

# Notes and Brief Reports

## Domestic Workers Covered Under OASDHI, 1976\*

Regular domestic work has been covered by the Federal old-age, survivors, disability, and health insurance (OASDHI) program since 1951. Domestic work covered by the program includes work performed by housekeepers, cooks, maids, waiters, butlers, valets, caretakers, babysitters, nursemaids, companions, governesses, gardeners, handy-men, watchmen, and chauffeurs of family automobiles.

In 1976, employers were required to report to the Internal Revenue Service the cash wages paid to domestic workers who earned at least \$50 in a calendar quarter.<sup>1</sup> These wages were reported on IRS Form 942, or, if the employer filed a combined report of regular and domestic employment, he used Form 941. The Social Security Administration processes these wage reports to update the earnings record it maintains for each worker, assigning a quarter of coverage (QC) for each calendar quarter in which the domestic worker is reported by some employer. (The 1977 amendments to the Social Security Act changed the criterion for assigning QC's; in 1978, workers are credited with one QC for each \$250 of earnings during the year, up to \$1,000. The \$250 measure effective in 1978 is to be automatically increased each year to keep pace with rising wages.)

Social security benefits are payable to persons with sufficient QC's, and the number required depends on the benefit sought. Generally, to qualify for retirement and survivor benefits, one needs a QC total equal to or greater than the number of years after 1950 (or the year of attainment of age 21, if later) and before the year of attainment of age 62 or the year of death, respectively.

Table 1 gives a historical overview of covered domestic workers for the period 1965-76. The number of domestics reported on IRS Form 942<sup>2</sup> decreased steadily from about 1 1/4 million in 1965 to two-thirds of that total in 1976.

The counts of domestic workers shown here are lower than those obtained in the Current Population Survey (CPS) of households conducted by the Bureau of the Census because of the underreporting of such employment to

**Table 1.**—Number of domestic workers covered under social security and number of employers and taxable wages, 1965-76

Year	Number (in thousands)		Taxable wages	
	Workers <sup>1</sup>	Employers <sup>2</sup>	Total <sup>2</sup> (in millions)	Average per worker <sup>1</sup>
1965	1,241	1,240	\$1,114	\$898
1966	1,212	1,210	1,120	924
1967	1,212	1,180	1,138	939
1968	1,167	1,130	1,164	997
1969	1,105	1,070	1,167	1,056
1970	1,030	1,004	1,149	1,116
1971	989	1,005	1,130	1,143
1972	926	995	1,140	1,231
1973	878	961	1,157	1,318
1974	853	936	1,208	1,416
1975	824	892	1,260	1,527
1976	819	869	1,310	1,599

<sup>1</sup> Based on 1-percent sample.

<sup>2</sup> Based on all tax returns.

the Social Security Administration and perhaps because of differences in definition. Nevertheless, CPS statistics show the same downward trend in household employment. The average number of persons employed in the survey week in domestic service occupations fell, for example, from 2.3 million in 1965 to 1.1 million in 1976.<sup>3</sup>

Most employers of domestic workers report only a single worker, and few report more than two. In 1976, only 3 percent of the quarterly Form 942 reports listed three or more workers. These facts, together with the fact that some domestic workers have more than one employer, explain why the numbers of employers and workers shown in table 1 are of similar magnitudes.

The growth in taxable wages and average wage per worker shown in table 1 are primarily the result of increased earnings but reflect in part the higher ceilings on earnings subject to social security taxes legislated during the period. The taxable maximum was raised from \$4,800 to \$6,600 in 1966, to \$7,800 in 1968, to \$9,000 in 1972, to \$10,800 in 1973, to \$13,200 in 1974, to \$14,100 in 1975, and to \$15,300 in 1976.

The data on numbers of workers and average wage per work as well as the data for domestic-worker characteristics are not based on a complete tabulation of the Form 942 reports but on a probability sample of approximately 1 percent of household workers. The sample design, including

<sup>3</sup> Department of Labor, Bureau of Labor Statistics, **Employment and Earnings**, January 1966 and January 1977.

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<sup>1</sup> This was the criterion in effect in 1976. Other regularity-of-employment tests existed under earlier law.

<sup>2</sup> It is not possible to identify domestic workers reported on Form 941, but an estimated 95 percent of all reported domestic employment is reported on Form 942.

tables of sampling error for numbers and percentages, is described in a separate publication of the Office of Research and Statistics.<sup>4</sup>

The application for the social security number contains information on the sex, race, and date of birth of the worker. These items of information are collected from the application, and characteristics of workers transcribed onto the statistical records in the 1-percent sample.

Summarized below, for domestic workers in 1976, are their demographic characteristics, insured status, earnings, and labor-force characteristics (tables 2-6). The following tabulation presents some summary data on these characteristics.

Characteristic	Total number <sup>1</sup> (in thousands)
All workers .....	819
Sex:	
Male .....	90
Female .....	729
Race:	
White and other .....	405
Black .....	403
Unknown .....	11
Age:	
Under 20 .....	37
20-29 .....	78
30-39 .....	87
40-49 .....	137
50-59 .....	223
60 and over .....	257
Type of wage and salary employment:	
Domestic work only .....	588
Domestic work and other .....	231
Number of household employers:	
1 .....	650
2 .....	109
3 or more .....	61
Insured status, as of Jan. 1, 1977:	
Retirement benefits:	
Insured .....	510
Not insured .....	306
Deceased .....	3
Survivor benefits:	
Insured .....	733
Not insured .....	83
Deceased .....	3
Quarters of coverage based on domestic employment:	
1 .....	166
2 .....	116
3 .....	111
4 .....	425

<sup>1</sup> Based on 1-percent sample here and in succeeding tables.

Domestic workers are predominantly women; about half are black. The proportion aged 60 and over among domestic workers is more than four times as large as the proportion among all wage and salary workers—31 percent compared with 7 percent.

Nearly 80 percent of domestic workers in 1976 were reported by only one household employer. The average taxable wage earned by a domestic worker in 1976, with all household employment taken into account, was \$1,599—

<sup>4</sup> **Sampling Variability in the 1-Percent Continuous Work History Sample**, Social Security Administration, Office of Research and Statistics, 1977.

**Table 2.—Number of domestic workers, by age, sex, and race, 1976**

[In thousands]			
Age in 1976	Total <sup>1</sup>	White and other	Black
All workers			
Total number .....	819	405	403
Under 20 .....	37	30	5
20-29 .....	78	55	20
30-39 .....	87	43	44
40-49 .....	137	55	80
50-59 .....	223	95	127
60-64 .....	110	52	56
65-69 .....	76	38	37
70 and over .....	72	38	34
Men			
Total number .....	90	59	28
Under 20 .....	11	9	1
20-29 .....	16	12	3
30-39 .....	10	7	2
40-49 .....	10	6	4
50-59 .....	15	9	6
60-64 .....	9	5	3
65-69 .....	9	5	4
70 and over .....	11	6	5
Women			
Total number .....	729	346	374
Under 20 .....	26	21	3
20-29 .....	62	43	18
30-39 .....	77	35	41
40-49 .....	127	49	76
50-59 .....	208	86	121
60-64 .....	101	47	53
65-69 .....	67	33	34
70 and over .....	61	32	28

<sup>1</sup> Includes workers of unknown race.

**Table 3.—Number of domestic workers, by insured status (January 1, 1977), sex, and age, 1976**

[In thousands]					
Sex and age	Insured for—				
	Total	Retirement and survivor benefits	Survivors benefits only	Not insured	Deceased
All workers .....	819	510	224	83	3
Under 30 .....	115	2	77	36	( <sup>1</sup> )
39-59 .....	447	274	134	39	( <sup>1</sup> )
60 and over .....	257	234	13	8	2
Men .....	90	54	24	9	2
Under 30 .....	26	2	18	7	( <sup>1</sup> )
30-59 .....	35	28	6	1	( <sup>1</sup> )
60 and over .....	28	25	1	1	2
Women .....	729	455	199	74	1
Under 30 .....	89	.....	59	29	( <sup>1</sup> )
30-59 .....	412	246	128	38	( <sup>1</sup> )
60 and over .....	228	208	12	7	1

<sup>1</sup> Fewer than 500 workers.

\$2,091 for men and \$1,538 for women. With earnings from other wage employment (if any) included, the average taxable wage for a domestic worker in 1976 was \$2,233.

Fifty-two percent of those in household employment during 1976 earned four QC's from such work. Women were more likely than men (53 percent, compared with 44 percent) and blacks more likely than those of other races (64 percent, compared with 47 percent) to have that many covered quarters. From total wage employment during the year, 62 percent of the domestic workers in 1976 earned four QC's.

Seventy-two percent of the domestic workers in 1976 had no other kind of wage and salary employment during the year. Those who did, however, usually earned more from other employment than they did from household employment. Persons under age 30 were twice as likely to have other kinds of wage and salary employment as those who were older (52 percent, compared with 24 percent).

**Table 4.**—Number of domestic workers, by taxable wages from household employment, sex, and race, 1976

[In thousands]			
Taxable wages	Total <sup>1</sup>	White and other	Black
All workers			
Total number.....	819	405	403
Less than \$200.....	90	55	33
200-499.....	135	77	56
500-999.....	160	79	78
1,000-1,999.....	197	85	109
2,000-4,999.....	193	81	111
5,000-9,999.....	38	23	14
10,000 or more.....	5	5	( <sup>2</sup> )
Average per worker.....	<b>\$1,599</b>	<b>\$1,608</b>	<b>\$1,593</b>
Men			
Total number.....	90	59	28
Less than \$200.....	13	9	4
200-499.....	16	11	4
500-999.....	16	10	6
1,000-1,999.....	16	10	5
2,000-4,999.....	17	9	7
5,000-9,999.....	9	6	3
10,000 or more.....	3	3	( <sup>2</sup> )
Average per worker.....	<b>\$2,091</b>	<b>\$2,218</b>	<b>\$1,876</b>
Women			
Total number.....	729	346	374
Less than \$200.....	77	46	30
200-499.....	120	66	52
500-999.....	144	69	73
1,000-1,999.....	182	75	104
2,000-4,999.....	176	71	104
5,000-9,999.....	29	17	11
10,000 or more.....	2	2	( <sup>2</sup> )
Average per worker.....	<b>\$1,538</b>	<b>\$1,504</b>	<b>\$1,572</b>

<sup>1</sup> Includes workers of unknown race.

<sup>2</sup> Fewer than 500 workers.

If QC's had been assigned according to the method established under the 1977 amendments, 55 percent of the 673,000 workers for whom household employment was either the sole or the major source of wages would have

**Table 5.**—Number of domestic workers, by quarters of coverage from domestic and all wage and salary employment, sex, and race, 1976

[In thousands]			
Quarters of coverage	Total <sup>1</sup>	White and other	Black
All workers			
<b>From domestic employment</b>			
Total number.....	819	405	403
1.....	166	108	55
2.....	116	71	43
3.....	111	60	49
4.....	425	166	256
<b>From all wage and salary employment</b>			
Total number.....	819	405	403
1.....	98	61	34
2.....	99	62	34
3.....	117	66	49
4.....	506	216	286
Men			
<b>From domestic employment</b>			
Total number.....	90	59	28
1.....	21	16	4
2.....	16	11	5
3.....	14	9	4
4.....	39	23	16
<b>From all wage and salary employment</b>			
Total number.....	90	59	28
1.....	10	8	2
2.....	12	8	3
3.....	14	10	3
4.....	54	33	20
Women			
<b>From domestic employment</b>			
Total number.....	729	346	374
1.....	145	91	50
2.....	101	61	38
3.....	98	51	45
4.....	386	143	241
<b>From all wage and salary employment</b>			
Total number.....	729	346	374
1.....	88	55	32
2.....	87	54	31
3.....	103	57	45
4.....	452	182	266

<sup>1</sup> Includes workers of unknown race.

earned the same number of QC's as they actually did in 1976. Twenty-eight percent would have earned fewer QC's under the newer method, and 18 percent would have earned more (table 7).

**Table 6.**—Number of domestic workers and average taxable wages from all employment, by age and race, 1976

Age and race	Total	Domestic employment only	Majority of wages from—	
			Domestic employment	Other employment
Numbers (in thousands)				
All workers <sup>1</sup> .....	819	588	84	146
White and other .....	405	272	48	85
Black .....	403	309	35	58
Under 30 .....	115	55	18	42
White and other .....	85	39	13	34
Black .....	25	13	4	7
30-59 .....	447	311	52	85
White and other .....	192	126	26	40
Black .....	250	181	25	44
60 and over .....	257	223	15	19
White and other .....	128	107	10	12
Black .....	127	115	6	7
Average taxable wages from all employment				
All workers <sup>1</sup> .....	\$2,233	\$1,795	\$2,547	\$3,814
White and other .....	2,331	1,867	2,541	3,689
Black .....	2,141	1,732	2,547	4,050
Under 30 .....	1,983	1,140	2,012	3,061
White and other .....	2,002	1,084	1,878	3,121
Black .....	1,956	1,332	2,221	2,938
30-59 .....	2,493	1,985	2,653	4,258
White and other .....	2,671	2,140	2,712	4,309
Black .....	2,360	1,872	2,594	4,234
60 and over .....	1,892	1,691	2,822	3,513
White and other .....	2,040	1,833	2,935	3,203
Black .....	1,746	1,558	2,624	4,057

<sup>1</sup>Includes workers of unknown race.

**Table 7.**—Percentage distribution of domestic workers with majority of wages from domestic employment, by quarters of coverage and earnings from all wage and salary employment, 1976

Quarters of coverage	Earnings				
	Less than \$250	\$250-499	\$500-749	\$750-999	\$1,000 or more
All workers: <sup>1</sup>					
1 .....	7.4	3.2	1.7	0.7	1.3
2 .....	1.6	2.7	1.8	1.8	4.1
3 .....	.5	2.0	1.7	1.6	8.0
4 .....	.4	3.3	3.8	4.5	48.0
White and other:					
1 .....	9.7	4.4	2.1	1.0	1.7
2 .....	2.0	3.2	2.3	2.4	5.8
3 .....	.5	2.2	1.5	1.8	9.8
4 .....	.6	3.0	3.0	3.8	39.6
Black:					
1 .....	5.3	2.1	1.3	.3	.9
2 .....	1.3	2.2	1.4	1.2	2.3
3 .....	.5	1.9	1.9	1.5	6.2
4 .....	.2	3.6	4.5	5.2	56.1

<sup>1</sup>Includes workers of unknown race.

## Alcoholics and Drug Addicts Receiving SSI Payments, August 1977\*

The supplemental security income program (SSI), which began operation January 1974, replaced the Federal grants to States for aid to the aged, the blind, and the permanently and totally disabled in the 50 States and the District of Columbia. Alcoholics and drug addicts may receive SSI payments as disabled persons if they meet the definition of disability in the Social Security Act. Section 1614 of the Social Security Act states that a person is considered to be disabled if he is unable to engage in any substantial gainful activity because of a medically determinable physical or mental impairment. That impairment must either be expected to result in death or have lasted (or can be expected to last) continuously for at least one year. In addition, an individual who was considered permanently and totally disabled under the State assistance plan in effect for October 1972 and was receiving payment based on that disability for December 1973, and for at least 1 month before July 1973, may receive SSI payments as long as he continues to meet the disability standards of that State plan.

Transfer status for recipients was authorized by the 1972 amendments to the Social Security Act. Before the SSI program was established, States exercised discretion in their definitions of permanent and total disability. As a result, some States had more inclusive definitions of disability than did others. To prevent hardships for persons eligible under State programs but not under SSI, the requirements of the new program were considered to be met if the individual remained continuously enrolled under SSI for that disability. If the disability were corrected and the recipient no longer received SSI payments, a subsequent return to the rolls would entail an evaluation based upon the uniform SSI standards.

Under SSI, special provisions are applicable to persons classified as alcoholics and drug addicts. A representative payee must be selected, and the SSI check is sent to this person. Treatment for alcoholism or drug addiction is also required if it is available. These provisions are effective only if the individual meets the definition of disability in the law and the alcoholism or drug addiction is a contributing factor to the disability. Persons who are aged 65 and over who are blind or disabled independently of the alcohol or drug addiction are not bound by these provisions.

### Findings of Earlier Study

This is the second study on the characteristics of alcoholics and drug addicts under the SSI program. An earlier study reported on such recipients who were receiving SSI

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