comparable basis. In this study, 30 percent of the combined taxes paid by the worker and his employer are assumed to be the contribution to social security for these two benefits.[13]

PRESENT VALUES OF PREMIUMS AND TAXES AT 3 PERCENT INTEREST (FOR SURVIVORS AND DISABILITY BENEFITS)

Worker	Private insurance	Social security
A	$2,500-$3,000	$1,250
B	3,500-4,200	2,100
C	5,700-7,400	4,600

These comparative figures suggest that it would cost these hypothetical workers *more* to purchase coverage for survivors and disability benefits from a private insurer than that which they and their employers are required to pay for the similar benefits under social security. The figures also suggest that the cost advantage to worker A, whose earnings are the lowest of the three, is greater than the advantage to worker B, who in turn, is in a more advantageous position than worker C who has the highest earnings of the three. Even worker C is shown to pay substantially more than what he is expected to pay into social security.

No analysis of disability benefits should be concluded without indicating that not all occupations are insurable by private insurance, and among the insurable, premiums for the same benefits differ among occupational classes. (See footnote 1 to table.)

D. OLD-AGE RETIREMENT BENEFITS

For the annual retirement benefits for a worker and his wife ($1,407.60 for worker A; $1,830.80 for worker B; and $3,024 for worker C),[14] the range of insurance premiums charged by an insurance company would probably be as follows:

Worker	Annual premium	Present values of premiums and taxes at 3 percent interest (for retirement benefits)	
		Private insurance	Social security
A	$120-$180	$2,700-$3,000	$2,960
B	150-230	3,800-5,200	4,900
C	250-375	6,300-8,500	10,800

[13] Although 20 percent of the social security taxes paid by the employee and his employer have been assumed to represent the cost for survivors and disability benefits, recent calculations by the Social Security Administration suggest a 28.3 percent figure. This figure is based on an example of a male worker who enters covered employment at a young age, when the ultimate contribution rate is in effect with 1966 average taxable earnings. Myers indicates that the results of such a calculation are not absolute, but, rather, they will vary, depending upon a composite of many factors, such as the assumptions made with respect to interest rates, mortality rates, estimated average earnings, etc. Robert J. Myers, *Letter* to the author, June 26, 1967. The present study uses 30 percent for approximation and ease of calculation.

[14] These amounts are 150 percent of the primary insurance amounts (PIA) due each worker, since the wife is entitled to 50 percent of the PIA. Therefore, if the worker is alone to receive the benefits, only two-thirds of the amount indicated are paid to him (i.e., the PIA.) However, if the wife of the worker is alone to receive the benefits (as a widow), 82.5 percent of the PIA are paid to her.