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MORTALITY STUDY OF CHARTER BENEFICIARIES

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The Old-Age, Survivors, and Disability Insurance program has been paying monthly benefits for more than 25 years—actually, since January 1940. A study has been made—and will continue to be made—of the so-called Charter Beneficiaries, those persons who were aged 65 or over and were entitled to monthly benefits for January 1940 and who continue to be so entitled.

Charter Beneficiaries consist not only of old-age beneficiaries (retired workers), but also of wife beneficiaries, widow beneficiaries, and parent beneficiaries. It will be recalled that, under the law in effect in 1940, all these types of beneficiaries had to be at least age 65.

It should be noted that because of technical procedural difficulties, a woman who was entitled to wife's benefits for January 1940 and who was subsequently widowed (so that thereafter she received widow's benefits) is not classified now as a Charter Beneficiary, because she is not entitled to the same type of benefit as she was for January 1940. This factor alone has had a very significant effect in eliminating from the Charter Beneficiary group most women who were on the benefit roll for January 1940 as wife beneficiaries. Properly speaking, this group of widows should be classified as Charter Beneficiaries, but it was virtually impossible—and definitely not feasible administratively—to locate them and to so designate them.

A few other instances exist where a person who received monthly benefits for January 1940 and has been on the benefit roll ever since, is not classified as a Charter Beneficiary. Such a beneficiary who was receiving a benefit other than an old-age benefit might subsequently have

had sufficient covered employment to become entitled to an old-age benefit that was larger than his original benefit. In such instances, he would have had the latter benefit terminated. The number of these cases is undoubtedly relatively negligible.

Table 1 shows the estimated number of Charter Beneficiaries as of February 1, 1940, by type of benefit and by sex and year of birth. As indicated in the footnote of the table, these figures had to be partially estimated because a small amount of the data was not available. It should be noted that current-payment data for January 1940 could not be used, but rather the appropriate data were for awards in which the earliest month of entitlement was January 1940. It is believed that the total of 37,002 for all Charter Beneficiaries combined is very close to the actual figure (if it were possible to obtain such a figure).

The nature of the provisions of the law were such that all "old-age" Charter Beneficiaries not only had to be at least age 65 in January 1940, but also could not be over age 67 then. The reason for this was that a minimum of 6 quarters of coverage was required for eligibility for benefits and that during 1937–38 coverage was not applicable beyond the 65th birthday. Thus, a person aged 65 or over at the beginning 1937 (year of birth 1871 or earlier) could not qualify for old-age benefits for January 1940, because he would at most have 5 quarters of coverage (4 in 1939 and 1 in January 1940). Persons born in 1872 could become eligible for old-age benefits in January 1940, but with considerable difficulty if their 65th birthday occurred early in 1937. At the other extreme,

persons born in 1875 could become eligible for old-age benefits for January 1940 only if their birthday occurred on or before February 1, 1940.

The foregoing discussions explain why so few "old-age" Charter Beneficiaries are shown for year-of-birth groups 1872 and 1875 (and none before 1872). Such a situation did not prevail for other types of Charter Beneficiaries, who could be well beyond age 67 in January 1940 (although, of course, being at least age 65). In fact, several of this category were at the older ages—42 aged 80 or over (based on age to be attained in 1940), of whom 6 were aged 85 or over.

Table 2 presents the distribution of Charter Beneficiaries on the benefit roll for November 1965 (i.e., alive on December 1, 1965). The 1,927 survivors alive at the end of almost 25 years represent about 5% of the starting group. This survival proportion prevailed for each of the beneficiary categories, except being somewhat higher for female old-age beneficiaries (12%) because of the well-known female superiority in survival and considerably lower for wife's benefits (1%) because of the dependence on survival of both members of the couple.

Only 4 Charter Beneficiaries were aged 95 or over (based on age attained in 1965, or to be attained) as of December 1, 1965, and none of these were centenarians. It is of interest to note that 198 Charter Beneficiaries initially on the roll could have been centenarians if they had survived to December 1, 1965, but that none of them did so.

Table 3 gives the results of a mortality study of the Charter Beneficiary group. This was made by projecting the beneficiaries as of February 1, 1940 to December 1, 1965 on the basis of two sets of mortality rates and then comparing the estimated numbers of survivors with the actual numbers.

The first set of mortality rates was derived from the U.S. Life Tables prepared on the basis of the last three decennial censuses (i.e. for the periods 1939-41, 1949-51, and 1959-61). For example, a person born in 1873 was assumed to be age 66½ on February 1, 1940 and was projected 5 years by the 1939-41 table, 10 years

by the 1949-51 table, and 9 years and 10 months by the 1959-61 table. Those born in 1875 represented a special case, since they had to be born in January to be Charter Beneficiaries; they were considered to be age 65 on February 1, 1940 for purposes of the mortality projection. For "wife" Charter Beneficiaries the survival rates took into account both the mortality of the wife and that of her husband (assuming his age in each instance, to be the average age of all male "old-age" Charter Beneficiaries).

The second set of mortality rates was that of the death rates prepared from the experience of all OASDI old-age beneficiaries in 1940-61 (see *Actuarial Study No. 60*). These rates were applied only to "old-age" Charter Beneficiaries.

Based on population mortality, the actual number of Charter Beneficiaries surviving to December 1, 1965 was virtually the same as the "expected" number. This was, however, the result of counterbalancing experience of males and females. The male survivors were 6% less than "expected", while the female survivors were 34% more. A possible explanation of these results is that the male Charter Beneficiaries were a somewhat inferior group mortality-wise because they consisted of persons who had retired at the earliest possible time during a period when employment was relatively high (as a result of the defense activities immediately preceding our entry into World War II). On the other hand, the female Charter Beneficiaries, who, for the purposes of the mortality projection, consisted predominantly of retired workers, were probably a superior group mortality-wise because of their recency of employment (as compared with most women in their 60's not being employed).

As compared with beneficiary mortality, both the male and female "old-age" Charter Beneficiaries showed relatively high mortality (i.e. low survival), the ratio of actual to "expected" survivors being about 80%. This result may perhaps be due to the factor mentioned previously for male "old-age" Charter Beneficiaries--the higher mortality of workers retiring at the earliest possible moment as against workers deferring retirement.

Table 1

ESTIMATED NUMBER OF CHARTER BENEFICIARIES AS OF FEBRUARY 1, 1940¹

Year of Birth	Age Attained in 1940	Male		Female				Total
		Old-Age ²	Parent	Old-Age ²	Wife	Widow	Parent	
1875	65	751	—	130	152	4	1	1,038
1874	66	13,536	2	1,774	1,492	69	6	16,879
1873	67	11,006	4	1,447	1,162	56	6	13,681
1872	68	2,656	2	257	788	30	9	3,742
1871	69	—	—	—	479	22	7	508
1870	70	—	4	—	325	17	4	350
1869	71	—	2	—	210	13	7	232
1868	72	—	3	—	157	5	5	170
1867	73	—	2	—	111	4	2	119
1866	74	—	1	—	77	3	4	85
1865	75	—	1	—	59	2	2	64
1864	76	—	1	—	34	3	3	41
1863	77	—	—	—	12	1	2	15
1862	78	—	—	—	20	—	7	27
1861	79	—	—	—	7	1	1	9
1860	80	—	—	—	6	—	3	9
1859	81	—	—	—	4	—	2	6
1858	82	—	—	—	5	2	3	10
1857	83	—	—	—	2	—	2	4
1856	84	—	1	—	2	—	4	7
1855	85	—	1	—	—	—	1	2
1854	86	—	—	—	1	—	—	1
1853	87	—	—	—	—	—	1	1
1849	91	—	—	—	1	—	—	1
1846	94	—	—	—	—	—	1	1
Total		27,949	24	3,608	5,106	232	83	37,002

¹The complete actual number of persons entitled to monthly benefits for January 1940 is not known because some tabulations of awards of such entitlements are not available — namely, for awards in certain periods of 1941–42 (see text for further discussion).

²Retired worker.

It will be of interest to study the survival experience of the Charter Beneficiary group in the future as its members reach the most advanced ages. Particularly, it will be interesting to see how many become centenarians and how many (if any) live to be age 110, which some demographers consider to be about the "true" upper limit of age that is possible for human beings. This group is one of the few which can be studied over a long period of years so that there is an excellent probability that

the ages are accurately known (unlike the situation in censuses or in the registration of non-insured persons for the Medicare program, where age is reported on a one-time basis without extensive precise proof being required). In one other large group that was studied--Union Civil War veterans on the pension roll for many years--no person attained age 110 (see Robert J. Myers and Louis O. Shudde, "*Mortality Experience of Union Civil War Veterans*", TSA, VII, 63).

Table 2

CHARTER BENEFICIARIES ALIVE ON DECEMBER 1, 1965

Year of Birth ¹	Age Attained in 1965	Male		Female				Total
		Old-Age ²	Parent	Old-Age ²	Wife ³	Widow ³	Parent	
1875	90	36	—	24	2	—	—	62
1874	91	786	1	228	12	3	—	1,030
1873	92	523	—	158	10	8	1	700
1872	93	94	—	25	6	1	—	126
1871	94	—	—	—	2	1	2	5
1870	95	—	—	—	1	—	—	1
1869	96	—	—	—	—	—	—	—
1868	97	—	—	—	—	—	—	—
1867	98	—	—	—	1	—	1	2
1866	99	—	—	—	1	—	—	1
Total		1,439	1	435	35	13	4	1,927

¹As established when claim was filed.

²Retired worker.

³A woman who was a charter wife beneficiary and subsequently became widowed and who was entitled to widow's benefits for November 1965 is *not* considered to be a charter widow beneficiary.

Table 3

COMPARISON OF ACTUAL SURVIVAL OF CHARTER BENEFICIARIES WITH ESTIMATED NUMBER OF SURVIVORS BASED ON MORTALITY RATES¹, AS OF DECEMBER 1, 1965

Beneficiary Category	(1) Actual Survivors	(2) Estimated Survivors Based on Mortality of Population	(3) Beneficiaries	(4) Col. 1 as Percentage of Col. 2	(5) Col. 1 as Percentage of Col. 3
Male Beneficiaries					
Total Males ²	1,440	1,542	1,850	94%	78%
Female Beneficiaries					
Female Old-Age ³	435	325	547	134	80
Wife	35	20 ⁴	⁵	175	⁵
Widow and Parent	17	18	⁵	94	⁵
Total Females	487	363	⁵	134%	⁵
Total Beneficiaries					
Total Persons	1,927	1,905	⁵	101%	⁵

¹See text for description of method of estimation.

²Old-age and parent beneficiaries combined.

³Retired worker.

⁴Based on joint survival of husband and wife.

⁵Computed only for old-age beneficiaries.