

REVIEW

Social Security (Third Edition). By ROBERT J. MYERS. Published by Richard D Irwin, Inc. Homewood Illinois. 1985. ISBN 0-256-03307-2. Price \$33.00.

Since the time when President Roosevelt signed the Social Security Act on 14 August 1935 the American system of Social Security has developed considerably. This revised edition of Robert Myers' standard textbook reflects the size and complexity of the current system in over 1,000 pages. A large part of this edition is concerned with Medicare. There are also comparisons made with the Social Security systems of other countries.

There is a problem with this book identified by the reviewer of the first edition (*J.I.A.* 103). It is rather unwieldy as a work of reference and it may be necessary for a reader to work through passages irrelevant to the user's particular interests. Some might wish for separate volumes to cover Pensions and Medicare. But there are two useful indexes and the style and presentation is readable. Indeed American actuarial students, both in the Society of Actuaries and the Casualty Actuarial Society, seem to like it as providing some variety among the reading for the earlier examinations which are otherwise more mathematical.

Parallels with the development of British Social Security are numerous in the accounts of how American public debates on pension questions were resolved. In 1956 the lower pension made available to women at age 62 was partly inspired by the thought that many women were about three years younger than their husbands who continued to have to wait until age 65 for a pension under the national scheme called OASDI—Old-Age, Survivors and Disability Insurance. Equalization of this benefit was later achieved in 1961 by making the same reduced pension available to men at age 62 while both sexes qualify for a full pension at age 65. The use of prices rather than an earnings index to revise pension benefits in the United States of America is another example of similar thinking in response to similar problems that have been a feature of the history of Social Security in the United Kingdom.

The section on 'Directions and Issues' makes fascinating reading. Several of the questions raised in this section touch on what is perhaps the biggest underlying issue in modern Social Security in the developed countries: "Should women be content with equalization within the context of a system of benefits designed for men or should they seek a radically different system designed with the needs of women explicitly in view?" The average benefit received by women from Social Security in the U.S.A. tends to be much lower than that received by men. Women make up the majority of those who are living alone on low incomes. Though the modifications made to Social Security in recent years have understandably been discussed at length it should be remembered that the basic structure of benefits and entitlements in relation to contributions paid as 'taxes' remains little changed since the original OASDI scheme was set up.

The wealth of the background to American pensions that this book provides might make it useful to a number of British actuaries.

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