

THE 25TH ANNUAL REPORT OF THE BOARD OF
TRUSTEES OF THE FEDERAL OLD-AGE AND
SURVIVORS INSURANCE TRUST FUND AND THE
FEDERAL DISABILITY INSURANCE TRUST FUND

L E T T E R

FROM

BOARD OF TRUSTEES OF THE
FEDERAL OLD-AGE AND SURVIVORS INSURANCE
AND DISABILITY INSURANCE TRUST FUNDS

TRANSMITTING

THE 25TH 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, 1965.—Referred to the Committee on Ways and Means
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BOARD OF TRUSTEES OF THE FEDERAL
OLD-AGE AND SURVIVORS INSURANCE AND
DISABILITY INSURANCE TRUST FUNDS,
Washington, D.C., February 26, 1965.

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

SIR: We have the honor to transmit to you the 25th 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,

C. DOUGLAS DILLON,
*Secretary of the Treasury, and
Managing Trustee of the Trust Funds.*

W. WILLARD WIRTZ,
Secretary of Labor.

ANTHONY J. CELEBREZZE,
Secretary of Health, Education, and Welfare.

ROBERT M. BALL,
*Commissioner of Social Security
and Secretary, Board of Trustees.*

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TWENTY-FIFTH 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, 1964

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

During fiscal year 1964, both the income and the outgo of the old-age and survivors insurance trust fund and of the disability insurance trust fund were again higher than in any previous year. The number of workers with taxable earnings under the program continued to increase, reaching an estimated 76 million in calendar year 1963. The total number of monthly beneficiaries increased to 19.5 million by the end of June 1964.

Total receipts of the old-age and survivors insurance trust fund in fiscal year 1964 amounted to \$16,044 million, or about 16 percent more than in fiscal year 1963. Total disbursements of \$15,285 million were about 5 percent greater than the disbursements made in the preceding year. The excess of total income over total outgo, amounting to \$760 million, increased the total assets of the old-age and survivors insurance trust fund from \$18,939 million on June 30, 1963, to \$19,699 million on June 30, 1964. Disbursements consisted of \$14,579 million for benefit payments, \$303 million for administrative expenses, and \$403 million transferred to the railroad retirement account under the financial interchange provisions. The total number of monthly beneficiaries at the end of the fiscal year was 17,954,000, or about 4 percent more than at the beginning of the year. Retirement beneficiaries numbered 13,502,000 and survivor beneficiaries numbered 4,452,000.

The income of the old-age and survivors insurance trust fund in fiscal year 1964 consisted of \$15,503 million in tax contributions and \$542 million in interest. The 16-percent increase in contribution income was due in part to increases in contribution rates which became effective on January 1, 1963, and were applicable to all of fiscal

year 1964. Estimates for the 5 fiscal years 1965-69 show that although both receipts and disbursements will increase steadily, the receipts will rise more rapidly, due to the scheduled rise in contribution rates in the law. Consequently, at the end of fiscal year 1969, this trust fund will amount to an estimated \$31.5 billion, or an increase of \$11.8 billion in the 5-year period. Receipts during fiscal year 1969 are estimated to total \$24 billion, and disbursements, \$19.1 billion.

Medium-range estimates, based on the assumption that economic activity will continue to expand throughout the period 1965-80, show continued increases in receipts, disbursements, and assets of the old-age and survivors insurance trust fund. According to these estimates, if the provisions of present law are assumed to remain unchanged, the assets of the trust fund will rise rapidly, reaching a total of \$129 billion at the end of calendar year 1980. On the other hand, if the maximum taxable earnings base and the benefit provisions of present law are assumed to be amended periodically so as to keep the program in line with changes in levels of average earnings, the assets of the trust fund will rise less rapidly, reaching a total of \$89 billion by 1980.

Long-range cost estimates for the old-age and survivors insurance program indicate that the program is in close actuarial balance. The level-cost of benefit payments and administrative expenses combined, estimated over a period of 75 years, as the Advisory Council on Social Security recommended, ranges from 7.40 to 9.82 percent of taxable payroll. The intermediate cost is 8.46 percent of taxable payroll, as compared with the level equivalent of the graded schedule of contributions of 8.60 percent of taxable payroll. There is thus a favorable actuarial balance of 0.14 percent of taxable payroll.

For the disability insurance trust fund, total receipts in fiscal year 1964 amounted to \$1,208 million, or about 6 percent higher than in fiscal year 1963. Total disbursements, amounting to \$1,338 million, were also about 6 percent greater than in the previous year. Since disbursements exceeded receipts by \$130 million, total assets of this trust fund decreased from \$2,394 million at the beginning of fiscal year 1964, to \$2,264 million at the end of the year.

Total receipts of the disability insurance trust fund were composed of \$1,143 million in net contributions and \$65 million in net interest. Of the total disbursements, \$1,251 million was paid out in benefits, \$19 million was transferred to the railroad retirement account, and \$68 million was spent for administrative expenses.

By the end of fiscal year 1964, the number of disabled workers and their dependents receiving monthly benefits from the disability insurance trust fund had risen to 1,516,000, or 10 percent more than at the beginning of the year.

According to estimates for the 5 fiscal years 1965-69, income of the disability insurance trust fund will rise very slowly, since the scheduled contribution rate remains level; disbursements, on the other hand, will rise more rapidly. Outgo is expected to exceed income in each year, and the trust fund is expected to decline. Estimates of the level long-range cost calculated over a period of 75 years range from 0.57 to 0.73 percent of taxable payroll. The intermediate cost is estimated at 0.63 percent of taxable payroll, as compared with the level contribution rate of 0.50 percent of taxable payroll. The Board of Trustees recommends that additional financing be made available to this fund

through a small allocation of future contribution income to the disability insurance trust fund.

The Advisory Council on Social Security, appointed by the Secretary of Health, Education, and Welfare in June 1963, submitted its report on January 1, 1965. In accordance with the law providing for its appointment, the Council's findings, recommendations, and conclusions are included in this report as appendix V.

SOCIAL SECURITY AMENDMENTS IN 1964

Public Law 88-650, approved October 13, 1964, amended the Social Security Act and related provisions of the Internal Revenue Code. The amendments made one change that is significant from a short-range cost standpoint, as well as several minor changes, in the old-age survivors, and disability insurance program.

Years of no earnings during an established "period of disability" are excluded in determining whether a worker is insured or in computing his benefit amount. For a worker to receive the full benefit of this provision, his established period of disability must include all of the period of total disablement. Under prior law, if a worker with a longstanding disability filed application after June 30, 1962, the starting date of his period of disability could not be earlier than 18 months before the day that the application was filed. Thus, it was possible that the disabled worker may have met the disability insured status requirement at some time, but not within the 18-month period before the date of filing. In another type of situation, the disabled worker could have met the disability insured status requirement within the 18-month period before the date of filing but, because of the limitation on the starting date of his period of disability, an earlier date for the beginning of a period of disability could not be used, with the result that inclusion of these years produced lower benefit amounts.

Public Law 88-650 removed this limitation with respect to the date of filing application so that a period of disability may now begin as early as actual disablement. Some persons who filed applications for benefits after June 30, 1962, will have eligibility for benefits restored; some who are now beneficiaries will receive larger benefits. The effect of this amendment on benefit amounts is retroactive only through November 1963. In addition, some people now applying or who will apply in the future will also be benefited.

From an actuarial standpoint this change has some significant effect on benefit disbursements in the short-range future. In the long run, however, the effect of this provision is expected to be negligible. Accordingly, this change is estimated to have no effect on the long-range level-cost, and hence on the actuarial status, of the program.

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 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 work covered by the old-age, survivors, and disability insurance program. All employees and their employers in employment 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.

Under the Internal Revenue Code, as amended, the contribution rates in effect for calendar years 1963-65 are 3½ percent each for employees and their employers and 5.4 percent for the self-employed. The following table shows the scheduled increases in tax rates in the present law:

Calendar years	Percent of taxable earnings	
	Employees and employers, each	Self-employed
1963-65	3½%	5.4
1966-67	4½%	6.2
1968 and after	4%	6.9

The Social Security Act, as amended in 1956, provides that beginning January 1, 1957, from 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 (to effect coverage under the program for State and local government employees) 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 from the district offices of the Internal Revenue Service. 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 Social Security Administration 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 use this information to perform certain services, such as the preparation of statistical tabulations for research purposes, 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 payment 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 Social Security Administration.

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 the issue price 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 shall bear interest at a rate equal to the average market yield (computed by the managing trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States forming a part of the public debt which are not due or callable until after the expiration of 4 years from the end of such calendar month; where such average market yield 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 market yield.

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 investment 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 20 and 21.

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 1964

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, 1963, and ended on June 30, 1964, and of the assets of the fund at the beginning and end of the fiscal year, is presented in table 1.

The total assets of the old-age and survivors insurance trust fund amounted to \$18,939 million on June 30, 1963. These assets increased to \$19,699 million by the end of the fiscal year 1964, an increase of \$760 million.

TABLE 1.—Statement of operations of the old-age and survivors insurance trust fund during the fiscal year 1964

Total assets of the trust fund, June 30, 1963.....		\$18, 939, 083, 297. 39
Receipts, fiscal year 1964:		
Tax contributions:		
Appropriations.....	\$14, 488, 596, 928. 47	
Deposits arising from State agree- ments.....	1, 166, 599, 194. 16	
Gross tax contributions.....	15, 655, 196, 122. 63	
Less payment into the Treasury for taxes subject to refund.....	152, 470, 000. 00	
Net tax contributions.....		\$15, 502, 726, 122. 63
Interest:		
On investments.....	539, 044, 380. 18	
On administrative expenses reim- bursed by disability insurance trust fund.....	2, 507, 908. 00	
Total interest.....		541, 552, 288. 18
Total receipts.....		<u>16, 044, 278, 410. 81</u>
Disbursements, fiscal year 1964:		
Benefit payments.....		14, 579, 166, 049. 52
Transfers to railroad retirement account.....		402, 636, 000. 00
Administrative expenses:		
Department of Health, Education, and Welfare.....	\$315, 021, 991. 63	
Treasury Department.....	49, 073, 954. 76	
Preparation and construction of building for Social Security Ad- ministration.....	2, 558, 352. 02	
Gross administrative expenses... ..	366, 654, 298. 41	
Less receipts from sale of surplus materials, supplies, etc.....	95, 711. 23	
Less reimbursement for administra- tive expenses by disability insur- ance trust fund.....	63, 317, 971. 00	
Less reimbursement for construction by disability insurance trust fund... ..	531, 745. 00	
Net administrative expenses.....		302, 708, 871. 18
Total disbursements.....		<u>15, 284, 510, 920. 70</u>
Net addition to the trust fund.....		759, 767, 490. 11
Total assets of the trust fund, June 30, 1964.....		19, 698, 850, 787. 50

Net receipts of the trust fund during the fiscal year 1964 amounted to \$16,044 million. Of this total, \$14,489 million represented tax collections appropriated to the fund and \$1,167 million represented amounts received by the Secretary of the Treasury in accordance with State agreements for coverage of State and local government employees and deposited in the trust fund. As an offset, \$152 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 \$4,800, the statutory maximum. Net contributions amounted to \$15,503 million, representing an increase of 16 percent over the amount for the preceding fiscal year. This increase resulted chiefly from the increase in the combined employer-employee contribution rate for old-age and survivors insurance benefits from 5½ to 6¼ percent, effective January 1, 1963. Although this increase in the contribution rate became effective in 1963, fiscal year 1964 was the first full year during which it was operative. The remaining \$542 million of receipts consisted of interest on the investments of the fund and on amounts transferred from the disability insurance trust fund for reimbursement of administrative expenses.

Disbursements from the trust fund during the fiscal year 1964 totaled \$15,285 million. Of this total, \$14,579 million was for benefit payments, an increase of 5 percent over the corresponding amount paid in the fiscal year 1963. This increase was due principally to the growth in the number of beneficiaries, which is to be expected as the program gradually matures.

Public Law 234, approved October 30, 1951, amended the Railroad Retirement Act to provide a basis of coordinating the railroad retirement program with old-age and survivors insurance. A description of the legislative provisions governing the financial interchanges arising from the allocation of costs between the two systems is contained in appendix II. In accordance with these provisions, the Railroad Retirement Board and the Secretary of Health, Education, and Welfare determined that a transfer of \$389,200,000 to the railroad retirement account from the old-age and survivors insurance trust fund would place this fund in the same position as of June 30, 1963, as it would have been if railroad employment had always been covered under the Social Security Act. This amount, together with interest thereon for fiscal year 1964 amounting to \$13,436,000, was transferred to the railroad retirement account in June 1964.

The remaining \$303 million of disbursements from the old-age and survivors insurance trust fund was for administrative expenses. Net administrative expenses charged to both the old-age and survivors insurance trust fund and the disability insurance trust fund totaled \$370 million and represented 2.2 percent of contribution income and 2.3 percent of benefit payments during fiscal year 1964. The relationship of administrative expenses to contribution income and to benefit payments for each of the last 5 years is shown in table 2, for the system as a whole as well as for each trust fund separately.

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TABLE 2.—*Relationship of net administrative expenses of the old-age, survivors, and disability insurance program to contribution income and benefit payments, by trust fund, fiscal years 1960-64*

Fiscal year	Total		Old-age and survivors insurance trust fund		Disability insurance trust fund	
	Total administrative expenses as a percentage of—		Administrative expenses as a percentage of—		Administrative expenses as a percentage of—	
	Total contribution income	Total benefit payments	Contribution income	Benefit payments	Contribution income	Benefit payments
1960.....	2.2	2.2	2.1	2.0	3.2	6.0
1961.....	2.2	2.3	2.1	2.1	3.6	5.2
1962.....	2.5	2.3	2.2	2.0	6.3	6.3
1963.....	2.3	2.2	2.0	1.9	6.2	5.7
1964.....	2.2	2.3	2.0	2.1	5.9	5.4

NOTE.—Expenses incurred by the Department of Health, Education, and Welfare under the 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.

In table 3, the experience with respect to actual amounts of tax contributions and benefit payments in, and trust fund assets at the end of, fiscal year 1964 is compared with the estimates for fiscal year 1964 which appeared in the 22d, 23d, and 24th Annual Reports of the Board of Trustees. No amendments significant from a cost standpoint were enacted during the period covered by these reports. On the whole, the estimates were quite close, relatively, to the actual experience.

TABLE 3.—*Comparison of actual and estimated operations of the old-age and survivors insurance and disability insurance trust funds, fiscal year 1964*

[Amounts in millions]

	Actual amount	Comparison of actual experience with estimates for fiscal year 1964 published in—		
		24th report	23d report	22d report
Old-age and survivors insurance trust fund				
Tax contributions:				
Amount.....	\$15,503	\$15,314	\$14,984	\$15,290
Estimate as percentage of actual.....		99	97	99
Benefit payments:				
Amount.....	\$14,579	\$14,629	\$14,648	\$14,157
Estimate as percentage of actual.....		100	100	97
Assets, end of year:				
Amount.....	\$19,699	\$19,426	\$19,127	\$20,993
Estimate as percentage of actual.....		99	97	107
Disability insurance trust fund				
Tax contributions:				
Amount.....	\$1,143	\$1,131	\$1,110	\$1,137
Estimate as percentage of actual.....		99	97	99
Benefit payments:				
Amount.....	\$1,251	\$1,255	\$1,231	\$1,129
Estimate as percentage of actual.....		100	98	90
Assets, end of year:				
Amount.....	\$2,264	\$2,247	\$2,259	\$2,568
Estimate as percentage of actual.....		99	100	113

The distribution of benefit payments in fiscal years 1963 and 1964, by type of benefit, is shown in table 4. Approximately 87 percent of the total benefit payments from the old-age and survivors insurance trust fund in the fiscal year 1964 was accounted for by monthly benefits to persons aged 62 or over—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 monthly benefits to mothers—practically all of them under age 62—who had children of deceased workers in their care. The balance of the benefits paid consisted of lump-sum death payments.

TABLE 4.—*Estimated distribution of benefit payments from the old-age and survivors insurance trust fund, by type of benefit, fiscal years 1963 and 1964*

[Amounts in millions]

Type of benefit	1963		1964	
	Amount	Percent of total	Amount	Percent of total
Total.....	\$13,844.6	100	\$14,579.2	100
Monthly benefits.....	13,649.3	99	14,364.6	99
Old age (retired workers).....	9,139.2	66	9,632.9	66
Wife's or husband's (wives or dependent husbands of old-age beneficiaries).....	1,241.6	9	1,269.3	9
Widow's or widower's (aged widows or aged dependent widowers of deceased workers).....	1,544.5	11	1,681.6	12
Parent's (aged dependent parents of deceased workers).....	33.8	(¹)	33.5	(¹)
Child's (children, under age 18 or disabled, of old-age beneficiaries).....	143.1	1	148.3	1
Child's (children, under age 18 or disabled, of deceased workers).....	1,202.4	9	1,248.0	9
Mother's (widows or dependent divorced wives of deceased workers caring for child beneficiaries).....	344.6	2	351.1	2
Lump-sum death payments.....	195.3	1	214.6	1

¹ Less than 0.5 percent.

On June 30, 1964, about 19.5 million persons in some 14.4 million families were receiving monthly benefits under the old-age, survivors, and disability insurance program (table 5). Generally, average monthly family benefits on that date showed moderate increases over the corresponding averages a year earlier. The higher averages reflected in part the greater proportion of benefits computed on the basis of earnings after 1950.

The assets of the old-age and survivors insurance trust fund at the end of fiscal year 1964 totaled \$19,699 million, consisting of \$18,305 million in the form of obligations of the U.S. Government, and \$1,394 million in undisbursed balances. Table 6 shows a comparison of the total assets of the fund and their distribution at the end of fiscal years 1963 and 1964.

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TABLE 5.—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 1963 and 1964

[Numbers in thousands]

Family classification of beneficiaries receiving benefits	June 30, 1963			June 30, 1964		
	Number of families	Number of beneficiaries	Average monthly amount per family	Number of families	Number of beneficiaries	Average monthly amount per family
Total.....	13,752.2	18,608.3	-----	14,434.9	19,470.3	-----
Retired-worker families.....	10,037.4	13,014.8	-----	10,481.8	13,501.6	-----
Worker only.....	7,398.7	7,398.7	\$73.00	7,807.6	7,807.6	\$73.60
Male.....	3,793.0	3,793.0	82.40	3,946.7	3,946.7	83.10
Female.....	3,605.7	3,605.7	63.10	3,860.9	3,860.9	63.90
Worker and wife (aged 62 and over ¹).....	2,351.0	4,702.0	128.80	2,380.3	4,760.6	130.10
Worker and wife (under age 65 ²) ³	1.4	2.8	111.00	1.6	3.2	111.00
Worker and aged dependent husband.....	13.1	26.2	109.30	12.4	24.8	111.10
Worker and 1 or more children.....	75.6	172.3	119.80	78.8	178.7	121.90
Worker, wife (aged 62 and over ¹), and 1 or more children.....	28.2	87.0	159.20	30.1	92.9	161.40
Worker, wife (under age 65 ²), and 1 or more children.....	169.2	625.4	149.20	170.8	633.5	150.00
Worker, husband, and 1 or more children.....	.1	.3	111.80	.1	.2	112.40
Survivor families.....	2,924.4	4,211.1	-----	3,091.2	4,452.5	-----
Aged widow only.....	1,914.4	1,914.4	66.40	2,058.1	2,058.1	67.40
Aged widow and 1 or more children.....	22.5	46.2	124.90	25.2	51.9	126.00
Aged widow and 1 aged dependent parent.....	.4	.8	166.00	.5	1.0	165.70
Aged widow, 1 or more children, and 1 aged dependent parent.....	(⁴)	.1	240.00	(⁴)	.1	245.00
Aged dependent widower.....	2.5	2.5	62.70	2.6	2.6	63.50
Widower and 1 or more children.....	.1	.2	114.10	.1	.2	115.90
Widowed mother only ³	2.1	2.1	61.40	2.0	2.0	61.60
Widowed mother and 1 child.....	190.6	381.2	138.30	191.0	382.0	140.00
Widowed mother and 2 children.....	129.6	388.8	191.50	133.0	399.0	193.90
Widowed mother and 3 or more children.....	133.5	645.7	188.30	140.3	685.5	192.70
Widowed mother, 1 or more children, and 1 aged dependent parent.....	.4	1.3	207.80	.5	1.7	203.30
Divorced wife and 1 or more children.....	.4	1.2	178.00	.5	1.3	175.10
1 child only.....	312.0	312.0	62.70	309.3	309.3	64.20
2 children.....	109.5	219.0	128.00	114.0	228.0	130.60
3 children.....	44.3	132.9	169.50	47.7	143.1	174.30
4 or more children.....	27.2	125.6	168.10	31.9	149.6	168.60
1 or more children and 1 aged dependent parent.....	.7	1.7	155.00	.8	2.2	165.30
1 aged dependent parent.....	32.9	32.9	69.50	32.5	32.5	70.30
2 aged dependent parents.....	1.3	2.6	110.60	1.2	2.4	112.80
Disabled-worker families.....	790.4	1,382.3	-----	861.9	1,516.2	-----
Worker only.....	573.5	573.5	88.30	623.7	623.7	88.90
Male.....	401.7	401.7	92.50	430.5	430.5	93.30
Female.....	171.8	171.8	78.50	193.2	193.2	79.10
Worker and wife (aged 62 and over ¹).....	26.1	52.1	137.60	27.2	54.5	138.50
Worker and wife (under age 65 ²) ³5	1.0	142.00	.6	1.1	142.50
Worker and aged dependent husband.....	.4	.8	122.00	.5	1.0	122.00
Worker and 1 or more children.....	56.8	154.0	156.50	63.4	171.6	156.00
Worker, wife (aged 62 and over ¹), and 1 or more children.....	.4	1.2	173.00	.4	1.3	174.00
Worker, wife (under age 65 ²), and 1 or more children.....	132.8	599.7	192.60	146.1	663.0	193.60

¹ Excludes wife aged 62 to 64 with entitled children in her care.

² With entitled children in her care.

³ Benefits of children being withheld.

⁴ Less than 50.

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TABLE 6.—Assets of the old-age and survivors insurance trust fund, by type, at end of fiscal years 1963 and 1964

	June 30, 1963		June 30, 1964	
	Par value	Book value ¹	Par value	Book value ¹
Investments in public debt obligations:				
Public issues:				
Treasury notes:				
4½ percent, series A, 1965	\$38, 500, 000	\$38, 500, 000. 00	\$6, 352, 000	\$6, 352, 000. 00
4½ percent, series C, 1963	15, 000, 000	15, 000, 000. 00	4, 125, 000	4, 125, 000. 00
5 percent, series B, 1964	25, 000, 000	25, 000, 000. 00		
Treasury bonds:				
2½ percent, 1964-69	55, 180, 000	51, 351, 528. 36	55, 180, 000	51, 968, 134. 80
2½ percent, 1967-72	250	250. 00	250	250. 00
2¾ percent, investment series B, 1975-80	1, 064, 902, 000	1, 065, 407, 533. 32	1, 064, 902, 000	1, 065, 288, 584. 28
3 percent, 1995	85, 170, 000	85, 130, 747. 73	85, 170, 000	85, 131, 990. 57
3 percent, 1985	60, 200, 000	59, 021, 227. 52	60, 200, 000	59, 080, 412. 72
3¼ percent, 1978-83	25, 700, 000	23, 801, 873. 39	25, 700, 000	23, 888, 810. 51
3¼ percent, 1985	449, 450, 000	457, 010, 831. 67	449, 450, 000	456, 574, 629. 87
3½ percent, 1980	558, 250, 000	544, 971, 829. 04	556, 250, 000	545, 394, 375. 06
3½ percent, 1990	552, 037, 000	540, 882, 427. 39	552, 037, 000	541, 401, 354. 12
3½ percent, 1998	34, 205, 000	34, 211, 370. 72	34, 205, 000	34, 209, 900. 60
3¾ percent, 1967	27, 729, 000	27, 745, 426. 95	27, 729, 000	27, 739, 629. 15
3¾ percent, 1966	7, 000, 000	7, 000, 000. 00	7, 000, 000	7, 000, 000. 00
3¾ percent, 1968	17, 450, 000	17, 450, 000. 00	17, 450, 000	17, 450, 000. 00
3¾ percent, 1968	32, 500, 000	32, 450, 308. 96	32, 500, 000	32, 413, 664. 08
3¾ percent, 1974	77, 500, 000	77, 470, 479. 41	77, 500, 000	77, 475, 202. 73
4 percent, 1969	100, 000, 000	101, 470, 880. 05	100, 000, 000	101, 288, 915. 53
4 percent, 1971			38, 000, 000	37, 671, 643. 30
4 percent, 1973			153, 100, 000	153, 024, 210. 04
4 percent, 1980	153, 100, 000	153, 019, 346. 44	91, 300, 000	90, 398, 251. 62
4½ percent, 1989-94			78, 023, 000	77, 585, 848. 55
4¼ percent, 1975-85	25, 000, 000	25, 000, 000. 00	10, 000, 000	10, 092, 333. 34
4¼ percent, 1987-92	10, 000, 000	10, 096, 333. 34		
Total public issues	3, 411, 873, 250	3, 391, 947, 894. 29	3, 526, 173, 250	3, 505, 555, 140. 87
Accrued interest purchased		91, 270. 64		
Total investments in public issues	3, 411, 873, 250	3, 392, 038, 664. 93	3, 526, 173, 250	3, 505, 555, 140. 87
Obligations sold only to this fund (special issues):				
Notes: 4½ percent, 1966			597, 887, 000	597, 887, 000. 00
Bonds:				
2½ percent, 1965	434, 575, 000	434, 575, 000. 00		
2½ percent, 1966	912, 011, 000	912, 011, 000. 00		
2½ percent, 1967	912, 011, 000	912, 011, 000. 00	912, 011, 000	912, 011, 000. 00
2½ percent, 1968	412, 011, 000	412, 011, 000. 00	412, 011, 000	412, 011, 000. 00
2½ percent, 1965	168, 000, 000	168, 000, 000. 00		
2½ percent, 1966	168, 000, 000	168, 000, 000. 00	161, 284, 000	161, 284, 000. 00
2½ percent, 1967	168, 000, 000	168, 000, 000. 00	168, 000, 000	168, 000, 000. 00
2½ percent, 1968	668, 000, 000	668, 000, 000. 00	668, 000, 000	668, 000, 000. 00
2½ percent, 1969	1, 080, 011, 000	1, 080, 011, 000. 00	1, 080, 011, 000	1, 080, 011, 000. 00
2½ percent, 1970	1, 080, 011, 000	1, 080, 011, 000. 00	1, 080, 011, 000	1, 080, 011, 000. 00
2½ percent, 1971	1, 080, 011, 000	1, 080, 011, 000. 00	1, 080, 011, 000	1, 080, 011, 000. 00
2½ percent, 1972	1, 080, 011, 000	1, 080, 011, 000. 00	1, 080, 011, 000	1, 080, 011, 000. 00
2½ percent, 1973	1, 080, 011, 000	1, 080, 011, 000. 00	1, 080, 011, 000	1, 080, 011, 000. 00
2½ percent, 1974	1, 080, 011, 000	1, 080, 011, 000. 00	1, 080, 011, 000	1, 080, 011, 000. 00
2½ percent, 1975	919, 934, 000	919, 934, 000. 00	1, 080, 011, 000	1, 080, 011, 000. 00
2½ percent, 1975	160, 077, 000	160, 077, 000. 00	919, 934, 000	919, 934, 000. 00
3¼ percent, 1975	1, 080, 011, 000	1, 080, 011, 000. 00	160, 077, 000	160, 077, 000. 00
3¼ percent, 1976	1, 080, 011, 000	1, 080, 011, 000. 00	1, 080, 011, 000	1, 080, 011, 000. 00
3¾ percent, 1977	1, 080, 011, 000	1, 080, 011, 000. 00	1, 080, 011, 000	1, 080, 011, 000. 00
3¾ percent, 1978	658, 444, 000	658, 444, 000. 00	658, 444, 000	658, 444, 000. 00
4½ percent, 1978			421, 567, 000	421, 567, 000. 00
4½ percent, 1979			1, 080, 011, 000	1, 080, 011, 000. 00
Total obligations sold only to this fund (special issues)	14, 221, 151, 000	14, 221, 151, 000. 00	14, 799, 314, 000	14, 799, 314, 000. 00
Total investments in public-debt obligations	17, 633, 024, 250	17, 613, 189, 664. 93	18, 325, 487, 250	18, 304, 869, 140. 87
Undisbursed balances		1, 325, 893, 632. 46		1, 393, 981, 646. 63
Total assets		18, 939, 083, 297. 39		19, 698, 850, 787. 50

¹ Par value, plus unamortized premium, less discount outstanding.

The net increase in the par value of the investments owned by the fund during the fiscal year 1964 amounted to \$692 million. New securities at a total par value of \$18,215 million were acquired during the fiscal year through the investment of receipts, the reinvestment of funds made available from the maturity of securities, and the exchange of securities. The par value of securities redeemed or exchanged during the fiscal year was \$17,522 million. A summary of transactions for the fiscal year, by type of security, is presented in table 7.

The 1956 amendments provided that the public-debt obligations issued for purchase by the old-age and survivors insurance trust fund and the disability insurance trust fund shall have maturities fixed with due regard for the needs of the funds. Under this provision, the special issues held by the old-age and survivors insurance trust fund on June 30, 1964, were distributed in equal amounts of \$1,080 million among maturities ranging from 3 to 15 years and in a smaller amount maturing at the end of the second year (table 6).

TABLE 7.—Statement of transactions in public-debt securities for the old-age and survivors insurance trust fund during the fiscal year 1964

[All amounts represent par values]

	Acquisitions	Dispositions
Public issues:		
Treasury notes:		
4½-percent, series A, 1965.....	0	\$32, 148, 000
4½-percent, series C, 1963.....	0	15, 000, 000
5-percent, series B, 1964.....	0	20, 875, 000
Treasury bonds:		
4-percent, 1973.....	\$38, 000, 000	0
4½-percent, 1989-94.....	91, 300, 000	0
4¼-percent, 1975-85.....	53, 023, 000	0
Total, public issues.....	182, 323, 000	68, 023, 000
Obligations sold only to this fund (special issues):		
Certificates of indebtedness:		
3½-percent, 1964.....	2, 721, 601, 000	2, 721, 601, 000
4-percent, 1964.....	2, 693, 059, 000	2, 693, 059, 000
4½-percent, 1964.....	9, 956, 055, 000	9, 956, 055, 000
4¼-percent, 1964.....	562, 107, 000	562, 107, 000
Notes: 4½-percent, 1966.....	597, 887, 000	0
Bonds:		
2½-percent, 1965.....	0	434, 575, 000
2½-percent, 1966.....	0	912, 011, 000
2½-percent, 1965.....	0	168, 000, 000
2½-percent, 1966.....	0	6, 716, 000
4½-percent, 1978.....	421, 567, 000	0
4½-percent, 1979.....	1, 080, 011, 000	0
Total, obligations sold only to this fund (special issues).....	18, 032, 287, 000	17, 454, 124, 000
Total, transactions.....	18, 214, 610, 000	17, 522, 147, 000

SUMMARY OF THE OPERATIONS OF THE FEDERAL DISABILITY INSURANCE TRUST FUND, FISCAL YEAR 1964

A statement of the income and disbursements of the Federal disability insurance trust fund during fiscal year 1964 and of the assets of the fund at the beginning and end of the fiscal year is presented in table 8.

The total assets of the disability insurance trust fund amounted to \$2,394 million on June 30, 1963. These assets decreased by \$130 million during the fiscal year, to \$2,264 million at the end of the year.

Net receipts of the fund amounted to \$1,208 million. Of this total, \$1,070 million represented tax collections appropriated to the fund, and \$86 million represented amounts received by the Secretary of the Treasury in accordance with State coverage agreements and deposited in the fund. As an offset, \$13 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 \$4,800, the statutory maximum. An additional \$65 million of receipts consisted of net interest on the investments of the fund.

TABLE 8.—Statement of operations of the disability insurance trust fund during the fiscal year 1964

Total assets of the trust fund, June 30, 1963		\$2,393,711,841.78
Receipts, fiscal year 1964:		
Tax contributions:		
Appropriations	\$1,070,185,734.61	
Deposits arising from State agreements	86,305,332.52	
Gross tax contributions	1,156,491,067.13	
Less payment into the Treasury for taxes subject to refund	13,330,000.00	
Net tax contributions		\$1,143,161,067.13
Interest:		
On investments	67,659,757.89	
Less interest on amounts transferred to old-age and survivors insurance trust fund for reimbursed administrative expenses	2,507,908.00	
Net interest		65,151,849.89
Total receipts		<u>1,208,312,917.02</u>
Disbursements, fiscal year 1964:		
Benefit payments		1,251,207,262.65
Transfers to railroad retirement account		19,139,000.00
Administrative expenses:		
Reimbursement to the old-age and survivors insurance trust fund:		
For administrative expenses of the Department of Health, Education, and Welfare	63,317,971.00	
For construction of building for Social Security Administration	531,745.00	
Treasury Department	3,841,295.67	
Total administrative expenses		67,691,011.67
Total disbursements		<u>1,338,037,274.32</u>
Net addition to the trust fund		-129,724,357.30
Total assets of the trust fund, June 30, 1964		<u>2,263,987,484.48</u>

Disbursements from the fund during the fiscal year 1964 totaled \$1,338 million. Of this total, \$1,251 million was for benefit payments, an increase of 7 percent over the corresponding amount paid in the fiscal year 1963. This increase was due chiefly to the increase in the number of disability insurance beneficiaries, which is to be expected as the program matures.

Public Law 880, approved August 1, 1956, provided for financial interchanges between the railroad retirement account and the disability insurance trust fund similar to those described in the preceding section relating to the old-age and survivors insurance trust fund.

The determination made as of June 30, 1963, required that a transfer of \$18,500,000 be made from the disability insurance trust fund to the railroad retirement account. This amount, together with interest thereon for fiscal year 1964 amounting to \$639,000 was transferred to the railroad retirement account in June 1964. The remaining \$68 million of disbursements was for administrative expenses.

At the end of fiscal year 1964, some 1,516,000 persons in 862,000 families were receiving monthly benefits from the disability insurance trust fund (table 5). The distribution of benefit payments in fiscal years 1963 and 1964, by type of benefit, is shown in table 9.

TABLE 9.—*Estimated distribution of benefit payments from the disability insurance trust fund, by type of benefit, fiscal years 1963 and 1964*

[Amounts in millions]

Type of benefit	1963		1964	
	Amount	Percent of total	Amount	Percent of total
Total.....	\$1, 170. 7	100	\$1, 251. 2	100
Disability (disabled workers).....	936. 7	80	997. 7	80
Wife's or husband's (wives or dependent husbands of disability beneficiaries).....	71. 0	6	75. 3	6
Child's (children, under age 18 or disabled, of disability beneficiaries).....	162. 9	14	178. 2	14

The assets of this fund at the end of fiscal year 1964 totaled \$2,264 million, consisting of \$2,139 million in the form of obligations of the U.S. Government, and \$125 million in undisbursed balances. Table 10 shows a comparison of the total assets of the fund and their distribution at the end of the fiscal years 1963 and 1964.

The net decrease in the par value of the investments owned by the fund during the fiscal year amounted to \$137 million. New securities at a total par value of \$1,495 million were acquired during the fiscal year through the investment of receipts of the fund, the reinvestment of funds made available from the maturity of securities, and exchange of securities. The par value of securities redeemed or exchanged during the year was \$1,632 million. A summary of transactions for the fiscal year, by type of security, is presented in table 11.

As indicated in the preceding section of this report, the law provides that the special issues held by the trust funds shall have maturities fixed with due regard for the needs of the funds. On June 30, 1964, these holdings of the disability insurance trust fund were distributed in equal amounts of \$154 million among maturities ranging from 4 to 14 years and in smaller amounts maturing at the end of the 3d and 15th years (table 10).

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TABLE 10.—Assets of the disability insurance trust fund, by type, at end of fiscal years 1963 and 1964

	June 30, 1963		June 30, 1964	
	Par value	Book value ¹	Par value	Book value ¹
Investments in public-debt obligations:				
Public issues:				
Treasury notes:				
4½-percent series C, 1963	\$5,000,000	\$5,000,000.00	\$825,000	\$825,000.00
5 percent, series B, 1964	5,000,000	5,000,000.00		
Treasury bonds:				
3½-percent, 1990	7,500,000	7,092,050.04	10,500,000	9,792,172.82
3½-percent, 1998	5,000,000	4,632,285.80	5,000,000	4,642,692.80
3½-percent, 1967	10,000,000	10,000,000.00	10,000,000	10,000,000.00
3¾-percent, 1968	5,000,000	5,000,000.00	5,000,000	5,000,000.00
3¾-percent, 1968	3,750,000	3,750,000.00	8,750,000	8,713,437.46
3¾-percent, 1974	5,000,000	5,000,000.00	5,000,000	5,000,000.00
4-percent, 1969	26,000,000	25,987,119.58	36,000,000	35,973,543.92
4-percent, 1970			14,000,000	13,899,565.74
4-percent, 1972			4,000,000	3,960,548.52
4-percent, 1973			16,500,000	16,282,971.00
4-percent, 1980	30,250,000	30,236,169.77	30,250,000	30,237,003.65
4½-percent, 1989-94			68,400,000	67,406,344.44
4¼-percent, 1975-85	5,000,000	5,000,000.00	19,045,000	19,019,990.94
4¼-percent, 1987-92	5,000,000	5,048,166.66	5,000,000	5,046,166.66
Total public issues	112,500,000	111,745,792.75	238,270,000	235,799,437.95
Accrued interest purchased		30,939.20		54,615.38
Total investments in public issues	112,500,000	111,776,731.95	238,270,000	235,854,053.33
Obligations sold only to this fund (special issues):				
Certificates of indebtedness: 3½-percent, 1964	5,706,000	5,706,000.00		
Notes:				
2½-percent, 1965	32,394,000	32,394,000.00		
3¼-percent, 1964	8,913,000	8,913,000.00		
3¼-percent, 1965	20,738,000	20,738,000.00		
3¼-percent, 1966	20,738,000	20,738,000.00		
3¼-percent, 1967	1,349,000	1,349,000.00	1,349,000	1,349,000.00
Bonds:				
2½-percent, 1965	37,500,000	37,500,000.00		
2½-percent, 1966	37,500,000	37,500,000.00		
2½-percent, 1967	37,500,000	37,500,000.00		
2½-percent, 1968	30,000,000	30,000,000.00	30,000,000	30,000,000.00
2½-percent, 1965	63,000,000	63,000,000.00		
2½-percent, 1966	95,394,000	95,394,000.00		
2½-percent, 1967	95,394,000	95,394,000.00	58,792,000	58,792,000.00
2½-percent, 1968	102,894,000	102,894,000.00	102,894,000	102,894,000.00
2½-percent, 1969	132,894,000	132,894,000.00	132,894,000	132,894,000.00
2½-percent, 1970	132,894,000	132,894,000.00	132,894,000	132,894,000.00
2½-percent, 1971	132,894,000	132,894,000.00	132,894,000	132,894,000.00
2½-percent, 1972	132,894,000	132,894,000.00	132,894,000	132,894,000.00
2½-percent, 1973	132,894,000	132,894,000.00	132,894,000	132,894,000.00
2½-percent, 1974	132,894,000	132,894,000.00	132,894,000	132,894,000.00
2½-percent, 1975	132,894,000	132,894,000.00	132,894,000	132,894,000.00
3¼-percent, 1967	19,389,000	19,389,000.00	19,389,000	19,389,000.00
3¼-percent, 1968	20,738,000	20,738,000.00	20,738,000	20,738,000.00
3¼-percent, 1969	20,738,000	20,738,000.00	20,738,000	20,738,000.00
3¼-percent, 1970	20,738,000	20,738,000.00	20,738,000	20,738,000.00
3¼-percent, 1971	20,738,000	20,738,000.00	20,738,000	20,738,000.00
3¼-percent, 1972	20,738,000	20,738,000.00	20,738,000	20,738,000.00
3¼-percent, 1973	20,738,000	20,738,000.00	20,738,000	20,738,000.00
3¼-percent, 1974	20,738,000	20,738,000.00	20,738,000	20,738,000.00
3¼-percent, 1975	20,738,000	20,738,000.00	20,738,000	20,738,000.00
3¼-percent, 1976	153,632,000	153,632,000.00	153,632,000	153,632,000.00
3¼-percent, 1977	153,632,000	153,632,000.00	153,632,000	153,632,000.00
3½-percent, 1978	153,632,000	153,632,000.00	153,632,000	153,632,000.00
4½-percent, 1979			133,173,000	133,173,000.00
Total obligations sold only to this fund (special issues)	2,165,467,000	2,165,467,000.00	1,902,655,000	1,902,655,000.00
Total investments in public-debt obligations	2,277,967,000	2,277,243,731.95	2,140,925,000	2,138,509,053.33
Undisbursed balances		116,468,109.83		125,478,431.15
Total assets		2,393,711,841.78		2,263,987,484.48

¹ Par value, plus unamortized premium, less discount outstanding.

TABLE 11.—Statement of transactions in public-debt securities for the disability insurance trust fund during the fiscal year 1964

[All amounts represent par values]

	Acquisitions	Dispositions
Public issues:		
Treasury notes:		
4½-percent, series C, 1963.....	0	\$5,000,000
5-percent, series B, 1964.....	0	4,175,000
Treasury bonds:		
3¼-percent, 1960.....	\$3,000,000	0
3½-percent, 1968.....	5,000,000	0
4-percent, 1969.....	10,000,000	0
4-percent, 1970.....	14,000,000	0
4-percent, 1972.....	4,000,000	0
4-percent, 1973.....	16,500,000	0
4½-percent, 1959-94.....	68,400,000	0
4¾-percent, 1975-85.....	14,045,000	0
Total public issues.....	134,945,000	9,175,000
Obligations sold only to this fund (special issues):		
Certificates of indebtedness:		
3½-percent, 1964.....	182,618,000	188,324,000
4-percent, 1964.....	263,775,000	263,775,000
4½-percent, 1964.....	735,221,000	735,221,000
4¾-percent, 1964.....	44,996,000	44,996,000
Notes:		
2½-percent, 1965.....	0	32,394,000
3¼-percent, 1964.....	0	8,913,000
3¼-percent, 1965.....	0	20,738,000
3¼-percent, 1966.....	0	20,738,000
Bonds:		
2½-percent, 1965.....	0	37,500,000
2½-percent, 1966.....	0	37,500,000
2½-percent, 1967.....	0	37,500,000
2½-percent, 1965.....	0	63,000,000
2½-percent, 1966.....	0	95,394,000
2½-percent, 1967.....	0	36,602,000
4½-percent, 1979.....	133,173,000	0
Total obligations sold only to this fund (special issues).....	1,359,783,000	1,622,595,000
Total transactions.....	1,494,728,000	1,631,770,000

EXPECTED OPERATIONS AND STATUS OF THE TRUST FUNDS DURING THE PERIOD JULY 1, 1964, TO DECEMBER 31, 1969

In the following statement of the expected operations and status of the trust funds during the period July 1, 1964, to December 31, 1969, it is assumed that present statutory provisions affecting the old-age, survivors, and disability insurance program remain unchanged throughout the period. The estimates shown in the various tables in this section reflect the effect of the 1964 amendments to the Social Security Act, as described in a previous section. The income and disbursements of the program, however, are affected by general economic conditions as well as by legislative provisions. Because it is difficult to foresee economic developments, the assumptions and the resulting estimates here presented are subject to some uncertainty. This statement of the expected operations of the trust funds should therefore be read with full recognition of the difficulties of estimating future trust fund income and disbursements under changing economic conditions.

Estimates are presented in table 12 to show the expected operations of the old-age and survivors insurance trust fund in fiscal years 1965-69. They are based on the assumption that economic activity will expand throughout the period, with employment and earnings increasing steadily through 1969. Under this assumption the estimated number of persons with taxable earnings under the old-age, survivors, and disability insurance program is expected to increase from 77.3