

# Notes and Brief Reports

## Retroactive Entitlement of Retired-Worker Beneficiaries Awarded Benefits in 1971\*

A provision in section 202(j) of the Social Security Act enables an applicant for social security benefits to become entitled to benefits retroactively for as many as 12 months before the month in which he filed his application, if all requirements have been met for the retroactive period. A fully insured worker who applies for benefits in December 1974, for example, on attaining age 63 may elect retroactive entitlement beginning with December 1973. If, however, the worker is only 62 years and 6 months old when he applies, the retroactivity period cannot be more than 6 months. The retroactivity provision gives partial protection to individuals who fail to file in time because they have not been aware of their eligibility for benefits. In certain instances, the provision also enables persons affected by the annual retirement test to obtain additional benefits.<sup>1</sup>

The data presented here on retroactive entitlement to retired-worker benefit awards in 1971 are derived from the Social Security Administration master beneficiary record, which contains detailed benefit information for all beneficiaries. The pattern of retroactive entitlement is shown separately, for both men and women workers, by the reduction and payment status of the awards, as well as by the worker's age in the month of filing for benefits.

Awards may be immediately payable (in current-payment status), or they may be withheld for a definite period (in deferred status) or for an indefinite period (in conditional status). Most conditional and deferred awards are made to beneficiaries who cannot currently receive benefits because of the application of the retirement test.

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<sup>1</sup> For a discussion of the effects of retroactivity on the withholding of benefits, see Carol Zuckert, *Some Factors Related to Retroactive Entitlement* (Preliminary Findings From the Survey of New Beneficiaries, Report No. 5), Office of Research and Statistics, August 1971.

## Annual Retirement Test

The annual retirement test is applicable for beneficiaries under age 72 whose earnings from work exceed the exempt amount specified in the law. Under its provisions, as applicable to earnings in 1971, no benefits were withheld if earnings did not exceed \$1,680; benefits were withheld at the rate of \$1 for each \$2 of earnings from \$1,681 to \$2,880, and \$1 was withheld for each \$1 of earnings above \$2,880. Benefits were payable, however, for any month in 1971 in which the beneficiary earned no more than \$140 or did not render substantial services in self-employment.

The amount of benefits to be withheld is based on the total amount of earnings during the year, even if earned in months preceding the date of entitlement to benefits. Thus, a beneficiary may have had earnings in 1971 that were high enough to offset all the benefits from the month of entitlement until the end of the year but not high enough to offset the benefits for all 12 months of the year. Such a beneficiary would gain by electing retroactive entitlement to the beginning of the year since the total amount of benefits for the year would exceed the amount to be offset and the beneficiary would receive some benefits. The following example illustrates how the retroactivity provision can be advantageous for beneficiaries affected by the retirement test.

Mr. A filed for benefits in June 1971 and was awarded retired-worker benefits of \$150 a month. At the time of filing he knew that he would stop working at the end of October and that his total yearly earnings would be \$3,500. Under the retirement test the total benefit amount to be withheld, on the basis of these earnings, was \$1,220.

If Mr. A chose June as his date of entitlement, he would receive benefits only for November and December (the 2 months he did not work), since the benefits for June–October (\$750) would be totally offset by the amount to be withheld (\$1,220). If, however, Mr. A elected retroactive entitlement to January 1971, benefits for January–August plus \$20 for September would be used to offset the excess earnings of \$1,220, and he would receive a payment of \$130 for September and his full benefits for October–December, even though he worked through the end of October.

It is also possible for a worker who requests retroactive entitlement to receive benefits for months before the date of filing in which he earned \$140 or less or did not render substantial services in self-employment, regardless of the total yearly earnings. If, then, in any months before June, Mr. A did not earn more than \$140 or render substantial services, he could claim benefits for those months by electing retroactive entitlement.

## Reduced Awards

The monthly benefit amount awarded to a retired worker is based on his primary insurance amount (PIA), which reflects his average monthly covered earnings. For a retired worker entitled to benefits at age 65 the amount awarded is his full PIA. For one entitled at ages 62-64, the award is actuarially reduced by 5/9 of 1 percent for each month of entitlement before age 65 (with a maximum reduction of 20 percent).<sup>2</sup>

In 1971, reduced benefits were awarded to about 474,000 men and 390,000 women (table 1). About 91 percent of the reduced benefit awards to men and 95 percent of those awarded to women were currently payable. The remainder were in conditional- and deferred-payment status, chiefly because of the awardees' continuing employment despite the application for benefits. In many instances the early application was made to ensure eligibility for hospital benefits under Medicare as early as possible on reaching age 65 by becoming entitled to the monthly cash benefits before that time.

About 56 percent of the men and 69 percent of the women with currently payable reduced benefit awards in 1971 filed at ages 61 and 62. Those who filed at age 61 could not, of course, become entitled to benefits retroactively. In addition, many of those aged 62 at the time of filing may not have been entitled to any benefits retroactively because the time of filing coincided with their 62d birthday. It is likely that some of these persons filed for benefits as soon as they were eligible because they were not working. Findings from the Survey of New Beneficiaries, which dealt with retired-worker benefits awarded in July-December 1968, show<sup>3</sup> that among persons who became entitled to benefits on attaining age 62, about

<sup>2</sup> If a person receiving reduced benefits has his benefits withheld for 1 or more months before age 65 because of earnings from work, his benefit amount is recomputed when he reaches 65, on the basis of an adjusted reduction factor. This factor includes only those months before age 65 for which benefits were actually paid. A beneficiary who becomes entitled to benefits at age 62 but does not receive any benefits until age 65 has his reduction factor eliminated at recomputation time, and the recomputed benefit amount will be the same as if the beneficiary had just become entitled.

<sup>3</sup> Patience Lauriat and William Rabin, "Men Who Claim Benefits Before Age 65: Findings From the Survey of New Beneficiaries, 1968," *Social Security Bulletin*, November 1970, page 11.

61 percent of the men and 70 percent of the women were not employed at entitlement. Moreover, 30 percent of the nonworking men and 50 percent of the nonworking women had not worked for at least 12 months before entitlement.

In 1971, among persons awarded currently payable reduced benefits on filing at age 62, only about 25 percent of the men and 20 percent of the women were entitled retroactively and for only about 5 percent of either group did the retroactivity extend beyond 6 months. Most of those who filed after age 62 claimed retroactive entitlement; a substantial proportion claimed 12 months.

Overall, the proportion of beneficiaries requesting some months of retroactive entitlement was larger among the relatively small number of beneficiaries with reduced conditional and deferred awards than among those with currently payable reduced awards. Only about one-sixth of the former, however, elected the full 12 months.

The large proportion of beneficiaries aged 63 and over with retroactive entitlement suggests that many were able to profit from this provision, either by receiving benefits for past nonwork months or by using those months as benefit-offset months under the retirement test. The latter point seems to be supported by data from the Survey of New Beneficiaries. The survey data indicate that, among the men awarded retired-worker benefits from July to December 1968, two-thirds of those with retroactive entitlement but only two-fifths without retroactive entitlement were employed after the entitlement date.<sup>4</sup>

In 1971, relatively more beneficiaries with low PIA's than beneficiaries with high PIA's tended to elect retroactive entitlement (table 2). This tendency was more pronounced, however, for beneficiaries with currently payable awards. Thus, among men aged 64 with currently payable awards, more than 80 percent of those with PIA's less than \$100 requested some retroactivity and almost 60 percent elected the full 12 months; only 55 percent of those with PIA's of \$150 or more claimed some retroactivity, and only 12 percent elected 12 months. Among men aged 64 who received conditional and deferred awards, the proportion with some retroactivity did not vary substantially with the PIA level. However, the proportions with 12 months of retroactive

<sup>4</sup> Carol Zuckert, *ibid.*, page 6.

TABLE 1.—Number and average monthly amount of retired-worker benefit awards, by sex and age of worker in month of filing, reduction and payment status, and months of retroactive entitlement, 1971

Payment status of award and age in month of filing	Total		Percentage distribution by months of retroactive entitlement					Average monthly amount by months of retroactive entitlement				
	Number	Percent	Total	0	1-6	7-11	12	Total	0	1-6	7-11	12
Reduced awards												
Men, all awards.....	474,044	100 0	100 0	57 3	22 9	8 6	11 2	\$136 80	\$138 00	\$142 00	\$135 90	\$116 70
Currently payable, total...	432,897	100 0	100 0	59 6	22 1	7 6	10 7	134 90	138 00	139 10	129 90	112 70
61.....	4,189	1 0	100 0	100 0	-----	-----	-----	114 60	114 60	-----	-----	-----
62.....	238,075	55 0	100 0	75 4	19 4	5 2	-----	123 00	125 70	117 30	104 00	-----
63.....	76,961	17 8	100 0	48 2	24 8	0 0	18 0	145 20	159 70	150 50	136 60	102 80
64.....	102,749	23 7	100 0	35 9	27 1	11 9	25 1	157 10	178 70	166 50	150 20	119 40
65.....	10,923	2 5	100 0	1 4	20 4	17 3	60 9	122 50	160 40	153 90	140 40	107 20
Conditional, total.....	24,033	100 0	100 0	36 2	30 6	15 7	17 5	162 00	162 90	167 90	164 20	147 20
61.....	38	2	100 0	-----	-----	-----	-----	126 70	126 70	-----	-----	-----
62.....	4,492	18 7	100 0	60 9	32 3	6 8	-----	139 60	140 30	140 60	128 50	-----
63.....	4,392	18 2	100 0	54 8	24 2	7 8	13 2	158 70	163 50	163 40	152 70	133 80
64.....	13,775	57 2	100 0	25 3	32 5	19 9	22 3	170 60	180 50	177 40	170 70	149 60
65.....	1,386	5 7	100 0	2 6	28 4	27 0	42 0	166 10	169 50	173 10	168 70	148 20
Deferred, total.....	17,064	100 0	100 0	28 8	32 8	23 7	14 7	149 00	140 30	157 50	154 40	137 10
61.....	64	4	100 0	-----	-----	-----	-----	110 00	110 00	-----	-----	-----
62.....	4,103	24 0	100 0	63 1	27 8	9 1	-----	116 80	111 80	125 80	123 90	-----
63.....	2,072	12 1	100 0	24 7	28 9	27 2	19 2	144 30	149 50	152 80	147 20	120 00
64.....	9,987	58 5	100 0	17 3	36 2	28 0	18 5	163 70	181 00	168 10	161 60	141 00
65.....	838	5 0	100 0	1 4	28 6	38 0	32 0	145 20	178 50	153 10	146 70	135 40
Women, all awards.....	390,364	100 0	100 0	62 9	17 5	8 1	11 5	102 70	100 90	110 40	112 40	93 70
Currently payable, total...	369,895	100 0	100 0	65 1	16 5	7 1	11 3	100 60	100 60	106 20	103 10	90 80
61.....	5,833	1 6	100 0	100 0	-----	-----	-----	87 70	87 70	-----	-----	-----
62.....	248,846	67 3	100 0	79 9	14 9	5 2	-----	92 70	94 00	89 30	82 30	-----
63.....	43,675	11 9	100 0	34 8	21 4	10 4	33 4	112 80	134 60	123 10	113 70	83 20
64.....	53,085	14 3	100 0	25 8	23 3	13 3	37 6	125 80	154 70	141 40	128 70	95 30
65 <sup>1</sup> .....	17,304	4 7	100 0	40 3	13 7	9 9	36 1	110 20	119 00	121 90	124 60	91 90
66 and over <sup>1</sup> .....	902	.2	100 0	7 5	3 2	2 6	86 7	109 90	109 30	109 30	110 00	111 00
Conditional, total.....	7,121	100 0	100 0	19 6	41 6	19 2	19 6	152 50	137 60	161 00	154 20	147 40
61.....	3	1	100 0	100 0	-----	-----	-----	119 60	119 60	-----	-----	-----
62.....	1,137	16 0	100 0	46 0	43 7	10 3	-----	126 40	120 00	133 40	125 30	-----
63.....	830	11 9	100 0	19 9	36 7	18 0	25 4	143 70	141 90	151 70	139 70	136 40
64.....	3,931	55 2	100 0	7 6	46 9	21 4	24 1	161 70	150 40	169 40	169 90	151 80
65 and over <sup>1</sup> .....	1,200	16 8	100 0	34 5	26 7	22 3	16 5	155 20	152 20	166 20	160 10	137 70
Deferred, total.....	13,347	100 0	100 0	25 3	30 7	31 7	12 3	133 30	109 20	135 80	156 40	121 30
61.....	56	4	100 0	-----	-----	-----	-----	97 80	97 80	-----	-----	-----
62.....	3,533	26 5	100 0	63 2	23 9	12 6	-----	99 10	91 10	104 40	131 30	-----
63.....	1,576	11 8	100 0	13 0	19 9	50 7	16 4	138 30	121 00	133 50	155 20	105 70
64.....	6,615	49 6	100 0	8 7	38 6	36 4	16 3	148 60	152 10	146 50	160 80	124 40
65 and over <sup>1</sup> .....	1,567	11 7	100 0	22 7	24 3	36 6	16 4	143 10	132 40	136 20	162 80	124 20

See footnotes at end of table.

entitlement were 32 percent for those with PIA's below \$100 and 16 percent for those with PIA's amounting to \$150 or more.

Retroactive entitlement for months before age 65 involves a reduction in the monthly benefit amount. The maximum percentage reduction (7.7 percent) occurs when a person filing for benefits on reaching age 63 elects 12 month of retroactive entitlement. For beneficiaries with currently payable awards, the average benefit amounts shown in table 1 indicate a considerably larger percentage difference between the averages for persons without retroactive entitlement and those for persons with some retroactivity, particularly those with 12 months of retroactive entitlement.

The average benefit amounts were 33 percent lower in 1971 for men aged 64 with currently payable awards who elected 12 months of retro-

activity than for those with no retroactive entitlement. This difference indicates that the PIA is generally lower for persons with retroactive entitlement than for those without. Among beneficiaries with conditional and deferred awards, however, the differences were not so sharp or so consistent.

Perhaps more beneficiaries with low than with high PIA's chose retroactive entitlement because they found it advantageous in connection with the retirement test. The beneficiaries with high PIA's are perhaps more likely to have earnings high enough to offset all benefits payable up to the time they actually stop working and thus can not benefit by electing retroactive entitlement. It is also likely that such beneficiaries are better informed about social security benefits and know enough to file at the most advantageous time and

TABLE 1.—Number and average monthly amount of retired-worker benefit awards, by sex and age of worker in month of filing, reduction and payment status, and months of retroactive entitlement, 1971—Continued

Payment status of award and age in month of filing	Total		Percentage distribution by months of retroactive entitlement					Average monthly amount by months of retroactive entitlement				
	Number	Percent	Total	0	1-6	7-11	12	Total	0	1-6	7-11	12
Unreduced awards												
Men, all awards.....	288,866	100 0	100 0	81 0	7 0	3 3	8 7	\$178 40	\$185 60	\$148 30	\$152 30	\$145 40
Currently payable, total.....	67,565	100 0	100 0	59 3	12 5	6 2	22 0	153 50	173 60	115 10	126 00	128 40
64.....	1,295	1 9	100 0	100 0				182 80	182 80			
65.....	41,623	61 6	100 0	82 2	11 0	5 9	9	176 80	182 10	145 30	158 90	134 90
66.....	6,587	9 7	100 0	15 4	10 3	5 8	68 5	121 50	115 40	79 50	81 80	132 60
67.....	4,093	6 1	100 0	17 6	12 4	6 0	64 0	117 30	110 90	78 20	81 10	130 00
68-69.....	5,343	7 9	100 0	20 3	17 4	7 3	55 0	109 10	104 90	77 40	80 50	124 40
70 and over.....	8,624	12 8	100 0	20 9	19 7	7 8	51 6	108 70	105 30	79 80	83 70	125 70
Conditional, total.....	173,877	100 0	100 0	86 9	5 9	2 5	4 7	184 10	185 80	173 80	173 40	172 30
64.....	5,126	2 9	100 0	100 0				186 40	186 40			
65.....	158,821	91 3	100 0	91 2	6 2	2 5	1	185 30	186 10	177 00	177 50	153 80
66.....	4,723	2 7	100 0	10 7	3 2	2 1	84 0	168 80	152 90	102 20	111 70	174 80
67.....	2,382	1 4	100 0	9 7	3 8	3 0	83 5	164 60	144 30	99 80	117 30	171 70
68-69.....	2,067	1 2	100 0	16 3	6 0	3 6	74 1	159 20	145 70	100 70	106 00	169 40
70 and over.....	758	5	100 0	16 9	7 9	4 0	71 2	159 90	144 50	102 50	112 70	170 80
Deferred, total.....	47,424	100 0	100 0	90 3	3 3	1 9	4 5	192 80	196 10	161 50	168 30	160 00
64.....	1,799	3 8	100 0	100 0				197 40	197 40			
65.....	43,203	91 1	100 0	94 4	3 3	2 1	2	195 00	196 60	167 20	173 60	140 40
66.....	951	2 0	100 0	7 3	2 8	1 5	88 4	156 50	126 90	78 50	97 30	162 40
67.....	551	1 1	100 0	10 2	4 7	2 0	83 1	148 50	122 20	86 50	97 30	156 40
68-69.....	498	1 1	100 0	12 2	7 5	4 8	75 5	144 70	114 40	89 60	94 30	158 20
70 and over.....	422	.4	100 0	13 7	6 7	3 1	77 5	155 40	145 90	93 70	95 40	159 00
Women, all awards.....	130,781	100 0	100 0	67 9	9 6	4 6	17 9	153 00	162 80	129 30	138 00	133 70
Currently payable, total.....	52,553	100 0	100 0	49 4	13 2	6 0	31 4	127 90	141 40	104 10	115 20	119 70
64.....	803	1 5	100 0	100 0				150 00	150 00			
65.....	26,804	51 0	100 0	77 7	14 2	7 2	9	144 80	148 30	140 60	144 00	124 20
66.....	6,593	12 5	100 0	15 0	11 2	5 2	68 6	110 00	107 60	76 10	79 10	118 40
67.....	4,588	8 7	100 0	16 6	11 9	5 4	66 1	109 60	109 10	79 90	78 80	118 50
68-69.....	5,490	10 5	100 0	18 4	12 2	5 6	63 8	109 90	109 90	76 10	80 40	118 70
70 and over.....	8,275	15 8	100 0	19 3	14 5	5 9	60 3	110 00	104 00	73 80	79 30	122 00
Conditional, total.....	60,263	100 0	100 0	80 9	7 5	3 6	8 0	169 20	169 80	162 20	164 90	172 20
64.....	1,642	2 7	100 0	100 0				170 30	170 30			
65.....	53,185	88 3	100 0	87 7	8 3	3 9	1	169 30	169 70	163 90	168 00	148 00
66.....	2,539	4 2	100 0	8 0	1 6	2 0	88 4	166 90	152 10	102 00	101 20	170 90
67.....	1,477	2 5	100 0	7 2	2 5	1 2	89 1	169 80	159 10	94 50	99 80	174 20
68-69.....	1,097	1 8	100 0	10 5	2 7	2 4	84 4	167 00	156 00	94 70	119 20	172 10
70 and over.....	323	5	100 0	10 2	3 6	3 2	83 0	172 20	135 20	105 80	104 90	182 60
Deferred, total.....	17,965	100 0	100 0	78 0	6 2	3 8	12 0	172 80	177 90	153 10	156 40	155 10
64.....	561	3 1	100 0	100 0				181 50	181 50			
65.....	15,010	83 6	100 0	87 8	7 0	4 4	8	176 10	178 80	158 00	160 90	131 10
66.....	903	5 0	100 0	9 1	2 2	2 7	86 0	148 90	126 60	74 90	103 10	154 60
67.....	571	3 2	100 0	8 6	3 0	1 4	87 0	149 40	129 30	77 90	103 40	155 50
68-69.....	574	3 2	100 0	13 7	3 2	1 5	81 6	146 90	130 10	88 10	112 20	152 90
70 and over.....	346	1 9	100 0	17 3	2 4	1 3	79 0	166 50	121 40	87 80	92 90	175 80

<sup>1</sup> Includes some women who, before becoming entitled as retired workers, were entitled to widow's benefits before age 62. The retired-worker benefits

for these women would be reduced, even if claimed at age 65 or later.

<sup>2</sup> Includes about 50 beneficiaries aged 66 and over.

thus do not need to do so retroactively. In addition, beneficiaries with low PIA's may have financial obligations to meet and thus elect as much retroactivity as possible to obtain the largest benefit possible. Those with high PIA's may be better able to do without benefits for the months before they reach age 65 and waive them to avoid completely or lessen the actuarial reduction of the PIA and thus establish a higher continuing benefit rate.

### Unreduced Awards

During 1971, unreduced benefits were awarded to about 289,000 men and 131,000 women, as table 1 shows. About 23 percent of the benefit awards

to men and 40 percent of those awarded to women were currently payable. The majority of the unreduced awards were conditional and deferred, primarily because of the awardee's continued employment.

About 64 percent of the men and 53 percent of the women with currently payable awards filed for benefits at ages 64 and 65. Of those filing at age 65, only about 20 percent elected any retroactivity. Many of them probably filed so close to their 65th birthday—the normal retirement time in many industries—that they could not receive unreduced benefits retroactively. Relatively more of the awardees aged 65 with high PIA's than of those with low PIA's claimed no retroactivity.

TABLE 2.—Number and average monthly amount of retired-worker benefit awards, by primary insurance amount, sex and age of worker in month of filing, reduction and payment status, and months of retroactive entitlement, 1971

Age in month of filing and primary insurance amount	Currently payable awards							Conditional and deferred awards						
	Total		Percentage distribution by months of retroactive entitlement					Total		Percentage distribution by months of retroactive entitlement				
	Number	Per cent	Total	0	1-6	7-11	12	Number	Per cent	Total	0	1-6	7-11	12
<b>Reduced awards</b>														
Men, all ages.....	432,897	100 0	100 0	59 6	22 1	7 6	10 7	41,147	100 0	100 0	33 1	31 5	19 0	16 4
Less than \$100 00.....	70,127	16 2	100 0	51 7	19 2	8 3	20 8	2,545	6 2	100 0	41 6	22 4	16 2	19 8
100 00-149 90.....	103,641	23 9	100 0	50 6	22 1	9 8	17 5	9,170	22 3	100 0	29 5	26 8	17 6	26 1
150 00 or more.....	259,129	59 9	100 0	65 4	22 8	6 6	5 2	29,432	71 5	100 0	33 3	33 8	19 8	13 1
Aged 61, total.....	4,189	100 0	100 0	100 0				102	100 0	100 0	100 0			
Less than \$100 00.....	947	22 6	100 0	100 0				14	13 7	100 0	100 0			
100 00-149 90.....	1,210	28 9	100 0	100 0				40	39 2	100 0	100 0			
150 00 or more.....	2,032	48 5	100 0	100 0				48	47 1	100 0	100 0			
Aged 62, total.....	238,075	100 0	100 0	75 4	19 4	5 2		8,595	100 0	100 0	62 0	30 1	7 9	
Less than \$100 00.....	44,013	18 5	100 0	68 5	23 0	8 5		991	11 5	100 0	71 3	20 9	7 8	
100 00-149 90.....	61,113	25 7	100 0	70 4	22 6	7 0		2,480	28 9	100 0	64 0	27 8	8 2	
150 00 or more.....	132,949	55 8	100 0	80 0	16 8	3 2		5,124	49 6	100 0	59 1	33 1	7 8	
Aged 63, total.....	76,961	100 0	100 0	48 2	24 8	9 0	18 0	6,464	100 0	100 0	45 2	25 6	14 1	15 1
Less than \$100 00.....	9,666	12 5	100 0	30 1	13 7	7 3	48 9	360	5 6	100 0	42 1	17 2	13 0	27 7
100 00-149 90.....	15,305	19 9	100 0	29 7	24 1	11 8	34 4	1,224	18 9	100 0	37 7	19 3	14 3	28 7
150 00 or more.....	51,990	67 6	100 0	57 0	27 0	8 5	7 5	4,880	76 5	100 0	47 3	27 8	14 0	10 9
Aged 64, total.....	102,749	100 0	100 0	35 9	27 1	11 9	25 1	23,762	100 0	100 0	22 0	34 0	23 2	20 8
Less than \$100 00.....	11,758	11 4	100 0	18 0	15 0	8 8	58 2	992	4 2	100 0	17 4	26 9	23 9	31 8
100 00-149 90.....	22,420	21 8	100 0	16 0	21 6	15 2	47 2	4,714	10 8	100 0	13 7	28 7	21 3	36 3
150 00 or more.....	58,571	66 8	100 0	45 5	31 0	11 1	12 4	18,056	76 0	100 0	24 4	35 8	23 7	16 1
Aged 65, total.....	10,923	100 0	100 0	1 4	20 3	17 4	60 9	2,224	100 0	100 0	2 2	27 8	31 6	38 4
Less than \$100 00.....	3,743	34 3	100 0	.3	9 2	9 4	81 1	188	8 5	100 0	6	18 1	29 1	52 2
100 00-149 90.....	3,593	32 9	100 0	8	15 4	17 5	66 3	712	32 0	100 0	9	23 9	29 9	45 3
150 00 or more.....	3,587	32 8	100 0	3 1	37 0	25 6	34 3	1,324	59 5	100 0	3 1	31 1	32 9	32 9
Women, all ages.....	369,895	100 0	100 0	65 1	16 5	7 1	11 3	20,468	100 0	100 0	23 6	34 4	27 2	14 8
Less than \$100 00.....	101,985	43 8	100 0	63 3	14 5	6 6	15 6	2,826	13 8	100 0	44 4	24 6	17 1	14 0
100 00-149 90.....	117,600	31 8	100 0	64 0	17 5	8 3	10 2	7,621	37 2	100 0	27 4	34 4	19 1	19 1
150 00 or more.....	90,310	24 4	100 0	69 9	19 1	6 4	4 6	10,021	49 0	100 0	14 6	37 3	36 3	11 8
Aged 61, total.....	5,883	100 0	100 0	100 0				59	100 0	100 0	100 0			
Less than \$100 00.....	3,087	52 5	100 0	100 0				20	35 9	100 0	100 0			
100 00-149 90.....	1,838	31 2	100 0	100 0				23	39 0	100 0	100 0			
150 00 or more.....	958	16 3	100 0	100 0				16	26 4	100 0	100 0			
Aged 62, total.....	248,846	100 0	100 0	79 9	14 9	5 2		4,670	100 0	100 0	59 0	28 7	12 3	
Less than \$100 00.....	118,039	47 4	100 0	77 5	15 9	6 6		1,324	28 4	100 0	72 7	20 6	6 7	
100 00-149 90.....	78,915	31 7	100 0	80 4	15 0	4 6		1,940	41 5	100 0	63 7	27 3	9 0	
150 00 or more.....	51,892	20 9	100 0	84 8	12 6	2 6		1,406	30 1	100 0	39 7	38 4	21 9	
Aged 63, total.....	43,875	100 0	100 0	34 8	21 4	10 4	33 4	2,426	100 0	100 0	15 4	25 9	39 2	19 5
Less than \$100 00.....	15,785	36 0	100 0	21 1	12 3	7 1	59 5	281	11 6	100 0	23 3	21 9	26 9	27 9
100 00-149 90.....	13,056	29 8	100 0	28 4	26 6	14 7	30 3	710	29 3	100 0	20 3	26 3	23 6	29 9
150 00 or more.....	15,034	34 2	100 0	54 7	26 3	10 3	8 7	1,435	59 1	100 0	11 4	26 6	49 5	12 6
Aged 64, total.....	53,085	100 0	100 0	25 8	23 3	13 3	37 6	10,546	100 0	100 0	8 3	41 7	30 8	19 2
Less than \$100 00.....	16,469	31 0	100 0	12 6	11 4	7 4	68 6	794	7 5	100 0	11 8	33 9	28 7	25 6
100 00-149 90.....	17,197	32 4	100 0	18 1	25 0	20 0	36 9	3,789	35 9	100 0	8 4	42 3	23 1	25 7
150 00 or more.....	19,419	36 6	100 0	44 0	31 6	12 6	11 8	5,963	66 6	100 0	7 8	42 1	35 9	14 2
Aged 65 and over, total.....	138,206	100 0	100 0	40 3	13 7	9 9	36 1	13,767	100 0	100 0	27 8	25 3	30 5	16 4
Less than \$100 00.....	8,605	47 3	100 0	30 9	10 6	6 7	51 8	407	14 7	100 0	29 3	24 0	24 9	21 8
100 00-149 90.....	6,594	36 2	100 0	49 5	14 3	11 1	25 1	1,159	41 9	100 0	33 4	25 0	21 3	20 3
150 00 or more.....	3,007	16 5	100 0	46 8	21 3	16 2	15 7	1,201	43 4	100 0	22 1	26 1	40 6	11 2

See footnotes at end of table

About 50,000 persons—approximately the same number of men and of women—filed for currently payable benefits at age 66 or later.<sup>5</sup> About 15-20 percent of them did not elect any retroactivity;

<sup>5</sup> For a discussion of the characteristics of beneficiaries who enter the social security rolls after age 65, see Leonard Rubin, "Late Entitlement to Retirement Benefits: Findings From the Survey of New Beneficiaries," *Social Security Bulletin*, July 1973, pages 3-20.

the majority chose retroactive entitlement for the full 12 months. The proportion with 12 months was substantially greater among those with high PIA's than among those with low PIA's. Since workers filing at age 66 or later do not lose anything through actuarial reduction by electing the full 12 months, some persons in that age group with low PIA's may not have been insured throughout the 12-month period, or they may have



at ages 64 and 65; only about 12,000 men and 8,000 women filed at age 66 or later. Among those who filed at age 65, about 90 percent sought no retroactive entitlement. The vast majority were perhaps still employed and were filing only to establish their eligibility for hospital benefits; for these persons, the date of filing was probably close to the 65th birthday. The average monthly benefit amounts awarded were relatively high: for 86 percent of the men and 72 percent of the women, the PIA's were \$150 or more. Average benefit amounts were highest among those with no retroactive entitlement, and the proportion without any retroactivity was highest among those with PIA's of \$150 or more.

More than 80 percent of the persons who filed after attaining age 66 elected the full 12 months of retroactive entitlement. About 90 percent of those with PIA's of \$150 or more elected 12 months. Some of these beneficiaries may have delayed filing for benefits because they were still working, though they were technically eligible to file earlier. Others may have needed additional quarters of coverage to be eligible. For others, personal reasons may have accounted for the delay in filing.

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## Workmen's Compensation Payments and Costs, 1973\*

Cash and medical payments under workmen's compensation programs in the United States increased in 1973 by more than \$1 billion, or 25 percent. This was by far the largest annual increase both in dollars and in percentage terms since the data for this series were first compiled for 1939. An estimated \$5,064 million was paid in 1973, including \$3,801 million in benefits provided through State programs and \$1,263 million through the various Federal programs. The most prominent Federal expenditure was for the black lung benefit program covering coal miners and their survivors.

The extraordinary rise in benefits during the

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\* By Daniel N. Price, Division of Retirement and Survivor Studies. For a 4-year review of the program, see Alfred M. Skolnik and Daniel N. Price, "Workmen's Compensation Under Scrutiny," *Social Security Bulletin*, October 1974, pages 3-25.

year was due to a combination of rising wage and employment levels and statutory changes liberalizing coverage and benefit provisions under the State programs and the Federal black lung law. About one-half of the \$1 billion addition to workmen's compensation programs was accounted for by the black lung program.

## BLACK LUNG BENEFITS

The black lung program was established to compensate coal miners and their survivors for permanent total disability and death from pneumoconiosis or black lung disease, a respiratory illness contracted from working in coal mines. Payments began under this law in January 1970 and are due to terminate in 1981. Monthly benefits are raised automatically as national wage levels rise. A formula is used that links benefits indirectly to Federal employee salary scales under the Federal Employees' Compensation Act.

In May 1972, amendments to the Federal Coal Mine Health and Safety Act expanded its provisions. The amendments liberalized standards for the adjudication of benefit claims, extended eligibility for black lung benefits to surface coal miners, liberalized the definition of disability, established broader benefit rights for survivors, and allowed previously disallowed claims to be reconsidered under the new provisions.

The effects of these changes are easily seen. In May 1972 there were only about 250,000 black lung beneficiaries; by December 1973 the number had increased to 460,000. Including lump-sum payments for retroactive claims, the dollar amount spent for black lung benefits almost doubled—from \$554 million in 1972 to \$1,045 million in 1973. It is expected that benefit payments under this program peaked in 1973 and so will become a smaller part of workmen's compensation benefit totals in succeeding years as the backlog of claims dwindles.

## STATE PROGRAMS

If the black lung program is excluded, the increase in total workmen's compensation benefits for 1973 drops from 25 percent to 15 percent—still an impressive rate and one not exceeded in any other year in the history of the series.