

(CPT) manual.<sup>13</sup> When two or more surgical procedures appear on a bill the first listed surgical procedure is coded. If, however, the first listed procedure is primarily diagnostic in nature—such as an endoscopic procedure or biopsy—coding preference is given to more serious procedures such as resections, removals, repairs, etc. The CPT defines surgery to include procedures involving incision, excision, amputation, introduction, endoscopy, repair, destruction, suture, manipulation, and surgical-collapse therapy.

### Sampling Variability

Since the mean length-of-stay data in this study are based on discharges for a sample of enrolled persons, they may differ somewhat from the figures that would have been obtained from the entire universe of enrolled persons.

The standard error is primarily a measure of sampling variability—that is, of the variations that occur by chance because a sample rather than the whole universe was used. The chances are about 68 out of 100 that an estimate from

the sample would differ from the result for the entire universe by less than the standard error; about 95 out of 100 that the difference would be less than twice the standard error; and about 99 out of 100 that the difference would be less than two and one-half times the standard error. This applies equally to sample estimates of differences.

Table I<sup>14</sup> shows the differences found between the mean length of stay in the Northeast and the West ( $M_1 - M_2$ ) for the estimates shown in table 4. For example, the mean length of stay for discharges with cataract for patients aged 65-74 was 8.0 days in the Northeast and 6.5 days in the West. That is,  $M_1 - M_2 = 8.0 - 6.5 = 1.5$ .

Table I also shows the approximate standard errors of the differences in mean length of stay in the Northeast and the West— $SE_{(M_1 - M_2)}$ —for the selected conditions. The value ( $Z$ ) of the ratio of  $(M_1 - M_2)$  to  $SE_{(M_1 - M_2)}$  is also given in table I. A  $Z$  value of 1.96 or greater can be interpreted to mean that the difference between the mean length of stay in the Northeast and the West is significant at the 95-percent confidence level.

<sup>13</sup> *Current Procedural Terminology* (First Edition), American Medical Association, 1966.

<sup>14</sup> Prepared with the assistance of Nathaniel M Pigman, Jr., of the Mathematical Statistical Group of the Division of Health Insurance Studies

## Notes and Brief Reports

### Automatic Increases Under the Social Security Programs\*

*OASDHI benefit increase.*—As the result of legislation enacted in 1972 and 1973, the first<sup>1</sup> automatic cost-of-living increase in cash benefits

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<sup>1</sup> P.L. 92-336 (signed July 1, 1972), P.L. 92-603 (signed October 30, 1972), and P.L. 93-233 (signed December 31, 1973).

The previous 11-percent increase in OASDHI benefits effective for June 1974 was legislated (P.L. 93-233) by Congress on the basis of an estimated change in the cost of living from the third quarter of 1972 to the second quarter of 1974. In enacting this increase, Congress specified that the 11-percent increase would be regarded as a cost-of-living change, rather than a general benefit change, for purposes of implementing future automatic cost-of-living provisions of the law.

under the old-age, survivors, disability, and health insurance (OASDHI) program, went into effect June 1, 1975. The increase, reflected in the July 3 checks, is 8.0 percent. It applies to all beneficiaries on the rolls except those receiving benefits under the special minimum-benefit provision.

The cost-of-living benefit increase reflects the change in the Consumer Price Index (CPI) of the Bureau of Labor Statistics from the second quarter of 1974 to the first quarter of 1975. The 8.0-percent rise was determined by dividing the average of the CPI for January, February, and March of 1975 by the average of the CPI for April, May, and June 1974 (the effective quarter of the previous increase—11 percent—in OASDHI benefits).

The next automatic cost-of-living benefit increase will be based on the increase in the CPI from the first quarter of 1975 (if there is no statutory benefit increase) to the first quarter of

1976. If the increase in the CPI is 3 percent or more, then the level of OASDHI benefits will be increased by the same percentage as the CPI increase, effective June 1976.

*Other automatic provisions.*—The cost-of-living benefit increase is the last of the three automatic escalator provisions provided by the 1972 and 1973 legislation to become operative. The other two automatic provisions involved the contribution and benefit base and the amount of earnings permitted OASDHI beneficiaries under the retirement test without a reduction in benefits. Under these two provisions, the increase was measured by the increase in average taxable wages (as reported under the social security program) for all employees from the first quarter of 1973 to the first quarter of 1974.

The first determination under these provisions was made in the fall of 1974 and went into effect at the beginning of calendar year 1975. Under this determination, the contribution and benefit base was raised from \$13,200 in 1974 to \$14,100

in 1975 and the annual exempt amount of earnings under the retirement test went from \$2,400 in 1974 to \$2,520 in 1975. The monthly exempt amount of earnings was raised from \$200 in 1974 to \$210 in 1975.

The law provides that a determination as to future automatic increases in the earnings base and exempt amount is to be made in any year when a cost-of-living benefit increase is established. The next determination will therefore be made in the fall of 1975, to be effective January 1, 1976, on the basis of the increase in wages from the first quarter of 1974 to the first quarter of 1975 (if there is no legislated increase). The earnings base will not be raised if the percentage increase in wages yields a 1976 earnings base of less than \$14,250; the exempt amount will not be increased if the percentage increase in wages yields a 1976 monthly exempt amount of less than \$215.

Table 1 shows the amount of monthly family benefit effective June 1975 for selected types of family groups. Monthly benefits are based on a

TABLE 1.—Examples of monthly cash benefit awards to selected beneficiary families under the Social Security Act, effective for June 1975

Beneficiary family	Average monthly earnings of insured worker														
	\$76 or less	\$100	\$200	\$250	\$300	\$350	\$400	\$450	\$550	\$650	\$750	\$900	\$1,000	\$1,100	\$1,175
Retired worker claiming benefits at age 65, or disabled worker															
Worker alone.....	\$101 40	\$130 50	\$185.20	\$209.70	\$231.60	\$255.80	\$279.80	\$300 50	\$345 90	\$396.90	\$425 00	\$461 00	\$485.00	\$506.60	\$522.80
Worker with spouse claiming benefits at—															
Aged 65 or over.....	152 10	195 80	277.80	314.60	347 40	383.70	419 70	450.80	518.90	595.40	637.50	691.50	727.50	759.90	784.20
Age 62.....	139 50	179 50	254 70	288.40	318 50	351.80	384 60	413 30	475.70	545.80	584 40	633.90	666.90	696.60	718.90
Worker, wife, and 1 child.....	152.10	195.80	277.80	320.60	379.90	444.50	510.50	561.00	626.20	694.60	743 80	806 80	848.70	886.50	914.80
Retired worker claiming benefits at age 62															
Worker alone.....	81 20	104 40	148 20	167.80	185.30	204 70	223.90	240.40	276 80	317.60	340.00	368 80	388.00	405.30	418.30
Worker with spouse claiming benefits at—															
Aged 65 or over.....	131 90	169 70	240 80	272.70	301.10	332.60	363.80	390 70	449 80	516.10	552.50	599 30	630 50	658 60	679.70
Age 62.....	119 30	153 40	217.70	246 50	272 20	300.70	328 90	353 20	406.60	466.50	499 40	541.70	569.90	595.30	614.40
Widow claiming benefits at—															
Aged 65 or over <sup>1</sup> .....	101.40	130 50	185.20	209 70	231 60	255 80	279 80	300 50	345.90	396 90	425 00	461.00	485.00	506.60	522.80
Age 60.....	74 90	93 40	132 50	150 00	165.60	182 90	200 10	214.90	247.40	283 80	303 90	329 70	346.80	362 30	373.90
Disabled widow claiming benefits at age 60.....	56 80	65 40	92.70	105.00	116 90	128.00	140.00	150 30	173 10	198.50	212 60	230.60	242.60	253.40	261.50
1 surviving child.....	101.40	101 40	138 90	157.30	173.70	191.90	209.90	225.40	259.50	297.70	318.80	345 80	363.80	380.00	392.10
Widow aged 65 and over and 1 child <sup>1</sup> .....	152 10	195.80	277.80	320.60	379 90	444 50	489.70	525.90	605.40	694 60	743.80	806.80	848.70	886.50	914.80
Widowed mother and 1 child <sup>1</sup> .....	152.10	195 80	277 80	314 60	347.40	383.80	419.80	450.80	519.00	595.40	637.00	691.00	727.60	760.00	784.20
Widowed mother and 2 children.....	152.10	195 80	277.80	320 60	379 90	444 50	510 50	561.00	626.20	694.60	743 80	806.80	848.70	886.50	914.80
Maximum family benefits..	152 10	195 80	277.80	320.60	379.90	444.50	510.50	561.00	626.20	694.60	743 80	806.80	848.70	886 50	914.80

<sup>1</sup> Widow's benefit limited to amount husband would have been receiving if still living but not less than 82 1/2 percent of the PIA  
<sup>2</sup> Sole survivor

Note. The higher monthly earnings shown in column headings in the right are not, in general, possible now, since earnings in some of the earlier

years, when the maximum amount creditable was lower, must be included in the average. Therefore, the benefit amounts shown in these columns are not generally payable until later. (At the beginning of 1976, the highest average monthly earnings possible is \$585 for a male worker retiring at age 65 and \$613 for a woman.)

primary insurance amount (PIA) given in the benefit table in the law; the PIA is derived from the worker's average monthly earnings (AME). Whenever a cost-of-living benefit increase becomes effective, the new PIA is calculated by increasing the old PIA by the same percentage as the cost-of-living increase. If the contribution and benefit base has been raised, the benefit formula provides an additional 20-percent replacement on the part of the AME above the previous contribution and benefit base. With the 8.0-percent cost-of-living benefit increase for June 1975, the PIA is now based approximately on the following seven-part formula:

129.48% of the first \$110 of AME, plus 47.10% of the next \$290 of AME, plus 44.01% of the next \$150 of AME, plus 51.73% of the next \$100 of AME, plus 28.77% of the next \$100 of AME, plus 23.98% of the next \$250 of AME, plus 21.60% of the next \$175 of AME, subject to a minimum PIA of \$101.40 for AME's of \$76 or less.

The maximum family benefit effective for June 1975 is based approximately on the following formula:

For AME's under \$628 the maximum amount is equivalent to: 126.6% of the first \$436 of AME, plus 63.3% of the next \$191 of AME, subject to a minimum of 150% of PIA. For AME's of \$628 or more, the maximum is 1.75 times the PIA.

Table 2 shows the minimum and maximum old-age monthly benefit payable at the time of retirement to individuals retiring at age 65 in the years 1940-76. Also shown in the table are the benefits payable to these individuals for June 1975.

(Because of a technical error in the law, one of the effects of the automatic benefit increase will not be felt. This is the provision that any increase in the monthly premium rate for the supplementary medical insurance (SMI) cannot exceed the percentage by which OASDHI cash benefits in effect for June 1975 increased above the level for June 1974. The technical error arose out of the fact that the current law also provides that the SMI premium increase effective July 1975 must be set in December 1974—a time when the automatic cost-of-living increase for June 1975 could not possibly be known. As a consequence, the \$6.70 SMI monthly premium rate for the fiscal year 1975 will remain at the present

TABLE 2.—Minimum and maximum monthly old-age benefits payable to individuals who retired at age 65, 1940-76

Year of attainment of age 65 <sup>1</sup>	Minimum benefit		Maximum benefit			
	Payable at the time of retirement	Payable effective June 1975	Payable at the time of retirement		Payable effective June 1975	
			Men <sup>2</sup>	Women	Men <sup>2</sup>	Women
1940.....	\$10 00	\$101 40	\$41 20	-----	\$196 20	-----
1941.....	10 00	101 40	41 60	-----	196 20	-----
1942.....	10 00	101 40	42 00	-----	198 60	-----
1943.....	10 00	101 40	42 40	-----	198 60	-----
1944.....	10 00	101 40	42 80	-----	200 70	-----
1945.....	10 00	101 40	43 20	-----	200 70	-----
1946.....	10 00	101 40	43 60	-----	203 20	-----
1947.....	10 00	101 40	44 00	-----	205 10	-----
1948.....	10 00	101 40	44 40	-----	205 10	-----
1949.....	10 00	101 40	44 80	-----	207 10	-----
1950.....	10 00	101 40	45 20	-----	209 70	-----
1951.....	20 00	101 40	68 50	-----	269 70	-----
1952.....	20 00	101 40	68 50	-----	269 70	-----
1953.....	25 00	101 40	85 00	-----	231 60	-----
1954.....	25 00	101 40	85 00	-----	231 60	-----
1955.....	30 00	101 40	98 50	-----	231 60	-----
1956.....	30 00	101 40	103 50	-----	244 70	-----
1957.....	30 00	101 40	108 50	-----	255 80	-----
1958.....	30 00	101 40	108 50	-----	255 80	-----
1959.....	33 00	101 40	116 00	-----	255 80	-----
1960.....	33 00	101 40	119 00	-----	262 30	-----
1961.....	33 00	101 40	120 00	-----	264 30	-----
1962.....	40 00	101 40	121 00	\$123 00	266 70	\$271 20
1963.....	40 00	101 40	122 00	125 00	268 60	275 30
1964.....	40 00	101 40	123 00	127 00	271 20	279 80
1965.....	44 00	101 40	131 70	135 90	271 20	279 80
1966.....	44 00	101 40	132 70	135 90	273 20	279 80
1967.....	44 00	101 40	133 90	140 00	279 80	288 20
1968.....	55 00	101 40	158 00	161 60	284 10	294 20
1969.....	55 00	101 40	160 80	167 30	292 40	304 70
1970.....	64 00	101 40	169 80	196 40	300 60	311 10
1971.....	70 40	101 40	213 10	220 40	306 80	317 10
1972.....	70 40	101 40	216 10	224 70	311 10	323 40
1973.....	84 80	101 40	266 10	276 40	319 10	331 60
1974.....	84 80	101 40	274 60	284 90	329 30	341 70
1975.....	93 80	101 40	316 30	333 70	341 70	360 40
1976.....	101 40	-----	364 00	378 80	-----	-----

<sup>1</sup> Assumes retirement at beginning of year.

<sup>2</sup> Represents benefit for both men and women; amount identical until 1962.

<sup>3</sup> Effective for February 1968.

level through fiscal year 1976, unless remedial legislation is enacted.)

*SSI automatic increase.*—The 8.0-percent automatic increase in OASDHI benefits also affects the Federal guarantee in the supplemental security income (SSI) program. Under Public Law 93-368, enacted August 7, 1974, the annual dollar amounts of the Federal SSI payments are to be raised by the same percentage as the OASDHI benefit increase and rounded to the next higher multiple of \$1.20. The increase is to be effective for the first month after the month for which the OASDHI increase is effective so that increases under both programs become payable in the same month.

As a result of the 8.0-percent increase, the Federal SSI benefit levels of \$1,752 per year (\$146

per month) for an individual and \$2,628 per year (\$219 per month) for a couple were increased to the following figures, payable in July 1975<sup>2</sup>:

	<i>Annual</i>	<i>Monthly</i>
Individual living in own home --	\$1,892.40	\$157.70
Couple living in own home -----	2,839.20	236.00

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## Research Grants Studies

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Section 1110 of the Social Security Act provides for a cooperative research grants program. The grants given by the Social Security Administration (SSA) under this program are to non-profit organizations for research in the broad area of social security. A report on a recently completed grants project is summarized below. The BULLETIN plans to publish similar summaries as the projects are concluded.

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### WORK AFTER RETIREMENT: SOME PSYCHOLOGICAL FACTORS

The proportion of older men in the national labor force has been decreasing steadily, an occurrence that has been attributed to the increased availability and adequacy of retirement income. If money were the only determinant of continued employment, it should be found that only the poorest men continued to work. This is not the case. Studies have shown that persons at occupational levels associated with higher incomes are most likely to continue to work at a later age.

G. L. Maddox and G. G. Fillenbaum of the Center for the Study of Aging and Human Development at Duke University used SSA Research

<sup>2</sup> Individual and couples living in another's household and receiving support and maintenance have the benefit level reduced by one-third. The "essential person" payment also rises with the automatic increase, since it is based on the difference between the amounts payable to an individual and to a couple. The Federal SSI guarantee for the institutional population is not affected by the automatic increase.

Grant No. 56047 to study what factors, other than financial need, contribute to work after formal retirement. They focused their investigation on social and psychological factors.

Data were obtained initially from university faculty and later from middle and upper level industrialists. The data indicate that the individuals who continued to work had a greater personal dislike of retirement, a stronger commitment to work, and the personality characteristics that may sustain work commitment and improve the possibility of getting a job later.

The university faculty selected for this study were healthy men who were subject to mandatory retirement. They had no financial problems and anticipated none after retirement. Information was sought in five areas: attitudes toward and plans for retirement, commitment to work, certain personality variables (extent of field dependence, self-perceived ability to work, and those related to getting a job), and peer influence.

### Findings

At least 75 percent of the faculty group continued some form of paid employment after retirement. Area of expertise was strongly related to continued work: nearly all in the sciences, about half in the social sciences, and none in the humanities had worked for pay in retirement. It was difficult for the researchers to compare those who continued to work with those who did not because so many had continued employment. The data suggest that those who continue to work may, after retirement, have better health and carry greater financial burdens, without necessarily having financial problems.

While in the abstract those who continue to

*The final report of this completed research grants project is in the Social Security Administration Library, 571 Altmeyer Building, 6401 Security Blvd., Baltimore, Md. 21235, and in the Library of the Office of Research and Statistics, Room 320-0, Universal North Building, 1875 Connecticut Ave., N W, Washington, D C. 20009. Copies of the reports may be obtained through interlibrary loans. (Also in these libraries are copies of more than 50 other research grants projects that have been completed since 1963. A list of these projects appeared in the May 1974 BULLETIN.)*