

originally established by P L 93-567 (December 31, 1974) to provide temporary unemployment assistance for workers—mainly farm workers, domestic workers, and State and local government workers—lacking sufficient covered employment to qualify for a regular unemployment insurance benefit. The new law provides that claims filed by December 31, 1977, could continue in payment status through June 1978.

Public Law 94-566 also changes the base period used for determining an individual's eligibility for SUA. Under previous law, the base period was the 52-week period preceding the first week with respect to which the individual files a claim. The base period is now changed to correspond with the base period that is used under the regular State unemployment compensation program. The law also places nonprofessional employees of schools in the same position as professional school employees by denying them eligibility for SUA payments during vacation periods when they have reasonable assurance of employment for the post-vacation school term.

Other Provisions

The new law establishes a National Commission on Unemployment Compensation with 13 members to undertake a comprehensive examination of the present unemployment insurance system and its problems and goals and to develop appropriate recommendations. The Commission is to consist of three members appointed by the President pro tempore of the Senate, three members by the Speaker of the House, and seven by the President. Selection of members of the Commission are to be aimed at assuring balanced representation of interested groups—including at least one representative each of labor, industry, small business, and the various levels of Government. The deadline for a final report is January 1, 1979.

Public Law 94-566 provides for incorporation of the Virgin Islands unemployment insurance system into the Federal-State system. The law extends to that jurisdiction the Federal unemployment tax, and the extended-benefits program as well, and permits the Federal trust funds to finance the administrative costs of the Virgin Islands program and to lend money to that system if it cannot meet its benefit obligations.

Widowed-Father Beneficiaries*

Since 1940, widowed mothers, regardless of their age, have been eligible for social security cash benefits if they had children under age 18 in their care. In 1957, their eligibility was extended if they had in their care children aged 18 or older and disabled. Although the children of deceased women workers have been eligible for benefits since 1950, a widowed father with children in his care was not eligible.

On March 19, 1975, the Supreme Court of the United States decided that the Social Security Act violated the right to equal protection by the due process clause of the 5th amendment, since it provided benefits to mothers but not to fathers in similar circumstances.¹ According to the Court, the act thus discriminated against women wage earners by affording them less protection for their survivors than was provided for men. (This ruling affirmed an earlier decision of the U.S. District Court of New Jersey.) The decision qualified widowed fathers for social security benefits effective March 1975, and the first benefit awards were made in June 1975. These awards, as well as those made throughout 1975, included any retroactive benefits from March 1975.

The data presented here on the number and amount of benefits awarded to fathers from June through December 1975 were derived, on a 100-percent basis, from the social security master beneficiary record, which contains detailed data on all beneficiaries.

Number and Amount of Benefit Awards

In the last 7 months of 1975, benefits were awarded to 4,707 widowed fathers and to 62,227 widowed mothers. The average monthly father's benefit was \$99.50. Widowed mothers' benefits averaged \$158.40. The underlying primary insurance amounts (PIA's)² averaged \$176.70 for widowed fathers and \$278.90 for widowed mothers (table 1). Thus, both the average award and the

* By Barbara A. Lingg, Division of OASDI Statistics, Office of Research and Statistics.

¹ *Wemberger v Wisenfeld*, U.S. Supreme Court, March 19, 1975, reprinted in U.S. Senate, Special Committee on Aging, *Women and Social Security: Adapting to a New Era*, 94th Cong., 1st sess., October 1975, page 45.

TABLE 1—Benefits awarded and in current-payment status for widowed fathers and mothers Number, average primary insurance amount, and average monthly benefit amount, 1975

Item	Widowed father		Widowed mother	
	Benefit awards, June December 1975	Benefits in current payment status, December 1975	Benefit awards, June December 1975	Benefits in current-payment status, December 1975
Total number.	4 707	3,727	62 227	578 129
Average Primary insurance amount	\$176 70	\$174 40	\$278 90	\$252 70
Monthly benefit amount..	99 50	89 60	158 40	147 60

average PIA² were lower for fathers, reflecting both the generally lower earnings of women and their more sporadic participation in the labor force³

The PIA's were higher for survivor families with younger fathers than for families with older fathers, averaging \$223 60 for families with fathers under age 30 but only \$153 30 for families with fathers aged 50 and over (table 2) A factor influencing the PIA level is the number of years of earnings that must be considered in the computation Generally, the fewer the years needed and the more recent the earnings experience, the higher the average monthly earnings and the higher the PIA Fewer years of earnings are necessary in computing the PIA's of younger deceased workers For example, the PIA of a 50-year-old worker who died in 1975 would be based on 19 years of earnings and that of a 30-year-old worker on only 3 years of earnings Moreover, for the deceased older workers, lower earnings in earlier years would yield smaller average monthly earnings and a smaller PIA, even if the worker earned the maximum amount creditable for social security purposes every year, since the maximum

²The PIA is the basic amount of the worker's benefit, related to the average monthly earnings of the worker It is used in computing the benefit amounts for the worker's dependents and survivors Widowed fathers and mothers and surviving children each may receive up to 75 percent of the PIA Benefits payable to a family are limited to a statutory maximum, normally 150-188 percent of the PIA If the benefits for all family members exceed this maximum, the amounts for each survivor are proportionately reduced Generally, if there are more than two survivors the combined benefit amounts exceed the family maximum

³For a discussion of these factors, see U S President, *Economic Report of the President*, 1973, pages 89-112, and Lucy B Mallan, "Women's Worklives and Future Social Security Benefits," *Social Security Bulletin*, April 1976, pages 3-13

TABLE 2—Benefit awards to widowed fathers Number, percentage distribution, average primary insurance amount, and average monthly benefit amount, by age, 1975

Age	Benefit awards		
	Total	Currently payable	Not currently payable
Number			
Total ¹	4 582	3 692	890
Under 30	452	321	131
30-39	1 057	883	174
40-49	1 575	1 316	259
50 and over	1 498	1 172	326
Percentage distribution			
Total	100 0	80 6	19 4
Under 30	100 0	71 0	29 0
30-39	100 0	83 5	16 5
40-49	100 0	83 6	16 4
50 and over	100 0	78 2	21 8
Average primary insurance amount			
Total	\$176 40	\$173 20	\$189 20
Under 30	223 60	218 00	237 30
30-39	205 70	200 70	230 90
40-49	165 10	162 70	177 20
50 and over	153 30	152 20	157 20
Average monthly benefit amount			
Total	\$99 10	\$89 90	\$137 70
Under 30	140 40	126 60	174 30
30-39	107 10	95 50	166 00
40-49	87 60	79 60	128 20
50 and over	93 10	80 80	115 50
Monthly benefit amount as percent of primary insurance amount			
Total	0 562	0 518	0 728
Under 30	628	581	735
30-39	521	476	719
40-49	531	489	723
50 and over	607	570	735

¹ Excludes 125 cases for which detailed information was not available

was considerably lower in previous years⁴ The PIA would be even smaller for an older woman worker who had dropped out of the labor force to care for her family because the computation period would include years of no earnings Furthermore, the deceased wives of the younger fathers were probably young themselves, had better employment opportunities, and higher lifetime earnings than did the wives of the older fathers

The monthly benefit payable to a widowed

⁴The maximum amount of creditable earnings was \$3,000 in 1937-50, \$3,600 in 1951-54, \$4,200 in 1955-58, \$4,800 in 1959-65, \$6,600 in 1966-67, \$7,800 in 1968-71, \$9,000 in 1972, \$10,800 in 1973, \$13,200 in 1974, and \$14,100 in 1975

father may equal 75 percent of the deceased wife's PIA. The amount is subject to a reduction, however, when all the survivor benefits together exceed the family maximum amount based on the PIA. The more survivor benefits payable on the basis of an earnings record the greater would be the reduction of the monthly amount for each beneficiary.

Average monthly benefits tended to be smaller for older fathers than for younger ones. Yet for those aged 50 and over the amounts were higher than they were for those aged 40-49, even though their average PIA's were lower than for the younger age group. This difference reflects the presence of more eligible surviving children in families with a father aged 40-49 than in families with an older widowed father.

The actual amount received by widowed-father beneficiaries is often considerably smaller than 75 percent of the wife's PIA. For benefits awarded in 1975, the benefit amount as a percent of the PIA differed for each age group, especially for currently payable awards. Those currently payable represented a larger proportion of the corresponding PIA's for fathers under age 30 and for those aged 50 and over than for fathers aged 30-39 and 40-49. Obviously, there were more survivor beneficiaries among the latter two age groups. This assumption seems reasonable, as the wives of fathers under age 30 probably died before they had many children and some of the children of the fathers aged 50 and over may be too old to qualify for benefits.⁵ Average currently payable monthly benefit awards as proportions of the corresponding PIA's differed substantially from those not currently payable. Reasons for these differences are related to both the family size and the impact of the annual earnings test.

Effects of Annual Earnings Test

Among the 4,707 benefits awarded in 1975, only 3,727 were in current-payment status at the end of the year (table 1). Most of the others were

⁵ Child's benefits terminate at age 18 unless the child is a full-time student or disabled. Student's benefits terminate at the end of the semester in which the student attains age 22. Benefits can be paid at any age to individuals disabled in childhood.

suspended immediately after they were awarded because of earnings exceeding the monthly, and yearly exempt amounts.⁶

The number of fathers with suspended benefits may underestimate the actual number with earnings above the exempt amount. Sometimes a benefit is continued in current-payment status because the family benefit amount would remain the same whether or not the suspension is processed. This situation occurs in families with many survivor beneficiaries in which the benefit amount for each survivor had to be proportionately reduced. The following example illustrates this situation.

Assume that a family consisting of a father and two surviving children is entitled to monthly benefits based on a PIA of \$178.50 and a family maximum of \$264.80. Because of the application of the family maximum, the benefit of each of the survivors is reduced. If the father's benefits were to be suspended because of earnings, the children's benefits would be refigured as if the father was not entitled to any benefits. Yet the total amount for the family would remain the same, as shown below. Under these conditions, no adjustments would be made.

Benefit status	Total	Father	1st child ^a	2d child
Before adjustment for family maximum	\$397.20	\$132.40	\$132.40	\$132.40
After adjustment for family maximum	264.90	88.30	88.30	88.30
After suspension of father's benefits because of earnings	264.80	0	132.40	132.40

The average currently payable benefit award for the fathers was 52 percent of their average PIA. The sizable deviation of the average monthly benefit amount from the 75 percent of the PIA to which they could be entitled indicates that many families were affected by the family maximum. Some fathers probably had earnings over the exempt amount but continued to receive their benefits.

The average monthly benefit award not currently payable was 73 percent of the average PIA, indicating that most families in this group were not affected by the family maximum. A father

⁶ Beneficiaries under age 72 are subject to the annual earnings test under which in 1975 a beneficiary could earn as much as \$2,520 without having any benefits withheld. If earnings exceeded that amount, \$1 in benefits was withheld for each \$2 of earnings beyond \$2,520, but no benefits were withheld for any month in which the beneficiary earned \$210 or less or did not render substantial services in self-employment.

with earnings above the exempt amount would therefore have his benefits suspended

The percentage of not currently payable awards to widowed fathers varied with the age of the father. The percentage was highest for those under age 30, considerably smaller for those aged 50 and over, and lowest for those aged 30-49. These variations may reflect differences in family size. Families with fathers aged 30-49 tended to be larger than those with fathers under age 30 or over age 49, and the benefits were affected by the family maximum. The benefits for all members of these families were probably processed as currently payable, even if the father had earnings over the exempt amount.

Time of Entitlement and Year of Wife's Death

A father's entitlement to benefits began in March 1975 or in the month the wife died. Since about 52 percent of the fathers became entitled to benefits in April 1975 or later, it is reasonable to assume that in at least half of the cases processed in 1975, the wife died after the Supreme Court decision (table 3). Generally, if the wife died after the decision, the widower would have been advised of the availability of father's benefits when the application was made for survivor child's benefits. If she died before the date of the decision, the widowed father would have to learn of the benefits on his own.

Although the Court's decision was widely reported and the Social Security Administration publicized the availability of the benefits, some men, particularly those whose wives died many years ago, may still not be aware of them. Thus, in 65 percent of the initial awards in 1975 the wife died the same year and in 28 percent of the cases she died from 1970 through 1974. In only 7 percent of the awards did she die before 1970.

Among large survivor families, a father's entitlement to benefits would not increase the total family benefits, whether or not he had earnings large enough to offset all of his benefits during the year. Consequently, he would have little incentive to file for benefits. Nevertheless, he would be wise to do so, even if the family benefit amount would not increase. He would then be ready to get his benefit if some family mem-

TABLE 3—Benefit awards to widowed fathers. Number, percentage distribution, average monthly benefit amount, and average primary insurance amount, by year of wage earner's death and by month of entitlement, 1975

Item	Number ¹	Percentage distribution	Average monthly benefit amount	Average primary insurance amount
<i>Year of wage earner's death</i>				
All awards.....	4,582	100.0	\$99.10	\$176.40
1975.....	2,064	64.7	95.80	176.80
1974.....	492	10.7	111.60	188.60
1973.....	310	6.8	106.40	178.20
1972.....	197	4.3	100.20	169.10
1971-70.....	307	6.7	106.20	176.10
1968-69.....	126	2.7	100.50	165.80
1967-65.....	105	2.3	88.70	149.00
Before 1965.....	81	1.8	91.90	153.80
<i>Month of entitlement</i>				
All awards.....	4,582	100.0	\$99.10	\$176.40
October-December 1975.....	115	2.5	106.60	185.50
September 1975.....	220	4.8	97.40	177.60
August 1975.....	311	6.8	85.40	176.10
July 1975.....	367	8.0	94.60	174.90
June 1975.....	417	9.1	94.90	178.90
May 1975.....	452	9.9	95.20	175.00
April 1975.....	485	10.6	94.70	177.80
March 1975.....	2,215	48.3	102.60	175.60

¹ Excludes 125 cases for which detailed information was not available.

bers had theirs withheld or terminated. Among smaller families, too, it would be advisable for the father to file for benefits even if they would be suspended because of his earnings, since he would then be on the rolls and able to get his benefit if his earnings ceased or declined.

Social Security Abroad

Effect of Recession on Financing of German Pension Program*

The impact of the 1974 recession on the financial position of the US social security system has recently been the focus of considerable discussion in this country. The situation has also prompted interest in how foreign programs fared under similar economic conditions.

The recession and continuing high rates of inflation have placed increased demands on the social security systems of numerous industrial countries. The financial stress is largely attrib-

* Prepared by Lois S. Copeland, Comparative Studies Staff, Office of Research and Statistics.