changes in the overall price level. In order to minimize this bias, the expenditure weights would have to be revised annually or more often--an expensive undertaking. An alternative would be to update the market basket at five- or ten-year intervals, as is currently planned, to account for new products, quality changes, and longer-term trends that modify consumption patterns.

Standard Deduction

The size of the standard deduction used to adjust gross income in order to determine eligibility and benefits is indexed to a subindex of the CPI covering all items, less food. The use of the CPI-less-food index for this purpose evolved from changes made in 1977. Before the Food Stamp Act of 1977, low-income households were allowed to deduct a number of specific expenditures from their gross incomes for determining both eligibility and benefits. The 1977 legislation replaced these itemized deductions for expenditures with a standard deduction in order to simplify program administration. It was indexed in order to maintain the real value of the deduction as prices rose. The CPI-less-food was chosen for this purpose because the indexation of food prices was already explicitly reflected in the Thrifty Food Plan. Although the CPI-less-food is a specialized index, it is sufficiently broad that the issues attending its use are essentially the same as those that arise in the use of a general consumption index, discussed below.

Itemized Deductions

Income can also be adjusted to offset expenses for dependent care, or excessive or inordinate expenses for shelter and utility payments. These itemized deductions are limited, and the limit is indexed. 2/ The index used is the shelter, fuel, and other utilities component of the CPI-U.

2/ It should be noted that although at present the cap on dependent care and excess shelter costs is indexed, the Food Stamp Act Amendments of 1980 remove dependent care from the indexed category beginning in 1982, by setting a nonindexed $90 per month deduction for dependent care, with no ceiling on the shelter expense deduction for households with elderly persons.

Several issues arise in the use of the specialized index of shelter, fuel, and other utilities. The first is whether this is an appropriate measure for indexing dependent care. 3/ Dependent care expenses most likely consist of payments for baby-sitting, day care, or perhaps home nursing. Variations in the level of these costs would seem to be more closely related to the behavior of wage rates, or perhaps of the minimum wage, than to shelter costs.

Another issue is that the shelter subindex of the CPI contains the much-discussed homeownership measure as a component; this accounts for five-sixths of the relative importance of the shelter category. The current treatment of homeownership may have caused the CPI as a whole to overestimate the rise in the cost of living by several percentage points in the past few years, and the distortion in the shelter component alone would be more than three times as great. From a conceptual standpoint, it is questionable whether this is an appropriate measure. Can the target group of food stamp beneficiaries be assumed to be purchasing houses in the period in question? A USDA survey in 1978 of characteristics of food stamp recipients showed 76 percent as renters and another 8 percent as owning their homes outright. Eleven percent were making mortgage payments, but it is not known how many had purchased homes in the previous year. Thus, home purchase and financing costs refer to a very small fraction of food stamp beneficiaries.

GENERAL CONSUMPTION INDEXES

Poverty Level Eligibility Criterion

The Food Stamp Program is aimed at the low-income population and seeks to provide a more nutritious diet to those who might otherwise face some degree of malnutrition. Eligibility is based on the Office of Management and Budget's definition of the poverty level, which in turn is essentially based on the Census or Orshansky Poverty Level. Persons whose net incomes fall below the poverty level are eligible; those whose net incomes are higher are deemed not in need of food stamp benefits.

3/ The effect of an index change on benefit levels would be relatively small because only about 1 percent of caseload reports show dependent care costs at the cap amount.

Changes in the level of prices will obviously affect the meaning of the poverty level when it is defined in nominal dollars. Rising prices will lower the poverty level in real terms. It is therefore appropriate to adjust the level to rising prices. Otherwise inflation would cause a larger and larger segment of the low-income population to become ineligible.

If the indexes used are inappropriate, they will result in an eligibility criterion higher or lower than that which is desired. This will have two consequences. It will raise or lower the number of participants, and it will change the absolute level of living standards at the defined poverty level. To the extent that the CPI has exaggerated the true rise in the cost of living in recent years, it has raised the costs of the Food Stamp Program from what they otherwise would have been. The magnitude of this additional cost is not easy to measure, since it depends not only on the amount of exaggeration in the CPI but, because the index provision determines eligibility, upon the frequency distribution of incomes in the neighborhood of the defined poverty level. CBO estimates that, through its effect on the income criterion alone, a change in the CPI leading to a 1 percent upward revision in the net income criterion would increase the number of participants by 100,000 and raise the level of expenditures by $8.4 million in 1981. 4/

POLICY CHOICES FOR INDEXATION

The appropriate index can be chosen only after the purposes of indexation are made explicit. If the purpose of indexation is to set an absolute standard of consumption, then an index that accurately measures the change in a relevant set of prices is the appropriate measure.

Alternatively, fairness or equity considerations may be introduced. If the economy is burdened with an increase in energy costs, for example, fairness may dictate sharing that burden as widely as possible. Similarly, as productivity increases over

4/ This represents about 0.4 percent of participants and 0.1 percent of expenditures.

time, it may be desirable to share the gains--there being, in effect, a larger pie to divide up. This would mean adjusting benefits to a relative rather than an absolute standard of consumption.

Alternatives for Specialized Indexes

Thrifty Food Plan. Given the choice of the current Thrifty Food Plan, the present indexing method seems appropriate. It could be improved by more frequent updating, but ultimately the costs would outweigh the benefits. If in the future a CPI for the low-income population is created, then the food portion of that measure may be a suitable alternative if it is updated more frequently than the Thrifty Food Plan, and particularly if it takes into account the differences in retail outlets patronized by the low-income population. It seems likely that such a low-income CPI for food would be more suitable as an index than the current CPI-U for food. Aside from that, there is little on which one could base a prediction of future behavior of these indexes.

Standard Deduction. The CPI-less-food index used for the standard deduction has the same liabilities as the all-items CPI. These include the homeownership problem and the fixed weights, both of which have caused this measure to overestimate changes in the cost of living. The available alternatives are essentially the same as those for a general consumption measure, which are discussed in Chapter VII.

Itemized Deductions. If the Congress should desire to resume indexing the limit on the dependent care deduction, the alternatives would depend on the character of expenditures permitted under this provision. If the allowed expenditures were primarily for babysitting or child care, then the CPI measure for this item--which is based on movements of the minimum wage--could conceivably be made available as a separate series. Otherwise, a wage measure for service workers might be the most suitable alternative.

In the case of excess shelter costs, the CPI rent index would appear to be more appropriate than the CPI shelter index. It is difficult to justify the inclusion of current house prices and current mortgage rates, since changes in these prices do not affect renters or the owners of previously purchased homes.

Alternatives for Indexing the Poverty Level

The choices for indexing the poverty level are broadly of three types:

- a general measure of consumer prices that will correct some of the problems of the current CPI;
- the construction of a demographically based price index that takes into account the different purchasing patterns and points of purchase of low-income households; or
- new approaches to the indexing problem that modify its practice so that indexing provisions are not isolated from changes in real economic circumstances.

The choices within and among these categories will be affected by--as stated before--the goals of indexing eligibility requirements for the Food Stamp Program. These goals may be absolute ones that define a given cutoff level of income in terms of the ability to purchase a certain basket of goods, or relative ones that modify the cutoff level of income in line with changing economic circumstances as well as changing prices.

Currently the poverty level is indexed to a general consumption measure--the CPI. Because both the poverty level definition and a general consumption price measure are used separately or in combination in the majority of all indexed federal programs, the issues that arise are of broader relevance than just for the Food Stamp Program. Consequently, the indexation choices for a general consumption index are discussed in greater detail in a separate chapter (Chapter VII). There the major alternatives are compared and the trade-offs of advantages and disadvantages are evaluated.

CHAPTER VII. ALTERNATIVES TO THE CPI FOR A GENERAL CONSUMPTION INDEX

This concluding chapter deals with the issue of choosing a general indexation measure. The major alternative measures are listed and their relative advantages discussed. In addition new approaches to the indexing problem are suggested, and budgetary consequences surveyed.

The Present CPI

The present CPI has some advantages as a measure for indexation. These consist primarily in the fact that it is well publicized and widely recognized, and is built up from generally well-designed samples of price information. Indeed, other price measures such as the PCE indexes are based largely on detailed CPI data. It is only in recent years that the CPI's shortcomings have become a major issue because of their increased impact on the cost of federal transfer programs. While the distorting effect of the CPI as a measure of price change--discussed in Chapter V--may not continue at the same magnitude (or in the same direction) as in the recent past, it nevertheless has certain liabilities as a measure of appropriate spending levels for federal transfer programs.

Alternatives for a General Consumption Price Index

CPI X-1. This experimental measure differs from the present CPI in employing a rental equivalence proxy for homeownership costs. Although improvements should be made to the sample used to collect rental data, even in its current form it dramatically reduces the volatility and distortion stemming from the present measure of homeownership. In other respects, the CPI X-1 retains the benefits and shortcomings of the present CPI.

PCE Chain Index. The PCE chain index differs from the present CPI in using a rental equivalency proxy for shelter costs--as does the CPI X-1--and in its constantly updated market basket. A chain index appears more desirable than the alternatives of a fixed-weight PCE index or the PCE deflator--largely because of the tendency of the former to overestimate and of the latter to underestimate the actual rise in the cost of living.

The most common objection to the use of a PCE index is that the published numbers are subject to numerous revisions in subsequent years. This need not be an insurmountable barrier, however, since revisions occurring more than three months after the end of the period are normally small. Moreover, by calculating benefit adjustments from the index level instead of from changes in the index, these errors will not cumulate, since each year's adjustment of the index level takes into account any revision in a previous year's data.

GNP Measures. An alternative that would prevent rising import prices from serving as a basis for indexation would be to use GNP measures. Here the possibilities include the gross national product index which covers the entire domestic economy, the gross domestic business product index which covers just the private sector of the economy, and the private nonfarm index which excludes the agricultural sector. Each of these is available as a chain or fixed-weight measure in addition to its usual implicit deflator form.

Wage Measures. If equity considerations make relative standards a more important goal, the most useful recourse for indexing would be to a wage measure. 1/ The choice of a wage measure, however, depends, as in the case of price indexation, on the specific goal of indexation.

In order to measure changes in labor earnings, the index, as well as adjusting for hours worked, should take into account fringe benefits and also income taxes withheld. It should be broadly

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1/ Social Security benefits are adjusted on the basis of a general wage index in Argentina, Austria, Bolivia, France, West Germany, The Netherlands, and Peru. See Comparative Studies Staff, "Adjustment of Old-Age Benefits in Foreign Programs" Social Security Bulletin (forthcoming).

representative of all wages. Unfortunately, no one index has all of these characteristics. 2/

The three measures that come closest have the following characteristics:

- o The Employment Cost Index includes fringe benefits as well as wages, covers the private nonfarm sector, and adjusts for overtime hours in manufacturing and for shifts in relative unemployment in low-wage and high-wage industries. Some would consider the inclusion of fringe benefits a disadvantage.

- o The Average Hourly Earnings Index is similar to the Employment Cost Index except for its exclusion of fringe benefits.

- o The Spendable Earnings series is based on weekly earnings from which subtractions are made for estimated payroll taxes and income taxes paid by the average worker. Thus it is an after-tax measure, but no adjustment is made for shifts in the composition of employment and for overtime hours.

Thus, a choice between the Average Hourly Earnings Index and the Employment Cost Index revolves primarily on the question of whether to include fringe benefits. To choose the Spendable Earnings series would be to sacrifice the adjustment for composition shifts and overtime in favor of obtaining a measure of changes in after-tax or spendable earnings. The latter would allow federal benefits to be adjusted in line with variations in take-home pay. If payroll tax increases or income tax bracket creep caused a

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2/ Some would argue that certain elements--such as fringe benefits--should not be included. This argument is based on the fact that the bulk of fringe benefits counted in measures of employee compensation are employer payments of payroll taxes for social insurance. A rise in these taxes would, through indexation to employee compensation, feed right into higher federal benefits and create a need for further increases in payroll taxes. This kind of feedback mechanism would be avoided by using an hourly earnings measure.

reduction in real spendable earnings, this would be reflected in the level of benefits.

New Indexes

Another alternative would be to create demographic-specific price indexes that would reflect the consumption pattern of the target population of a program such as Food Stamps. This would involve certain costs. Although budgetary patterns classified by demographic characteristics are available from the 1972-1973 Consumer Expenditure Survey, appropriate information on points of purchase and item selection does not currently exist. Thus the construction of suitable CPIs for the poor or the elderly would require additional survey data. The desirability of such a survey would depend on the cost of undertaking it, together with the extent to which a new index would differ from the current collection of price measures. Questions would also arise as to which demographic groups should have their own indexes and whether, once created, such indexes should determine benefits, even when other indexes were higher. But such an idea is, in any case, an option for the future, not one that is available now.

New Approaches to the Indexing Problem

Several alternatives have been set forth in the public discussion of indexing that go beyond mere substitution of another index for the CPI. These approaches attempt to deal with the problem of financing benefit increases that result from external shocks such as oil price increases as well as with the issue of fairness that arises when benefits increase faster than wages. The first approach would put a cap on increases. The cap could be applied in two ways. Increases could be limited to a certain proportion of CPI changes, say 85 percent. It would reduce the costs of indexation considerably, but it has the disadvantage of being arbitrary. Alternatively, the cap could be applied in a discretionary way as is now done with the pay of federal workers. Here, an automatic increase can be superseded by a different proposal by the President, unless disapproved by the Congress. The advantage of this is flexibility. Prices change for different reasons, and it may not be good economic policy to index benefits to all price increases at all times. The other side of this coin is uncertainty on the part of beneficiaries about the future purchasing power of their benefits.

Another approach would be the switching proposal discussed in Chapters II and III. Escalation of federal benefits according to the rate of increase in wages or prices--whichever is lower--would aim at making indexing practices more equitable. Beneficiaries would not receive greater inflation protection than wage earners. It would also address the issue of financing rising benefit levels at a time when declining real wages retard the growth in tax revenues. Choices would have to be made among the wage and price measures discussed above. One drawback to the switching proposal is that--to the extent that switching actually occurs--it will cause a progressive reduction in real benefits, since the benefit increases will never exceed price increases and will sometimes be lower. This could be circumvented by a catch-up mechanism that would restore real benefits after real wages had regained their previous level.

Budgetary Implications of Modifying Indexing Procedures

Indexing with the current CPI has led to a significant overadjustment of benefit levels. For example, the divergence between the growth in the CPI and the PCE chain index from 1974 to the present amounts to a difference of 13.3 percentage points. Had the PCE index been in use during that time, federal expenditures in 1981 would be lower by some $11 billion.

Changing to another index at this time would not, however, guarantee budget savings in the long run. It would have done so in the short run only if implemented in time for the July 1981 adjustment of Social Security benefits. Much of the distortion in the CPI results from the excessive weight given to interest rates. The distortion will operate in reverse if there is a significant decline in interest rates. This suggests that it might be better not to make a change now, when the CPI may be near the peak of its distortion, but to wait for some of this distortion to be reversed. The trouble with this approach is that the timing and extent of such a change with the CPI is highly uncertain.

The switching proposal discussed earlier would not lead to savings unless wages continue to advance less rapidly than prices. A problem arises, however, when nominal wages are deflated with a CPI that exaggerates the change in living costs. This results in overdeflation, making real wage declines look bigger than they actually have been. By contrast, deflation of nominal wages by the PCE chain index shows the fall in real wages both in 1974-1975 and in 1979-1980 as less than half of that computed using the official CPI. The switching proposal would, however, serve as a sort of budgetary safety valve if the economy continued to suffer severe setbacks that prevented real growth.

Two other approaches would offer budget savings. The first would be the capping of increases, either by an arbitrary formula or through the discretionary approach that is now used with federal pay. The second would consist of steps to reduce the windfall benefits that are granted each year because of the cumulation of past measurement errors in the CPI. As mentioned above, this windfall will amount to $11 billion in 1981. Removal of all or part of this windfall would move beneficiaries to or toward the level of benefits they would be receiving if a change to a better index--such as the CPI X-1 or the PCE chain index--had been made back in 1975. Execution of this second approach would be quite simple, requiring only a one-time adjustment in benefit increases to bring them in line with what would have been provided by a more accurate measure. This could reduce the scheduled 1981 increase in benefits from around 11.2 percent to about 3 percent, saving about $16 billion in 1981 and 1982. Thereafter, straight indexation could be resumed, possibly with an improved index. Savings would continue to be generated in the long run, however, because subsequent upward adjustments would be made from a lower level of benefits. Many modifications of this approach are, of course, possible.

APPENDIXES

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APPENDIX A. A CATALOGUE OF INDEXED FEDERAL PROGRAMS

Tables A-1 and A-2 present summary information on federal programs containing explicit forms of indexation. Table A-1 presents essential information on each of the indexed entitlement programs: the type of provision being indexed, the index used, the timing of the adjustment, the enacting legislation, estimated outlays in fiscal year 1981, and an estimate of the current costs of a 1 percent change in the relevant index. Table A-2 presents the same information for nonentitlement programs containing explicit indexation provisions except that it does not include an estimate of the costs of a 1 percent change in the relevant index.

The definition of an indexed program and its classification as indexed or quasi-indexed is not straightforward in all cases. For example, Aid to Families with Dependent Children (AFDC) is a federal entitlement program that matches the funds spent by individual states. Although states have the option of indexing the benefit levels of this program, few have done so. Moreover, even for those states that have adopted indexing, state funding still is subject to an appropriation process. Consequently, AFDC obligations at the federal level (matching state funding) are thought to be virtually unaffected by formal indexation, and AFDC is not included in the list of indexed programs. On the other hand, the Federal Reserve Board Employees Retirement System is included because, although receiving nothing from the federal government directly, it is funded out of surpluses generated by Board activities that would otherwise be turned over to the federal government as revenues. Still another federal expenditure--outlays for unemployment insurance claims--increases with higher unemployment rates and also with rising wage levels, but this program is not included in the listing since the indexing is implicit rather than explicit.

A total of 26 programs is included in Table A-1, and 64 in Table A-2. In some cases, where programs fall under the same enacting law or are administered by the same agency and are indexed in a similar manner, they are grouped together for descriptive purposes.

The information contained in these tables was gathered from data compiled by the Office of Management and Budget, the Congressional Research Service, and individual government agencies.

TABLE A-1. INDEXED FEDERAL ENTITLEMENT PROGRAMS, OUTLAYS, AND COSTS OF INDEXATION, FISCAL YEAR 1981

Name of Program	Indexed Provision: Measure of Indexation	Indexed Provision: Timing of Adjustment	Legal Citation	Outlays	Costs of Indexation a/
Federal Old Age Survivors and Disability Insurance (OASDI) (Entitlement)	Initial benefit level: Computation of total covered earnings, a portion of which will be the amount paid back to the retiree in the form of monthly Social Security benefits, employs BLS wage index (annual avg. changes) & CPIW (1st. qtr. to 1st qtr.). Benefit COL Adjustment: Benefits are indexed to 1st qtr. to 1st qtr. changes in CPIW, provided the change is greater than 3%. b/	Annually, effective July 1.	Social Security Act as amended: Sec. 215 (a), (b), (i), Sec. 230	$140.117 billion	$1.401 billion
Supplemental Security Income Benefits (Entitlement)	Payment Standard (benefit paid to household with no income) indexed to COL increases in Social Security Benefits (CPIW, 1st qtr. to 1st qtr.)	Annually, effective July 1.	Social Security Act. Sec. 1617	$7.438 billion	$50.0 million c/

(Continued)

TABLE A-1 (Continued)

Name of Program	Indexed Provision: Measure of Indexation	Indexed Provision: Timing of Adjustment	Legal Citation	Outlays	Costs of Indexation a/
Civil Service Retirement System (Entitlement)	Benefits indexed to CPIW. June to December, December to June changes.	Semiannually, effective March 1, Sept. 1.	Title V, Sec. 8340 P.L. 94-440	$17.326 billion	$173.3 million
Railroad Retirement Benefits (Entitlement)	Three-tier benefit formula. First tier: Initial benefit level computed as in Social Security, using a BLS wage index (annual average changes) and CPIW (1st qtr. to 1st qtr.). Benefit COL Adjustment tied to Social Security cost-of-living adjustments (CPIW, 1st qtr. to 1st qtr.). Second tier: Benefits indexed to 32.5% of 1st qtr. to 1st qtr. change in CPIW. Third tier: unindexed.	Annually, effective July 1.	Railroad Act of 1974, Sec. 3(a)(1), 4(a)(1), 4(f)(4), 3(b)(2), 3(d), 3(j)	$5.296 billion	$40.0 million d/
Federal Reserve Board Employees' Retirement f/	Benefits indexed to CPIW. December to June, June to December changes.	Semiannually, effective March 1, Sept. 1.	e/	$4.4 million	$0.044 million

(Continued)

TABLE A-1 (Continued)

Name of Program	Indexed Provision: Measure of Indexation	Indexed Provision: Timing of Adjustment	Legal Citation	Outlays	Costs of Indexation a/
Federal Judiciary Survivors Benefits (Entitlement)	Survivors Benefits receive a 3% increase for each 5% increase in pay granted to active judges, with a 5% threshold.	Not applicable	Title 28, USC, Sec. 371-376	$1.7 million	$0.017 million
United States Presidents Pension (Entitlement)	Benefits indexed to increases in pay granted to heads of executive departments (executive level 1).	Not applicable	Title 3, USC, Chap. 2, Sec. 102	$0.209 million	$0.002 million
Veterans Pensions (Entitlement)	Benefits indexed to COL increases in Social Se-Security Benefits (CPIW, 1st qtr. to 1st qtr.).	Annually, effective July 1.	USC 38, Sec. 3112	$3.844 billion	$38.04 million
Military Retirement Pay (Entitlement)	Benefits indexed to CPIW. June to December, December to June changes.	Semi-annually, effective March 1, Sept.1 (legislation proposed for annual adjustments).	P.L. 94-440	$13.781 billion	$137.8 million

(Continued)

TABLE A-1 (Continued)

Name of Program	Indexed Provision: Measure of Indexation	Indexed Provision: Timing of Adjustment	Legal Citation	Outlays	Costs of Indexation a/
U.S. Coast Guard Retirement Pay (Entitlement)	Benefits indexed to CPIW. June to December, December to June changes.	Semi-annually, effective March 1, Sept. 1.	10 USC 1401(a)	$232 million	$2.32 million
Foreign Service Retirement and Disability Fund (Entitlement)	Benefits indexed to to CPIW. June to December, December to June changes.	Semi-annually, effective March 1, Sept. 1.	Foreign Service Act of 1946 as amended. 22 USC 1061-1121	$174 million	$1.74 million
CIA Retirement and Disability System (Entitlement)	Benefits indexed to CPIW. June to December, December to June changes.	Semi-annually, effective March 1, Sept. 1.	78 Stat. 1043, P.L. 88-643, Oct. 13, 1964. 50 USC 403 as amended.	Classified	

(Continued)

TABLE A-1 (Continued)

Name of Program	Indexed Provision: Measure of Indexation	Indexed Provision: Timing of Adjustment	Legal Citation	Outlays	Costs of Indexation a/
Department of Defense: Survivor Benefit Plan (SBP), Retired Serviceman's Family Protection Plan (RSFPP), Guaranteed Minimum, Inc. (GMI) (Entitlement)	Benefits for SBP, RSFPP indexed to increases in Military Retirement Pay (CPIW, June to December, December to June changes). Benefits for GMI indexed to increases in Veterans Pensions (CPIW, 1st qtr. to 1st qtr.).	SBP, RSFPP: semi-annually, effective March 1, Sept. 1. Proposed legislation: annual adjustments. GMI: annually, effective, July 1.	P.L. 95-397, P.L. 92-425, 86 Stat. 706, P.L. 94-496	$322 million	$3.22 million
Federal Employee Compensation Act (FECA) (Entitlement)	Benefits indexed to December to December changes in the CPIW.	Annual, effective March 1.	USC 8146(a)	$376 million	$3.76 million

(Continued)

TABLE A-1 (Continued)

	Indexed Provision				
Name of Program	Measure of Indexation	Timing of Adjustment	Legal Citation	Outlays	Costs of Indexation a/
H.H.S. Special Benefits for Disabled Coal Miners (Part B) (Entitlement)	Initial Benefit Level: level set at Federal Employee Compensation Act benefit levels which are indexed to December to December changes in the CPIW. Benefit COL Adjustment: benefits indexed to federal salary scales, as determined by the Federal Pay Comparability Program.	Initial pay levels set at indexed (FECA) level when payments begin. COL adjustments effective annually, beginning each fiscal year.	Federal Coal Mine Health and Safety Act of 1969, amended 1972	$1.057 billion	$10.6 million
D.O.L. Special Benefits for Disabled Miners (Part C) (Entitlement)	Initial Benefit Level: Level set to Federal Employee Compensation Act benefit levels, which are indexed to December to December changes in the CPIW. Benefit COL Adjustment: benefits indexed to federal salary scales,	Initial pay levels set at indexed (FECA) level when payments begin. COL adjustments effective annually, beginning	P.L. 91-173 as amended 1972	$922 million	$9.2 million

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