

rolls in December 1956. This study will provide the needed data on the proportion of aged beneficiaries with earnings and/or income from each of the other public income-maintenance programs at the end of the survey year. In addition, it will yield useful information on the amount of income received in 1957 from such sources, from private pensions, and from private investments and the amount of contributions from relatives and friends. As soon as the appropriate data from this study are available, it should be possible to revise and continue the series of estimates on income sources of the aged on a semiannual basis.

2 million more than in the preceding year.

During 1955 and 1956 almost three-

fourths of the States enacted legislation that improved medical coverage or raised cash benefits for death

**Estimates of workmen's compensation payments, by State and type of insurance, 1956 and 1955<sup>1</sup>**

[In thousands]

State	1956				1955				Percentage change in total payments, 1956 from 1955
	Total	Insurance losses paid by private insurance carriers <sup>2</sup>	State fund disbursements <sup>3</sup>	Self-insurance payments <sup>4</sup>	Total	Insurance losses paid by private insurance carriers <sup>2</sup>	State fund disbursements <sup>3</sup>	Self-insurance payments <sup>4</sup>	
Total.....	\$1,003,077	\$619,037	\$258,850	\$125,190	\$915,435	\$562,515	\$238,485	\$114,435	+9.6
Alabama.....	4,862	3,892	-----	970	4,268	3,418	-----	850	+13.9
Arizona.....	7,972	199	7,573	200	7,030	164	6,686	180	+13.4
Arkansas.....	5,603	4,593	-----	1,010	5,156	4,226	-----	930	+8.7
California.....	98,031	64,322	23,131	10,578	89,359	59,111	20,373	9,875	+9.7
Colorado.....	7,190	2,534	4,001	655	6,514	2,262	-----	590	+10.4
Connecticut.....	16,812	15,132	-----	1,680	15,938	14,343	-----	1,595	+5.5
Delaware.....	1,445	1,155	-----	290	1,209	969	-----	240	+19.5
Dist. of Col.....	2,873	2,660	-----	213	2,550	2,360	-----	190	+12.7
Florida.....	20,810	19,080	-----	1,730	18,011	16,511	-----	1,500	+15.5
Georgia.....	9,333	7,978	-----	1,355	7,617	6,507	-----	1,110	+22.5
Idaho.....	3,669	2,417	737	515	3,598	2,357	736	505	+2.0
Illinois.....	53,326	43,728	-----	9,598	45,688	37,060	-----	8,628	+16.7
Indiana.....	16,538	14,088	-----	2,450	13,064	11,129	-----	1,935	+26.6
Iowa.....	7,759	6,209	-----	1,550	6,707	5,367	-----	1,340	+15.7
Kansas.....	9,442	7,552	-----	1,890	8,176	6,541	-----	1,635	+15.5
Kentucky.....	10,236	7,011	-----	3,225	9,314	6,379	-----	2,935	+9.9
Louisiana.....	22,254	18,859	-----	3,395	19,573	16,588	-----	2,985	+13.7
Maine.....	2,427	2,112	-----	315	2,387	2,077	-----	310	+1.7
Maryland.....	13,965	10,411	1,679	1,905	12,087	9,045	1,439	1,600	+15.8
Massachusetts.....	36,517	33,812	-----	2,705	33,361	30,891	-----	2,470	+9.5
Michigan.....	34,819	22,612	2,217	9,990	31,049	19,938	2,061	9,050	+12.1
Minnesota.....	16,508	13,738	-----	2,775	14,949	12,399	-----	2,550	+10.4
Mississippi.....	5,520	5,027	-----	493	4,718	4,215	-----	503	+17.0
Missouri.....	17,945	15,300	-----	2,555	16,613	14,173	-----	2,440	+8.0
Montana.....	4,878	1,452	2,715	711	4,238	1,359	2,223	656	+15.1
Nebraska.....	3,777	3,671	-----	106	3,540	3,460	-----	80	+6.7
Nevada.....	4,125	(5)	3,930	195	3,616	2	3,444	170	+14.1
New Hampshire.....	2,635	2,585	-----	50	2,386	2,341	-----	45	+10.4
New Jersey.....	45,463	39,526	-----	5,937	44,179	38,085	-----	6,094	+2.9
New Mexico.....	5,513	5,143	-----	370	4,812	4,457	-----	355	+14.6
New York.....	149,692	92,880	37,855	18,957	143,909	89,973	35,742	18,194	+4.0
North Carolina.....	11,041	9,126	-----	1,915	10,026	8,276	-----	1,750	+10.1
North Dakota.....	1,914	1	1,913	-----	1,895	5	1,890	-----	+1.0
Ohio.....	76,562	114	66,478	9,970	69,314	117	60,167	9,030	+10.5
Oklahoma.....	15,439	12,226	2,013	1,200	13,248	10,369	1,097	1,182	+16.5
Oregon.....	18,605	1,600	17,005	-----	15,721	1,443	14,278	-----	+18.3
Pennsylvania.....	42,928	26,658	3,320	12,950	37,839	23,262	3,162	11,415	+13.4
Rhode Island.....	5,964	5,634	-----	330	5,926	-----	-----	300	+6
South Carolina.....	5,571	4,491	-----	1,080	5,239	4,219	-----	1,020	+6.3
South Dakota.....	1,129	949	-----	180	1,120	935	-----	185	+8
Tennessee.....	11,186	8,886	-----	2,300	9,529	7,719	-----	1,810	+17.4
Texas.....	54,136	54,136	-----	-----	50,027	50,027	-----	-----	+8.2
Utah.....	3,039	1,063	1,471	505	2,461	907	1,144	410	+23.5
Vermont.....	1,465	1,330	-----	135	1,200	1,090	-----	110	+22.1
Virginia.....	9,222	7,527	-----	1,695	8,169	6,669	-----	1,500	+12.9
Washington.....	19,416	396	18,660	360	19,351	388	18,603	360	+3
West Virginia.....	13,068	57	12,124	887	12,372	57	11,502	813	+5.6
Wisconsin.....	18,377	15,062	-----	3,315	16,697	13,687	-----	3,010	+10.1
Wyoming.....	1,415	18	1,397	-----	1,361	-----	1,352	-----	+4.0
Federal employees <sup>5</sup>	50,631	-----	50,631	-----	48,324	-----	48,324	-----	+4.8

<sup>1</sup> Data for 1956 preliminary. Calendar-year figures, except that data for Montana and West Virginia, for Federal employees, and for State fund disbursements in Idaho, Maryland, Nevada, North Dakota, Oregon, and Utah represent fiscal years ended in 1955 and 1956. Includes benefit payments under the Longshoremen's and Harbor Workers' Compensation Act and the Defense Bases Compensation Act for the States in which such payments are made.

<sup>2</sup> Net cash and medical benefits paid by private insurance carriers under standard workmen's compensation policies. Data primarily from the *Spectator: Insurance by States of Fire, Marine, Casualty, Surety and Miscellaneous Lines*, 84th and 85th annual issues.

<sup>3</sup> Net cash and medical benefits paid by State funds; compiled from State reports (published and unpublished) and from the *Spectator*; estimated for some States.

<sup>4</sup> Cash and medical benefits paid by self-insurers, plus the value of medical benefits paid by employers carrying workmen's compensation policies that do not include the standard medical coverage. Estimated from available State data.

<sup>5</sup> Less than \$500.

<sup>6</sup> Includes compensation payments made to individuals under the War Claims Act, to dependents of reservists who died while on active duty with the Armed Forces, and to war-risk and enemy-action cases.

**Workmens Compensation Payments and Costs, 1956\***

Payments for wage loss and medical benefits under workmen's compensation programs hit the \$1-billion mark in 1956, registering a 9.6-percent gain over 1955. This rate of increase was the largest since the upward spiral generated by the booming defense economy of 1951 and 1952. The intermediate years of 1954 and 1955 saw a slackening in the rate of increase to a low of 4 percent.

The rise in payments took place despite the fact that the number of disabling work injuries—compensable and noncompensable—to employees increased only 3 percent in 1956, according to the Bureau of Labor Statistics estimates. Apparently more influential in pushing benefits to new heights were (1) rising wage levels on which cash benefits were based and rising medical care costs and (2) liberalization of State workmen's compensation laws.

As a rough indication of the higher wages to be compensated, payrolls covered by workmen's compensation increased 8.2 percent—from an estimated \$161.5 billion in 1955 to \$174.8 billion in 1956. Covered workers in an average week in 1956 numbered an estimated 41-42 million, roughly

\* Prepared in the Division of Program Research by Alfred M. Skolnik and Thomas Karter.

cases and most types of disability. Twenty-seven States and the District of Columbia increased the maximum weekly benefits payable for temporary-total disability by 10 percent or more on the average. In some jurisdictions the maximum percentage of weekly wages used in computing benefits was increased or the total time or money limit on payments was extended. Many of the 1955 changes were first reflected in 1956 calendar-year operations.

Increased payments occurred in all States, though the rate of increase was uneven, ranging from 27 percent in Indiana to less than 1 percent in Washington, South Dakota, and Rhode Island. Regionally, the Midwestern States showed the greatest relative advance, with the Southeastern States a close second. The smallest percentage gains were scored in the New England and Middle Atlantic States.

Despite increased benefit payments, employers continued to spend about the same proportion of their payrolls to insure or self-insure their risks under workmen's compensation programs. Slightly more than \$1.6 billion is estimated as having been spent by employers in 1956; this amount represented about 93 cents per \$100 of covered payroll, compared with 94 cents in 1955. The 1956 total consists of (1) \$1,169 million in premiums paid to private insurance carriers; (2) \$325 million in premiums paid to State funds (for the Federal employees' program, which is financed through congressional appropriations, these "premiums" are the sum of the benefit payments and the cost of the administrative agency); and (3) about \$135 million as the cost of self-insurance (benefits paid by self-insurers, with the total increased 5-10 percent to allow for administrative costs).

Of the total premiums of \$1.6 billion, the benefit payments of \$1,003 million represented 62 percent—a slight increase from the 60 percent of the preceding year. The loss ratio of private carriers likewise experienced an increase—from 52 percent to 53 percent. These loss ratios were among the highest recorded in the last decade.

Private carriers were responsible for 62 percent of total benefit pay-

ments, State funds for 26 percent, and self-insurers for 12 percent. This distribution has not changed much since the early 1950's, except for a slight drop in self-insurance payments. In 1956, however, for the first time since 1951, payments made by private carriers increased at a faster rate than State fund disbursements—10.0 percent as against 8.6 percent.

Medical and hospital benefits probably account for as much as \$350 million of the total of \$1,003 million. While the greatest liberalizations in workmen's compensation laws have been made in the area of cash benefits, the higher costs of providing these benefits have been matched by the increased cost of medical services rendered to injured workmen. The estimated distributions by type of payment are shown below; data for 1956 are preliminary and those for 1955 have been revised.

[In millions]		
Type of payment	1956	1955
Total.....	\$1,003	\$915
Medical and hospitalization.....	350	325
Compensation, total.....	653	590
Disability.....	578	520
Survivor.....	75	70

## Civil Service Retirement Act Amendments, 1957\*

During the first session of the Eighty-fifth Congress, three laws were enacted amending the Civil Service Retirement Act. The modifications, which are of a relatively minor nature, are summarized below.

Public Law 85-58, signed June 21, 1957, relates to annuities payable to the widows of Members of Congress. Before the 1956 amendments to the Civil Service Retirement Act, the annuity to the widow was not payable (if there were no minor children) until she attained age 50. Legislation in 1956 had removed the age restriction if the death should occur after September 1956. The 1957 law made the change effective for deaths

\* Prepared by J. A. Lazerson, Division of the Actuary, Office of the Commissioner.

occurring after March 31, 1956, and set July 1, 1957, as the beginning date for payment of such an annuity. The widow of any Member of Congress who died in the 6 months April-September 1956 could therefore begin drawing the annuity for July 1957, even though she was under age 50.

Public Law 85-65 (June 29, 1957) affects those Federal workers who are reemployed after separation from the service and who desire to make a deposit for noncontributory service rendered or who want to redeposit contributions previously withdrawn. The 1956 amendments required payment of interest both for periods of service and for periods in which the employee had no service under the system. The 1957 amendments exclude from the requirement payment of interest for any periods of non-service that began before October 1, 1956.

The survivorship option for retired Members of Congress who were separated from service before October 1, 1956, is also affected by Public Law 85-65. Formerly the annuity to the widow of a retired Member of Congress was payable when she reached age 50. The new legislation removes the age restriction if the Member of Congress dies after December 31, 1956. The beginning date of the annuity is June 1, 1957, or the first day of the month in which death occurred, whichever is later.

Public Law 85-177 (August 28, 1957) provides, in general, that a Federal employee who leaves his position for employment with the International Atomic Energy Agency shall retain for 3 years his status under the civil-service retirement program and the program of group life insurance for Federal employees. If the worker is separated from the Agency and wants to obtain retirement credit under the civil-service program for his Agency service (up to but not in excess of 3 years), he must, within 90 days from the date of separation, pay the deductions that would have been made from his salary and the matching departmental contributions for coverage under the Civil Service Retirement Act. To retain group life insurance coverage, the worker must make his payments concurrently with his Agency employment.