, the average number of children eligible for monthly benefits is significantly greater for married men than for either nonmarried men or for women.

The average number of survivors' monthly benefit awards during 1940-42 was a little more than 1 per married male death, in contrast to about 1 monthly benefit for every 6 nonmarried male deaths and about 1 for every 10 female deaths. Among the different age groups of the deceased married men, the corresponding averages varied from less than one-half a monthly benefit per death at ages 65-69 to almost 2 per death at ages 35-44.

The average primary benefit of deceased male workers was, of course, greater than for female workers; it was also greater for married than for

nonmarried men, for reasons already discussed. Within each sex and marital status group, the average primary benefit increases with age, reaching a peak at about age 55 and then declining. The average of the group aged 70 and over is significantly higher, however, than that of the aged 65-69 group, as it was for retired workers. The striking differences between the average primary benefits of the retired and those of the nonretired insured workers are not paralleled, however, when the average primary benefits of deceased workers are compared with those of all insured workers, if allowance is made for the variation in the age distribution of the two groups.

The awards resulting from deaths of workers currently but not fully insured are combined in table 6 with the awards resulting from fully insured deaths. While separate tables relating to the deaths of workers of each insured status would show quite differ-

Table 6.—Deaths of workers (after 1939) on whose wages lump-sum death payments or survivor¹ monthly benefits were awarded, by age and sex of worker, and distribution of benefits awarded by type of benefit, 1940-42

Age ² and sex of deceased worker	Number of deceased workers represented in awards	Average primary benefit on which survivor benefit was based	Number of deceased workers represented in—		Number of survivor ¹ monthly benefit awards per 1,000 deceased workers				
			Lump-sum awards, number per 1,000 deaths	Survivor ¹ monthly benefit awards, number per 1,000 deaths	Total	Widow's benefits	Widow's current benefits	Child's benefits	Parent's benefits
Males, total.....	349,912	\$25.67	627	373	852	70	241	535	6
Under 25.....	15,623	20.80	850	150	330	0	120	100	5
25-34.....	40,062	22.26	524	476	1,220	0	365	849	12
35-44.....	54,021	25.53	420	580	1,607	(3)	431	1,162	14
45-54.....	83,177	27.69	584	416	1,072	3	339	722	8
55-64.....	95,638	26.55	788	212	452	38	148	264	2
65-69.....	35,000	25.49	702	208	336	250	43	43	0
70 and over.....	25,401	26.67	518	482	494	465	14	15	0
Married males, total.....	260,732	26.57	539	461	1,082	94	323	665	.....
Under 25.....	4,179	21.31	485	515	1,182	0	471	711	.....
25-34.....	20,041	23.09	315	655	1,772	0	562	1,210	.....
35-44.....	41,783	26.43	391	669	1,042	(3)	558	1,384	.....
45-54.....	68,051	27.74	536	464	1,243	3	414	826	.....
55-64.....	76,083	27.16	754	216	538	47	187	301	.....
65-69.....	27,212	26.02	612	388	437	329	56	52	.....
70 and over.....	17,350	27.07	204	706	725	684	21	20	.....
Nonmarried ⁴ males, total.....	89,180	23.05	884	116	179	.....	.....	154	25
Under 25.....	11,444	20.61	989	17	19	.....	.....	12	7
25-34.....	14,018	20.72	858	142	212	.....	.....	177	36
35-44.....	12,238	22.46	722	278	467	.....	.....	405	62
45-54.....	15,126	24.17	801	199	300	.....	.....	254	46
55-64.....	19,555	24.17	918	82	419	.....	.....	109	10
65-69.....	8,658	23.81	986	14	18	.....	.....	16	2
70 and over.....	8,141	25.84	606	4	4	.....	.....	4	0
Females, total.....	39,125	19.71	922	78	103	.....	.....	81	22
Under 25.....	3,085	18.54	960	40	49	.....	.....	40	3
25-34.....	8,052	18.53	880	114	150	.....	.....	140	13
35-44.....	8,349	19.63	863	137	186	.....	.....	140	37
45-54.....	8,666	20.41	925	75	92	.....	.....	67	35
55-64.....	6,694	20.36	976	24	26	.....	.....	11	15
65-69.....	2,279	20.12	904	6	6	.....	.....	0	6
70 and over.....	1,101	22.81	599	1	1	.....	.....	0	1

¹ Only initial entitlements. Excludes those survivor monthly benefits which were based on a wage record which had already given rise to a lump-sum death payment or to other earlier awards of survivor monthly benefits.

² Age on last birthday before death.

³ Less than 0.5 per 1,000 deaths.

⁴ Single, widowed, divorced, or of unknown marital status.

ent characteristics, table 6 approximates very closely such a table for fully insured deceased workers only, since few of the awards in 1940-42 resulted from deaths of currently but not fully insured workers (table 5).

Nonfiling or Delayed Filing

It has been known for some time that a considerable number of potential beneficiaries are not drawing the benefits for which they are eligible, because they do not file, or delay filing, claims for benefits. Until recently, the extent of this loss of benefits could be estimated only crudely. Now data from the 1937-41 continuous work-history sample and from claims give a clearer indication of the areas of the loss, though accurate evaluation of the amount of loss is still not entirely possible.

Perhaps one-fifth of the workers who are eligible for primary benefits but do not apply for them fail to earn as much as \$15 in covered employment in 1 or more months. Thus, a large number of persons eligible for but not receiving retirement benefits are, nevertheless, not continuously engaged in covered employment, as is frequently assumed. In some cases they may be out of covered employment only temporarily, and the loss of a few months' benefits may be offset by an increase in benefit at eventual retirement. For many persons who apply for primary benefits, however, an earlier application would have resulted not only in a longer period of drawing benefits, but also in larger benefits.

There has also been delay in filing for wife's benefits, particularly among wives who attain age 65 after their husbands' entitlement to primary benefits. For some wives, the non-filing may result in no loss of benefits, i. e., if they are working in covered employment, or unable to qualify as a "wife" as defined in the act, or have already qualified for primary benefits in their own right. The extent of nonfiling, however, appears to be too great to be explained wholly by ineligibility factors.

Death claims also have been lower than what would reasonably be expected. Estimates of death claims derived by the application of fairly low mortality rates suggest that perhaps as many as one-fifth of the deaths of insured workers have not resulted in claims. There are, how-

ever, indications that most of the claims that are not filed involve merely the payment of lump-sum benefits. Even as late as 1943, more than 50 claims a month were being received for lump sums under the 1935 act with respect to deaths before 1940. This shows a significant delay in filing. Moreover, since applications for lump-sum death payments under the 1939 amendments must be filed within 2 years of the worker's death in order to be valid, the delay in filing may cause some claims to be disallowed.

Survivors' monthly benefits are also lost through delayed filing. Many widows who have attained age 65 some time after their husbands have died have not filed promptly for widow's benefits. Also, a small percentage of the widows and children have filed their claims for survivors' monthly benefits at least 4 months after the worker's death, with consequent loss of at least 1 month's benefit.

Future Developments

The unusual economic conditions of the past few years have resulted in a greater increase in the number insured than would normally have occurred, particularly with respect to the currently insured. Also, greater employment opportunities for the aged have operated to reduce the number receiving primary benefits.

After the war ends, however, the primary benefit rolls are expected to increase significantly, and a substantial number of younger workers will shift back to their pre-war occupations, resulting, in many cases, in termination of covered employment and ultimately in loss of insured status. Thus, there may be a period during which the number of insured workers will increase less rapidly, or perhaps even decline.

As the program matures, short-range economic changes will have less effect on the number fully insured, since workers will tend to have either considerably more, or considerably fewer, quarters of coverage than the required number. Moreover, the permanently fully insured will become an ever greater segment of the entire group of fully insured—especially after 1956, when the 40-quarter maximum requirement will become operative. Thereafter, workers reaching

age 65 will be able to have fully insured status even though their quarters of coverage are less than half—eventually (about 1980 and later) only one-fourth—of the elapsed quarters.

Thus, workers eligible for primary benefits in the future are expected to include a greater proportion of workers with fragmentary covered employment and consequently greater probability of retirement. Many will have left covered employment—because of permanent invalidity, for example—a number of years prior to attainment of age 65. (At present, to be fully insured, a worker reaching age 65 must have had some covered employment within the last 4 years.) Workers with such an employment history would be expected to file claims for primary benefits promptly at age 65; their relatively greater representation among fully insured workers in the future will increase the proportion of eligible workers who will be receiving primary benefits.

The proportion receiving retirement benefits will grow also because of a continuous increase in the average age of the fully insured workers aged 65 or over. The number of fully insured workers aged 70 or over will increase relatively more than the number aged 65-69, and since the older age group would be expected to be represented on the benefit rolls to a greater extent, the over-all proportion of eligible workers that will be retired will increase. During only 1 year—1941—the number of fully insured workers aged 70 or over increased from about 30 percent to almost 32 percent of the total group aged 65 and over. Eventually, they may constitute as much as one-half to two-thirds of the entire group eligible for primary benefits.

The relatively greater growth in the number insured at the older ages will also result in a greater representation of the older workers among death claims and a resultant change in the composition of the survivors' benefits awarded. Lump-sum payments and monthly benefits to aged widows will constitute a relatively greater proportion of the benefit awards. It is likely, too, that after the program has operated for a longer period there will be a greater public awareness of its provisions and a consequent reduction in the extent of under-filing and delayed filing of claims.