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SOCIAL SECURITY REFORM

Implications for the Financial Well-Being of Women

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Social Security Reform: Implications for the Financial Well-Being of Women

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here to discuss the impacts of proposals to finance and restructure the Social Security system, specifically the impacts on the financial well-being of women. As you know, the Social Security trust funds are predicted to pay out more in annual benefits than they collect in taxes beginning in 2012 and are expected to be depleted by 2029. Recently, the Social Security Advisory Council offered three alternative reform proposals to address this long-term financing problem. Each of the alternative proposals also affects the financial well-being of beneficiaries, especially women. One reason to be especially concerned about the financial well-being of women is that elderly unmarried women are much more likely to be living below the poverty line. For example, 22 percent of unmarried elderly women have income below the poverty threshold, compared with 15 percent of unmarried elderly men and only 5 percent of elderly married couples.

Today, I would like to discuss how and why the benefits for women differ from those for men under the current Social Security system and how each of the three reform proposals of the Social Security Advisory Council might particularly affect women. The information I am providing today is based on previous GAO work and contains preliminary findings from a report being prepared at the request of the Ranking Minority Member of the Subcommittee.[1]

In summary, our work shows that, although the provisions of the Social Security Act do not differentiate between men and women, women tend to receive lower benefits than men. This is due primarily to differences in lifetime earnings because women tend to have lower wages and fewer years in the workforce. Women's experience under pension plans differs from men's not only because of earnings differences but also because of differences in investment behavior and longevity. Moreover, public and private pension plans do not offer the same social insurance protections that Social Security does.

Furthermore, some of the provisions of the Social Security Advisory Council's three proposals may exacerbate the differences in men and women's benefits. For example, proposals that call for individual retirement accounts will pay benefits that are affected by investment

[1]Pension Plans: Survivor Benefit Coverage for Wives Increased After 1984 Pension Law (GAO/HRD-92-49, Feb. 28, 1992); Social Security: Issues Involving Benefit Equity for Working Women (GAO/HEHS-96-55, Apr. 10, 1996); and 401(k) Pension Plans: Many Take Advantage of Opportunity to Ensure Adequate Retirement Income (GAO/HEHS-96-176, Aug. 2, 1996).

behavior and longevity. Expected changes in women's labor force participation rates and increasing earnings will reduce but probably not eliminate these differences.

Demographic Characteristics and Labor Market Attachment Affect Retirement Income for Men and Women Differently

Over their lifetimes, men and women differ in many ways that have consequences for how much they will receive from Social Security and pensions. Women make up about 60 percent of the elderly population and less than half of the Social Security beneficiaries who are receiving retired worker benefits, but they account for 99 percent of those beneficiaries who receive spouse or survivor benefits. A little less than half of working women between the ages of 18 and 64 are covered by a pension plan, while slightly over half of working men are covered. The differences between men and women in pension coverage are magnified for those workers nearing retirement age—over 70 percent of men are covered compared with about 60 percent of women.

Labor Force Participation and Earnings Differ for Men and Women

Labor force participation rates differ for men and women, with men being more likely, at any point in time, to be employed or actively seeking employment than women.[2] The gap in labor force participation rates, however, has been narrowing over time as more women enter the labor force, and the Bureau of Labor Statistics predicts it will narrow further. In 1948, for example, women's labor force participation rate was about a third of that for men, but by 1996, it was almost four-fifths of that for men. The labor force participation rate for the cohort of women currently nearing retirement age (55 to 64 years of age) was 41 percent in 1967 when they were 25 to 34 years of age. The labor force participation rate for women who are 25 to 34 years of age today is 75 percent—an increase of over 30 percentage points.

Earnings histories also affect retirement income, and women continue to earn lower wages than men. Some of this difference is due to differences in the number of hours worked, since women are more likely to work part-time and part-time workers earn lower wages. However, median earnings of women working year-round and full-time are still only about 70 percent of men's.[3]

[2]The labor force participation rate is the proportion of the population under consideration who are working or actively seeking employment.

[3]Even after accounting for differences in education, work effort, age, and other characteristics that affect wages, women earn wages that are about 15 to 20 percent lower than men's wages, on average.

The lower labor force participation of women leads to fewer years with covered earnings[4] on which Social Security benefits are based.[5] In 1993, the median number of years with covered earnings for men reaching 62 was 36 but was only 25 for women. Almost 60 percent of men had 35 years with covered earnings, compared with less than 20 percent of women. Lower annual earnings and fewer years with covered earnings lead to women's receiving lower monthly retired worker benefits from Social Security, since many years with low or zero earnings are used in the calculation of Social Security benefits. On average, the retired worker benefits received by women are about 75 percent of those received by men. In many cases, a woman's retired worker benefits are lower than the benefits she is eligible to receive as the spouse or survivor of a retired worker.[6]

Life Expectancies Differ for Men and Women

Women tend to live longer than men and thus may spend many of their later retirement years alone. A woman who is 65 years old can expect to live an additional 19 years (to 84 years of age), and a man of 65 can expect to live an additional 15 years (to 80 years of age). By 2070, the Social Security Administration projects that a 65-year-old woman will be able to expect to live another 22 years, and a 65-year-old-man, another 18 years. Additionally, husbands tend to be older than their wives and so are likely to die sooner. Differences in longevity do not currently affect the receipt of monthly Social Security benefits but can affect income from pensions if annuities are purchased individually.

Women Invest More Conservatively Than Men

Many pension plans give participants responsibility for managing the investment of their pension assets, and differences in how men and women invest can lead to differences in pension benefits they receive. When making financial decisions, women tend to be more risk averse than men. One consequence of this is that women tend to invest more of their pension funds in safer but lower yielding assets, such as government bonds. The results of a recent study[7] of the federal Thrift Savings Plan indicate that men are much more likely to invest in the stock fund than are

[4]Years of covered earnings are the years in which the individual received earnings on which Social Security taxes were paid.

[5]Social Security benefits are based on the 35 years of highest covered earnings.

[6]GAO/HEHS-96-55, Apr. 10, 1996.

[7]Richard P. Hinz, David D. McCarthy, and John A. Turner, "Are Women Conservative Investors? Gender Differences in Participant Directed Pension Investments," in Positioning Pensions for the Year 2000, Olivia Mitchell, ed. (Philadelphia: University of Pennsylvania Press, 1996).

women. The authors estimated that, after 35 years of participation in the plan at historical yields and identical contributions, the difference in investment behavior between men and women can lead to men having a pension portfolio that is 16 percent larger.

Pension Plan Provisions Offer Different Benefits From Social Security

Social Security provisions and pension plan provisions differ in several ways (see app. I for a summary). Under Social Security, the basic benefit a worker receives who retires at the normal retirement age (NRA)[8] is based on the 35 years with the highest covered earnings.[9] The formula is progressive in that it guarantees that higher-income workers receive higher benefits, while the benefits of lower-income workers are a higher percentage of their preretirement earnings. The benefit is guaranteed for the life of the retired worker and increases annually with the cost of living.

Private pensions are different. They can be classified into two basic types: defined benefit and defined contribution plans. Pension benefits in defined benefit plans are generally based on a formula that includes years with the firm, age at retirement, and salary averaged over some number of years.[10] Employers offering defined contribution plans generally promise to make guaranteed periodic contributions to workers' accounts, but the amount of retirement benefits is not specified. The benefits from defined contribution plans depend on the contributions plus investment returns or losses. Today, defined contribution plans are the most prevalent type of pension plan, and 401(k) plans are one of the fastest growing defined contribution plan types.[11] Typically, at retirement, workers receive a joint and survivor annuity that provides pension benefits to the surviving spouse after the worker's death, unless both the worker and spouse elect, in writing, not to take the joint and survivor annuity. In this instance, the retiring worker

[8]Currently, the normal retirement age is 65 years. It is set to gradually increase to 67 for those born in 1960 or after. The early retirement age (the earliest age at which a worker qualifies for Social Security retirement benefits) will remain at 62.

[9]The calculation of a worker's basic benefit amount first involves calculating average indexed monthly earnings (AIME) on the basis of the 35 years of highest earnings. For workers becoming eligible for Social Security benefits in 1997, benefits are equal to 90 percent of the first $455 of AIME, plus 32 percent of the AIME from $455 to $2,741, plus 15 percent of the AIME in excess of $2,741. The dollar amounts in the formula are called the bend points, and the percentages are called the conversion factors.

[10]In defined benefit plans that are integrated with Social Security, pension benefits also depend on the size of an individual's Social Security benefit.

[11]401(k) pension plans are salary reduction plans that allow participants to contribute, before taxes, a portion of their salary to a retirement account. Many employers match workers' contributions to these accounts. Also, many employers allow participants to direct the investment of their account balances.

may elect, along with the spouse, to take a single life annuity or a lump-sum distribution if allowed under the plan.

When workers retire, they are uncertain how long they will live and how quickly the purchasing power of a fixed payment will deteriorate. They run the risk of outliving their assets. Annuities provide insurance against outliving assets. Some annuities provide, though at a higher cost or reduced initial benefit, insurance against inflation risk, although annuity benefits often do not keep pace with inflation. Many pension plans are managed under a group annuity contract with an insurance company that can provide lifetime benefits. Individual annuities, however, tend to be costly.

Benefits for Dependents Differ Under Social Security and Pensions

Under Social Security, the dependents of a retired worker may be eligible to receive benefits. For example, the spouse of a retired worker is eligible to receive up to 50 percent of the worker's basic benefit amount, while a dependent surviving spouse is eligible to receive up to 100 percent of the deceased worker's basic benefit. Furthermore, divorced spouses and survivors are eligible to receive benefits under a retired worker's Social Security record provided they were married for at least 10 years. If the retired worker has a child under 18 years old, the child is eligible for Social Security benefits, as is the dependent nonelderly parent of the child. The retired worker's Social Security benefit is not reduced to provide benefits to dependents and former spouses.

Pensions, both public and private, generally do not offer the same protections to dependents as Social Security. Private and public pension benefits are based on a worker's employment experience and not the size of the worker's family. At retirement, a worker and spouse normally receive a joint and survivor annuity so that the surviving spouse will continue to receive a pension benefit after the retired worker's death. A worker, with the written consent of the spouse, can elect to take retirement benefits in the form of a single life annuity so that benefits are guaranteed only for the lifetime of the retired worker.

This wasn't always the case. Under the Employee Retirement Income Security Act of 1974, a married worker had the option to choose an annuity that provided benefits only as long as the retiree lived. Recognizing marriage as an economic partnership, the Congress sought through the Retirement Equity Act of 1984 to bring the retiring worker's spouse directly into the decision-making process concerning benefit payment options. Under this act, a joint and survivor annuity became the normal payout option and written spousal consent is required to choose another option. This requirement was prompted partly by testimony before the Congress by widows who stated that they were financially unprepared at their husbands' death because they were unaware of their husbands' choice to not take a joint and survivor annuity. Through the spousal consent requirement, the Congress envisioned that, among other things, a greater percentage of married men would retain the joint and survivor annuity and give their spouses the opportunity to receive survivor benefits.

The monthly benefits under a joint and survivor annuity, however, are lower than under a single life annuity. Moreover, pension plans do not generally contain provisions to increase benefits to the retired worker for a dependent spouse or for children. As under Social Security, divorced spouses can also receive part of the retired worker's pension benefit if a qualified domestic relations order is in place. However, the retired worker's pension benefit is reduced in order to pay the former spouse.

Some Reform Proposals Would Make Social Security More Like Pension Plans

The three alternative proposals of the Social Security Advisory Council would make changes of varying degrees to the structure of Social Security. The key features of the proposals are summarized in appendix II.

The Maintain Benefits Plan Would Make Fewest Changes to Social Security

The Maintain Benefits (MB) plan would make only minor changes to the structure of current Social Security benefits. The major change that would affect women's benefits is the extension of the computation period for benefits from 35 years to 38 years of covered earnings.[12] Currently, earnings are averaged over the 35 years with the highest earnings to compute a worker's Social Security benefits. If the worker has worked less than 35 years, then some of the years of earnings used in the calculation are equal to zero. Extending the computation period for the lifetime average earnings to 38 years would have a greater impact on women than on men. Although women's labor force participation is increasing, the Social Security Administration forecasts that fewer than 30 percent of the women retiring in 2020 will have 38 years of covered earnings, compared with almost 60 percent of men.

[12]One supporter of the MB plan does not support this provision.

The Individual Accounts Plan Would Add a Defined Contribution Component

The Individual Accounts (IA) plan would keep many features of the current Social Security system but add an individual account modeled after the 401(k) pension plan. Workers would be required to contribute an additional 1.6 percent of taxable earnings to their individual account, which would be held by the government. Workers would direct the investment of their account balances among a limited number of investment options. At retirement, the distribution from this individual account would be converted by the government into an indexed annuity.

The IA plan, like the MB plan, would extend the computation period to 38 years; it would also change the basic benefit formula by lowering the conversion factors at the higher earnings level. This plan would also accelerate the legislated increase in the normal retirement age and then index it to future increases in longevity. As a consequence of these changes, basic Social Security benefits would be lower for all workers, but workers would also receive a monthly payment from the annuitized distribution from their individual account, which proponents claim would offset the reduction in the basic benefit.

In addition to extending the computation period, elements of the IA plan that would disproportionately affect women are the changes in benefits received by spouses and survivors, since women are much more likely to receive spouse and survivor benefits. The spouse benefit would be reduced from 50 percent of the retired worker's basic benefit amount to 33 percent. The survivor benefit would increase from 100 percent of the deceased worker's basic benefit to 75 percent of the couple's combined benefit if the latter was higher. These changes would probably result in increased lifetime benefits for many women. Additionally, at retirement a worker and spouse would receive a joint and survivor annuity for the distribution of their individual account unless the couple decided on a single life annuity.

The Personal Security Accounts Plan Would Replace Social Security With a Flat Benefit and a Defined Contribution Component

The Personal Security Accounts (PSA) plan would make the most dramatic changes to the structure of Social Security. This plan would replace the current system with a two-tier system. The tier I benefit would be a flat benefit based on years of covered earnings. The full tier I benefit, which would be equivalent to 65 percent of the poverty threshold, would be received after 35 years of covered earnings. The tier II benefit would be the distribution from the retired worker's personal security account. The personal security account is modeled after the 401(k) pension plan and would be funded by diverting 5 percentage points of the worker's Social

Security payroll tax into the account,[13] which would not be held by the government. Proponents of the PSA plan claim that over a worker's lifetime the tier I benefits plus the tier II distribution would be larger than the lifetime Social Security benefits currently received by retired workers. The worker would direct the investment of his or her account assets. At retirement, workers would not be required to annuitize the distribution from their personal security account but could elect to receive a lump-sum payment. This could potentially affect women disproportionately, since the worker is not required to consult with his or her spouse regarding the disposition of the personal account distribution.

Under the PSA plan, the tier I benefit for spouses would be equal to the higher of their own tier I benefit or 50 percent of the full tier I benefit. Furthermore, spouses would receive their own tier II accumulations, if any. The tier I benefit for a survivor would be 75 percent of the benefit payable to the couple; in addition, the survivor could inherit the balance of the deceased spouse's personal security account assets.

Effects on Women's Benefits of Changing Basic Social Security Law

Many of the proposed changes to Social Security would affect the benefits received by men and by women differently.[14] The current Social Security system is comparable to a defined benefit plan's paying a guaranteed lifetime benefit that is increased with the cost of living. Each of the Advisory Council proposals would potentially change the level of that benefit, and two of the proposals would create an additional defined contribution component. Not only would retired worker benefits be changed by these proposals, but the level of benefits for spouses and survivors would be affected.

Conservative Investment Behavior May Have Adverse Consequences for Retirement Income

Two Advisory Councils plans—the IA and PSA plans—would create defined contribution accounts for workers. Both plans would also lower basic Social Security benefits. On the basis of calculations by the National Academy of Social Insurance, the IA plan would lower basic benefits by 17 percent for the average earner, while the PSA plan would lower the basic or tier I benefit to about 47 percent of the benefit paid to today's average earner. The rest of a retired worker's Social Security benefit would come from the distribution from his or her private account. Under both plans,

[13]The payroll tax for Social Security is 12.4 percent of taxable earnings. The tax is split evenly between the employee and employer.

[14]The proposed changes could also affect benefits received from pension plans that are integrated with Social Security. How the changes in these benefits would affect men and women is beyond the scope of our testimony.

the account balances at retirement would depend on the contributions made to the worker's account and investment returns or losses on the account assets. Since women tend to earn lower wages, they would be contributing less, on average, than men to their accounts. Furthermore, even if contributions were equal, women tend to be more conservative investors than men, which could lead to lower investment returns. Consequently, women would typically have smaller account balances at retirement and would receive lower benefits than men. The difference in investment strategy could lead to a situation in which men and women with exactly the same labor market experiences receive substantially different Social Security benefits. The extent to which investor education can close the gap in investment behavior between men and women is unknown.

How Account Distributions Are Handled Affects Benefit Levels

The two Advisory Council proposals with individual or personal accounts differ in the handling of the distribution of the account balances at retirement. The IA plan would require annuitization of the distribution at retirement, and choosing a single life annuity or a joint and survivor annuity would be left to the worker and spouse. If the single life annuity option for individual account balances was chosen, then the spouse would receive the survivor's basic benefit after the death of the retired worker plus the annuitized benefit based on the work records of both individuals.

The PSA plan would not require that the private account distribution be annuitized at retirement. A worker and spouse could take the distribution as a lump sum and attempt to manage their funds so that they did not outlive their assets. If the assets were exhausted, the couple would have only their basic tier I benefits, plus any other savings and pension benefits. Furthermore, even if personal account tier II assets were left after the death of the retired worker, the balance of the PSA account would not necessarily have to be left to the survivor. If a worker and spouse chose to purchase an annuity at retirement, then the couple would receive a lower monthly benefit than would be available from a group annuity.

Both the IA and the PSA plans could lead to situations where men and women in identical circumstances received different Social Security benefits. Suppose a man and woman had the same labor market experiences and the same amount in their private accounts and then annuitized their distributions. The monthly annuity payments would reflect the differences in expected longevity (separate life tables could be used for men and women in the calculation of annuitized benefits) and, although the expected lifetime payments would be the same, the monthly payments to the woman would be lower, since women have longer life expectancies.

Conclusions

Even though the current provisions of Social Security are gender neutral, differences during the working and retirement years may lead to different benefits for men and women. For example, differences in labor force attachment, earnings, and longevity lead to women's being more likely than men to receive spouse or survivor benefits. Women who do receive retired worker benefits typically receive lower benefits than men. As a result of lower Social Security benefits and the lower likelihood of receiving pension benefits, among other causes, elderly single women experience much higher poverty rates than elderly married couples and elderly single men.

Social Security is a large and complex program that protects most workers and their families from income loss because of a worker's retirement. Public and private pension plans do not offer the social insurance protections that Social Security does. Pension benefits are neither increased for dependents nor generally indexed to the cost of living as are Social Security benefits. Typically, at retirement a couple will receive a joint and survivor annuity that initially pays monthly benefits that are 15 to 20 percent lower than if they had chosen to forgo the survivor benefits with a single life annuity. Furthermore, under a qualified domestic relations order, a divorced retired worker's pension benefits may be reduced to pay benefits to a former spouse.

While the three alternative proposals of the Social Security Advisory Council are intended to address the long-term financing problem, they would make changes that could affect the relative level of benefits received by men and women. Each of the proposals has the potential to exacerbate the current differences in benefits between men and women. Narrowing the gap in labor force attachment, earnings, and investment behavior may reduce the differences in benefits. But as long as these differences remain, men and women will continue to experience different outcomes with regard to Social Security benefits.

This concludes my prepared statement. I would be happy to answer any questions you or other Members of the Subcommittee may have.

Contributors

For more information on this testimony, please call Jane Ross on (202) 512-7230; Frank Mulvey, Assistant Director, on (202) 512-3592; or Thomas Hungerford, Senior Economist, on (202) 512-7028.

Features of Social Security Under Current Law and Those of Pensions

		Current pension plan provisions		
Type of beneficiary[a]	Provisions under current Social Security law	Federal Employees' Retirement System/Thrift Savings Plan	Defined benefit plans	Defined contribution plans
Retired worker	— Benefit computation is based on 35 years of highest covered earnings — Progressive formula leads to redistribution — Benefits reduced actuarially if taken between 62 and normal retirement age (NRA); increased if taken after NRA — NRA to increase to 67 years for those born after 1959	— FERS benefit is based on statutory formula — TSP benefit is based on employee and government contributions plus investment returns of individual account balances	Benefit is based on formula under plan documents	Benefit is based on contributions of employee, employer, or both plus investment returns of individual account balances
Spouse	— Benefit is 50% of the retired worker's benefit — Benefit is actuarially reduced if taken between 62 and NRA	[b]	[b]	[b]
Survivor	— Benefit is equal to amount deceased spouse would be receiving but not less than 82-1/2% of deceased spouse's benefit — Benefit is actuarially reduced if taken between 62 and NRA	Joint and survivor annuity is normal form of annuity, and survivor receives 50% of basic annuity	Joint and survivor annuity is normal form of annuity	Joint and survivor annuity is normal form of annuity
Dually entitled beneficiary[c]	Receives own retired worker benefit plus difference (if positive) between spouse or survivor benefit and his/her retired worker benefit	[b]	[b]	[b]

(continued)

		Current pension plan provisions		
Type of beneficiary[a]	Provisions under current Social Security law	Federal Employees' Retirement System/Thrift Savings Plan	Defined benefit plans	Defined contribution plans
Divorced and surviving divorced spouse	— Must have been married for at least 10 years and currently be unmarried — Must be at least 62 years old for divorced spouse, 60 years old for divorced survivor — Benefit actuarially reduced if younger than NRA — Divorced spouse benefit is 50% of retired worker's benefit — Surviving divorced spouse benefit is 100% of retired worker's benefit	Qualifying court order	Qualified domestic relations order	Qualified domestic relations order
Mother or father and widowed mother or father plus child	— Have eligible child in care — Under 65 years old — 50% of retired worker's benefit plus 50% of child's benefit — 75% of deceased worker's benefit plus 75% of child's benefit	[b]	[b]	[b]

[a]Beneficiary categories are based on Social Security definitions.

[b]Not applicable.

[c]Entitled to benefit both as retired worker and as spouse or survivor of retired worker.

Features of Social Security Under Current Law and Those of Three Reform Proposals

Type of beneficiary[a]	Provisions under current Social Security law	Reform proposals of 1994-96 Social Security Advisory Council		
		Maintain benefits	**Individual accounts**	**Personal security accounts**
Retired worker	— Benefit computation is based on 35 years of highest covered earnings — Progressive formula leads to redistribution — Benefits reduced actuarially if taken between 62 and normal retirement age (NRA); increased if taken after NRA — NRA to increase to 67 years for those born after 1959	Extends computation period from 35 years to 38 years of covered earnings	— Extends computation period from 35 years to 38 years of covered earnings — Changes benefit formula by lowering conversion factors — Accelerates increase of NRA and indexes to longevity — Creates individual account (IA) based on defined contribution pension	— Creates two-tier system with tier I a flat benefit based on years of covered earnings and tier II a personal security account (PSA) based on defined contribution pension — Accelerates increase of NRA and indexes to longevity — Increases early retirement age to 65 years
Spouse	— Benefit is 50% of the retired worker's benefit — Benefit is actuarially reduced if taken between 62 and NRA	Same as current law	— Benefits are lowered from 50% to 33% of retired worker's benefit — Joint and survivor annuity with IA balance	Benefits are tier II accumulations plus 50% of full tier I benefit
Survivor	— Benefit is equal to amount deceased spouse would be receiving but not less than 82 1/2% of deceased spouse's benefit — Benefit is actuarially reduced if taken between 62 and NRA	Same as current law	— 75% of couple's combined benefit — Joint and survivor annuity with IA balance	75% of benefit payable to couple plus eligible to inherit balance of deceased spouse's PSA
Dually entitled beneficiary[b]	Receives own retired worker benefit plus difference (if positive) between spouse or survivor benefit and his/her retired worker benefit	Same as current law	Higher of own basic benefit or 33% of spouse's benefit	Tier II accumulations plus higher of own tier I benefit or 50% of full tier I benefit

(continued)

Type of beneficiary[a]	Provisions under current Social Security law	Reform proposals of 1994-96 Social Security Advisory Council		
		Maintain benefits	Individual accounts	Personal security accounts
Divorced and surviving divorced spouse	— Must have been married for at least 10 years and currently be unmarried — Must be at least 62 years old for divorced spouse, 60 years old for divorced survivor — Benefit actuarially reduced if younger than NRA — Divorced spouse benefit is 50% of retired worker's benefit — Surviving divorced spouse benefit is 100% of retired worker's benefit	Same as current law	No mention	No mention
Mother or father and widowed mother or father plus child	— Have eligible child in care — Under 65 years old — 50% of retired worker's benefit plus 50% of child's benefit — 75% of deceased worker's benefit plus 75% of child's benefit	Same as current law	Same as for spouse or survivor plus child's benefit, which is same as current law	Same as for spouse or survivor plus child's benefit, which is same as current law

[a]Beneficiary categories are based on Social Security definitions.

[b]Entitled to benefits both as retired worker and as spouse or survivor of retired worker.

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