

DOCUMENT RESUME

ED 263 408

CE 042 940

TITLE Retirement before Age 65 Is a Growing Trend in the Private Sector. Report to the Chairman, Subcommittee on Civil Service, Post Office and General Services, Committee on Governmental Affairs, United States Senate.

INSTITUTION General Accounting Office, Washington, D.C.

REPORT NO GAO/HRD-85-81

PUB DATE 15 Jul 85

NOTE 25p.

AVAILABLE FROM U.S. General Accounting Office, Document Handling and Information Services Facility, P.O. Box 6015, Gaithersburg, MD 20877 (First five copies free; additional copies: \$3.25 bound, \$1.00 unbound).

PUB TYPE Reports - Research/Technical (143)

EDRS PRICE MF01/PC01 Plus Postage.

DESCRIPTORS *Age; *Early Retirement; Employment Patterns; *Middle Aged Adults; Older Adults; Retirement; *Retirement Benefits

IDENTIFIERS Private Sector

ABSTRACT

The General Accounting Office examined retirement age trends in the private sector to assist the Congress in its effort to devise a retirement system for Federal employees. The Census Bureau's Current Population Survey (CPS) was identified as a source of information about private sector retirement patterns. March 1974, 1979, and 1984 data were used to identify persons receiving private pension income and their demographic characteristics. Analysis focused on male and female pension recipients aged 50 and older. About half of the individuals who receive private pensions started receiving them by age 62; almost 60 percent started receiving them before reaching 65. Median retirement age was 62. The proportion of people receiving private pension income at ages under 65 increased rapidly between 1973 and 1983. The proportion of all men aged 50 to 64 who received pension income essentially doubled. Women experienced a substantial but smaller increase in pension receipt. About one-third of male private pension recipients aged 50 to 61 were receiving Social Security disability payments, Supplemental Security Income, or Workers' Compensation. (Appendixes include a report with the data and methodology used to derive the results. CPS questionnaires regarding type of benefits received are also provided.) (YLB)

 * Reproductions supplied by EDRS are the best that can be made *
 * from the original document. *

ED 263408

BY THE U.S. GENERAL ACCOUNTING OFFICE
Report To The Chairman, Subcommittee On
Civil Service, Post Office And General
Services, Committee On Governmental
Affairs, United States Senate

Retirement Before Age 65
Is A Growing Trend
In The Private Sector

GAO examined retirement age trends in the private sector in order to assist the Congress in its effort to devise a retirement system for federal employees hired after December 31, 1983.

GAO found that age 65 is no longer the retirement age of most private sector workers. Rather, GAO's analysis indicates that 62 is the median age of retirement for individuals receiving a private pension. GAO also found that private pension receipt before age 65 has been a growing trend.

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION
CENTER (ERIC)

- This document has been reproduced as received from the person or organization originating it
- Minor changes have been made to improve reproduction quality

• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.



GAO/HRD-85-81
JULY 15, 1985

07042940

Request for copies of GAO reports should be sent to:

**U.S. General Accounting Office
Document Handling and Information
Services Facility
P.O. Box 6015
Gaithersburg, Md. 20877**

Telephone (202) 275-6241

The first five copies of individual reports are free of charge. Additional copies of bound audit reports are \$3.25 each. Additional copies of unbound report (i.e., letter reports) and most other publications are \$1.00 each. There will be a 25% discount on all orders for 100 or more copies mailed to a single address. Sales orders must be prepaid on a cash, check, or money order basis. Check should be made out to the "Superintendent of Documents".



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

HUMAN RESOURCES
DIVISION

B-219283

The Honorable Ted Stevens
Chairman, Subcommittee on Civil Service,
Post Office and General Services
Committee on Governmental Affairs
United States Senate

Dear Mr. Chairman:

On March 5, 1985, you requested that we provide you with information on private sector retirement patterns. The information is being developed under our current review of the effects of Social Security and private pension provisions on the timing of retirement. This report presents the results of analyses intended to assist you in setting an appropriate retirement age under the new retirement program being developed to supplement Social Security coverage for federal employees hired after December 31, 1983.

The Social Security Amendments of 1983 (Public Law 98-21) require new federal employees to participate in Social Security. However, until a new retirement system, to include Social Security, is established for these employees, they also must participate in the existing civil service retirement system. The Congress established January 1, 1986, as the target date for establishing the new system and, in the interim, provided a special employee contribution arrangement to prevent the financial hardship of dual contributions.

Under the current civil service retirement system, employees with 30 years of federal employment can retire at the age of 55. The administration argues that this provision is incompatible with private sector practices. Instead, it has proposed raising the retirement age for full benefit eligibility to 65 for all federal employees.

Our analysis and a newly published study by the Department of Labor¹ support the conclusion that 65 is no longer the retirement age chosen by most private sector workers with pensions. Rather, most private sector workers can and do choose to retire at ages below 65. Both analyses suggest that 62 is the median retirement age in the private sector.

This letter summarizes the results of our analysis, which was structured around three questions that are relevant to pension receipt and retirement patterns:

- To what extent are people currently receiving private pension income, particularly at ages younger than 65?
- Is the receipt of private pension income before age 65 a growing trend over time?
- How much of private pension receipt before age 65 is due to disabilities or health problems?

BACKGROUND

Pension coverage for private sector workers has increased greatly since World War II. Private pension plans, which had been relatively uncommon before the war, grew rapidly in the 1940's and 1950's. Pension coverage increased from 24 percent of private wage and salary workers in 1950 to 49 percent in 1979.

In the 1960's and 1970's, there was an increase in the number of private pension plans allowing people to retire below age 65, often with unreduced benefits. In a previous study, GAO found that most employees in private sector plans surveyed could receive unreduced pension benefits by age 62.² Moreover, most private plans allow employees to retire as early as age 55 with reduced benefits.

There is evidence that an increasing number of people are taking advantage of these opportunities to retire early. For

¹U.S. Department of Labor, Findings from the Survey of Private Pension Benefit Amounts (Washington, D.C.: U.S. Government Printing Office, 1985).

²Features of Nonfederal Retirement Programs, (GAO/OCG-84-2, June 26, 1984).

example, the Labor report showed that people who began to receive private pension benefits between 1960 and 1969 had a median retirement age of 65. Those who retired in 1977 or 1978, however, had a median retirement age of 62. In addition, the Labor report shows that 68 percent of people who first collected private pension benefits in 1977 or 1978 were under age 65.

More current information indicates that most people choose to retire before age 65. Specifically, a survey based on a sample of all people collecting Social Security benefits for the first time in 1980 and 1981 found that 76 percent of the men and 84 percent of the women were under 65. Further, 48 percent of the men and 62 percent of the women were age 62--the lowest age for receiving Social Security retirement benefits.³

METHODOLOGY

We identified the Census Bureau's Current Population Survey (CPS) as a valuable source of information to answer questions about private sector retirement patterns. The CPS is a monthly survey of about 60,000 households selected based on area of residence to represent the nation as a whole. It has been conducted monthly for over 35 years and is the source for official government statistics on employment and unemployment. The CPS also collects information on the demographic status of the population and serves as a vehicle for inquiries on subjects other than employment. For example, in March of each year the survey collects data on the sources and amounts of income received during the previous year. Using the March CPS data, we identified persons receiving private pension income and their demographic characteristics, including age and gender. The data presented in this report have been developed from our computer analyses of the March CPS tapes for the years 1974, 1979, and 1984.

The analyses in this report focus on male and female pension recipients age 50 and older and address the specific study questions outlined above. In this report "retirement" is defined as receipt of a pension. However, use of the term "retirement" does not imply that a pension recipient is not now working for a new employer.

³Sherman, Sally R., "Reported Reasons Retired Workers Left Their Last Job: Findings from the New Beneficiaries Survey," Social Security Bulletin, March 1985, Vol. 48, No. 3, pp. 22-30.

The following sections summarize the results of our work, while the appendixes provide further details on our methodology and findings.

MANY INDIVIDUALS BEGIN RECEIVING PRIVATE PENSION INCOME BEFORE REACHING AGE 65

We conclude from our analyses of data on 1983 private pension recipients that about half of the individuals who receive private pensions start receiving them by age 62 and almost 60 percent start receiving them before reaching 65. This is similar to the results presented in the Labor report discussed above for people who retired in 1977 or 1978. Thus, 65 no longer appears to be the retirement age chosen by most Americans with private pensions. Instead, for private pension recipients, 62 is the median retirement age.

PENSION RECEIPT BEFORE AGE 65 IS A GROWING TREND

The proportion of people receiving private pension income at ages under 65 increased rapidly relative to the general population between 1973 and 1983. The proportion of all men age 50 to 64 who received private pension income essentially doubled. Women experienced a substantial, but smaller increase in private pension receipt.

Comparing the number of private pension recipients in each age/sex group to the number of private sector workers in that group shows the same pattern of growth. The number of private pension recipients as a fraction of private sector workers more than doubled among men and women over the 10-year period.

The increase in private pension receipt among persons under age 65 may reflect two distinct trends. One is the growth in pension coverage since World War II, which is resulting in increased pension receipt among workers over and under age 65. The other is the trend toward earlier retirement.

MOST PRIVATE PENSION RECIPIENTS UNDER 62 ARE NOT RECEIVING GOVERNMENT DISABILITY BENEFITS

It is important to determine whether most people who retire before age 65 do so because of disability. The CPS aggregates private retirement, disability, and survivor benefits as private pension income, making it impossible to distinguish disability

benefits from retirement benefits. However, the CPS data identify persons receiving government disability benefits, including Social Security, Supplemental Security Income, and Workers' Compensation. We assumed, therefore, that persons receiving government disability benefits were receiving a disability pension as opposed to a retirement pension from their employer.

We further assumed that all men receiving Social Security benefits at ages under 62, the minimum age for reduced Social Security retirement benefits, are receiving disability benefits. Social Security Administration data show that 58 percent of male Social Security beneficiaries under age 62 are receiving disability benefits based on their own earnings records. Thus, we restricted this analysis to men age 61 and younger, since men over 61 could be receiving regular retirement benefits and women might be receiving survivor benefits.

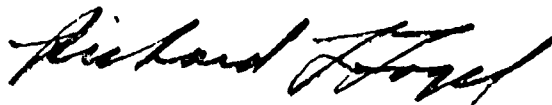
We found that about one-third of male private pension recipients age 50 to 61 were receiving Social Security disability payments, Supplemental Security Income, or Workers' Compensation. As a result, we conclude from these data that about two-thirds of male private pension recipients younger than 62 are, in fact, receiving regular retirement benefits rather than disability benefits from their employers. This may underestimate the proportion of private pension recipients who receive private disability payments because some persons may have retired on private disability pensions and may not be receiving any government-provided disability payments.

- - - -

We plan to issue a more comprehensive report later to the House Select Committee on Aging which will contain the full results of our CPS analysis. In addition to the data presented here, that report will cover postretirement work by pension recipients, reasons for retirement, the demographic characteristics of pension recipients and nonrecipients, and their sources of income.

As arranged with your office, copies of this report will be made available to interested parties who request them.

Sincerely yours,



Richard L. Fogel
Director

RETIREMENT BEFORE AGE 65 IS A GROWINGTREND IN THE PRIVATE SECTOR

This appendix presents the data we have developed to answer three basic questions concerning private sector retirement patterns. It also describes the methodology we used to derive our results. We plan to release a more comprehensive report addressing these and other retirement issues later.

OBJECTIVE, SCOPE, AND METHODOLOGY

This report provides information on the number of people who are retired at each age. For the purposes of this report, "retirement" is defined as receipt of a pension. However, use of the term "retirement" does not imply that a pension recipient is no longer working since some people may be receiving a pension from one employer while working for another.

Our objective in the analyses discussed below was to answer the following questions about private sector retirement patterns:

- To what extent are people currently receiving private pension income at ages younger than 65?
- Is receipt of private pension income a growing trend among people under 65?
- How much of private pension receipt before age 65 is due to health problems or disabilities?

We analyzed data from the Bureau of the Census' Current Population Survey (CPS) to answer these questions. The CPS is a monthly survey of about 60,000 households which collects detailed information on labor force status and demographic traits.¹ The March data each year include information on the receipt and sources of pension income during the previous year.

¹For a complete description of the CPS data base, including information on data reliability, see Appendixes A and B of U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 146, Money Income of Households, Families and Pensions in the United States: 1983 (Washington, D.C.: U.S. Government Printing Office, 1985).

We used the CPS data for March 1984 because they are the most current available. To analyze trends in private pension receipt, we used the CPS March data tapes from 1979 and 1974, 5 and 10 years before 1984. These data permit analysis of the proportion of men and women receiving pension income in 1973, 1978, and 1983. We measured changes in private pension receipt over time using two bases: the total population and the employed private sector population. The latter base was used to control for employment changes in the private sector during the 10-year period.

Private pension income as defined by the CPS includes payments from company and union pension plans and income from capital accumulation plans (such as Individual Retirement Accounts and Keogh's), as well as regular payments from annuities or insurance policies.² However, benefits from defined contribution pension plans may be understated if benefits are taken as a lump sum upon retirement, and earnings from investments made with this capital might not be perceived as pension benefits.³

On the CPS data tapes, "pension income" includes disability and survivor benefits as well as retirement benefits. As a result, some people classified as pension recipients are receiving disability or survivor benefits rather than retirement benefits. Since male labor force participation rates have historically been higher than those for females, and the life expectancy of women greater than that of men, it is likely that relatively few men are receiving survivor benefits. Information from a recent Department of Labor study⁴ shows that survivor beneficiaries may account for, at most, 35 percent of female pension recipients. Thus, female pension receipt trends

²Appendix II includes the relevant sections of the CPS questionnaire.

³An ongoing Urban Institute study has found that the CPS underestimates the number of recipients of other sources of transfer income, such as Social Security and government pensions, by between 10 and 27 percent. This same degree of underreporting may also apply to the receipt of private pension income. In addition, the degree of underreporting was higher in 1972 than in 1983.

⁴U.S. Department of Labor, Findings from the Survey of Private Pension Benefit Amounts (Washington, D.C.: U.S. Government Printing Office, 1985).

described in this report refer to a mixture of survivor and retirement beneficiaries. The issue of disability benefits is dealt with in the analysis below.

The March CPS questionnaire has two parts. The first part obtains information on labor force status the week before the questionnaire was administered and demographic traits as of the day the questionnaire was administered. The second part obtains information on sources of income, including pensions, and also some labor force participation information for the previous calendar year. Therefore, our data on age are as of March 1974, 1979, and 1984, while the pension receipt data are from calendar years 1973, 1978, and 1983. As a result, about one-fourth of the 1983 pension recipients we report as age 65 likely did not reach age 65 until January, February, or March 1984.

It should be noted that the CPS does not show when people retired. Rather, it shows how many people are receiving pension income at each age, regardless of when they began receiving that income.

The CPS analysis is confined to men and women age 50 and older with special emphasis on the 62 and younger population and the population under 65. Since Social Security's inception in 1935, 65 has been the age at which full benefits are available to covered workers.⁵ The administration has proposed making full benefits available at age 65 for civil service workers. Age 62 is the earliest possible age for collecting reduced Social Security retirement benefits. Surveys indicate that it is also the most common age of eligibility for retirement with full benefits in private pension plans.

We discuss the results below in terms of the three questions presented earlier. All of our CPS analyses reflect weighted data that are representative of the entire population.

⁵As a result of the 1983 Social Security Amendments, this age will be gradually increased to age 67 starting in the year 2000.

TO WHAT EXTENT ARE PEOPLE
RECEIVING PRIVATE PENSION
INCOME AT AGES YOUNGER THAN 65?

Chart 1 displays the percentages of men and women, by age, who received private pension income in 1983.⁶ Among men, those age 66 had the highest rate (36 percent) of private pension receipt. However, we conclude that most men who can expect to receive private pension income begin receiving it before reaching age 65.

We assumed that the highest expected rate of pension receipt to be reached by men of any age is the 36 percent achieved by men age 66 in 1983. We compared the rate of private pension receipt at various ages to this highest expected rate. This ratio is the proportion of those men expected to receive private pension income who are already receiving that income.⁷ Since 21.2 percent of men age 64 in 1983 were receiving private pension income, they have reached 59 percent of their expected highest rate of pension receipt, as shown in table 1. This means that nearly 60 percent of men who could expect to retire with a private pension in fact retired before they reached age 65. Similarly, 19.2 percent of men age 62 were receiving private pension income. This is 53 percent of their expected highest rate of 36.0 percent. Thus, we conclude that more than half of men who will ultimately receive private pensions will do so by the time they are age 62; that is, 62 is the median retirement age for men in the private sector.⁸

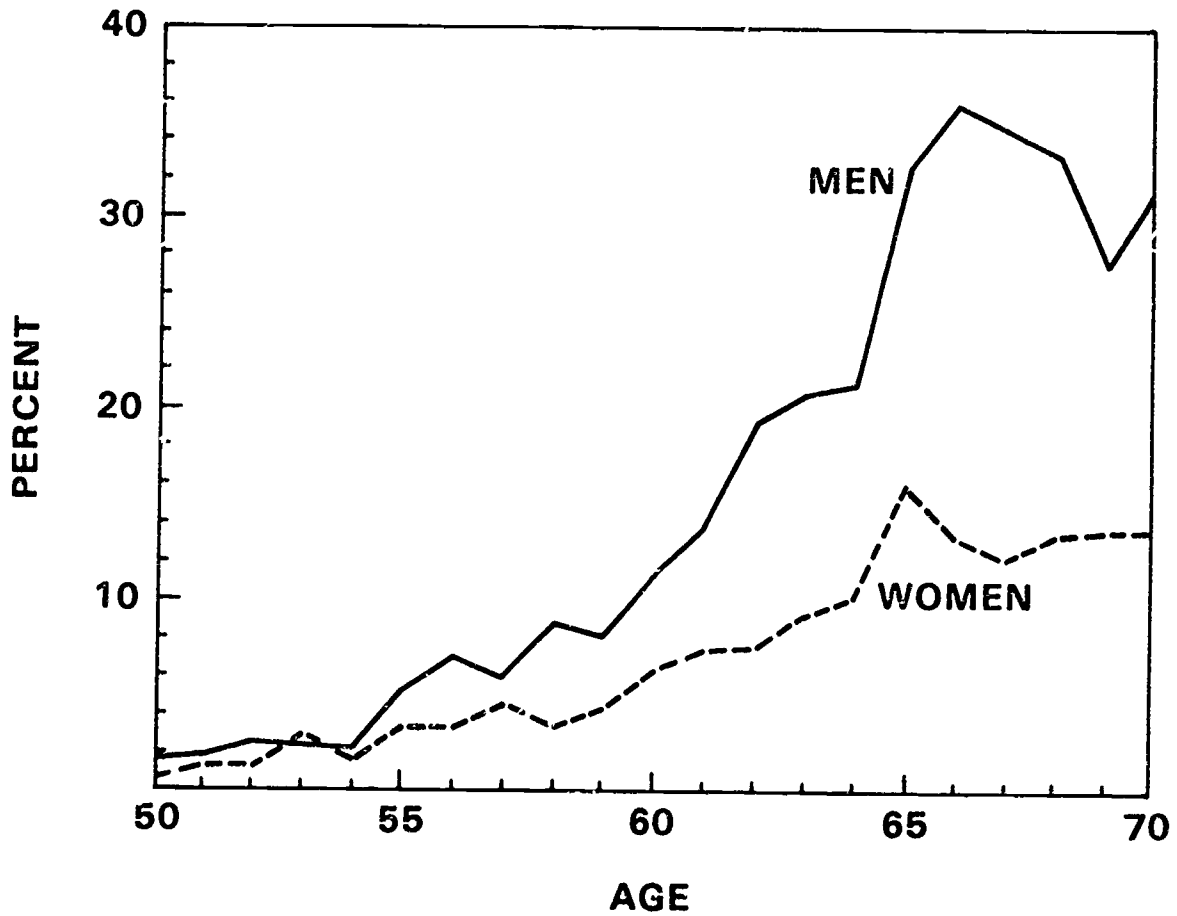
⁶This includes only those receiving pension income from private sector employers. Excluded from the analyses in this report are those receiving federal, military, state, or local pensions.

⁷Because there is a trend over time toward higher rates of private pension receipt at all ages, persons younger than 66 today can be expected to reach rates of pension receipt that are somewhat higher than the 36 percent we used as the maximum rate. Therefore, our analyses probably overstated the proportion of expected pension recipients who receive pension income before 65 and before 63.

⁸The Department of Labor's Survey of Private Pension Benefit Amounts collected information on retirement ages. Although Labor's data are from 1978, 5 years before our data, Labor's results are consistent with ours. For all people receiving pension income in 1978, Labor found that 41.2 percent had retired before age 63 and 55.2 percent before age 65. Looking at only those who began receiving pensions in 1977 and 1978, Labor found that 51 percent had retired before age 63 and 68 percent before age 65.

Chart 1

**PERCENT OF POPULATION WITH PRIVATE PENSION
INCOME BY AGE AND SEX, 1983**



Note: The data used for this chart are provided in appendix III.

Table 1

Age-Specific Private Pension Receipt
as a Proportion of Highest Rate
of Private Pension Receipt, 1983

<u>Sex</u>	<u>Age</u>	Proportion receiving private pension <u>income</u> (Col.1)	Highest proportion receiving private pension <u>income</u> (Col.2)	<u>Ratio of col.1 to col.2</u>
Male	60	11.3	36.0	31.4
	61	13.8	36.0	38.3
	62	19.2	36.0	53.3
	63	20.8	36.0	57.8
	64	21.2	36.0	58.9
	65	32.2	36.0	89.4
	66	36.0	36.0	100.0
Female	60	6.1	16.0	38.1
	61	7.1	16.0	44.4
	62	7.5	16.0	46.9
	63	9.1	16.0	56.9
	64	10.1	16.0	63.1
	65	16.0	16.0	100.0

Among women, the pattern is similar. However, some women classified as private pension recipients may in fact be receiving survivor benefits earned by their late husbands. The highest rate of private pension recipiency for women is displayed by those aged 65, of whom 16 percent received private pension income in 1983. About 10 percent received private pensions at age 64, which is 63 percent of the highest rate of 16.0 percent. Based on this analysis, 63 percent of women who can expect retirement or survivor benefits will receive them before they reach age 65. Similarly, 7.5 percent of women age 62 received private pension income in 1983, or about 47 percent of the highest rate. Thus, we conclude that almost half of women who can expect to receive retirement or survivor benefits will do so by the time they are age 62. Based on this analysis, the median retirement age among women is between 62 and 63.

IS THE RECEIPT OF PENSION INCOME A
GROWING TREND AMONG PEOPLE UNDER AGE 65?

As stated earlier, we measured the change in private pension receipt over time against two bases: the total population and the employed private sector population. Table 2 displays the results of both measures for men and women, while charts 2 and 3 portray the changes measured against the total population for men and women, respectively.

The number of male private pension recipients in proportion to the total male population in the age groups 50-61 and 62-64 essentially doubled.⁹ In contrast, the increase in pension receipt among men over age 65 was about half that of the younger men. This illustrates that during the 10-year period, the rate of pension receipt among men under age 65 drew closer in proportional terms to the rate for men 65 and over. As a result, we conclude that men in 1983 generally began receiving their pensions earlier than men in 1973.

Private pension receipt also increased among women over the 10-year period, but not as much as among men. The proportion of women age 50 to 61 who received private pension income (including survivor benefits) more than doubled between 1973 and 1983. However, among women age 62 to 64, and those over 65, the proportions increased by about half. Because the rate of pension receipt among women under age 62 drew closer in proportional terms to the rate for women 62 and over, we conclude that women in 1983 on average began receiving their pensions earlier than women in 1973.

⁹This increase in pension receipt may be slightly overstated for two reasons but not enough to alter our conclusions. First, the underreporting of pension data was greater in 1972 than in 1983. Second, the CPS treated missing data differently in 1974 than in 1979 and 1984. In 1979 and 1984 the Census Bureau imputed values for missing data, while it did not do so in 1974. In our analyses of the 1974 CPS data, we assumed that all persons with missing pension income data had no pension income.

Table 2

Private Sector Pension Receipt Trends
(numbers in thousands)

<u>Age</u>	<u>Population</u> (Col.1)	<u>Employed in private sector</u> (Col.2)	<u>Private pension recipients</u> (Col.3)	<u>Ratio of col.3 to Col.1</u>	<u>Ratio of col.3 to Col.2</u>
<u>MEN</u>					
50-61					
1973	12,270	7,659	346	2.8	4.5
1978	12,802	7,249	568	4.4	7.8
1983	12,661	6,688	744	5.9	11.1
62-64					
1973	2,458	1,252	266	10.8	21.2
1978	2,556	1,025	449	17.6	43.8
1983	2,876	1,064	585	20.4	55.0
65+					
1973	8,553	1,599	1,826	21.4	114.2
1978	9,548	1,437	2,533	26.5	176.3
1983	10,748	1,336	3,308	30.8	247.6
<u>WOMEN</u>					
50-61					
1973	13,447	5,239	201	1.5	3.8
1978	13,992	5,194	341	2.4	6.6
1983	14,061	5,470	460	3.3	8.4
62-64					
1973	2,866	807	158	5.5	19.6
1978	2,946	770	232	7.9	30.1
1983	3,406	827	301	8.8	36.4
65+					
1973	12,074	988	943	7.8	95.4
1978	13,627	1,109	1,360	10.0	122.63
1983	15,542	1,086	1,805	11.6	166.21

Chart 2

PRIVATE PENSION RECIPIENTS AS A PERCENT OF THE MALE POPULATION AGE 50 AND OVER

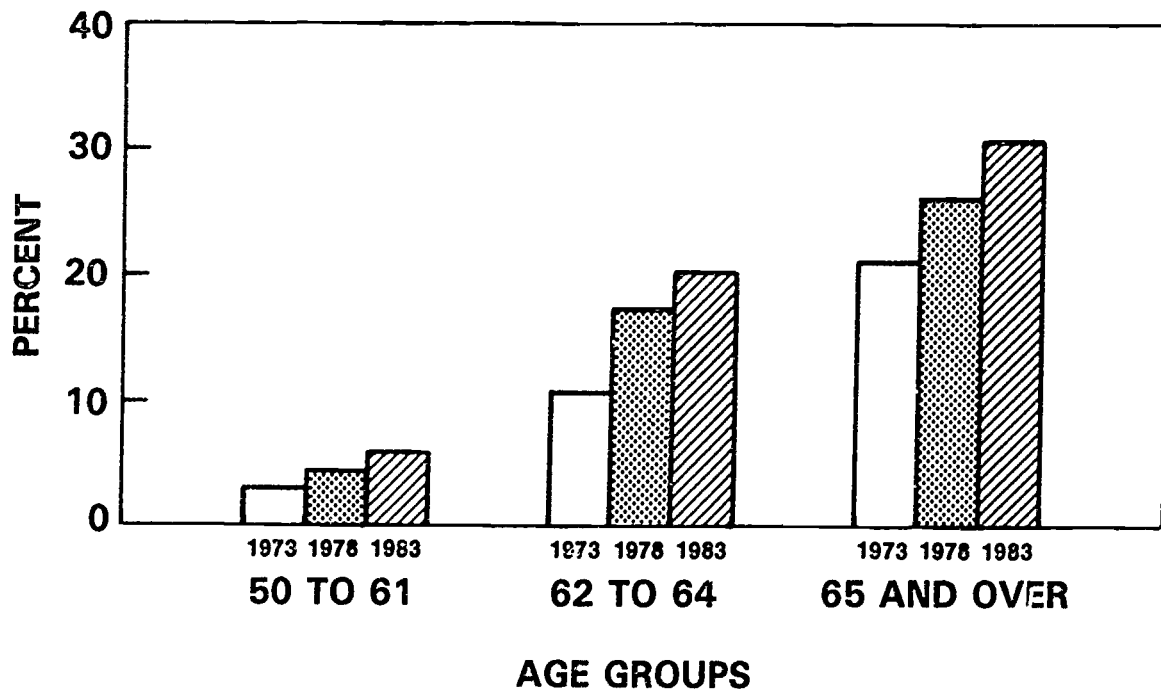
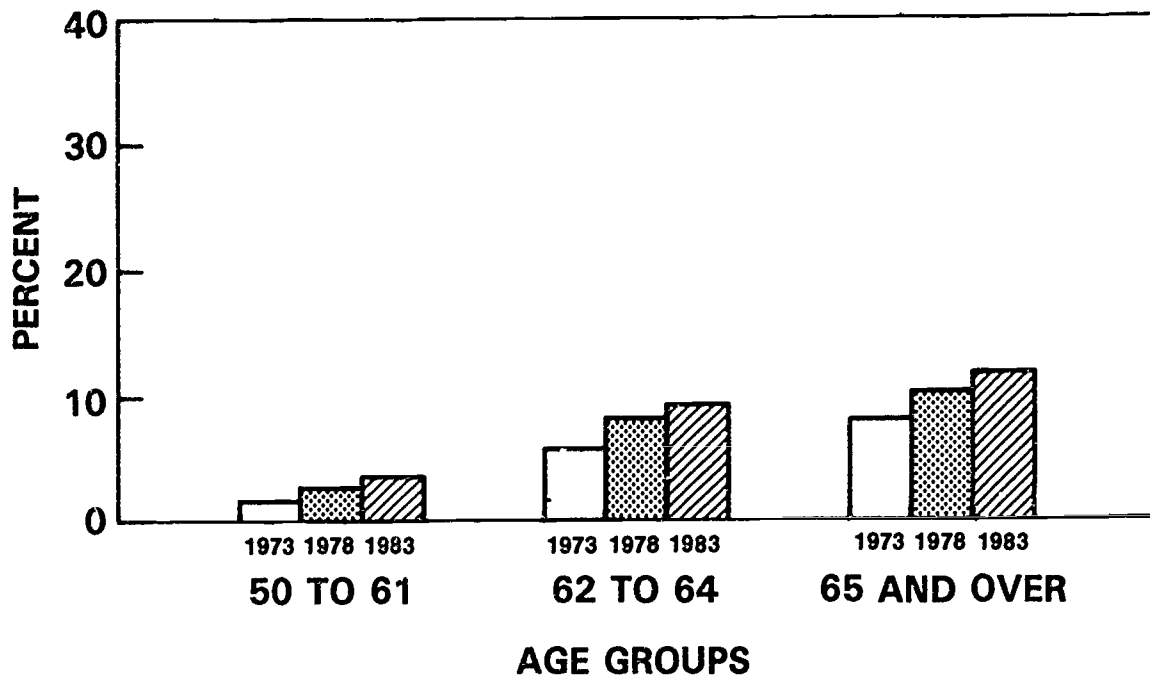


Chart 3

PRIVATE PENSION RECIPIENTS AS A PERCENT OF THE FEMALE POPULATION AGE 50 AND OVER



To control for changes in employment in the private sector, we analyzed the changes over time in the ratio of private sector pension recipients to private sector workers in each age group. As shown in table 2, this analysis also showed a large increase between 1973 and 1983. The ratio of private sector pension recipients to private sector workers more than doubled over the 10-year period among men under 65 and women under 62, and nearly doubled for women age 62 to 64. The ratio also increased substantially for men and women age 65 and older.

We believe our analyses demonstrate large increases in private pension receipt at ages below 65 between 1973 and 1983. Whether private pension recipients are examined in relation to the total population or to the size of the private sector work force, this trend is present. The data also show an increase in pension receipt among men age 65 and over.

Part of the increase in private pension reciprocity among people both over and under age 65 may be due to the proliferation of private pension plans and expansion of coverage during the period after World War II. As a result, workers in 1983 were more likely to have achieved the required number of years for pension eligibility than workers of the same age in 1973. The proportionally greater increase in pension receipt among people under age 65 compared to those over 65 shows a trend toward earlier retirement over the 10-year period.¹⁰

HOW MUCH OF EARLY RETIREMENT IS DUE TO DISABILITY?

We believe that in assessing retirement trends, it is important to determine whether individuals receiving pension income at ages younger than 65 are actually receiving regular retirement benefits rather than disability benefits. Many private sector employers provide disability benefits to employees who are unable to perform their jobs because of physical or mental impairments. Thus, we sought to determine what proportion of pension recipients retired because of disability.

Because the CPS aggregates retirement, disability, and survivor benefits as pension income, it is impossible to separate disability from retirement benefits. However, we estimated the number of pension recipients who might be receiving disability benefits by identifying the proportion receiving some form of government disability income. The three types of disability income we identified in the CPS are Social Security, Supplemental Security Income, and Workers' Compensation. It must also be noted that some persons may be receiving private disability benefits but not any government-provided disability benefits. Thus, our data may underestimate the number of people who retired on disability benefits.

For this analysis, we assumed that all men receiving Social Security benefits at ages younger than 62, the minimum eligibility age for reduced Social Security retirement benefits, are receiving disability benefits. Social Security Administration data show that 98 percent of male Social Security beneficiaries under age 62 are receiving disability benefits

¹⁰The Labor report also showed a trend toward earlier pension receipt. For example, the median retirement age decreased from 65 among those first receiving pensions in 1960-69 to 62 among those who retired in 1977-1978.

based on their own earnings records. As a result, it was necessary to restrict this analysis to men age 61 and younger, since women might be receiving survivor benefits and men over 61 could be receiving regular retirement benefits.

We found that among male private pension recipients age 50 to 54, 32.9 percent were receiving disability benefits as shown in table 3. The proportion decreased to 27.8 percent for those age 55 to 59 and to 25.8 percent among those age 60 to 61. Therefore, less than one-third of private pension recipients under 62 are receiving government disability benefits. We conclude from these data that about two-thirds of private pension recipients are receiving regular retirement benefits, rather than disability benefits, from their employers.

Table 3

Recipients of Government Disability Payments
as a Proportion of Male Private Pension Recipients
1983

<u>Age</u>	<u>Number receiving</u> <u>pensions</u>	<u>Number receiving disability</u> <u>payments</u>	
	----- (thousands) -----		(%)
50 to 54	109	36	32.9
55 to 59	373	103	27.8
60 to 61	262	68	25.8

*Disability payments include Social Security, Supplemental Security Income, and Workers' Compensation.

CPS MARCH INCOME SUPPLEMENTQUESTIONS ON PENSION INCOME

In the CPS questionnaire, people were asked to specify whether they received retirement, survivor, or disability benefits. However, these types of benefits were combined in the CPS data tapes. The questions that elicited this information in 1974, 1979, and 1984 are presented below.

MARCH 1984 and MARCH 1979¹

(Other than Social Security) did anyone in this household receive any pension or retirement income from a previous employer or union, or any other type of retirement income?

What was the source of this income?

1. Company or union pension (including profit sharing)²
2. Federal government retirement
3. U.S. military retirement
4. State or local government pension
5. U.S. Railroad retirement
6. Regular payments from annuities or paid-up insurance policies²
7. Other sources including IRA or Keogh or don't know²

¹Used for three-eighths of the March 1979 sample.

²Classified as private pension income.

(Other than Social Security) did [any member of this household who was disabled or had a health problem] receive any income in 1983 [1978] as a result of this health problem (disability/handicap?)

What was the source of this income?

1. Veterans' disability
2. Workers' compensation
3. Company or union disability³
4. Federal government disability
5. U.S. military retirement disability
6. State or local government employee disability
7. U.S. Railroad retirement disability
8. Accident or disability insurance
9. Black Lung Miner's disability
10. State temporary sickness
11. Other or don't know

³See footnote 2 on page 13.

(Other than Social Security) did anyone in this household receive any income in 1983 [1978] as a survivor or widow such as survivor or widow's pensions, estates, trusts, annuities, or any other survivor benefits?

What was the source of this income?

1. Veterans' survivor pension
2. Company or union survivor pension (including profit sharing)⁴
3. Federal government (and service) pension
4. U.S. military retirement survivor pension
5. State or local government survivor pension
6. U.S. Railroad Retirement survivor pension
7. Workers' Compensation survivor
8. Black Lung survivor pension
9. Regular payments from estates or trusts
10. Regular payments from annuities or paid-up insurance policies⁴
11. Other or don't know

⁴See footnote 2 on page 13.

MARCH 1979⁵

Last year (1978) did [name] receive any money from

--private pensions or annuities?

--military retirement?

--other federal government employee pensions?

--state or local government employee pensions?

MARCH 1974

During 1973 did [name] receive any money from

--government employee pensions?

--private pensions or annuities?

⁵Used for five-eighths of the March 1979 sample.

TABLE
PRIVATE PENSION RECIPIENCY
BY SEX AND AGE - 1983
 (numbers in thousands)

<u>Age</u>	<u>Men</u>		<u>Women</u>	
	<u>Population</u>	<u>With private pension income (%)</u>	<u>Population</u>	<u>With private pension income (%)</u>
50	1,066	19 (1.8)	1,182	6 (0.5)
51	994	19 (1.9)	1,084	14 (1.3)
52	1,080	25 (2.4)	1,142	14 (1.3)
53	1,045	23 (2.2)	1,182	28 (2.4)
54	1,086	22 (2.1)	1,109	21 (1.9)
55	1,079	57 (5.2)	1,179	38 (3.2)
56	1,073	75 (7.0)	1,238	40 (3.2)
57	1,072	64 (6.0)	1,176	53 (4.5)
58	1,103	97 (8.8)	1,205	40 (3.4)
59	994	79 (8.0)	1,190	50 (4.2)
60	973	110 (11.3)	1,277	78 (6.1)
61	1,095	151 (13.8)	1,096	78 (7.1)
62	1,029	198 (19.2)	1,166	87 (7.5)
63	963	200 (20.8)	1,187	107 (9.1)
64	884	187 (21.2)	1,053	106 (10.1)
65	880	283 (32.2)	1,073	172 (16.0)
66	796	287 (36.0)	1,026	139 (13.5)
67	835	289 (34.6)	951	115 (12.1)
68	748	249 (33.2)	925	122 (13.2)
69	751	209 (27.8)	987	134 (13.5)
70	676	210 (31.0)	965	131 (13.6)

(105505)