

the proportion electing to take benefits reduced for early retirement leveled off for the next 2 years.

There is much interest and concern over the trend toward early retirement and the factors that might be responsible for the trend. To gain further insight into the phenomenon of early retirement, the Social Security Administration has under way several studies. These studies will include analyses of reasons why workers retire, their earnings and employment characteristics, labor-force and industrial pension developments, and the effects of social security program changes.

OASDHI Covered Employment of Foreign Beneficiaries*

The 1954 amendments to the Social Security Act provided that American corporations could voluntarily obtain social security coverage for United States citizens employed in their foreign subsidiaries. Domestic corporations obtain such coverage for their employees by entering into an agreement with the District Director of Internal Revenue to pay contributions on the wages of these employees on the same basis as if their services were performed in the United States. This provision became effective January 1, 1955.

The accompanying table represents all of the first-quarter foreign subsidiary reports of the signatory corporations that could be identified. First-quarter data are shown because they are most representative of overall coverage. Many employees earn the taxable limit (\$4,200 through 1958, \$4,800 through 1965, \$6,600 beginning in 1966) before the end of the second quarter and are not represented at all in wage reports for the

latter part of the year. Data were not compiled for the first quarters of 1960 or 1965.

Foreign subsidiary wage report data: January-March, selected years, 1955-66

Year	Number of domestic corporations	Worker items reported	Taxable wages (thousands)	Average wage per worker item reported
1955.....	81	1,838	\$4,021	\$2,187
1956.....	219	3,173	7,471	2,354
1957.....	276	4,340	10,549	2,431
1958.....	328	5,885	15,468	2,628
1959.....	377	7,243	19,350	2,672
1961.....	447	8,268	22,795	2,757
1962.....	498	8,772	24,956	2,845
1963.....	524	9,376	27,818	2,967
1964.....	537	9,121	27,443	3,009
1966.....	546	10,207	33,860	3,317

Since 1955 there has been a steady increase in the number of corporations reporting and in the number of workers and amount of taxable wages reported. Although only nine more corporations reported in 1966 than in 1964, the number of reported worker items rose more than 1,000, exceeding the 10,000 level for the first time. Aggregate taxable wages increased more than 23 percent, reflecting in part the higher taxable wage base effective beginning 1966. Average taxable wages paid to United States citizens whose employment is covered under this provision amounted to \$3,317 during the first quarter of 1966, compared to about \$1,240 paid to all wage and salary workers in employments covered by old-age, survivors, disability, and health insurance.

* Prepared in the Division of Statistics.