

Actual Replacement Rates for Disabled Worker Beneficiaries
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Purpose

The objective of this note is to examine the benefit level of recent awards under the Social Security Disability Insurance program from the standpoint of its value in replacing pre-disability covered earnings. To provide a framework for analysis, four tables are presented after the text. Table 1 gives average replacement rates^{1/}, under various measures of pre-disability earnings, by sex and Primary Insurance Amount (PIA). Table 2 gives similar data by sex and calendar age at onset of disability. Table 3 gives the cumulative distribution by PIA. Table 4 illustrates the effect of the 1977 Social Security Amendments on disability benefits to young workers.

Data Base

The tabulated data are based on a sample of 10,886 awards made during the period October 26-30, 1976. Two categories of beneficiaries were removed from the initial sample: old-start^{2/} cases were excluded because complete earnings data in such cases are not readily available, and all cases having onsets of disability before 1971 were excluded so as to obtain sufficient homogeneity (by calendar year of onset) to warrant aggregation. The total number of cases in the sample after the above exclusions amounted to 9,577.

^{1/} The replacement rate is defined as the ratio of benefit to gross earnings (that is, earnings before deductions for taxes and work-related expenses).

^{2/} An "old-start" benefit computation is an alternative method of determining the Primary Insurance Amount for some workers who had covered earnings before 1951. The worker receives the greater of the PIA based on the normal computation or the PIA based on the old-start computation.

Calculation of Replacement Rates

In broad terms, a beneficiary's replacement rate compares his benefit payable at onset of disability to his covered earnings prior to onset. When actually calculating the replacement rate there are several options in selecting the benefit, and many ways of measuring the pre-onset earnings.

For this note, two measures of benefit-at-onset are used:

1. Primary Insurance Amount (PIA)--the benefit payable to the disabled worker only.
2. Total payable benefit (TPB)--all benefits payable on the disabled worker's account including benefits to entitled dependents, if any.

Under both measures, the benefits are based on the benefit table in effect in June of the year of onset of disability. It should be noted that the tabulations according to TPB are based on the entire sample, regardless of the presence or absence of entitled dependents in individual cases. A tabulation including only those who actually had entitled dependents, would show average replacement rates substantially higher than those shown in this note.

In deciding how to measure the pre-onset earnings, four major points need to be considered:

1. From what base period should earnings be selected?
2. Should the earnings within the base period be indexed, and, if so, should the indexing be by prices or wages?
3. How many years of earnings from within the base period should be used?
4. Should the earnings be selected from the base period by the criterion of magnitude or of recency?

For this note, four methods of measuring pre-onset earnings are used. All four methods use the base period covering the calendar years from 1951^{3/} to

^{3/} Earnings data prior to 1951 are not readily available on a single-year basis.

the year before onset (inclusive). These methods, representing various approaches to the last three questions above, are as follows:

- A. Wage-indexed^{4/} earnings history--average of the wage-indexed covered earnings of the entire base period.^{5/}
- B. Last 5 years wage-indexed^{4/} --average of the wage-indexed covered earnings in the last five^{5/} years before onset.
- C. High 5 years unindexed--average of the highest five^{5/} years' covered earnings within the base period.
- D. High 10 years price-indexed ^{6/}--average of the highest ten^{5/} years' price-indexed covered earnings within the base period.

Analysis of Average Replacement Rates by Earnings Measure

The overall average replacement rates vary by earnings measure from 48 to 58 percent based on PIA and from 57 to 69 percent based on TPB. Of the four earnings measures, the "wage-indexed earnings history" produces by far the highest average replacement rates. The average replacement rates of PIA to this measure range from 12 to 21 percent higher, relatively, than the other measures. The "high 10 years price-indexed" measure yields the lowest average replacement rates. The "last 5 years wage-indexed" and the "high 5 years unindexed" measures give average replacement rates that are very close and are intermediate with respect to the other two measures.

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- ^{4/} Indexed to the year before the year of onset by the time series of average first-quarter covered earnings.
 - ^{5/} For young disabled workers, the number of years of earnings used is somewhat less because workers cannot reasonably be expected to have had substantial earnings at very young ages. The number of years of earnings used in averaging was limited to the number of years after the year of attainment of age 21 and before the year of onset of disability, subject to a minimum of 2 years.
 - ^{6/} Indexed to the year before the year of onset by the Consumer Price Index time series, using first-quarter averages.

Analysis of Average Replacement Rates by PIA

The advantage to low-income workers of the weighted nature of the benefit table is clearly apparent from an examination of Table 1. The average replacement rates based on PIA for those having low PIA's (under \$200) range, relatively, from 21 to 113 percent above average under the "high 10 years price-indexed" measure and from 53 to 216 percent above average under the "wage-indexed earnings history" measure. Although at intermediate PIA levels (\$250-400) the average replacement rates are generally close to or below the overall average, there is a tendency for them to rise above average at PIA levels above \$400. For instance, the average replacement rate of PIA to "high 10 years price-indexed" for workers having PIA's from \$450.10 to \$500.00 is 23 percent above the overall average, relatively. The disabled workers at these high PIA levels are necessarily young workers, because an average monthly wage based on the low contribution and benefit bases of the 1950's could not produce such PIA's. The reasons for these high replacement rates will be considered in the next section.

Analysis of Average Replacement Rate by Age

Table 2 indicates that young workers (up to about age 39) tend to have higher replacement rates than average. For instance, the average replacement rate of PIA to "high 5 years unindexed" for workers under age 30 is 52 percent above average, and for workers age 30-39 is 17 percent above average, relatively. This is partially due to the fact that young workers generally have lower earnings. As was noted in the previous section, however, even those young workers at high PIA levels have high replacement rates relative to the average. An important factor here is that young workers have shorter benefit computation periods than older workers. Also of importance is that young workers are allowed to exclude a higher percentage of their earnings

history for benefit computation than are older workers. These two factors result in a higher benefit to a young worker as compared to an older worker, even though they may have the same earnings record during the period used for measuring the pre-onset earnings. This contributes to somewhat higher replacement rates for young workers.

Under the 1977 Social Security Amendments, career earnings will be indexed for purposes of benefit computation. This will have the effect of reducing the advantage that young workers have previously experienced over older workers. Table 4 gives an indication of how the new law will affect young disabled workers. Based on the old method of benefit computation, the average replacement rate of PIA to "high 5 years unindexed earnings" for disabled workers under age 30 is 52 percent above the overall average, relatively. Based on the new method, however, the average replacement rate for those under age 30 is only 31 percent above average.

Analysis of Average Replacement Rates by Sex

An examination of Table 2 shows that, for all age groups and for all earnings measures, the average replacement rates for females, based on PIA, are higher than those for males. This can be explained by the fact that females tend to have lower earnings and are more likely to have erratic earnings records. The average replacement rates for females, based on TPB, are also generally higher than those for males; however, the differences are less pronounced. This reflects the higher likelihood that a disabled male will have entitled dependents. For females, as compared to males, the overall average replacement rates vary relatively by earnings measure from 6 to 30 percent higher based on PIA and from 3 percent lower to 16 percent higher based on TPB.

Analysis of the Distribution of Replacement Rates

Table 3 is a cumulative distribution of the replacement rates by PIA, under the various earnings measures considered. The percentage of all cases having replacement rates above 50 percent, based on PIA, varied by earnings measure from 41 to 71, and based on TPB, ranged from 56 to 78. The percentage having replacement rates above 80 percent ranged from 11 to 26 based on PIA, and from 21 to 42 based on TPB. The percentage having gross replacement rates above 100 percent ranged from 5 to 14 based on PIA, and varied from 12 to 25 based on TPB.

Conclusions

The analyses in this note refer to replacement of all earnings subject to the social security tax. From the standpoint of examining the value of disability benefits in replacing pre-disability income, it would perhaps be more appropriate to consider net replacement rates (after taking into account the effect of all taxes and work-related expenses). The net replacement rates would be higher across-the-board than the gross replacement rates. However, it would be less so for the low-paid worker than for the high-paid worker. It is estimated^{7/} that, on the average, net earnings are 70 to 75 percent of gross earnings, with the percentage being generally lower for the high-paid worker than for the low-paid worker. It can be deduced from Table 3 that a significant number of beneficiaries have PIA's that replace over 100 percent of net pre-disability earnings. The number of such beneficiaries would be still higher if the replacement rate is based on the TPB.

In private group long-term disability plans it is common to design the benefit formula so that the total benefits paid do not exceed a given percent-

^{7/} See Actuarial Note No. 93, "Actual Replacement Rates for Retiring Workers" by Orlo R. Nichols, October 1977.

tage of after-tax income. Usually this percentage is fixed at about 70 percent (although some companies allow as much as 80-90 percent for low-income workers). In terms of gross income, benefits are usually formulated not to exceed 50-60 percent. The purposes of limiting benefits in this manner are:

1. To discourage marginally disabled persons from claiming benefits if they can possibly continue working.
2. To provide some incentive for disabled persons who are receiving benefits to eventually return to work.

These purposes are a clear indication of the very real need that private insurers have to control costs through careful design and administration of their long-term disability plans.

Within the framework of government-administered social insurance, the need to control program costs is often in conflict with the need to provide adequate income to those who are unable to provide for themselves. The balance between these two needs is a difficult one to strike and to maintain. This is particularly true in a disability insurance program, because the insurable risk is somewhat subjective in nature, and is not entirely beyond the control of the insured.

It has been our concern that high replacement rates could be contributing to the increase in the rate of disability awards and to the decline in the rate of disability benefit terminations which have been experienced by the Social Security Disability Insurance program since 1970. With so many cases in the sample having replacement rates in excess of 100 percent of net pre-disability earnings, it would appear that, in a substantial number of instances, beneficiary status has indeed been a financially attractive alternative to work.

TABLE 1. Average Gross Replacement Rates^{1/} for Disabled Worker Beneficiaries ("Primary Insurance Amount" and "Total Payable Benefit"^{2/} to Earnings Under Various Measures) by Sex and PIA

PIA as of June 1976	Number of Primary Beneficiaries	Ratio of Primary Insurance Amount to...				Ratio of Total Payable Benefit ^{2/} to...			
		Wage-Indexed		High 10 Years		Wage-Indexed		High 5 Years	
		Earnings History	Unindexed	Price-Indexed	History	Earnings History	Unindexed	Price-Indexed	History
		183%	103%	102%	197%	111%	97%	110%	
\$107.90	257	119	72	70	35	82	71	78	
108.00-150.00	286	89	67	58	98	74	66	64	
150.10-200.00	1,679	67	61	50	75	69	62	56	
200.10-250.00	1,718	58	56	47	69	67	63	56	
250.10-300.00	1,515	51	48	44	62	58	60	54	
300.10-350.00	1,752	48	42	42	58	51	56	51	
350.10-400.00	358	59	55	55	84	77	83	78	
400.10-450.00	195	61	58	59	86	81	87	83	
450.10-500.00	62	58	57	57	82	80	87	81	
500.10+	58	52	52	48	69	62	63	57	
All PIA's	9,577								
TOTAL									
		186%	132%	118%	198%	140%	117%	126%	
\$107.90	78	113	93	77	127	104	84	87	
108.00-150.00	82	86	77	60	95	85	70	66	
150.10-200.00	688	65	66	49	74	75	63	56	
200.10-250.00	962	57	59	47	69	72	65	57	
250.10-300.00	1,017	50	49	44	62	60	61	54	
300.10-350.00	1,436	47	41	42	58	51	56	51	
350.10-400.00	1,626	59	54	55	84	77	83	78	
400.10-450.00	322	60	57	58	87	82	89	84	
450.10-500.00	163	58	57	57	83	82	89	82	
500.10+	58	54	51	46	67	63	63	57	
All PIA's	6,432								
MALE									
		181%	94%	96%	197%	103%	90%	104%	
\$107.90	179	122	66	67	138	75	67	76	
108.00-150.00	204	91	61	56	100	67	63	62	
150.10-200.00	991	70	56	50	78	62	61	56	
200.10-250.00	756	61	56	47	69	57	59	53	
250.10-300.00	498	55	47	46	62	54	57	52	
300.10-350.00	319	54	46	47	60	52	56	52	
350.10-400.00	126	68	61	64	86	78	84	81	
400.10-450.00	36	65	61	64	75	73	79	77	
450.10-500.00	32	64	57	64	64	57	64	64	
500.10+	4	70	55	51	78	62	61	58	
All PIA's	3,145								
FEMALE									

^{1/} Based on a sample of awards resulting from initial claims made in October 1976, and comparing the benefit that would have been payable in June of the year of onset to pre-onset earnings (indexed to the year before onset of disability, where indexed).

^{2/} Primary Insurance Amount plus dependents benefits, where payable.

TABLE 2. Average Gross Replacement Rates^{1/} for Disabled Worker Beneficiaries ("Primary Insurance Amount" and "Total Payable Benefit"^{2/} To Earnings Under Various Measures) by Sex and Calendar Age at Onset of Disability

Calendar Age At Onset	Number of Primary Beneficiaries	Ratio of Primary Insurance Amount to...			Ratio of Total Payable Benefit ^{2/} to...		
		Wage-Indexed Earnings History	Last 5 Years Wage-Indexed	High 10 Years Price-Indexed	Last 5 Years Wage-Indexed Earnings History	Last 5 Years Wage-Indexed	High 10 Years Price-Indexed
Under 30							
30-39	1,333	72%	76%	72%	87%	92%	95%
40-49	1,366	66	62	61	92	86	84
50-54	2,120	58	49	44	74	63	62
55-59	1,698	54	47	42	63	55	55
60-64 ^{3/}	1,962	52	46	42	57	51	52
All Ages	1,098	50	44	41	53	47	49
	9,577	58	52	48	69	62	63
TOTAL							
MALE							
Under 30							
30-39	999	71%	75%	70%	85%	90%	93%
40-49	953	63	61	58	89	85	84
50-54	1,379	53	48	43	71	64	63
55-59	1,060	50	46	41	61	56	56
60-64 ^{3/}	1,252	48	45	40	54	50	52
All Ages	789	48	43	40	51	46	49
	6,432	54	51	46	67	63	63
FEMALE							
Under 30							
30-39	334	77%	83%	77%	93%	100%	102%
40-49	413	77	68	69	103	90	87
50-54	741	73	51	49	84	59	58
55-59	638	67	49	46	71	53	52
60-64 ^{3/}	710	64	50	46	66	51	51
All Ages	309	63	48	44	63	48	50
	3,145	70	55	51	78	62	61

^{1/} Based on a sample of awards resulting from initial claims made in October 1976, and comparing the benefit that would have been payable in June of the year of onset to pre-onset earnings (indexed to the year before onset of disability, where indexed).

^{2/} Primary Insurance Amount plus dependents benefits, where payable.

^{3/} Includes some beneficiaries who were calendar age 65 at onset but had not yet attained their 65th birthday.

TABLE 3A. Cumulative Distribution of Gross Replacement Rates^{1/} for Disabled Worker Beneficiaries ("Primary Insurance Amount" and "Total Payable Benefit"^{2/} to Wage-Indexed Earnings History) by PIA

PIA as of June 1976	Percentage of Cases with Gross Replacement Rate Over...											
	30%	40%	50%	60%	70%	80%	90%	100%	130%	160%		
					Primary Insurance Amount							
\$107.90	100	100	100	100	100	100	100	100	87	65		
108.00-150.00	100	100	100	100	100	99	94	83	38	7		
150.10-200.00	100	100	100	97	87	70	53	35	9	2		
200.10-250.00	100	100	94	68	44	25	12	6	2	1		
250.10-300.00	100	99	74	44	21	10	6	3	1	0		
300.10-350.00	100	97	48	22	8	4	2	1	0	0		
350.10-400.00	100	100	27	12	4	2	1	0	0	0		
400.10-450.00	100	100	85	45	16	8	4	3	1	0		
450.10-500.00	100	100	97	47	21	11	5	3	1	1		
500.10+	100	100	90	31	10	5	3	2	2	0		
All PIA's	100	99	71	51	36	26	19	13	6	3		
					Total Payable Benefit ^{2/}							
\$107.80	100	100	100	100	100	100	100	99	89	70		
108.00-150.00	100	100	100	100	100	99	95	87	51	24		
150.10-200.00	100	100	100	97	88	74	60	46	20	9		
200.10-250.00	100	100	95	73	55	39	26	20	8	2		
250.10-300.00	100	99	79	58	41	31	23	17	6	2		
300.10-350.00	100	97	60	43	31	25	17	11	3	1		
350.10-400.00	100	100	45	37	28	18	11	6	1	0		
400.10-450.00	100	100	96	80	65	59	43	28	6	2		
450.10-500.00	100	100	98	78	64	61	47	30	9	2		
500.10+	100	100	92	74	65	60	55	27	3	0		
All PIA's	100	99	78	65	53	42	32	25	11	5		

^{1/} Based on a sample of awards resulting from initial claims made in October 1976, and comparing the benefit that would have been payable in June of the year of onset to pre-onset earnings (indexed to the year before onset of disability).

^{2/} Primary Insurance Amount plus dependents benefits, where payable.

TABLE 3B. Cumulative Distribution of Gross Replacement Rates ^{1/} for Disabled Worker Beneficiaries ("Primary Insurance Amount" and "Total Payable Benefit" ^{2/} to Last 5 Years Wage-Indexed Earnings) by PIA

PIA as of June 1976	Percentage of Cases with Gross Replacement Rate Over...									
	30%	40%	50%	60%	70%	80%	90%	100%	130%	160%
	Primary Insurance Amount									
\$107.90	100	99	95	90	78	72	67	60	43	31
108.00-150.00	100	91	78	69	57	48	40	34	22	15
150.10-200.00	99	91	76	61	50	41	33	27	15	10
200.10-250.00	98	88	71	54	43	32	25	20	12	8
250.10-300.00	99	85	60	44	31	22	17	14	9	5
300.10-350.00	100	76	40	24	13	9	5	4	2	1
350.10-400.00	100	42	15	10	5	4	2	1	1	0
400.10-450.00	100	96	61	36	16	9	6	4	2	1
450.10-500.00	100	100	77	36	18	9	3	2	1	1
500.10+	100	100	85	21	8	5	3	2	2	0
All PIA's	99	78	55	40	29	23	18	14	9	6
	Total Payable Benefit ^{2/}									
\$107.90	100	99	95	92	82	77	72	65	48	35
108.00-150.00	100	94	85	75	64	53	46	40	29	18
150.10-200.00	99	92	80	68	57	47	38	31	20	13
200.10-250.00	99	91	77	61	50	40	32	27	17	11
250.10-300.00	99	88	69	56	45	35	29	24	14	8
300.10-350.00	100	83	55	43	30	22	15	11	5	3
350.10-400.00	100	57	39	32	19	10	7	5	2	1
400.10-450.00	100	99	89	77	61	42	29	22	6	2
450.10-500.00	100	100	95	74	65	57	34	21	7	1
500.10+	100	100	89	63	61	60	55	24	3	0
All PIA's	99	84	67	55	43	33	26	22	12	8

^{1/} Based on a sample of awards resulting from initial claims made in October 1976, and comparing the benefit that would have been payable in June of the year of onset to pre-onset earnings (indexed to the year before onset of disability).

^{2/} Primary Insurance Amount plus dependents benefit, where payable.

TABLE 3C. Cumulative Distribution of Gross Replacement Rates^{1/} for Disabled Worker Beneficiaries ("Primary Insurance Amount" and "Total Payable Benefit"^{2/} to High 5 Years Unindexed Earnings) by PIA

PIA as of June 1976	Percentage of Cases with Gross Replacement Rate Over...											
	30%	40%	50%	60%	70%	80%	90%	100%	130%	160%		
					Primary Insurance Amount							
\$107.90	100	100	93	85	74	61	53	46	31	19		
108.00-150.00	100	94	76	57	38	24	21	17	10	4		
150.10-200.00	100	93	74	49	31	20	15	11	3	1		
200.10-250.00	99	90	69	37	21	15	9	6	2	1		
250.10-300.00	100	90	60	29	17	9	6	4	1	0		
300.10-350.00	100	92	39	17	9	4	2	1	0	0		
350.10-400.00	100	98	17	11	5	2	1	1	0	0		
400.10-450.00	100	100	78	47	21	9	3	2	1	0		
450.10-500.00	100	100	98	54	21	9	6	2	1	1		
500.10+	100	100	92	63	10	5	3	3	2	0		
All PIA's	100	94	55	32	19	12	8	6	2	1		
					Total Payable Benefit ^{2/}							
\$107.90	100	100	94	88	79	67	60	52	34	22		
108.00-150.00	100	96	81	66	49	38	31	26	13	6		
150.10-200.00	100	95	79	57	41	29	22	17	7	3		
200.10-250.00	100	92	75	49	34	26	17	12	5	2		
250.10-300.00	100	93	69	46	36	27	19	14	5	1		
300.10-350.00	100	95	55	40	31	21	14	8	3	1		
350.10-400.00	100	98	40	36	28	14	7	5	1	0		
400.10-450.00	100	100	94	83	69	56	37	26	6	1		
450.10-500.00	100	100	99	83	66	61	50	31	8	2		
500.10+	100	100	94	79	63	60	56	53	3	0		
All PIA's	100	95	67	50	38	27	19	14	5	2		

^{1/} Based on a sample of awards resulting from initial claims made in October 1976, and comparing the benefit that would have been payable in June of the year of onset to pre-onset earnings.

^{2/} Primary Insurance Amount plus dependents benefits, where payable.

TABLE 3D. Cumulative Distribution of Gross Replacement Rates^{1/} for Disabled Worker Beneficiaries ("Primary Insurance Amount" and "Total Payable Benefit"^{2/} to High 10 Years Price-Indexed Earnings) by PIA

PIA as of June 1976	Percentage of Cases with Gross Replacement Rate Over...											
	30%	40%	50%	60%	70%	80%	90%	100%	130%	160%		
				Primary Insurance Amount								
\$107.90	100	100	100	97	85	74	60	50	29	20		
108.00-150.00	100	100	98	65	42	28	22	16	8	3		
150.10-200.00	100	97	71	36	24	18	14	10	3	1		
200.10-250.00	100	83	39	24	19	11	7	5	2	1		
250.10-300.00	100	75	29	21	13	8	5	3	1	0		
300.10-350.00	100	69	22	15	7	3	2	1	0	0		
350.10-400.00	100	44	14	9	4	2	1	0	0	0		
400.10-450.00	100	100	67	35	15	7	4	2	1	0		
450.10-500.00	100	100	83	43	18	9	5	3	1	1		
500.10+	100	100	89	29	10	5	3	2	2	0		
All PIA's	100	77	41	25	16	11	7	5	2	1		
				Total Payable Benefit ^{2/}								
\$107.90	100	100	100	98	88	77	66	56	36	25		
108.00-150.00	100	100	98	71	54	43	34	29	14	6		
150.10-200.00	100	98	76	47	34	27	20	15	7	4		
200.10-250.00	100	87	51	37	28	18	13	10	5	2		
250.10-300.00	100	80	45	39	29	19	13	10	5	1		
300.10-350.00	100	78	43	36	26	12	8	6	2	1		
350.10-400.00	100	58	39	32	19	8	6	4	1	0		
400.10-450.00	100	100	92	75	63	46	31	22	4	1		
450.10-500.00	100	100	97	77	63	59	41	29	6	1		
500.10+	100	100	90	74	65	58	53	23	3	0		
All PIA's	100	82	56	43	32	21	15	12	5	2		

^{1/} Based on a sample of awards resulting from claims made in October 1976, and comparing the benefit that would have been payable in June of the year of onset to pre-onset earnings (indexed to the year before onset of disability).

^{2/} Primary Insurance Amount plus dependents benefits, where payable.

TABLE 4. Cumulative Distribution of Gross Replacement Rates^{1/} for Disabled Worker Beneficiaries (Primary Insurance Amount to High 5 Years Unindexed Earnings) by Age and Method of Benefit Computation^{2/}

Calendar Age	Average Gross Replacement Rate	Percentage of Cases with Gross Replacement Rate Over...									
		30%	40%	50%	60%	70%	80%	90%	100%	130%	160%
Under 30	79%	100	100	99	95	74	54	40	30	13	6
30-39	61	100	99	90	56	30	15	8	5	1	0
40-49	48	100	90	45	18	8	3	2	1	0	0
50-54	47	100	91	39	14	5	3	2	1	1	1
55-59	47	99	92	40	15	6	3	2	1	0	0
60-64 ^{4/}	46	100	92	32	12	2	2	1	1	0	0
All Ages	52	100	94	55	32	19	12	8	6	2	1
Based on Benefit Table in Effect Prior to 1977 Amendments ^{3/}											
Under 30	67%	100	100	94	71	50	37	27	20	8	5
30-39	56	100	99	74	43	24	12	7	4	1	0
40-49	49	99	89	50	25	11	4	2	1	0	0
50-54	49	99	89	48	22	10	4	2	2	1	1
55-59	48	99	92	47	24	10	4	2	1	0	0
60-64 ^{4/}	47	98	90	38	16	7	3	2	1	0	0
All Ages	51	99	92	57	32	18	10	6	4	2	1
Based on Benefit Formula in 1977 Amendments ^{5/}											
Under 30	67%	100	100	94	71	50	37	27	20	8	5
30-39	56	100	99	74	43	24	12	7	4	1	0
40-49	49	99	89	50	25	11	4	2	1	0	0
50-54	49	99	89	48	22	10	4	2	2	1	1
55-59	48	99	92	47	24	10	4	2	1	0	0
60-64 ^{4/}	47	98	90	38	16	7	3	2	1	0	0
All Ages	51	99	92	57	32	18	10	6	4	2	1

1/ Based on a sample of awards resulting from initial claims made in October 1976.
2/ Comparison should be made among age groups under a given method of benefit computation, but NOT between the methods of benefit computation for a given age group, because the benefits based on the formula in the 1977 Amendments are theoretical.
3/ The benefit is taken from the benefit table in effect in June of the year of onset of disability.
4/ Includes some beneficiaries who were calendar age 65 at onset but had not yet attained their 65th birthday.
5/ The bendpoints in the formula were adjusted back to the year of onset of disability by the ratio of the average covered earnings in the second year before the year on onset to the average covered earnings in 1977. The benefit obtained from this adjusted formula was then increased by the benefit increase for June of the year of onset of disability.