CURRENT ISSUES IN FEDERAL OLD-AGE INSURANCE**

1. General


In an address before the American Society for Public Administration, the Commissioner of Social Security deals with such current policy issues as the objective of the old-age insurance system, the level of benefits, methods of adjusting benefits, adjustments in the contribution and benefit base, and the place of a contribution from general revenues to meet accrued liability costs.


Discusses the "concept of cooperative contract in American social insurance programs" and the "bench marks" for determining appropriate areas for public action. Although the article does not deal specifically with old-age insurance, the principles set forth are pertinent to consideration of changes in that program.


This discussion of policy issues is based on the premise that there is growing acceptance "of the concept of the basic minimum." With particular reference to the old-age insurance program, the author poses questions regarding the adjustment of benefits to rising prices and productivity and optimum benefit levels. She discusses at some length the relative merits of the negative income tax and the universal income guarantee.

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**Items from this list should be ordered directly from the publisher. Addresses are given in connection with each reference.

A concise discussion of the impact of the OASDI program on labor force participation and productivity, the income status of the aged, income redistribution, and economic stability and growth, as well as of issues regarding benefit levels and financing.


A critical discussion of inadequacies in the existing public and private programs for providing income in old age. Also presents various policy alternatives through which the federal government could ensure that the system operate with greater equity and efficiency.


Part One of these hearings contains the text of the President's message entitled "Aid for the Aged," a reprint of the section-by-section analysis and explanation of the bill prepared for the Committee, and statements by leading officials from the Departments of Health, Education, and Welfare and the Treasury, together with the supporting data submitted by them.

2. QUESTIONS OF ECONOMIC IMPACT AND TAX POLICY


In this study concerned with the ability of older persons to obtain and retain jobs, one of the variables considered is the increased availability of OASDI benefits over the past thirty years. While these benefits seem to encourage workers to leave the labor force at or about age sixty-five, the authors found it difficult to isolate this effect statistically.


An analysis of the economic factors associated with the retirement decision. With respect to the impact of the OASDI system, the author found that the retirement test had no apparent impact on labor force
participation rates of the elderly, but that their median earnings were significantly affected and that the effect on human resource allocation is to reduce the overall labor force participation rate of the elderly and also the intensity of their labor force participation.


An analysis of the tax treatment of social security contributions and payments in twenty-two foreign countries and the United States. In his conclusions the author points out that, with the increasing proportion of persons subject to income tax and the increasing proportion receiving old-age pensions, the social policy effects of tax policy will require more careful consideration.


Discusses the important features of payroll taxes and proposals for reform of the system for financing old-age insurance. "Removal of the ceilings on the payroll tax bases, integration of the payroll and income taxes, or use of the general fund for financing increased social security benefits would improve the equity of these taxes," according to the author.


A study of the effects of the taxable limits which is based on statistics compiled by the Social Security Administration. Failure to increase taxable limits as the earnings level rose has, according to the author, affected regularly employed males more than other groups, has flattened the benefit structure, and has resulted in a downward trend in the proportion of earnings covered.


Examines the effects on resource allocation and economic growth, the incidence of the tax burden, problems of equity, and effects of OASDHI tax collections on the stability of the economy. In conclusion the predominantly harmful and predominantly beneficial aspects of the tax are evaluated.

3. Questions of Benefit Levels

Aaron, Henry. "Benefits under the American social security system." Studies in the economics of income maintenance. Edited by Otto

Examines the method used in the United States for adjusting benefits under the old-age insurance system and suggests that the interest rate and earnings assumptions used in determining the actuarial balance of the system be reexamined. Also criticizes the present benefit formula because its application results in certain types of inequities.


A report submitted to the fourteenth General Meeting of the International Social Security Association which includes replies to a questionnaire from thirty-one of the member nations regarding their solutions to the problem of adjusting pensions. Also included are the conclusions adopted by the General Meeting.


Using data from the one-percent continuous work history sample, this study examines characteristics of workers receiving minimum benefits with respect to sex, color, and benefit reduction status, recency and type of employment, earnings levels, and income sources.


An analysis of the extent to which the present OASDI system prevents poverty or near-poverty among persons aged sixty-five and over, with estimates of the effects of eight and fifteen percent benefit increases on the poverty and low-income status of this same group.


This study of the adequacy of benefits presents data for evaluating the experience of past retirees in relation to price and wage levels and also "the overall progress of the program ... in adapting to the long-term rise in earnings." Supplementary data for the year 1966 may be found in Research and Statistics Note No. 8, March 29, 1967, a publication of the Office of Research and Statistics, Social Security Administration.