

20TH ANNUAL REPORT OF THE BOARD OF TRUSTEES
OF THE FEDERAL OLD-AGE AND SURVIVORS IN-
SURANCE TRUST FUND AND THE FEDERAL DIS-
ABILITY INSURANCE TRUST FUND

L E T T E R

FROM

SECRETARY OF THE TREASURY AND MANAGING
TRUSTEE OF THE TRUST FUNDS

TRANSMITTING

THE 20TH ANNUAL REPORT OF THE BOARD OF TRUSTEES
OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE
TRUST FUND AND THE FEDERAL DISABILITY INSURANCE
TRUST FUND, PURSUANT TO SECTION 201(C) OF THE
SOCIAL SECURITY ACT, AS AMENDED



MARCH 3, 1960.—Referred to the Committee on Ways and Means
and ordered to be printed

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LETTER OF TRANSMITTAL

BOARD OF TRUSTEES OF THE FEDERAL
OLD-AGE AND SURVIVORS INSURANCE AND
DISABILITY INSURANCE TRUST FUNDS,
Washington, D.C., March 1, 1960.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES,
Washington, D.C.

SIR: We have the honor to transmit to you the 20th Annual Report of the Board of Trustees of the Federal old-age and survivors insurance trust fund and the Federal disability insurance trust fund, in compliance with the provisions of section 201(c) of the Social Security Act, as amended.

Respectfully,

ROBERT B. ANDERSON,
*Secretary of the Treasury, and Managing Trustee of the Trust
Funds.*

JAMES P. MITCHELL,
Secretary of Labor.

ARTHUR S. FLEMMING,
Secretary of Health, Education, and Welfare.

W. L. MITCHELL,
Commissioner of Social Security, and Secretary, Board of Trustees.

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TWENTIETH ANNUAL REPORT OF THE BOARD OF TRUSTEES OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND AND THE FEDERAL DISABILITY INSURANCE TRUST FUND

Fiscal year ending June 30, 1959

THE BOARD OF TRUSTEES

The Federal old-age and survivors insurance trust fund, established on January 1, 1940, and the Federal disability insurance trust fund, established on August 1, 1956, are held by the Board of Trustees under the authority of section 201(c) of the Social Security Act, as amended. The Board is comprised of three members who serve in an ex officio capacity. The members of the Board are the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Health, Education, and Welfare. The Secretary of the Treasury is designated by law as the managing trustee. The Commissioner of Social Security is secretary of the Board.

FISCAL YEAR HIGHLIGHTS

Two amendments to the Social Security Act and related sections of the Internal Revenue Code, enacted August 28, 1958, went into effect on January 1, 1959. The maximum amount of earnings taxable and creditable toward benefits was increased from \$4,200 to \$4,800 a year. In addition, contribution rates were increased as follows: employees and employers, from 2¼ percent of taxable earnings to 2½ percent each; the self-employed, from 3¾ percent to 3¼ percent. Because these increases were effective for only half the fiscal year 1959, their full impact on annual contribution receipts was not felt in that year.

Under another provision of the 1958 amendments, beginning with September 1958, benefits became payable for the first time to certain dependents of disabled worker beneficiaries. Partly as a result of this extended protection, and partly as a result of an increase of 37 percent in the number of disabled worker beneficiaries during fiscal year 1959, the total number of beneficiaries under the disability insurance program increased 80 percent, from 200,000 to 361,000, between June 1958 and June 1959.

In June 1959, the total number of old-age and survivors insurance beneficiaries was 12,820,000, or 9.5 percent more than in June 1958. There were 9,636,000 retirement beneficiaries, of whom 7,296,000 were retired worker beneficiaries, and 2,340,000 were their entitled wives, dependent husbands, and young children. The total number of survivor beneficiaries in June 1959 was 3,184,000. For each of these classes of beneficiaries, the increase over June 1958 was between

9 and 10 percent, or about the same as the increase for all old-age and survivors insurance beneficiaries. The estimated number of persons with taxable earnings under old-age, survivors, and disability insurance in calendar year 1959 was about 72.5 million.

Disbursements of the old-age and survivors insurance trust fund in fiscal year 1959 were about 17 percent more than in fiscal year 1958; receipts increased by about 3.6 percent. Total disbursements amounted to \$9,380 million, not including \$74 million representing overpayments of employee contributions subject to refund. Receipts, exclusive of these refunds, were \$8,109 million. The excess of outgo over income, amounting to \$1,271 million, decreased the total assets of the trust fund from \$22,813 million on June 30, 1958, to \$21,541 million on June 30, 1959. The disbursements in fiscal year 1959 included \$9,049 million for benefits and \$206 million for administrative expenses. The receipts included \$7,565 million in net contributions and \$543 million in interest on investments.

Estimates for the five fiscal years 1960-64 show continued increases in both the receipts and the disbursements of the old-age and survivors insurance trust fund. The estimates indicate that total income of the fund will exceed its total outgo over the period of the five fiscal years 1960-64. According to these estimates, at the end of fiscal year 1964 the old-age and survivors insurance trust fund will amount to \$23 billion, with income of \$15 billion and outgo of \$13.3 billion in that fiscal year. During the five fiscal years 1960-64, it is estimated that the trust fund will not exceed 1.7 times the highest expected annual outgo during the 5-year period.

Long-range cost estimates for the old-age and survivors insurance program, as amended in 1958, indicate that the program is in approximate actuarial balance. Under high employment assumptions, the level-premium cost of the benefit payments and administrative expenses, at 3-percent interest, ranges from 7.35 to 9.61 percent of payroll, depending on the combination of cost assumptions selected. On the basis of intermediate-cost assumptions, such level-premium cost is 8.38 percent of payroll as compared with the level-premium equivalent of the contributions of 8.18 percent of payroll.

Disbursements of the disability insurance trust fund in fiscal year 1959, totaling \$361 million, were almost twice as large as in fiscal 1958; in contrast, total receipts declined slightly from \$942 million in fiscal 1958 to \$928 million in fiscal 1959. The fund's disbursements consisted of \$339 million for benefits and \$21 million for administrative expenses. Its receipts consisted of \$895 million in net contributions (after deduction of refunds amounting to \$10 million) and \$33 million in interest on investments. The net addition of \$568 million raised the total assets of the disability insurance trust fund to \$1,667 million on June 30, 1959.

Estimates of the expected operations of the disability insurance trust fund during the five fiscal years 1960-64 show that this trust fund at the end of fiscal year 1964 will amount to \$4.1 billion, with receipts of \$1.2 billion and disbursements of \$0.7 billion in that fiscal year. On June 30, 1964, the trust fund will amount to about 5.7 times the highest expected annual disbursements during the 5-year period 1960-64.

The long-range cost estimates for the disability insurance program show that under high employment assumptions the level-premium

cost of the benefit payments and administrative expenses, at 3 percent interest, ranges from 0.26 to 0.46 percent of payroll, depending on the combination of assumptions used. On the basis of intermediate-cost assumptions, such level premium cost is 0.35 percent of payroll, as compared with the level-premium equivalent of the contributions of 0.50 percent of payroll.

The period over which the special obligations held by the trust funds will mature was lengthened on June 30, 1959. Under the new schedule of maturities, about \$1,133 million of the \$17,227 million invested in special obligations by the old-age and survivors insurance trust fund, and about \$100 million of the \$1,533 million so invested by the disability insurance trust fund, will become available for reinvestment at the end of each of the 15 fiscal years from 1960 to 1974.

The advisory council on social security financing submitted its report to the board of trustees on January 1, 1959. The advisory council's report and the Board's comments on that report were included in the 19th annual report of the board of trustees.

SOCIAL SECURITY AMENDMENTS OF 1958

The 1958 amendments to the Social Security Act and related sections of the Internal Revenue Code (Public Law 85-840, approved August 28, 1958) will have significant effects on both the immediate and long-range future levels of income and disbursements under the system. Benefit amounts were increased. Provision was made for the payment of monthly benefits to the dependents of disabled workers. Eligibility requirements for the payment of benefits to certain classes of beneficiaries were liberalized. The schedule of contribution rates was substantially revised to continue to reflect the intent that the program be self-supporting.

The more important changes, significant from an actuarial standpoint, are presented below:

1. Larger benefits were made payable to future beneficiaries as well as to persons on the rolls. The primary insurance amounts on which the new benefit rates are based are shown in a benefit table which replaces the benefit formulas and conversion table of prior law.

(a) The maximum amount of earnings taxable and creditable toward benefits was raised to \$4,800 a year, beginning with 1959.

(b) Benefit amounts were increased, beginning January 1959, by about 7 percent. The minimum primary insurance amount is \$33 and the maximum primary insurance amount for beneficiaries on the rolls in January 1959 was \$116. For workers coming on the rolls after that date, benefits will range as high as \$127, because of the higher earnings base. However, the maximum benefit of \$127, based on the maximum possible average monthly wage of \$400, will not become generally payable until many years have elapsed.

(c) The minimum benefit for a family containing only one survivor beneficiary is \$33.

(d) The maximum monthly amount of family benefits payable with respect to each amount of average monthly earnings is set forth in the benefit table. In general, as in prior law, benefits are limited to 80 percent of average monthly earnings, but this may not reduce benefits below $1\frac{1}{2}$ times the primary insurance amount (for the primary insur-

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ance amount plus \$20, if larger). The dollar maximum on family benefits was raised from \$200 to \$254.

2. Beginning with September 1958, benefits were provided for wives, dependent husbands, and children of disability insurance beneficiaries similar to those previously provided only for dependents of old-age insurance beneficiaries. These benefits are payable from the Federal disability insurance trust fund.

3. The disability benefits offset provision was repealed effective with disability insurance benefits and childhood disability benefits payable for August 1958. This provision had required that the monthly social security benefits payable to disabled workers (and those payable to persons disabled in childhood) be reduced by the amount of any periodic benefit payable on account of disability under other Federal programs (other than veteran's compensation) or a State workman's compensation system.

4. The requirement of currently insured status for the disability "freeze" and for disability insurance benefits was removed. Fully insured status was added as a requirement for the freeze, so that work requirements for the freeze and for cash benefits are alike.

5. Disability insurance benefits were made payable for as many as 12 months before the month in which the application is filed if all other requirements have been met for such prior months.

6. The June 30, 1958, deadline for filing fully retroactive disability freeze applications was postponed to June 30, 1961. Disability freeze applicants who file after June 30, 1961, may establish a freeze period beginning as early as 18 months before the month of filing application.

7. Changes were made in provisions relating to dependents' benefits.

(a) Dependent parents of a deceased worker can become eligible for benefits even though a widow, a dependent widower, or a dependent child survives the worker.

(b) Disabled children aged 18 or over are now presumed dependent on their parents under the same rules as younger children. Under previous law, a disabled child who was 18 or over at the time he applied for a child's insurance benefit or at the time his parent died, was required to show that he had been receiving at least one-half of his support from his parent.

8. Retirement test provisions were amended to raise from \$80 to \$100 the amount of wages a beneficiary may have in a month without losing benefits for that month even though during the year he earns above \$1,200, the annual exempt amount.

9. Changes relating to the financing of the system were made with the intent of assuring that it will continue to be self-supporting. The employee and employer contribution rates for old-age and survivors insurance were each increased, as of January 1, 1959, by one-fourth of 1 percent above the previously scheduled rates, with a corresponding increase for the self-employed. Future increases in tax rates are scheduled at 3-year intervals (rather than at 5-year intervals) beginning with 1960. The new schedule, including the employee and employer contribution rate of one-fourth of 1 percent each for disability insurance, is as follows: 1959, 2½ percent each for employees and employers; 1960-62, 3 percent; 1963-65, 3½ percent; 1966-68, 4 percent; 1969 and thereafter, 4½ percent each. The contribution rates on self-employment income continue to equal 1½ times the employee rates.

NATURE OF THE TRUST FUNDS

The Federal old-age and survivors insurance trust fund was established on January 1, 1940, as a separate account in the U.S. Treasury to hold the amounts accumulated under the old-age and survivors insurance program. All the financial operations of the program through July 31, 1956, were handled through this fund. The Social Security Amendments of 1956, which became law August 1, 1956, provided for the creation of the Federal disability insurance trust fund—a fund entirely separate from the old-age and survivors insurance trust fund—through which are handled all financial operations in connection with the system of monthly disability benefits payable to insured workers aged 50 to 64 and to their dependents. The financial operations of the old-age, survivors, and disability insurance program which relate to the system of old-age and survivors insurance benefits continue to be handled through the old-age and survivors insurance trust fund.

The primary source of receipts of the two funds is amounts deposited in or appropriated to each of them under permanent appropriation on the basis of contributions paid by workers and their employers, and by individuals with self-employment income, in employments covered by the old-age, survivors, and disability insurance program. All employees and their employers in employments covered by the program are required to pay contributions with respect to the wages of individual workers. All covered self-employed persons are required to pay contributions with respect to their self-employment income. In general, beginning with calendar year 1959, an individual's contributions are computed on annual wages or self-employment income, or both wages and self-employment income combined, up to a maximum of \$4,800, with the contributions being determined first on the wages and then on any self-employment income necessary to make up the \$4,800.

The Internal Revenue Code, as amended, provides that the contribution rate for employees and their employers shall be $2\frac{1}{2}$ percent each for the calendar year 1959, and that the rates shall rise to 3 percent each on January 1, 1960, to $3\frac{1}{2}$ percent each on January 1, 1963, to 4 percent each on January 1, 1966, and to $4\frac{1}{2}$ percent each on January 1, 1969. The contribution rates on self-employment income are equal to $1\frac{1}{2}$ times the corresponding employee rates. The Social Security Act, as amended in 1956, provides that beginning January 1, 1957, of the total contribution income based on these rates, contributions at the rate of one-fourth of 1 percent each for employees and employers, and three-eighths of 1 percent for the self-employed shall be allocated to the disability insurance trust fund.

Except for amounts received by the Secretary of the Treasury under State agreements and deposited directly in the trust funds, all contributions are collected by the Internal Revenue Service and are paid into the Treasury as internal revenue collections. However, sums equivalent to 100 percent of these taxes are transferred to the trust funds from time to time. Such transfers are first made on the basis of estimated tax receipts. The exact amount is not known since old-age, survivors, and disability insurance and income taxes withheld are not separately identified in tax-collection reports received by the Treasury Department. Periodic adjustments are subsequently made to the extent that the estimates are found to differ from the amounts of contributions actually payable on the basis of reported earnings.

An employee who worked for more than one employer during the course of a year and paid contributions on wages in excess of the statutory maximum can receive a refund of the taxes he paid on such excess wages. The amount of taxes subject to refund for any period is a charge against each of the trust funds in the ratio in which the amount was appropriated to or deposited in such trust funds for that period.

The second source from which receipts of the trust funds are derived is interest received on investments held by the funds. The investment procedures of the funds are described later in this section.

The income and expenditures of the trust funds are also affected by Public Law 234, approved October 30, 1951, which amended the Railroad Retirement Act to provide a system of coordination and financial interchange between the railroad retirement and old-age and survivors insurance programs. Public Law 880, approved August 1, 1956, amended Public Law 234 to include financial interchanges between the railroad retirement and the disability insurance programs. A description of the legislative provisions governing the allocation of costs between the two programs appears in appendix II.

Under a decision of the Comptroller General of the United States (B-4906) dated October 11, 1951, receipts derived from the sale of miscellaneous supplies and reimbursable services are credited to and form a part of the trust funds, where the initial outlays therefor were paid from the trust funds. Formerly, these moneys were credited to the general fund of the Treasury as miscellaneous receipts.

Under Public Law 85-840 approved August 28, 1958, the Secretary of Health, Education, and Welfare is authorized to charge for providing certain services not directly related to the old-age, survivors, and disability insurance programs. The Bureau of Old-Age and Survivors Insurance has accumulated a unique body of information in the course of the administration of the program. Situations arise when it is in the public interest to utilize this information to perform certain services, such as forwarding letters for health research purposes to holders of social security account numbers, when such services can be performed without interfering unduly with the administration of the program. Such services could not properly be provided at the expense of the trust funds. Receipts derived from performance of these services are credited to and form a part of the trust funds.

Public Law 719, approved August 10, 1946, provided noncontributory survivor protection to certain veterans of World War II. The legislation provided, and the old-age and survivors insurance trust fund received, reimbursement from the general fund of the Treasury for the additional costs arising from these provisions. Under Public Law 734, approved August 28, 1950, these additional costs arising after August 31, 1950, were borne by the trust fund. Public Law 881, approved August 1, 1956, provides that the old-age and survivors insurance trust fund shall be reimbursed for all additional costs arising after August 31, 1950, from the 1946 provisions. Public Law 881 also provides that (1) the old-age and survivors insurance trust fund shall be reimbursed for all past and future additional expenditures resulting from the provisions that granted noncontributory \$160 monthly wage credits to persons who served in the Armed Forces from September 16, 1940, through December 31, 1956; and (2) the disability insurance trust fund shall be reimbursed for all additional

expenditures after July 31, 1956, resulting from these provisions. Public Law 85-840 broadened the provisions of prior law dealing with noncontributory wage credits of \$160 for each month of active military service for the United States to provide such credits for certain American citizens who served in the armed forces of our allies during World War II. As in the case of the other noncontributory credit for military service, the trust funds will be reimbursed for the additional costs arising from the new provisions. A summary of the legislative history of the financing of credit for military service appears in appendix II.

Expenditures for benefit payments and administrative expenses under the old-age, survivors, and disability insurance program are paid out of the trust funds. All expenses incurred by the Department of Health, Education, and Welfare and by the Treasury Department in carrying out the provision of title II of the Social Security Act, as amended, and of the Internal Revenue Code relating to the collection of insurance contributions, are charged to the trust funds. The Secretary of Health, Education, and Welfare certifies benefit payments to the managing trustee who makes the payments from the respective trust funds in accordance therewith.

Congress has authorized expenditures from the trust funds for construction of an office building and related facilities for the Bureau of Old-Age and Survivors Insurance.

The managing trustee invests that portion of each trust fund which, in his judgment, is not required to meet current expenditures for benefits and administration. The Social Security Act restricts permissible investments of the trust funds to interest-bearing obligations of the U.S. Government or to obligations guaranteed as to both principal and interest by the United States. Obligations of these types may be acquired on original issue at par¹ or by purchase of outstanding obligations at their market price. In addition, the Social Security Act authorizes the issuance of public-debt obligations for purchase by the trust funds. The law requires that such public-debt obligations shall have maturities fixed with due regard for the needs of the trust funds and bear interest at a rate equal to the average rate of interest, computed as of the end of the calendar month next preceding the date of their issue, borne by all marketable interest-bearing obligations of the United States forming a part of the public debt that are not due or callable until after the expiration of 5 years from the date of original issue (where such average rate is not a multiple of one-eighth of 1 percent, the rate of interest on such special obligations is required to be the multiple of one-eighth of 1 percent nearest such average rate).

Interest on public issues held by the trust funds is received by the funds at the time the interest is paid on the particular issues held. Interest on public-debt obligations issued specifically for purchase by the trust funds is payable semiannually or at redemption.

Public issues acquired by the funds may be sold at any time by the managing trustee at their market price. Public-debt obligations issued for purchase by the trust funds may be redeemed at par plus accrued interest. Interest receipts and proceeds from the sale or redemption of obligations held in the trust funds are available for in-

¹ Public Law 86-346 (approved Sept. 22, 1959) amended this provision so that such obligations may be acquired "on original issue at the issue price."

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vestment in the same manner as other receipts of the funds. Interest earned by the invested assets of the trust funds will provide income to meet a portion of future benefit disbursements. The role of interest in meeting future benefit payments is indicated in tables 21 and 22.

In addition, the assets of the trust funds assure the continued payment of benefits without sharp changes in contribution rates during periods of short-run fluctuations in total income and expenditures.

SUMMARY OF THE OPERATIONS OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND, FISCAL YEAR 1959

A statement of the income and disbursements of the Federal old-age and survivors insurance trust fund in the fiscal year which began on July 1, 1958, and ended on June 30, 1959, and of the assets of the fund at the beginning and end of the fiscal year, is presented in table 1.

TABLE 1.—Statement of operations of the old-age and survivors insurance trust fund during the fiscal year 1959

Total assets of the trust fund, June 30, 1958.....		\$22,812,600,170.70
Receipts, fiscal year 1959:		
Tax contributions:		
Appropriations.....	\$7,157,673,756.40	
Deposits arising from State agree- ments.....	481,091,875.55	
Gross tax contributions.....	7,638,765,631.95	
Less payment into the Treasury for taxes subject to refund.....	73,680,000.00	
Net tax contributions.....		\$7,565,085,631.95
Interest and profit:		
On investments.....	\$542,979,330.08	
On administrative expenses reim- bursed by disability insurance trust fund.....	440,900.00	
Total interest and profit.....		543,420,230.08
Total receipts.....		<u>8,108,505,862.03</u>
Disbursements, fiscal year 1959:		
Benefit payments.....		9,049,146,280.60
Transfers to railroad retirement account.....		124,441,000.00
Administrative expenses:		
Department of Health, Education, and Welfare.....	\$175,125,154.11	
Treasury Department.....	37,028,409.44	
Preparation and construction of building for Bureau of Old-Age and Survivors Insurance.....	11,623,263.83	
Gross administrative expenses..	223,776,827.38	
Less receipts from sale of surplus materials, supplies, etc.....	155,934.74	
Less reimbursement for administra- tive expenses by disability insur- ance trust fund.....	17,290,055.00	
Less reimbursement for construction by disability insurance trust fund..	236,418.00	
Net administrative expenses.....		<u>206,094,419.64</u>
Total disbursements.....		9,379,681,700.24
Net addition to the trust fund.....		<u>-1,271,175,838.21</u>
Total assets of the trust fund, June 30, 1959.....		21,541,424,332.49

The total assets of the old-age and survivors insurance trust fund amounted to \$22,813 million on June 30, 1958. These assets decreased to \$21,541 million by the end of the fiscal year 1959, as a result of an excess of disbursements over receipts amounting to \$1,271 million.

Net receipts of the trust fund during the fiscal year 1959 amounted to \$8,109 million. Of this total, \$7,158 million represented tax collections appropriated to the fund and \$481 million represented amounts received by the Secretary of the Treasury in accordance with State agreements and deposited in the trust fund. However, \$74 million was transferred from the trust fund into the Treasury as repayment for the estimated amount of contributions subject to refund to employees who worked for more than one employer during the course of a year and paid contributions on wages in excess of the statutory maximum. Net contributions amounted to \$7,565 million and represented an increase of 4 percent over the amount for the preceding fiscal year, primarily as a result of the increase in the contribution rate which went into effect January 1, 1959. Virtually all of the other \$543 million of receipts consisted of interest and profit on the investments of the fund.

Disbursements from the trust fund during the fiscal year 1959 totaled \$9,380 million. Of this total, \$9,049 million was for benefit payments, an increase of 15 percent over the corresponding amount paid in the fiscal year 1958. This increase was due in part to the expected growth in the number of beneficiaries as the program matures, and also to the higher benefits payable under the 1958 amendments.

Under the financial interchange provisions of the Railroad Retirement Act, a determination was made that a transfer of \$121,300,000 to the railroad retirement account from the old-age and survivors insurance trust fund would place the trust fund in the same position as it would have been on June 30, 1957, if railroad employment had always been covered under the Social Security Act. This amount, together with interest thereon for fiscal year 1958, totaling \$3,141,000, was transferred to the railroad retirement account in July 1958.

Administrative expenses of the fund totaled \$206 million and reflected increased expenditures for construction of an office building for the Bureau of Old-Age and Survivors Insurance and for processing the larger workloads resulting from the 1958 amendments. Administrative expenses were 2.7 percent of contribution income and 2.3 percent of benefit payments during fiscal year 1959. Figures for each of the last 10 fiscal years are shown in table 2.

TABLE 2.—Relationship of net administrative expenses¹ to contribution income and benefit payments, old-age and survivors insurance trust fund, fiscal years 1950-59

Fiscal year	Administrative expenses as a percentage of—		Fiscal year	Administrative expenses as a percentage of—	
	Contribution income	Benefit payments		Contribution income	Benefit payments
1950.....	2.7	7.8	1955.....	2.0	2.4
1951.....	2.3	4.7	1956.....	1.9	2.3
1952.....	2.4	4.3	1957.....	2.3	2.3
1953.....	2.2	3.4	1958.....	2.3	2.1
1954.....	1.9	2.7	1959.....	2.7	2.3

¹ Include administrative expenses, less receipts from sale of surplus materials, services, etc. For fiscal years 1954-59, include cost of construction of an office building for the Bureau of Old-Age and Survivors Insurance. Beginning fiscal year 1957, expenses incurred by the Department of Health, Education, and Welfare under disability insurance program are initially charged to the old-age and survivors insurance trust fund. Reimbursements are then made from the disability insurance trust fund in the following fiscal year.

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The distribution of benefit payments in fiscal years 1958 and 1959, by type of benefit, is shown in table 3. Approximately 86 percent of the total benefit payments from the old-age and survivors insurance trust fund in the fiscal year 1959 was accounted for by monthly benefits to aged persons—retired workers and their wives (including a relatively small number of wives under age 62) or dependent husbands, and aged widows, dependent widowers, and dependent parents of deceased workers. Approximately 12 percent of the benefit payments represented monthly benefits on behalf of children of deceased or retired workers and to mothers—practically all of them under age 65—who had children of deceased workers in their care. The balance of the benefits paid consisted of lump-sum death payments.

TABLE 3.—Estimated distribution of benefit payments from the old-age and survivors insurance trust fund, by type of benefit, fiscal years 1958 and 1959

[In millions]

Type of benefit	1958		1959	
	Amount	Percent of total	Amount	Percent of total
Total.....	\$7,874.9	100	\$9,049.1	100
Monthly benefits ¹	7,732.2	¹ 98	8,899.5	² 98
Old-age (retired workers).....	5,245.8	67	6,041.4	67
Wife's or husband's (aged wives or dependent husbands of old-age beneficiaries or their young wives if caring for child beneficiary).....	810.0	10	913.4	10
Widow's or dependent widower's (aged widows or aged dependent widowers of workers).....	706.2	9	833.4	9
Parent's (aged dependent parents of deceased workers).....	19.6	(³)	22.3	(³)
Child's (children, under age 18 or disabled, of old-age beneficiaries).....	50.5	1	65.6	1
Child's (children, under age 18 or disabled, of deceased workers).....	689.1	9	781.8	9
Mother's (widows or dependent divorced wives of deceased workers caring for child beneficiaries).....	211.0	3	241.6	3
Lump-sum death payments.....	142.7	2	149.6	2

¹ Under the Social Security Amendments of 1956, (1) effective November 1956, the minimum retirement age for women was reduced from 65 to 62, and (2) effective January 1957, benefits became payable to disabled children aged 18 or over whose disability began before they reached age 18.

² Total does not necessarily equal the sum of rounded components.

³ Less than 0.5 percent.

On June 30, 1959, about 12.8 million persons in some 9.5 million families were receiving monthly benefits under the old-age and survivors insurance program (table 4). Average monthly family benefits at the close of the fiscal year showed sizable increases over the corresponding averages a year earlier (table 4) primarily because of the higher benefit rates provided by the 1958 amendments.

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TABLE 4.—Estimated number of families and beneficiaries receiving benefits under the old-age, survivors, and disability insurance program, and average family amount, by family group, end of fiscal years 1958 and 1959

Family classification of beneficiaries receiving benefits	June 30, 1958			June 30, 1959			Percentage increase in average monthly amount per family 1959 from 1958
	Number of families	Number of beneficiaries	Average monthly amount per family	Number of families	Number of beneficiaries	Average monthly amount per family	
	Thousands	Thousands		Thousands	Thousands		
Total.....	8,797.1	11,905.3		9,728.5	13,181.4		
Retired worker families.....	6,638.5	8,785.1		7,295.6	9,636.6		
Worker only.....	4,662.0	4,662.0	\$62.00	5,153.6	5,153.6	\$68.30	10
Male.....	2,500.6	2,500.6	69.80	2,700.6	2,700.6	77.30	11
Female.....	2,161.4	2,161.4	53.00	2,453.0	2,453.0	58.30	10
Worker and aged wife.....	1,835.2	3,670.4	110.20	1,978.1	3,956.2	120.60	9
Worker and young wife ¹8	1.6	105.10	.6	1.2	113.70	8
Worker and aged dependent husband.....	13.7	27.4	93.20	14.7	29.4	104.70	12
Worker and 1 or more children.....	29.1	69.4	106.70	33.5	78.4	119.70	12
Worker, wife aged 65 or over, and 1 or more children.....	8.0	26.2	139.00	14.7	47.9	152.70	10
Worker, young wife, and 1 or more children.....	89.6	327.8	128.30	100.3	369.6	148.20	16
Worker, husband, and 1 or more children.....	.1	.3	129.00	.1	.3	135.00	5
Survivor families.....	1,958.2	2,919.8		2,157.7	3,183.6		
Aged widow.....	1,165.4	1,165.4	51.60	1,311.5	1,311.5	56.20	9
Aged dependent widower.....	1.5	1.5	48.30	1.7	1.7	53.20	10
Widowed mother only ²	1.2	1.2	50.30	1.1	1.1	57.20	14
Widowed mother and 1 child.....	145.1	290.2	116.20	164.2	308.4	129.00	11
Widowed mother and 2 children.....	101.8	305.4	149.50	107.9	323.7	166.50	11
Widowed mother and 3 or more children.....	96.5	459.6	148.10	102.7	494.0	177.50	20
Divorced wife and 1 or more children.....	.3	.8	137.40	.3	.8	161.60	18
Aged widow and 1 or more children.....	5.8	11.9	105.50	8.6	17.8	113.00	7
Widower and 1 or more children.....	(?)	(?)	94.00	(?)	(?)	94.30	(?)
1 child only.....	258.0	258.0	51.20	276.5	276.5	56.40	10
2 children.....	99.4	198.8	88.10	104.9	209.8	97.00	10
3 children.....	34.2	102.6	113.80	35.1	105.3	125.00	10
4 or more children.....	21.3	95.0	123.60	22.2	98.8	150.00	21
1 aged dependent parent.....	26.0	26.0	52.70	28.5	28.5	58.60	11
2 aged dependent parents.....	1.7	3.4	98.40	1.7	3.4	110.40	12
1 or 2 aged dependent parents and 1 or more other survivors.....	0	0	0	.8	2.3	190.00	
Disabled worker families ⁴	200.4	200.4		275.2	361.2		
Worker only.....	200.4	200.4	74.40	235.6	235.6	87.70	18
Male.....	158.8	158.8	75.50	179.0	179.0	91.40	21
Female.....	41.6	41.6	70.10	56.6	56.6	75.80	8
Worker and aged wife.....				12.7	25.4	130.00	
Worker and aged dependent husband.....				.1	.2	104.00	
Worker and 1 or more children.....				6.4	18.6	158.00	
Worker, wife aged 65 or over, and 1 or more children.....				.2	.6	200.00	
Worker, young wife, and 1 or more children.....				20.2	80.8	188.00	

¹ Benefits to children were being withheld.

² Less than 50.

³ Less than 0.5 percent.

⁴ Benefits to disabled workers aged 50-64 began July 1957, and benefits to their dependents began September 1958.

12 THE OLD-AGE AND SURVIVORS INSURANCE TRUST FUND

During the fiscal year, a period of disability, i.e., a disability freeze, was established for 170,000 workers. Under this provision, a worker's benefit rates and his insured status are preserved during the period when his disability prevents him from performing any substantial gainful work. By the end of November 1958—the latest date for which data are available—there were about 56,000 persons receiving old-age benefits that had been increased by \$9.51 a month, on the average, by the disability freeze. About 18,200 wives and young children of retired workers and about 15,700 widows, children, and dependent parents of workers who had established a period of disability before death were also receiving larger monthly benefits because of the freeze. For the same reason, during the 11 months ended November 1958, lump-sum death payments based on the earnings records of 10,600 deceased workers were increased by an average amount of \$25.94 per worker.

The assets of the trust fund at the end of fiscal year 1959 totaled \$21,541 million, consisting of \$20,474 million in the form of obligations of the U.S. Government, and \$1,067 million in undisbursed balances. Table 5 shows a comparison of the total assets of the fund and their distribution at the end of the fiscal years 1958 and 1959.

THE OLD-AGE AND SURVIVORS INSURANCE TRUST FUND 13

TABLE 5.—Assets of the old-age and survivors insurance trust fund, by type, at end of fiscal years 1958 and 1959

	June 30, 1958		June 30, 1959	
	Par value	Book value ¹	Par value	Book value ¹
Investments:				
Public issues:				
Treasury notes:				
2½-percent, series A, 1963	\$30,000,000	\$30,000,000.00	\$30,000,000	\$30,000,000.00
3½-percent, series A, 1960	47,500,000	47,405,203.22	47,500,000	47,405,203.22
3½-percent, series A, 1962	176,000,000	175,958,906.27	176,000,000	175,958,906.27
3¼-percent, series C, 1962	20,000,000	20,000,000.00	20,000,000	20,000,000.00
4-percent, series A, 1961	119,100,000	119,102,017.81	119,100,000	119,101,441.29
4-percent, series B, 1962	15,000,000	15,000,000.00	15,000,000	15,000,000.00
4-percent, series B, 1963			25,000,000	25,000,000.00
Treasury bonds:				
2¼-percent, 1959-62	4,205,000	4,207,097.61	4,205,000	4,205,585.40
2½-percent, 1961	10,450,000	9,960,343.75	10,450,000	9,960,343.75
2½-percent, 1962-67	58,650,000	58,721,467.67	58,650,000	58,703,600.75
2¼-percent, 1963	4,500,000	4,155,625.00	4,500,000	4,155,625.00
2½-percent, 1963-68	116,480,000	116,583,059.39	116,480,000	116,564,321.35
2½-percent, 1964-69	96,004,000	95,260,209.28	104,004,000	102,842,360.04
2½-percent, 1965-70	456,547,500	456,703,664.50	456,747,500	456,857,225.84
2½-percent, 1966-71	308,077,500	307,955,448.28	308,077,500	307,945,931.30
2½-percent, 1967-72	150,593,250	150,613,203.36	164,593,250	163,720,703.36
2½-percent, 1965	211,900,000	211,584,140.63	225,400,000	224,165,703.13
2¾-percent, 1961	2,000,000	1,907,187.50	2,000,000	1,907,187.50
2¾-percent bonds, investment series B, 1975-80	1,064,902,000	1,065,998,780.00	1,064,902,000	1,065,883,329.48
3-percent, 1966	25,000,000	25,000,000.00	25,000,000	25,000,000.00
3-percent, 1995	85,170,000	85,125,776.37	85,170,000	85,125,776.37
3¼-percent, 1978-83	45,100,000	44,910,656.26	45,100,000	44,910,656.26
3½-percent, 1990	56,500,000	56,683,705.32	63,850,000	63,393,620.77
3¾-percent, 1974	25,000,000	25,000,000.00	25,000,000	25,000,000.00
4-percent, 1969	26,500,000	26,500,000.00	36,500,000	36,500,000.00
4-percent, 1980			18,000,000	17,833,057.82
Total public issues	3,155,179,250	3,154,336,492.22	3,251,229,250	3,247,140,578.90
Accrued interest purchased		67,297.32		52,307.98
Total investments in public issues	3,155,179,250	3,154,403,789.54	3,251,229,250	3,247,192,886.88
Public-debt obligations (special issues): ²				
Certificates of indebtedness:				
2½-percent, 1959	9,924,785,000	9,924,785,000.00		
2½-percent, 1960			400,237,000	400,237,000.00
Notes:				
2¼-percent, 1959	500,000,000	500,000,000.00		
2½-percent, 1960	965,000,000	965,000,000.00	965,000,000	965,000,000.00
2½-percent, 1961	965,000,000	965,000,000.00	965,000,000	965,000,000.00
2½-percent, 1962	965,000,000	965,000,000.00	965,000,000	965,000,000.00
2½-percent, 1963	465,000,000	465,000,000.00	465,000,000	465,000,000.00
2½-percent, 1961			168,000,000	168,000,000.00
2½-percent, 1962			168,000,000	168,000,000.00
2½-percent, 1963			168,000,000	168,000,000.00
2½-percent, 1964			168,000,000	168,000,000.00
Bonds:				
2½-percent, 1963	500,000,000	500,000,000.00	500,000,000	500,000,000.00
2½-percent, 1964	965,000,000	965,000,000.00	965,000,000	965,000,000.00
2½-percent, 1965	965,000,000	965,000,000.00	965,000,000	965,000,000.00
2½-percent, 1966	965,000,000	965,000,000.00	965,000,000	965,000,000.00
2½-percent, 1967	965,000,000	965,000,000.00	965,000,000	965,000,000.00
2½-percent, 1968	465,000,000	465,000,000.00	465,000,000	465,000,000.00
2½-percent, 1965			168,000,000	168,000,000.00
2½-percent, 1966			168,000,000	168,000,000.00
2½-percent, 1967			168,000,000	168,000,000.00
2½-percent, 1968			668,000,000	668,000,000.00
2½-percent, 1969			1,133,000,000	1,133,000,000.00
2½-percent, 1970			1,133,000,000	1,133,000,000.00
2½-percent, 1971			1,133,000,000	1,133,000,000.00
2½-percent, 1972			1,133,000,000	1,133,000,000.00
2½-percent, 1973			1,133,000,000	1,133,000,000.00
2½-percent, 1974			1,133,000,000	1,133,000,000.00
Total public-debt obligations	18,609,785,000	18,609,785,000.00	17,227,237,000	17,227,237,000.00
Total investments	21,764,964,250	21,764,188,789.54	20,478,466,250	20,474,429,886.88
Undisbursed balances		1,048,411,381.16		1,066,994,445.61
Total assets		22,812,600,170.70		21,541,424,332.49

¹ Par value plus unamortized premium less discount outstanding.

² All special issues—certificates, notes, and bonds—mature June 30 of the year shown.

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The net decrease in the par value of the investments owned by the fund during the fiscal year 1959 amounted to \$1,286 million. New securities at a total par value of \$17,201 million were acquired through the investment of receipts of the fund and through the reinvestment of funds made available from the maturity or sale of securities during the year. The par value of securities redeemed during the fiscal year was \$18,462 million. In addition, \$25 million of public issues were sold, providing additional income to the fund in the form of a profit amounting to nearly \$38,000. This profit represents the difference between proceeds received at time of sale, after deduction for accrued interest and investment expense, and the book value at time of sale. A summary of security transactions during the fiscal year is presented in table 6.

TABLE 6.—Statement of transactions in public debt securities for the old-age and survivors insurance trust fund during the fiscal year 1959

[All amounts represent par value]

	Acquisitions	Dispositions
Public issues:		
Treasury notes:		
3½-percent series B 1959.....	\$25,000,000	\$25,000,000
4-percent series B 1963.....	25,000,000	0
Treasury bonds:		
2¼-percent, 1964-69.....	8,000,000	0
2¼-percent, 1965-70.....	200,000	0
2¼-percent, 1967-72.....	14,000,000	0
2½-percent, 1965.....	13,500,000	0
3½-percent, 1960.....	7,350,000	0
4-percent, 1969.....	10,000,000	0
4-percent, 1980.....	18,000,000	0
Total public issues.....	121,050,000	25,000,000
Public-debt obligations (special issues):¹		
Certificates of indebtedness:		
2½-percent, 1959.....	0	9,924,785,000
2½-percent, 1959.....	8,037,514,000	8,037,514,000
2½-percent, 1960.....	400,237,000	0
Notes:		
2½-percent, 1959.....	0	500,000,000
2½-percent, 1961.....	168,000,000	0
2½-percent, 1962.....	168,000,000	0
2½-percent, 1963.....	168,000,000	0
2½-percent, 1964.....	168,000,000	0
Bonds:		
2½-percent, 1965.....	168,000,000	0
2½-percent, 1966.....	168,000,000	0
2½-percent, 1967.....	168,000,000	0
2½-percent, 1968.....	168,000,000	0
2½-percent, 1969.....	668,000,000	0
2½-percent, 1969.....	1,133,000,000	0
2½-percent, 1970.....	1,133,000,000	0
2½-percent, 1971.....	1,133,000,000	0
2½-percent, 1972.....	1,133,000,000	0
2½-percent, 1973.....	1,133,000,000	0
2½-percent, 1974.....	1,133,000,000	0
Total public-debt obligations.....	17,079,751,000	18,462,299,000
Total transactions.....	17,200,801,000	18,487,299,000

¹ All special issues—certificates, notes, and bonds—mature June 30 of the year shown.

The 1956 amendments provided that the public-debt obligations issued for purchase by the old-age and survivors insurance and the disability insurance trust funds shall have maturities fixed with due regard for the needs of the funds. Under this provision, the maturities of the public-debt obligations issued for purchase by the funds have been lengthened gradually over a period of several years. On June 30,

1959, the special issues held by the old-age and survivors insurance trust fund were distributed in approximately equal amounts of \$1,133 million among maturities ranging from 1 to 15 years (table 5).

Since the average rate of interest, as of May 31, 1959, borne by all marketable Government obligations with maturity dates exceeding 5 years from date of issue was 2.619 percent, the rate of interest (rounded to the nearest one-eighth of 1 percent) on the public-debt obligations (special issues) acquired on June 30, 1959, was 2% percent.

SUMMARY OF THE OPERATIONS OF THE FEDERAL DISABILITY INSURANCE TRUST FUND, FISCAL YEAR 1959

A statement of the income and disbursements of the Federal disability insurance trust fund for fiscal year 1959 and of the assets of the fund at the beginning and end of the fiscal year is presented in table 7.

TABLE 7.—Statement of operations of the disability insurance trust fund during the fiscal year 1959

Total assets of the trust fund, June 30, 1958		\$1,098,972,819.52
Receipts, fiscal year 1959:		
Tax contributions:		
Appropriations	\$846,681,035.92	
Deposits arising from State agreements	58,064,365.95	
Gross tax contributions	804,745,401.87	
Less payment into the Treasury for taxes subject to refund	9,750,000.00	
Net tax contributions		\$894,995,401.87
Interest and profit:		
On investments	33,734,353.84	
Less transfer to old-age and survivors insurance trust fund with reimbursed administrative expenses	440,900.00	
Net interest and profit		33,293,453.84
Total receipts		<u>928,288,855.71</u>
Disbursements, fiscal year 1959:		
Benefit payments		339,230,682.29
Administrative expenses:		
Reimbursement to the old-age and survivors insurance trust fund:		
For administrative expenses of the Department of Health, Education, and Welfare	17,290,055.00	
For construction of building for the Bureau of Old-Age and Survivors Insurance	236,418.00	
Treasury Department	3,884,007.97	
Total administrative expenses		<u>21,410,480.97</u>
Total disbursements		<u>360,641,163.26</u>
Net addition to the trust fund		567,647,692.45
Total assets of the trust fund, June 30, 1959		<u>1,666,620,511.97</u>

Net receipts of the fund amounted to \$928 million. Of this total, \$847 million represented tax collections appropriated to the fund, and \$58 million represented amounts received by the Secretary of the Treasury in accordance with State coverage agreements and deposited in the fund. However, \$10 million was transferred from the trust fund into the Treasury as repayment for the estimated amount of contributions subject to refund to employees who worked for more than one employer during the course of a year and paid contributions on wages in excess of the statutory maximum. The remaining \$33 million of receipts consisted of interest on investments.

Disbursements from the fund totaled \$361 million, of which \$339 million was for benefit payments, and the remaining \$21 million was for administrative expenses.

At the end of fiscal year 1959, some 361,000 persons in 275,000 families were receiving monthly benefits payable from the disability insurance trust fund (table 4). The distribution of benefit payments in fiscal years 1958 and 1959, by type of benefit, is shown in table 8. Because the provisions of the 1958 amendments affecting disabled-worker beneficiaries and their dependents were effective for only part of fiscal year 1959, the full effect of the amendments was not reflected in the annual total of benefit payments.

TABLE 8.—*Estimated distribution of benefit payments under the disability insurance program, by type of benefit, fiscal years 1958 and 1959*

[Amounts in millions]

Type of benefit	1958		1959	
	Amount	Percent of total	Amount	Percent of total
Total ¹	\$168.4	100	\$339.2	² 100
Disability (disabled worker).....	168.4	100	311.1	92
Wife's or husband's (aged wives or dependent husbands of disability beneficiaries or their young wives if caring for child beneficiary).....			12.3	4
Child's (children, under age 18 or disabled, of disability beneficiary).....			15.8	5

¹ Benefits to disabled workers aged 50 to 64 began July 1957, and benefits to their dependents began September 1958. However, disbursements from the trust fund were first made to these 2 classes of beneficiaries in August 1957, and October 1958, respectively.

² Total does not necessarily equal the sum of rounded components.

The assets of this fund at the end of fiscal year 1959 totaled \$1,667 million, consisting of \$1,607 million in the form of obligations of the U.S. Government, and \$60 million in undisbursed balances. Table 9 shows a comparison of the total assets of the fund and their distribution at the end of the fiscal years 1958 and 1959.

THE OLD-AGE AND SURVIVORS INSURANCE TRUST FUND 17

TABLE 9.—Assets of the disability insurance trust fund, by type, at end of fiscal years 1958 and 1959

	June 30, 1958		June 30, 1959	
	Par value	Book value ¹	Par value	Book value ¹
Investments:				
Public issues:				
Treasury notes:				
2½-percent series A 1963.....	\$10,000,000	\$10,000,000.00	\$10,000,000	\$10,000,000.00
3¾-percent series C 1962.....	7,000,000	7,000,000.00	7,000,000	7,000,000.00
4-percent series B 1962.....	5,000,000	5,000,000.00	5,000,000	5,000,000.00
4-percent series B 1963.....			5,000,000	5,000,000.00
Treasury bonds:				
2¾ percent, 1965.....	16,750,000	16,643,750.00	18,250,000	18,042,968.75
3 percent, 1966.....	10,000,000	10,000,000.00	10,000,000	10,000,000.00
3½ percent, 1990.....			1,500,000	1,374,062.50
3¾ percent, 1974.....	5,000,000	5,000,000.00	5,000,000	5,000,000.00
4 percent, 1969.....	5,000,000	5,000,000.00	10,000,000	10,000,000.00
4 percent, 1980.....			2,000,000	1,993,828.13
Total, public issues.....	58,750,000	58,643,750.00	73,750,000	73,410,859.38
Accrued interest purchased.....		20,179.29		13,040.43
Total, investments in public issues.....		58,663,929.29		73,423,899.81
Public-debt obligations (special issues):²				
Certificates of indebtedness:				
2½ percent, 1939.....	658,294,000	658,294,000.00		
2½ percent, 1960.....			88,950,000	88,950,000.00
Notes:				
2½ percent, 1959.....	7,500,000	7,500,000.00		
2½ percent, 1960.....	37,500,000	37,500,000.00	37,500,000	37,500,000.00
2½ percent, 1961.....	37,500,000	37,500,000.00	37,500,000	37,500,000.00
2½ percent, 1962.....	37,500,000	37,500,000.00	37,500,000	37,500,000.00
2½ percent, 1963.....	30,000,000	30,000,000.00	30,000,000	30,000,000.00
2½ percent, 1964.....			63,000,000	63,000,000.00
2½ percent, 1965.....			63,000,000	63,000,000.00
2½ percent, 1966.....			63,000,000	63,000,000.00
2½ percent, 1967.....			63,000,000	63,000,000.00
2½ percent, 1968.....			70,500,000	70,500,000.00
2½ percent, 1969.....			100,500,000	100,500,000.00
2½ percent, 1970.....			100,500,000	100,500,000.00
2½ percent, 1971.....			100,500,000	100,500,000.00
2½ percent, 1972.....			100,500,000	100,500,000.00
2½ percent, 1973.....			100,500,000	100,500,000.00
2½ percent, 1974.....			100,500,000	100,500,000.00
Total, public-debt obligations.....	995,794,000	995,794,000.00	1,533,450,000	1,533,450,000.00
Total investments.....	1,054,544,000	1,054,457,929.29	1,607,200,000	1,606,873,899.81
Undisbursed balances.....		44,514,890.23		59,746,612.16
Total assets.....		1,098,972,819.52		1,666,620,511.97

¹ Par value plus unamortized premium less discount outstanding.

² All special issues—certificates, notes, and bonds—mature June 30 of the year shown.

The net increase in the par value of the investments owned by the fund during the fiscal year amounted to \$553 million. New securities at a total par value of \$2,157 million were acquired through the investment of receipts of the fund, and through the reinvestment of funds made available from the maturity or sale of securities during the year. The par value of securities redeemed during the year was \$1,599 million. In addition, \$5 million of public issues were sold at a profit

of \$8,000. A summary of security transactions during the fiscal year is presented in table 10.

TABLE 10.—*Statement of transactions in public debt securities for the disability insurance trust fund during the fiscal year 1959*

[All amounts represent par values]

	Acquisitions	Dispositions
Public issues:		
Treasury notes:		
3½-percent series B, 1959	\$5,000,000	\$5,000,000
4-percent series B, 1963	5,000,000	0
Treasury bonds:		
2½-percent, 1965	1,500,000	0
3½-percent, 1960	1,500,000	0
4-percent, 1969	5,000,000	0
4-percent, 1980	2,000,000	0
Total public issues	20,000,000	5,000,000
Public-debt obligations (special issues):¹		
Certificates of indebtedness:		
2½-percent, 1959	0	658,294,000
2½-percent, 1959	933,095,000	933,095,000
2½-percent, 1960	88,950,000	0
Notes:		
2½-percent, 1959	0	7,500,000
2½-percent, 1961	63,000,000	0
2½-percent, 1962	63,000,000	0
2½-percent, 1963	63,000,000	0
2½-percent, 1964	63,000,000	0
Bonds:		
2½-percent, 1965	63,000,000	0
2½-percent, 1966	63,000,000	0
2½-percent, 1967	63,000,000	0
2½-percent, 1968	70,500,000	0
2½-percent, 1969	100,500,000	0
2½-percent, 1970	100,500,000	0
2½-percent, 1971	100,500,000	0
2½-percent, 1972	100,500,000	0
2½-percent, 1973	100,500,000	0
2½-percent, 1974	100,500,000	0
Total public-debt obligations	2,136,545,000	1,598,889,000
Total transactions	2,156,545,000	1,603,889,000

¹ All special issues—certificates, notes, and bonds—mature June 30 of the year shown.

As indicated in the preceding section of this report, the maturity dates of the special issues held by the trust funds have been gradually lengthened over a period of several years. On June 30, 1959, these holdings of the disability insurance trust fund were distributed in approximately equal amounts of \$100,500,000 among maturities ranging from 1 to 15 years.

Since the statutory provisions defining the rate of interest that special issues shall bear are the same for the two trust funds, the rate of interest on the special issues acquired by the disability insurance trust fund on June 30, 1959, was also 2½ percent.