

all instances they represent a "bargain" to the annuitant. These arbitrary factors were undoubtedly introduced for ease in administration, but they do create significant inequities as between different individuals. The following tabulation shows, for certain combinations of ages of male employee and wife, the factors that will be applicable according to the law and those developed on a reasonable actuarial basis.

In some instances the factors in the law are more generous by as much as 80 or 90 percent, while for what might be considered the typical case of a male employee aged 65 and his wife, aged 60, the differential is more than 25 percent. An earlier issue of the *Bulletin* carried detailed analysis of these joint and survivor annuity factors for married individuals, particularly as they apply to the annuity in excess of \$125 per month, and also of the different joint and survivor annuity factor for nonmarried annuitants.¹

Age of wife	Factor in law as percent of factor on actuarial basis, ¹ by specified retirement age of employee annuitant			
	55 years	60 years	65 years	70 years
20.....	97	102	109	120
30.....	101	111	125	150
40.....	106	119	143	192
50.....	107	119	139	183
55.....	107	116	132	163
60.....	107	114	126	149
65.....	104	109	118	133
70.....	101	105	111	121

¹ Based on 1937 Standard Annuity Table at 3-percent interest.

Public Law 320 provides that, for individuals paid on a fee basis, the maximum salary to be considered for benefit purposes shall be \$10,000 per year. This amendment was designed to prevent extremely large annuities for a relatively small number of individuals who had very high remuneration resulting from fees in noncovered Federal service and who subsequently entered a covered position and claimed such prior service. **Public Law 362** extends coverage to officers and employees of the Columbia Institution for the Deaf, with such service in the past being creditable.

¹ "Recent Amendments to the Civil Service Retirement Act," April 1948.

Employers, Workers, and Wages, April-June 1949

Workers with taxable wages in April-June 1949 numbered an estimated 38.5 million, representing a drop of 4.5 percent and 1.3 percent

from April-June 1948 and January-March 1949, respectively. The total number of workers employed in covered industries, estimated at 38.8 million, was 4.4 percent smaller than in the second quarter of 1948 and 0.5 percent less than in the first quarter of 1949. These contraseasonal declines result from continuing adjust-

Table 1.—Old-age and survivors insurance: Estimated number of employers¹ and workers and estimated amount of wages in covered industries, by specified period, 1940-49

[Corrected to Nov. 1, 1949]

Year and quarter	Employers reporting wages ² (in thousands)	Workers with taxable wages during period ² (in thousands)	Taxable wages ²		All workers employed in covered industries during period ³ (in thousands)	Total pay rolls in covered industries ³	
			Total (in millions)	Average per worker		Total (in millions)	Average per worker
1940.....	2,500	35,393	\$32,974	\$882	35,393	\$35,668	\$1,008
1941.....	2,646	40,976	41,848	1,021	40,976	45,463	1,110
1942.....	2,655	46,363	52,939	1,142	46,363	58,219	1,256
1943.....	2,394	47,656	62,423	1,310	47,656	69,653	1,462
1944.....	2,469	46,269	64,426	1,392	46,266	73,349	1,584
1945.....	2,614	46,392	62,945	1,357	46,392	71,560	1,543
1946.....	3,017	49,096	69,088	1,407	49,096	79,260	1,614
1947.....	3,250	49,200	78,372	1,593	49,200	92,512	1,850
1948 ⁴	3,300	49,600	84,500	1,704	49,600	102,700	2,071
1943							
January-March.....	1,971	36,537	15,462	423	36,537	15,760	431
April-June.....	2,008	37,483	16,561	442	37,557	17,400	463
July-September.....	1,998	37,682	15,838	420	38,057	17,498	460
October-December.....	2,001	36,016	14,562	404	37,593	18,995	505
1944							
January-March.....	2,010	36,326	17,362	478	36,326	17,696	487
April-June.....	2,048	36,893	17,234	468	36,992	18,185	492
July-September.....	2,038	37,301	16,243	435	37,752	18,359	486
October-December.....	2,039	35,629	13,537	380	37,759	19,109	506
1945							
January-March.....	2,076	35,855	17,874	499	35,855	18,262	509
April-June.....	2,149	35,854	17,541	489	35,949	18,558	516
July-September.....	2,176	35,684	14,982	420	36,285	17,261	476
October-December.....	2,199	33,598	12,548	373	35,973	17,478	486
1946							
January-March.....	2,287	36,038	16,840	467	36,038	17,397	483
April-June.....	2,416	38,055	17,845	469	38,153	19,079	500
July-September.....	2,478	39,670	17,709	446	40,228	20,222	503
October-December.....	2,513	37,945	16,694	440	39,630	22,562	565
1947							
January-March.....	2,509	38,765	20,805	537	38,765	21,501	555
April-June.....	2,587	39,900	20,655	518	40,200	22,254	554
July-September.....	2,620	40,255	19,555	486	41,155	23,049	560
October-December.....	2,699	37,448	17,357	463	40,748	25,708	631
1948							
January-March ⁴	2,590	39,600	23,100	583	39,600	24,000	606
April-June ⁴	2,690	40,300	22,800	566	40,600	24,800	611
July-September ⁴	2,700	41,000	21,300	520	42,200	25,900	614
October-December ⁴	2,710	36,800	17,300	470	42,000	28,100	669
1949							
January-March ⁴	2,690	39,000	23,500	603	39,000	24,400	626
April-June ⁴	2,750	38,500	22,500	584	38,800	24,600	634

¹ Number corresponds to number of employer returns. A return may relate to more than one establishment if employer operates several separate establishments but reports for concern as a whole.

² Quarterly and annual data for 1937-39 were presented in the *Bulletin* for February 1947, p. 31; quarterly data for 1940 were presented in the *Bulletin*

for August 1947, p. 30; for 1941 and 1942 in the *Bulletin* for February 1948, p. 31.

³ A description of these series and quarterly data for 1940 were presented in the *Bulletin* for August 1947, p. 30; quarterly data for 1941 and 1942 were presented in the *Bulletin* for February 1948, p. 31.

⁴ Preliminary.

ments in a number of industries covered by old-age and survivors insurance.

Average taxable wages and average wages in covered industry, estimated at \$584 and \$634, respectively, were 3.2 percent and 3.8 percent higher than in the corresponding quarter of 1948. Gains in average hourly earnings more than offset the drop in average weekly hours in the period. The operation of the \$3,000 limitation on taxable wages, however, caused a decline of 3.2 percent in average taxable wages from the first to the second quarter of 1949. The average wage per worker in covered industry increased by 1.3 percent.

An estimated 2.8 million employers reported payment of taxable wages during the second quarter of 1949, 2.2 percent more than in the second quarter of 1948 and in the first quarter of 1949.

Civil-Service Refunds

The number of contributions refunded in the fiscal year 1948-49 to employees who left the Federal civil service fell 48 percent below that in the preceding year, while payments declined 47 percent. From January to June 1949 there were 103,900 refunds to Federal employees, 15 percent fewer than the July-December 1948 figure of 122,400, while the \$28 million disbursed represented a decline of more than \$4 million or approximately 14 percent.

Refunds to former Federal employees reached their high point—1,599,500—in the calendar year 1946, with the liquidation of war agencies. The number dropped in 1947 to 683,000 and again in 1948 to 271,200. During the first 6 months of 1949 the level of refunds indicated an annual rate of approximately 200,000. This figure is still high in comparison with prewar refunds, but it has undoubtedly been inflated by the legislation effective April 1, 1948, which permits refunds of contributions to persons leaving Federal employment who have less than 20 years of service. Previously no refunds could be made to employees who had 10 years or more of service.

In the calendar year 1940 the average refund was \$184. During the next

few years the average dropped continuously, reaching a low point of \$53 in 1943. After slight increases in 1944 and 1945 the average amount showed a very sharp rise, from \$94 in 1945 to \$150 in 1946. By 1948 the average refund was \$261, and for the first 6 months of 1949 it was \$269. Undoubtedly this large increase during the past several years indicates that more older workers, in point of service, are leaving Federal employment and withdrawing their contributions from the retirement fund. The legislation referred to above—as well as the change in legislation effective July 30, 1947, that raised the limit on refunds from 5 years' service to 10 years—would tend to stimulate such withdrawals. Another factor affecting the average amount that must be taken into account is the increase in contribution rate. Originally 3 percent, the rate has been raised several times and is now 6 percent.

Number and amount of civil-service refunds, by specified period, 1940-49¹

Period	Refunds	
	Number	Amount
[In thousands]		
Calendar year:		
1940.....	17.8	\$3,277
1941.....	32.4	4,616
1942.....	67.3	6,357
1943.....	204.3	10,809
1944.....	704.2	42,156
1945 ²	858.1	80,992
1946 ³	1,599.5	238,594
1947.....	683.0	155,892
1948.....	271.2	70,664
January-June.....	148.7	38,370
July-December.....	122.4	32,294
1949:		
January-June.....	103.9	27,918
January.....	11.9	3,129
February.....	12.2	3,126
March.....	20.6	5,344
April.....	18.7	4,821
May.....	18.8	5,125
June.....	21.8	6,373

¹ Refunds principally from civil-service retirement and disability fund but also from Canal Zone and Alaska Railroad retirement and disability funds administered by the Civil Service Commission.

² Excludes War Department refunds for July-December; see footnote 3.

³ Includes \$13,926,000 refunded during the fiscal year ended June 30, 1946, to 183,000 civilian employees of the War Department.

Source: Civil Service Commission.

Applicants for Account Numbers, April-June 1949

Although the long-term downward trend in the volume of employee ac-

counts established in the April-June quarter was interrupted in 1948, it was resumed in 1949 at an accelerated rate. Fewer account numbers were issued in April-June 1949 than in any previous second quarter; the total of 616,000 (table 2) was 19 percent less than that in the corresponding quarter in 1948. From 1947 to 1948, by contrast, the second-quarter total increased by 0.7 percent, and from 1946 to 1947 it decreased only 2 percent. The relatively sharp decline in the number of account numbers issued in April-June 1949 undoubtedly reflected the rise in unemployment and the scarcity of jobs available to students and youths entering the labor market. The seasonal increase from the first to the second quarter was therefore small—only 44 percent—as compared with 61 percent in 1948 and 48 percent in 1947.

The number of accounts issued in April-June was smaller in 1949 than in 1948 for both men and women. The decline for men, however, was relatively more marked, and the proportion they formed of all applicants therefore fell to 47.5 percent as compared with 48.4 percent for the second quarter of 1948. This slight decline brought to a halt the continuous rise that had begun in 1944 in the ratio of men to total applicants in the second quarter. Although among all applicants in April-June 1949 there were more women than men, men were more numerous than women in the age group under 16, at ages 21, 22, and 24, and at ages over 60.

For the first time since October-December 1946, both the number and proportion of applications received from persons under 20 years of age were less than those in the corresponding quarter of the previous year. The 429,000 social security account numbers issued to persons in this age group in April-June 1949 represented a drop of 20 percent from the number in the corresponding quarter in 1948. Applicants under age 20, however, still accounted for 70 percent of all account numbers issued, a proportion only slightly less than the all-time high of 71 percent in April-June 1948. For each sex, the relative number of young applicants declined in about the same proportion. The 214,000 applications received from young men and