were made available to all workers who worked in covered employment after 1950, regardless of when their jobs were first covered.

The benefit structure has been improved several times since 1950. In 1950, the Congress increased benefits of those on the rolls and raised future benefit levels by adopting a new benefit formula applicable to persons claiming benefits after August 1950. Contributing to the effectiveness of the new benefit formula was an increase in the maximum annual earnings that could be taxed and credited toward benefits, from $3,000 to $3,600.

Since 1950, benefits have been increased periodically by legislative action, not only to adjust to the changed value of the dollar, but also to reflect in part the rising level of living for the population as a whole. Benefits were increased for all groups of beneficiaries in 1952, 1954, and 1958, and in 1954 the earnings base was increased from $3,600 to $4,200 and in 1958 to $4,800. The 1965 amendments provided for a 7 percent across-the-board benefit increase retroactive to January 1965 and an increase in the earnings base to $6,600 beginning in January 1966.

As a result of the changes made by the Congress, benefits have done somewhat better than keep up with increases in prices that have occurred since benefits first became payable, although they have lagged in relation to rising wages.

By far the most important provision of the 1965 amendments concerned the establishment of a comprehensive health insurance program for the aged. The amendments set up a basic hospital insurance program financed through a separate payroll tax and trust fund which provides protection against costs of hospital and related care; and a voluntary supplementary medical insurance plan financed through small monthly premiums and a Federal Government contribution which covers part of the cost of physicians' services, and other related medical and health services.

Today, practically everyone in the United States is protected by the OASDHI program. More than 9 out of 10 people in covered employment and self-employment are covered or eligible for coverage. At the beginning of 1965, about 94 million people were insured for cash benefits. Fifty-eight million were permanently insured; that is, they had worked long enough under the program to qualify for retirement benefits even if they do no more covered work. About 92 percent of the people now becoming 65 are eligible for monthly cash benefits; nine-tenths of all children and their mothers can count on monthly survivors insurance benefits if the family breadwinner dies; and about 54 million people had worked long enough and recently enough so that they can get benefits in the event that they should become totally disabled this year. More than 20 million people are receiving monthly benefits at a rate of about $1.5 billion a month.

Under the new health insurance program, about 19 million persons aged 65 and over will be eligible for benefits beginning in July 1966.

4. Level of operations. (See table 1.)

Program: Old-age, survivors, disability, and health insurance.
Department or agency, and office or bureau: Department of Health, Education, and Welfare; Social Security Administration.