

Employee Benefits in State and Local Governments, 1994



U.S. Department of Labor
Bureau of Labor Statistics
May 1996

Bulletin 2477



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U.S. Department of Labor
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Bureau of Labor Statistics
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For sale by the U.S. Government Printing Office
Superintendent of Documents, Mail Stop: SSOP, Washington, DC 20402-9328
ISBN 0-16-048687-4

Preface

This bulletin presents results of a 1994 Bureau of Labor Statistics survey of the incidence and detailed provisions of selected employee benefit plans in State and local governments. The survey provides representative data for 15 million employees. A detailed description of the coverage and statistical procedures used in the survey appears in appendix A.

The State and local governments survey was first conducted in 1987; others followed in 1990 and 1992. Between 1979 and 1986, the survey provided benefits data on full-time employees in medium and large establishments, those with either 100 or 250 employees or more, depending on the industry; coverage in the services industries was limited. The 1987 survey examined benefits provided to full-time employees in State and local governments with 50 employees or more. In 1988 and 1989, expanded surveys of medium and large establishments covered full-time employees in establishments employing 100 workers or more in all private industries.

Beginning in 1990, the Employee Benefits Survey included both full-time and part-time employees in all private industries (regardless of employment) and State and local governments. Also in that year, the survey began covering small private establishments (those employing fewer than 100 workers). At the present time, small private establishments and State and local governments are surveyed in even-numbered years, and medium and large private establishments are surveyed in odd-numbered years.

The 1994 Employee Benefits Survey provides an expanded "survey highlights" section (chapter 1) with a number of key findings for major benefits, such as time-off benefits; disability benefits; medical, dental, and vision care; life insurance; and defined benefit pension and defined contribution plans. Individual chapters, with general information and details describing specific benefit provisions, include tables for the specified benefits.

Data for this bulletin were compiled and analyzed in the

Division of Occupational Pay and Employee Benefits Levels by Cathy Baker, Iris Diaz, Kenneth Elliott, Ann Foster, John Foster, Avy Graham, Robert Grant, Jake Kane, Jonathan Kelson, Natalie Kramer, Marc Kronson, James Moore, Laura Scofea, Patrick Seburn, Cynthia Thompson, Jerline Thompson, and Arthur Williams, under the direction of Allan Blostin, James Houff, and John Morton. Text was prepared for publication by Mahin Eslami. Computer programming and systems design were provided by Mary Constable, Mohamed Elzein, Aholivah Maier, Lien Nham, Pat O'Brien, and Cheryl Sims of the Division of Directly Collected Periodic Surveys, under the direction of Leslie Chappel. Thomas Kelly and Charlotte Mueller of the Statistical Methods Group (Office of Compensation and Working Conditions) were responsible for the sample design, nonresponse adjustments, sample error computations, and other statistical procedures, under the direction of Terry Burdette. Field work for the survey was directed by the Bureau's Assistant Regional Commissioners for Operations.

The public may access a wide range of Bureau of Labor Statistics data and information, including Employee Benefits Survey data, at <http://stats.bls.gov/blshome.html>, the Bureau's World Wide Web site. BLS data are also accessible on the Internet through Anonymous FTP or Gopher at: stats.bls.gov

Questions on the data in this publication should be referred to the staff of the Employee Benefits Survey at (202)606-6222. Material in this publication is in the public domain and, with appropriate credit, may be reproduced without permission. Sensory impaired individuals may obtain information in this publication upon request. Voice phone: (202) 606-STAT (7828); TDD phone: (202) 606-5897; TDD message referral phone: 1-800-326-2577.

Pictured on the cover of this bulletin is *Norman Rockwell Visits a Country School* by Norman Rockwell, (c) 1946, The Curtis Publishing Company.

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Chapter 1. Results of the 1994 Survey

Among the most frequently observed benefits provided by State and local governments to their full-time employees in 1994 were medical care, dental care, life insurance, defined benefit pension plans, holidays, vacations, and paid sick leave; each of these benefits was provided to the majority of full-time workers (table 1). In contrast, such benefits as paid family leave, personal leave, sickness and accident insurance, and long-term disability insurance were less prevalent among full-time workers.

Major highlights of the survey for full-time employees in State and local governments are reported later in this chapter. Detailed information on the provisions of the benefits studied appears in chapters 2-8. Incidence of employee benefits for selected characteristics, including part-time employment, are shown in chapter 9.

The Bureau's 1994 survey of State and local governments provides data on employee work schedules and develops information on the incidence and detailed characteristics of employee benefits paid for, at least in part, by the employer.¹ These benefits include holidays, vacations, and personal, funeral, jury-duty, military, family, and sick leave; sickness and accident, long-term disability, and life insurance; medical, dental, and vision care; and retirement plans. Because the survey data are limited to formal plans, this bulletin may understate the extent of such benefits as personal leave.

Data also are collected on the incidence of several other benefits, including severance pay, child-care assistance, wellness programs, employee assistance programs, and educational assistance. In addition, information was obtained on flexible benefits plans, reimbursement accounts, and unpaid family leave.

For the 1994 survey of benefits in State and local governments, BLS collected information for both full-time and part-time employees. Employees were classified as either full-time or part-time workers in accordance with their employers' practices. Part-time workers typically are scheduled to work fewer hours per week than full-time workers engaged in the same type of work activity. In addition, data

¹ There are a few exceptions to this general rule. The survey provides estimates on the availability of postretirement medical care and life insurance, dependent life insurance, supplemental life insurance, and long-term care insurance even if an employee or retiree must pay for such coverage fully. This is because the guarantee of insurability and availability of coverage at group premium rates can be considered a benefit. In addition, reimbursement accounts, salary reduction plans, and family leave plans are tabulated even if the employer bears no cost beyond administrative expenses.

were also collected on the incidence of employee benefits by type of government, union status, and broad geographic regions.

Work schedules, paid time off, and family leave

Fifty-seven percent of full-time employees had weekly work schedules of 40 hours, based on five 8-hour days. The remainder of the employees predominantly worked 7 or 7½ hours a day for 5 days a week. (See chapter 2.)

Paid vacations, provided to 2 out of 3 full-time employees, averaged 12 days after 1 year of service, 18 days after 10 years of service, and 23 days after 25 years of service. The vast majority of full-time employees (83 percent) covered by vacation plans were required to work a specified minimum period of time before being able to take a vacation. For about three-fifths of the covered workers, the minimum was 6 months or less. Four-fifths of the employees with vacations were allowed to carry over at least some of their unused vacation days into the following year; one-tenth could cash in some or all of their vacation days at the end of the year.

Data for other types of leave showed that:

- Three-fourths of the workers were provided paid holidays, with an average of 12 days per year;
- Three-fifths of workers were eligible for paid leave to attend funerals for family members (usually 3 to 5 days per occurrence); funeral leave was somewhat more common among blue-collar and service workers than among white-collar workers, including teachers;
- Virtually all workers were covered by jury duty leave, usually always on an as needed basis;
- Nearly two-fifths of the workers were provided paid personal leave, with the average being 3 days per year;
- Three-fourths of the workers were provided paid military leave, with an average of 14 days per year.

The Employee Benefits Survey measured the incidence of formal family leave benefits for the first time in 1994. Previously, the survey estimated parental leave generally in

the form of maternity and paternity leave. The passage of the Family and Medical Leave Act of 1993 created a Federal mandate for employers to provide employees with up to 12 weeks of unpaid leave for the birth or adoption of a child and family illness (employee, child, spouse, or parent). Generally, these provisions apply to employees with 1 year of service who work 1,250 hours during the year, and who work for an employer with 50 or more workers. There is no mandate to provide paid leave. In 1992, prior to passage of the Family and Medical Leave Act, 59 percent of full-time employees in State and local governments had unpaid maternity and 44 percent had paternity benefits available to them. In 1994 after passage, 93 percent had an unpaid family leave benefit. In both years, paid benefits were rare. Maximum benefits for State and local government workers covered by unpaid family leave in 1994 averaged between 6 and 7 months per occurrence.

There were pronounced differences in paid time-off benefits for teachers as compared with other white-collar employees and blue-collar and service employees. As a group, teachers were offered fewer vacations and holidays than other workers; one-tenth of teachers were provided with paid vacations, and one-third received paid holidays. This difference is because most teachers are employed on a 9- or 10-month basis, typically for a specified number of school days. Days not specified as school days are usually unpaid. In contrast, almost three-fifths of teachers had paid personal leave, compared with one-third of all other employees.

Disability benefits

Employees may be protected from loss of income during illnesses or injuries by short-term disability programs—sick leave and sickness and accident insurance—and long-term disability insurance. (See chapter 3.) In 1994, short-term disability protection was provided to 95 percent of full-time employees through sick leave, or sick leave and sickness and accident insurance. Few employees had sickness and accident insurance only. Virtually all of these employees were covered by paid sick leave, and one-fifth were also covered by sickness and accident insurance. However, teachers were less likely to be covered by combined sick leave and sickness and accident insurance than the other occupational groups. Long-term disability (LTD) insurance covered 30 percent of full-time employees; it was more prevalent among white-collar employees and teachers compared to blue-collar and service workers.

Survey data on paid sick leave indicate that nearly all covered workers were allowed a fixed number of paid sick days per year. The average amount of paid sick leave at full-pay did not vary much by length of service, nor by occupation group. Virtually all full-time employees covered by annual sick leave plans were allowed to carry over and accumulate unused sick leave from year to year, but two-fifths had limits on the amount of sick leave that could be carried over.

Twenty-one percent of all workers were covered by sickness and accident insurance, and among them:

- Three-fourths had their benefits fully paid by their employer;
- Nine of 10 had their benefits determined by a fixed percentage of earnings, usually 50, 60, or 67 percent; the remainder had their benefits defined as a flat dollar amount per week;
- Two of 5 had dollar maximums to their benefits, but 9 of 10 had no dollar minimums;
- For one-half, the onset of sickness and accident benefits was not coordinated with any sick leave benefits;
- For one-half, the duration of benefits was limited to 6 months per occurrence, or less;
- Nearly two-fifths had to meet an eligibility requirement, averaging about 8 months, before being able to join the plan.

Ninety percent of full-time workers with long-term disability insurance protection received their benefit as a fixed percent of predisability earnings, with benefit payments averaging nearly 62 percent of monthly pay. Seventy-two percent of workers with percent of earnings benefits were subject to a monthly dollar maximum, averaging about \$3,800 per month. Seventy-seven percent of participants were covered for mental illness disabilities and had their coverage wholly employer financed.

Health care

Medical care was among the most widespread benefits for full-time employees in State and local governments—87 percent of workers participated in such plans. Participation in medical plans varied little across occupational groups.

Other health-related benefits were less widespread—62 percent of full-time employees participated in a dental care plan, and 35 percent had vision care coverage. (See chapter 4.)

Between 1992 and 1994, both the percentage of workers contributing to medical plans and the amount of their monthly contributions continued to rise. About one-half (47 percent) of all medical care participants had to contribute to the cost of their individual coverage, a small increase over 1992 (43 percent). Seven-tenths paid at least part of the cost for family coverage, about the same as in 1992. When workers contributed, their fixed monthly premiums averaged \$30 for individual coverage and \$150 for family coverage—slightly higher than in 1992 for individual coverage (\$29) and \$11 more per month than in 1992 for family coverage (\$139).

Just over three-fifths (62 percent) of medical care participants were covered by plans other than traditional fee-for-service (indemnity) plans. Almost always, the non-traditional plans were health maintenance organizations (HMO's) or preferred provider organizations (PPO's). In 1992, the last time the State and local governments survey was conducted, 57 percent of participants were enrolled in non-traditional plans. The remainder of the participants in both years were in traditional fee-for-service plans. In 1994, HMO's covered 30 percent of full-time workers with medical care benefits while PPO's covered another 30 percent.

Selected medical services in medical plans included the following:

- Virtually all participants had coverage for hospital room and board, physicians visits and surgery both in and out of the hospital, and x-ray and laboratory services;
- Over four-fifths of participants had coverage for alternatives to hospitalization, such as stays in an extended care facility and home health care; these two alternatives to hospitalization were more often covered under HMO's than non-HMO's;
- Three-fifths of participants had coverage for hospice care, another alternative to hospitalization;

Non-HMO and HMO plan provisions differed in how they covered, or paid the expenses for medical services, including the following:

- Under non-HMO's, most services are subject to major medical deductibles and coinsurance requirements before any benefits are received; services for which at least three-fifths of the participants had coverage subject to major medical limits only were: inpatient surgery (71 percent), outpatient surgery (67 percent), inpatient physician visits (69 percent), office physician visits (61 percent), and diagnostic x-rays and laboratory services (66 percent);
- About one-half (52 percent) of the non-HMO participants had hospital room and board coverage subject to only major medical limits; full coverage was virtually non-existent for hospitalization in non-HMO's;
- Under HMO's, most of the aforementioned services are generally covered in full—hospital room and board (for 85 percent), inpatient surgery (96 percent), outpatient surgery (78 percent), inpatient physician visits (96 percent), and diagnostic x-rays and laboratory services (97 percent);

- Office physician visits is the one service under HMO's where coverage in full is uncommon (19 percent); the individual is usually subject to a copayment per visit, most commonly \$5 or \$10;
- While home health care is generally covered in full for participants under HMO's, coverage in full is rare under non-HMO's.

Specific major medical plan limitations included the following:

- The percentage of expenses paid by the plan varied between traditional fee-for-service plans (generally 80 percent) and PPO's (frequently, 90 percent);
- Seven out of 8 participants in non-HMO plans were subject to an annual individual deductible; the average was \$186;
- Seven out of 8 participants in non-HMO plans had an individual limit on out-of-pocket expenses; the average was \$941;
- Three out of 4 non-HMO participants had a lifetime maximum apply to their benefits, the majority of the time, \$1,000,000; 6 percent had ceilings above \$1,000,000.

Prescription drug coverage was provided to about 9 out of 10 participants in medical care plans. Payment provisions and other features of prescription drug coverage included the following:

- Three-fifths of non-HMO participants with brand-name prescription drug coverage were subject to one or more of the plan's major medical limitations (deductible, coinsurance, plan maximum);
- Just under nine-tenths of HMO participants had to pay a copayment per prescription, most commonly \$5 or \$10;
- Nearly two-fifths of all prescription drug participants received higher reimbursement for obtaining generic rather than brand name prescriptions;
- Three-tenths of the prescription drug participants were in plans with coverage for mail order drug programs.

Though available to nearly all medical plan participants, mental health coverage and alcohol and drug abuse treatment benefits had more restrictions than other ailments. Of the medical plan participants with mental health benefits,

9 out of 10 had more restrictive hospital coverage for mental illness than for other ailments. Coverage was even more restrictive for mental health care outside of the hospital. Similarly, for about 9 out of 10 participants, inpatient and outpatient alcohol rehabilitation were covered in a more restrictive fashion than other illnesses. It was somewhat less likely (for 68 percent of participants) for inpatient alcohol detoxification to be treated differently than other types of care.

A variety of managed care features were included in medical care plans. Seven out of 10 workers covered by non-HMO plans had to get preadmission certification before entering the hospital; about three-tenths of participants were required to get second surgical opinions in order to maintain full benefits. Seven out of 8 PPO participants were in plans that paid higher coinsurance rates for using PPO network providers. The coinsurance incentive was 20 percentage points or more for one-half of PPO participants. Nine out of 10 PPO participants had more generous hospital room and board coverage if care was received at specified hospitals. Three out of 8 PPO participants had more liberal prescription drug benefits from participating pharmacies.

Other features of medical plans revealed the following:

- About 3 out of 5 non-HMO participants were subject to a "pre-existing condition" clause upon joining the plan;
- Three out of 4 participants were in plans that provided medical care coverage after retirement; 1 out of 7 were in plans where retiree coverage was fully employer paid.

Among dental care plan participants (62 percent of all workers), the following services and limitations were noted:

- Virtually all had coverage for preventive and restorative dental procedures (such as exams and crowns), and just under seven-tenths had coverage for orthodontia;
- The most predominant way dental services were covered was through a percent of usual, customary, and reasonable charge; at least two-thirds of participants were covered by this method of payment for each dental service;
- One-third had to contribute toward the cost of their individual coverage, while almost three-fifths had to contribute to their family coverage;
- One-half of dental care participants were required to get preauthorization for treatment, most often for expenses of \$200 or more;

- One-half were in plans that specified an individual deductible amount before any benefits were paid by the plan, nearly always \$25 or \$50 per year; One-third had both an individual and family deductible specified;
- Four-fifths were in plans that specified an annual maximum benefit, most often \$1,000 per year;
- Four-fifths of participants with orthodontic services had a separate lifetime maximum benefit for those services, most often \$1,000 or \$1,500.

Data for vision care plan participants (35 percent of all workers) revealed the following:

- All participants had coverage for eyeglasses and, with few exceptions, for eye examinations and for contact lenses;
- The overwhelming majority of vision participants had their coverage subject to limitations; the most common type of limitation for examinations and eyeglasses was a copayment, and for contact lenses, a scheduled dollar allowance.

Life insurance

Life insurance protection was available to 87 percent of full-time employees in State and local governments in 1994. (See chapter 5.) These governments paid the full cost of basic life insurance for 7 out of 8 full-time employees with the benefit. Life insurance benefits for full-time employees included the following:

- Three-fifths of participants had a flat dollar amount of insurance; the average flat dollar amount was just over \$17,500;
- Two-fifths of participants were covered by a multiple-of-earnings formula, that averaged almost 2 times earnings;
- Just over one-half had life insurance benefits supplementing their basic benefit; the employee almost always paid the full cost of supplemental life insurance;
- Nearly one-half had dependent life insurance protection; three-fourths of whom had to pay the full cost of coverage;
- Nearly one-half were in plans that continued coverage after retirement.

Accidental death and dismemberment insurance was available to 56 percent of full-time employees. This insurance provides additional benefits if a worker dies, or loses an eye or a limb in an accident.

Defined benefit and defined contribution plans

Nearly all (96 percent) full-time workers in State and local governments were covered by at least one retirement plan. Defined benefit plans, which specify a formula for determining future retirement benefits, were widely available, covering 91 percent of full-time employees. (See chapter 6.)

Key findings for defined benefit plan participants and their plans included the following:

- Virtually all participants had plans with benefit formulas based on earnings during the final years of employment (terminal-earnings formulas), such as the last 3 consecutive years;
- Terminal-earnings formulas, which typically provide participants with a flat percent of earnings per year of service, had rates averaging 1.9 percent for all full-time participants in 1994, unchanged since the first government survey was conducted in 1987;
- Four percent of defined benefit participants had benefits coordinated with Social Security; unlike the private sector where nearly all workers are covered by Social Security, 24 percent of participants in the public sector were not covered by Social Security;
- 2 of 3 covered workers could retire at age 55 or earlier with unreduced benefits, usually after 30 years of service;
- Nearly three-fourths of all participants were required to contribute—usually on a pretax basis—to their defined benefit pension plans; most of these employees paid a flat percent of earnings, averaging 5.9 percent;
- 9 of 10 pension plan participants were covered by some type of disability retirement, commonly with provisions for immediate unreduced benefits;
- 47 percent of pension plan participants were required to work 5 years to become vested (have a guaranteed right to their accrued pension benefits); another 43 percent were fully vested after 10 years;
- 3 of 5 pension plan participants were in plans that increased pensions for current retirees at least once during the 1989-93 period; most increases were automatic cost-of-living increases.

For the first time the Employee Benefits Survey measured the incidence of survivor benefits for children. Only 10 percent of participants were in plans that provide survivor benefits for children, usually after the retiree with no surviving spouse dies.

The ability of government employees covered under State-sponsored defined benefit plans to purchase credits for prior service in another State was also measured for the first time in 1994. Just over one-half of employees covered under a State-sponsored pension plan could purchase such credits to use in determining pension benefits.

Using government defined benefit pension formulas reported in the 1994 survey, straight-life annuity replacement rates (those based on periodic payments that cease when the retiree dies) were calculated for specified earnings levels and service periods at selected ages. For example, based on 30 years of plan participation and a final salary of \$35,000, an employee retiring at age 55, when no Social Security benefits are available, could expect an average benefit equal to 49 percent of final salary. In contrast, at age 65, the average pension equaled 54 percent of final salary, and 81 percent when primary Social Security payments were included. (See tables 140-143.)

Other major findings include:

- Pension replacement rates in the public sector vary only slightly as final earnings increase; because government defined benefit formulas were almost entirely based on a percent of earnings, pension replacement rates remain fairly constant at various earnings levels but increase only as years of service increase;
- Generally, replacement rates decline for workers retiring at younger ages; however, differences are not substantial because of the high incidence of government employees eligible to retire and receive unreduced benefits at age 55 or earlier;
- Employees who are not covered by Social Security have significantly different replacement rates under employer-sponsored pension plans than those who are; for example, a government employee age 65 with 30 years of service, final earnings of \$35,000, and no Social Security coverage had 63 percent of earnings replaced, while the same employee with Social Security coverage had 51 percent of earnings replaced by the employer's pension plan, but received an additional 36 percent of income when Social Security payments were included in the replacement rates.

Replacement rates were also calculated to account for pension benefits provided to a surviving spouse. The following estimates reflect the reduction to the retiree's

straight-life annuity replacement rate (that with no survivor protection) for the joint-and-survivor benefit option and the subsequent survivor annuity after 30 years of plan participation and a final salary of \$35,000. As with the replacement rates for basic annuities, the replacement rates for survivor benefits did not vary significantly by final salary.

Age	Straight-life annuity	Joint-and-survivor annuity	Survivor annuity
55	48.6	43.8	23.0
60	52.1	47.0	24.8
62	53.1	47.8	25.2
65	53.8	48.5	25.6

The most frequently observed types of defined contribution plans were money purchase pension plans, where fixed contributions are periodically placed in an employee's account and benefits are based on how much money has accumulated at retirement. Money purchase plans covered 7 percent of employees. Savings and thrift plans, in which an employee voluntarily contributes funds and the employer matches some or all of the employee's contributions, covered 2 percent of employees.

Most of the employees enrolled in defined contribution plans were allowed to contribute a portion of their salary to an employer-sponsored plan and defer income taxes until withdrawal. These salary reduction arrangements, authorized under several sections of the Internal Revenue Code, usually incorporated employer contributions. Another 17 percent were in plans that permitted employees to defer a portion of their salary to a retirement account, but employers made no contributions.

Reimbursement accounts and flexible benefits plans

Reimbursement accounts allow employees to use pretax dollars to pay for certain expenses not otherwise covered by employer-sponsored benefit plans (for example, employee premium costs and plan deductibles). About two-thirds of full-time employees were covered by employer-sponsored reimbursement accounts.

- Three-fourths of employees covered by reimbursement accounts could use them to pay for health plan premiums, one-fourth could use them only to pay for health plan premiums;
- Just over one-half of employees with these reimbursement accounts could allocate funds for medical care deductibles, coinsurances, and other health expenses not covered by their medical plan;
- Seven-tenths of covered employees could allocate funds for dependent care expenses.

Employees in State and local governments occasionally received their benefits as part of a package, complete with options. These benefit packages are known as flexible benefits or cafeteria plans. (See chapter 8.) Only 5 percent of full-time employees had flexible benefits plans.

Other benefits

In addition to the major benefits just described, the survey estimated the incidence of 14 other benefits (tables 3-4). These data show the percent of workers *eligible* for a specific benefit, but not the proportion of employees actually taking advantage of that benefit. For example:

- About two-thirds were eligible for job-related educational assistance; only one-fifth were eligible for non-job-related educational assistance;
- One-third were eligible to be in employee wellness programs, two-thirds for employee assistance programs;
- Such benefits as long-term care insurance, and child care benefits, were offered to less than 1 out of 10 workers.

Plan administration

The survey also explored how insurance and retirement benefits were administered and sponsored.

Although full-time employees of State governments constituted just over one-quarter of the surveyed workforce, the proportion of workers in State-administered plans was higher than in locally-administered plans for many benefits (table 5). In many instances, local government employees participated in statewide insurance or retirement plans. However, plan sponsorship varied significantly from benefit to benefit, as shown in the following:

- Three-fifths of medical care and life insurance participants overall, were in plans sponsored by a local government; teachers were much more likely to be in a locally-sponsored plan than were other white-collar workers, and blue-collar and service workers;
- Three-fifths of sickness and accident insurance participants were in State-sponsored plans, as were just over one-half of long-term disability insurance participants;
- However, nine-tenths of participants in defined benefit pension plans were covered by State-sponsored plans; such plans were the most prevalent because local governments often provided retirement benefits through State-administered plans.

The frequency of required employee contributions to benefit plan costs, varied by benefit and other factors (table 6). For example, employee contributions were most often required for defined benefit pension and for family medical care coverage. Nearly three-fourths of defined benefit pension plan participants were required to contribute toward

the cost of their plan. A similar number of medical care plan participants were required to contribute toward the cost of family coverage. Conversely three-fourths of employees paid nothing for their long-term disability insurance, and even more paid nothing for their basic life insurance.

A Note on the Tables

The majority of the tables presented throughout this bulletin indicate the percent of all employees, or of a selected group of employees, covered by particular benefits and benefit features. Understanding the group of employees about whom data are being presented is the key to using these tables; this information is contained in the first row of each table. Some tables indicate the percent of all employees covered by the survey who have a certain benefit; other tables show the percent of employees covered by a certain benefit who have a certain plan feature. Rows where there are no participants reported are deleted from the tables.

For example, table 1 indicates that 87 percent of all full-time employees were covered by a medical care plan. In chapter 4, most of the tables present data on the percent of workers with medical care who have certain provisions. Workers with medical care equal 100 percent in these tables, with smaller percentages indicating the availability of plan features. For example, in table 56, 100 percent refers to those workers with medical care plans, and 38 percent indicates those workers with medical care covered by a fee-for-service plan.

Another type of table estimate presented throughout the bulletin displays average benefit values rather than percentages of workers. These averages are presented for all covered workers; averages exclude workers without the plan provision.

The methods used to calculate the average number of paid holidays (table 9) have been revised from those used in the 1990 and 1992 surveys of State and local governments which overestimated the averages. In 1994, partial holidays are counted in the average more precisely. Overall, the 1994 average number of paid holidays is between 2 and 3 days less than in the earlier years.

Appendix A discusses all of these data calculations in more detail.

Table 1. Summary: Participation¹ in selected employee benefit programs, full-time employees, State and local governments, 1994 (In percent)

Benefit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees	Benefit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Paid time off:					Health care benefits:				
Holidays	73	86	33	91	Medical care	87	89	84	86
Vacations	66	84	9	91	Dental care	62	62	59	66
Personal leave	38	30	58	31	Vision care	35	36	30	37
Funeral leave	62	59	58	70	Outpatient prescription drug coverage	86	89	84	84
Jury duty leave	94	94	94	93					
Military leave	75	80	61	82	Retirement income benefits:				
Family leave	4	4	3	6	All retirement ²	96	96	97	95
Unpaid family leave	93	93	96	90	Defined benefit	91	90	93	91
Disability benefits:					Defined contribution ³	9	10	7	9
Short-term disability protection	95	94	97	96	Savings and thrift	2	3	1	2
Paid sick leave	94	93	96	94	Money purchase pension	7	7	5	7
Sickness and accident insurance	21	24	11	26					
Long-term disability insurance	30	31	37	23	Cash or deferred arrangements:				
Survivor benefits:					With employer contributions	7	8	5	8
Life insurance	87	87	85	87	Salary reduction	2	3	1	2
Accidental death and dismemberment	56	55	53	59	Savings and thrift	2	3	1	2
Survivor income benefits	2	1	3	2	Money purchase pension	(⁴)	(⁴)	(⁴)	(⁴)
					Other ⁵	5	5	3	6
					No employer contributions	17	18	18	16

¹ Participants are workers covered by a paid time off, insurance, or retirement plan. Employees subject to a minimum service requirement before they are eligible for benefit coverage are counted as participants even if they have not met the requirement at the time of the survey. If employees are required to pay part of the cost of a benefit, only those who elect the coverage and pay their share are counted as participants. Benefits for which the employee must pay the full premium are outside the scope of the survey. Only current employees are counted as participants; retirees are excluded.

² Includes defined benefit pension plans and defined contribution re-

tirement plans. The total is less than the sum of the individual items because many employees participated in both types of plans.

³ Includes defined contribution plans not shown separately.

⁴ Less than 0.5 percent.

⁵ Includes required contributions made to money purchase pension plans on a pretax basis.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 2. Summary: Participation¹ in selected employee benefit programs, full-time employees, State and local governments, 1994

Benefit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Total number of employees	12,906,955	5,712,953	3,429,146	3,764,856
Paid time off:				
Holidays	9,483,903	4,931,321	1,125,128	3,427,453
Vacations	8,504,034	4,777,184	313,243	3,413,608
Personal leave	4,886,312	1,717,768	1,990,134	1,178,410
Funeral leave	7,982,290	3,366,873	1,994,758	2,620,659
Jury duty leave	12,103,184	5,360,727	3,236,966	3,505,490
Military leave	9,714,366	4,570,193	2,075,261	3,068,913
Family leave	538,730	213,304	116,684	208,743
Unpaid family leave	11,983,235	5,312,407	3,287,523	3,383,304
Disability benefits:				
Short-term disability protection	12,307,629	5,381,640	3,324,507	3,601,482
Paid sick leave	12,153,840	5,307,479	3,306,693	3,539,668
Sickness and accident insurance	2,702,469	1,343,430	392,805	966,233
Long-term disability insurance	3,879,563	1,749,901	1,258,828	870,834
Survivor benefits:				
Life insurance	11,193,860	4,982,778	2,922,392	3,288,690
Accidental death and dismemberment	7,166,633	3,126,818	1,834,104	2,205,711
Survivor income benefits	208,105	55,820	88,889	63,396
Health care benefits:				
Medical care	11,191,724	5,094,047	2,865,857	3,231,820
Dental care	8,041,306	3,546,279	2,018,057	2,476,971
Vision care	4,506,311	2,083,680	1,021,290	1,401,340
Outpatient prescription drug coverage	11,146,754	5,099,448	2,897,515	3,149,791
Retirement income benefits:				
All retirement ²	12,407,771	5,491,355	3,331,050	3,585,366
Defined benefit	11,708,319	5,115,332	3,185,193	3,407,794
Defined contribution ³	1,180,386	576,225	255,171	348,990
Savings and thrift	237,042	143,758	34,079	59,204
Money purchase pension	868,858	414,469	182,666	271,722
Cash or deferred arrangements:				
With employer contributions	872,467	431,198	154,452	286,817
Salary reduction	276,460	169,743	42,382	64,335
Savings and thrift	237,042	143,758	34,079	59,204
Money purchase pension	39,418	25,985	8,302	5,131
Other ⁴	596,008	261,455	112,071	222,482
No employer contributions	2,226,909	1,012,462	611,903	602,543

¹ Participants are workers covered by a paid time off, insurance, or retirement plan. Employees subject to a minimum service requirement before they are eligible for benefit coverage are counted as participants even if they have not met the requirement at the time of the survey. If employees are required to pay part of the cost of a benefit, only those who elect the coverage and pay their share are counted as participants. Benefits for which the employee must pay the full premium are outside the scope of the survey. Only current employees are counted as participants; retirees are excluded.

² Includes defined benefit pension plans and defined contribution

retirement plans. The total is less than the sum of the individual items because many employees participated in both types of plans.

³ Includes defined contribution plans not shown separately.

⁴ Includes required contributions made to money purchase pension plans on a pretax basis.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 3. Other benefits: Eligibility for specified benefits, full-time employees, State and local governments, 1994 (in percent)

Benefit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Income continuation plans:				
Severance pay	29	26	32	32
Supplemental unemployment benefits	(¹)	(¹)	-	(¹)
Family benefits:				
Employer assistance for child care	9	11	5	9
Employer provided funds	3	3	1	5
On-site child care	5	6	4	3
Off-site child care	2	3	(¹)	3
Long-term care insurance	4	5	2	3
Health promotion programs:				
Wellness programs	34	38	29	32
Employee assistance programs	68	73	55	74
Miscellaneous benefits:				
Employer-subsidized recreation facilities	14	13	19	13
Job-related travel accident insurance	13	13	14	12
Nonproduction bonuses	34	40	17	41
Financial counseling	6	7	6	4
Subsidized commuting	7	8	4	9
Sabbatical leave	27	19	59	9
Education assistance:				
Job-related	64	69	51	66
Not job-related	20	22	15	20
Flexible benefit plans	5	5	7	3
Reimbursement accounts	64	68	59	61

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 4. Other benefits: Eligibility for specified benefits, full-time employees, State and local governments, 1994

Benefit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Total number of employees	12,906,955	5,712,953	3,429,146	3,764,856
Income continuation plans:				
Severance pay	3,800,265	1,504,477	1,106,959	1,188,829
Supplemental unemployment benefits	34,868	19,943	-	14,925
Family benefits:				
Employer assistance for child care	1,166,128	645,858	185,896	334,374
Employer provided funds	358,114	156,196	29,086	172,832
On-site child care	593,078	354,881	140,482	97,714
Off-site child care	288,590	178,419	2,082	108,088
Long-term care insurance	463,161	290,662	59,453	113,046
Health promotion programs:				
Wellness programs	4,349,446	2,161,824	979,484	1,208,138
Employee assistance programs	8,810,073	4,146,414	1,869,679	2,793,981
Miscellaneous benefits:				
Employer-subsidized recreation facilities	1,862,396	731,894	657,845	472,657
Job-related travel accident insurance	1,655,590	730,546	474,484	450,560
Nonproduction bonuses	4,422,011	2,288,545	580,208	1,553,257
Financial counseling	732,983	383,498	212,369	137,117
Subsidized commuting	890,020	432,643	131,415	325,961
Sabbatical leave	3,422,898	1,058,654	2,038,456	325,788
Education assistance:				
Job-related	8,204,595	3,966,098	1,746,986	2,491,511
Not job-related	2,568,921	1,277,111	522,459	769,352
Flexible benefit plans	612,023	266,444	225,931	119,648
Reimbursement accounts	8,208,401	3,894,981	2,032,593	2,280,827

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

**Table 5. Plan administration: Type of plan sponsor for selected employee benefit programs, full-time employees, State and local governments, 1994
(In percent)**

Plan sponsor	Medical care	Life insurance	Sickness and accident insurance	Long-term disability insurance	Defined benefit pension
All participants					
Total	100	100	100	100	100
State government	41	40	62	52	89
Local government	58	59	35	48	10
Other ¹	1	1	3	(²)	2
White-collar, except teachers					
Total	100	100	100	100	100
State government	48	46	66	54	91
Local government	51	54	33	45	8
Other ¹	1	1	2	(²)	1
Teachers					
Total	100	100	100	100	100
State government	29	37	62	52	93
Local government	71	63	38	48	5
Other ¹	(²)	-	-	-	2
Blue-collar and service					
Total	100	100	100	100	100
State government	42	34	58	47	82
Local government	57	65	37	53	16
Other ¹	1	2	5	(²)	2

¹ Governments contribute to union-sponsored trust funds which provide benefits.

² Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 6. Plan financing: Source of contributions for selected employee benefit programs, full-time employees, State and local governments, 1994 (In percent)

Plan financing	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Medical care for employees	100	100	100	100
Wholly employer financed	49	48	52	48
Partly employer financed	47	49	44	48
Not determinable	3	3	3	4
Medical care for family	100	100	100	100
Wholly employer financed	22	20	27	21
Partly employer financed	71	74	65	72
Not determinable	7	6	8	7
Dental care for employees	100	100	100	100
Wholly employer financed	63	64	62	63
Partly employer financed	34	33	34	36
Not determinable	2	2	4	1
Dental care for family	100	100	100	100
Wholly employer financed	38	38	37	40
Partly employer financed	56	57	54	57
Not determinable	6	5	10	3
Life insurance	100	100	100	100
Wholly employer financed	86	85	85	88
Partly employer financed	14	15	15	12
Sickness and accident insurance	100	100	100	100
Wholly employer financed	76	72	86	79
Partly employer financed	24	28	14	21
Not determinable	(¹)	-	(¹)	(¹)
Long-term disability insurance	100	100	100	100
Wholly employer financed	77	77	77	79
Partly employer financed	22	23	22	21
Not determinable	(¹)	-	(¹)	-
Defined benefit pension	100	100	100	100
Wholly employer financed	28	30	20	31
Partly employer financed	72	70	80	69

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Chapter 2. Work Schedules, Paid Time Off, and Family Leave

The majority of full-time government employees work a 40-hour week. Time off with pay is available to employees in several different forms—from a few days of personal leave to annual vacations of several weeks. The EBS covers the following paid time-off benefits: Holidays and vacations; and personal, funeral, jury-duty, and military leave. Paid and unpaid family leave are also surveyed. (Information on paid sick leave is discussed under Disability Benefits and appears in chapter 3.)

Work schedules

Weekly work schedules of 40 hours are predominant among the full-time employees covered by the Employee Benefits Survey of State and local governments. However, alternatives, such as 35 to 37½ hours per week, are found among white-collar workers, including most teachers. A large majority of the full-time government workforce, except teachers, is scheduled to work five 8-hour days (table 7).

Only a small number of workers studied have formal flexible work arrangements, which give employees the opportunity to begin and end work within a range of hours (table 8). Limits on the amount of flexibility vary from plan to plan but, generally, employees have to be at work during midday core hours. White-collar workers, except teachers, and blue-collar and service workers are more likely to have flexible work schedules than are teachers.

Some teachers have non-fixed work schedules. This group, consisting of college and university-level instructors, are not required to work a set number of hours. Instead, they work the hours necessary to complete their duties, including classroom instruction, research, and office hours.

Another small group of government workers, primarily blue-collar and service employees, are required to work rotating work schedules. These schedules characteristically require long shifts of 10 to 24 hours followed by several shifts off. Such schedules are prevalent for occupations, such as police and firefighters, where operations are continuous.

Paid time off

Paid holidays. Paid holidays, commonly 10 to 13 days per year, are provided to a large majority of full-time employees. For most teachers, however, school holidays are not included in the fixed number of days they are employed

over a 9- or 10-month contract, and are therefore not designated as paid holidays. Floating holidays and “personal holidays,” such as employee birthdays, are included in the holiday plans reported (tables 9-11).

Paid holidays generally commemorate patriotic, cultural, or religious events. Among the paid holidays are:

- New Year's Day;
- Memorial Day;
- Independence Day;
- Labor Day;
- Thanksgiving Day; and
- Christmas Day.

Employers may provide additional days for some holidays, such as the day after Thanksgiving.

When a holiday falls on a scheduled day off, such as a Saturday or Sunday, another day off is regularly granted to most employees receiving paid holidays. The remaining workers usually receive either another day off or an additional day's pay, depending on when the holiday falls.

Paid vacations. Paid vacations are provided to a majority of full-time employees in State and local governments (table 12). The incidence among teachers is rare because most are employed on a 9- or 10-month schedule. Common vacation pay provisions for all employees are 10 days at 1 year of service, 15 days at 5 years, 15 to 20 days at 10 years, and 20 to 25 days at 20 years or more. Plans covering white-collar employees, except teachers, on average, are slightly more generous than those for blue-collar and service employees at earlier lengths of service, but this difference is reduced as years of service increase.

In cases when holiday, vacation, sick, or personal leave are combined under one leave category and can not be shown separately, the total amount of leave is reported as vacation time. For State and local governments, this practice was relatively rare. These consolidated leave plans or “leave banks” have been adopted by a number of establishments, most notably those that must always remain open, such as hospitals and nursing homes. Virtually all employees receive their regular salaries or earnings during vacation periods.

A large majority of vacation plans require workers to complete a specified period of time before being able to take a vacation (table 13). The most prevalent length-of-service requirements are 1 month, 6 months, or 1 year.

The survey also examines carryover and cash-in provi-

sions for unused vacation time (tables 14-15). Full-time workers are usually allowed to carry over at least some of their unused vacation days into the next year; others can cash in some or all of their vacation days at the end of the year. Workers without carryover and cash-in coverage lose unused vacation days at the end of the year. White-collar workers, except teachers, are somewhat more likely to have carryover provisions than blue-collar and service workers.

Paid personal leave. State and local governments often provide formal personal leave (table 16). Unlike the other occupational groups, a majority of teachers receive personal leave. Such leave allows employees to be absent from work with pay for a variety of reasons not covered by other specific leave plans. Most commonly, employees provided personal leave are eligible for 1 to 5 days per year. A few employees are provided as much personal leave as needed.

Paid funeral leave, jury-duty leave, and military leave. A majority of full-time workers are eligible for paid leave to attend funerals of family members (table 17). Eligible employees usually receive a set number of days, such as 3 days, per occurrence. However, some plans vary the number of days off by family relationship to the deceased. For example, a plan may provide 3 days off for the death of a spouse, parent, or child, and 1 day off for the death of other relatives. For employees who do not have a funeral leave plan, some employers may provide an informal benefit or allow employees to use other types of paid leave, such as paid sick leave days, to attend a funeral.

A vast majority of workers are eligible for paid leave while serving as a juror (table 18). Paid time off for jury duty is usually provided "as needed"; employer payments commonly make up the difference between the employee's

regular pay and the court's jury allowance.

Military leave, providing pay for absence from work to fulfill military training or duty commitments, is usually available for employees in State and local governments (table 19). A common provision is 3 weeks off per year, but some workers are in establishments providing paid military leave as needed. Pay for military leave is either regular pay or the difference between regular pay and military pay.¹

Family leave

The Employee Benefits Survey measures the incidence of formal family leave benefits (table 20). Previously, the survey estimated parental leave, generally in the form of maternity and paternity leave. The passage of the Family and Medical Leave Act of 1993 created a Federal mandate for employers (including governments) to provide employees with up to 12 weeks of unpaid leave during any 12-month period for various family matters, including parental leave for the birth or adoption of a child and for family illness (employee, child, spouse or parent).² Generally, these provisions apply to employees with 1 year of service who work 1,250 hours during the year and who work for an employer with 50 or more workers. In addition, various States require employers to provide a minimum amount of unpaid parental leave, such as 4 months in California. The vast majority of State and local governments were covered by unpaid family leave benefits. Paid family leave in State and local governments is rare.

¹ For further information on leave items in all sectors, see "Time-off Benefits in Small Establishments," *Monthly Labor Review*, March 1992, pp. 3-8.

² For more information, see "Parental Leave Benefits Provided by Employers," *Issues in Labor Statistics, Summary 93-1*, Bureau of Labor Statistics, 1993.

Table 7. Work schedule: Percent of full-time employees by hours and days scheduled per week, State and local governments, 1994

Work schedule	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with work schedule	12,907	5,713	3,429	3,765
	Percent			
All types	100	100	100	100
Hours per week				
Under 35	9	6	17	5
35	12	10	22	4
Over 35 and under 37.5	3	2	6	2
37.5	16	17	23	6
Over 37.5 and under 40	2	1	3	(¹)
40	57	62	27	77
Over 40	2	1	1	5
Hours per week not available	(¹)	(¹)	-	(¹)
Hours per day				
Under 6	1	1	2	2
6	3	1	6	2
Over 6 and under 7	4	4	9	1
7	12	11	22	4
Over 7 and under 8	19	20	32	6
8	58	62	27	79
Over 8 and under 9	(¹)	(¹)	(¹)	1
9	(¹)	(¹)	(¹)	(¹)
Over 9 and under 10	(¹)	(¹)	-	-
10	1	(¹)	(¹)	1
Over 10	1	1	-	4
Hours per day not available ..	(¹)	(¹)	-	(¹)

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 8. Work schedule: Percent of full-time employees by existence of flexible work arrangement, State and local governments, 1994

Work schedule	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with work schedule	12,907	5,713	3,429	3,765
	Percent			
All types	100	100	100	100
With fixed work schedule	89	87	96	85
With flexible work schedule	6	9	1	7
With rotating work schedule	3	1	(¹)	8
With non-fixed work schedule	2	2	3	(¹)
Data not available	(¹)	(¹)	-	(¹)

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 9. Paid holidays and vacations: Average number of days for full-time employees, State and local governments, 1994

Item	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Paid holidays	11.5	11.5	12.1	11.2
Paid vacation by minimum length-of-service requirement: ¹				
At 1 year ²	12.3	12.7	12.5	11.6
After 3 years	13.5	13.9	13.4	12.9
After 5 years	15.3	15.7	14.9	14.8
After 10 years	18.3	18.6	16.7	18.0
After 15 years	20.3	20.6	18.0	20.1
After 20 years	21.9	22.1	19.6	21.9
At 25 years ³	22.6	22.8	19.8	22.5

¹ Employees are either granted a specific number of days after completion of the indicated length of service, or accrue days during the next 12-month period. The total number of days are assumed available for use immediately upon completion of the described length-of-service interval.

² Employees receiving vacation days, but none at 1 year of service, were included only for the service periods for which they receive vacations.

³ The average (mean) was essentially the same for longer lengths of service.

NOTE: Computation of average included partial days and excluded workers with zero holidays or vacation days. Methods used to calculate the average number of paid holidays have been revised, to count partial holidays more precisely. The average holidays in this table are not comparable to those reported in the 1990 and 1992 surveys of State and local governments.

Table 10. Paid holidays: Percent of full-time employees by number of paid holidays provided each year, State and local governments, 1994

Holiday policy	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with paid holidays	9,484	4,931	1,125	3,427
	Percent			
Total with paid holidays	100	100	100	100
Under 5 days	2	1	10	1
5 days	1	1	1	1
5.1 - 5.9 days	(¹)	-	(¹)	-
6 days	2	1	10	2
7 days	2	1	4	3
7.1 - 7.9 days	(¹)	(¹)	(¹)	(¹)
8 days	2	3	3	2
8.1 - 8.9 days	1	1	1	(¹)
9 days	6	7	2	6
9.1 - 9.9 days	(¹)	(¹)	-	(¹)
10 days	18	17	15	21
10.1 - 10.9 days	1	1	3	1
11 days	17	19	5	18
11.1 - 11.9 days	2	3	1	1
12 days	16	19	3	17
12.1 - 12.9 days	2	2	1	2
13 days	13	12	5	17
Over 13 days	14	12	35	10
Number of days not available	(¹)	(¹)	(¹)	-

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 11. Paid holidays: Percent of full-time employees by policy on holidays that fall on a regularly scheduled day off, State and local governments, 1994

Holiday policy	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with paid holidays	9,484	4,931	1,125	3,427
	Percent			
Total with paid holidays	100	100	100	100
Holiday is not observed	3	3	5	2
Another day off is granted	85	87	91	81
Additional day's pay in lieu of holiday	3	1	(¹)	7
Another day off or day's pay, depending on when holiday falls	8	9	3	8
Another day off or holiday not observed, depending on when holiday falls	1	(¹)	(¹)	1
Another provision applies ²	(¹)	(¹)	-	(¹)
Holiday policy not determinable	(¹)	(¹)	-	(¹)

¹ Less than 0.5 percent.

² Includes plans where the policy differs by holiday.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 12. Paid vacations: Percent of full-time employees by amount of paid vacation provided at selected periods of service, State and local governments, 1994

Vacation policy	All employees	White-collar employees, except teachers	Blue-collar and service employees
Number (in thousands) with paid vacations	8,504	4,777	3,414
	Percent		
Total with paid vacations ¹	100	100	100
Vacation days by minimum length-of-service requirement ²			
After 1 year of service:			
Under 5 days	(³)	(³)	(³)
5 days	6	4	9
Over 5 and under 10 days	3	3	3
10 days	35	29	41
Over 10 and under 15 days	34	37	32
15 days	9	12	4
Over 15 and under 20 days	2	2	1
20 days	4	4	4
Over 20 and under 25 days	5	5	3
25 days	1	(³)	1
Over 25 and under 30 days	1	1	1
30 days	(³)	(³)	(³)
Over 30 days	(³)	(³)	(³)
After 3 years of service:			
Under 5 days	(³)	-	(³)
5 days	2	2	1
Over 5 and under 10 days	1	1	1
10 days	32	25	42
Over 10 and under 15 days	30	29	29
15 days	17	22	10
Over 15 and under 20 days	6	7	4
20 days	5	6	4
Over 20 and under 25 days	5	5	4
25 days	1	(³)	1
Over 25 and under 30 days	2	1	2
30 days	(³)	(³)	(³)
Over 30 days	(³)	1	(³)

See footnotes at end of table.

Table 12. Paid vacations: Percent of full-time employees by amount of paid vacation provided at selected periods of service, State and local governments, 1994 — Continued

Vacation policy	All employees	White-collar employees, except teachers	Blue-collar and service employees
	Percent		
After 5 years of service:			
5 days	(³)	(³)	1
Over 5 and under 10 days	1	1	1
10 days	17	13	23
Over 10 and under 15 days	17	17	15
15 days	31	32	31
Over 15 and under 20 days	17	19	15
20 days	7	8	5
Over 20 and under 25 days	6	7	4
25 days	1	(³)	1
Over 25 and under 30 days	1	1	2
30 days	1	1	1
Over 30 days	1	1	1
After 10 years of service:			
Under 5 days	(³)	(³)	(³)
5 days	(³)	(³)	1
Over 5 and under 10 days	(³)	(³)	1
10 days	4	3	5
Over 10 and under 15 days	2	2	3
15 days	27	27	31
Over 15 and under 20 days	26	30	17
20 days	21	20	23
Over 20 and under 25 days	10	9	10
25 days	3	3	3
Over 25 and under 30 days	4	3	4
30 days	(³)	(³)	(³)
Over 30 days	2	2	2
After 15 years of service:			
Under 5 days	(³)	(³)	(³)
5 days	(³)	(³)	1
Over 5 and under 10 days	(³)	-	(³)
10 days	3	2	4
Over 10 and under 15 days	1	1	1
15 days	10	8	13

See footnotes at end of table.

Table 12. Paid vacations: Percent of full-time employees by amount of paid vacation provided at selected periods of service, State and local governments, 1994 — Continued

Vacation policy	All employees	White-collar employees, except teachers	Blue-collar and service employees
After 15 years of service:			
Over 15 and under 20 days	20	21	17
20 days	28	29	27
Over 20 and under 25 days	23	24	21
25 days	4	3	6
Over 25 and under 30 days	7	7	7
30 days	1	1	1
Over 30 days	4	5	2
After 20 years of service:			
Under 5 days	(³)	(³)	(³)
5 days	(³)	(³)	1
Over 5 and under 10 days	(³)	-	(³)
10 days	3	2	3
Over 10 and under 15 days	1	1	1
15 days	5	5	6
Over 15 and under 20 days	5	6	5
20 days	23	23	26
Over 20 and under 25 days	34	40	23
25 days	12	8	18
Over 25 and under 30 days	10	9	13
30 days	2	2	1
Over 30 days	4	5	3
After 25 years of service:			
Under 5 days	(³)	(³)	(³)
5 days	(³)	(³)	1
Over 5 and under 10 days	(³)	-	(³)
10 days	3	2	3
Over 10 and under 15 days	1	1	1
15 days	5	5	6
Over 15 and under 20 days	4	4	4
20 days	19	18	21
Over 20 and under 25 days	31	35	21
25 days	14	13	17

See footnotes at end of table.

Table 12. Paid vacations: Percent of full-time employees by amount of paid vacation provided at selected periods of service, State and local governments, 1994 — Continued

Vacation policy	All employees	White-collar employees, except teachers	Blue-collar and service employees
After 25 years of service:			
Over 25 and under 30 days	13	12	15
30 days	5	5	7
Over 30 days	4	5	3
After 30 years of service ⁴			
Under 5 days	(³)	(³)	(³)
5 days	(³)	(³)	1
Over 5 and under 10 days	(³)	-	(³)
10 days	3	2	3
Over 10 and under 15 days	1	1	1
15 days	5	5	6
Over 15 and under 20 days	4	4	4
20 days	19	18	21
Over 20 and under 25 days	30	34	20
25 days	13	12	15
Over 25 and under 30 days	14	13	15
30 days	7	5	9
Over 30 days	4	6	3

¹ Employees receiving no paid vacations in their early years of service are included in the overall percentage of workers provided paid vacations; however, they are disregarded in computing the distributions by length-of-service up to the service period at which they become eligible for vacations.

² Employees either are granted a specific number of days after completion of the indicated length-of-service, or accrue days during the next 12 month period. The total number of days are assumed available for use immediately upon completion of the described length-of-service interval.

³ Less than 0.5 percent.

⁴ Provisions were virtually the same after longer years of service.

NOTE: Although included in the total for all employees, data were insufficient to show teachers separately. Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 13. Paid vacations: Percent of full-time employees by length of service required to take vacation, State and local governments, 1994

Length-of-service requirement	All employees	White-collar employees, except teachers	Clerical and sales employees
Number (in thousands) with paid vacations	8,504	4,777	313
	Percent		
Total with paid vacations	100	100	100
With service requirement	83	83	76
1 month	26	27	56
3 months	6	5	1
4-5 months	(¹)	(¹)	-
6 months	25	28	13
7-11 months	1	1	-
1 year	24	21	6
Over 1 year	(¹)	(¹)	-
Without service requirement	17	17	19
Service requirement not determinable	(¹)	(¹)	4

¹ Less than 0.5 percent.

NOTE: Although included in the total for all employees, data were insufficient to show teachers separately. Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 14. Paid vacations: Percent of full-time employees by unused vacation policy, State and local governments, 1994

Policy	All employees	White-collar employees, except teachers	Blue collar and service employees
Number (in thousands) with paid vacations	8,504	4,777	3,414
	Percent		
Total with paid vacations	100	100	100
Carryover only	72	75	67
Cash-in only	2	2	1
Carryover and cash-in	8	10	8
Unused benefit lost	16	12	22
Data not available	2	2	2

NOTE: Although included in the total for all employees, data were insufficient to show teachers separately. Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 15. Paid vacations: Average number of days by length of service and cash-in/carryover provisions, full-time employees, State and local governments, 1994

Vacation days by minimum length-of-service requirement ¹	All plans	Cash-in, carryover, or both	Carryover only	Cash-in only	Cash-in and carryover	No cash-in or carryover
After 1 year	12.3	12.7	12.7	7.6	13.6	9.8
After 3 years	13.5	13.8	13.8	8.2	15.1	11.2
After 5 years	15.3	15.7	15.6	11.1	17.7	13.2
After 10 years	18.3	18.7	18.5	15.6	20.7	15.8
After 15 years	20.3	20.7	20.6	17.2	22.4	18.1
After 20 years	21.9	22.4	22.3	18.2	24.1	19.4
After 25 years ²	22.6	23.1	23.0	18.7	24.7	19.9

¹ Employees either are granted a specified number of days after completion of the indicated length of service or accrue days during the next 12-month period. The total number of days are assumed available for use immediately upon completion of the described length-of-service interval.

² The average (mean) was essentially the same for longer lengths of service.

NOTE: Computations of average excluded workers with zero vacation days.

Table 16. Paid personal leave: Percent of full-time employees by number of paid personal leave days provided per year, State and local governments, 1994

Number of days	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with paid personal leave	4,886	1,718	1,990	1,178
	Percent			
Total with paid personal leave ..	100	100	100	100
1 day	10	12	9	8
2 days	31	21	47	20
3 days	31	34	28	31
4 days	13	15	5	23
5 days	10	15	5	13
More than 5 days	3	2	4	4
No maximum specified ¹	1	(²)	2	1
Varies by length of service ³	7	11	3	7
Number of days not available ..	1	(²)	1	(²)
	Average			
Average days per year	3.0	3.1	2.8	3.2

¹ Workers were provided as much personal leave as needed.

² Less than 0.5 percent.

³ The maximum number of days provided was included in the distribution of personal leave days.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 18. Paid jury-duty leave: Percent of full-time employees by number of paid jury duty leave days available by occurrence, State and local governments, 1994

Number of days	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with paid jury duty leave	12,103	5,361	3,237	3,505
	Percent			
Total with paid jury-duty leave ..	100	100	100	100
Maximum days specified	2	2	2	1
No maximum specified ¹	98	98	97	98
Number of days not available	(²)	-	1	(²)

¹ Jury-duty leave is provided as needed.

² Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 17. Paid funeral leave: Percent of employees by number of paid funeral leave days available per occurrence, State and local governments, 1994

Number of days	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with paid funeral leave	7,982	3,367	1,995	2,621
	Percent			
Total with paid funeral leave	100	100	100	100
1 day	1	(¹)	1	1
2 days	7	9	6	5
3 days	50	54	30	59
4 days	10	11	5	12
5 days	29	24	50	19
More than 5 days	2	1	5	1
No maximum specified ² ..	2	1	1	3
Number of days varies by relationship to deceased ³	30	31	30	28
Number of days not available	(¹)	-	1	(¹)
	Average			
Average days per occurrence	3.7	3.5	4.2	3.5

¹ Less than 0.5 percent.

² Workers were provided as much funeral leave as needed.

³ The maximum number of days provided for any occurrence was included in the distribution of funeral leave days.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 19. Paid military leave: Percent of full-time employees by number of paid military leave days available per year, State and local governments, 1994

Number of days	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with paid military leave	9,714	4,570	2,075	3,069
	Percent			
Total with paid military leave	100	100	100	100
Under 5 days	(¹)	(¹)	-	(¹)
5 days	1	(¹)	-	2
6-9 days	(¹)	-	-	(¹)
10 days	16	18	16	14
11-14 days	4	4	3	5
15 days	31	31	37	29
16-19 days	9	10	6	11
20 days	2	2	3	2
21-24 days	14	17	5	16
25 days	(¹)	(¹)	(¹)	-
26-29 days	(¹)	1	-	(¹)
30 days	4	4	3	4
More than 30 days	1	1	1	2
No maximum specified ²	15	10	24	16
Number of days not available	1	1	2	1
	Average			
Average days per year	14.0	15.0	11.4	14.3

¹ Less than 0.5 percent.
² Military leave is provided as needed

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 20. Unpaid family leave: Percent of full-time employees by duration of benefits, State and local governments, 1994

Duration	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with unpaid family leave	11,983	5,312	3,288	3,383
	Percent			
Total with unpaid family leave ..	100	100	100	100
Under 12 weeks	1	1	1	1
12 weeks	67	64	72	68
Over 12 but under 16 weeks	1	(¹)	1	1
16 weeks	1	1	1	(¹)
Over 16 but under 20 weeks	2	3	(¹)	3
20 weeks	(¹)	(¹)	(¹)	-
Over 20 but under 24 weeks	(¹)	(¹)	-	-
24 weeks	(¹)	1	(¹)	(¹)
Over 24 but under 28 weeks	5	7	1	4
Over 28 but under 32 weeks	2	4	(¹)	1
Over 32 but under 48 weeks	2	2	4	1
Over 48 but under 96 weeks	13	14	14	12
Over 96 weeks	5	4	5	7
Varies ²	6	6	6	5
	Average			
Average weeks	27.9	27.2	25.4	31.4

¹ Less than 0.5 percent.
² The maximum number of weeks available was included in the distribution of unpaid family leave weeks.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Chapter 3. Disability Benefits

Disability benefits comprise sick leave, sickness and accident insurance, and long-term disability insurance. Paid sick leave and sickness and accident insurance protect workers against loss of income during temporary absences from work due to illness or accident. During more extended periods of disability, workers' incomes may be continued through long-term disability insurance plans. (See tables at end of this chapter.) Among the disability benefit provisions included within the Employee Benefits Survey are:

- Waiting periods before benefits begin,
- Amount of benefits,
- Duration of benefits,
- Plan eligibility requirements.

Short-term disability protection, through sick leave, sickness and accident insurance, or both, is provided to almost all full-time employees in State and local governments (table 1). Sick leave usually provides 100 percent of the worker's normal earnings, whereas sickness and accident insurance usually replaces 50 to 70 percent of pay. (Some sick leave plans may provide days off at partial pay in addition to those at full pay. All sick leave tables shown at the end of this chapter exclude days paid at partial pay.)

Although sick leave is provided to almost all full-time employees, some workers also have sickness and accident insurance, with the two benefits coordinated. Coordination can take two forms: starting insurance benefits after sick leave pay has ended or paying both benefits concurrently. When payments are made from both sources, sick leave pay is reduced by the amount of the insurance benefits so that the total benefit does not exceed full salary. Regardless of the method of coordination, employers offering sickness and accident insurance tend to allow fewer sick leave days than those without such insurance.

Long-term disability insurance (LTD), which typically pays 60 percent of earnings, is also available to a significant number of full-time employees in State and local governments. LTD insurance payments usually begin after 3 or 6 months of disability and continue until retirement age or for a specified number of months, depending on the worker's age at the time of disability.

Paid sick leave

For the most part, paid sick leave plans in State and local governments allow a fixed number of days, such as 13 days, per year (annual sick leave plans) (tables 21-27). Very few plans give sick leave benefits that are renewed for each illness (per disability sick leave plans). Employees in the public sector with annual sick leave plans, on average, can expect little change in the number of days granted as their length of service increases—unlike their counterparts in the private sector who, on average, do receive more days as their service increases. This is because public sector workers, at any tenure, rarely earn extended sick leave days (30 or more), but their private counterparts with long service can.

Almost all annual sick leave plans also allow employees to carry over and accumulate unused sick leave from year to year (cumulative plans). Most cumulative plans covering government employees allow workers to accumulate an unlimited amount of sick leave. Other cumulative plans have limits on the amount of sick leave that can be carried over to the next year. Noncumulative plans were rare.

Workers are often ineligible for sick leave benefits when first beginning to work for an employer. Many employees have to meet brief length of service requirements (rarely longer than 6 months), before qualifying for sick leave benefits.

Although sick leave is commonly thought of as replacing lost income while an employee is ill or injured, nearly all State and local government workers can use their benefits for other reasons. For example, using sick leave for a doctor's appointment or to take care of a sick child were the most frequently observed provisions.

Sickness and accident insurance

Sickness and accident insurance plans also protect employees against income losses due to short-term disabilities. Most participants have their benefits fully paid by their employer. The remainder often pay a percent of earnings, up to a specified maximum contribution⁴ (tables 28-34).

Benefit payments under sickness and accident insurance plans are either a percent of employee earnings or a flat dollar amount. Under earnings-based formulas, the percent

⁴ The prevalence of such contribution formulas is influenced in large part by the mandatory sickness and accident insurance plans in New York and New Jersey, discussed later in this chapter.

of earnings is usually fixed—typically between 50 and 70 percent—although some plans may vary the percent by length of service or length of disability. A majority of the participants in earnings-based plans have a dollar limit on the amount of the weekly benefit. Blue-collar workers are the most frequent recipients of flat dollar benefits, which provide either a fixed weekly amount, for example, \$200 or \$250, or a schedule of weekly benefits (that reflect earnings).

Plans that place a fixed maximum on the number of weeks of coverage, commonly 26 weeks, cover the vast majority of participants.

Sickness and accident insurance, unlike sick leave, usually requires a waiting period before benefits begin, usually on the eighth day of disability. Waiting periods may be shortened or eliminated entirely for employees involved in an accident or who are hospitalized. The waiting period is effectively dropped when sickness and accident insurance is coordinated with sick leave, because insurance payments typically start immediately after sick leave pay has ended.

Some of the employees with sickness and accident insurance have to be on the job for a specified time before the plan will cover them. This service requirement is typically one year or less.

Workers in two States, New Jersey and New York, are covered by mandatory temporary disability insurance plans that are at least partially employer financed. Both State plans pay benefits based on a proportion of the worker's earnings for up to 26 weeks with a limit on the weekly benefit.⁵ The State of Hawaii requires that employers provide a minimum level of temporary disability income protection for up to 26 weeks.

Long-term disability insurance

Long-term disability insurance provides a monthly benefit to employees who, due to illness or injury, are unable to work for an extended period of time. Generally, LTD benefit payments begin after 3 or 6 months of disability and continue until retirement age, or for a specified number of months, depending on the employee's age at the time of disability (table 35). In most instances, the LTD payments equal a fixed percent of predisability earnings. Some employees not covered under LTD insurance are eligible for an immediate disability pension through their retirement plan (see chapter 6).

Most of the LTD participants have their coverage fully provided by their employers. However, many of those who have to contribute towards the cost of their LTD plan, do so under the options of a "flexible benefits plan." (See chapter 8 for additional information on flexible benefits plans.)

⁵ Both States permit an employer to substitute a private plan for the State plan if the benefits provided are at least equivalent. In New York, many employers agree to pay the employee's share of plan costs. California and Rhode Island also have mandated temporary disability insurance plans, but these plans require no employer contribution and, thus, are not included in this survey.

Another way in which contributions are paid by employees is to charge a monthly amount per \$100 of covered earnings, for example, \$0.20 per \$100 of coverage.⁶

The degree of participation varies widely among employee groups, with white-collar workers more likely to have LTD insurance than blue-collar workers.

Full-time participants very often have to wait 3 or 6 months after the onset of disability before beginning to receive LTD payments. For some participants, LTD benefits commence only after the expiration of sick leave and sickness and accident insurance benefits (table 36).

The vast majority of LTD plan participants receive their LTD benefit as a fixed percent of predisability earnings. The benefit very commonly yields 60 to 67 percent of monthly pay (tables 37-39). However, a large majority of participants in these plans have a limit on their monthly payments, for example, between \$1,500 and \$7,500.

Most LTD plans have a monthly maximum limit, either a dollar maximum in plans that pay a fixed percent of earnings, a disability income ceiling, or a combination of both methods. Disability income ceilings affect benefits only if the amount payable from the LTD plan plus income from other outside sources, such as family Social Security payments, exceed a specified percentage (for example, 70 or 75 percent) of predisability earnings.

Participants in long-term disability plans commonly have their benefits continued until retirement or a specified number of months, depending on the employee's age at the time of disability. Very often, the duration of benefits is reduced gradually according to an age schedule or reduced once at a specified age (table 40).

Service requirements are commonly found in LTD plans, and are usually more restrictive than for other insurance benefits studied (table 41). Because of the long-term nature of the LTD benefits, employers often restrict eligibility to employees who demonstrate some attachment to the establishment. Service requirements before LTD coverage begins were often 12 months or more.

Some plans provide survivor benefits, payable to an eligible dependent upon the death of a disabled employee (table 42). These benefits usually take the form of a lump-sum payment, for example, three times the monthly LTD benefit or a percent of the monthly LTD benefit paid for a fixed number of months.

A large majority of participants are in plans that include coverage for disabilities due to mental illness (table 43). However, these participants often have limits placed upon such coverage. For example, benefits are provided for a specified period, such as 24 months, and then cease unless the participant is institutionalized at the end of the limiting period.

⁶ Covered earnings are that portion of a worker's earnings to which the replacement rate formula is applied. For example, if an LTD plan pays 60 percent of earnings with a maximum monthly benefit of \$3,000, covered earnings would be \$5,000 (\$3,000 is 60 percent of \$5,000).

Table 21. Percent of full-time employees by participation in sickness and accident insurance plans and paid sick leave plans, State and local governments, 1994

Type of plan	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with short-term disability protection	12,308	5,382	3,325	3,601
	Percent			
Total with short-term disability protection	100	100	100	100
Sickness and accident insurance only	1	1	1	2
Paid sick leave only	78	75	88	73
Combined sickness and accident insurance/paid sick leave	21	24	11	25

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 22. Paid sick leave: Percent of full-time employees by type of provision, State and local governments, 1994

Provision	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with paid sick leave	12,154	5,307	3,307	3,540
	Percent			
Total with paid sick leave ..	100	100	100	100
Sick leave provided on:				
An annual basis only ¹	98	99	98	96
A per disability basis only ²	1	1	1	(³)
Both an annual and per disability basis	(³)	(³)	-	(³)
As needed basis ⁴	1	(³)	(³)	4
Other basis ⁵	(³)	-	1	-
Policy not available	(³)	(³)	-	(³)

¹ Employees earn a specified number of sick leave days per year. This number may vary by length of service.

² Employees earn a specified number of sick leave days for each illness or disability. This number may vary by length of service.

³ Less than 0.5 percent.

⁴ Plan does not specify a maximum number of days.

⁵ Includes formal plans with provisions that change from a specified number of days per year to a specified number of days per absence after a certain service period.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 23: Paid annual sick leave: Percent of full-time employees by number of days, State and local governments, 1994

Sick leave policy ¹	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with paid annual sick leave	11,880	5,253	3,237	3,390
	Percent			
Provided paid annual sick leave ²	100	100	100	100
After 1 year of service:				
Under 5 days	(³)	-	-	(³)
5 and under 10 days	9	8	10	9
10 and under 15 days	72	73	66	76
15 and under 30 days	18	19	20	14
30 and under 60 days	1	(³)	4	(³)
60 days or more	(³)	(³)	(³)	(³)
After 5 years of service:				
Under 5 days	(³)	-	-	(³)
5 and under 10 days	8	7	10	8
10 and under 15 days	70	72	63	74
15 and under 30 days	20	20	22	17
30 and under 60 days	1	(³)	4	(³)
60 days or more	(³)	(³)	(³)	(³)
After 10 years of service:				
Under 5 days	(³)	-	-	(³)
5 and under 10 days	8	7	10	8
10 and under 15 days	68	70	63	71
15 and under 30 days	21	22	22	19
30 and under 60 days	1	(³)	4	(³)
60 days or more	(³)	(³)	(³)	(³)

See footnotes at end of table.

Table 23: Paid annual sick leave: Percent of full-time employees by number of days, State and local governments, 1994 — Continued

Sick leave policy ¹	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
	Percent			
After 15 years of service:				
Under 5 days	(³)	-	-	(³)
5 and under 10 days	8	7	10	8
10 and under 15 days	68	70	63	71
15 and under 30 days	21	22	22	19
30 and under 60 days	1	(³)	4	-
60 days or more	(³)	(³)	(³)	1
After 20 years of service: ⁴				
Under 5 days	(³)	-	-	(³)
5 and under 10 days	8	7	10	8
10 and under 15 days	68	70	63	71
15 and under 30 days	21	22	22	19
30 and under 60 days	1	1	4	(³)
60 days or more	(³)	(³)	(³)	1

¹ Employees receiving partial pay only or no sick leave in their early years of service are included in the overall percentages of workers provided sick leave; however, they are disregarded in computing the distributions by length of service up to the service period at which they become eligible for full sick leave pay.

² Employees are either granted a specific number of days after completion of the indicated length of service, or accrue days during the next 12-month period. The total number of days are assumed available for use immediately upon completion of the described length-of-service interval.

³ Less than 0.5 percent.

⁴ Provisions are virtually the same after longer years of service.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 24: Paid annual sick leave: Average number of days at full pay for full-time employees, State and local governments, 1994

Sick leave policy	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Paid annual sick leave days ¹ by minimum length-of-service requirement:				
After 1 year	13.2	12.4	12.9	14.7
After 3 years	13.7	13.0	13.2	15.2
After 5 years	13.8	13.0	13.4	15.4
After 10 years	13.9	13.1	13.4	15.6
After 15 years	14.0	13.2	13.5	15.6
After 20 years ²	14.0	13.2	13.5	15.7

¹ Employees are either granted a specific number of days after completion of the indicated length of service, or accrue days during the next 12-month period. The total number of days are assumed available for use immediately upon completion of the described length-of-service interval.

² The average (mean) was virtually the same after longer years of service.

NOTE: Computation of average excluded days at partial pay and workers with only partial pay days or zero days of sick leave.

Table 26: Paid annual sick leave: Percent of full-time employees by length-of-service requirement for participation, State and local governments, 1994

Length-of-service requirement	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with paid annual sick leave	11,983	5,296	3,284	3,403
	Percent			
Total with paid annual sick leave	100	100	100	100
With service requirement	39	42	26	46
1 month	28	32	23	26
2 months	(¹)	(¹)	(¹)	1
3 months	5	4	1	10
4-5 months	(¹)	(¹)	-	(¹)
6 months	4	4	(¹)	7
1 year	2	1	1	3
Over 1 year	(¹)	(¹)	(¹)	(¹)
Without service requirement	61	57	73	54
Data not available	1	1	1	(¹)

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 25: Paid annual sick leave:¹ Percent of full-time employees by unused sick leave policy and carryover provisions, State and local governments, 1994

Unused sick leave and carryover provisions	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with paid annual sick leave	11,880	5,253	3,237	3,390
	Percent			
Total with unused sick leave policy	100	100	100	100
Carryover only	86	87	89	82
Cash-in only	1	1	-	1
Carryover and cash-in	10	9	7	14
Unused benefit lost	3	3	4	3
Total with carryover provisions	100	100	100	100
Unlimited accumulation	59	61	54	60
Limit on total number of days accumulated	40	37	44	39
Under 30 days	1	1	1	2
30-39 days	2	3	1	2
40-49 days	1	1	(²)	2
50 days	(²)	(²)	-	(²)
51-64 days	2	3	1	3
65 days	(²)	(²)	(²)	(²)
66-79 days	1	1	(²)	2
80-89 days	(²)	(²)	(²)	(²)
90-99 days	4	4	4	5
100-109 days	1	1	1	1
110-119 days	1	(²)	1	(²)
120-129 days	6	5	6	7
130 days	1	1	2	1
Over 130 days	19	16	27	15
Days not available	(²)	(²)	(²)	(²)
Other ³	1	1	2	(²)
Data not available	1	1	1	1

¹ Paid sick leave plans with a specified number of days available each year.

² Less than 0.5 percent.

³ Includes carryover provisions that vary by length of service.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 27: Paid annual sick leave: Percent of full-time employees in plans allowing use of sick leave for other purposes, State and local governments, 1994

Other purposes	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with paid annual sick leave	11,880	5,253	3,237	3,390
	Percent			
Total with paid annual sick leave	100	100	100	100
Other purposes allowed ¹	95	96	93	94
Funeral	45	49	43	42
Post-disability maternity	54	59	53	48
Paternity	28	27	33	23
Doctors' appointments	85	89	80	85
Personal business	17	13	28	13
Care of sick child	75	79	78	65
Other	3	3	3	2
Other purposes not allowed	5	4	6	5
Data not available	1	1	1	1

¹ This total is smaller than the sum of the components because some employees could use sick leave for more than one other purpose.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 28. Sickness and accident insurance: Method of payment, full-time employees, State and local governments, 1994

Method of payment	All employees	White-collar, employees except teachers	Blue-collar and service employees
Number (in thousands) with sickness and accident insurance	2,702	1,343	966
	Percent		
Total with sickness and accident insurance	100	100	100
Flat dollar amount	7	6	11
Fixed percent of earnings	90	92	88
Percent varies ¹	1	1	-
Other	1	-	1
Not determinable	1	1	1

¹ Benefits may vary by earnings, length of service, or length of disability.

NOTE: Data were insufficient to show teachers separately. Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 29. Sickness and accident insurance: Fixed percent of earnings amounts, full-time employees, State and local governments, 1994

Fixed percent of earnings	All employees	White-collar employees except teachers	Blue-collar and service employees
Number (in thousands) with fixed percent of earnings benefit	2,440	1,237	853
	Percent		
Total with fixed percent of earnings benefit	100	100	100
50 percent	32	28	29
51 - 59 percent	6	7	4
60 percent	21	22	22
61 - 69 percent	27	32	23
70 percent	13	10	22
71 - 79 percent	1	(¹)	-
	Average ²		
Average fixed percent of earnings benefit	60	60	61

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Data were insufficient to show teachers separately. Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 30. Sickness and accident insurance: Maximum benefits based on percent of earnings formulas, full-time employees, State and local governments, 1994

Maximum benefit per week	All employees	White-collar employees, except teachers	Blue-collar and service employees
Number (in thousands) with percent of earnings benefit	2,463	1,245	853
	Percent		
Number with percent of earnings benefit	100	100	100
With maximum	57	58	50
Less than \$200	12	13	13
\$200 - \$299	2	2	2
\$300 - \$399	14	17	14
\$400 or more	29	26	22
No maximum	41	40	47
Not determinable	2	2	3
	Average ¹		
Average maximum benefit per week	\$600	\$541	\$567

¹ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Data were insufficient to show teachers separately. Because of rounding, sums of individual items may not equal totals.

Table 31. Sickness and accident insurance: Minimum benefits placed on percent of earnings formulas, full-time employees, State and local governments, 1994

Minimum benefit per week	All employees	White-collar employees, except teachers	Blue-collar and service employees
Number (in thousands) with percent of earnings benefit	2,463	1,245	853
	Percent		
Total with percent of earnings benefit	100	100	100
With minimum	9	8	10
Less than \$50	4	4	3
\$50 - \$99	4	4	7
No minimum	89	90	87
Not determinable	2	2	3
	Average ¹		
Average minimum benefit per week	\$47	\$44	\$60

¹ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Data were insufficient to show teachers separately. Because of rounding, sums of individual items may not equal totals.

Table 32. Sickness and accident insurance: Type of waiting period, full-time employees, State and local governments, 1994

Waiting period provision	All employees	White-collar employees, except teachers	Blue-collar and service employees
Number (in thousands) with sickness and accident insurance	2,702	1,343	966
	Percent		
Total with sickness and accident insurance	100	100	100
Waiting period not dependent on sick leave	50	50	53
Waiting period begins after sick leave	7	5	4
Later of waiting period or sick leave ¹	43	44	41
Not determinable	1	1	2

¹ Benefits begin when sick leave is exhausted or the waiting period is completed, whichever is later.

NOTE: Data were insufficient to show teachers separately. Because of rounding, sums of individual items may not equal totals.

Table 33. Sickness and accident insurance: Duration of benefits, full-time employees, State and local governments, 1994

Duration of benefits	All employees	White-collar employees, except teachers	Blue-collar and service employees
Number (in thousands) with sickness and accident insurance	2,702	1,343	966
Percent			
Total with sickness and accident insurance	100	100	100
Fixed duration	87	86	87
13 weeks	2	1	2
14 - 25 weeks	7	10	5
26 weeks	41	47	42
27 - 51 weeks	3	1	2
52 weeks	20	16	15
Greater than 52 weeks	14	10	21
Duration varies	3	2	5
Not determinable	11	12	9
Average ¹			
Average benefit duration (in weeks)	46	41	50

¹ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Data were insufficient to show teachers separately. Because of rounding, sums of individual items may not equal totals.

Table 34. Sickness and accident insurance: Eligibility requirements, full-time employees, State and local governments, 1994

Eligibility requirement	All employees	White-collar employees, except teachers	Blue-collar and service employees
Number (in thousands) with sickness and accident insurance	2,702	1,343	966
Percent			
Total with sickness and accident insurance	100	100	100
With service requirement	36	31	42
1 month	10	13	8
2 months	1	1	-
3 months	4	3	6
6 months	1	1	2
12 months	21	14	25
Greater than 12 months	(¹)	-	(¹)
No service requirement	50	55	43
Not determinable	14	14	16
Average ²			
Average service requirement (in months)	7.8	6.5	8.2

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Although included in the total for all employees, data were insufficient to show teachers separately. Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 35. Long-term disability insurance: Summary of provisions, full-time employees, State and local governments, 1994

Provision	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with long-term disability insurance	3,880	1,750	1,259	871
	Percent			
Total with long-term disability insurance	100	100	100	100
Benefits based on fixed percent of earnings	90	90	89	92
Benefits subject to disability income limit	10	10	9	11
Duration of benefits varies by age	55	58	54	48
With coverage for mental illness	77	83	70	78
With survivor benefits	25	25	29	20
With required employee contribution	22	23	22	21

Table 36. Long-term disability insurance: Benefit waiting period,¹ full-time employees, State and local governments, 1994

Length of waiting period	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with long-term disability insurance	3,880	1,750	1,259	871
	Percent			
Total with long-term disability insurance	100	100	100	100
Fixed duration	79	76	83	81
Less than 3 months	15	15	14	15
3 months	32	27	37	33
4 - 5 months	6	6	3	8
6 months	24	25	23	22
Greater than 6 months	3	2	5	3
Expiration of short-term disability benefits	15	18	12	14
Other	1	1	1	(²)
Not determinable	4	5	3	4
	Average ³			
Average fixed duration (in months)	4.1	4.0	4.2	4.0

¹ Length of time between onset of disability and beginning of long-term disability insurance payments.

² Less than 0.5 percent.

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 37. Long-term disability insurance: Method of payment, full-time employees, State and local governments, 1994

Method of payment	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with long-term disability insurance	3,880	1,750	1,259	871
	Percent			
Total with long-term disability insurance	100	100	100	100
Fixed percent of earnings	90	90	89	92
Less than 50 percent	3	2	(¹)	8
50 percent	10	14	3	12
60 percent	35	39	32	33
61 - 66 percent	16	13	19	18
67 percent	21	20	27	17
70 percent	2	2	3	3
Greater than 70 percent	3	2	4	2
Percent varies by earnings	2	2	3	2
Percent varies by service	4	5	2	3
Flat dollar amount	1	(¹)	3	-
Other	3	2	4	3
	Average ²			
Average fixed percent of earnings	61.9	61.0	64.5	60.0

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 38. Long-term disability insurance: Maximum benefits¹ based on percent of earnings formulas, full-time employees, State and local governments, 1994

Maximum benefit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with percent of earnings benefit	3,736	1,716	1,174	846
	Percent			
Total with percent of earnings benefit	100	100	100	100
With maximum	72	76	70	66
Flat maximum per month	71	75	70	65
\$2,000 or less	19	22	15	17
\$2,001 - \$3,000	12	14	9	11
\$3,001 - \$4,000	17	13	22	16
\$4,001 - \$5,000	14	14	14	13
\$5,001 - \$7,500	7	8	7	5
\$7,501 - \$10,000	3	3	2	4
\$10,001 or more	(²)	1	(²)	-
Other maximum ³	1	1	1	(²)
No maximum	28	24	30	34
	Average ⁴			
Average flat maximum benefit (per month)	\$3,770	\$3,737	\$3,863	\$3,711

¹ Excludes limits on all disability income, which restrict long-term disability insurance payments if income from all sources exceeds a specified amount.

² Less than 0.5 percent.

³ Includes maximums that vary by length of service.

⁴ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 39. Long-term disability insurance: Limits on all disability income,¹ full-time employees, State and local governments, 1994

Disability income limit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with long-term disability insurance	3,880	1,750	1,259	871
	Percent			
Total with long-term disability insurance	100	100	100	100
With disability income limit	10	10	9	11
Fixed percent of earnings	8	8	7	9
Less than 70 percent	(²)	(²)	-	1
70 percent	5	5	5	6
Greater than 70 percent	2	2	2	2
Benefits cease when they exceed a certain percent of earnings	1	(²)	1	1
Flat dollar amount	1	1	2	1
No disability income limit	69	74	63	70
Not determinable	21	16	28	19
	Average ³			
Average fixed percent of earnings disability income limit	74.5	73.3	78.7	72.3

¹ Limit on income during disability from all sources, including long-term disability insurance, Social Security, and pension benefits.

² Less than 0.5 percent.

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 40. Long-term disability insurance: Duration of payments, full-time employees, State and local governments, 1994

Duration	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with long-term disability insurance	3,880	1,750	1,259	871
	Percent			
Total with long-term disability insurance	100	100	100	100
Until a specified age	11	10	12	12
Until retirement	10	10	7	12
Varies by age, ¹ one change	5	7	2	6
Varies by age, ¹ gradual change	50	52	52	41
Varies by other than age	5	8	1	7
Other	11	8	13	14
Not determinable	8	5	14	8

¹ The duration of benefits may be reduced gradually according to a schedule or once at a specified age.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 41. Long-term disability insurance: Eligibility requirements, full-time employees, State and local governments, 1994

Length of service requirement	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with long-term disability insurance	3,880	1,750	1,259	871
Percent				
Total with long-term disability insurance	100	100	100	100
With service requirement	42	45	34	45
1 month	12	12	10	13
2 months	1	(¹)	2	2
3 months	3	4	2	4
6 months	5	7	(¹)	7
12 months	6	9	1	9
Greater than 12 months	14	14	17	11
Other	2	3	2	2
No service requirement	37	37	39	32
Not determinable	19	14	25	20
Average ²				
Average service requirement (in months)	19.3	16.7	26.1	17.0

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 42. Long-term disability insurance: Survivor benefits, full-time employees, State and local governments, 1994

Survivor provision	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with long-term disability insurance	3,880	1,750	1,259	871
Percent				
Total with long-term disability insurance	100	100	100	100
With survivor benefits	25	25	29	20
Lump sum payment	22	22	26	17
Other	3	3	3	3
No survivor benefits	54	61	42	58
Not determinable	21	15	29	22

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 43. Long-term disability insurance: Coverage for mental illness, full-time employees, State and local governments, 1994

Mental illness provision	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with long-term disability insurance	3,880	1,750	1,259	871
Percent				
Total with long-term disability insurance	100	100	100	100
With coverage for mental illness	77	83	70	78
No limit	49	50	47	48
Duration of coverage limited unless institutionalized	21	23	18	22
Less than 24 months	2	3	(¹)	2
24 months	19	21	17	20
Duration of coverage limited	8	10	6	8
24 months	7	8	6	5
Greater than 24 months	1	2	-	2
No coverage for mental illness	1	2	(¹)	1
Not determinable	22	16	30	22

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Chapter 4. Health Care

Medical Care

Medical care benefits are provided to a large majority of full-time employees in State and local governments. This chapter discusses a number of medical care benefit provisions (table 44) covered by the Employee Benefits Survey, including:

- Required employee contributions,
- Types of plans,
- Coverage for hospitalization and surgery,
- Plan cost containment features,
- Prescription drug benefits,
- Mental health and substance abuse treatment benefits,
- Coverage for retired workers.

Employee contributions

About one-half of full-time participants in medical care plans have to pay part of the cost for individual coverage; a large majority of full-time participants are required to contribute towards family coverage (tables 45-47). As tracked by the Employee Benefits Survey, the percentage of participants required to contribute toward their coverage, and the required contribution, have steadily increased over the past several years.

Employees required to contribute toward the cost of their medical care coverage may be given the opportunity to do so with pretax dollars (table 48). These employees have the advantage of reducing their taxable income when purchasing medical coverage. Pretax contributions may be required or optional, and they may be offered as part of a flexible benefits arrangement. (For definition, see chapter 8.)

Type of medical care plans

Full-time workers with medical benefits are covered by one of three major types of plans—a traditional fee-for-service plan, a preferred provider organization (PPO), or a health maintenance organization (HMO) (tables 49-56).

These plans represent differences in fee arrangements, that is, the method of selecting medical service providers and paying for care.

Fee-for-service plans are the most prevalent. They allow patients to choose any provider and pay for specific medical procedures as expenses are incurred. There are generally three arrangements for financing plan benefits: Self-insured plans, commercially insured plans, and Blue Cross/Blue Shield plans. Self-insured plans (in which the plan sponsor—typically the employer—bears the financial risk of paying for covered medical services) cover the largest number of fee-for-service participants. Commercially insured plans and Blue Cross/Blue Shield plans cover most of the other fee-for-service participants. In addition, a small proportion of fee-for-service participants have their benefits financed by more than one source.

Establishments that self-insure their medical care benefits may enter into an “administrative services only” (ASO) contract with a third party to pay claims and handle other administrative details. In such a case, the employer is still responsible for financing all medical care claims. Another arrangement available to self-insured plans is a minimum premium plan, which is insurance coverage to pay claims above a specified amount. Such arrangements limit the employer’s liability in the case of catastrophic expenses.

Preferred provider organizations have become widespread since first studied in the Employee Benefits Survey of medium and large private establishments in 1986. They offer a higher level of reimbursement for services rendered by designated health care providers (such as hospitals and physicians) than fee-for-service plans, although participants are free to choose any provider. Designated providers agree in advance to a given fee schedule.

Financing arrangements for PPO’s are similar to those used for fee-for-service plans. Most PPO’s are financed through a commercial insurer, a Blue Cross/Blue Shield organization, or are self-insured.

PPO’s can be considered a type of fee-for-service plan because care providers are not reimbursed until services are performed. In this way, fee-for-service plans and PPO’s can be contrasted with HMO’s (described below), which prepay providers a fixed amount for services performed over a given time period. Throughout this chapter, features found in HMO’s are contrasted with those found in non-HMO’s (both fee-for-service plans and PPO’s).

Health maintenance organizations also increased their enrollment during the 1980's. They provide a prescribed set of benefits to enrollees for a fixed payment. The HMO thus bears the risk associated with delivering care.⁷ In this survey, HMO's are classified as either group/staff, with services provided in central facilities, or as individual practice associations (IPA's), with providers working from their own offices.

HMO's may be financed through independent organizations, commercial insurers, or Blue Cross/Blue Shield organizations. Independent organizations, such as Kaiser Permanente, are most prevalent.

An alternative method of categorizing medical care plans is to determine whether or not participants have a "point-of-service" option (table 57). In such plans, participants can use care providers within or outside a given network, although reimbursement of expenses is less if participants do not use network providers. "Point-of-service" plans include all workers in PPO's and a few workers in HMO's that have an open enrollment option. Such an option allows patients to receive services from a non-HMO provider at a lower reimbursement than if care is received from the designated HMO provider.

Fee-for-service plans

Fee-for-service plans allow patients to choose their own providers and reimburse the patient or the provider after services are received. Limitations to benefits typically apply to many or all services. They may take the form of deductibles, coinsurances, catastrophic expense limits, and plan maximums (tables 58-64). These limitations come under the major medical portion of the plan.

Fee-for-service plans nearly always require a participant to meet a specified deductible before payment of benefits. This approach is designed to discourage unnecessary use of medical services. Deductibles are typically specified as an annual flat-dollar amount, such as \$100 or \$200 per individual.

When medical care plans cover an employee and family, a family deductible is very often specified in addition to individual deductibles. There are two types of family deductibles. In the first, the deductible is a flat-dollar amount for the year that is a multiple of the individual deductibles. To satisfy this deductible, one family member must meet an individual deductible, then another family member or a combination of family members must meet the remaining amount of the family deductible. In the second type, the plan specifies the number of family members required to meet individual deductibles. After the required number of family members meet individual deductibles, no additional deductibles are required during the year. Most commonly, family deductibles are equal to two or three times the individual deductible, for both types of deductibles.

⁷ For a more detailed discussion on HMO's, see Thomas P. Burke and Rita S. Jain, "Trends in Employer-Provided Health Care Benefits," *Monthly Labor Review*, February 1991, pp. 24-30.

Once the deductible has been met, a plan almost always pays a specified percentage of covered medical expenses, with the employee paying the remainder (coinsurance). Plans usually pay 80 percent of expenses; other plans may pay 90 percent. Alternatively, plans may have a different coinsurance rate for certain services, such as hospital room and board and outpatient surgery. For these services, the plan usually pays a higher percent of expenses, often 100 percent.

Most full-time participants in fee-for-service plans have their plan's coinsurance increased to 100 percent after they pay out a specified dollar amount for covered expenses (out-of-pocket expense limit), for example, an annual out-of-pocket expense limit of \$1,500 per individual. Frequently, out-of-pocket expense limits are also specified for family expenses. As used in this bulletin, the term "out-of-pocket expense limit" refers to the coinsurance amount paid by a plan participant. A deductible, if required, is an additional expense the participant must pay.

A plan's out-of-pocket expense limit protects the participant from catastrophic medical expenses. For example, assume a plan has a \$250 annual deductible and then pays 80 percent of medical expenses up to an out-of-pocket expense limit of \$2,000. Once the out-of-pocket expense limit is reached, the plan's share of expenses rises to 100 percent. In this case, the employee would pay the first \$250 of expenses and \$2,000 (20 percent) of the next \$10,000 of expenses. Covered expenses above that amount would be paid in full by the plan.

Fee-for-service plans often place a ceiling on the amount payable by the plan, usually a lifetime maximum. A maximum of \$1 million is common.

Preferred provider organizations

In a preferred provider organization, participants are provided medical services at a higher level of reimbursement if they receive care from designated hospitals, physicians, laboratories, or dentists. Individuals may choose their own provider, although typically at a lower level of reimbursement.

Benefits are typically subject to limitations in PPO's—as in fee-for-service plans—including deductibles, coinsurances, out-of-pocket expense limits, and plan maximums that apply to many or all services (tables 65-66). These limitations can differ depending upon whether or not care is provided by a designated provider. For example, assume that an individual's total covered medical expenses are \$3,600 in one year. When care is provided within the PPO network, the plan pays 90 percent of expenses, or \$3,240. When care is provided outside the PPO network, the plan imposes a \$100 a year deductible and reimburses 80 percent of the remaining expenses. Thus, outside the PPO network the plan pays only \$2,800 of the expenses.

PPO's may also vary the way payments are made, based on the provider used. For example, services received from non-network providers may be subject to a plan deductible

and coinsurance. Network services, alternatively, may be subject only to a small copayment, such as \$10 per office visit or \$5 per prescription. The remaining cost of such services is borne by the plan.

Health maintenance organizations (HMO's)

Health maintenance organizations provide a fixed set of medical benefits for a prepaid fee. Most medical services are either covered in full or require patients to pay a minimal copayment. Typical copayments are \$5 or \$10 per physician's office visit or \$5 to \$10 per out-of-hospital prescription drug.

HMO's are unique in that they encourage preventive care, including physical examinations, vision screening, hearing care, well baby care, and immunization and inoculation. A large majority of HMO's are federally qualified, which provides advantages when soliciting new participants (table 57). HMO's must provide a minimum group of benefits, such as home health care, well baby care, and hearing care, to become federally qualified.

HMO's are more likely to require participants to pay at least part of the premium for coverage than are non-HMO's (tables 45-47). However, average monthly premiums for individual and family coverage are higher for participants in non-HMO's than for those in HMO's.

Cost containment

In addition to data on the extent of coverage for specific medical services, the survey measures the availability of medical plans with either benefit management programs, managed care plans, or review boards. These programs help assure that services rendered are medically necessary and are provided in the most appropriate health care setting.

The vast majority of medical care participants have some "managed care" provision available to them (table 67). This includes all participants in HMO and PPO plans, in which the plans manage care by directing patients to specific providers or services. In addition, most fee-for-service participants are in plans with at least one managed care feature. These could include preadmission certification for hospitalization, preadmission testing, and mandatory second surgical opinions (tables 68-69).

Some advanced managed care programs may consist of four or more features. These often include preadmission review of all hospital admissions for nonemergency or nonmaternity care, concurrent review to monitor care while hospitalized, discharge planning to coordinate a continued course of treatment in more appropriate health care settings, and mandatory second surgical opinions for selected procedures. Among the features studied, some plans have their care subject to utilization review. This is the process of reviewing the appropriateness and quality of care provided to patients. Many plans also have a prehospitalization testing feature, a means of decreasing the length of hospitalization. A higher level of reimbursement for prehospitalization testing is in them.

Some managed care programs may consist of only one or two cost containment provisions, such as mandatory second surgical opinions and preadmission certification before being admitted to a hospital (except in cases of emergency). Less prevalent cost containment features in fee-for-service plans include incentives for the employee to audit hospital bills and incentives for child deliveries in lower cost birthing centers, rather than in hospitals.

In fee-for-service plans, second surgical opinion provisions generally apply to inpatient surgical benefits (table 70). Plan enrollees frequently receive lower levels of reimbursement if they do not obtain second opinions.

Second surgical opinion provisions are rare in HMO's. By their very nature, HMO's emphasize preventive, cost efficient medical care. Built-in forms of utilization review, including second surgical opinions, are automatically provided.

Hospital coverage

Medical plan enrollees covered by the survey routinely have coverage for hospital room and board charges (tables 71-73). (Coverage also extends to "miscellaneous" charges while hospitalized, such as routine nursing care, prescription drugs, and surgical dressings.) The majority of non-HMO participants are covered only under the major medical portion of the plan for hospital room and board expenses at a percentage of the semiprivate room rate, frequently 80 percent. In these types of plans, the individual is typically subject to a yearly deductible before the percentage rate can go into effect. Most other plans have hospital room and board expenses covered at the full semiprivate room rate for a specified period (usually 365 days), followed by major medical coverage. Full coverage for an unlimited number of days without being subject to either a deductible or dollar maximum is very rare.

Significant differences in hospital room and board coverage are evident by type of medical care provider. Although HMO participants usually have hospital room and board covered in full without any limitations, full coverage is virtually nonexistent for hospitalization in non-HMO's. When there is a limit on room and board in HMO's, it is usually a copayment per admission, often between \$100 and \$300.

Variations in coverage by type of medical care provider for hospital stays, as well as other categories of care, can affect enrollees' expenses. Non-HMO plan participants generally pay a higher percentage of total health care expenses than HMO participants.⁸

Alternatives to hospitalization

To help hold down the costs of medical care, the vast majority of plan participants have coverage for less expensive alternatives to a hospital stay. These alternatives in-

⁸ For more information regarding out-of-pocket expenses for medical services, see Allan P. Blostin, Robert B. Grant, and William J. Wiatrowski, "Employee Payments for Health Care Services," *Monthly Labor Review*, November 1992, pp. 17-32.

clude extended care facilities, home health care, and hospices. Coverage patterns typically differ between HMO and non-HMO participants (tables 49, 51, 54, 74-77).

Extended care facilities provide skilled nursing care, rehabilitation, and convalescent services to patients requiring less intensive treatment than that provided in a hospital. HMO's usually provide coverage for stays in extended care facilities, with some plans providing unlimited coverage. Non-HMO's also generally provide coverage for extended care benefits, but very few plans provide full coverage.

Home health care provides skilled nursing and related care to patients in their own homes. Home health care benefits are also provided to the vast majority of HMO and non-HMO participants. (Federally qualified HMO's must provide this benefit, and the vast majority of HMO participants in the survey belong to federally qualified plans.) When home health care benefits are provided in HMO's, coverage is typically unlimited. Unlimited coverage is quite rare in non-HMO's.

Plans, especially non-HMO's, often limit the duration of stays in extended care facilities and the number of visits of home health care services. For example, coverage in an extended care facility is commonly limited to 60 days per confinement, and home health care services are frequently restricted to 100 visits per year.

Another expanding alternative to hospitalization is hospice care. A hospice offers nursing care and psychological support to terminally ill patients—usually defined as having 6 months or less to live—and to their families. Medical care plans cover hospice care less often than other alternatives to hospitalization,⁹ and often place ceilings on maximum dollar amounts payable during a hospice stay.

Outpatient physicians visits and diagnostic services

Nearly all health care participants have coverage for physicians' visits and diagnostic x-ray and laboratory tests (DXL). Under non-HMO's, expenses for physicians' office visits and DXL are usually covered as a percentage of usual, customary, and reasonable charges and are subject to the major medical annual deductible and a lifetime maximum benefit. Frequently, there are additional limits on the plan reimbursements for these services.

Notable differences in physicians' office visits are evident by type of medical care provider. Although most HMO's require copayments for office visits, copayments are virtually nonexistent in non-HMO plans (table 78). Copayments for office visits are usually minimal, such as \$5 and \$10 per visit.

Surgical coverage

Medical plans base payments for in-hospital surgery on the "usual, customary, and reasonable" (UCR) charges for

⁹ For a more detailed discussion on alternatives to hospitalization, see Thomas P. Burke, "Alternatives to Hospital Care under Employee Benefit Plans," *Monthly Labor Review*, December 1991, pp. 9-15.

the specific procedure performed.¹⁰ As is true with hospitalization, in-hospital surgical benefits are most likely to be covered only under the major medical part of the plan for non-HMO participants at a specified percentage rate, usually after any required overall plan deductible (table 79). Most participants are covered at 80 percent of the UCR charges. Almost all other participants are covered for the full UCR charges or according to a schedule establishing a maximum amount payable for each procedure. Charges exceeding the scheduled maximums, however, are generally covered, subject to the plan's overall deductible and coinsurance.

Non-HMO medical plans usually cover outpatient surgery the same way as in-hospital surgery, whether in full, a percent of UCR charges, or subject to a schedule of maximum payments. For virtually all HMO enrollees, inpatient surgery is covered in full; for the vast majority, outpatient surgery is also covered in full.

With the steady rise in costs of medical care, health care insurers are encouraging enrollees to substitute less expensive outpatient services, such as outpatient surgery, for inpatient hospital services. To encourage the use of outpatient surgery, non-HMO's may provide higher reimbursement rates over those provided for inpatient surgery.¹¹

Plans with surgical benefits generally require enrollees to satisfy a deductible for in-hospital procedures. When outpatient surgery is needed, however, a deductible requirement is somewhat less common. Generally, when deductibles do not apply for in-hospital surgery, they do not apply for outpatient procedures either.

Prescription drug benefits

Virtually all participants have medical plans that cover outpatient prescription drugs (tables 80-84). Inpatient prescription drugs are always covered under hospital miscellaneous services, generally in the same fashion as room and board charges. Outpatient prescription drugs are covered under separate provisions of the medical plan.

The vast majority of non-HMO participants and their HMO counterparts have outpatient prescription drugs coverage; however, it is rare for either to have prescription drugs covered in full. Moreover, coverage limits for outpatient prescription drugs differ by type of medical plan. Usually, in non-HMO plans, outpatient prescription drugs are covered under the major medical plan limitations; that is, before any benefits are provided, the participant has to meet a yearly deductible. Services are then covered at the applicable coinsurance rate. However, in HMO's, prescriptions are usually subject to a minimal copayment, most commonly \$5 or \$10 per prescription.

¹⁰ The "usual, customary, and reasonable" charge is defined as being not more than the physician's usual charge; within the customary range of fees charged in the locality; and reasonable, based on the medical circumstances.

¹¹ For more information on incentives for outpatient surgery, see Robert B. Grant, "Outpatient Surgery: Helping to Contain Health Care Costs," *Monthly Labor Review*, November 1992, pp. 33-36.

Perhaps due to the rapidly rising cost of prescription drugs, medical care plans are turning to a variety of alternatives to lower both plan and patient costs. These alternatives include:

- Encouraging patients to have pharmacies substitute less expensive generic drugs for brand-name drugs;
- Setting up mail order programs for drugs needed on a routine basis;
- Establishing relationships between plans and selected pharmacies to provide drugs at a lower cost.

Pharmacies can often fill a prescription using either a brand name drug or a generic drug. Participants may receive higher reimbursement for obtaining generic rather than brand name prescription drugs, when generic drugs are available. Generic drugs cost less than brand name drugs.

Mail order drug programs are also often available to participants with prescription drug coverage. These programs supply drugs for maintenance purposes, that is, drugs required on a continuous basis. In such arrangements, participants often receive a higher reimbursement or pay less for mail order drugs than for drugs purchased directly from a pharmacy.

Some participants may receive higher reimbursements if prescriptions are filled at certain pharmacies with discount policies. The plan providers negotiate the price of prescriptions with the pharmacies, usually at cost plus minimal dispensing fees. Group HMO plans normally have an in-house pharmacy, where minimal copayments are required for prescriptions. IPA HMO plans, on the other hand, might be affiliated with "discount" pharmacies, that also provide prescriptions with minimal copayments.¹²

Mental health coverage and substance abuse treatment

Mental health coverage, though available to nearly all participants, is frequently subject to more restrictive limitations than other illnesses (tables 85-88). Plans commonly limit the duration of hospital stays (often to 30 or 60 days per year for mental health care, compared to 120, 365, or unlimited days for other illnesses) and frequently impose a separate, lower dollar maximum on covered hospital expenses (such as a lifetime maximum of \$50,000 on all mental health benefits).

Even more restrictive is coverage for mental health care outside the hospital (psychiatric office visits). Nearly all participants with mental health care coverage are subject to limits for outpatient care. Outpatient mental health care is commonly covered for fewer visits per year than other outpatient services, and it is subject to maximum dollar limits on annual payments. Plans also frequently cover such care

¹² For a more detailed comprehensive discussion on prescription drug coverage, see Cathy Baker and Natalie Kramer, "Employer-Sponsored Prescription Drug Benefits," *Monthly Labor Review*, February 1991, pp. 31-35.

at a coinsurance rate of 50 percent rather than the usual 80 percent paid for other illnesses. In addition, expenses for outpatient mental health care often can not be used to meet the employee's maximum out-of-pocket expense limit. Reimbursement for these expenses thus does not increase to 100 percent even when the out-of-pocket expense limit is met.¹³

Alcohol and drug abuse treatment benefits cover nearly all full-time medical participants (tables 89-96). Nearly all participants with alcohol abuse treatment benefits have the same coverage for drug abuse treatment. Benefits provided under substance abuse care include both detoxification and rehabilitation. Detoxification involves supervised care by medical personnel designed to reduce or eliminate the symptoms of chemical dependency. Rehabilitation provides a variety of services intended to alter the behavior of substance abusers. Such services are generally provided once a person completes detoxification.

Virtually all participants covered by alcohol abuse treatment benefits are eligible for inpatient (in-hospital) detoxification, and, in most cases, receive inpatient rehabilitation coverage. Detoxification is considered medically necessary, and thus nearly all medical plans include it. There is a tendency, however, to exclude inpatient rehabilitation, because it requires less constant and less immediate care. Outpatient alcohol abuse treatment, generally rehabilitative care, is available to most participants with alcoholism coverage. Coverage patterns are similar for drug abuse treatment benefits.

As is the case with mental health care, plans are more restrictive in covering substance abuse treatment than other illnesses.¹⁴ Participants are more likely to have inpatient detoxification treated the same as any other inpatient confinement than to have inpatient rehabilitation or outpatient care covered the same as any other illness. Limitations for substance abuse treatment most commonly include:

- Restrictions on the number of days of inpatient hospital care per year;
- Restrictions on the number of outpatient visits per year;
- Reduced coinsurance levels for outpatient treatment;
- Employee's share of the cost of outpatient care not included in out-of-pocket expense limit;
- Maximum dollar amounts per year or per lifetime.

¹³ A detailed examination of mental health care provisions in employer-provided health care plans is provided by Allan P. Blostin in "Mental Health Benefits Financed By Employer," *Monthly Labor Review*, July 1987, pp. 23-27.

¹⁴ The designation of substance abuse coverage as more restrictive than that for other illnesses results from a comparison of types of coverage. For instance, if a plan limits inpatient substance abuse care to 30 days per year but the limit on inpatient care of any other illness exceeds 30 days per year, that plan contains separate, more restrictive, limit.

A typical limit on inpatient care in non-HMO plans is 30 days per year. Similarly, outpatient care might be restricted to 20 or 30 visits per year at a coinsurance rate of 50 percent. Payments are often limited to a dollar maximum for both inpatient and outpatient care, with \$50,000 per lifetime a common limit. Limitations on days and dollars are often combined for alcohol and drug abuse care.¹⁵ For example, plans often limit coverage to 30 days per year and to \$50,000 per lifetime for both alcohol and drug abuse treatment. Copayments are rare in non-HMO plans.

HMO's frequently impose limits on the number of days for inpatient care and limits on the number of visits for outpatient care. In addition, HMO's also require small copayments for outpatient visits, such as \$20 per visit.

Other medical benefits

The survey also measures the incidence of several other services provided through medical care plans. For example, some plans cover at least part of the costs for routine physical examinations and for well-baby care (table 49). HMO's nearly always include coverage for hearing care, physical examinations, well-baby care, and immunizations and inoculations. HMO's must include these benefits to qualify under the Health Maintenance Organization Act of 1973, as amended.¹⁶

Participation requirements

Medical care plans can require new employees to serve a short eligibility period before coverage begins. However, many medical care plan participants are allowed to join a plan immediately upon being hired. For participants required to complete a minimum length of service, the required period is usually between 1 and 3 months.

Pre-existing condition limitation

Plans may impose restrictions on care provided to individuals who join a plan with a "pre-existing condition" (table 97). This is a medical condition that existed prior to coverage by the plan. Among the possible restrictions imposed are a limit on the amount the plan will pay for treatment of the condition or a specified time period after joining the plan during which no payment will be made for treatment of the condition.

Coverage for retired workers

Although the Consolidated Omnibus Budget Reconciliation Act of 1985 requires employers to continue health care benefits for employees who are retired, laid off, or otherwise separated from employment, workers may be charged all of the premium costs at group rates. In addition, the

continuation period stipulated by the law is limited.¹⁷ The survey of State and local governments focuses on coverage for retired employees that are financed wholly or partly by the employer.

Most of the full-time medical care participants in the survey work for employers who finance, at least in part, medical care protection after retirement (tables 98-99). The vast majority of these workers are in plans that provide postretirement coverage regardless of their age. Retirees are typically covered by the same plan as active employees, although benefits are coordinated with Medicare once a retiree reaches age 65. It is more likely for the coverage to be partly paid by the retiree than to be wholly employer financed.

Dental Care

Dental care benefits are available to a majority of full-time employees in State and local governments. Dental care may be offered as a part of a comprehensive medical and dental plan, or as a separate plan in addition to medical coverage. Often, employers offer a series of medical plans from which employees may choose, as well as a separate dental plan that can accompany any medical plan.

Employers may impose a service requirement before employees are covered by a dental care plan. When imposed, such requirements are often 1 to 6 months (table 100). Employers are more likely to have an eligibility requirement for dental coverage than for medical coverage.

When a single plan includes dental benefits together with medical care benefits, it is not possible to distinguish which portion of the employee's contribution, if applicable, goes toward dental coverage. Therefore, employee contribution data are examined in stand-alone dental plans, that is, those that offer dental benefits separately from medical plans. When such plans require an employee contribution, that contribution is typically a flat amount—for example, \$5 per month for individual coverage and \$10 per month for family coverage (tables 101-102).

A large majority of participants covered by dental care plans receive benefits through a fee-for-service plan, which reimburses patients or providers only after services are received (table 103). Such plans are commonly self-insured or obtained through a dental society. The remaining participants have their dental benefits provided through either a health maintenance organization or a preferred provider organization.

Dental plans nearly always cover preventive and restorative services (table 104). Preventive care typically includes dental examinations, prophylaxis (cleaning), and x rays.

¹⁵For more detailed discussion of employer-provided substance abuse coverage, see Marc E. Kronson, "Substance Abuse Coverage Provided by Employer Medical Plans," *Monthly Labor Review*, April 1991, pp 3-10. In addition, see *Substance Abuse Provisions in Employee Benefit Plans*, Bulletin 2412 (Bureau of Labor Statistics, August 1992).

¹⁶Under this act, an HMO must provide certain coverage, such as home health care, physical examinations, and children's eye and ear examinations.

¹⁷The act requires employers who maintain health insurance plans to continue coverage to terminated workers for up to 18 months. Workers may be charged up to 102 percent of the premium cost. Based on a 1989 change to this law, employees disabled at the time of termination can have benefits continued for up to 29 months, and can be charged up to 150 percent of the premium cost after 18 months.

Restorative procedures include fillings, periodontal care, endodontic care, prosthetics, and crowns. Periodontal care is the treatment of tissues and bones supporting the teeth. Endodontics involves the treatment of the tooth pulp, such as root canal work. Prosthetics deals with the construction and fitting of bridges and dentures.

Orthodontic care, including straightening teeth and maintaining proper spacing of teeth, is covered less often by dental plans than are other procedures. In addition, plans frequently limit orthodontic coverage to dependent children only.

Four methods used by dental care plans to cover dental services. Either the plan

- Pays a percent of dental charges;
- Pays up to a specified dollar amount per procedure;
- Requires patient to pay an initial copayment, after which the plan pays additional charges; or
- Pays a varying percent of dental charges, based on a patient's past use of dental services.

Dental payments are frequently based on a proportion of the usual, customary, and reasonable charge for a procedure (table 105). The proportion covered by a plan often depends on the type of procedure performed. Less costly procedures such as examinations and x rays may be covered at 100 percent. Fillings, surgery, endodontics, and periodontics are more likely to be covered at 80 percent. The most expensive procedures—crowns, prosthetics, and orthodontia—are often covered at 50 percent of the usual, customary, and reasonable charge.

Some dental plan participants are offered reimbursement based on a schedule of cash allowances. For dental plans covering State and local government employees, these cash allowances were in force, equally, for all the procedures studied. In this type of arrangement, each procedure is subject to a specified maximum dollar amount that the plan will pay to the participant or the dentist.

A few plans may require a copayment, after which benefits are paid in full. Copayments, such as \$5 or \$10 per procedure, are common, but higher copayments are often associated with major dental services.

Finally, other payments, such as those based on incentive schedules, are rare. Under incentive arrangements, the percent of dental expenses paid by the plan increases each year if the participant regularly gets examinations by a dentist. For example, a plan may pay 70 percent of all dental charges in the first year that services are received. Services in the next year are paid at 80 percent and, in the following

year, 90 percent, provided the patient receives a dental examination each year. Should a patient not receive dental care in a given year, future charges would revert to 70 percent.

Frequently, plans specify a deductible amount before any dental benefits are paid by the plan. Deductibles, such as \$25 and \$50 per year (tables 106-108), often apply. However, some plans require the participant to pay a one-time deductible (usually \$50) rather than a yearly deductible. When a deductible is specified, it frequently applies to restorative services. Deductibles are less common for preventive services and orthodontia.

Most plans limit the amount of payment each year by specifying an annual maximum benefit, for example, \$1,000 per year (tables 109-110). Benefits for orthodontic services are often subject to a separate lifetime maximum, commonly ranging between \$1,000 and \$1,500.¹⁸

As a cost containment technique, most dental participants are in plans that require participants to obtain authorization from the plan before undergoing expensive treatment (table 111). Commonly, procedures costing \$200 or more are subject to advance authorization.

Vision Care

Vision care coverage, when available, is typically provided through a fee-for-service plan. Vision benefits may also be available through an HMO or a PPO, which restrict the providers available to participants (table 112).

Vision benefits cover eyeglasses, and, with few exceptions, eye examinations and contact lenses (table 113). To be included in the survey, contact lenses must be available for cosmetic reasons. Coverage limited to medically necessary contact lenses is not included in the survey.

Participants with vision care coverage generally have limits placed on their benefits. Typically, vision care participants have coverage for eyeglasses and contact lenses subject to a scheduled dollar allowance per benefit. Eye examinations are commonly subject to either a dollar maximum per visit, or the participant is required to pay a small copayment per visit. For eyewear, other plans require an employee copayment or offer a discount on the purchase of eyeglasses and contact lenses at specified locations.

Some vision care participants have eye examinations and eyeglasses paid in full; but rarely are contact lenses covered in full.¹⁹

¹⁸ For more details on dental care benefits, see Rita S. Jain, "Employer-Sponsored Dental Insurance Eases The Pain," *Monthly Labor Review*, October 1988, pp. 18-23.

¹⁹ For more details on vision care benefits, see Rita S. Jain, "Employer-Sponsored Vision Care Brought Into Focus," *Monthly Labor Review*, September 1988, pp. 19-23.

Table 44. Medical care benefits: Summary of selected features, full-time employees, State and local governments, 1994

Item	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with medical care ¹	11,192	5,094	2,866	3,232
	Percent			
Total with medical care	100	100	100	100
Traditional fee-for-service ² ...	38	36	44	36
Preferred provider organization ³	30	29	31	32
Prepaid health maintenance organization ⁴	30	34	24	28
Retiree coverage available ⁵	75	74	76	74
With service requirements	25	25	28	22
Coverage for dependents	97	97	98	95

¹ Plans providing services or payments for services rendered in the hospital or by a physician. Excludes plans that provided only dental, vision or prescription drug coverage.

² The plan pays for specific medical procedures as expenses are incurred.

³ A preferred provider organization (PPO) is a group of hospitals and physicians that contracts to provide comprehensive medical services. To encourage use of organization members, the health care plan limits reimbursement rates when participants use nonmembers' services.

⁴ Includes federally qualified (those meeting standards of the Health Maintenance Act of 1973, as amended) and other HMO's delivering comprehensive health care on a prepayment rather than fee-for-service basis.

⁵ Tabulations cover plans in which insurance was continued for longer than 1 month after retirement. It excludes plans that provide only the retiree's share of premiums for medical insurance under Medicare (Part B).

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 45. Medical care benefits: Requirements for employee contributions, by type of funding arrangement, full-time employees, State and local governments, 1994

Contributory status	All employees			White-collar employees, except teachers			Teachers			Blue-collar and service employees		
	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans
Number (in thousands) with single coverage for medical care	11,192	7,881	3,311	5,094	3,376	1,718	2,866	2,187	679	3,232	2,317	915
Number (in thousands) with family coverage for medical care	10,290	7,233	3,057	4,709	3,118	1,592	2,605	1,991	614	2,976	2,124	852
	Percent											
Single coverage												
Total with single coverage for medical care	100	100	100	100	100	100	100	100	100	100	100	100
Employee contributions not required	49	52	42	48	51	43	52	57	36	48	49	44
Employee contributions required	47	46	52	49	47	52	44	39	60	48	49	45
Not determinable	3	2	6	3	2	5	3	3	4	4	1	11
Family coverage												
Total with family coverage for medical care	100	100	100	100	100	100	100	100	100	100	100	100
Employee contributions not required	22	25	16	20	23	15	27	30	20	22	24	16
Employee contributions required	71	70	72	74	73	76	65	63	71	71	73	66
Not determinable	7	5	12	6	4	9	8	8	9	7	3	18

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 46. Medical care benefits: Amount and type of employee contribution for individual coverage,¹ full-time employees, State and local governments, 1994

Type and amount of contribution	All employees			White-collar employees, except teachers			Teachers			Blue-collar and service employees		
	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans
Number (in thousands) with contributory coverage	5,314	3,596	1,719	2,491	1,593	898	1,269	863	405	1,555	1,139	415
	Percent											
Total with contributory coverage	100	100	100	100	100	100	100	100	100	100	100	100
Flat monthly amount	80	81	78	82	82	80	74	75	70	82	82	81
Less than \$5.00	8	9	6	7	6	8	8	11	4	10	12	6
\$5.00 - \$9.99	10	11	9	10	11	8	8	6	11	12	14	7
\$10.00 - \$14.99	10	12	7	13	16	8	6	7	4	9	10	6
\$15.00 - \$19.99	12	12	12	13	13	14	8	9	6	12	11	16
\$20.00 - \$29.99	10	5	20	11	6	19	8	2	21	11	7	22
\$30.00 - \$39.99	9	10	9	8	8	8	10	10	10	12	12	9
\$40.00 - \$49.99	7	8	5	9	11	5	7	8	4	6	5	6
\$50.00 - \$59.99	4	5	3	4	3	4	7	9	2	3	3	3
\$60.00 - \$69.99	2	2	2	2	1	2	3	3	4	1	1	1
\$70.00 - \$79.99	1	1	2	1	(²)	1	1	1	1	2	2	2
\$80.00 - \$89.99	1	1	1	1	1	(²)	2	2	2	1	1	1
\$90.00 - \$99.99	1	2	(²)	1	1	1	3	5	(²)	1	1	(²)
\$100.00 - \$124.99	2	2	1	2	2	1	3	3	1	1	(²)	1
\$125.00 or greater	1	1	(²)	1	2	(²)	(²)	(²)	1	1	2	1
Composite rate ³	2	2	1	1	1	(²)	4	4	4	2	2	1
Amount varies by employee option ⁴	6	5	9	7	6	8	5	2	11	5	5	7
Amount varies by earnings ...	2	1	3	3	2	4	1	1	1	1	1	3
Other	6	6	6	4	4	5	11	13	8	4	4	5
Contribution not determinable	5	5	4	4	4	3	5	4	6	6	7	3
	Average ⁵											
Average flat monthly contribution	\$30.20	\$31.32	\$27.78	\$29.75	\$31.63	\$26.31	\$35.66	\$37.96	\$30.41	\$26.91	\$26.27	\$28.69

¹ Plans providing services or payments for services rendered in the hospital or by a physician. Excludes plans that provided only dental, vision or prescription drug coverage.

² Less than 0.5 percent.

³ A composite rate is a set contribution covering more than one benefit area, for example, health care and sickness and accident insurance. Cost data for individual plans cannot be determined.

⁴ Amount varies by options selected under a "cafeteria plan" or

employer-sponsored reimbursement account.

⁵ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 47. Medical care benefits: Amount and type of employee contribution for family coverage,¹ full-time employees, State and local governments, 1994

Type and amount of contribution	All employees			White-collar employees, except teachers			Teachers			Blue-collar and service employees		
	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans
Number (in thousands) with contributory coverage	7,940	5,534	2,406	3,784	2,477	1,307	1,857	1,367	490	2,299	1,689	610
	Percent											
Total with contributory coverage	100	100	100	100	100	100	100	100	100	100	100	100
Flat monthly amount	89	89	87	90	90	89	87	90	79	88	89	88
Less than \$20.00	6	4	10	6	3	12	5	6	2	6	4	12
\$20.00 - \$29.99	3	2	7	3	1	7	3	1	10	4	2	7
\$30.00 - \$39.99	3	3	2	3	3	3	2	1	2	3	4	2
\$40.00 - \$49.99	4	4	2	3	3	3	4	5	1	5	5	3
\$50.00 - \$59.99	3	2	4	3	2	4	1	1	1	3	3	5
\$60.00 - \$69.99	4	4	5	5	5	5	2	2	3	5	5	6
\$70.00 - \$79.99	5	5	6	7	7	6	2	1	4	5	5	6
\$80.00 - \$89.99	2	2	3	2	1	4	4	4	3	2	2	1
\$90.00 - \$99.99	4	3	5	5	5	6	2	1	4	2	2	5
\$100.00 - \$124.99	9	9	7	8	7	8	10	12	4	10	10	7
\$125.00 - \$149.99	6	7	5	7	8	6	5	6	2	6	7	5
\$150.00 - \$174.99	8	9	4	9	12	4	5	6	3	8	8	6
\$175.00 - \$199.99	5	6	4	6	6	4	5	6	3	4	4	5
\$200.00 - \$224.99	8	9	3	7	9	3	7	8	4	10	12	3
\$225.00 - \$249.99	6	6	5	4	4	5	11	12	6	4	4	3
\$250.00 - \$274.99	4	5	4	5	6	3	3	3	5	4	4	6
\$275.00 - \$299.99	2	2	4	2	1	4	4	3	8	1	1	3
\$300.00 or greater	7	7	6	6	7	4	11	10	15	5	5	4
Composite rate ²	1	2	1	1	1	(³)	3	3	3	1	2	(³)
Amount varies by employee option ⁴	4	3	7	5	4	6	3	1	10	4	3	7
Amount varies by earnings ...	1	1	1	1	1	1	1	1	1	1	(³)	2
Other	1	1	1	1	1	(³)	3	3	2	1	1	(³)
Contribution not determinable	4	4	3	3	3	3	3	3	5	5	6	3
	Average ⁵											
Average flat monthly contribution (dollars per month)	149.70	157.48	131.23	145.10	159.56	117.46	174.74	171.27	185.78	137.51	143.07	121.96

¹ Plans providing services or payments for services rendered in the hospital or by a physician. Excludes plans that provided only dental, vision or prescription drug coverage. If the amount of contribution varied by either size or composition of family, the rate for an employee with a spouse and one child was used. For a small percentage of employees, the employee contributes the same amount for single and family coverage.

² A composite rate is a set contribution covering more than one benefit area, for example, health care and sickness and accident insurance. Cost data for individual plans cannot be determined.

³ Less than 0.5 percent.

⁴ Amount varies by options selected under a "cafeteria plan" or employer-sponsored reimbursement account.

⁵ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 48. Medical care benefits: Pretax status of employee contributions, full-time employees, State and local governments, 1994

Method of payment	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with medical care	11,326	5,200	2,750	3,376
	Percent			
Total with medical care	100	100	100	100
Pretax contribution	70	71	70	68
No pretax contribution	30	29	30	32
Data not available	(¹)	(¹)	-	(¹)

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 49. Medical care benefits: Coverage for selected services, by type of plan, full-time employees, State and local governments, 1994

Categories of care	All employees			White-collar employees, except teachers			Teachers			Blue-collar and service employees		
	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans	All plans	Non-HMO plans	HMO plans
Number of employees (in thousands)	11,192	7,881	3,311	5,094	3,376	1,718	2,866	2,187	679	3,232	2,317	915
	Percent											
Hospital room and board	100	100	100	100	100	100	100	100	100	100	100	100
Inpatient surgery	100	100	100	100	100	100	100	100	100	100	100	100
Outpatient surgery ¹	100	100	100	100	100	100	100	100	100	100	100	100
Inpatient physician visits	100	100	100	100	100	100	100	100	100	100	100	100
Office physician visits	100	100	100	100	100	100	100	100	100	100	100	100
Diagnostic X-ray and laboratory	100	100	100	100	100	100	100	100	100	100	100	100
Extended care ²	81	80	82	83	81	86	81	82	75	78	77	81
Home health care ²	84	82	89	84	82	87	86	85	91	84	81	91
Hospice care	58	65	42	60	66	47	58	66	33	55	62	39
Inpatient mental health	99	100	99	99	99	99	100	100	99	99	100	99
Outpatient mental health	97	96	100	98	97	100	97	96	100	97	95	100
Inpatient alcohol detoxification ³	99	99	100	99	99	100	99	99	99	99	99	100
Inpatient alcohol rehabilitation ⁴	77	82	64	76	84	61	78	81	67	76	80	66
Outpatient alcohol rehabilitation ⁴	83	82	86	83	82	87	83	83	82	82	80	87
Inpatient drug detoxification ³	98	97	100	98	96	100	99	98	99	99	98	100
Inpatient drug rehabilitation ⁴	74	78	64	73	79	61	76	79	67	74	77	66
Outpatient drug rehabilitation ⁴	80	77	86	79	75	87	82	82	81	80	77	87
Hearing care ⁵	34	12	87	38	14	86	29	10	90	32	11	87
Physical exam	55	38	98	59	40	98	52	37	98	52	34	98
Well-baby care	62	49	94	66	51	95	58	45	99	60	48	88
Immunization and inoculation	49	30	94	52	30	94	47	32	95	47	28	95
Birth center	13	17	4	13	17	4	16	19	4	13	16	4

¹ Charges incurred in the outpatient department of a hospital and outside the hospital.

² Some plans provide this care only to a patient who was previously hospitalized and is recovering without need of the extensive care provided by a general hospital.

³ Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance

⁴ Rehabilitation is designed to alter abusive behavior in patients once they are free of acute physical and mental complications.

⁵ Plans provide, as a minimum, coverage for hearing examination expenses.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 50. Non-health maintenance organizations: Coverage for selected services, full-time employees, State and local governments, 1994

Category of care and extent of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Hospital room and board				
Total with coverage	100	100	100	100
Covered in full	5	5	5	6
Subject to separate limits only ¹	7	5	7	8
Subject to separate limits plus major medical	37	39	36	35
Major medical only ²	52	51	52	52
Inpatient surgery				
Total with coverage	100	100	100	100
Covered in full	24	25	24	24
Subject to separate limits only ¹	(³)	(³)	1	(³)
Subject to separate limits plus major medical	4	4	6	3
Major medical only ²	71	72	69	72
Outpatient surgery⁴				
Total with coverage	100	100	100	100
Covered in full	26	26	25	26
Subject to separate limits only ¹	2	1	4	2
Subject to separate limits plus major medical	6	6	6	4
Major medical only ²	67	66	65	68
Inpatient physician visits				
Total with coverage	100	100	100	100
Covered in full	16	17	15	18
Subject to separate limits only ¹	1	1	2	1
Subject to separate limits plus major medical	13	13	15	13
Major medical only ²	69	70	67	69

See footnotes at end of table.

Table 50. Non-health maintenance organizations: Coverage for selected services, full-time employees, State and local governments, 1994 — Continued

Category of care and extent of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Office physician visits				
Total with coverage	100	100	100	100
Covered in full	5	5	6	3
Subject to separate limits only ¹	17	17	16	18
Subject to separate limits plus major medical	17	18	15	18
Major medical only ²	61	60	64	61
Diagnostic x-ray and laboratory				
Total with coverage	100	100	100	100
Covered in full	20	20	24	17
Subject to separate limits only ¹	4	5	1	6
Subject to separate limits plus major medical	10	10	8	12
Major medical only ²	66	65	68	66

¹ Separate limits apply to individual categories of care; e.g., separate limits or benefits for hospitalization. Limits may be set in terms of dollar or day ceilings on benefits, a requirement that the participant pay a percentage of costs (coinsurance), or a requirement that the participant pay a specific amount (deductible or copayment) before reimbursement begins or services are rendered.

² Major medical limits are expressed only in terms of total benefits payable under the plan, rather than for individual categories of care. Limits are set as deductibles, coinsurance percentages, and overall dollar limits on plan benefits.

³ Less than 0.5 percent.

⁴ Charges incurred in the outpatient department of a hospital and outside of the hospital.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 51. Non-health maintenance organizations: Coverage for alternatives to hospital care, full-time employees, State and local governments, 1994

	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
	Percent			
Extended care¹				
Total with coverage	100	100	100	100
Covered in full	4	3	5	3
Subject to separate limits only ²	17	18	17	15
Subject to separate limits plus major medical	55	54	49	64
Major medical only ³	24	24	29	18
Home health care¹				
Total with coverage	100	100	100	100
Covered in full	7	6	7	8
Subject to separate limits only ²	22	24	18	24
Subject to separate limits plus major medical	46	44	46	47
Major medical only ³	25	26	29	20
Hospice care				
Total with coverage	100	100	100	100
Covered in full	16	16	15	16
Subject to separate limits only ²	18	17	18	19
Subject to separate limits plus major medical	35	35	33	37
Major medical only ³	32	32	35	27

¹ Some plans provide this care only to a patient who was previously hospitalized and is recovering without need of the extensive care provided by a general hospital.

² Separate limits apply to individual categories of care; e.g., separate limits or benefits for extended care. Limits may be set in terms of dollar or day ceilings on benefits, a requirement that the participant pay a percentage of costs (coinsurance), or a requirement that the participant pay a specific amount (deductible or copayment) before reimbursement begins or services are rendered.

³ Major medical limits are expressed in terms of total benefits payable under the plan, rather than for individual categories of care. Limits are set as deductibles, coinsurance percentages, and overall dollar limits on plan benefits.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 52. Non-health maintenance organizations: Coverage for mental health and substance abuse treatment, full-time employees, State and local governments, 1994

Category of care and extent of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees	Percent			
Inpatient mental health								
Total with coverage	100	100	100	100				
Covered in full	4	5	2	3				
Subject to separate limits only ¹	15	14	12	18				
Subject to separate limits plus major medical	74	75	79	68				
Major medical only ²	8	6	8	10				
Outpatient mental health								
Total with coverage	100	100	100	100				
Covered in full	(³)	-	-	(³)				
Subject to separate limits only ¹	19	20	13	22				
Subject to separate limits plus major medical	78	77	81	77				
Major medical only ²	3	3	5	1				
Inpatient alcohol detoxification⁴								
Total with coverage	100	100	100	100				
Covered in full	7	8	4	8				
Subject to separate limits only ¹	16	15	15	20				
Subject to separate limits plus major medical	64	66	69	58				
Major medical only ²	12	12	12	14				
Inpatient alcohol rehabilitation⁵								
Total with coverage	100	100	100	100				
Covered in full	7	8	3	7				
Subject to separate limits only ¹	24	23	24	27				
Subject to separate limits plus major medical	65	65	69	61				
Major medical only ²	4	4	4	6				
Outpatient alcohol rehabilitation⁵								
Total with coverage	100	100	100	100				
Covered in full	2	2	1	2				
Subject to separate limits only ¹	29	29	24	33				

See footnotes at end of table.

Table 52. Non-health maintenance organizations: Coverage for mental health and substance abuse treatment, full-time employees, State and local governments, 1994 — Continued

Category of care and extent of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees	Percent			
Outpatient alcohol rehabilitation⁵								
Subject to separate limits plus major medical	67	65	74	61				
Major medical only ²	3	4	2	4				
Inpatient drug detoxification⁴								
Total with coverage	100	100	100	100				
Covered in full	6	7	4	7				
Subject to separate limits only ¹	16	15	15	20				
Subject to separate limits plus major medical	65	66	69	59				
Major medical only ²	13	12	12	14				
Inpatient drug rehabilitation⁵								
Total with coverage	100	100	100	100				
Covered in full	7	8	3	7				
Subject to separate limits only ¹	24	23	24	27				
Subject to separate limits plus major medical	65	65	69	61				
Major medical only ²	4	4	4	6				
Outpatient drug rehabilitation⁵								
Total with coverage	100	100	100	100				
Subject to separate limits only ¹	29	29	24	32				
Subject to separate limits plus major medical	68	67	74	63				
Major medical only ²	4	4	3	5				

¹ Separate limits apply to individual categories of care; e.g., separate limits or benefits for inpatient mental health. Limits may be set in terms of dollar or day ceilings on benefits, a requirement that the participant pay a percentage of costs (coinsurance), or a requirement that the participant pay a specific amount (deductible or copayment) before reimbursement begins or services are rendered.

² Major medical limits are expressed only in terms of total benefits payable under the plan, rather than for individual categories of care. Limits are set as deductibles, coinsurance percentages, and overall dollar limits on plan benefits.

³ Less than 0.5 percent.

⁴ Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

⁵ Rehabilitation is designed to alter abusive behavior in patients once they are free of acute physical and mental complications.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 53. Health maintenance organizations: Coverage for selected services, full-time employees, State and local governments, 1994

Category of care and extent of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Hospital room and board				
Total with coverage	100	100	100	100
Covered in full	85	87	79	87
Subject to limits ¹	15	13	21	13
Inpatient surgery				
Total with coverage	100	100	100	100
Covered in full	96	97	95	96
Subject to limits ¹	4	3	5	4
Outpatient surgery²				
Total with coverage	100	100	100	100
Covered in full	78	82	77	74
Subject to limits ¹	22	18	23	26
Inpatient physician visits				
Total with coverage	100	100	100	100
Covered in full	96	96	95	96
Subject to limits ¹	4	4	5	4
Office physician visits				
Total with coverage	100	100	100	100
Covered in full	19	20	17	19
Subject to limits ¹	81	80	83	81
Diagnostic x-ray and laboratory services				
Total with coverage	100	100	100	100
Covered in full	97	98	94	96
Subject to limits ¹	3	2	6	4

Table 54. Health maintenance organizations: Coverage for alternatives to hospital care, full-time employees, State and local governments, 1994

Category of care and extent of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Extended care¹				
Total with coverage	100	100	100	100
Covered in full	19	17	28	19
Subject to limits ²	81	83	72	81
Home health care¹				
Total with coverage	100	100	100	100
Covered in full	82	82	83	83
Subject to limits ²	18	18	17	17
Hospice care				
Total with coverage	100	100	100	100
Covered in full	85	89	85	78
Subject to limits ²	15	11	15	22

¹ Some plans provide this care only to a patient who was previously hospitalized and is recovering without need of the extensive care provided by a general hospital.

² Limits may be set in terms of dollar or day ceilings on benefits, a requirement that the participant pay a percentage of costs (coinsurance), or a requirement that the participant pay a specific amount (deductible or copayment) before reimbursement begins or services are rendered.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

¹ Limits may be set in terms of dollar or day ceilings on benefits, a requirement that the participant pay a percentage of costs (coinsurance), or a requirement that the participant pay a specific amount (deductible or copayment) before reimbursement begins or services are rendered.

² Charges incurred in the outpatient department of a hospital and outside of the hospital.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 55. Health maintenance organizations: Coverage for mental health and substance abuse treatment, full-time employees, State and local governments, 1994

Category of care and extent of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Inpatient mental health				
Total with coverage	100	100	100	100
Covered in full	4	4	4	4
Subject to limits ¹	96	96	96	96
Outpatient mental health				
Total with coverage	100	100	100	100
Covered in full	1	1	1	1
Subject to limits ¹	99	99	99	99
Inpatient alcohol detoxification²				
Total with coverage	100	100	100	100
Covered in full	42	46	36	39
Subject to limits ¹	58	54	64	61
Inpatient alcohol rehabilitation³				
Total with coverage	100	100	100	100
Covered in full	11	13	6	13
Subject to limits ¹	89	87	94	87
Outpatient alcohol rehabilitation³				
Total with coverage	100	100	100	100
Covered in full	3	3	4	4
Subject to limits ¹	97	97	96	96
Inpatient drug detoxification²				
Total with coverage	100	100	100	100
Covered in full	42	46	36	39
Subject to limits ¹	58	54	64	61
Inpatient drug rehabilitation³				
Total with coverage	100	100	100	100
Covered in full	12	13	6	14
Subject to limits ¹	88	87	94	86

See footnotes at end of table.

Table 55. Health maintenance organizations: Coverage for mental health and substance abuse treatment, full-time employees, State and local governments, 1994 — Continued

Category of care and extent of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Outpatient drug rehabilitation³				
Total with coverage	100	100	100	100
Covered in full	3	3	4	4
Subject to limits ¹	97	97	96	96

¹ Limits may be set in terms of dollar or day ceilings on benefits, a requirement that the participant pay a percentage of cost (coinsurance), or a requirement that the participant pay a specific amount (deductible or copayment) before reimbursement begins or services are rendered.

² Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

³ Rehabilitation is designed to alter abusive behavior in patients once they are free of acute physical and mental complications.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 56. Medical care benefits:¹ Fee arrangement and financial intermediary, full-time employees, State and local governments, 1994

Fee arrangement	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with medical care	11,192	5,094	2,866	3,232
	Percent			
Total with medical care	100	100	100	100
Traditional fee-for-service ² ..	38	36	44	36
Self insured ³	18	19	17	18
With administrative services only contract ⁴	13	13	13	12
Without administrative services only contract	6	6	4	6
Commercial insurance company	6	5	7	6
Blue Cross/Blue Shield	12	10	18	11
Independent organization ⁵	(⁶)	(⁶)	(⁶)	(⁶)
Combined financed ⁷	1	1	1	1
Preferred provider organization ⁸	30	29	31	32
Self insured ³	12	11	13	13
With administrative services only contract ⁴	7	6	8	9
Without administrative services only contract	5	5	5	4
Commercial insurance company	5	5	5	5

See footnotes at end of table.

Table 56. Medical care benefits:¹ Fee arrangement and financial intermediary, full-time employees, State and local governments, 1994 — Continued

Fee arrangement	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
	Percent			
Preferred provider organization ⁸	9	7	12	11
Blue Cross/Blue Shield Independent organization ⁵	1	2	1	1
Combined financed ⁷	2	3	1	2
Health maintenance organization ⁹	30	34	24	28
Commercial insurance company	4	5	3	3
Blue Cross/Blue Shield Independent organization ⁵	5	6	3	6
Combined financed ⁷	20	23	18	19
Medical society ¹⁰	(⁶)	-	(⁶)	(⁶)
Other ¹¹	(⁶)	(⁶)	-	(⁶)
Other ¹¹	2	2	1	4

¹ Plans providing services or payments for services rendered in the hospital or by a physician. Excludes plans that provided only dental, vision, or prescription drug coverage.

² These plans pay for specific medical procedures as expenses are incurred.

³ Includes plans that are financed on a pay-as-you-go basis, plans financed through contributions to a trust fund established to pay benefits, and plans operating their own facilities if at least partially financed by employer contributions. Includes plans that are administered by a commercial carrier through Administrative Services Only (ASO) contracts.

⁴ An arrangement where an establishment pays the cost of benefits, but hires another establishment to handle administrative services.

⁵ These organizations provide and finance all benefits, but are not affiliated with an insurance company or Blue Cross/Blue Shield.

⁶ Less than 0.5 percent.

⁷ These are plans where the financing comes from two different kinds of financial intermediaries. For example, an establishment contracts with Blue Cross/Blue Shield to pay part of the benefits and a commercial company to pay the other benefits.

⁸ A preferred provider organization (PPO) is a group of hospitals and physicians that contracts to provide comprehensive medical services. To encourage use of organization members, the health care plan limits reimbursement rates when participants use nonmember services.

⁹ Includes federally qualified (those meeting standards of the Health Maintenance Organization Act of 1973, as amended) and other HMO's delivering comprehensive health care on a prepayment rather than fee-for-service basis.

¹⁰ Organizations of providers other than Blue Cross/Blue Shield.

¹¹ Includes exclusive provider organizations, which are groups of hospitals and physicians that contract to provide comprehensive medical services. Participants are required to obtain services from members of the organization in order to receive plan benefits.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 57. Health maintenance organizations: Summary of selected features, full-time employees, State and local governments, 1994

Feature	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) in HMO plans	3,311	1,718	679	915
	Percent			
Total in HMO plans	100	100	100	100
Model type:				
Group/staff ¹	31	32	32	27
Individual practice association ²	44	43	43	45
Mixed model	23	22	22	27
Not determinable	2	3	2	2
Point of service feature ³	10	11	9	9
Federally qualified	68	70	68	65
Limit on copayments ⁴	23	26	21	18
Preventive dental care ⁵	5	4	5	6
Vision screening or examinations	13	13	17	12

¹ Care is provided at centralized locations.

² Care is provided by doctors working out of their own offices.

³ Enrollees may obtain care from non-HMO providers, with limited reimbursement.

⁴ In these plans, HMO's limit the dollar amount the individual pays after which coverage is in full. For example, there is a copayment limit of \$1,000 after which the HMO covers all services at 100 percent.

⁵ Includes dental examinations and/or x-rays only.

NOTE: Where applicable, dash indicates no employees in this category.

Table 58. Non-health maintenance organizations: Amount of individual deductible,¹ full-time employees, State and local governments, 1994

Deductible ²	All employees			White collar employees, except teachers			Teachers			Blue-collar and service employees		
	All non-HMO plans ³	Fee-for-service plans	Preferred provider organizations	All non-HMO plans ³	Fee-for-service plans	Preferred provider organizations	All non-HMO plans ³	Fee-for-service plans	Preferred provider organizations	All non-HMO plans ³	Fee-for-service plans	Preferred provider organizations
Number (in thousands) in non-HMO plans	7,881	4,269	3,368	3,376	1,826	1,454	2,187	1,263	894	2,317	1,180	1,021
	Percent											
Total in non-HMO plans	100	100	100	100	100	100	100	100	100	100	100	100
Deductible specified	84	93	78	83	93	76	85	93	76	84	94	81
Deductible on an annual basis ⁴	84	93	78	83	93	76	85	93	76	84	94	81
Based on earnings ⁵	(⁶)	1	-	1	1	-	(⁶)	(⁶)	-	(⁶)	1	-
Flat dollar amount	83	92	78	83	91	76	85	93	76	83	93	81
\$50	5	9	1	5	9	(⁶)	7	10	3	4	7	(⁶)
\$51 - \$99	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	(⁶)	1	-
\$100	29	40	17	25	34	15	29	40	14	34	48	22
\$101 - \$149	4	2	6	6	2	10	2	4	(⁶)	3	1	5
\$150	6	4	8	7	6	9	4	3	3	6	4	9
\$151 - \$199	1	(⁶)	2	(⁶)	(⁶)	1	2	-	4	(⁶)	-	1
\$200	18	15	22	18	17	20	17	14	22	18	13	25
\$201 - \$249	(⁶)	(⁶)	(⁶)	-	-	-	(⁶)	-	(⁶)	(⁶)	(⁶)	-
\$250	12	12	12	10	11	9	13	12	16	12	13	12
\$300	3	3	4	4	6	3	3	2	6	2	1	3
Over \$300	6	6	6	6	6	7	8	8	8	4	4	5
Other	(⁶)	-	(⁶)	-	-	-	-	-	-	(⁶)	-	(⁶)
No deductible	16	7	22	17	7	24	14	5	24	16	6	19
Not determinable	(⁶)	1	-	-	-	-	1	2	-	-	-	-
	Average ⁷											
Average annual deductible	\$186	\$172	\$206	\$188	\$178	\$203	\$194	\$181	\$218	\$175	\$155	\$200

¹ The deductible is the amount of covered expenses that an individual must pay before any charges are paid by the medical care plan. Deductibles that apply separately to a specific category of expense, such as a deductible for each hospital admission, were excluded from this tabulation.

² Amount of deductible described is for each insured person. However, many plans contain a maximum family deductible. In some plans, the individual and the family deductibles are identical. If the deductible applied only to dependents' coverage, it was not tabulated.

³ These plans include fee-for-service, preferred provider organizations, and exclusive provider organizations.

⁴ Deductibles are calculated on an annual basis, with the enrollee responsible for satisfying a new deductible requirement each plan year.

⁵ These plans have deductibles that vary by the amount of the participant's earnings. A typical provision is 1 percent of annual earnings with a maximum deductible of \$500.

⁶ Less than 0.5 percent.

⁷ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 59. Non-health maintenance organizations: Relationship of individual and family deductibles,¹ full-time employees, State and local governments, 1994

Relationship of individual and family deductibles	All employees			White-collar employees, except teachers			Teachers			Blue-collar and service employees		
	All non-HMO plans ²	Fee-for-service plans	Preferred provider organizations	All non-HMO plans ²	Fee-for-service plans	Preferred provider organizations	All non-HMO plans ²	Fee-for-service plans	Preferred provider organizations	All non-HMO plans ²	Fee-for-service plans	Preferred provider organizations
Number (in thousands) in non-HMO plans	7,881	4,269	3,368	3,376	1,826	1,454	2,187	1,263	894	2,317	1,180	1,021
	Percent											
Total with non-HMO plans	100	100	100	100	100	100	100	100	100	100	100	100
Individual and family deductibles specified	79	89	72	77	88	67	82	88	74	80	90	77
Family deductible is multiple of individual deductible ³	59	63	56	59	67	52	61	66	56	56	56	63
1 times	1	1	(⁴)	1	3	(⁴)	(⁴)	-	(⁴)	1	1	(⁴)
1.1 to 1.9 times	1	1	(⁴)	1	1	-	(⁴)	(⁴)	-	1	1	(⁴)
2 times	33	35	33	34	37	32	33	35	30	33	32	37
2.5 times	3	2	5	2	1	4	4	4	5	3	1	7
2.6 to 2.9 times	(⁴)	-	(⁴)	(⁴)	-	(⁴)	-	-	-	(⁴)	-	(⁴)
3 times	20	24	14	20	25	14	21	27	12	17	20	16
Greater than 3 times	1	-	3	(⁴)	-	1	3	-	7	1	-	2
Specified number of individual deductibles must be met to satisfy family deductible ⁵	20	25	16	18	21	15	20	23	18	24	34	14
Less than 3 individual deductibles	6	9	4	6	6	6	6	9	2	8	13	3
3 individual deductibles	14	16	12	12	15	9	15	13	17	16	22	11
No individual and/or family deductible	21	11	28	23	12	33	17	10	26	20	10	23
Not determinable	(⁴)	1	-	-	-	-	1	2	-	-	-	-

¹ Deductibles are calculated on an annual basis with the enrollee responsible for satisfying a new deductible requirement each plan year.

² These plans include fee-for-service, preferred provider organizations, and exclusive provider organizations.

³ For example, the individual deductible requirement is \$100 while the family deductible requirement is \$300.

⁴ Less than 0.5 percent.

⁵ For example, the individual requirement is \$100 and three individual deductibles must be met to satisfy the family requirement.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 60. Non-health maintenance organizations: Coinsurance rates, full-time employees, State and local governments, 1994

Coinsurance	All employees			White-collar employees, except teachers			Teachers			Blue-collar and service employees		
	All non-HMO plans ¹	Fee-for-service plans	Preferred provider organizations	All non-HMO plans ¹	Fee-for-service plans	Preferred provider organizations	All non-HMO plans ¹	Fee-for-service plans	Preferred provider organizations	All non-HMO plans ¹	Fee-for-service plans	Preferred provider organizations
Number (in thousands) in non-HMO plans	7,881	4,269	3,368	3,376	1,826	1,454	2,187	1,263	894	2,317	1,180	1,021
	Percent											
Total with non-HMO plans	100	100	100	100	100	100	100	100	100	100	100	100
With coinsurance ²	87	94	83	88	96	83	88	92	85	84	95	82
Coinsurance rate ³												
80 percent	64	78	51	64	77	51	67	80	49	63	78	52
85 percent	3	3	3	3	3	3	2	1	3	3	3	2
90 percent	17	10	27	19	13	27	16	7	28	16	9	26
Other percent	2	3	2	2	3	1	3	3	3	2	3	1
Varies ⁴	1	1	1	(⁵)	1	(⁵)	(⁵)	-	1	1	2	1
Without coinsurance ⁶	13	5	17	12	4	17	11	7	15	16	5	18
Not determinable	(⁵)	1	-	-	-	-	1	2	-	-	-	-

¹ These plans include fee-for-service, preferred provider organizations, and exclusive provider organizations.

² Represents the initial coinsurance in plans that have 100 percent coverage after the individual pays a specified dollar amount toward expenses. For example, the plan pays 80 percent until the individual's out-of-pocket expenses reach \$1,000, and then coverage is at 100 percent.

³ A few plans have more than one coinsurance rate. In those cases, the coinsurance rate shown is that which applies to the majority of benefits under the plan.

⁴ The overall coinsurance rate varies by specified dollar amount of expenses. For example, 80 percent coverage up to \$5,000 and 90 percent thereafter.

⁵ Less than 0.5 percent.

⁶ Includes plans with overall benefit limitations, such as maximum dollar amounts and deductibles, where the coinsurance rate is 100 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 61. Non-health maintenance organizations: Maximum out-of-pocket expense provisions, full-time employees, State and local governments, 1994

Item	All employees			White-collar employees, except teachers			Teachers			Blue-collar and service employees		
	All non-HMO plans ¹	Fee-for-service plans	Preferred provider organizations	All non-HMO plans ¹	Fee-for-service plans	Preferred provider organizations	All non-HMO plans ¹	Fee-for-service plans	Preferred provider organizations	All non-HMO plans ¹	Fee-for-service plans	Preferred provider organizations
Number (in thousands) with non-HMO plans	7,881	4,269	3,368	3,376	1,826	1,454	2,187	1,263	894	2,317	1,180	1,021
	Percent											
Total with non-HMO plans	100	100	100	100	100	100	100	100	100	100	100	100
With limit on out-of-pocket expense	85	89	86	87	92	86	85	86	86	83	89	86
With an annual dollar maximum on out-of-pocket expense ²	80	86	79	80	87	75	83	82	85	79	87	79
Per individual:												
\$1 - \$299	4	4	5	4	5	3	5	5	6	4	3	6
\$300	1	1	1	1	1	1	1	(³)	2	(³)	1	(³)
\$301 - \$399	3	5	(³)	3	6	1	3	5	-	2	4	(³)
\$400	14	22	6	11	18	3	19	26	10	14	21	7
\$500	12	10	16	12	11	14	10	5	17	15	14	17
\$501 - \$749	5	6	3	4	5	2	4	4	1	7	8	7
\$750 - \$999	6	3	11	8	4	14	4	1	8	6	5	9
\$1,000	19	23	16	21	25	17	18	22	13	17	19	17
\$1,001 - \$1,499	2	2	2	2	2	2	2	2	2	2	2	3
\$1,500 - \$1,999	5	4	5	5	6	3	6	3	11	3	3	3
\$2,000	4	4	5	4	4	4	6	4	8	3	5	2
\$2,000 or greater	5	3	8	5	2	10	5	4	7	5	3	7
Per family:												
\$1 - \$499	3	3	4	3	4	2	4	2	8	3	2	5
\$500 - \$749	2	2	3	3	2	3	2	2	2	2	2	2
\$750 - \$999	4	6	(³)	4	7	(³)	4	6	1	3	6	(³)
\$1,000	6	5	8	5	6	5	4	2	8	9	7	13
\$1,001 - \$1,249	2	4	1	3	4	(³)	3	3	2	2	3	(³)
\$1,250 - \$1,499	1	3	(³)	1	3	-	(³)	-	(³)	3	5	-
\$1,500	1	2	1	2	2	2	1	(³)	1	2	3	1
\$1,501 - \$1,999	2	2	2	2	3	2	3	2	3	1	1	1
\$2,000	6	8	5	8	11	4	6	7	5	5	5	6
\$2,001 - \$2,999	4	1	7	4	1	8	2	1	4	4	1	9
\$3,000	5	4	5	5	5	7	4	3	5	4	5	3
\$3,001 or greater	5	3	8	6	3	9	4	2	7	5	4	7
No family maximum ..	30	36	24	27	31	23	39	45	33	26	34	18
Family maximum cannot be computed ⁴	8	6	11	8	7	11	6	6	8	9	6	13
Annual maximum on out-of-pocket expense based on earnings	3	1	6	5	1	10	1	2	(³)	2	(³)	4
Annual maximum on out-of-pocket expense varies by coinsurance rate ⁵	2	2	2	2	4	1	1	1	1	3	2	3
Other	(³)	(³)	(³)	(³)	-	(³)	(³)	1	(³)	(³)	(³)	(³)
No out-of-pocket expense required ⁶	6	2	6	6	2	6	5	1	7	9	4	5

See footnotes at end of table.

Table 61. Non-health maintenance organizations: Maximum out-of-pocket expense provisions, full-time employees, State and local governments, 1994 — Continued

Item	All employees			White-collar employees, except teachers			Teachers			Blue-collar and service employees		
	All non-HMO plans ¹	Fee-for-service plans	Preferred provider organizations	All non-HMO plans ¹	Fee-for-service plans	Preferred provider organizations	All non-HMO plans ¹	Fee-for-service plans	Preferred provider organizations	All non-HMO plans ¹	Fee-for-service plans	Preferred provider organizations
	Percent											
Total with non-HMO plans												
No limit on out-of-pocket expense	8	8	8	7	6	8	9	11	7	8	7	10
Not determinable	(³)	1	-	-	-	-	1	2	-	-	-	-
	Average ⁷											
Average annual dollar maximum on individual out-of-pocket expense	\$941	\$862	\$1,053	\$948	\$828	\$1,125	\$949	\$867	\$1,069	\$923	\$911	\$939
Average annual dollar maximum on family out-of-pocket expense	1,947	1,690	2,275	2,029	1,662	2,586	1,870	1,694	2,059	1,890	1,734	2,064

¹ These plans include fee-for-service, preferred provider organizations, and exclusive provider organizations.

² Deductible amounts were excluded from computation of the out-of-pocket dollar limits. With rare exceptions, an out-of-pocket limit was specified on an annual basis. Few workers were in plans where the expense limit applied to a disability or a period other than a year. Charges for certain services, such as mental health care, may not be counted toward the out-of-pocket maximum.

³ Less than 0.5 percent.

⁴ These are plans where a family maximum is stated in such a way that it cannot be computed. For example, the individual out-of-pocket expense is limited to \$1,000 per year and the family out-of-pocket expense is limited to three individuals. The family out-of-pocket expense cannot be computed because each of the three individuals must separately reach an out-of-pocket limit of \$1,000. Thus, if two individuals each reach \$1,000 in

their out-of-pocket expenses, and two other family members reach \$900 and \$800 respectively in out-of-pocket expenses, the family out-of-pocket limit would not have been met. A family dollar maximum cannot be computed in this example.

⁵ Some plans reimburse medical expenses at more than one coinsurance rate. They impose a limit on out-of-pocket expenses by specifying a maximum on covered medical expenses beyond which all expenses are paid at 100 percent.

⁶ All covered expenses are paid at 100 percent.

⁷ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 62. Non-health maintenance organizations: Maximum benefit provisions, full-time employees, State and local governments, 1994

Maximum ¹	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with non-HMO plans	7,881	3,376	2,187	2,317
	Percent			
Total with non-HMO plans	100	100	100	100
With maximum limits	75	76	78	70
Lifetime maximum only	73	74	75	69
Less than \$250,000	2	3	3	2
\$250,000	2	1	4	2
\$250,001 - \$499,999	(²)	(²)	(²)	(²)
\$500,000	5	6	2	7
\$500,001 - \$999,999	(²)	(²)	1	(²)
\$1,000,000	57	59	57	53
More than \$1,000,000 ..	6	5	8	5
Annual or disability maximum only	1	(²)	1	(²)
Both lifetime and annual or disability maximums	1	1	(²)	1
Other maximum	(²)	(²)	1	(²)
Without maximum limits	24	23	22	28
Not determinable	1	(²)	1	1
	Average ³			
Average lifetime maximum	\$988,246	\$978,305	\$1,023,201	\$968,230

¹ Maximum described is for each insured person. Where the maximum differed for employees and dependents, the employee maximum was tabulated.

² Less than 0.5 percent.

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 63. Non-health maintenance organizations: Major medical coinsurance rate for selected services, full-time employees, State and local governments, 1994

Item	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with major medical coverage for hospital room and board	6,939	3,024	1,915	2,000
Number (in thousands) with major medical coverage for inpatient surgery	5,923	2,542	1,637	1,744
Number (in thousands) with major medical coverage for outpatient surgery	5,674	2,440	1,558	1,676
Number (in thousands) with major medical coverage for extended care plans	5,003	2,155	1,389	1,459
Percent				
Hospital room and board				
Total with major medical coverage for hospital room and board	100	100	100	100
Overall plan coinsurance percent ¹	92	92	94	92
Separate coinsurance percent ²	8	8	6	8
Less than 80	(³)	(³)	(³)	(³)
81 - 89	(³)	(³)	-	-
90	1	1	1	2
95	(³)	1	(³)	(³)
100	6	7	5	5
Inpatient surgery				
Total with major medical coverage for inpatient surgery	100	100	100	100
Overall plan coinsurance percent ¹	93	92	94	93
Separate coinsurance percent ²	7	8	6	7
80	(³)	(³)	(³)	(³)
100	7	8	5	7
Outpatient surgery				
Total with major medical coverage for outpatient surgery	100	100	100	100
Overall plan coinsurance percent ¹	85	83	86	87

See footnotes at end of table.

Table 63. Non-health maintenance organizations: Major medical coinsurance rate for selected services, full-time employees, State and local governments, 1994 — Continued

Item	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Outpatient surgery				
Separate coinsurance percent ²	15	17	14	13
80	(³)	(³)	(³)	(³)
90	1	1	(³)	(³)
100 percent	14	16	13	13
Extended care				
Total with major medical coverage for extended care	100	100	100	100
Overall plan coinsurance percent ¹	83	81	89	79
Separate coinsurance percent ²	17	19	11	21
Less than 80	1	(³)	-	3
80	2	3	(³)	1
81 - 89	(³)	(³)	-	-
90	(³)	(³)	(³)	(³)
100	13	14	10	14
Coinsurance varies ⁴	1	1	1	2

¹ The plan coinsurance is expressed in terms of total benefits payable under the plan, rather than for individual items. The overall coinsurance applies to many, if not all, types of medical care covered under the plan.

² Separate coinsurance limits apply to individual categories of care, e.g., separate limits on benefits for outpatient surgery.

³ Less than 0.5 percent.

⁴ The coinsurance rate varies by days or a specified dollar amount of expense. For example, 80 percent coverage up to \$5,000 and 90 percent thereafter.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 64. Medical care benefits: Average major medical provisions, full-time employees, State and local governments, 1994

Average ¹	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Annual deductible ²				
Individual	\$186	\$188	\$194	\$175
Family	441	434	469	421
Annual out-of-pocket expense maximum ³				
Individual	941	948	949	923
Family	1,947	2,029	1,870	1,890
Lifetime maximum ⁴	988,246	978,305	1,023,201	968,230

¹ The average is presented for all covered workers; averages exclude workers without the plan provision.

² The deductible is the amount of covered expenses that an individual or family must pay before any charges are paid by the medical care plan. Deductibles that apply separately to a specific category of expense, such as a deductible for each hospital admission, were excluded from this tabulation.

³ The out-of-pocket expense maximum is the amount an individual or family must pay before the plan will pay 100 percent of additional charges. Deductible amounts were excluded from computation of the out-of-pocket dollar limits. Usually, out-of-pocket limits were specified on an annual basis. Charges for certain services, such as mental health care, may not be counted toward the out-of-pocket maximum.

⁴ The maximum is the total amount of expenses that the plan will pay. Maximum described is for each insured person. Where the maximum differed for employees and dependents, the employee maximum was tabulated.

Table 65. Preferred provider organizations:¹ Summary of selected features, full-time employees, State and local governments, 1994

	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) in PPO plans	3,368	1,454	894	1,021
	Percent			
Total with PPO plans	100	100	100	100
Services subject to PPO incentive:				
Hospital room and board ..	89	85	92	90
Surgery	88	88	86	89
Physician's in-hospital visits	88	88	86	89
Office visits	86	86	83	87
Outpatient prescription drugs	37	33	37	41
Type of PPO incentives: ²				
Coinsurance rate differs ...	88	88	86	89
Lower annual deductible ...	34	32	35	35
Higher lifetime maximum benefit limit	6	7	6	6
Lower catastrophic maximum limit	46	43	53	44
Lower hospital deductible	28	28	32	24
Office visits copayment	39	43	37	35
PPO copayment, traditional plan covered by major medical	34	35	35	31
Other	5	8	2	4
Outpatient prescription drugs copayment	14	14	13	14
PPO copayment, traditional plan covered by major medical	9	9	8	12
Other	4	5	5	2
Discounted for PPO ³	2	2	4	2

¹ A preferred provider organization (PPO) is a group of hospitals and physicians that contract to provide comprehensive medical services. To encourage use of organization members, the health care plan limits reimbursement rates when participants use nonmember services.

² Sum of individual items is greater than the total because many plan participants were in plans with more than one incentive.

³ The amount of total expenses incurred by the individual is discounted under the PPO. For example, under the non-PPO, total expenses are \$10,000; under the PPO, total expenses are discounted by 10 percent.

NOTE: Where applicable, dash indicates no employees in this category.

Table 66. Preferred provider organizations:¹ Coinsurance rate comparison with traditional fee-for-service plans, full-time employees, State and local governments, 1994

Item	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) in PPO plans	3,368	1,454	894	1,021
	Percent			
Total with PPO plans	100	100	100	100
Overall coinsurance rate differs based on PPO	88	88	86	89
100 vs 80	20	25	9	22
90 vs 80	11	10	12	11
100 vs 70	9	6	13	9
90 vs 70	14	15	12	13
80 vs 70	7	6	7	6
80 vs 60	8	6	12	7
Other coinsurance rate	20	19	20	21
Overall coinsurance rate does not differ based on PPO	6	5	10	4
Not determinable	6	8	4	7

¹ A preferred provider organization (PPO) is a group of hospitals and physicians that contract to provide comprehensive medical services. To encourage use of organization members, the health care plan limits reimbursement rates when participants use nonmember services.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 67. Medical care benefits: Availability of managed care benefits, full-time employees, State and local governments, 1994

Managed care plan	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with medical care	11,192	5,094	2,866	3,232
	Percent			
Total with medical care	100	100	100	100
With managed care benefits	89	92	86	88
Traditional fee-for-service with managed care features ¹	28	28	30	24
Preferred provider organization ²	30	29	31	32
Exclusive provider organization ³	2	2	1	4
Prepaid health maintenance organization ⁴	30	34	24	28
Without managed care	11	8	14	12

¹ Fee-for-service plans with preadmission certification or mandatory second surgical opinion features. In the 1992 State and local government survey, traditional fee-for-service plans with managed care features included at least one of the following: utilization review, preadmission certification, mandatory second surgical opinion, and no or limited reimbursement for nonemergency weekend admission.

² A preferred provider organization (PPO) is a group of hospitals and physicians that contract to provide comprehensive medical services. To encourage use of organization members, the health care plan limits reimbursement rates when participants use nonmember services.

³ An exclusive provider organization is a group of hospitals and physicians that contract to provide comprehensive medical services. Participants are required to obtain services from members of the organization to receive plan benefits.

⁴ A health maintenance organization provides a prescribed set of benefits to enrollees for a fixed payment.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 68. Non-health maintenance organizations: Availability of selected cost containment features, full-time employees, State and local governments, 1994

Cost containment feature	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) in non-HMO plans	7,881	3,376	2,187	2,317
	Percent			
Total with non-HMO plans	100	100	100	100
Preadmission certification requirement	68	72	65	64
Utilization or concurrent review	39	42	38	37
Preadmission testing	46	43	50	45
Nonemergency weekend admission restriction	11	11	11	10
Hospital audit program	11	11	11	10

NOTE: Sum of individual items may be greater than the total because many participants were in plans with more than one type of cost containment feature.

Table 69. Non-health maintenance organizations: Prehospitalization certification requirements, full-time employees, State and local governments, 1994

Item	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with preadmission certification ...	5,336	2,432	1,429	1,476
	Percent			
Total with preadmission certification	100	100	100	100
Plan does not impose penalty	1	1	2	3
Plan does impose penalty	99	99	98	97
No benefit	6	4	10	5
Deductible on hospital admission	45	46	39	48
Less than \$100	(¹)	(¹)	-	1
\$100 - \$199	7	8	8	5
\$200 - \$299	19	19	17	21
\$300 - \$399	2	1	4	2
\$400 - \$499	3	3	1	5
\$500 or greater	13	14	9	14
Reduced coinsurance paid by plan	13	12	14	13
50 percent	4	4	6	3
60 percent	4	4	2	6
80 percent	1	1	1	1
Other percent	3	3	5	3
Reduced coinsurance by ²	8	9	7	7
20 percent	4	4	4	3
25 percent	1	1	1	(¹)
50 percent	2	2	2	2
Other percent	1	1	1	1
Reduced coinsurance paid by plan up to maximum deductible on hospital admission	5	4	5	5
Reduced coinsurance and separate deductible per admission	(¹)	1	-	(¹)
Other	3	4	4	2
Penalty not determinable ..	19	19	20	16

¹ Less than 0.5 percent.

² For these workers, the portion paid by the plan is reduced by a specified percentage if the individual does not seek preadmission certification.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 70. Non-health maintenance organizations: Second surgical opinion provisions, full-time employees, State and local governments, 1994

Second surgical opinion	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) in non-HMO plans	7,881	3,376	2,187	2,317
	Percent			
Total with non-HMO plans	100	100	100	100
With second surgical opinion program	69	70	71	66
With no penalties for non-compliance	38	36	46	32
With penalties for non-compliance	31	34	25	34
Coinsurance reduced to:				
60 percent	1	1	(¹)	1
50 percent	16	18	15	13
40 percent	1	1	2	2
Other	5	5	3	6
No coverage	(¹)	(¹)	(¹)	(¹)
Deductible imposed	6	6	3	9
Penalty not determinable	2	2	1	2
No second surgical opinion program	31	30	29	34

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 71. Non-health maintenance organizations: Extent of coverage for hospital room and board, full-time employees, State and local governments, 1994

Extent of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) in non-HMO plans with hospital room and board coverage	7,876	3,376	2,183	2,317
Percent				
Total in non-HMO plans with hospital room and board coverage	100	100	100	100
First dollar coverage only ¹	12	10	12	14
First dollar coverage then major medical	37	39	36	35
Major medical only ²	52	51	52	52

¹ Includes plans in which all expenses were reimbursed for the full semiprivate room rate for a specified dollar amount, or for a limited or unlimited number of days.

² Major medical limits are expressed only in terms of total benefits payable under the plan rather than for individual categories of care. Limits are set as deductibles, coinsurance percentages, and overall dollar limits on plan benefits.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 72. Non-health maintenance organizations: Types of limitations on hospital room and board coverage, full-time employees, State and local governments, 1994

Type of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) in non-HMO plans with hospital room and board coverage	7,876	3,376	2,183	2,317
Percent				
Total in non-HMO plans with hospital room and board coverage	100	100	100	100
Covered in full	5	5	5	6
Subject to limits other than major medical	43	44	43	42
Separate deductible	21	23	16	23
Separate coinsurance	3	3	2	3
Limits on days	28	27	30	29
Per confinement	27	26	27	28
Per year	2	1	3	1
Limit on dollars	1	1	1	1
Other	(¹)	(¹)	-	(¹)
Major medical limits only ²	52	51	52	52

¹ Less than 0.5 percent

² Major medical limits are expressed only in terms of total benefits payable under the plan rather than for individual categories of care. Limits are set as deductibles, coinsurance percentages, and overall dollar limits on plan benefits.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of limit. Where applicable, dash indicates no employees in this category.

Table 73. Hospital room and board coverage: Copayment provisions,¹ by type of plan, full-time employees, State and local governments, 1994

Type of copayment provision	All employees			White-collar employees, except teachers			Teachers			Blue-collar and service employees		
	HMO plans ²	Non-HMO plans		HMO plans ²	Non-HMO plans		HMO plans ²	Non-HMO plans		HMO plans ²	Non-HMO plans	
		Fee-for-service plans ³	Preferred provider organization ⁴		Fee-for-service plans ³	Preferred provider organization ⁴		Fee-for-service plans ³	Preferred provider organization ⁴		Fee-for-service plans ³	Preferred provider organization ⁴
Number (in thousands) with separate copayment	385	952	509	186	454	238	110	220	118	90	278	153
	Percent											
Total with separate copayment	100	100	100	100	100	100	100	100	100	100	100	100
Per confinement	81	62	78	82	59	68	79	55	98	81	73	78
\$1 - \$50	3	1	1	3	2	1	1	(⁵)	4	4	1	(⁵)
\$51 - \$99	-	21	-	-	18	-	-	32	-	-	19	-
\$100	31	24	71	33	30	62	29	15	89	29	20	72
\$101 - \$199	1	3	(⁵)	1	1	-	-	5	(⁵)	3	3	(⁵)
\$200	14	10	2	14	5	1	7	2	(⁵)	22	25	4
\$201 - \$299	11	-	3	8	-	3	23	-	5	4	-	1
\$300	4	-	(⁵)	3	-	(⁵)	5	-	-	4	-	(⁵)
\$301 - \$499	-	(⁵)	-	-	(⁵)	-	-	(⁵)	-	-	-	-
\$500	8	3	(⁵)	4	3	-	13	-	-	8	6	1
Greater than \$500	10	-	-	16	-	-	(⁵)	-	-	7	-	-
Limited to maximum dollar copayment amount per year ⁶	9	3	2	8	(⁵)	2	16	12	5	5	(⁵)	1
Copayment per year	8	15	22	5	15	32	10	21	2	9	10	22
Copayment per day	26	16	-	32	15	-	19	24	-	22	12	-
Copayment limited to a specified number of days	-	11	(⁵)	-	12	1	-	-	-	-	19	-

¹ A copayment is the amount of covered expenses that an individual must pay before any charges are paid by the medical care plan.

² Includes federally qualified (those meeting standards of the Health Maintenance Organization Act of 1973, as amended) and other HMO's delivering comprehensive health care on a prepayment rather than fee-for-service basis.

³ These plans pay for specific medical procedures as expenses are incurred.

⁴ A preferred provider organization (PPO) is a group of hospitals and physicians that contracts to provide comprehensive medical services. To

encourage use of organization members, the health care plan limits reimbursement rates when participants use nonmember services.

⁵ Less than 0.5 percent.

⁶ These are plans where a limit is placed on the maximum copayment an individual is responsible for during the year. For example, an individual is subject to a copayment of \$100 per confinement with a limit of \$300 per year.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 74. Non-health maintenance organizations: Extent of coverage for extended care facilities, full-time employees, State and local governments, 1994

Extent of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) in non-HMO plans with extended care benefits	6,318	2,741	1,798	1,780
	Percent			
Total in non-HMO plans with extended care benefits	100	100	100	100
First dollar coverage only ¹	21	21	23	18
First dollar coverage then major medical	55	54	49	64
Major medical only ²	24	24	29	18

¹ Includes plans in which all expenses were reimbursed for the full semiprivate room rate, for a specified dollar amount, or for a limited or unlimited number of days.

² Major medical limits are expressed only in terms of total benefits payable under the plan, rather than for individual categories of care. Limits are set as deductibles, coinsurance percentages, and overall dollar limits on plan benefits.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 75. Non-health maintenance organizations: Types of limitations on extended care facilities, full-time employees, State and local governments, 1994

Type of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) in non-HMO plans with extended care benefits	6,318	2,741	1,798	1,780
	Percent			
Total in non-HMO plans with extended care benefits	100	100	100	100
Covered in full	4	3	5	3
Subject to limits other than major medical	72	72	66	79
Limit on days	67	65	63	74
Limit on dollars	9	10	9	8
Separate coinsurance	5	5	3	7
Limited to maximum percentage rate of prior hospital confinement	7	7	5	10
Other limits	2	3	(¹)	2
Limits not determinable	(¹)	(¹)	(¹)	(¹)
Major medical limits only ²	24	24	29	18

¹ Less than 0.5 percent.

² Major medical limits are expressed only in terms of total benefits payable under the plan, rather than for individual categories of care. Limits are set as deductibles, coinsurance percentages, and overall dollar limits on plan benefits.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of limit. Where applicable, dash indicates no employees in this category.

Table 76. Non-health maintenance organizations: Limitations on days of extended care facility coverage, full-time employees, State and local governments, 1994

Day limits	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) in non-HMO plans with day limits on extended care	3,513	1,470	884	1,159
	Percent			
Total in non-HMO plans with day limits on extended care	100	100	100	100
First dollar coverage ¹ for a limited number of days per confinement	20	26	12	18
30 days	3	4	1	3
120 days	5	8	1	4
180 days	7	9	4	7
Other	5	5	6	5
Major medical coverage ² for a limited number of days per confinement	33	30	34	36
30 days	1	1	1	2
60 days	15	18	16	13
90 days	3	2	2	4
100 days	3	3	2	4
120 days	8	3	7	13
180 days	1	1	2	(³)
Other	2	2	4	1
First dollar coverage ¹ for a limited number of days per year	10	7	13	12
60 days	3	2	7	2
100 days	2	1	3	3
120 days	2	1	4	1
180 days	3	3	(³)	5
Other	1	1	-	1
Major medical coverage ² for a limited number of days per year	34	35	39	28
60 days	8	10	9	5
90 days	1	2	-	2
100 days	5	5	9	3
120 days	5	4	8	5
180 days	3	2	2	4
Other	11	13	9	10
First dollar coverage ¹ for a limited number of days per lifetime	1	1	-	(³)
Major medical coverage ² for a limited number of days per lifetime	4	1	3	6
Days not determinable	(³)	(³)	1	-

¹ Includes plans in which all expenses were reimbursed for the full semiprivate room rate, for a specified dollar amount, or for a limited or unlimited number of days.

² Major medical limits are expressed only in terms of total benefits payable under the plan, rather than for individual categories of care. Limits are set as deductibles, coinsurance percentages, and overall dollar limits on plan benefits.

³ Less than 0.5 percent.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of day limit. Where applicable, dash indicates no employees in this category.

Table 77. Health maintenance organizations: Extent of coverage for extended care facilities, full-time employees, State and local governments, 1994

Type of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) in HMO plans with extended care benefits	2,728	1,477	511	740
	Percent			
Total in HMO plans with extended care benefits	100	100	100	100
Covered in full	19	17	28	19
Day limit	79	82	68	80
Per year	63	67	47	65
30 days	1	1	1	2
60 days	7	6	5	10
90 days	1	1	2	1
100 days	41	44	27	43
Other	13	15	11	10
Per confinement	12	10	17	11
30 days	(¹)	(¹)	(¹)	-
60 days	3	2	5	3
90 days	1	2	(¹)	1
100 days	3	3	3	4
Other	4	3	9	3
Per lifetime	5	5	5	5
Other limits (only)	2	1	4	1

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 78. Health maintenance organizations: Types of limitations for physician's office visits, full-time employees, State and local governments, 1994

Item	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) in HMO plans with physician's office visits coverage	3,311	1,718	679	915
	Percent			
Total in HMO plans with physician's office visit coverage	100	100	100	100
Covered in full	19	20	17	19
Subject to a copayment	79	79	82	79
\$2 per visit	4	3	4	4
\$3 per visit	5	5	4	4
\$4 per visit	(¹)	(¹)	-	(¹)
\$5 per visit	43	46	41	40
\$6 - 9 per visit	2	2	1	2
\$10 per visit	22	20	23	25
More than \$10 per visit	3	2	7	2
Unspecified copayment	(¹)	(¹)	1	1
Subject to other limits only	1	1	2	2

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 79. Non-health maintenance organizations: Extent of coverage for surgical services, full-time employees, State and local governments, 1994

Type of surgery and extent of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) in non-HMO plans with inpatient surgery	7,872	3,372	2,183	2,317
Number (in thousands) in non-HMO plans with outpatient surgery	7,872	3,372	2,183	2,317
	Percent			
Inpatient surgery				
Total in non-HMO plans with inpatient surgery	100	100	100	100
Covered in full	24	25	24	24
Subject to limits other than major medical	4	4	6	4
Dollar limit	3	3	5	3
Separate coinsurance	(¹)	(¹)	1	(¹)
Separate deductible	(¹)	(¹)	(¹)	(¹)
Other limit	(¹)	(¹)	1	(¹)
Major medical limits only ²	71	72	69	72
Outpatient surgery³				
Total in non-HMO plans with outpatient surgery	100	100	100	100
Covered in full	26	26	25	26
Subject to limits other than major medical	8	7	10	7
Dollar limit	3	3	3	2
Separate coinsurance	1	1	1	(¹)
Separate deductible	4	4	6	4
Other limit	(¹)	-	1	(¹)
Major medical limits only ²	67	66	65	68

¹ Less than 0.5 percent.

² Major medical limits are expressed only in terms of total benefits payable under the plan, rather than for individual categories of care. Limits are set as deductibles, coinsurance percentages, and overall dollar limits on plan benefits.

³ Charges incurred in the outpatient department of a hospital and outside of the hospital.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of limit. Where applicable, dash indicates no employees in this category.

Table 80. Outpatient prescription drug benefits: Summary of coverage, full-time employees, State and local governments, 1994

Provision	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number of employees (in thousands) with outpatient prescription drug coverage	11,147	5,099	2,898	3,150
	Percent			
Total with outpatient prescription drug coverage	100	100	100	100
Coverage for brand name drugs	99	99	100	99
Higher reimbursement for generic drugs	37	37	39	35
Coverage for mail order drugs ¹	29	31	29	28
Higher reimbursement for prescriptions filled at selected pharmacies	19	17	22	20

¹ Programs that provide drugs for maintenance purposes, that is, drugs required on a continuous basis.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of coverage. Where applicable, dash indicates no employees in this category.

Table 81. Outpatient prescription drug benefits: Brand name drug provisions in non-health maintenance organization plans, full-time employees, State and local governments, 1994

Type of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number of employees (in thousands) in non-HMO plans with outpatient brand name prescription drug coverage	7,276	3,102	2,070	2,104
	Percent			
Total in non-HMO plans with outpatient brand name prescription drug coverage	100	100	100	100
Covered in full	(¹)	(¹)	(¹)	(¹)
Subject to the major medical limits of plan	60	61	58	61
Subject to copayment per prescription	41	40	41	41
Less than \$5.00	8	8	8	9
\$5.00	5	5	7	5
\$5.01-\$6.99	1	1	(¹)	(¹)
\$7.00	4	4	6	3
\$7.01-\$9.99	3	4	3	3
\$10.00	13	13	10	17
Greater than \$10.00	5	5	6	3
Unspecified copayment	(¹)	(¹)	-	(¹)
Subject to a separate yearly deductible	4	4	5	4
Subject to a separate coinsurance rate	7	9	4	9
Subject to a separate yearly maximum	4	3	3	4
Difference in cost between generic and brand name drugs ²	6	6	8	5
Other	1	1	1	1

¹ Less than 0.5 percent.

² These are plans where the individual participant is required to use a generic equivalent when available; if a generic equivalent is not chosen, the individual must pay the difference in total cost between the brand name and generic drug plus the cost to the individual. For example, if an individual is subject to a \$5 copayment for generic drugs and the brand name equivalent is purchased, the individual must pay the difference in total cost between the brand name and generic drug, plus the \$5 copayment.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of coverage. Where applicable, dash indicates no employees in this category.

Table 82. Outpatient prescription drug benefits: Brand name drug provisions in health maintenance organization plans, full-time employees, State and local governments, 1994

Type of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number of employees (in thousands) in HMO plans with outpatient brand name drug coverage	2,885	1,499	597	790
	Percent			
Total in HMO plans with outpatient brand name drug coverage	100	100	100	100
Covered in full	1	1	1	1
Subject to copayment per prescription	88	90	83	89
Less than \$2.00	2	2	2	3
\$2.00	1	1	1	1
\$2.01-\$2.99	1	(¹)	1	1
\$3.00	7	8	8	6
\$3.01-\$3.99	1	(¹)	1	(¹)
\$4.00	1	1	(¹)	(¹)
\$5.00	39	42	32	38
\$5.01-\$6.99	7	5	3	13
\$7.00	9	10	8	6
\$7.01-\$9.99	4	3	5	5
\$10.00	11	11	16	8
Greater than \$10.00	5	4	4	7
Unspecified copayment	1	1	-	1
Subject to a separate yearly deductible	3	3	2	3
Subject to a separate yearly maximum	3	3	5	3
Difference in cost between generic and brand name drugs ²	6	5	9	7
Other	4	3	6	3

¹ Less than 0.5 percent.

² These are plans where the individual participant is required to use a generic equivalent when available; if a generic equivalent is not chosen, the individual must pay the difference in total cost between the brand name and generic drug plus the cost to the individual. For example, if an individual is subject to a \$5 copayment for generic drugs and the brand name equivalent is purchased, the individual must pay the difference in total cost between the brand name and generic drug, plus the \$5 copayment.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of coverage. Where applicable, dash indicates no employees in this category.

Table 83. Outpatient prescription drug benefits: Generic drug provisions in non-health maintenance organization plans, full-time employees, State and local governments, 1994

Type of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number of employees (in thousands) in non-HMO plans with outpatient generic drug coverage	2,765	1,225	771	770
	Percent			
Total in non-HMO plans with outpatient generic drug coverage	100	100	100	100
Covered in full	5	4	-	10
Subject to the major medical limits of plan	31	37	25	28
Subject to copayment per prescription	79	74	88	77
Less than \$2.00	8	8	7	9
\$2.00	3	2	6	2
\$3.00	6	6	8	4
\$4.00	11	10	10	12
\$5.00	39	35	40	43
\$5.01-\$6.99	4	5	3	3
\$7.00	3	2	7	1
Greater than \$7.00	5	5	7	3
Subject to a separate yearly deductible	5	5	6	3
Subject to a separate coinsurance rate	6	8	3	5
Other limits	(¹)	(¹)	-	(¹)

¹ Less than 0.5 percent.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of coverage. Where applicable, dash indicates no employees in this category.

Table 84. Outpatient prescription drug benefits: Mail order drug¹ provisions, full-time employees, State and local governments, 1994

Type of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number of participants (in thousands) with outpatient mail order drug coverage	3,283	1,581	831	870
	Percent			
Total with outpatient mail order drug coverage	100	100	100	100
Treated the same as brand name	27	33	22	20
Treated differently than brand name	64	59	67	68
Covered in full	17	22	13	12
Copayment per prescription	45	37	53	54
Less than \$2.00	(²)	(²)	1	(²)
\$2.00	1	1	-	1
\$3.00	6	5	4	9
\$3.01-\$3.99	5	5	2	8
\$5.00	3	3	(²)	5
\$5.01-\$6.99	1	1	-	1
\$7.00	1	(²)	1	1
Greater than \$7.00	28	21	42	26
Unspecified copayment	2	1	3	2
Coinsurance per prescription	1	(²)	(²)	1
Other	1	1	2	1

¹ Programs that provide drugs for maintenance purposes, that is, drugs required on a continuous basis.

² Less than 0.5 percent.

NOTE: Sum of individual items may be greater than the total because some participants were in plans with more than one type of coverage. Where applicable, dash indicates no employees in this category.

Table 85. Mental health care benefits: Relationship to other coverage,¹ full-time employees, State and local governments, 1994

Type of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
	Percent			
Inpatient²				
Total covered	100	100	100	100
Covered the same	10	9	9	14
Covered differently	90	91	91	86
Outpatient³				
Total covered	100	100	100	100
Covered the same	2	2	3	1
Covered differently	98	98	97	99

¹ Relationship to other coverage is a comparison to similar non-mental health treatment. For example, if inpatient mental health care is limited to 30 days per year, but inpatient care for any other type of illness is not limited in terms of days, the plan contains mental health provisions that are covered differently.

² Excludes doctor's charges in the hospital.

³ Includes treatment in one or more of the following: outpatient department of a hospital, residential treatment center, organized outpatient clinic, day-night treatment center, or doctor's office. If benefits differed by location of treatment, the location offering the most beneficial coverage was tabulated.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 86. Mental health care benefits: Limits on coverage full-time employees, State and local governments, 1994

Coverage limitation	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with mental health care benefits	11,129	5,066	5,066	3,215
Number (in thousands) with outpatient mental health care benefits	10,887	4,995	4,995	3,119
	Percent			
Inpatient¹				
Total with mental health care benefits	100	100	100	100
No separate limits ²	14	13	13	16
Subject to separate limits ³	86	87	87	84
Days	67	68	68	63
Dollars	38	38	38	36
Coinsurance	18	18	18	15
Copayment	8	9	9	8
Outpatient⁴				
Total with mental health care benefits	100	100	100	100
No separate limits ²	3	2	2	1
Subject to separate limits ³	97	98	98	99
Days	46	46	46	48
Dollars	59	58	58	59
Coinsurance	41	40	40	42
Copayment	29	32	32	30

¹ Excludes doctor's charges in the hospital.

² These include plans covered without any limits; they also include plans subject to only the major medical limits of the plan.

³ Separate limitations indicate that mental health care benefits are more restrictive than benefits for other treatments. For example, if a plan limits inpatient mental health care to 30 days per year, that plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

⁴ Includes treatment in one or more of the following: outpatient department of a hospital, residential treatment center, organized outpatient clinic, day-night treatment center, or doctor's office. If benefits differed by location of treatment, doctor's office care was tabulated.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 87. Mental health care benefits: Limits on coverage in health maintenance organizations, full-time employees, State and local governments, 1994

Coverage limitation	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with mental health care benefits	3,284	1,709	671	904
Number (in thousands) with outpatient mental health care benefits	3,305	1,715	679	911
	Percent			
Inpatient¹				
Total with mental health care benefits	100	100	100	100
No separate limits ²	4	4	4	4
Subject to separate limits ³	96	96	96	96
Days	89	88	91	88
Dollars	10	13	8	8
Coinsurance	16	15	20	16
Copayment	11	10	17	8
Outpatient⁴				
Total with mental health care benefits	100	100	100	100
No separate limits ²	1	1	1	1
Subject to separate limits ³	99	99	99	99
Days	87	86	87	88
Dollars	16	18	16	13
Coinsurance	15	15	15	13
Copayment	68	68	63	72

¹ Excludes doctor's charges in the hospital.

² These include plans covered without any limits; they also include plans subject to only the major medical limits of the plan.

³ Separate limitations indicate that mental health care benefits are more restrictive than benefits for other treatments. For example, if a plan limits inpatient mental health care to 30 days per year, that plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

⁴ Includes treatment in one or more of the following: outpatient department of a hospital, residential treatment center, organized outpatient clinic, day-night treatment center, or doctor's office. If benefits differed by location of treatment, doctor's office care was tabulated.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 88. Mental health care benefits: Limits on coverage in non-health maintenance organizations, full-time employees, State and local governments, 1994

Coverage limitation	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with mental health care benefits	7,845	3,357	2,177	2,311
Number (in thousands) with outpatient mental health care benefits	7,583	3,280	2,094	2,209
	Percent			
Inpatient¹				
Total with mental health care benefits	100	100	100	100
No separate limits ²	18	17	15	21
Subject to separate limits ³	82	83	85	79
Days	58	57	64	52
Dollars	49	51	48	47
Coinsurance	18	20	20	15
Copayment	8	8	6	8
Outpatient⁴				
Total with mental health care benefits	100	100	100	100
No separate limits ²	3	3	6	2
Subject to separate limits ³	97	97	94	98
Days	28	24	31	31
Dollars	77	79	75	78
Coinsurance	52	53	50	54
Copayment	12	13	8	13

¹ Excludes doctor's charges in the hospital.

² These include plans covered without any limits; they also include plans subject to only the major medical limits of the plan.

³ Separate limitations indicate that mental health care benefits are more restrictive than benefits for other treatments. For example, if a plan limits inpatient mental health care to 30 days per year, that plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

⁴ Includes treatment in one or more of the following: outpatient department of a hospital, residential treatment center, organized outpatient clinic, day-night treatment center, or doctor's office. If benefits differed by location of treatment, doctor's office care was tabulated.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 89. Alcohol and drug abuse treatment benefits: Relationship between provisions, full-time employees, State and local governments, 1994

Relationship	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with medical care	11,192	5,094	2,866	3,232
	Percent			
Total	100	100	100	100
Covered together ¹	86	86	86	87
Covered separately but with the same limits ²	2	1	3	1
Covered both together and separately with the same limits ³	4	5	5	3
Covered differently ⁴	4	4	4	4
Alcohol is covered and drug is not covered	(⁵)	(⁵)	-	(⁵)
No alcohol and drug abuse coverage	1	1	1	1
Not determinable	(⁵)	(⁵)	(⁵)	(⁵)
Not applicable ⁶	3	2	2	4

¹ These are plans where all limits that apply to alcohol abuse treatment also apply to drug abuse treatment. When care is received for one of these types of treatment, it reduces the availability of care from the other. For example, if alcohol and drug abuse treatment is limited to 30 days per year and 20 days are used for alcohol abuse, then there are 10 days left for drug abuse.

² These are plans where alcohol and drug abuse treatment is subject to separate and identical limits. For example, alcohol abuse treatment is limited to 30 days per year and drug abuse treatment is limited to a separate 30 days per year.

³ These are plans where some limits for alcohol and drug abuse treatment are separate and identical, and different limits reduce the availability of care from the other. For example, alcohol abuse treatment is limited to 30 days per year and drug treatment is limited to 30 days per year, and both alcohol and drug abuse treatment are limited to a combined maximum of \$10,000 per lifetime.

⁴ These are plans where alcoholism coverage differs from drug coverage. For example, alcoholism treatment is limited to 45 days per year and drug treatment is limited to 30 days per year.

⁵ Less than 0.5 percent.

⁶ These are plans that do not have any separate limits that apply to alcohol and drug abuse treatment.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 90. Substance abuse treatment benefits: Relationship to other coverage,¹ full-time employees, State and local governments, 1994

Type of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
	Percent			
Alcohol abuse				
Total with inpatient detoxification ²	100	100	100	100
Covered the same	32	34	29	31
Covered differently	68	66	71	69
Total with inpatient rehabilitation ³	100	100	100	100
Covered the same	8	9	6	10
Covered differently	92	91	94	90
Total with outpatient rehabilitation ⁴	100	100	100	100
Covered the same	7	9	5	7
Covered differently	93	91	95	93
Drug abuse				
Total with inpatient detoxification ²	100	100	100	100
Covered the same	34	37	29	33
Covered differently	66	63	71	67
Total with inpatient rehabilitation ³	100	100	100	100
Covered the same	9	9	6	10
Covered differently	91	91	94	90
Total with outpatient rehabilitation ⁴	100	100	100	100
Covered the same	7	9	4	7
Covered differently	93	91	96	93

¹ Relationship to other coverage is a comparison to similar non-substance abuse treatment. For example, if alcohol rehabilitation is limited to 30 days per year, but inpatient care for any other type of illness is not limited in terms of days, the plan contains inpatient alcohol rehabilitation provisions that are covered differently.

² Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

³ Rehabilitation is designed to alter the abusive behavior in patients once they are free of acute physical and mental complications.

⁴ Includes treatment in one or more of the following: outpatient department of a hospital, residential treatment center, organized outpatient clinic, day-night treatment center, or doctor's office. If benefits differed by location of treatment, the location offering the most beneficial coverage was tabulated.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 91. Alcohol abuse treatment benefits: Limits on coverage, full-time employees, State and local governments, 1994

Coverage limitation	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with inpatient detoxification benefits	11,091	5,057	2,822	3,212
Number (in thousands) with inpatient rehabilitation benefits	8,577	3,896	2,223	2,458
Number (in thousands) with outpatient rehabilitation benefits	9,287	4,250	2,377	2,659
	Percent			
Inpatient detoxification¹				
Total with inpatient detoxification benefits	100	100	100	100
No separate limits	36	39	31	35
Subject to separate limits ²	64	61	69	65
Days	45	42	50	44
Dollars	30	30	31	29
Coinsurance	10	10	11	9
Copayment	7	7	7	7
Inpatient rehabilitation³				
Total with inpatient rehabilitation benefits	100	100	100	100
No separate limits ⁴	13	15	9	15
Subject to separate limits ²	87	85	91	85
Days	63	61	68	62
Dollars	39	40	41	36
Coinsurance	13	13	15	13
Copayment	8	9	10	6

See footnotes at end of table.

Table 91. Alcohol abuse treatment benefits: Limits on coverage, full-time employees, State and local governments, 1994 — Continued

Coverage limitation	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Outpatient rehabilitation⁵				
Total with outpatient rehabilitation benefits	100	100	100	100
No separate limits ⁴	9	10	5	9
Subject to separate limits ²	91	90	95	91
Days	51	49	53	51
Dollars	49	47	53	48
Coinsurance	25	25	30	21
Copayment	20	24	13	22

¹ Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

² Separate limitations indicate that alcohol abuse treatment benefits are more restrictive than benefits for other treatments. For example, if a plan limits inpatient rehabilitation care to 30 days per year, but the limit on inpatient care for any other type of illness is greater than 30 days per year, the plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

³ Rehabilitation is designed to alter the abusive behavior in patients once they are free of acute physical and mental complications.

⁴ These include plans covered without any limits; they also include plans subject to only the major medical limits of the plan.

⁵ Includes treatment in one or more of the following: outpatient department of a hospital, residential treatment center, organized outpatient clinic, day-night treatment center, or doctor's office. If benefits differed by location of treatment, the location offering the most beneficial coverage was tabulated.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 92. Drug abuse treatment benefits: Limits on coverage, full-time employees, State and local governments, 1994

Coverage limitation	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with inpatient detoxification benefits	10,974	4,967	2,820	3,188
Number (in thousands) with inpatient rehabilitation benefits	8,281	3,703	2,179	2,400
Number (in thousands) with outpatient rehabilitation benefits	8,925	4,015	2,340	2,570
Percent				
Inpatient detoxification¹				
Total with inpatient detoxification benefits	100	100	100	100
No separate limits	37	40	31	36
Subject to separate limits ²	63	60	69	64
Days	45	42	49	44
Dollars	29	28	32	28
Coinsurance	10	10	11	9
Copayment	7	7	7	7
Inpatient rehabilitation³				
Total with inpatient rehabilitation benefits	100	100	100	100
No separate limits ⁴	12	14	8	14
Subject to separate limits ²	88	86	92	86
Days	64	63	68	63
Dollars	40	39	42	37
Coinsurance	14	14	15	13
Copayment	23	24	23	23

See footnotes at end of table.

Table 92. Drug abuse treatment benefits: Limits on coverage, full-time employees, State and local governments, 1994 — Continued

Coverage limitation	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Outpatient rehabilitation⁵				
Total with outpatient rehabilitation benefits	100	100	100	100
No separate limits ⁴	8	10	5	8
Subject to separate limits ²	92	90	95	92
Days	51	50	54	51
Dollars	49	47	53	48
Coinsurance	25	24	30	21
Copayment	21	25	13	22

¹ Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

² Separate limitations indicate that drug abuse treatment benefits are more restrictive than benefits for other treatments. For example, if a plan limits inpatient rehabilitation care to 30 days per year, but the limit on inpatient care for any other type of illness is greater than 30 days per year, the plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

³ Rehabilitation is designed to alter the abusive behavior in patients once they are free of acute physical and mental complications.

⁴ These include plans covered without any limits; they also include plans subject to only the major medical limits of the plan.

⁵ Includes treatment in one or more of the following: outpatient department of a hospital, residential treatment center, organized outpatient clinic, day-night treatment center, or doctor's office. If benefits differed by location of treatment, the location offering the most beneficial coverage was tabulated.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 93. Alcohol abuse treatment benefits: Limits on coverage in health maintenance organizations, full-time employees, State and local governments, 1994

Coverage limitation	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with inpatient detoxification benefits	3,306	1,716	675	915
Number (in thousands) with inpatient rehabilitation benefits	2,120	1,055	458	607
Number (in thousands) with outpatient rehabilitation benefits	2,852	1,497	556	799
	Percent			
Inpatient detoxification¹				
Total with inpatient detoxification benefits	100	100	100	100
No separate limits	49	52	44	45
Subject to separate limits ²	51	48	56	55
Days	41	38	42	44
Dollars	14	14	17	11
Coinsurance	10	9	13	10
Copayment	6	5	10	5
Inpatient rehabilitation³				
Total with inpatient rehabilitation benefits	100	100	100	100
No separate limits ⁴	12	13	6	15
Subject to separate limits ²	88	87	94	85
Days	72	72	72	73
Dollars	24	26	31	16
Coinsurance	17	16	20	16
Copayment	11	9	17	8

Table 93. Alcohol abuse treatment benefits: Limits on coverage in health maintenance organizations, full-time employees, State and local governments, 1994 — Continued

Coverage limitation	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Outpatient rehabilitation⁵				
Total with outpatient rehabilitation benefits	100	100	100	100
No separate limits ⁴	14	16	12	13
Subject to separate limits ²	86	84	88	87
Days	67	66	68	68
Dollars	23	23	30	18
Coinsurance	10	9	15	8
Copayment	46	46	39	53

¹ Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

² Separate limitations indicate that drug abuse treatment benefits are more restrictive than benefits for other treatments. For example, if a plan limits inpatient rehabilitation care to 30 days per year, but the limit on inpatient care for any other type of illness is greater than 30 days per year, the plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

³ Rehabilitation is designed to alter the abusive behavior in patients once they are free of acute physical and mental complications.

⁴ These include plans covered without any limits; they also include plans subject to only the major medical limits of the plan.

⁵ Includes treatment in one or more of the following: outpatient department of a hospital, residential treatment center, organized outpatient clinic, day-night treatment center, or doctor's office. If benefits differed by location of treatment, the location offering the most beneficial coverage was tabulated.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

See footnotes at end of table.

Table 94. Drug abuse treatment benefits: Limits on coverage in health maintenance organizations, full-time employees, State and local governments, 1994

Coverage limitation	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with inpatient detoxification benefits	3,306	1,716	675	914
Number (in thousands) with inpatient rehabilitation benefits	2,106	1,049	453	604
Number (in thousands) with outpatient rehabilitation benefits	2,838	1,491	552	796
Percent				
Inpatient detoxification¹				
Total with inpatient detoxification benefits	100	100	100	100
No separate limits	49	52	44	45
Subject to separate limits ²	51	48	56	55
Days	41	38	42	44
Dollars	14	14	17	11
Coinsurance	10	9	13	10
Copayment	6	5	10	5
Inpatient rehabilitation³				
Total with inpatient rehabilitation benefits	100	100	100	100
No separate limits ⁴	13	14	6	16
Subject to separate limits ²	87	86	94	84
Days	72	71	73	72
Dollars	24	26	31	16
Coinsurance	17	16	20	16
Copayment	11	9	17	8

See footnotes at end of table.

Table 94. Drug abuse treatment benefits: Limits on coverage in health maintenance organizations, full-time employees, State and local governments, 1994 — Continued

Coverage limitation	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Outpatient rehabilitation⁵				
Total with outpatient rehabilitation benefits	100	100	100	100
No separate limits ⁴	14	16	12	13
Subject to separate limits ²	86	84	88	87
Days	67	66	68	68
Dollars	23	23	31	18
Coinsurance	10	9	15	8
Copayment	46	46	38	52

¹ Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

² Separate limitations indicate that drug abuse treatment benefits are more restrictive than benefits for other treatments. For example, if a plan limits inpatient rehabilitation care to 30 days per year, but the limit on inpatient care for any other type of illness is greater than 30 days per year, the plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

³ Rehabilitation is designed to alter the abusive behavior in patients once they are free of acute physical and mental complications.

⁴ These include plans covered without any limits; they also include plans subject to only the major medical limits of the plan.

⁵ Includes treatment in one or more of the following: outpatient department of a hospital, residential treatment center, organized outpatient clinic, day-night treatment center, or doctor's office. If benefits differed by location of treatment, the location offering the most beneficial coverage was tabulated.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 95. Alcohol abuse treatment benefits: Limits on coverage in non-health maintenance organizations, full-time employees, State and local governments, 1994

Coverage limitation	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with inpatient detoxification benefits	7,784	3,340	2,147	2,297
Number (in thousands) with inpatient rehabilitation benefits	6,457	2,840	1,765	1,852
Number (in thousands) with outpatient rehabilitation benefits	6,434	2,753	1,821	1,860
Percent				
Inpatient detoxification¹				
Total with inpatient detoxification benefits	100	100	100	100
No separate limits	30	32	27	32
Subject to separate limits ²	70	68	73	68
Days	46	44	52	44
Dollars	36	37	36	35
Coinsurance	10	10	11	9
Copayment	7	8	6	7
Inpatient rehabilitation³				
Total with inpatient rehabilitation benefits	100	100	100	100
No separate limits ⁴	14	16	9	16
Subject to separate limits ²	86	84	91	84
Days	60	57	66	59
Dollars	44	45	44	43
Coinsurance	12	12	14	11
Copayment	8	8	8	6

See footnotes at end of table.

Table 95. Alcohol abuse treatment benefits: Limits on coverage in non-health maintenance organizations, full-time employees, State and local governments, 1994 — Continued

Coverage limitation	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Outpatient rehabilitation⁵				
Total with outpatient rehabilitation benefits	100	100	100	100
No separate limits ⁴	6	8	3	7
Subject to separate limits ²	94	92	97	93
Days	44	40	49	44
Dollars	61	61	60	61
Coinsurance	32	33	35	27
Copayment	9	12	5	8

¹ Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

² Separate limitations indicate that alcohol abuse treatment benefits are more restrictive than benefits for other treatments. For example, if a plan limits inpatient rehabilitation care to 30 days per year, but the limit on inpatient care for any other type of illness is greater than 30 days per year, the plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

³ Rehabilitation is designed to alter the abusive behavior in patients once they are free of acute physical and mental complications.

⁴ These include plans covered without any limits; they also include plans subject to only the major medical limits of the plan.

⁵ Includes treatment in one or more of the following: outpatient department of a hospital, residential treatment center, organized outpatient clinic, day-night treatment center, or doctor's office. If benefits differed by location of treatment, the location offering the most beneficial coverage was tabulated.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 96. Drug abuse treatment benefits: Limits on coverage in non-health maintenance organizations, full-time employees, State and local governments, 1994

Coverage limitation	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with inpatient detoxification benefits	7,668	3,251	2,144	2,273
Number (in thousands) with inpatient rehabilitation benefits	6,175	2,654	1,726	1,796
Number (in thousands) with outpatient rehabilitation benefits	6,087	2,524	1,788	1,775
	Percent			
Inpatient detoxification¹				
Total with inpatient detoxification benefits	100	100	100	100
No separate limits	32	34	28	32
Subject to separate limits ²	68	66	72	68
Days	46	45	52	43
Dollars	35	35	36	34
Coinsurance	10	11	11	9
Copayment	7	8	6	7
Inpatient rehabilitation³				
Total with inpatient rehabilitation benefits	100	100	100	100
No separate limits ⁴	12	14	8	14
Subject to separate limits ²	88	86	92	86
Days	62	60	67	60
Dollars	45	45	45	44
Coinsurance	13	13	14	12
Copayment	7	9	6	6

See footnotes at end of table.

Table 96. Drug abuse treatment benefits: Limits on coverage in non-health maintenance organizations, full-time employees, State and local governments, 1994 — Continued

Coverage limitation	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Outpatient rehabilitation⁵				
Total with outpatient rehabilitation benefits	100	100	100	100
No separate limits ⁴	5	6	3	6
Subject to separate limits ²	95	94	97	94
Days	44	41	49	44
Dollars	61	61	60	62
Coinsurance	31	32	34	27
Copayment	9	13	6	8

¹ Detoxification is the systematic use of medication and other methods under medical supervision to reduce or eliminate the effects of substance abuse.

² Separate limitations indicate that drug abuse treatment benefits are more restrictive than benefits for other treatments. For example, if a plan limits inpatient rehabilitation care to 30 days per year, but the limit on inpatient care for any other type of illness is greater than 30 days per year, the plan contains separate limits. The total is less than the sum of the individual items because many plans had more than one type of limitation.

³ Rehabilitation is designed to alter the abusive behavior in patients once they are free of acute physical and mental complications.

⁴ These include plans covered without any limits; they also include plans subject to only the major medical limits of the plan.

⁵ Includes treatment in one or more of the following: outpatient department of a hospital, residential treatment center, organized outpatient clinic, day-night treatment center, or doctor's office. If benefits differed by location of treatment, the location offering the most beneficial coverage was tabulated.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 97. Non-health maintenance organizations: Pre-existing condition provisions,¹ full-time employees, State and local governments, 1994

Funding and administration	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Percent				
Total with non-HMO plans	100	100	100	100
Pre-existing condition clause	59	59	60	58
No pre-existing condition clause	41	41	40	42

¹ A pre-existing condition is any ailment present at the time the participant enrolls in the plan. Plans will typically deny or limit coverage of such conditions for a specific time period following enrollment.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 98. Medical care benefits: Effect of retirement on coverage,¹ full-time employees, State and local governments, 1994

Retiree coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Percent				
Total with medical care	100	100	100	100
With retiree coverage	75	74	76	74
Without retiree coverage	22	23	18	25
Not determinable	3	2	6	2

¹ Plans providing services or payments for services rendered in the hospital or by a physician. Excludes plans that provided only dental, vision, or prescription drug coverage.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 99. Retiree medical care benefits: Source of plan funding,¹ full-time employees, State and local governments, 1994

Item	All employees		White-collar employees, except teachers		Teachers		Blue-collar and service employees	
	Under age 65	Age 65 or greater	Under age 65	Age 65 or greater	Under age 65	Age 65 or greater	Under age 65	Age 65 or greater
Number (in thousands) with medical care	11,192	11,192	5,094	5,094	2,866	2,866	3,232	3,232
Percent								
Total with medical care	100	100	100	100	100	100	100	100
Retiree coverage provided ...	75	71	74	71	76	69	74	71
Employer paid	14	13	11	11	19	15	13	12
Jointly paid	46	42	48	45	42	39	44	42
Retiree paid	8	7	8	6	7	6	10	9
Cost unknown	7	8	7	9	9	9	6	7
No retiree coverage	23	26	24	26	19	24	25	27
Not determinable	3	4	2	3	5	7	2	2

¹ Plans providing services or payments for services rendered in the hospital or by a physician. Excludes plans that provided only dental, vision, or prescription drug coverage.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 100. Dental care benefits: Eligibility requirements, full-time employees, State and local governments, 1994

Eligibility requirement	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with dental care	8,041	3,546	2,018	2,477
	Percent			
Total with dental care	100	100	100	100
With a service requirement ...	37	41	26	41
1 month	13	16	13	8
2 months	7	8	6	7
3 months	6	5	3	9
4-5 months	5	3	5	6
6 months	6	8	(¹)	8
12 months	1	(¹)	-	2
Without a service requirement	28	27	34	25
Not determinable ²	35	32	40	34

¹ Less than 0.5 percent.

² Plans where service requirements were unknown, usually because plan documents (typically prepared by dental care provider) did not specify the employer's eligibility provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 101. Stand-alone dental plans:¹ Amount and type of employee contribution for individual coverage, full-time employees, State and local governments, 1994

Type and amount of contribution	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) in stand-alone plans with contributory coverage	1,602	702	452	448
	Percent			
Total in stand-alone plans with contributory coverage	100	100	100	100
Flat monthly amount	69	69	61	79
Less than \$5.00	19	15	20	23
\$5.00 - \$9.99	36	42	27	35
\$10.00 - \$14.99	11	11	6	18
\$15.00 or greater	3	1	7	2
Composite rate ²	(³)	(³)	-	1
Amount varies by employee ⁴	22	20	31	16
Not determinable	8	10	8	5
Other	(³)	1	-	(³)
	Average ⁵			
Average flat monthly contribution	\$8.39	\$7.09	\$11.39	\$7.86

¹ These are plans that are offered separately from medical plans.

² A composite rate is a set contribution covering more than one benefit area, for example, dental care and sickness and accident insurance. Cost data for individual plans cannot be determined.

³ Less than 0.5 percent.

⁴ Amount varies by options selected under a "cafeteria plan" or employer-sponsored reimbursement account.

⁵ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 102. Stand-alone dental care plans:¹ Amount and type of employee contribution for family coverage, full-time employees, State and local governments, 1994

Type and amount of contribution	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) in stand-alone plans with contributory coverage	2,716	1,198	708	811
	Percent			
Total in stand-alone plans with contributory coverage	100	100	100	100
Flat monthly amount	80	78	78	83
Less than \$5.00	3	4	2	4
\$5.00 - \$9.99	7	3	14	5
\$10.00 - \$14.99	13	11	13	15
\$15.00 - \$19.99	19	26	9	17
\$20.00 - \$24.99	10	7	13	13
\$25.00 or greater	28	27	26	29
Composite rate ²	1	(³)	-	3
Amount varies by employee ⁴	12	13	13	9
Not determinable	7	9	7	4
Other	1	(³)	2	(³)
	Average ⁵			
Average flat monthly contribution	\$26.84	\$25.81	\$29.62	\$25.97

¹ These are plans that are offered separately from medical plans.

² A composite rate is a set contribution covering more than one benefit area, for example, dental care and sickness and accident insurance. Cost data for individual plans cannot be determined.

³ Less than 0.5 percent.

⁴ Amount varies by options selected under a "cafeteria plan" or employer-sponsored reimbursement account.

⁵ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 103. Dental care benefits: Fee arrangement and financial intermediary, full-time employees, State and local governments, 1994

Fee arrangement	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with dental care	8,041	3,546	2,018	2,477
	Percent			
Total with dental care	100	100	100	100
Traditional fee-for-service ¹	87	86	88	86
Self insured ²	36	37	35	35
Commercial insurance company	14	12	13	19
Blue Cross/Blue Shield	10	10	10	10
Independent organization ³	2	2	2	2
Combined financed ⁴	(⁵)	(⁵)	-	(⁵)
Dental society ⁶	24	25	27	20
Preferred provider organization ⁷	6	6	5	7
Self insured ²	3	3	1	4
Commercial insurance company	1	1	1	2
Blue Cross/Blue Shield	1	1	(⁵)	1
Independent organization ³	(⁵)	(⁵)	(⁵)	(⁵)
Dental society ⁶	1	1	2	1

See footnotes at end of table.

Table 103. Dental care benefits: Fee arrangement and financial intermediary, full-time employees, State and local governments, 1994 — Continued

Fee arrangement	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
	Percent			
Health maintenance organization ⁸	7	7	6	7
Commercial insurance company	2	3	1	3
Blue Cross/Blue Shield	(⁵)	(⁵)	(⁵)	(⁵)
Independent organization ³	3	3	5	2
Dental society ⁶	1	1	(⁵)	1
Other ⁹	1	1	(⁵)	(⁵)

¹ These plans pay for specific dental procedures as expenses are incurred.

² Includes plans that are financed on a pay-as-you-go basis, plans financed through contributions to a trust fund established to pay benefits, and plans operating their own facilities if at least partially financed by employer contributions. Includes plans that are administered by a commercial carrier through Administrative Services Only (ASO) contracts.

³ These organizations provide and finance all benefits, but are not affiliated with an insurance company or Blue Cross/Blue Shield.

⁴ These are plans where the financing comes from two different kinds of financial intermediaries. For example, an establishment contracts with Blue Cross/Blue Shield to pay part of the benefits and a commercial company to pay the other benefits.

⁵ Less than 0.5 percent.

⁶ Organizations of providers other than Blue Cross/Blue Shield.

⁷ A preferred provider organization (PPO) is a group of hospitals and dentists that contracts to provide comprehensive dental services. To encourage use of organization members, the dental care plan limits reimbursement rates when participants use nonmember services.

⁸ Includes federally qualified (those meeting standards of the Health Maintenance Organization Act of 1973, as amended) and other HMO's delivering comprehensive health care on a prepayment rather than fee-for-service basis.

⁹ Includes exclusive provider organizations, which are groups of hospitals and dentists that contract to provide comprehensive dental services. Participants are required to obtain services from members of the organization in order to receive plan benefits.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 104. Dental care benefits: Coverage for selected procedures, full-time employees, State and local governments, 1994

Extent of coverage	Type of dental procedure								
	Exams	X-rays	Surgery ¹	Fillings	Periodontal care	Endodontics	Crowns	Prosthetics	Orthodontia ²
Number (in thousands) with dental care	8,041	8,041	8,041	8,041	8,041	8,041	8,041	8,041	8,041
White-collar employees, except teachers	3,546	3,546	3,546	3,546	3,546	3,546	3,546	3,546	3,546
Teachers	2,018	2,018	2,018	2,018	2,018	2,018	2,018	2,018	2,018
Blue-collar and service employees	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477	2,477
	Percent								
All employees									
Total	100	100	100	100	100	100	100	100	100
Covered ³	100	100	100	100	98	100	96	95	69
In full ⁴	12	12	3	9	4	3	2	2	(⁵)
Scheduled cash allowance	15	15	16	16	16	16	16	16	15
Subject to copayment ⁶	1	1	7	3	9	8	9	9	12
Percent of usual, customary and reasonable charge	68	68	71	69	67	70	69	69	45
Other ⁷	4	4	5	5	5	5	3	2	4
Not covered	(⁵)	(⁵)	(⁵)	(⁵)	2	(⁵)	4	5	29
Not determinable	-	-	(⁵)	-	(⁵)	-	-	(⁵)	2
White-collar, except teachers									
Total	100	100	100	100	100	100	100	100	100
Covered ³	100	100	100	100	98	100	96	94	71
In full ⁴	12	12	3	8	4	3	2	2	(⁵)
Scheduled cash allowance	17	16	17	17	17	17	17	17	17
Subject to copayment ⁶	1	1	6	3	8	8	8	8	11
Percent of usual, customary and reasonable charge	68	69	71	69	66	70	69	68	45
Other ⁷	3	3	4	4	4	4	2	1	3
Not covered	(⁵)	(⁵)	(⁵)	(⁵)	2	(⁵)	4	5	28
Not determinable	-	-	-	-	(⁵)	-	-	(⁵)	1

See footnotes at end of table.

Table 104. Dental care benefits: Coverage for selected procedures, full-time employees, State and local governments, 1994
— Continued

Extent of coverage	Type of dental procedure								
	Exams	X-rays	Surgery ¹	Fillings	Periodontal care	Endodontics	Crowns	Prosthetics	Orthodontia ²
	Percent								
Teachers									
Total	100	100	100	100	100	100	100	100	100
Covered ³	100	100	100	100	99	100	96	95	66
In full ⁴	14	14	2	11	3	4	2	2	—
Scheduled cash allowance	9	9	10	10	10	11	9	10	7
Subject to copayment ⁶	1	1	9	4	10	9	10	10	14
Percent of usual, customary and reasonable charge	70	70	73	71	71	72	72	75	49
Other ⁷	8	8	9	9	8	9	7	4	6
Not covered	(⁵)	(⁵)	—	—	1	(⁵)	4	5	31
Not determinable	—	—	(⁵)	—	(⁵)	—	—	—	3
Blue-collar and service									
Total	100	100	100	100	100	100	100	100	100
Covered ³	100	100	100	100	98	100	96	94	69
In full ⁴	11	11	2	8	4	3	1	1	(⁵)
Scheduled cash allowance	18	18	19	19	19	19	19	19	17
Subject to copayment ⁶	1	1	6	3	8	8	10	10	13
Percent of usual, customary and reasonable charge	67	67	70	68	64	68	66	65	41
Other ⁷	3	3	4	4	4	4	2	1	4
Not covered	(⁵)	(⁵)	(⁵)	(⁵)	2	(⁵)	4	5	29
Not determinable	—	—	(⁵)	—	0	—	—	(⁵)	2

¹ Excludes plans that limited coverage to accidental injuries, removal of impacted wisdom teeth, or repair of jaw.

² Participants were included as having coverage for orthodontia in cases where benefits were limited to children.

³ Sum of individual items is greater than total because some participants were in plans with more than one limit.

⁴ Includes plans that paid the full cost with no deductible or maximum dollar amount.

⁵ Less than 0.5 percent.

⁶ Participant pays a specific amount per procedure and plan pays all

remaining expenses. In the case of orthodontia, the copayment is generally applied once per lifetime.

⁷ Includes plans that provide care based on an incentive schedule or discounted benefit. An incentive schedule is a reimbursement arrangement in which the percentage of dental expenses paid by the plan increases if regular dental appointments are scheduled. Discounted benefits are available if obtained from an approved provider.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 105. Dental care benefits: Percent of charges paid by plan for selected procedures, full-time employees, State and local governments, 1994

Percent of usual, customary, and reasonable charge	Type of dental procedure								
	Exams	X-rays	Surgery ¹	Fillings	Periodontal care	Endodontics	Crowns	Prosthetics	Orthodontia
Number of employees (in thousands) in dental plans with coverage based on a percentage of charges	5,505	5,507	5,683	5,538	5,362	5,580	5,511	5,492	3,583
White-collar employees, except teachers	2,429	2,430	2,500	2,442	2,356	2,462	2,429	2,384	1,596
Teachers	1,410	1,410	1,466	1,423	1,425	1,444	1,459	1,503	961
Blue-collar and service employees	1,667	1,667	1,716	1,674	1,580	1,674	1,622	1,606	1,026
	Percent								
All employees									
Total with dental care based on a percentage of charges	100	100	100	100	100	100	100	100	100
Less than 50	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	1
50	1	1	8	6	16	12	59	65	76
51-59	-	-	-	-	-	-	1	1	-
60	-	-	3	3	3	3	8	9	11
61-74	2	2	4	4	6	6	6	4	6
75	1	1	5	4	4	5	4	4	2
80	17	19	56	59	53	55	17	13	1
85	(²)	(²)	3	4	4	3	-	-	-
90	1	1	6	6	6	6	1	(²)	-
100 ³	79	75	13	14	7	8	4	2	1
Not determinable	-	1	1	1	1	1	1	1	1
White-collar, except teachers									
Total with dental care based on a percentage of charges	100	100	100	100	100	100	100	100	100
Less than 50	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	1
50	1	1	7	5	11	10	56	61	77
51-59	-	-	-	-	-	-	1	1	-
60	-	-	2	2	2	2	7	8	11
61-74	1	1	3	3	6	6	6	5	7
75	1	1	5	5	5	5	5	5	1
80	18	21	58	60	57	57	22	18	1
85	(²)	(²)	4	4	4	3	-	-	-
90	1	2	8	8	9	8	1	(²)	-
100 ³	78	73	11	12	6	6	2	1	(²)
Not determinable	-	1	1	1	1	1	1	1	2

See footnotes at end of table.

Table 105. Dental care benefits: Percent of charges paid by plan for selected procedures, full-time employees, State and local governments, 1994 — Continued

Percent of usual, customary, and reasonable charge	Type of dental procedure								
	Exams	X-rays	Surgery ¹	Fillings	Periodontal care	Endodontics	Crowns	Prosthetics	Orthodontia
	Percent								
Teachers									
Total with dental care based on a percentage of charges	100	100	100	100	100	100	100	100	100
Less than 50	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	2
50	(²)	(²)	5	4	15	13	59	69	69
60	-	-	4	5	5	4	12	14	15
61-74	5	5	9	7	8	9	10	5	6
75	1	1	3	4	3	3	2	2	3
80	17	19	54	55	50	53	10	6	1
85	1	1	4	4	4	3	-	-	-
90	-	(²)	1	1	1	1	(²)	(²)	-
100 ³	76	74	18	17	12	12	7	4	3
Not determinable	-	(²)	2	2	2	2	(²)	(²)	(²)
Blue-collar and service									
Total with dental care based on a percentage of charges	100	100	100	100	100	100	100	100	100
Less than 50	(²)	(²)	(²)	(²)	(²)	(²)	(²)	(²)	1
50	(²)	(²)	11	10	22	15	63	67	81
51-59	-	-	-	-	-	-	1	1	-
60	-	-	4	3	4	4	7	8	8
61-74	1	1	2	2	4	4	3	3	4
75	(²)	(²)	5	3	5	5	5	5	2
80	15	16	57	59	50	54	16	12	3
85	(²)	(²)	2	2	3	2	-	-	-
90	1	1	7	7	7	7	1	1	-
100 ³	82	80	12	14	5	8	3	2	(²)
Not determinable	-	1	1	1	1	1	1	1	1

¹ Excludes plans that limited coverage to accidental injuries, removal of impacted wisdom teeth, or repair of jaw.

² Less than 0.5 percent.

³ Includes plans that paid 100 percent of charges, but imposed a

deductible and limited payment to a maximum dollar amount.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 106. Dental care benefits: Amount of individual deductible,¹ full-time employees, State and local governments, 1994

Type of deductible	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with dental care	8,041	3,546	2,018	2,477
Percent				
Total with dental care	100	100	100	100
Subject to separate dental deductible ²	51	52	49	53
Yearly deductible only	51	52	48	53
Under \$25	1	1	1	(³)
\$25	25	24	26	24
\$26-\$49	(³)	1	-	(³)
\$50	21	21	15	24
\$51-\$99	(³)	(³)	(³)	(³)
\$100	4	4	6	3
Over \$100	(³)	(³)	(³)	-
Lifetime deductible only	(³)	(³)	(³)	(³)
\$50	(³)	(³)	(³)	(³)
No deductible	48	48	50	47
Not determinable	1	(³)	1	(³)
Average ⁴				
Average employee yearly deductible	\$42	\$41	\$44	\$42
Average employee lifetime deductible	50	50	50	50

¹ Amount of deductible described is for each insured person. In some plans, the individual and family deductibles are identical. Excludes separate deductibles for orthodontic procedures.

² Deductibles may not apply to all covered dental procedures. If separate deductibles applied to different procedures, the sum of the deductible amounts was tabulated.

³ Less than 0.5 percent.

⁴ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 107. Dental care benefits: Relationship of yearly family deductibles to yearly individual deductibles, full-time employees, State and local governments, 1994

Relationship	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with dental care	8,041	3,546	2,018	2,477
Percent				
Total with dental care	100	100	100	100
With individual and family deductible	34	33	32	35
Family deductible relates to individual deductible				
Equal to individual deductible	(¹)	(¹)	-	(¹)
2 times individual deductible	7	6	9	6
3 times individual deductible	26	27	23	28
Other ²	(¹)	(¹)	(¹)	(¹)
No individual or family deductible	66	67	68	65

¹ Less than 0.5 percent.

² Includes plans where family deductible is not an even multiple of individual coverage.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 108. Dental care benefits: Services covered by deductible¹ provisions, full-time employees, State and local governments, 1994

Categories of care	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number of employees (in thousands) with a dental deductible	4,108	1,827	978	1,304
	Percent			
Total with a dental deductible	100	100	100	100
All categories ²	18	17	18	19
All except exams and x-rays	42	38	33	56
All except exams, x-rays, and orthodontia	27	28	37	17
All except orthodontia	7	11	4	5
All except exams and orthodontia	(³)	(³)	1	(³)
Other ⁴	5	6	7	3

¹ Includes plans with both a yearly deductible only, and a yearly and lifetime deductible.

² This applies to all categories of care covered by the plan. The categories of dental care are exams, x-rays, surgery, fillings, periodontal care, endodontics, crowns, prosthetics, and orthodontia.

³ Less than 0.5 percent.

⁴ Includes other category combinations.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 109. Dental care benefits: Maximum benefit provisions,¹ full-time employees, State and local governments, 1994

Dollar amount ²	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with dental care	8,041	3,546	2,018	2,477
	Percent			
Total with dental care	100	100	100	100
Yearly maximum specified ³	79	78	80	80
\$500	2	1	2	4
\$501-\$749	1	1	(⁴)	(⁴)
\$750	7	6	3	11
\$751-\$999	(⁴)	(⁴)	(⁴)	(⁴)
\$1,000	41	39	43	43
\$1,001-\$1,499	5	6	5	2
\$1,500	14	14	18	10
\$1,501-\$1,999	1	1	2	1
\$2,000	7	8	4	8
Greater than \$2,000	2	2	5	1
No yearly maximum	20	21	20	19
Maximum provision not determinable	(⁴)	(⁴)	-	1
	Average ⁵			
Average yearly maximum	\$1,226	\$1,238	\$1,298	\$1,152

¹ Includes all covered dental procedures except orthodontia. Amount of maximum specified is for each insured person.

² Coverage for dental procedures may also be subject to scheduled allowance, deductible, or coinsurance provisions in addition to maximum dollar limitations.

³ If separate yearly maximums applied to different procedures, the sum of the maximums was tabulated. Maximums applied to dental expenses only.

⁴ Less than 0.5 percent.

⁵ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 110. Orthodontic care benefits: Maximum benefit provisions, full-time employees, State and local governments, 1994

Dollar amount ¹	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with orthodontic care	5,698	2,548	1,395	1,755
	Percent			
Total with orthodontic care	100	100	100	100
Lifetime maximum specified	80	83	77	77
\$500	5	5	4	8
\$501-\$749	6	9	3	5
\$750	(²)	(²)	-	(²)
\$751-\$999	7	6	7	8
\$1,000	28	28	25	32
\$1,001-\$1,499	6	9	3	5
\$1,500	19	21	24	12
Greater than \$1,500	4	2	7	4
Dollar amount unspecified	3	2	5	3
No lifetime maximum	18	15	18	20
Provision not determinable	3	2	5	2
	Average ³			
Average lifetime maximum	\$1,162	\$1,181	\$1,208	\$1,086

¹ Coverage for orthodontia procedure may also be subject to scheduled allowance, deductible, or coinsurance provisions in addition to maximum dollar limitations.

² Less than 0.5 percent.

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 111. Dental care benefits: Pretreatment authorization provisions, full-time employees, State and local governments, 1994

Item	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with dental care	8,041	3,546	2,018	2,477
	Percent			
Total with dental care	100	100	100	100
Preauthorization required	51	53	53	46
Minimum expense requiring preauthorization:				
Less than \$100	(¹)	(¹)	(¹)	(¹)
\$100	3	3	5	2
\$101-\$199	3	2	5	2
\$200	13	14	8	16
Greater than \$200	25	25	27	22
Dollar amount not determinable	7	8	7	4
Preauthorization not required ...	48	47	46	52
Data not determinable	1	(¹)	1	1
	Average ²			
Average minimum expense requiring preauthorization ...	\$249	\$252	\$251	\$245

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 112. Vision care benefits: Fee arrangement and financial intermediary, full-time employees, State and local governments, 1994

Fee arrangement	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with vision care	4,506	2,084	1,021	1,401
	Percent			
Total with vision care	100	100	100	100
Traditional fee-for-service ¹ ..	72	75	67	70
Self insured ²	23	25	15	27
Commercial insurance company	5	3	4	8
Blue Cross/Blue Shield	5	4	7	4
Independent organization ³	3	5	3	1
Vision organization ⁴	35	37	38	31
Preferred provider organization ⁵	13	12	14	13
Self insured ²	6	6	4	7
Commercial insurance company	1	2	1	1
Blue Cross/Blue Shield	2	2	3	1
Independent organization ³	1	1	1	(⁶)
Vision organization ⁴	4	2	5	4

See footnotes at end of table.

Table 112. Vision care benefits: Fee arrangement and financial intermediary, full-time employees, State and local governments, 1994 — Continued

Fee arrangement	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
	Percent			
Health maintenance organization ⁷	15	13	19	16
Commercial insurance company	2	2	2	1
Blue Cross/Blue Shield	2	2	2	4
Independent organization ³	11	10	14	10
Vision organization ⁴	(⁶)	(⁶)	(⁶)	(⁶)
Other ⁸	(⁶)	(⁶)	(⁶)	1

¹ These plans pay for specific vision procedures as expenses are incurred.

² Includes plans that are financed on a pay-as-you-go basis, plans financed through contributions to a trust fund established to pay benefits, and plans operating their own facilities if at least partially financed by employer contributions. Includes plans that are administered by a commercial carrier through Administrative Services Only (ASO) contracts.

³ These organizations provide and finance all benefits, but are not affiliated with an insurance company or Blue Cross/Blue Shield.

⁴ Organizations of providers other than Blue Cross/Blue Shield.

⁵ A preferred provider organization (PPO) is a group of hospitals and physicians that contracts to provide comprehensive vision services. To encourage use of organization members, the vision care plan limits reimbursement rates when participants use nonmember services.

⁶ Less than 0.5 percent.

⁷ Includes federally qualified (those meeting standards of the Health Maintenance Organization Act of 1973, as amended) and other HMO's delivering comprehensive health care on a prepayment rather than fee-for-service basis.

⁸ Includes exclusive provider organizations, which are groups of hospitals and physicians that contract to provide comprehensive vision services. Participants are required to obtain services from members of the organization in order to receive plan benefits.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 113. Vision care benefits: Coverage for selected services, full-time employees, State and local governments, 1994

Type of vision benefit	Total	Covered ¹	Covered in full	Sched-uled allowance	Copay-ment	Other ²	Not covered	Not deter-minable
	Percent							
All employees								
Examinations	100	97	28	25	43	4	3	-
Eyeglasses	100	100	22	33	36	11	-	-
Contact lenses ³	100	92	5	68	21	12	7	1
White-collar, except teachers								
Examinations	100	98	28	21	46	4	2	-
Eyeglasses	100	100	24	28	40	10	-	-
Contact lenses ³	100	95	4	68	24	11	4	1
Teachers								
Examinations	100	96	37	17	38	4	4	-
Eyeglasses	100	100	27	31	33	10	-	-
Contact lenses ³	100	92	10	64	18	9	6	1
Blue-collar and service								
Examinations	100	97	22	35	41	5	3	-
Eyeglasses	100	100	17	42	34	12	-	-
Contact lenses ³	100	89	2	69	18	15	10	1

¹ The total is less than the sum of individual items because many participants are in plans with more than one type of limitation.

² Includes plans subject to coinsurance and retail discount. A retail discount allows the enrollee to obtain services at a rate below the usual, customary, and reasonable charges

³ Includes plans where coverage is for elected contact lenses;

medically necessary contact lenses, i.e., cataract surgery, is normally provided under the surgical portion of the medical plan and is not described in this table.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Chapter 5. Life Insurance

Life insurance is provided to the large majority of full-time employees in State and local governments (tables 114-129). Most workers with life insurance are covered by a flat dollar amount formula, often \$5,000 to \$15,000. Multiple-of-earnings formulas, which commonly provide basic insurance of one or two times annual salary, cover the remaining life insurance plan participants.

Employers generally pay the entire cost of basic life insurance. When employee contributions are required, it is frequently because life insurance benefits are being offered as part of a "flexible benefits plan" or reimbursement account. (For definitions, see chapter 8.) Another form of employee contribution is a specified flat dollar amount per \$1,000 of coverage, such as 20 cents per \$1,000 of coverage per month.

Types and amounts of benefit formulas

A flat dollar amount of insurance, regardless of earnings, is the most common means of providing life insurance protection for participants in State and local governments. Insurance amounts ranging from \$5,000 to \$15,000 are most common in such plans, but higher amounts are also common.

Basic coverage for full-time employees participating in employer provided life insurance is commonly linked to their earnings. This link enables the level of protection to increase automatically with a rise in pay. The most common method of tying life insurance protection to earnings is to multiply the employee's annual earnings by a factor of one or two and round the product to the next higher \$1,000. For example, an employee earning \$22,700 would receive \$46,000 of coverage under a plan providing two times earnings ($\$22,700 \times 2 = \$45,400$, which rounds up to \$46,000). A significant number of participants covered by these plans have a limit placed on the amount of coverage available. Such maximums range widely in amount (e.g., between \$50,000 and \$500,000). Conversely, minimum coverage amounts are not common.

Other methods of providing life insurance protection cover a small percent of participants. These include: flat dollar amounts that increase as service increases and multiple-of-earnings formulas that increase the multiple at higher salary levels.

Coverage for older active workers and retirees

Many plans reduce benefits for older active workers.

Coverage is reduced to minimize the increased cost of insuring older workers.²⁰ Plans that reduce coverage most often make their first reduction at age 65 or 70. Rarely do reductions occur before age 65.

Many plans reduce coverage for older workers only once, for example, to 50 percent of the original life insurance amount. Other plans reduce coverage in several stages, such as a reduction to 65 percent of original coverage at age 65, then to 50 percent at age 70.

Basic life insurance coverage often continues after retirement for full-time participants in State and local governments. This coverage almost always continues for the rest of the retiree's life, but the amount of the benefit is usually reduced at least once during retirement.²¹

Related protection

Additional life insurance, supplementing basic coverage, is often available. In the large majority of cases, employees have to pay the full premium for such benefits. The typical supplemental plan provides term life insurance in multiples of one to three times annual pay, at the employee's option. Supplemental coverage is commonly available, irrespective if the employees' basic insurance is determined by a flat dollar amount of coverage, or a multiple of-pay formula.

Life insurance coverage for dependents is also often available to participants. Workers with this coverage are usually required to pay the entire premium. The most prevalent method used to provide dependent coverage is a flat dollar benefit. In such plans, spousal coverage typically provides benefits of \$5,000 or more while coverage for children usually offers benefits of \$1,000, \$2,000, or \$5,000 per child. Among other plans, the employee often has the option to select specific benefits.

Service requirements

Life insurance participants often have to work a minimum period to qualify for the plan. The most prevalent service requirement for such workers is 1 month. Service requirements longer than 1 year are extremely rare.

²⁰ Details on life insurance benefits for older workers are discussed by Michael A. Miller in "Age-Related Reductions in Workers' Life Insurance," *Monthly Labor Review*, September 1985, pp. 29-34.

²¹ For more information on retiree life insurance, see Margaret Simons and Cynthia Thompson, "Life Insurance Benefits for Retired Workers," *Monthly Labor Review*, September 1990, pp. 17-21.

Accidental death and dismemberment

Accidental death and dismemberment (AD&D) insurance is available to the majority of full-time employees in State and local governments. This insurance provides additional benefits if a worker dies or loses an eye or a limb in an accident. The AD&D benefit commonly equals the basic life insurance benefit for accidental death, and a portion of that benefit for dismemberment.²²

²² For more information on accidental death and dismemberment benefits, see Cynthia Thompson, "Compensation for Death and Dismemberment," *Monthly Labor Review*, September 1989, pp. 13-17.

Survivor income benefits

A very small percent of full-time employees in State and local governments are covered by plans that provide a monthly income to surviving members of a deceased employee's family. These survivor income benefits, when provided, are in addition to other benefits, such as basic life insurance and survivor pension benefits. Survivor income payments are generally a percentage of the employee's pay or a flat dollar amount. Benefits usually continue for 24 months, although some continue until a specific event occurs, such as the surviving spouse remarries or reaches age 65, or surviving children reach a given age.

Table 114. Life insurance: Summary of provisions, full-time employees, State and local governments, 1994

Item	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with basic life insurance	11,194	4,983	2,922	3,289
	Percent			
Total with basic life insurance ...	100	100	100	100
Multiple of earnings benefit ...	40	42	38	37
Dollar amount benefit	60	57	61	63
Benefits reduced for older active workers	31	30	31	31
Retiree coverage available ...	46	47	41	48
Supplemental coverage available	55	59	51	52
Dependent coverage available	46	49	41	46
Spouse coverage available	46	49	41	46
Child coverage available ...	44	47	41	41
Required employee contribution	14	15	15	12

NOTE: Where applicable, dash indicates no employees in this category.

Table 115. Life insurance: Method of determining basic coverage, full-time employees, State and local governments, 1994

Type	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with basic life insurance	11,194	4,983	2,922	3,289
	Percent			
Total with basic life insurance ...	100	100	100	100
Multiple of earnings benefit	40	42	38	37
Fixed multiple of earnings ¹	37	40	35	35
Multiple varies by service	2	2	4	2
Dollar amount benefit	60	57	61	63
Flat dollar amount	58	54	60	61
Dollar amount varies by earnings	2	3	1	2
Dollar amount varies by service	(²)	(²)	-	(²)
Other	(²)	1	(²)	1

¹ Includes participants in plans in which insurance equaled a multiple of earnings, plus or minus a specified amount.

² Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 116. Life insurance: Flat dollar benefit amounts, full-time employees, State and local governments, 1994

Amount of insurance	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with dollar amount of basic life insurance	6,711	2,862	1,790	2,059
Percent				
Total with dollar amount of basic life insurance	100	100	100	100
Flat dollar amount	96	95	98	97
Less than \$5,000	7	6	10	6
\$5,000 - \$9,999	20	27	15	16
\$10,000 - \$14,999	24	25	17	28
\$15,000 - \$19,999	10	10	7	12
\$20,000 - \$24,999	9	9	14	6
\$25,000 - \$29,999	9	8	7	11
\$30,000 - \$49,999	10	4	18	11
\$50,000 - \$99,999	7	6	10	5
\$100,000 and over	(¹)	(¹)	(¹)	(¹)
Dollar amount varies by earnings	4	5	2	3
Dollar amount varies by service	(¹)	(¹)	-	(¹)
Average ²				
Average flat dollar amount of basic life insurance	\$17,518	\$15,426	\$20,409	\$17,833

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 117. Life insurance: Multiple of earnings benefit amounts, full-time employees, State and local governments, 1994

Formula	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with multiple of earnings basic life insurance	4,432	2,096	1,123	1,213
	Percent			
Total with multiple of earnings formula	100	100	100	100
Flat multiple of earnings ¹ ..	94	95	90	95
Less than 1.0	1	2	—	(²)
1.0	37	38	34	38
1.1 - 1.9	16	16	21	13
2.0	15	17	13	14
2.1 - 2.9	1	1	1	1
3.0	15	15	18	14
Greater than 3.0	7	5	3	15
Multiple varies by service	6	5	10	5
	Average ³			
Average flat multiple of earnings formula	1.9	1.8	1.8	2.3

¹ Includes participants in plans in which insurance equaled a multiple of earnings, plus or minus a specified amount.

² Less than 0.5 percent.

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 118. Life insurance: Maximum benefits placed on multiple of earnings formulas, full-time employees, State and local governments, 1994

Maximum	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with multiple of earnings formula	4,432	2,096	1,123	1,213
	Percent			
Total with multiple of earnings formula	100	100	100	100
With maximum benefit amount	31	31	27	36
Less than \$50,000	1	2	2	1
\$50,000 - \$99,999	13	15	13	10
\$100,000	1	1	(¹)	2
\$100,001 - \$249,999	4	4	4	6
\$250,000 - \$499,999	5	6	6	3
\$500,000	1	1	1	1
\$500,001 - \$999,999	5	4	-	12
No maximum specified	65	65	69	61
Not determinable	3	4	4	3
	Average ²			
Average maximum	\$256,196	\$220,865	\$149,496	\$381,549

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 119. Life insurance: Minimum benefits placed on multiple of earnings formulas, full-time employees, State and local governments, 1994

Minimum	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with multiple of earnings formula	4,432	2,096	1,123	1,213
	Percent			
Total with multiple of earnings formula	100	100	100	100
With minimum benefit amount	12	11	8	19
\$5,000 - \$9,999	2	1	2	4
\$10,000 - \$24,999	10	9	7	16
No minimum specified	83	85	86	78
Not determinable	4	4	5	3
	Average ¹			
Average minimum	\$12,098	\$12,432	\$16,807	\$9,902

¹ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 120. Life insurance: Reductions in benefits for older workers, full-time employees, State and local governments, 1994

Policy	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with basic life insurance	11,194	4,983	2,922	3,289
	Percent			
Total with basic life insurance ...	100	100	100	100
With reductions for older workers	31	30	31	31
Percent per year reduction	3	3	6	2
Flat percent then per year reduction	(¹)	(¹)	-	(¹)
Reduction varies by age	25	24	22	28
Other reduction	2	2	2	1
Reduction not determinable	(¹)	(¹)	1	(¹)
No reductions for older workers	39	44	31	39
Not determinable	30	26	39	30

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 121. Life insurance: Age at which benefits for older workers are first reduced, full-time employees, State and local governments, 1994

Age	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with basic life insurance	11,194	4,983	2,922	3,289
	Percent			
Total with basic life insurance ...	100	100	100	100
With reductions for older workers	31	30	31	31
Age of first reduction:				
Age 60 or before	3	-1	7	1
Age 61-64	1	2	(¹)	1
Age 65	12	13	9	13
Age 66-69	(¹)	1	(¹)	1
Age 70	12	11	11	13
Age 71 or later	(¹)	(¹)	-	(¹)
Other	2	2	2	1
Not determinable	(¹)	(¹)	1	(¹)
No reductions for older workers	39	44	31	39
Not determinable	30	26	39	30

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 122. Life insurance: Retiree coverage, full-time employees, State and local governments, 1994

Coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with basic life insurance	11,194	4,983	2,922	3,289
	Percent			
Total with basic life insurance ...	100	100	100	100
With retiree coverage	46	47	41	48
Employer paid	22	22	23	21
Retiree paid	17	16	14	21
Jointly paid	6	8	3	6
Source of payment unknown	(¹)	(¹)	1	(¹)
No retiree coverage	51	51	55	48
Not determinable	3	2	4	4

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 123. Life insurance: Reductions in benefits for retirees, full-time employees, State and local governments, 1994

Reduction policy	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with basic life insurance	11,194	4,983	2,922	3,289
	Percent			
Total with basic life insurance ...	100	100	100	100
With retiree coverage	46	47	41	48
No reductions	8	10	6	6
With reductions				
Reduced once	14	16	8	16
Reduced more than once	12	10	12	15
Reduction not determinable	12	11	15	11
No retiree coverage	51	51	55	48
Not determinable	3	2	4	4

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 124. Life insurance: Method of reducing benefits for retirees, full-time employees, State and local governments, 1994

Method	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with retiree coverage	5,111	2,330	1,199	1,582
	Percent			
Total with retiree coverage	100	100	100	100
With reductions	56	55	48	64
Percent of coverage	19	18	22	17
Percent of coverage with minimum and/or maximum	2	2	2	1
Percent of salary with minimum and/or maximum	1	1	1	1
Minimum and/or maximum benefit only	2	4	(¹)	1
Flat amount	16	15	10	24
Other	(¹)	(¹)	-	1
Not determinable	15	14	13	19
No reductions	17	22	15	13
Reductions not determinable	26	23	37	23

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 125. Life insurance: Supplemental coverage, full-time employees, State and local governments, 1994

Coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with basic life insurance	11,194	4,983	2,922	3,289
	Percent			
Total with basic life insurance ...	100	100	100	100
With supplemental coverage	55	59	51	52
Employee paid	48	54	44	44
Jointly paid	4	3	4	6
Flexible benefits ¹	2	2	2	2
Composite rate ²	1	1	1	(³)
Financing not available	(³)	1	(³)	(³)
No supplemental coverage	44	40	47	47
Not determinable	1	1	2	1

¹ Coverage selected under a "cafeteria plan" or reimbursement account may be financed by employer, employee, or both.

² A composite rate is a set contribution covering more than one benefit area, for example, health care and life insurance. Such coverage is usually financed by the employer.

³ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 126. Life insurance: Availability of supplemental coverage by method of determining basic coverage, full-time employees, State and local governments, 1994

Type	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with basic life insurance	11,194	4,983	2,922	3,289
	Percent			
Total with basic life insurance ...	100	100	100	100
Multiple of earnings formula	40	42	38	37
With supplemental benefits ..	20	22	17	21
Without supplemental benefits	19	20	20	16
Not determinable	1	(¹)	2	(¹)
Flat dollar amount formula	60	57	61	63
With supplemental benefits ..	35	37	34	31
Without supplemental benefits	25	20	27	31
Not determinable	(¹)	(¹)	1	1
Other formula	(¹)	1	(¹)	1
With supplemental benefits ..	(¹)	(¹)	(¹)	1
Without supplemental benefits	(¹)	(¹)	-	-

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 127. Life insurance: Dependent coverage, full-time employees, State and local governments, 1994

Coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with basic life insurance	11,194	4,983	2,922	3,289
	Percent			
Total with basic life insurance ...	100	100	100	100
With dependent coverage	46	49	41	46
Employer paid	7	7	3	9
Employee paid	35	37	35	31
Jointly paid	1	1	(¹)	2
Source of payment unknown	(¹)	1	1	(¹)
Flexible benefits ²	1	(¹)	1	1
Composite rate ³	2	2	1	3
No dependent coverage	53	51	57	54
Not determinable	1	(¹)	2	(¹)

¹ Less than 0.5 percent.

² Coverage selected under a "cafeteria plan" or reimbursement account may be financed by employer, employee, or both.

³ A composite rate is a set contribution covering more than one benefit area, for example, health care and life insurance. Such coverage is usually financed by the employer.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 128. Accidental death and dismemberment insurance: Method and amount of coverage, full-time employees, State and local governments, 1994

Amount of coverage	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with AD&D insurance	7,167	3,127	1,834	2,206
	Percent			
Total with AD&D insurance	100	100	100	100
Multiple of life insurance	94	94	96	91
Flat amount	6	5	3	8
Multiple of earnings	1	1	(¹)	(¹)
Other	(¹)	-	-	1

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 129. Life insurance: Eligibility requirement, full-time employees, State and local governments, 1994

Length-of-service requirement	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with basic life insurance	11,194	4,983	2,922	3,289
	Percent			
Total with basic life insurance ...	100	100	100	100
With service requirement	26	31	16	28
1 month	11	13	7	11
2 months	2	1	2	3
3 months	5	7	2	6
6 months	2	2	1	3
12 months	6	7	5	6
Greater than 12 months	(¹)	(¹)	-	-
No service requirement	57	53	65	57
Closed to new employees	2	1	6	1
Not determinable	15	16	14	14
	Average ²			
Average service requirement (in months)	4.5	4.5	4.8	4.4

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Chapter 6. Defined Benefit Plans

Virtually all full-time employees in State and local governments participate in retirement plans, usually defined benefit pension plans (table 130). A defined benefit pension plan obligates an employer to provide retirement benefits calculated by a formula specified in the plan. Benefits generally are based on salary, years of service, or both. Although defined contribution plans, such as 401(k) plans, have become increasingly prevalent in the private sector in recent years, few full-time employees in State and local governments are covered. Defined contribution plans, which specify employer and—if applicable—employee contributions, but do not guarantee a specific benefit, are discussed in the next chapter.

The Employee Benefits Survey includes information on a variety of defined benefit pension plans provisions (table 131), such as:

- Formulas for calculating benefits;
- How benefits are coordinated with Social Security payments;
- Ceilings on benefit payments;
- Survivor annuities;
- Age and service requirements for retirement;
- Availability of supplements to normal and early retirement pension benefits;
- Disability retirement benefits;
- Vesting schedules;
- Postretirement pension increases;
- Employee contributions; and
- Plan participation requirements.

To summarize the overall effect of many of these provisions, pension benefits and replacement rates (the propor-

tion of preretirement income replaced by pension payments) are computed for workers with several assumed levels of earnings and years of service. Each of these topics is discussed in the following sections of this chapter.

Benefit formulas

Earnings-based formulas are the most prevalent method used to determine retirement payments for government employees covered by defined benefit pension plans (tables 132-135). Such formulas pay a flat percent of the employee's annual earnings per year of service (for example, 1.5 percent of earnings times 30 years of service, or 45 percent of annual earnings), or a percent that varies by service, earnings, or age.

For nearly all government participants with earnings-based formulas, pensions are based on earnings in the final years of employment (terminal-earnings formula). Terminal earnings often are defined as the average over a 3-year period. Such formulas usually designate the 3 consecutive years with the highest earnings out of the last 10 years before retirement.

Participants in plans with terminal-earnings formulas typically have benefit formulas with a flat percent of earnings per year of service, such as 2.0 percent times 30 years. Others may vary according to service, earnings, or a combination of the two factors. As an example of variation by earnings, a terminal-earnings formula might credit an employee with 1 percent of earnings up to the first \$12,000 in each year of service plus 1.5 percent of the earnings exceeding that amount. If earnings were \$40,000 and service was 30 years, the annual pension payment would be computed as follows:

1 percent times \$12,000	\$120
1.5 percent times \$28,000	\$420
Total credits per year of service	<u>\$540</u>

Credits (\$540) times 30 years \$16,200

Terminal earnings is the primary basis of defined benefits pension formulas for nearly all State and local government plans. Three additional computational methods—career earnings formulas, dollar-amount formulas, and percent-of-contribution formulas—are seldom used in State and local governments. Career earnings formulas specify a percent of earnings averaged over the employee's career.

Dollar amount formulas specify a dollar amount to be paid for each year of service. Percent-of-contributions formulas specify a periodic contribution by an employer, and occasionally by an employee, with benefits as a percent of total contributions.

In some pension plans, participants are eligible to receive benefits from either primary or alternative formulas, whichever yields a greater benefit. Alternative formulas often are included to provide a minimum level of benefits for persons with short service or low earnings. For example, a plan may have the two following formulas: a primary formula of 1.25 percent of average career earnings times years of service and an alternative formula of \$15 a month (or \$180 a year) for each year of service. In this case, the alternative formula provides a higher benefit for persons with average career earnings of less than \$14,400 a year.

Private benefits and Social Security payments

Unlike the private sector, employees in State and local governments are not universally covered by Social Security. Individual governments have the option of electing Social Security coverage for their employees if already covered by a State or local government retirement plan. Employees not covered by a retirement plan are automatically covered by Social Security.

State and local government pension plans do not explicitly integrate (coordinate) pension benefits with Social Security as frequently as private pension plans do. However, when integration takes place, it may take the form of an offset provision, under which part of the Social Security benefit is subtracted from the annuity, or a provision to calculate the pension at a lower rate for earnings below the Social Security taxable wage base²³ than for earnings above the base (table 136).

Social Security offsets are usually applied immediately upon retirement, whether or not the retiree is eligible for Social Security benefits. The offset typically is specified as a small percentage of the Social Security payment, for example, 1 percent times years of service. Frequently, the maximum offset is limited to 50 percent of the Social Security payment.

Plans that apply lower pension benefit rates to an employee's earnings below a specified level and higher rates above that level are known as "step-rate excess" plans. For example, a plan may provide a benefit equal to 1 percent of earnings up through the Social Security taxable wage base and 1.5 percent of earnings above the base for each year of service.

Maximum and minimum benefit provisions

The Employee Retirement Income Security Act of 1974 (ERISA) and subsequent amendments place ceilings on the size of annual pension benefits payable from private sector defined benefit plans. These restrictions largely affect only

highly compensated employees. However, many plans in governments as well as in the private sector have provisions that restrict benefit levels for all participants. For example, some participants are in plans that limit the number of years of service included in benefit computations, such as 30 years. For other participants, annual pensions (usually including Social Security payments) can not exceed either a specified percent of average annual earnings, or a specified dollar amount (table 137).

Methods of payment

Each of the payment methods offered by defined benefit pension plans is based on a straight-life annuity. A straight life annuity is a periodic payment for the life of the retiree, with no additional payments to survivors. For married employees, the standard benefit prescribed by law is the joint-and-survivor annuity, which provides payments to a surviving spouse after a retiree dies. Such employees may choose a straight-life annuity or some other form of benefit, but only upon written approval of both the employee and spouse.

Employees may also receive the pension benefit in a lump-sum payment (table 131). This lump sum provides the employee with the actuarial equivalent of the annuity. In most of these plans, only a full lump-sum option is available. If a participant elects a full lump-sum distribution, he or she receives no further benefits from the pension plan. Where a partial distribution is available, the participant generally receives a reduced annuity for the remainder of her or his life.

Survivor annuities

All defined benefit pension plan participants have survivor annuity options available to them.²⁴ ERISA requires defined benefit pension plans to provide a spouse with at least 50 percent of the retiree's payments after the retiree's death (table 138). When this type of pension is paid, the employee will generally receive a lower benefit during retirement to account for the likely increase in the length of time the plan will have to make payments. When the retiree dies, a pension benefit will be payable for the life of the surviving spouse.

The most prevalent type of survivor benefits—joint-and-survivor annuities—provides a reduced benefit to the retiree and a percentage of that reduced benefit to the spouse upon the retiree's death. The reduction may be a percent of the benefit—for example, 10 percent—or may be actuarially determined based on the life expectancy of the retiree and spouse. Although some participants have plans that offer only one joint-and-survivor option that pays a surviving spouse 50 percent of the retiree's adjusted pension, a majority of participants have a choice of two alternative percentages or more (for example, 50, 67, or 100 percent)

²³ The Social Security taxable wage base increases annually. In 1994 it was \$60,600.

²⁴ Survivor benefits are discussed in more detail in Donald Bell and Ayy Graham, "Surviving Spouse's Benefits in Private Pension Plans," *Monthly Labor Review*, April 1984, pp. 23-31.

to be continued to the spouse, with corresponding reductions in the employees' annuities. Should the spouse predecease the retiree, the retiree's unreduced benefit may be restored, although such provisions are uncommon.

Unlike joint-and-survivor annuities, survivor annuities based on the retiree's accrued benefit do not reduce the employee's pension to adjust for survivor benefits. The retiree receives the straight-life annuity; following the retiree's death, the spouse receives a percent of that annuity—often 50 percent. Such plans cover few participants.

A few pension plans provide a lump sum or installment death benefit to the survivor of a deceased retiree. Payments are in the form of a flat amount, such as \$5,000, in addition to the survivor annuity or a certain number of monthly payments, such as 60 or 180, less payments already received by the retiree. The latter usually occurs when the retiree and the spouse do not elect to take the joint and survivor annuity option.

Preretirement survivor benefits

Most government defined benefit pension plans offer survivor benefits in case the employee dies before retirement (table 139). Participants usually have to be vested, that is, have a permanent right to accrued pension benefits before plans would make such benefits available. For a large majority of the participants, a surviving spouse would receive an annuity equivalent to the amount payable if the employee had retired on the day prior to death with a joint-and-survivor form of payment in effect. Most survivor pensions like these are based on an early retirement benefit and, aside from the joint-and-survivor reduction, are provided at no cost to the employee. For a few participants, however, preretirement joint-and-survivor protection may involve an extra cost to the employee and is available only if elected. The employee normally pays this cost through a small deduction in the pension, ultimately payable to either the employee or the surviving spouse.

Other participants have a preretirement survivor annuity calculated as a portion of their accrued benefit (the benefit earned as of the date they died, without a joint-and-survivor reduction). If an active employee dies after completion of the vesting requirement, a typical survivor would receive an annuity equal to 50 percent of the employee's accrued benefit to date. Payments may be reduced by the early retirement adjustment, and begin when the employee would have reached early retirement age. If the employee lives to become eligible for early retirement, the survivor benefit in many cases switches to the equivalent of a 50-percent joint-and-survivor benefit calculated as if the employee had retired on the day of death. (When provisions change based on age of the employee, the earliest available preretirement survivor annuity is tabulated.)

Some plans also provide lump-sum death benefits to the survivors of employees who die before retirement. Payments are in the form of a flat amount, such as \$3,000, or

the equivalent of a specified number of monthly retirement payments, such as 60.

Replacement rates

A commonly used indicator of pension benefits measures the percentage of a retiree's final year's earnings that is "replaced" by a pension payment. To calculate replacement rates for defined benefit pension plans in State and local governments, the benefit under each surveyed plan, reduced for early retirement when applicable, is determined for employees retiring at age 55, 60, 62, and 65. These benefit levels are then expressed as percents of earnings in the last year of employment. The calculations assume employees retired on January 1, and final earnings are for the previous calendar year.²⁵

For employees retiring at age 55, 60, 62, and 65, replacement rates vary depending upon Social Security coverage. Tables 140-143 present employer-sponsored pension benefits for participants covered by Social Security and, separately, for employees not covered by Social Security. Tables 142-143 also provide all retirement income for workers ages 62 and 65, that is, employer-sponsored pension benefits plus primary Social Security payments (primary means excluding benefits for spouse and other dependents). Average replacement rates for employees retiring at age 55 and 60 reflect only pension payments because Social Security does not pay benefits prior to age 62. For government pension formulas that are combined with Social Security and for computation of Social Security benefits, the worker is assumed to have retired after having paid into Social Security for the same number of years as years of participation used for pension calculations.

Because defined benefit formulas for employees in State and local governments are almost entirely based on a percent of earnings, pension replacement rates vary only slightly as earnings increase. However, when combined with primary Social Security payments available at age 62 and 65, replacement rates change substantially as earnings increase. Workers earning \$15,000 in their final year of service have a considerably higher rate of earnings replaced than do workers at the \$55,000 and \$65,000 earnings levels. The primary Social Security benefit payment at age 65 is larger than the average private pension at lower earnings levels with fewer years of service, but the pension benefit becomes the greater component at higher earnings levels and service periods. The pension payment is generally the larger component regardless of earnings at age 62 because there is a 20-percent reduction in Social Security benefits received at age 62 rather than at age 65.

The replacement rates just discussed apply to employees who receive a straight-life annuity, that is, they do not provide benefits for a surviving spouse. Benefit rates differ, however, when an employee elects a survivor annuity for

²⁵ Earnings histories, necessary for applying the pension formulas, were constructed for each final earnings level based on data provided by the Social Security Administration.

his or her spouse. The straight-life annuity replacement rate diminishes slightly, for example, a reduction of 10 percent of the retiree's annuity, to account for survivor benefits. Should the retiree die, the benefit for the surviving spouse ("survivor annuity") is about half that paid to the retiree under the joint-and-survivor annuity.

Normal retirement

A vast majority of defined benefit pension plan participants in State and local governments can retire before age 65 and still receive full private pensions (normal retirement benefits) (table 144). Participants who are required to be age 65 to receive unreduced benefits may not have to satisfy a length-of-service requirement; however, some plans may require workers hired after age 60 to complete at least 5 years of service.

When plans permit normal retirement prior to age 65, they generally impose a minimum service requirement. For example, normal retirement at age 60 and 62 is available to a large number of participants, but the majority of these workers also have a service requirement, commonly 5 or 10 years. Participants who can retire with unreduced benefits prior to age 60, including those who can retire at any age, usually have to work 30 years.

Plans that require combining a worker's age and service to reach a specified sum, such as 80 or 85, for retirement with full benefits cover few participants. This type of arrangement usually specifies a minimum age. Minimum lengths of service are less common. When a plan specifies alternative age-and-service requirements for normal retirement, such as age 62 with 10 years of service or age 55 with 20 years of service, the earliest age and associated service is tabulated.

A few pension plans provide monthly payments to supplement normal retirement pension benefits. These supplements are usually found in plans where participants can retire before age 62 and generally last until retirees are eligible for Social Security benefits.

Early retirement

The vast majority of the employees participating in defined benefit pension plans can retire before normal retirement age and receive an immediate, but reduced, pension (tables 145-146). Early retirement is almost always solely at the employee's option; few plans require employer approval for early retirement benefits. The amount of an early retirement pension is reduced because benefits begin at an earlier age, and the retiree is expected to receive plan payments over a longer period.

Early retirement benefits are generally computed based on the normal retirement formula. The benefit is then reduced by a percentage (factor) for each year between the actual and normal retirement ages. If a plan's normal retirement age is 62, for example, and the reduction factor is 6 percent, a person retiring at age 59 would receive 82 percent of the normal formula amount (that is, the person loses

6 percent for every year under the normal retirement age). In addition to the 18-percent reduction for early retirement in this example, the annuity would be based on fewer years of service and possibly lower earnings than at age 62.

The reduction factor may be uniform or may vary by age or service. For example, reduction factors may differ for each year of early retirement, based on the employee's life expectancy at that age (actuarial reductions), or the reduction factor may differ for age brackets of several years instead of changing each year. Many participants with early retirement opportunities have uniform reduction factors, for example, 4 or 6 percent, for each year of early retirement. In plans with a lower uniform reduction, such as 3 percent per year, the employer subsidizes some of the early retirement benefit by making the reduction less severe than if benefits are computed actuarially.

Most employees are covered by plans permitting early retirement at age 55 or earlier, frequently with just 5 or 10 years of service.

Disability retirement

A career-ending disability may entitle an employee to a pension before retirement age. If the disability satisfies the plan's definition of total disability, pension benefits often begin immediately. When an employer provides other sources of disability income, such as long-term disability insurance, the plan might defer disability retirement benefits until the other forms of income have ceased. The vast majority of pension plan participants are covered by some type of disability retirement provision (tables 147-148).

Most full-time workers with disability retirement coverage are in plans with immediate benefits. Workers with deferred benefits often receive long-term disability insurance (LTD) benefits that typically provide 50, 60, or 67 percent of earnings at the time of disability; this frequently exceeds the amount that pension plans with immediate disability retirement provide. Furthermore, most deferred retirement benefits are greater than immediate pensions, primarily because the time during which LTD benefits are paid is typically added to an employee's length of service for computation of pension benefits. (See chapter 3 for details of LTD benefit plans.)

Eligibility for disability retirement benefits usually depends on length of service; most often 5 or 10 years are required. Some participants, however, have no age or service requirement or have to meet the qualifications of their LTD plans, which usually imposes service requirements of 6 months or less.

Vesting

Even when an employee leaves an employer before becoming eligible for either a normal, early, or disability retirement benefit, a plan may ultimately pay a pension (tables 149-150). If certain conditions are satisfied at the time of separation, workers have a vested interest in all or a por-

tion of their accrued pension benefits and may begin receiving benefits years later.

Although all State and local government pension participants are entitled to vested benefits, some variations exist as to when vesting occurs. A large majority of the participants in defined benefit pension plans have to complete 5 years of service at any age before benefits are guaranteed (cliff vesting). Most of the remaining participants are in plans requiring 10 years of service. Participants not in plans with cliff vesting generally are covered by a graduated vesting provision, which increases the portion of guaranteed benefits as years of service increase. Full vesting usually comes after 7 years.

Most commonly, participants accrue years of vested service regardless of age, although a few are affected by the plan sponsor's right to exclude years of service before a specified age in determining vesting eligibility.

Unreduced vested pension payments begin at the plan's normal retirement age, based on the benefit formula in effect when the employee left the plan. As an alternative, terminated and vested participants may receive a reduced pension prior to normal retirement age if the participant had satisfied the early retirement service requirement before leaving the plan.

Portability

When employees change employers, vested pension benefits are frequently held by the employer until the employee reaches retirement age. Alternatively, a plan may include a *portability* provision, that is, the ability to transfer years of credited service from one employer to another. Currently, only a small number of full-time employees with a defined benefit pension plan are covered by a portability provision (table 151). Nearly all of these participants were in government units covered by single employer plans offering reciprocity agreements with related government establishments. If an employee moved to a job covered by a different pension plan, benefits from the prior plan, usually in the form of years of credited service, were transferred. For example, a reciprocity agreement may exist between a plan covering State employees and plans covering employees who work for a large city within the State.

Postretirement pension increases

Inflation can severely erode the purchasing power of a fixed pension over a worker's retirement years. To guard against this, some pensions are adjusted on a discretionary basis, and others are subject to automatic increases specified in the pension plans. The Employee Benefits Survey studies automatic increases and discretionary, or ad hoc, increases granted during the 5-year period prior to the survey. Automatic postretirement adjustments (usually annual

adjustments based on CPI changes) are more common than ad hoc increases in the government sector (table 152).

Because the survey counts the number of current employees covered by defined benefit pension plans and not the number of retirees, the survey cannot specify the proportion of annuitants actually receiving postretirement pension increases. Thus, the measures discussed in this section describe the incidence of postretirement increases among active plan participants.

Most plans grant automatic increases in pension benefits to compensate for increases in the cost of living. In most instances, these cost-of-living-adjustment formulas are based on changes in the BLS Consumer Price Index. Adjustments are often restricted, however, by provisions that limit the benefit change to a portion of the CPI change or by ceilings (generally 3 percent or less) on the periodic increase that can be applied. Plans providing cost-of-living increases most often call for annual adjustments.

Ad hoc pension increases are not directly linked to a cost-of-living index. Instead, retirees' current pensions usually increase by a percent of the present benefit, commonly a uniform amount. For example, a plan may provide a 5-percent pension increase to all individuals who retired prior to the current year. Other plans may provide greater pension increases for individuals retired longer. For instance, a plan might grant a 5-percent pension increase if retired 10 years or less, and a 10-percent increase if retired more than 10 years.

Employee contributions

The employee usually pays part of the cost of defined benefit pension plans for public sector participants (table 153). For employees who have to pay part of the cost, contributions are most commonly expressed as a percent of earnings. Most participants in contributory plans pay a flat percent of all earnings, for example, 3 or 4 percent (table 154). Participants in other contributory plans often pay one rate (for example, 3 or 9 percent) on earnings above a specified level, and a lower rate (or frequently zero) below that earnings level. The annual earnings level at which this break occurs is either a flat amount stated by the plan, or the Social Security taxable wage base. Plans with varying employee contributions usually coordinate private benefits with Social Security payments, and as discussed earlier, pension benefit computation rates used in these plans are often higher on earnings above the Social Security taxable wage base.

Participation requirements

Nearly all government employees with defined benefit pension plans have coverage immediately or shortly after being hired (table 155). Service requirements in excess of 6 months or minimum age requirements are rare.

Table 130. Retirement plans: Participation in combinations of plans, full-time employees, State and local governments, 1994
(In percent)

Type of plan	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Total with defined benefit pension ...	100	100	100	100
With:				
No other plan	97	96	98	96
Savings and thrift plan	1	2	1	1
Other combinations	2	2	1	3
Total with money purchase pension .	100	100	100	100
With:				
No other plan	67	71	77	56
Defined benefit pension	29	25	23	40
Other combinations	3	4	(¹)	4

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 131. Defined benefit plans: Summary of plan provisions, full-time employees, State and local governments, 1994

Provision	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with defined benefit plan	11,708	5,115	3,185	3,408
	Percent			
Total with defined benefit plan ..	100	100	100	100
Basic provisions				
Employee contribution required	72	70	80	69
Benefits based on earnings ..	100	100	100	99
Benefits integrated with Social Security	4	3	5	4
Benefits subject to maximum ¹	24	23	22	28
Early retirement benefits available	87	85	91	85
Disability retirement benefits available	91	91	90	93
Portability provisions	28	27	37	23
Availability of lump sum benefits at retirement	11	9	16	8
Postretirement increases available	62	64	59	61
Other provisions				
Normal retirement supplement available	1	2	1	1
Early retirement supplement available	(²)	1	-	(²)
Minimum benefits provision ..	4	5	2	5
Early retirement requires employer approval	(²)	(²)	-	1
Lump-sum postretirement survivor benefits	19	20	20	17
Lump-sum preretirement survivor benefits	17	19	17	14
Full pension restored if spouse predeceases retiree	36	37	32	38
Survivor benefits for children	10	9	8	11

¹ Provisions that restrict benefits, such as limits on the number of years of service included in benefit computations.

² Less than 0.5 percent.

NOTE: Where applicable, dash indicates no employees in this category.

Table 132. Defined benefit plans: Primary formula and availability of alternative formula, full-time employees, State and local governments, 1994

Benefit formula ¹	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with defined benefit plan	11,708	5,115	3,185	3,408
	Percent			
Total with defined benefit plan ..	100	100	100	100
Percent of terminal earnings	99	100	98	99
With alternative formula	18	17	19	19
Percent of career earnings ...	(²)	(²)	2	(²)
With alternative formula	(²)	(²)	-	(²)
Dollar amount formula	(²)	(²)	-	1

¹ Alternative formulas are generally designed to provide a minimum benefit for employees with short service or low earnings.

² Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 133. Defined benefit plans: Terminal earnings formula, full-time employees, State and local governments, 1994

Item	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with terminal earnings formula ...	11,626	5,110	3,135	3,380
	Percent			
Total with terminal earnings formula	100	100	100	100
Flat percent per year of service	78	76	85	76
Less than 1.00 percent	2	1	-	6
1.00 - 1.24 percent	4	4	3	5
1.25 - 1.49 percent	3	2	4	2
1.50 - 1.74 percent	21	22	20	22
1.75 - 1.99 percent	6	8	3	6
2.00 - 2.24 percent	31	26	46	23
2.25 percent or greater	12	13	9	13
Percent per year varies	21	24	15	23
By service	18	21	12	20
By earnings	3	3	3	4
By age	(¹)	(¹)	(¹)	-
By earnings and service ...	(¹)	(¹)	(¹)	(¹)
Other	(¹)	1	-	(¹)
	Average ²			
Average flat percent per year of service	1.85	1.87	1.88	1.79

¹ Less than 0.5 percent.

² The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 134. Defined benefit plans: Definition of terminal earnings, full-time employees, State and local governments, 1994

Definition of earnings	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with terminal earnings formula ...	11,626	5,110	3,135	3,380
	Percent			
Total with terminal earnings formula	100	100	100	100
One year	6	9	1	6
Three years	61	61	65	57
Last 3	3	3	4	3
High 3	22	22	24	21
Of last 10	1	(¹)	1	1
Of career	21	20	23	19
Of other time period	1	1	1	2
High consecutive 3	35	37	36	32
Of last 10	4	3	3	5
Of career	31	33	33	26
Of other time period	(¹)	(¹)	(¹)	(¹)
Five years	20	19	21	22
Last 5	1	1	2	1
High 5	13	13	11	16
Of last 10	(¹)	(¹)	-	(¹)
Of career	13	13	11	15
Of other time period	(¹)	(¹)	1	(¹)
High consecutive 5	6	5	7	6
Of last 10	1	1	-	1
Of career	5	3	7	5
Of other time period	(¹)	1	-	(¹)
Other period ²	13	12	13	14

¹ Less than 0.5 percent.

² Formulas based on earnings during period other than 3 or 5 years' service, or period not immediately before retirement (for example, first 5 of last 10 years' service).

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 135. Defined benefit plans: Types of earnings included in earnings-based formulas, full-time employees, State and local governments, 1994

Definition of earnings	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with earnings-based formula	11,680	5,111	3,185	3,384
	Percent			
Total with earnings-based formula	100	100	100	100
Straight-time earnings only ...	95	95	99	92
Straight-time earnings plus other earnings	5	5	1	8
Overtime	4	5	1	7
Shift differentials	(¹)	(¹)	-	(¹)
Commissions	(¹)	(¹)	(¹)	(¹)
Other	(¹)	(¹)	-	(¹)

¹ Less than 0.5 percent.

NOTE: Sums of individual items may be greater than totals because more than one type of earnings may be included in this definition. Where applicable, dash indicates no employees in this category.

Table 136. Defined benefit plans: Integration with Social Security, full-time employees, State and local governments, 1994

Integration with Social Security	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with defined benefit pension	11,708	5,115	3,185	3,408
	Percent			
Total with defined benefit pension	100	100	100	100
With integrated formula	4	3	5	4
Step-rate excess ¹	3	3	3	4
Social Security breakpoint	3	3	3	4
Dollar amount breakpoint	(²)	(²)	-	(²)
Offset by Social Security ³	(²)	(²)	1	(²)
Without integrated formula	73	76	66	74
Not covered under Social Security	24	21	30	22

¹ Formula applies lower benefit rate to earnings subject to FICA (Social Security) taxes or below a specific dollar breakpoint.
² Less than 0.5 percent.
³ Benefit as calculated by formula is reduced by portion of primary Social Security payments, for example, 50 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 137. Defined benefit plans: Maximum benefit provisions,¹ full-time employees, State and local governments, 1994

Maximum benefit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with defined benefit plan	11,708	5,115	3,185	3,408
	Percent			
Total with defined benefit plan ..	100	100	100	100
Subject to maximum	24	23	22	28
Limit on years of credited service	10	8	8	14
Less than 30	1	1	-	1
30	3	2	4	2
35	1	1	-	1
36 - 39	1	(²)	1	2
40	2	2	3	1
Greater than 40	3	3	(²)	6
Other maximum ³	15	15	14	15
Not subject to maximum	76	77	78	72
	Average ⁴			
Average credited service maximum (in years)	37.3	38.0	35.1	37.9

¹ These maximum provisions are independent of Internal Revenue Code ceilings on pensions payable from defined benefit plans.
² Less than 0.5 percent.
³ The benefit yielded under the formula is limited to a percent of terminal earnings or to a flat dollar amount.
⁴ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Sums of individual items may not equal totals because some benefit formulas contain a limit on years of credited service and another maximum provision. Where applicable, dash indicates no employees in this category.

Table 138. Defined benefit plans: Postretirement survivor benefits, full-time employees, State and local governments, 1994

Survivor benefit provisions	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with defined benefit plan	11,708	5,115	3,185	3,408
	Percent			
Total with defined benefit plan ..	100	100	100	100
With postretirement survivor benefits	100	100	100	100
Joint and survivor annuity ¹	95	95	96	95
50 percent only	14	13	17	13
51 - 99 percent only	3	3	2	3
100 percent only	1	1	-	1
Retiree choice of percentages	78	78	77	79
Highest:				
51 - 99 percent	1	2	(²)	1
100 percent	77	76	77	78
Percent of unreduced accrued benefits	5	5	4	5
Other	(²)	(²)	-	(²)

¹ An annuity that provides income during the lifetime of both the retiree and the surviving spouse. The accrued pension will usually be actuarially reduced at retirement because of the longer time that payments are expected to be made. Employees and their spouses are required to waive the spouse annuity in writing if they desire a pension during the employee's lifetime only or another option offered by the plan, such as guarantee of payment for a specified period.

² Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 139. Defined benefit plans: Preretirement survivor benefits, full-time employees, State and local governments, 1994

Survivor benefit provisions	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with defined benefit plan	11,708	5,115	3,185	3,408
	Percent			
Total with defined benefit plan ..	100	100	100	100
With preretirement survivor benefits ¹	87	87	90	86
Equivalent to joint-and-survivor annuity ²	81	79	86	80
50 percent of employee's pension	37	36	42	34
Other percent of employee's pension ³	21	20	19	24
Employee choice of percent ⁴	24	24	25	22
Percent of accrued benefits	5	5	4	6
Other ⁵	1	2	(⁶)	(⁶)
No preretirement survivor benefits	13	13	10	14

¹ Survivor annuity is based upon the benefit the employee would have received if retirement had occurred on the date of death.

² The spouse annuity is computed as if the employee had retired with a joint-and-survivor annuity. That is, the accrued pension is first reduced because of the longer time that payments were expected to be made to both the retiree and the surviving spouse. The spouse's share is then the specified percent of the reduced amount.

³ Other percentages range from 51 - 100 percent of retiree's pension.

⁴ Alternative percentages were usually 50 or 100 percent.

⁵ Includes annuity based on a dollar amount formula or percent of earnings.

⁶ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 140. Defined benefit plans: Average replacement rates for specified final earnings and years of service for retirement at age 55,¹ full-time employees, State and local governments, 1994

Final annual earnings	Years of plan participation ²					
	10	15	20	25	30	35
Pension only -- participants with Social Security						
\$15,000	11.8	16.9	22.3	31.9	45.1	54.1
\$25,000	11.8	16.8	22.2	31.9	45.1	54.1
\$35,000	11.8	16.8	22.2	31.9	45.1	54.1
\$45,000	11.8	16.8	22.2	31.9	45.0	54.1
\$55,000	11.8	16.8	22.2	31.9	45.0	54.0
\$65,000	11.8	16.8	22.2	31.9	45.1	54.1
Pension only -- participants not covered under Social Security						
\$15,000	14.6	21.9	30.5	38.8	59.2	69.4
\$25,000	14.6	21.9	30.5	38.8	59.3	69.4
\$35,000	14.6	21.9	30.5	38.9	59.3	69.4
\$45,000	14.6	21.9	30.5	38.8	59.3	69.4
\$55,000	14.6	21.9	30.5	38.8	59.3	69.4
\$65,000	14.6	21.9	30.5	38.8	59.3	69.4
Pension only -- all participants						
\$15,000	12.5	18.0	24.0	33.6	48.6	57.9
\$25,000	12.5	17.9	24.0	33.6	48.6	57.9
\$35,000	12.5	17.9	24.0	33.6	48.6	57.9
\$45,000	12.5	17.9	24.0	33.6	48.6	57.9
\$55,000	12.5	17.9	24.0	33.5	48.6	57.9
\$65,000	12.5	17.9	24.0	33.6	48.6	57.9

¹ Replacement rate is defined as a pension benefit divided by earnings in the final year of work. The maximum pension available to an employee, reduced for early retirement when applicable, was calculated for each pension plan using the earnings and service assumptions shown.

These calculations assume employees retired on January 1, 1994 and final earnings are for 1993. Earnings histories, necessary for applying the pension formulas, were constructed for each final earnings

level based on data provided by the Social Security Administration. Computations exclude participants in cash account pension plans or plans with benefits based on career contributions.

² Time spent satisfying service requirements for plan participation was excluded from the calculation of replacement rates, unless the pension plan specified that such time was to be included in benefit computations.

Table 141. Defined benefit plans: Average replacement rates for specified final earnings and years of service for retirement at age 60,¹ full-time employees, State and local governments, 1994

Final annual earnings	Years of plan participation ²					
	10	15	20	25	30	35
Pension only -- participants with Social Security						
\$15,000	15.0	22.0	29.9	39.0	48.9	56.8
\$25,000	15.0	22.0	29.9	39.0	48.9	56.8
\$35,000	15.0	22.0	29.9	39.0	48.9	56.8
\$45,000	15.0	22.0	29.9	39.0	48.9	56.8
\$55,000	15.0	22.0	29.9	39.0	48.8	56.8
\$65,000	15.0	22.0	29.9	39.0	48.9	56.9
Pension only -- participants not covered under Social Security						
\$15,000	18.0	27.0	39.9	50.1	62.0	71.6
\$25,000	18.0	27.0	39.9	50.1	61.9	71.6
\$35,000	18.0	26.9	39.9	50.0	61.9	71.5
\$45,000	17.9	26.9	39.9	50.0	61.9	71.5
\$55,000	17.9	26.9	39.9	50.0	61.9	71.5
\$65,000	17.9	26.9	39.9	50.0	61.9	71.5
Pension only -- all participants						
\$15,000	15.9	23.4	32.5	41.8	52.1	60.5
\$25,000	15.8	23.3	32.5	41.8	52.1	60.5
\$35,000	15.8	23.3	32.5	41.8	52.1	60.5
\$45,000	15.8	23.3	32.5	41.8	52.1	60.5
\$55,000	15.8	23.3	32.5	41.7	52.1	60.5
\$65,000	15.8	23.3	32.5	41.8	52.2	60.5

¹ Replacement rate is defined as a pension benefit divided by earnings in the final year of work. The maximum pension available to an employee, reduced for early retirement when applicable, was calculated for each pension plan using the earnings and service assumptions shown.

These calculations assume employees retired on January 1, 1994 and final earnings are for 1993. Earnings histories, necessary for applying the pension formulas, were constructed for each final earnings

level based on data provided by the Social Security Administration. Computations exclude participants in cash account pension plans or plans with benefits based on career contributions.

² Time spent satisfying service requirements for plan participation was excluded from the calculation of replacement rates, unless the pension plan specified that such time was to be included in benefit computations.

Table 142. Defined benefit plans: Average replacement rates for specified final earnings and years of service for retirement at age 62,¹ full-time employees, State and local governments, 1994

Final annual earnings	Years of plan participation ²					
	10	15	20	25	30	35
Pension only -- participants with Social Security						
\$15,000	16.4	24.3	32.3	41.0	50.2	58.0
\$25,000	16.4	24.3	32.3	41.0	50.2	58.1
\$35,000	16.4	24.3	32.3	41.0	50.2	58.1
\$45,000	16.4	24.3	32.3	41.0	50.2	58.1
\$55,000	16.4	24.3	32.3	41.0	50.2	58.1
\$65,000	16.4	24.3	32.4	41.1	50.3	58.2
Pension plus Social Security³ -- participants with Social Security						
\$15,000	36.7	50.8	62.5	74.7	87.5	99.0
\$25,000	33.0	44.5	56.2	68.5	81.2	92.8
\$35,000	30.3	41.8	53.5	65.3	77.4	87.6
\$45,000	28.8	40.3	51.4	62.6	73.4	82.3
\$55,000	27.8	39.0	49.6	59.9	69.9	78.6
\$65,000	26.2	36.9	47.1	57.1	67.0	75.6
Pension only -- participants not covered under Social Security						
\$15,000	19.1	28.7	40.8	51.1	62.4	72.1
\$25,000	19.1	28.7	40.8	51.1	62.4	72.1
\$35,000	19.1	28.7	40.7	51.0	62.3	72.1
\$45,000	19.1	28.6	40.7	51.0	62.3	72.0
\$55,000	19.1	28.6	40.7	51.0	62.3	72.0
\$65,000	19.1	28.6	40.7	51.0	62.3	72.0
Pension only -- all participants						
\$15,000	17.1	25.3	34.3	43.4	53.1	61.4
\$25,000	17.0	25.3	34.3	43.4	53.1	61.4
\$35,000	17.0	25.3	34.3	43.4	53.1	61.4
\$45,000	17.0	25.3	34.3	43.4	53.1	61.4
\$55,000	17.0	25.3	34.3	43.4	53.1	61.4
\$65,000	17.1	25.3	34.3	43.4	53.1	61.5
Pension plus Social Security³ -- all participants⁴						
\$15,000	32.3	45.5	57.3	69.1	81.6	92.6
\$25,000	29.5	40.8	52.5	64.4	76.8	87.9
\$35,000	27.5	38.7	50.5	61.9	73.8	83.9
\$45,000	26.4	37.6	48.9	59.9	70.7	79.9
\$55,000	25.7	36.6	47.5	57.8	68.1	77.1
\$65,000	24.4	34.9	45.6	55.6	65.9	74.8

¹ Replacement rate is defined as a pension benefit divided by earnings in the final year of work. The maximum pension available to an employee, reduced for early retirement when applicable, was calculated for each pension plan using the earnings and service assumptions shown.

These calculations assume employees retired on January 1, 1994, and final earnings are for 1993. Earnings histories, necessary for applying the pension formulas, were constructed for each final earnings level based on data provided by the Social Security Administration.

For pension formulas that are integrated with Social Security and for computation of Social Security benefits, the worker is assumed to have retired at age 62 after having paid into Social Security for the same number of years as years of participation used for pension

calculations. The 20-percent reduction in Social Security benefits received at age 62 is reflected in the combined pension and Social Security replacement rates shown. Computations exclude participants in cash account pension plans or plans with benefits based on career contributions.

² Time spent satisfying service requirements for plan participation was excluded from the calculation of replacement rates, unless the pension plan specified that such time was to be included in benefit computations.

³ Excludes benefits for spouses and other dependents.

⁴ Includes participants in government units not participating in Social Security; table reflects only employer-sponsored pension benefits for these employees.

Table 143. Defined benefit plans: Average replacement rates for specified final earnings and years of service for retirement at age 65,¹ full-time employees, State and local governments, 1994

Final annual earnings	Years of plan participation ²					
	10	15	20	25	30	35
Pension only -- participants with Social Security						
\$15,000	17.3	25.6	34.1	42.6	51.0	59.0
\$25,000	17.2	25.6	34.1	42.6	51.0	59.0
\$35,000	17.2	25.6	34.1	42.6	51.0	59.0
\$45,000	17.2	25.6	34.1	42.6	51.0	59.0
\$55,000	17.2	25.6	34.1	42.6	51.0	59.0
\$65,000	17.3	25.7	34.2	42.7	51.1	59.1
Pension plus Social Security ³ -- participants with Social Security						
\$15,000	44.8	60.5	73.7	86.8	100.0	112.7
\$25,000	39.3	52.4	65.6	78.7	91.8	104.5
\$35,000	35.8	48.9	62.1	74.6	86.8	97.6
\$45,000	33.9	46.9	59.4	71.1	81.4	90.7
\$55,000	32.6	45.2	57.0	67.3	76.9	85.9
\$65,000	30.4	42.4	53.7	63.6	73.0	82.0
Pension only -- participants not covered under Social Security						
\$15,000	20.8	31.3	41.8	52.3	62.6	72.1
\$25,000	20.8	31.3	41.7	52.2	62.6	72.0
\$35,000	20.8	31.3	41.7	52.2	62.6	72.0
\$45,000	20.8	31.2	41.7	52.2	62.5	71.9
\$55,000	20.8	31.2	41.7	52.2	62.5	71.9
\$65,000	20.8	31.2	41.7	52.2	62.5	71.9
Pension only -- all participants						
\$15,000	18.1	27.0	35.9	44.9	53.8	62.1
\$25,000	18.1	27.0	35.9	44.9	53.8	62.1
\$35,000	18.1	27.0	35.9	44.9	53.8	62.1
\$45,000	18.1	26.9	35.9	44.9	53.8	62.1
\$55,000	18.1	27.0	35.9	44.9	53.8	62.1
\$65,000	18.1	27.0	36.0	44.9	53.8	62.2
Pension plus Social Security ³ -- all participants ⁴						
\$15,000	39.0	53.5	66.1	78.6	91.1	103.0
\$25,000	34.9	47.3	59.9	72.5	84.9	96.8
\$35,000	32.2	44.7	57.3	69.3	81.1	91.5
\$45,000	30.7	43.2	55.2	66.6	76.9	86.2
\$55,000	29.7	41.9	53.4	63.7	73.5	82.6
\$65,000	28.1	39.7	50.8	60.9	70.6	79.6

¹ Replacement rate is defined as a pension benefit divided by earnings in the final year of work. The maximum pension available to an employee, reduced for early retirement when applicable, was calculated for each pension plan using the earnings and service assumptions shown.

These calculations assume employees retired on January 1, 1994, and final earnings are for 1993. Earnings histories, necessary for applying the pension formulas, were constructed for each final earnings level based on data provided by the Social Security Administration.

For pension formulas that are integrated with Social Security and for computation of Social Security benefits, the worker is assumed to have retired at age 65 after having paid into Social Security for the

same number of years as years of participation used for pension calculations. Computations exclude participants in cash account pension plans or plans with benefits based on career contributions.

² Time spent satisfying service requirements for plan participation was excluded from the calculation of replacement rates, unless the pension plan specified that such time was to be included in benefit computations.

³ Excludes benefits for spouses and other dependents.

⁴ Includes participants in government units not participating in Social Security; table reflects only employer-sponsored pension benefits for these employees.

Table 144. Defined benefit plans: Requirements for normal retirement, full-time employees, State and local governments, 1994

Requirements for normal retirement ¹	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with defined benefit plan	11,708	5,115	3,185	3,408
	Percent			
Total with defined benefit plan ..	100	100	100	100
No age requirement	43	43	43	44
Less than 20 years of service	(²)	-	-	(²)
20 - 29 years of service	7	6	6	8
30 years of service	29	30	25	32
35 years of service	7	7	10	3
More than 35 years of service	1	1	2	1
Less than age 55	(²)	(²)	-	1
No service requirement	(²)	(²)	-	(²)
5 years of service	(²)	(²)	-	-
20 years of service	(²)	-	-	(²)
25 years of service	(²)	(²)	-	1
30 years of service	(²)	(²)	-	(²)
At age 55	21	19	25	22
No service requirement	1	1	(²)	2
5 years of service	2	2	(²)	5
10 years of service	(²)	-	-	(²)
20 years of service	(²)	(²)	-	1
21 - 24 years of service	(²)	-	-	(²)
25 years of service	5	5	8	4
30 years of service	11	10	14	8
More than 30 years of service	1	1	2	1
At age 56 - 59	(²)	-	-	(²)
25 years of service	(²)	-	-	(²)
At age 60	5	6	7	3
No service requirement	2	2	2	1
5 years of service	2	2	5	(²)
6 - 9 years of service	(²)	(²)	-	(²)
10 years of service	1	2	(²)	1
25 years of service	(²)	(²)	(²)	-
30 years of service	(²)	(²)	-	1

See footnotes at end of table.

Table 144. Defined benefit plans: Requirements for normal retirement, full-time employees, State and local governments, 1994 — Continued

Requirements for normal retirement ¹	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
	Percent			
At age 62	6	8	1	8
No service requirement	(²)	(²)	-	(²)
5 years of service	(²)	1	(²)	(²)
10 years of service	5	7	1	6
15 years of service	(²)	(²)	-	(²)
25 years of service	(²)	(²)	-	(²)
30 years of service	(²)	(²)	-	-
At age 63 - 64	3	5	1	3
5 years of service	3	5	1	3
At age 65	8	8	11	7
No service requirement	2	2	3	1
1 - 4 years of service	(²)	(²)	-	(²)
5 years of service	3	2	4	2
6 - 9 years of service	(²)	(²)	-	(²)
10 years of service	3	3	4	3
Sum of age plus service ³	12	12	11	12
Equals less than 80	(²)	(²)	-	(²)
Equals 80	4	4	6	3
Equals 81 - 89	1	1	(²)	2
Equals 90	4	4	4	4
Equals more than 90	2	2	2	2

¹ Normal retirement is defined as the point at which the participant could retire and immediately receive all accrued benefits by virtue of service and earnings, without reduction due to age. If a plan had alternative age and service requirements, the earliest age and associated service were tabulated; if one alternative did not specify an age, it was the requirement tabulated.

² Less than 0.5 percent.

³ In some plans, participants must also satisfy a minimum age or service requirement.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 145. Defined benefit plans: Requirements for early retirement, full-time employees, State and local governments, 1994

Requirements for early retirement ¹	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with defined benefit plan	11,708	5,115	3,185	3,408
	Percent			
Total with defined benefit plan ..	100	100	100	100
With early retirement available	87	85	91	85
No age requirement	23	23	25	21
Less than 20 years of service	7	8	4	10
20 - 29 years of service	7	8	7	5
30 years of service	8	7	13	6
Greater than 30 years of service	(²)	(²)	1	(²)
Less than age 55	17	16	13	20
5 years of service	7	9	2	9
6 - 9 years of service	(²)	(²)	-	(²)
10 years of service	1	1	1	(²)
15 years of service	1	1	2	1
20 years of service	4	2	2	8
25 years of service	1	1	1	1
30 years of service	3	2	6	1
At age 55	40	41	44	36
1 - 4 years of service	3	3	2	3
5 years of service	10	11	9	10
6 - 9 years of service	1	1	1	(²)
10 years of service	8	8	10	6
15 years of service	4	4	5	4
20 years of service	3	2	5	3
25 years of service	9	8	10	9
30 years of service	2	4	1	1
At age 60	3	3	4	3
5 years of service	(²)	(²)	-	(²)
10 years of service	1	1	-	1
20 years of service	2	2	4	2
At age 62	(²)	(²)	-	1
10 years of service	(²)	(²)	-	1
Sum of age plus service ³ ..	3	2	6	3
Equals less than 80	3	2	6	2
Equals 80	(²)	(²)	-	(²)
Early retirement not available	13	15	9	15

¹ Early retirement is defined as the point at which a worker could retire and immediately receive accrued benefits based on service and earnings but reduced for each year prior to normal retirement age. If a plan had alternative age and service requirements, the earliest age and associated service were tabulated; if one alternative did not specify an age, it was the requirement tabulated.

² Less than 0.5 percent.

³ In most plans, participants must satisfy a minimum age or service requirement.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 146. Defined benefit plans: Early retirement reduction, full-time employees, State and local governments, 1994

Early retirement reduction ¹	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with early retirement available ..	10,158	4,373	2,898	2,887
	Percent			
Total with early retirement available	100	100	100	100
Uniform percentage reduction ²	39	39	38	38
Less than 3.0	3	3	3	3
3.0	9	9	12	5
3.1 - 3.9	(³)	(³)	-	-
4.0	1	(³)	(³)	1
4.1 - 4.9	4	4	5	4
5.0	11	12	6	14
6.0	9	9	10	7
6.1 - 6.9	(³)	(³)	(³)	(³)
7.0	(³)	1	(³)	(³)
Greater than 7.0	2	2	1	2
Reduction varies	60	59	59	61
By service	4	4	5	4
By age	55	55	54	56
Reduction differs each year ⁴	35	35	37	35
Reduction differs by age bracket ⁵	20	20	17	22
Other reduction ⁶	2	1	3	1
	Average ⁷			
Average uniform reduction percentage	4.6	4.7	4.4	4.7

¹ Reduction for each year prior to normal retirement.

² In specific cases, uniform percentage reductions may approximate actuarial reductions, such as early retirement at age 55 with a reduction of 6 percent per year between age 55 and the plan's normal retirement age of 62.

³ Less than 0.5 percent.

⁴ Reduction schedule is related to actuarial assumptions of the life expectancy at age that pension payments begin.

⁵ Rate of reduction is held constant within age brackets, but differs among brackets, sometimes in approximation of an actuarial table. For example, benefits may be reduced by 6 percent for each year between age 60 and the plan's normal retirement age, and by 3 percent for each year retirement precedes age 60. Also includes some plans that reduce benefits arithmetically for each year immediately below normal retirement age and actuarially below a specified age, usually 55.

⁶ Reduced amount was not derived from normal retirement formula.

⁷ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 147. Defined benefit plans: Method of calculating disability retirement benefits, full-time employees, State and local governments, 1994

Benefit provisions	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with defined benefit plan	11,708	5,115	3,185	3,408
	Percent			
Total with defined benefit plan ..	100	100	100	100
With disability retirement available	91	91	90	93
Immediate disability retirement ¹	84	84	82	85
Unreduced normal benefits ²	42	41	39	46
Reduced normal benefits ³	10	11	8	12
Other than normal benefits ⁴	30	31	32	27
Not determinable	1	(⁵)	3	(⁵)
Deferred disability retirement	8	7	9	9
With benefits based on:				
Service when disabled	1	1	-	2
Service to retirement age	5	4	7	5
Other	1	1	2	2
Disability retirement not available	9	9	10	7

¹ Immediate disability pensions may be supplemented by additional allowances until an employee reaches a specified age or becomes eligible for Social Security.

² The disabled worker's pension is computed under the plan's normal benefit formula and is paid as if retirement had occurred on the plan's normal retirement date, either based on years of service actually completed or projected to a later date.

³ The disabled worker's pension is computed under plan's normal benefit formula, based on years of service actually completed, and then reduced for early receipt.

⁴ The disabled worker's benefit is not computed by the plan's normal benefit formula. The methods used include flat amount benefits, dollar amount formulas, percent of unreduced normal benefits less Social Security, and percent of earnings formulas both with and without Social Security offsets.

⁵ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 148. Defined benefit plans: Requirements for disability retirement, full-time employees, State and local governments, 1994

Requirements for disability retirement ¹	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with defined benefit plan	11,708	5,115	3,185	3,408
	Percent			
Total with defined benefit plan ..	100	100	100	100
With disability retirement available	91	91	90	93
No minimum requirements	7	7	7	7
No age requirement	54	52	61	50
Less than 5 years of service	2	1	2	1
5 years of service	25	24	28	25
6 - 9 years of service	(²)	(²)	-	1
10 years of service	25	25	31	21
11 - 14 years of service	1	1	-	1
15 years of service	(²)	(²)	-	1
Greater than 15 years of service	(²)	(²)	-	(²)
Ages 40 - 49	(²)	-	-	1
10 years of service	(²)	-	-	1
Age 50 or more	(²)	(²)	-	-
Greater than 10 years of service	(²)	(²)	-	-
Receipt of long-term disability insurance benefits	2	2	4	2
Minimum vesting requirement ³	28	30	19	34
Disability retirement not available	9	9	10	7

¹ If a plan had alternative age and service requirements, the earliest age and associated service were tabulated; if one alternative did not specify an age, it was the requirement tabulated.

² Less than 0.5 percent.

³ An employee may be entitled to pension benefits after satisfying vesting service requirements, usually 5 years.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 149. Defined benefit plans: Vesting requirements, full-time employees, State and local governments, 1994

Vesting requirements	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with defined benefit plan	11,708	5,115	3,185	3,408
	Percent			
Total with defined benefit plan ..	100	100	100	100
Cliff vesting ¹	100	100	100	100
With full vesting:				
At any age	100	100	100	99
Less than 5 years	5	6	3	5
5 years	47	46	49	47
6 - 9 years	5	7	2	4
10 years	43	41	46	43
More than 10 years ...	(²)	(²)	-	(²)
After specified age ³	(²)	(²)	-	(²)
6 - 9 years	(²)	(²)	-	(²)
Graduated vesting ⁴	(²)	(²)	-	(²)
With full vesting after:				
Less than 7 years	(²)	(²)	-	(²)
More than 7 years	(²)	(²)	-	(²)

¹ Under a cliff vesting schedule, an employee is not entitled to any benefits accrued under a pension plan until satisfying the requirement for 100-percent vesting (usually after 5 years).

² Less than 0.5 percent.

³ Sponsors may exclude years of service completed before age 18 from counting towards satisfaction of minimum vesting standards.

⁴ Graduated vesting schedules give an employee rights to a gradually increasing share of pension benefits determined by years of service, eventually reaching 100-percent vesting status.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 150. Defined benefit plans: Provisions for early receipt of deferred vested benefits, full-time employees, State and local governments, 1994

Receipt of deferred vested benefits	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with defined benefit plan	11,708	5,115	3,185	3,408
	Percent			
Total with defined benefit plan ..	100	100	100	100
Deferred vested benefits available prior to normal retirement age	88	87	91	88
Reduced same as early retirement	55	53	63	51
Other reduction	34	34	29	37
Actuarial reduction	33	34	29	35
Uniform percent reduction	(¹)	-	-	(¹)
Other	(¹)	-	-	1
Deferred vested benefits not available prior to normal retirement age	12	13	9	12

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 151. Defined benefit plans: Portability provisions, full-time employees, State and local governments, 1994

Portability provisions	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with defined benefit plan	11,708	5,115	3,185	3,408
	Percent			
Total with defined benefit plan ..	100	100	100	100
With portability provisions	28	27	37	23
Transfer of service credits and assets	7	7	4	10
Multi-employer plans	(¹)	-	1	-
Reciprocity with other plans/jurisdictions ...	(¹)	-	1	-
Pro rata pension paid by several funds	(¹)	-	1	-
No portability provisions	72	73	63	77

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 152. Defined benefit plans: Postretirement pension increases, full-time employees, State and local governments, 1994

Item	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with defined benefit plan	11,708	5,115	3,185	3,408
	Percent			
Total with defined benefit plan ..	100	100	100	100
With postretirement increase available ¹	62	64	59	61
Automatic cost-of-living increase ²	45	46	39	48
Other automatic increase	9	11	10	7
Discretionary increase granted to retirees in the last 5 years	13	12	18	10
No postretirement increase ..	37	34	41	38
Not determinable	1	2	(³)	1

¹ Total may exceed sum of individual items because employees may be covered by more than one type of postretirement increase.

² Based on percent rise in the CPI.

³ Less than 0.5 percent.

NOTE: Where applicable, dash indicates no employees in this category.

Table 153. Defined benefit plans: Employee contribution requirements, full-time employees, State and local governments, 1994

Employee contributions	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with defined benefit plan	11,708	5,115	3,185	3,408
	Percent			
Total with defined benefit plan ..	100	100	100	100
Employee contribution required	72	70	80	69
Pretax contribution allowed	47	41	59	44
Pretax contribution not allowed	26	29	22	25
No employee contribution required	28	30	20	31

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 154. Defined benefit plans: Amount of employee contribution, full-time employees, State and local governments, 1994

Employee contribution	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with contribution required	8,487	3,586	2,555	2,345
Percent				
Total with contribution required	100	100	100	100
Flat percent of earnings	96	96	95	96
Less than 1.00 percent	(¹)	-	-	(¹)
1.00 percent	(¹)	1	-	(¹)
1.01 - 1.99 percent	1	1	-	(¹)
2.00 percent	1	1	(¹)	1
2.01 - 2.99 percent	(¹)	-	-	(¹)
3.00 percent	11	13	7	12
3.01 - 3.99 percent	3	2	5	2
4.00 percent	3	3	2	4
4.01 - 4.99 percent	3	3	1	4
5.00 percent	12	16	8	11
5.01 - 5.99 percent	2	1	4	2
6.00 percent	17	15	17	20
6.01 - 6.99 percent	16	15	22	10
7.00 percent	3	3	4	3
7.01 - 7.99 percent	5	4	6	5
8.00 percent	10	10	11	10
Greater than 8.00 percent	10	9	8	12
Varies by earnings	(¹)	(¹)	-	(¹)
Coordinated with Social Security ²	4	4	5	3
Other	(¹)	(¹)	-	1
Average ³				
Average flat percent of earnings contribution	5.94	5.76	6.22	5.93

¹ Less than 0.5 percent.

² Based on savings above the Social Security taxable wage base.

³ The average is presented for all covered workers; averages exclude workers without the plan provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 155. Defined benefit plans: Eligibility requirements, full-time employees, State and local governments, 1994

Eligibility requirements ¹	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with defined benefit plan	11,708	5,115	3,185	3,408
Percent				
Total with defined benefit plan ..	100	100	100	100
Plan participation available to new employees	99	100	99	100
With minimum age and/or service requirement	8	10	6	8
Service requirement				
only	7	8	5	7
3 months and less	(²)	(²)	-	(²)
4 - 5 months	1	1	(²)	1
6 months	3	5	2	2
1 year	3	3	3	3
Age 20 or less	(²)	(²)	-	(²)
No service requirement	(²)	(²)	-	(²)
1 year	(²)	(²)	-	-
Age 21 ³	1	1	1	1
No service requirement	(²)	(²)	1	(²)
1 year	1	1	-	1
Age 22 and over	(²)	(²)	(²)	(²)
No service requirement	(²)	(²)	-	(²)
1 year	(²)	(²)	(²)	(²)
No minimum age or service requirement	91	90	93	92
Plan participation not available to new employees	1	(²)	1	(²)
Average ⁴				
Average service requirement (in months)	8.9	8.6	9.5	9.1

¹ Excludes administrative time lags.

² Less than 0.5 percent.

³ The Internal Revenue Code requires that nearly all plans must allow participation to full-time employees who have reached the age of 21 who have completed one year of service. Plans that provide immediate vesting of accrued benefits may require up to three years. Church plans are exempt from the Internal Revenue Code.

⁴ The average is presented for all covered workers; averages exclude workers without the service requirement provision.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Chapter 7. Defined Contribution Plans

Since 1975, when the Employee Retirement Income Security Act (ERISA) became effective, the number of participants in private defined contribution plans has risen steadily, while the number of participants in defined benefit plans has increased only slightly.²⁶ In contrast, the vast majority of employees in the government sector continue to be covered by defined benefit plans; few employees participate in defined contribution plans (table 1). Most of the State and local government participation in defined contribution plans occurs in plans which offer cash or tax-deferred options on currently taxable compensation.

Defined contribution plans generally specify the level of employer contributions to a plan, but not the formula for determining eventual benefits as in a defined benefit plan. Instead, individual accounts are set up for participants, and benefits depend on amounts credited to these accounts, plus investment earnings. Employers normally guarantee they will make contributions; employees bear the risk of fluctuation in investment earnings.

The aspects of defined contribution plans this chapter examines, include:

- Types of plans available;
- Provisions associated with several types of plans, such as contributions and distributions; and
- Features that shelter current income from taxes.

Government-sponsored defined contribution plans are designed to provide retirement benefits. Most retirement plans do not allow withdrawal of employer contributions until retirement age, death, disability, separation from service, age 59½, or hardship. For purposes of the Employee Benefits Survey, all defined contribution plans are considered retirement plans.

Plan types

Defined contribution plans in the government sector are limited to two types: money purchase pension plans and savings and thrift plans. Money purchase pension plans are the most common.

Most participants in these plans make contributions to them. In fact, a large majority of participants in money purchase pension plans are required to make contributions to the plan. In contrast, most participants in private sector money purchase pension plans have all contributions made by the employer. All savings and thrift plan participants are required to make contributions as a condition of joining the plan, with the employer matching some or all of the employee contribution.

Another type of plan frequently encountered is a tax shelter for income, or 401(k)-type plan (named after the applicable section of the Internal Revenue Code). Such plans, also known as cash or deferred arrangements, include salary reduction plans of State and local governments (section 457 plans) and public school systems (section 403(b) plans). These arrangements are often features of other defined contribution plans that give employees the opportunity to defer income and taxes into the future. Some specifics of these plans are discussed in more detail at the end of this chapter.

Money purchase pension plans

Money purchase pension plans accumulate funds through fixed contributions to accounts set up for each employee. Typically, employer contributions are a percent of employee salary, such as 6 percent per year. Most government employees covered by money purchase pension plans are also required to make contributions, usually on a pretax basis. These contributions, plus earnings, are available at retirement.

Money purchase pension plans are referred to as pension plans because they often provide a periodic payment to employees at retirement. This is accomplished by using the funds accumulated in each employee's account to purchase an annuity—often from an insurance company—that guarantees a periodic payment for life. Other payment arrangements may be available, though, including a lump sum or series of installments.

Savings and thrift plans

Savings and thrift plans with employer contributions are rare in State and local governments. Under these plans, employees may contribute a predetermined portion of earnings (usually pretax) to an account, all or part of which the employer matches. Contributions are invested in various vehicles, such as common stock funds, bonds, and money market funds, as directed by the employee or employer, de-

²⁶Data taken from U.S. Department of Labor, Pension and Welfare Benefits Administration, *Private Pension Plan Bulletin*, No. 2, Summer 1993.

pending upon the provisions of the plan. Although usually designed as a long-term savings vehicle, savings and thrift plans may allow withdrawals for specified conditions (such as medical and educational expenses) and may allow participants to borrow funds from their account. Also some savings and thrift plans allow participants to transfer or "rollover" amounts received from a plan of a former employer. Such a rollover continues the tax deferral on money that had been sheltered from taxes before the terminated employee received it.

Employee contributions. Savings and thrift plans allow employees to choose from a range of contribution rates. A plan, for example, might allow employee contributions of any amount from 6 to 18 percent of pay.

The ability to make employee contributions on a pretax basis, known as salary reduction, has, after only a few years, become a dominant feature of all savings and thrift plans. Participants in government-sponsored savings and thrift plans are usually allowed to make pretax contributions.

The tax status of employee contributions is important not only because of the current deferral of income taxes, but also because an employee may not withdraw pretax contributions from his or her account—except in limited circumstances—without tax penalties.

Employer-matching contributions. Employers give incentives for participating in a savings and thrift plan by matching all or a portion of the employee's contribution (adding this amount to the employee's account). Usually the employer matches a portion of the employee's contribution up to a specified percent of the employee's earnings. For example, an employer may match half of the employee's contribution up to the first 6 percent of earnings. Assuming the employee contributes 8 percent of earnings, the employer would add 3 percent (half of the first 6 percent of the employee's earnings) for a total contribution of 11 percent to the employee's account.²⁷

Investment decisions. Most participants in savings and thrift plans can choose how they want their own contributions invested. Investment vehicles offered by these plans include common stock funds, guaranteed investment contracts, government securities, money market funds, and long-term interest bearing securities such as corporate bonds and Treasury notes. The number of choices in these plans varies. Employees are nearly always allowed to split their contributions among the various options—typically in multiples of 10 or 25 percent. For example, a participant may choose to invest 50 percent in stock funds and 50 percent in government securities. In addition, plans often permit participants to change their investment choices periodically, such as 4 times per year.

²⁷ For more information on savings and thrift contributions and benefits, see Michael Bucci, "Contributions to Savings and Thrift Plans," *Monthly Labor Review*, November 1990, pp. 28-36.

In most cases, employees have less flexibility in how employer contributions are invested.

Withdrawals and loans. Prior to normal payout at retirement, disability, or termination of employment, most participants in government-sponsored savings and thrift plans are not allowed to withdraw all or a portion of employer contributions. As withdrawal provisions have been canceled or further restricted (typically due to the tax penalties associated with withdrawals), loan provisions (discussed later in this section) have become more available.

Participants in plans permitting withdrawal of employer contributions are only allowed access to funds for hardship or other specified reasons, such as medical or educational expenses.

Withdrawals of employer contributions may also be subject to a variety of other restrictions. For example, some participants who are allowed to make withdrawals can only withdraw part of their employer's contribution. Additionally, some who can make withdrawals have a penalty imposed if they do so. Penalties involve suspending employee contributions and employer matching contributions for a given period.

Another method of accessing an employee's account prior to final payout is a loan, the availability of which has risen steadily in recent years. Loans usually have to be repaid within 5 years, but longer payment periods may apply for home purchase or renovation loans.

Interest rates on employee loans are typically determined by a specific economic indicator (such as the prime rate or U.S. Treasury bill rate) or at the discretion of the plan sponsor. In the last case, loans for the purchase of a home are often available at lower rates than other loans.

Distribution. At retirement, savings and thrift plans virtually always allow for payout in the form of a lump sum. Many participants can also choose from among other options, such as a lifetime annuity or installments over a specified period.

Participation requirements. Minimum age and/or service requirements are often imposed on new participants in savings and thrift plans. To begin accumulating benefits, some savings and thrift plan participants must complete a minimum amount of service, commonly 1 year.

Vesting. Saving and thrift plans are subject to the same vesting rules under the Employee Retirement Income Security Act as defined benefit plans. Vesting schedules vary significantly, however, between defined benefit and savings and thrift plans. All vesting schedules apply to employer contributions; employee contributions (including pretax contributions) are always 100-percent vested.

Immediate full vesting is often provided in savings and thrift plans. In addition, graduated vesting, in which an employee's nonforfeitable percentage increases over time

until it reaches 100 percent, commonly after 5 or 7 years, applies to some participants in savings and thrift plans. In contrast, few defined benefit plan participants have either immediate full vesting or graduated vesting.

Cash or deferred arrangements

Plans with a cash or deferred arrangement provide a unique source of retirement savings. These arrangements, authorized under several sections of the Internal Revenue Code, including 401(k), 457, and 403(b), usually take the form of salary reduction plans. Salary reduction plans allow employees to contribute a part of their earnings to a retirement plan, and defer income taxes on those contribu-

tions and their earnings until distribution.²⁸ Such contributions are referred to as "employee elective deferrals" or "pretax contributions." The most frequently observed vehicle for salary reduction in the government sector is a free-standing plan, that is, a plan set up for employee salary reduction with no employer contribution. The remainder generally make salary reduction contributions through a savings and thrift plan or are required to make contributions to money purchase plans on a pretax basis.

²⁸ For 401 (k) plans with no employer contribution, participants are those workers actually making pretax contributions. For other plans, participants are those workers in plans offering cash or deferred arrangements, whether or not workers actually made pretax contributions.

Chapter 8. Flexible Benefits Plans and Reimbursement Accounts

Employers have traditionally offered their workers benefit plans in a number of areas, such as medical care, life insurance, and retirement benefits. Employees may have a choice from among a number of plans in a given benefit area. For example, an employee may be offered a choice between a traditional fee-for-service medical plan and a health maintenance organization. In recent years, new approaches to offering benefits have emerged. BLS currently collects data on two of these—flexible benefits plans and reimbursement accounts. Both arrangements are governed by Internal Revenue Code section 125.

Full-time employees in State and local governments are occasionally offered flexible benefits plans (table 156). These plans, often called cafeteria plans, allow employees to design individual benefit packages by choosing from among several types of benefits. In a flexible benefits plan, employers provide each worker with an amount of “benefits credits.” These credits may equal a fixed dollar amount for each worker, or an amount that varies among workers according to earnings, length of service, size of family, or other characteristic. The employee then chooses from various benefits and benefit levels, using credits to purchase the desired benefits. If the credits are not sufficient to pay for the benefit, employees may have the option to fund the difference with pretax contributions.

Flexible benefits plans usually provide several options, including various levels of life insurance, separate dental choices, participation in fee-for-service medical plans (with varying deductibles and out-of-pocket maximums) or in alternative medical plans (such as health maintenance organizations and preferred provider organizations), varying levels of accidental death and dismemberment insurance, and long-term disability insurance coverage. Some employees covered by flexible benefits plans may receive cash in lieu of benefits, deposit unused credits into reimbursement accounts, or choose to purchase short-term disability coverage. Participants are often required to purchase minimum levels of coverage, a basic level of life insurance, for example.

Reimbursement accounts are offered to the majority of full-time employees in State and local governments, a sub-

stantial increase over the proportions of recent years. These accounts, also called flexible spending accounts, provide funds from which employees pay for expenses not covered by their regular benefits package.

Reimbursement accounts are usually funded solely by employee pretax contributions, although some accounts may be partially funded by employers. Reimbursement accounts generally stand alone, but they may be part of a flexible benefits plan.

A large majority of State and local government employees eligible for reimbursement accounts may allocate funds for the payment of the employee’s share of health care premiums (table 157). Employees may also allocate funds for health care deductibles, coinsurances, and the cost of services not covered by their medical care plan, such as dental expenses and vision exams. Eligible employees usually may use money from these accounts to pay for dependent care expenses, generally both child care and care for elderly or disabled relatives.

Some accounts, known as premium conversion plans, are established solely to allow medical plan participants to pay required plan premiums with pretax dollars. Although such arrangements differ from the usual reimbursement accounts, where employees are reimbursed with pretax money *after* a payment is made, these arrangements nonetheless meet the Internal Revenue Code requirements for a section 125 plan.

Nearly all employees participating in flexible benefits plans or reimbursement accounts are required to contribute toward the cost of their benefits, or are allowed to contribute to obtain additional benefits. These contributions usually take the form of a salary reduction arrangement, which results in lower income tax liabilities.

Individual benefit plans offered through a flexible benefits plan are analyzed and included in the tabulations for specific benefit areas in this bulletin.²⁹

²⁹For information on flexible benefits plans in medium and large private establishments, see Joseph R. Meisenheimer and William J. Wiatrowski, “Flexible Benefits Plans: Employees Who Have a Choice,” *Monthly Labor Review*, December 1989, pp. 17-23.

Table 156. Flexible benefits plans and reimbursement accounts:¹ Type of plan, full-time employees, State and local governments, 1994

Type of plan	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with flexible benefits plans and reimbursement accounts	8,351	3,936	2,112	2,303
	Percent			
Total with flexible benefits plans and reimbursement accounts	100	100	100	100
Flexible benefits plan with reimbursement accounts	6	6	7	4
Flexible benefits plan without reimbursement account	2	1	4	1
Freestanding reimbursement account	93	93	89	95

¹ Flexible benefits plans, also known as flexible compensation and cafeteria plans, allow employees to choose between two or more benefits or benefits options in determining their individual benefits packages. Reimbursement (flexible spending) accounts, which are used to finance benefits or expenses unpaid by insurance or benefit plans, may be part of a flexible benefits program or stand alone (freestanding accounts). These accounts may be financed by the employer, employee, or both. The employee contribution is usually made through a salary reduction arrangement.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 157. Reimbursement accounts: Expenses covered, full-time employees, State and local governments, 1994

Expenses	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Number (in thousands) with reimbursement account	8,208	3,895	2,033	2,281
	Percent			
Total with reimbursement account ¹	100	100	100	100
Health premiums	77	77	83	73
Health premiums only	24	23	26	24
Other health expenses	55	55	55	54
Dependent care expenses	71	73	69	69
Legal expenses	2	3	1	2
Expenses not determinable ..	2	1	3	1

¹ Total is less than the sum of individual items because many plans allow funds to be used for multiple purposes.

NOTE: Where applicable, dash indicates no employees in this category.

Chapter 9. Benefits by Selected Characteristics

This chapter presents incidence of employee benefits for five selected characteristics—type of government (i.e., State or local) geographic region, union status, and part-time employment.

Local governments employed about 9.3 million full-time workers and State governments employed about 3.6 million full-time workers, about 72 and 28 percent, respectively) of the 12.9 million full-time workers within the 1994 EBS government survey scope. Some of the differences among paid leave benefits for the two types of governments are attributed to the greater influence of data for teachers on the local government segment (also see chapter 2). Seven out of 8 full-time government teachers were employed by local governments where they comprised about one-third of the full-time employment in local governments.

Tables 160 and 161 present, for the first time, the incidence of employee benefits for full-time employees in State and local governments by four geographic regions: Northeast, South, North Central, and West.³⁰ The incidence of benefits varied slightly among regions. State and local government employment of full-time workers by region was as follows:

Northeast.	2.7 million
South.	4.8 million
North Central.	2.8 million
West.	2.6 million

About 6.2 million full-time employees in State and local governments were covered by collective bargaining agreements. Tables 162–165 show incidence of employee benefits for full-time workers by union status.³¹

³⁰ Geographic regions are defined as follows: Northeast—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; South—Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, West Virginia; North Central—Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin; West—Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.

³¹ Occupations are categorized as union or nonunion at the time of data collection. To be categorized as union, the occupations must meet the following criteria: 1) A labor organization must be recognized as the bargaining agent for workers in the occupation; 2) wage and salary rates must be determined through collective bargaining or negotiations; and, 3) settlement terms must be embodied in a signed, mutually-binding collective bargaining agreement.

Finally, tables 166 and 167 present incidence of benefits for part-time workers in State and local governments.³² Part-time workers within the scope of the Employee Benefits Survey were far less likely to be covered by benefit plans than full-time workers. Part-time workers account for about one-eighth of the 14.9 million employees in State and local governments.

Benefits by type of government

About nine-tenths of full-time State employees received paid vacations and holidays; among local governments, about three-fifths of the full-time employees received holidays and two-thirds received vacations (table 158). This difference stemmed from the effect of teachers on the local government data. State employees were also more likely to be eligible for paid military leave. In contrast, local government employees were more likely to receive paid funeral leave and paid personal leave.

There was little variation in incidence of insurance and retirement benefits among State and local governments. As noted in chapter 7, in many instances, local government employees participated in statewide insurance and retirement plans. State government employees were more likely to have sickness and accident insurance than local government employees, but as with some of the paid leave benefits, this difference was largely due to the influence of teachers on local government data. In other insurance and retirement benefits the differences in incidence between the two types of government were slight.

State government workers were more likely to be eligible for most other surveyed benefits such as child care, wellness programs, nonproduction bonuses, education assistance, and reimbursement accounts (table 159).

Benefits by geographic region

There was no pattern in differences in benefit incidence by geographic region. Although the incidence of paid leave benefits varied by region, there was no pattern. Workers in the South were less likely to receive paid holidays, personal leave and funeral leave. In the North Central region, workers were more likely to receive pay for family leave but less likely to receive pay for military leave. There was little variation in the incidence of other paid leave benefits. Simi-

³² Employees are classified as full-time or part-time in accordance with the practices of surveyed establishments.

larly, there was little variation in the incidence of insurance and retirement coverage. The incidence of child care was highest in the Northeast, while reimbursement accounts were more prevalent in the South. Workers in the West were more likely to be eligible for education assistance. Other surveyed benefits generally varied little among geographic regions.

Benefits by union status

The incidence of benefits provided to full-time government workers varied depending on whether the workers were covered by collective bargaining agreements. There was no clear pattern to these variations, however. For example, nonunion employees were more likely to receive paid vacations while union employees were more likely to receive paid personal leave and funeral leave. Similar to the earlier comparisons of leave data for State and local government employees, many of these differences are due, at least in part, to the presence of teachers where three-fifths of the workers are covered by collective bargaining agreements.

A similar proportion of union and nonunion workers received medical care, retirement, and life insurance coverage. Union workers were more likely to receive dental and vision care than nonunion workers. Retirement benefits for nonunion workers were more likely to be in the form of defined contribution plans. Union workers, however, were almost exclusively covered by defined benefit plans.

The incidence of other benefits also varied slightly by type of benefit. Union workers were more likely to receive severance pay, child care, employee assistance programs, subsidized commuting, and educational assistance, while nonunion employees were more likely to be eligible to participate in reimbursement accounts. Incidence for other benefits were similar for union and nonunion workers.

Benefits for part-time employees

Paid time off was the most prevalent type of benefit program available to the part-time workforce. About half of all part-time employees were eligible for paid jury duty leave, two-fifths were eligible for paid sick leave, and about one-third were eligible for paid holidays, paid funeral leave, and paid military leave. Paid vacation benefits were provided to just over one-fifth of part-time workers.

When paid time-off benefits were provided to part-time employees, there were often differences between the number of days off part-time workers and full-time workers received. Part-time workers typically received either fewer days, prorated benefits based on the relationship of the part-time to the full-time work schedule, or both. For example, at 20 years of service, part-time workers with paid vacations received an average of 20 days, compared to 22 days for their full-time counterparts. The average number of paid holidays part-time workers received was 11 days, while the full-time workforce had 12 days available.

Life insurance was the most prevalent insurance benefit among part-time employees. It was available to just over one-third of the workers. Medical care was available to three-tenths of employees. In contrast, sickness and accident and long-term disability insurance was available to fewer than one-tenth of part-time employees.

Just under three-fifths of part-time workers were eligible to participate in a retirement plan. As with full-time workers, defined benefit pension plans were the most prevalent type of retirement plans.

Over two-fifths of part-time employees were eligible for employee assistance programs, about one-third had job-related education assistance, and about one-fourth were eligible to participate in reimbursement accounts and wellness programs. The incidence of most other benefits, such as child care, long-term care insurance, and educational assistance not related to the job, was rare.

Table 158. Summary: Participation¹ in selected employee benefit programs, full-time employees by type of government entity, State and local governments, 1994 (In percent)

Benefit	All employees	State employees	Local employees
Paid time off:			
Holidays	73	92	66
Vacations	66	89	57
Personal leave	38	30	41
Funeral leave	62	48	67
Jury duty leave	94	96	93
Military leave	75	95	67
Family leave	4	9	2
Unpaid time off:			
Family leave	93	91	94
Disability benefits:			
Short-term disability protection	95	95	95
Paid sick leave	94	94	94
Sickness and accident insurance	21	33	16
Long-term disability insurance	30	26	32
Survivor benefits:			
Life insurance	87	85	87
Accidental death and dismemberment	56	44	60
Survivor income benefits	2	1	2
Health care benefits:			
Medical care	87	90	86
Dental care	62	69	60
Vision care	35	43	32
Outpatient prescription drug coverage	86	97	82
Retirement income benefits:			
All retirement ²	96	96	96
Defined benefit	91	88	92
Defined contribution	9	14	7

¹ Participants are workers covered by a paid time off, insurance, or retirement plan. Employees subject to a minimum service requirement before they are eligible for benefit coverage are counted as participants even if they have not met the requirement at the time of the survey. If employees are required to pay part of the cost of a benefit, only those who elect the coverage and pay their share are counted as participants. Benefits for which the employee must pay the full premium are outside the scope of the survey. Only current employees are counted as participants; retirees are excluded.

² Includes defined benefit pension plans and defined contribution retirement plans. The total is less than the sum of the individual items because many employees participated in both types of plans.

Table 159. Other benefits: Eligibility for specified benefits, full-time employees by type of government entity, State and local governments, 1994 (In percent)

Benefit	All employees	State employees	Local employees
Income continuation plans:			
Severance pay	29	28	30
Supplemental unemployment benefits	(¹)	1	(¹)
Family benefits:			
Employer assistance for child care	9	23	3
Employer-provided funds	3	8	1
On-site child care	5	12	2
Off-site child care	2	6	1
Long-term care insurance	4	8	2
Health promotion programs:			
Wellness programs	34	53	26
Employee assistance programs	68	88	61
Miscellaneous benefits:			
Employer-subsidized recreation facilities	14	21	12
Job-related travel accident insurance ...	13	17	11
Nonproduction bonuses	34	50	28
Financial counseling	6	8	5
Subsidized commuting	7	12	5
Sabbatical leave	27	28	26
Education assistance:			
Job-related	64	90	53
Not job-related	20	40	12
Flexible benefits plans	5	5	5
Reimbursement accounts	64	89	53

¹ Less than 0.5 percent.

Table 160. Summary: Participation¹ in selected employee benefit programs, full-time employees, by geographic region, State and local governments, 1994 (In percent)

Benefit	Northeast	South	North Central	West
Paid time off:				
Holidays	79	69	74	75
Vacations	64	66	66	67
Personal leave	68	18	54	27
Funeral leave	72	49	67	70
Jury duty leave	90	94	98	93
Military leave	72	83	63	78
Family leave	5	1	11	2
Unpaid time off:				
Family leave	99	96	84	91
Disability benefits:				
Short-term disability protection	92	96	98	95
Paid sick leave	90	96	97	93
Sickness and accident insurance	26	13	22	28
Long-term disability insurance	14	24	50	36
Survivor benefits:				
Life insurance	91	89	88	77
Accidental death and dismemberment	37	68	57	49
Survivor income benefits	(²)	3	1	(²)
Health care benefits:				
Medical care	90	85	87	87
Dental care	76	45	63	79
Vision care	49	17	34	54
Outpatient prescription drug coverage	95	84	83	85
Retirement income benefits:				
All retirement ³	91	98	97	98
Defined benefit	87	91	89	96
Defined contribution	7	10	9	10
Savings and thrift	(²)	2	1	5
Money purchase pension	6	8	7	6
Cash or deferred arrangements:				
With employer contributions	5	9	6	6
No employer contributions	18	13	17	24

¹ Participants are workers covered by a paid time off, insurance, or retirement plan. Employees subject to a minimum service requirement before they are eligible for benefit coverage are counted as participants even if they have not met the requirement at the time of the survey. If employees are required to pay part of the cost of a benefit, only those who elect the coverage and pay their share are counted as participants. Benefits for which the employee must pay the full premium are

outside the scope of the survey. Only current employees are counted as participants; retirees are excluded.

² Less than 0.5 percent.

³ Includes defined benefit pension plans and defined contribution retirement plans. The total is less than the sum of the individual items because many employees participated in both types of plans.

Table 161. Other benefits: Percent of full-time employees eligible for specified benefits, by geographic region, State and local governments, 1994

Benefit	Northeast	South	North Central	West
Income continuation plans:				
Severance pay	63	12	44	11
Family benefits:				
Employer assistance for child care	16	5	9	9
Employer-provided funds	1	2	9	(¹)
On-site child care	8	3	2	6
Off-site child care	8	1	—	1
Long-term care insurance	1	3	8	4
Health promotion programs:				
Wellness programs	36	30	32	39
Employee assistance programs	72	62	69	75
Miscellaneous benefits:				
Employer-subsidized recreation facilities	14	12	16	18
Job-related travel accident insurance ...	9	8	18	20
Nonproduction bonuses	48	43	19	20
Financial counseling	7	6	4	6
Subsidized commuting	7	2	6	17
Sabbatical leave	28	25	30	24
Education assistance:				
Job-related	66	54	67	74
Not job-related	24	18	17	23
Flexible benefits plans	3	3	7	7
Reimbursement accounts	45	79	57	61

¹ Less than 0.5 percent.

Table 162. Summary: Participation¹ in selected employee benefit programs, full-time union employees, State and local governments, 1994

Benefit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees	Benefit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Paid time off:					Health care benefits:				
Holidays	74	90	33	96	Medical care	87	89	86	86
Vacations	62	84	4	95	Dental care	73	75	67	76
Personal leave	52	48	69	41	Vision care	48	55	38	52
Funeral leave	70	65	67	77	Outpatient prescription drug coverage	89	92	88	85
Jury duty leave	94	96	95	92	Retirement income benefits:				
Military leave	74	83	54	85	All retirement ²	95	95	98	94
Family leave	6	6	5	7	Defined benefit	94	92	96	93
Unpaid family leave	94	93	97	92	Defined contribution ³	4	6	3	4
Disability benefits:					Savings and thrift	1	1	1	(*)
Short-term disability protection	96	95	97	96	Money purchase pension	3	4	2	3
Paid sick leave	95	94	97	94	Cash or deferred arrangements:				
Sickness and accident insurance	25	33	10	31	With employer contributions	3	4	2	2
Long-term disability insurance	26	24	38	18	Salary reduction	1	2	1	(*)
Survivor benefits:					Savings and thrift	1	1	1	(*)
Life insurance	87	84	89	88	Money purchase pension	(*)	1	-	-
Accidental death and dismemberment	48	40	52	53	Other ⁵	2	2	2	2
Survivor income benefits	1	1	1	1	No employer contributions	21	23	20	19

¹ Participants are workers covered by a paid time off, insurance, or retirement plan. Employees subject to a minimum service requirement before they are eligible for benefit coverage are counted as participants even if they have not met the requirement at the time of the survey. If employees are required to pay part of the cost of a benefit, only those who elect the coverage and pay their share are counted as participants. Benefits for which the employee must pay the full premium are outside the scope of the survey. Only current employees are counted as participants; retirees are excluded.

² Includes defined benefit pension plans and defined contribution re-

irement plans. The total is less than the sum of the individual items because many employees participated in both types of plans.

³ Includes defined contribution plans not shown separately.

⁴ Less than 0.5 percent.

⁵ Includes required contributions made to money purchase pension plans on a pretax basis.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 163. Summary: Participation¹ in selected employee benefit programs, full-time nonunion employees, State and local governments, 1994

Benefit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees	Benefit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Paid time off:					Health care benefits:				
Holidays	73	84	32	85	Medical care	86	89	81	85
Vacations	70	83	17	85	Dental care	52	54	47	54
Personal leave	24	19	43	20	Vision care	22	25	19	20
Funeral leave	55	55	46	61	Outpatient prescription drug coverage	84	87	79	82
Jury duty leave	93	92	94	94					
Military leave	76	78	70	77	Retirement income benefits:				
Family leave	2	2	1	3	All retirement ²	97	97	96	96
Unpaid family leave	92	93	94	87	Defined benefit	88	88	88	87
Disability benefits:					Defined contribution ³	14	13	14	15
Short-term disability protection	95	94	97	95	Savings and thrift	3	3	2	3
Paid sick leave	94	92	96	94	Money purchase pension	10	9	10	12
Sickness and accident insurance	17	18	14	19					
Long-term disability insurance	33	35	35	29	Cash or deferred arrangements:				
Survivor benefits:					With employer contributions	10	10	8	14
Life insurance	87	89	80	87	Salary reduction	3	4	2	3
Accidental death and dismemberment	63	64	55	65	Savings and thrift	3	3	2	3
Survivor income benefits	2	1	4	2	Money purchase pension	(⁴)	(⁴)	1	(⁴)
					Other ⁵	7	6	6	10
					No employer contributions	14	14	14	12

¹ Participants are workers covered by a paid time off, insurance, or retirement plan. Employees subject to a minimum service requirement before they are eligible for benefit coverage are counted as participants even if they have not met the requirement at the time of the survey. If employees are required to pay part of the cost of a benefit, only those who elect the coverage and pay their share are counted as participants. Benefits for which the employee must pay the full premium are outside the scope of the survey. Only current employees are counted as participants; retirees are excluded.

² Includes defined benefit pension plans and defined contribution re-

irement plans. The total is less than the sum of the individual items because many employees participated in both types of plans.

³ Includes defined contribution plans not shown separately.

⁴ Less than 0.5 percent.

⁵ Includes required contributions made to money purchase pension plans on a pretax basis.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 164. Other benefits: Eligibility for specified benefits, full-time union employees, State and local governments, 1994

Benefit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Income continuation plans:				
Severance pay	41	33	47	43
Supplemental unemployment benefits	(¹)	(¹)	-	1
Family benefits:				
Employer assistance for child care	12	18	6	11
Employer provided funds	4	4	1	6
On-site child care	5	9	3	3
Off-site child care	3	6	(¹)	4
Long-term care insurance	2	3	1	2
Health promotion programs:				
Wellness programs	35	43	30	31
Employee assistance programs ..	75	81	58	84
Miscellaneous benefits:				
Employer-subsidized recreation facilities	14	10	22	12
Job-related travel accident insurance	15	15	14	15
Nonproduction bonuses	36	43	17	46
Financial counseling	5	5	5	4
Subsidized commuting	11	13	5	13
Sabbatical leave	29	15	67	7
Education assistance:				
Job-related	68	76	54	74
Not job-related	23	29	15	26
Flexible benefit plans	5	4	7	3
Reimbursement accounts	54	65	44	52

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 165. Other benefits: Eligibility for specified benefits, full-time nonunion employees, State and local governments, 1994

Benefit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Income continuation plans:				
Severance pay	19	22	12	18
Supplemental unemployment benefits	(¹)	(¹)	-	-
Family benefits:				
Employer assistance for child care	6	7	5	6
Employer provided funds	2	2	1	2
On-site child care	4	5	5	2
Off-site child care	1	1	-	1
Long-term care insurance	5	6	3	4
Health promotion programs:				
Wellness programs	33	35	27	33
Employee assistance programs ..	62	67	50	63
Miscellaneous benefits:				
Employer-subsidized recreation facilities	14	15	15	13
Job-related travel accident insurance	11	12	13	8
Nonproduction bonuses	33	38	17	35
Financial counseling	7	8	8	3
Subsidized commuting	3	4	2	4
Sabbatical leave	24	21	48	11
Education assistance:				
Job-related	59	65	47	57
Not job-related	17	18	16	14
Flexible benefit plans	5	5	6	3
Reimbursement accounts	73	70	81	71

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

**Table 166. Summary: Participation¹ in selected employee benefit programs, part-time employees, State and local governments, 1994
(In percent)**

Benefit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees	Benefit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Paid time off:					Health care benefits:				
Holidays	30	32	12	38	Medical care	31	43	18	27
Vacations	22	32	1	25	Dental care	27	38	13	24
Personal leave	18	18	12	23	Vision care	14	14	11	17
Funeral leave	30	31	18	35	Outpatient prescription drug coverage	29	41	20	22
Jury duty leave	51	51	32	62	Retirement income benefits:				
Military leave	32	32	18	40	All retirement ²	58	67	50	51
Family leave	1	-	-	1	Defined benefit	55	65	42	50
Unpaid family leave	62	73	37	65	Defined contribution ³	5	4	11	2
Disability benefits:					Savings and thrift	1	1	3	(⁴)
Short-term disability protection	43	45	25	50	Money purchase pension	3	2	6	1
Paid sick leave	42	44	24	50	Cash or deferred arrangements:				
Sickness and accident insurance	7	4	5	11	With employer contributions	3	2	7	1
Long-term disability insurance	8	9	8	9	Salary reduction	2	2	3	1
Survivor benefits:					Savings and thrift	1	1	3	(⁴)
Life insurance	36	46	21	33	Money purchase pension	(⁴)	1	-	1
Accidental death and dismemberment	26	34	14	23	Other ⁵	1	(⁴)	4	-
Survivor income benefits	1	-	1	2	No employer contributions	11	17	8	6

¹ Participants are workers covered by a paid time off, insurance, or retirement plan. Employees subject to a minimum service requirement before they are eligible for benefit coverage are counted as participants even if they have not met the requirement at the time of the survey. If employees are required to pay part of the cost of a benefit, only those who elect the coverage and pay their share are counted as participants. Benefits for which the employee must pay the full premium are outside the scope of the survey. Only current employees are counted as participants; retirees are excluded.

² Includes defined benefit pension plans and defined contribution re-

irement plans. The total is less than the sum of the individual items because many employees participated in both types of plans.

³ Includes defined contribution plans not shown separately.

⁴ Less than 0.5 percent.

⁵ Includes required contributions made to money purchase pension plans on a pretax basis.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table 167. Other benefits: Eligibility for specified benefits, part-time employees, State and local governments, 1994 (In percent)

Benefit	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Income continuation plans:				
Severance pay	13	12	4	19
Family benefits:				
Employer assistance for child care	6	5	8	5
Employer provided funds	1	1	3	(¹)
On-site child care	5	5	11	2
Off-site child care	2	(¹)	-	4
Long-term care insurance	1	1	-	(¹)
Health promotion programs:				
Wellness programs	23	23	28	20
Employee assistance programs ..	44	44	42	45
Miscellaneous benefits:				
Employer-subsidized recreation facilities	17	11	33	16
Job-related travel accident insurance	11	10	17	10
Nonproduction bonuses	8	8	6	11
Financial counseling	6	4	10	5
Subsidized commuting	7	4	11	8
Sabbatical leave	13	23	12	2
Education assistance:				
Job-related	35	34	38	34
Not job-related	9	7	16	6
Flexible benefit plans	3	4	3	3
Reimbursement accounts	27	26	20	32

¹ Less than 0.5 percent.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Appendix A: Technical Note

Scope of survey

The Employee Benefits Survey (EBS)—the Bureau of Labor Statistics (BLS) survey of the incidence and characteristics of employee benefit plans—is conducted jointly with the Bureau's Employment Cost Index (ECI). The two surveys cover all private-sector establishments (except farms and private households) and State and local governments. The portion of the sample from which these EBS estimates are made covers all State and local government establishments¹ in the United States.

The industrial and establishment size coverage of the EBS survey varies on a rotating basis. All surveys cover full-time and part-time workers in all 50 States and the District of Columbia. In even-numbered years, EBS data are collected for small private establishments (those employing fewer than 100 workers) and State and local governments, regardless of employment size. In odd-numbered years, data are collected in medium and large private establishments (those employing 100 workers or more).

The industrial coverage, establishment size coverage, and geographic coverage for the survey were different prior to 1990. The surveys done from 1979 to 1986 covered only medium and large private establishments and excluded most of the service industries. Establishments that employed at least 50, 100, or 250 workers, depending on the industry, were included. The survey conducted in 1987 covered State and local governments with 50 or more employees. The surveys carried out in 1988 and 1989 included all private-sector establishments that employed 100 or more workers. All surveys conducted from 1979 to 1989 excluded part-time employees and establishments in Alaska and Hawaii.

Data in appendix B indicate the estimated number of full- and part-time employees within the scope of the survey, the number of responding sample establishments, and the number of sampled (and responding) occupational quotes² within those establishments that are actually studied for each major industry division.

¹ BLS defines an establishment as an economic unit that produces goods or services (such as a factory or a store) at a single location. A government establishment may be a branch agency, for example, or a general government office.

² Data are collected individually for narrowly defined occupations that are sampled within establishments. All of the employees in the detailed occupation selected may not be surveyed. Data for a group (manageable number) of employees in the detailed occupation that included the selected employee position are collected. This group is called a quote.

Occupational groups

Each of the narrowly defined occupations selected for study is classified into one of the following three broad occupational groups:

White-collar, except teachers. Includes professional, technical, executive, administrative, managerial, clerical, administrative support, and related occupations.

Teachers. Includes all personnel in primary and secondary schools, junior colleges, colleges, and universities whose primary duty is teaching or a closely related activity, such as research and counseling. This category includes professors, lecturers, teachers, instructors, athletic coaches, department heads, librarians, and research scientists (if considered faculty).

Blue-collar and service. Includes precision production, craft, and repair occupations; machine operators and inspectors; transportation and moving occupations; handlers, equipment cleaners, helpers, and laborers; and service occupations, such as police officers and firefighters.

Excluded from the survey are self-employed persons, proprietors, major stockholders, members of a corporate board who are not otherwise officers of the corporation, volunteers, unpaid workers, family members who are paid token wages, the permanently disabled, partners in unincorporated firms, and U.S. citizens working overseas.

Benefit areas

BLS requests that sampled establishments provide data for a sample of their occupations on work schedules and details of plans in each of the following benefit areas: Paid holidays, paid vacations, paid personal leave, paid funeral leave, paid military leave, paid jury-duty leave, paid and unpaid family leave, paid sick leave, sickness and accident insurance, long-term disability insurance, medical care, dental care, vision care, life insurance, defined benefit pension plans, defined contribution plans, flexible benefit plans, and reimbursement accounts.

Data are also collected on the incidence of the following additional benefits: Severance pay, supplemental unemployment benefits, travel accident insurance, nonproduction cash bonuses, child care, eldercare, long-term care insurance, wellness programs, recreation facilities, job-related and non-job-related educational assistance, employee as-

sistance programs, financial counseling, subsidized commuting, sabbatical leave, stock option plans, stock purchase plans, and cash profit-sharing plans.

Sample design

The State Unemployment Insurance (UI) reports for the 50 States and the District of Columbia comprise the list of establishments from which the sample is selected (called the sampling frame). The sample design for this survey and the Employment Cost Index (ECI) is a 2-stage probability sample of detailed occupations. The first stage of sample selection is a probability sample of establishments; the second stage is a probability sample of occupations within those establishments.

The sample of establishments is a subset of the ECI sample that covers government establishments at the time of selection. The ECI sample is updated over a 4-year cycle. Each year, new sample establishments are introduced into the survey in selected industries, replacing previously selected sample units in those same industries. Using this procedure, the entire sample is replaced approximately every 4 years.

To ensure that the sample is representative of all establishments that began business after the various industry samples were selected, a sample of "births" (newly opened establishments) is added to the existing private industry sample each year.

The sample of establishments is selected by first stratifying the sampling frame by industry group, and then by region and establishment employment. The industry groups usually consist of 3-digit Standard Industrial Classification groups, as defined by the Office of Management and Budget.

The number of sample establishments allocated to each stratum (defined by industry) reflects the ratio of employment in the stratum to employment in all sampling frame establishments. Thus, a stratum that contains 1 percent of the total employment within the scope of the survey receives approximately 1 percent of the total sample establishments. Some industries are sampled at a higher rate than other industries because of publication requirements or highly variable data.

Each sampled establishment within an industry group (stratum) has a probability of selection proportional to its employment. For example, consider two establishments, A and B, with respective employment of 5,000 and 1,000. Establishment A is five times more likely to be selected than establishment B.

At the beginning of each visit by a Bureau field economist to a sampled establishment, a second-stage probability sample of occupations is selected from the establishment. Data are then collected for these sampled occupations. The number of occupations selected from an establishment varies from four in the smallest establishments to eight in the largest establishments. The probability of an occupation being selected is proportional to its employment size

within the establishment.

The narrowly defined occupations are based on the Standard Occupational Classification (SOC) system compiled by the Department of Commerce. These narrowly defined occupations are then classified into the three occupational groups shown in this bulletin.

Data collection

Bureau field economists visit or contact sampled establishments by telephone to collect data for the survey. To reduce the reporting burden, respondents are asked to provide documents describing their flexible benefits plans; reimbursement accounts; defined benefit pensions; defined contribution plans; medical, dental, and vision care plans; and insurance plans. BLS analyzes these plans in Washington to garner the required data on plan provisions. Data on paid leave benefits generally are obtained directly from the employer at the time of the visit.

Data calculation

Tabulations in this bulletin show the percent of all employees who receive specified benefits, such as paid holidays or medical care, as well as information on the provisions of many of these benefits. To present provision data, tabulations generally indicate the percent of all employees receiving a benefit (participants) who are covered by specified features. For example, a tabulation may show the percent of workers with medical care benefits who are covered by a health maintenance organization.

The majority of tables in the bulletin indicate the percent of employees covered by a particular benefit plan or provision. In addition, average benefit provisions—such as the average number of paid holidays per year—are presented. In some cases, tabulations indicate both the percent of employees with a given provision and the average value of that provision. For example, EBS tabulations indicate the percent of employees in fee-for-service medical care plans who must pay selected deductibles (such as \$100, \$150, and \$200 per year), as well as the average deductible. (All tabulations of averages include only those employees actually covered by the provision being averaged.)

Most tables in this bulletin also include the number of employees receiving the benefit. This provides the reader with additional information on the prevalence of various benefit plans and provisions.

Survey estimation methods

The survey design uses an estimator that assigns the inverse of each sample unit's probability of selection as a weight to the unit's data at each of the two stages of sample selection. Three weight-adjustment factors are applied to the establishment data. The first factor is introduced to account for establishment non-response, a second factor for occupational non-response, and a third poststratification factor is introduced to adjust the estimated employment totals to actual counts of the employment by industry for the

survey reference date.

The general form of the estimator for a population total Y is:

$$Y = \sum_{i=1}^{n'} \frac{f_{2i} f_{1i}}{P_i} \sum_{j=1}^{o_i} \frac{Y_{ij} f_{ij}}{P_{ij}}$$

where, n' = number of responding sample establishments;

o_i = occupation sample size selected from the i^{th} establishment;

Y_{ij} = value for the characteristics of the j^{th} selected occupation in the i^{th} selected establishment;

P_i = the probability of including the i^{th} establishment in the sample;

P_{ij} = the probability of including the j^{th} occupation in the sample of occupations from the i^{th} establishment;

f_{1i} = weight adjustment factor for nonresponse for the i^{th} establishment;

f_{ij} = weight adjustment factor for nonresponse for the j^{th} occupation in the i^{th} establishment;

f_{2i} = weight adjustment factor for poststratification totals for the i^{th} establishment.

Appropriate employment or establishment totals are used to calculate the proportion, mean, or percentage that is desired.

Reliability of estimates

The statistics in this bulletin are estimates derived from a sample of usable occupation quotes selected from the responding establishments. They are not tabulations based on data from all employees in State and local government establishments within scope of the survey. Consequently, the data are subject to sampling and nonsampling errors.

Sampling errors are the differences that can arise between results derived from a sample and those computed from observations of all units in the population being studied. When probability techniques are used to select a sample, as in the Employee Benefits Survey, statistical measures called "standard errors" can be calculated to measure possible sampling errors.

This evaluation of survey results involves forming confidence intervals that can be interpreted in the following manner: Assume that repeated random samples of the same size were drawn from a given population and an estimate of some value, such as a mean or percentage, was made from each sample. Then, the intervals described by one standard error below each sample's estimate and one standard error above would include the population's value for 68 percent of the samples. Confidence rises to 90 percent if the intervals surrounding the sample estimates are widened to plus and minus 1.6 standard errors, and to 95 percent if the intervals are increased to plus and minus 2 standard errors.

Nonsampling errors also affect survey results. They can be attributed to many sources: Inability to obtain information about all establishments in the sample; definitional difficulties; differences in the interpretation of questions; inability or unwillingness of respondents to provide correct information; mistakes in recording or coding the data; and other errors of collection, response, processing, coverage, and estimation for missing data.

Computer edits of the data and professional review of both individual and summarized data reduce the nonsampling errors in recording, coding, and processing the data. However, to the extent that the characteristics of nonrespondents are not the same as those of respondents, nonsampling errors are introduced in the development of estimates. Because the influence of these limitations on the EBS estimates is unknown, reliability measurements are incomplete.

Chart A-1. Generalized standard errors, State and local governments, 1994

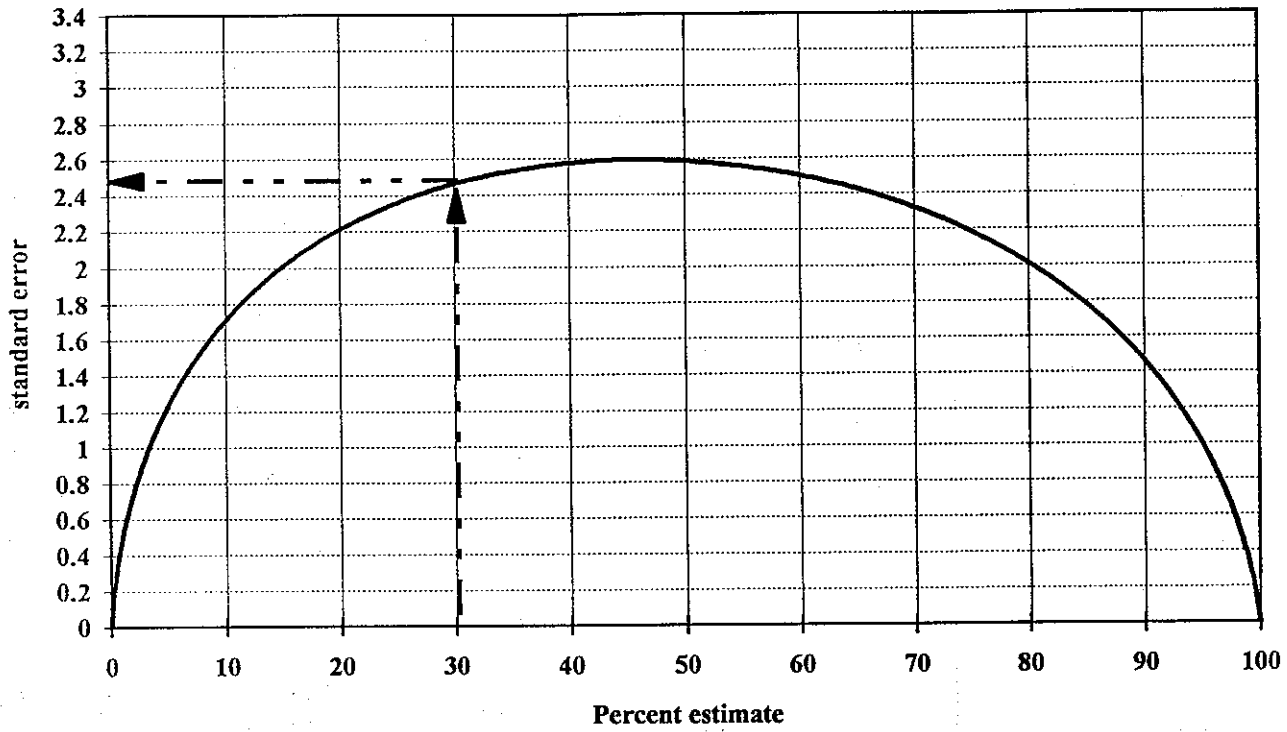


Table A.1: Number of establishments and full-time occupational quotes studied and estimated number of full-time workers within scope of survey, State and local governments, United States, 1994

Industry division ¹	Number of establishments studied	Number of occupational quotes studied ²			
		All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
All establishments	860	4,181	2,009	861	1,311
State government establishments	285	1,464	869	152	443
Local government establishments	575	2,717	1,140	709	868
Health services	62	302	209	1	92
Educational services	272	1,369	410	707	252
Public administration	241	1,046	521	1	524
Estimated number of full-time workers within scope of survey					
All establishments		12,906,955	5,712,953	3,429,146	3,764,856
State government establishments		3,646,183	2,245,505	409,414	991,264
Local government establishments		9,260,772	3,467,448	3,019,732	2,773,592
Health services		550,316	373,081	1,228	176,007
Educational services		5,341,606	1,447,350	3,017,099	877,157
Public administration		3,368,850	1,647,016	1,406	1,720,428

¹ As defined in the 1987 edition of the *Standard Industrial Classification Manual*, U.S. Office of Management and Budget. Industry data are shown for informational purposes only and are subject to larger than normal sample error. See section on reliability of estimates.

² These figures refer to all respondents to the survey, whether or

not they provided data for all items studied. See the section on survey response.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table A.2: Number of establishments and part-time occupational quotes studied and estimated number of part-time workers within scope of survey, State and local governments, United States, 1994

Industry division ¹	Number of establishments studied	Number of occupational quotes studied ²			
		All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
All establishments	860	499	196	110	193
State government establishments	285	92	44	34	14
Local government establishments	575	407	152	76	179
Health services	62	49	31	-	18
Educational services	272	273	83	76	114
Public administration	241	85	38	-	47
Estimated number of part-time workers within scope of survey					
All establishments		1,986,071	823,682	431,063	731,326
State government establishments		252,537	118,843	101,385	32,309
Local government establishments		1,733,535	704,840	329,678	699,017
Health services		86,956	58,214	-	28,742
Educational services		1,175,802	355,306	329,678	490,818
Public administration		470,776	291,320	-	179,456

¹ As defined in the 1987 edition of the *Standard Industrial Classification Manual*, U.S. Office of Management and Budget. Industry data are shown for informational purposes only and are subject to larger than normal sample error. See section on reliability of estimates.

² These figures refer to all respondents to the survey, whether or

not they provided data for all items studied. See the section on survey response.

NOTE: Because of rounding, sums of individual items may not equal totals. Where applicable, dash indicates no employees in this category.

Table A-3. Standard errors for table 9 – Paid holidays and vacations: Average number of days for full-time employees, State and local governments, 1994

Item	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Paid holidays	0.11	0.12	0.48	0.08
Paid vacation by minimum length-of-service requirement:				
After 1 year .....	.15	.19	.50	.18
After 3 years .....	.15	.16	.47	.20
After 5 years .....	.14	.14	.49	.19
After 10 years .....	.16	.18	.59	.22
After 15 years .....	.16	.19	.70	.22
After 20 years .....	.19	.20	.85	.28
After 25 years .....	.22	.22	.87	.35

Table A-4. Standard errors for table 15 – Paid vacations: Average number of days by length of service and cash-in/carryover provisions, full-time employees, State and local governments, 1994

Vacation days by minimum length-of-service requirement	All plans	Cash-in, carryover, or both	Carryover only	Cash-in only	Cash-in and carryover	No cash-in or carryover
After 1 year	0.15	0.18	0.19	0.70	0.61	0.21
After 3 years .....	.15	.16	.19	.69	.63	.15
After 5 years .....	.14	.14	.15	.47	.55	.24
After 10 years .....	.16	.15	.15	.28	.67	.34
After 15 years .....	.16	.16	.16	.50	.72	.37
After 20 years .....	.19	.18	.20	.86	.61	.51
After 25 years .....	.22	.22	.25	1.25	.64	.57

Table A-5. Standard errors for table 24 -- Paid annual sick leave: Average number of days at full pay for full-time employees, State and local governments, 1994

Sick leave policy	All employees	White-collar employees, except teachers	Teachers	Blue-collar and service employees
Paid annual sick leave days by minimum length-of-service requirement:				
After 1 year of service	0.16	0.19	0.38	0.23
After 3 years of service .....	.18	.19	.48	.27
After 5 years of service .....	.19	.18	.49	.29
After 10 years of service .....	.20	.19	.50	.31
After 15 years of service .....	.20	.20	.50	.31
After 20 years of service .....	.21	.20	.50	.33

Appendix B: Survey Response

Information on 1994 survey response

Data for the 1994 Employee Benefits Survey of State and local governments were collected from November 1993 to October 1994, reflecting an average reference period of June 1994. There were approximately 15.8 million workers in State and local governments within the scope of the survey. A sample of 1,006 government establishments was chosen from Unemployment Insurance reports with reference dates from 1986 to 1992. (A description of sampling procedures appears in appendix A.) Respondents were asked for information as of the time of the data collection contact.

The following summary is a composite of establishment responses to the survey:

<i>Establishments</i>	<i>Number</i>
In sample	1,006
Out of business and out of scope	57
Refusing to respond	89
Responding fully or partially	860

The 860 responding government establishments (tables A1-A2) yielded 4,680 occupational observations (quotes) for which data were collected.

There were four procedures used to adjust for missing data from partial and full refusals. First, imputations for the number of plan participants are made for cases in which this number is not reported (approximately 14 percent of participants in health plans, 5 percent in retirement plans, and less than 1 percent of participants in all other types of plans). Each of these participant values is imputed by selecting a similar plan from another establishment with similar employment in a similar industry. The participant rate from this selected plan is then used to approximate the number of participants for the plan that is missing a participation value.

Second, imputations for plan provisions were made when they are not available in a partially responding establishment. These plan provisions are imputed by selecting a plan from another establishment with similar characteristics. Provisions from this selected plan are then used to represent the missing data. This was necessary for about 16 percent of the participants in sickness and accident insurance plans; 10 percent of flexible benefits plan participants; 22 percent of medical, dental, and vision care participants; 18 percent of long-term disability insurance participants; 9 percent of retirement plan participants; and 7 percent of

life insurance plan participants. Imputations were done for less than 2 percent of the participants in paid leave plans.

For establishments that refuse, or are unable to provide the minimum amount of usable data, a weight adjustment is made using the sample unit employment. This technique assumes that the mean value of the nonrespondents equals the mean value of the respondents at some "detailed" cell level. These cells are defined in a manner that groups establishments together that are homogeneous with respect to the characteristics of interest. In most cases, these cells are the same as those used for sample selection.

For establishments that refuse, or are unable to provide data for a specific occupation, a similar cell approach is used to make adjustments to the sampled occupation weights in responding establishments. The characteristics of interest include the major occupation group of the unreported occupations.

The survey data do not relate to 6 percent of the estimated 15.8 million employees in the universe of State and local governments. Of these excluded employees, about 139,000 were not within the valid occupation scope of the survey. (See appendix A: Technical Note, "Occupation groups".) The remaining 790,000 excluded employees were in sampled occupations that were discontinued in their reporting government establishments after participation in the survey began. No replacement occupations were selected, nor were adjustments made to the survey estimates to reflect these missing data.

Standard errors

Chart A-1 provides standard errors for use in evaluating the estimates in the tables shown in chapters 1-9 of this bulletin containing percentage estimates. For example, table 1 shows that 30 percent of all full-time employees participated in long-term disability insurance plans in 1994. Chart A-1 shows a standard error of approximately 2.45 percent for this estimate. Thus, at the 95-percent level, the confidence interval for this estimate is 25.1 percent to 34.9 percent (30 percent plus and minus 2 times 2.45 percent).

Standard errors for tables 9, 15, and 24 could not be represented graphically. They are presented as tables A3-A5. For example, the first entry in table 24 shows an average of 13.2 days of paid sick leave annually after 1 year of service. The standard error for this estimate is 0.75 days.

Standard errors cannot be computed for tables 140-143. The data shown in these tables are projections based on

models of the plan provisions.

Charting estimates and generalized standard errors

Each estimate used in the production of the tables in this bulletin has an approximately normal distribution.

Standard errors for the percentage estimates were computed from a representative portion of the 1994 survey estimates using a method called "balanced repeated replication." Estimates are produced for each of 64 half-sample replicates, and the variability or standard error is calculated from these estimates. To simplify their presentation, a curve was fitted to the standard error estimates using regression techniques (chart A-1).

The curve's equation is:

$$S = Pe \left[a + b \{ \ln(P) \} + c \{ \ln(100 - P) \} + d \{ \ln(P) \ln(100 - P) \}^2 + e \left(\frac{I}{P} \right) \right]$$

where:

- S = standard error
- P = percentage estimate from the bulletin
- e = exponential function
- ln = natural logarithm function.

For the 1994 Employee Benefits Survey,

- a = -8.1203,
- b = -0.6878,
- c = 1.4522, d = -0.0034,
- and e = -0.0097.

These are regression coefficients. The curve fits the data with $R^2 = 0.8928$ and no definite pattern in the residuals.

The equation of the curve was obtained empirically, using the following equation:

$$S = aP^b 100 - P^c$$

Appendix C. Availability of Survey Data

The tables published in this bulletin present the major findings of the Employee Benefits Survey of State and local governments. Survey data are also available in research articles, special bulletins and reports, short publications, and electronic media.

Wiatrowski, William J. "Methods of Providing Child-care Benefits to Employees," *Compensation and Working Conditions*, May 1995, pp. 5-6.

Kramer, Natalie. "Employee Benefits for Older Workers," *Monthly Labor Review*, April 1995, pp. 21-27.

Kymn, Christine. "AIDS Provisions in Health Insurance," *Compensation and Working Conditions*, August 1994, pp. 4-7.

Bucci, Michael and Grant, Robert B. "Health Insurance: Employer Offerings and Employee Choices in Small Private Establishments," *Compensation and Working Conditions*, August 1994, pp. 1-3.

Foster, Ann C. "Employee Benefits in the United States, 1991-92," *Compensation and Working Conditions*, July 1994, pp. 1-6.

Foster, Ann C. "Portability of Pension Benefits Among Jobs," *Monthly Labor Review*, July 1994, pp. 45-50.

Wiatrowski, William J. "On the Disparity Between Private and Public Pensions," *Monthly Labor Review*, April 1994, pp. 3-9.

Scofea, Laura A. "The Development and Growth of Employer-Provided Health Insurance," *Monthly Labor Review*, March 1994, pp. 3-10.

Graham, Avy D. "Coordinating Private Pension Benefits with Social Security," *Monthly Labor Review*, March 1994, pp. 35-38.

Wiatrowski, William J. "Employee Benefits for Union and Nonunion Workers," *Monthly Labor Review*, February 1994, pp. 34-37.

Williams, Arthur C. "Health Care Plans Covering Out-patient X-ray and Lab Tests" *Monthly Labor Review*, August 1993, pp. 44-47.

Thompson, Jerline. "Incidence and Type of Disability Insurance Benefits, 1958-90," *Monthly Labor Review*, July 1993, pp. 51-53.

Bucci, Michael. "Lump-sum Benefits Available from Savings and Thrift Plans," *Monthly Labor Review*, June 1993, pp. 57-60.

Wiatrowski, William J. "Factors Affecting Retirement Income," *Monthly Labor Review*, March 1993, pp. 25-35.

Williams, Dolphene F. "Employer-Provided Retiree

Articles based on Employee Benefits Survey data are published periodically in the Bureau's *Monthly Labor Review* and *Compensation and Working Conditions*. The following is a list of recent articles:

Health Care Benefits," *Compensation and Working Conditions*, August 1993, pp. 1-4.

Special bulletins and reports focus on a single topic or combine related themes. Recent publications include:

Employee Benefits for Union and Nonunion Workers, 1991-92, Summary 94-7, July 1994.

Health Insurance: Employer Offerings and Employee Choice in State and Local Governments, 1992, Summary 94-7, September 1994.

Payouts from Employee Benefit Plans, Bulletin 2436, December 1993.

Employee Benefits in the United States, Summary 93-4, June 1993.

Employee Benefits in a Changing Economy: A BLS Chartbook, Bulletin 2394, September 1992.

Substance Abuse Provisions in Employee Benefit Plans, Bulletin 2412, August 1992.

To meet the needs of data users interested in specific benefit topics, Employee Benefits Survey data are used to prepare three series of short publications.

Understanding Employee Benefits is a popularly written series of flyers covering benefits. Recent topics include:

The Employee Benefits Survey

The Health Care Puzzle

Retirement and Capital Accumulation

Employee Benefits in Small Establishments

Benefits for the Family

Health and Substance Abuse Treatment Benefits

Issues in Labor Statistics is one of a series of BLS occasional reports that present information of current interest. Recent reports on employee benefits include:

Parental Leave Benefits Provided by Employers, Summary
93-1, March 1993.

Health Care Benefits Under Close Scrutiny, Summary
93-2, March 1993.

The public may access a wide range of Bureau of Labor Statistics data and information, including Employee Benefits Survey data, through the Bureau's World Wide Web site at: <http://stats.bls.gov/blshome.html>

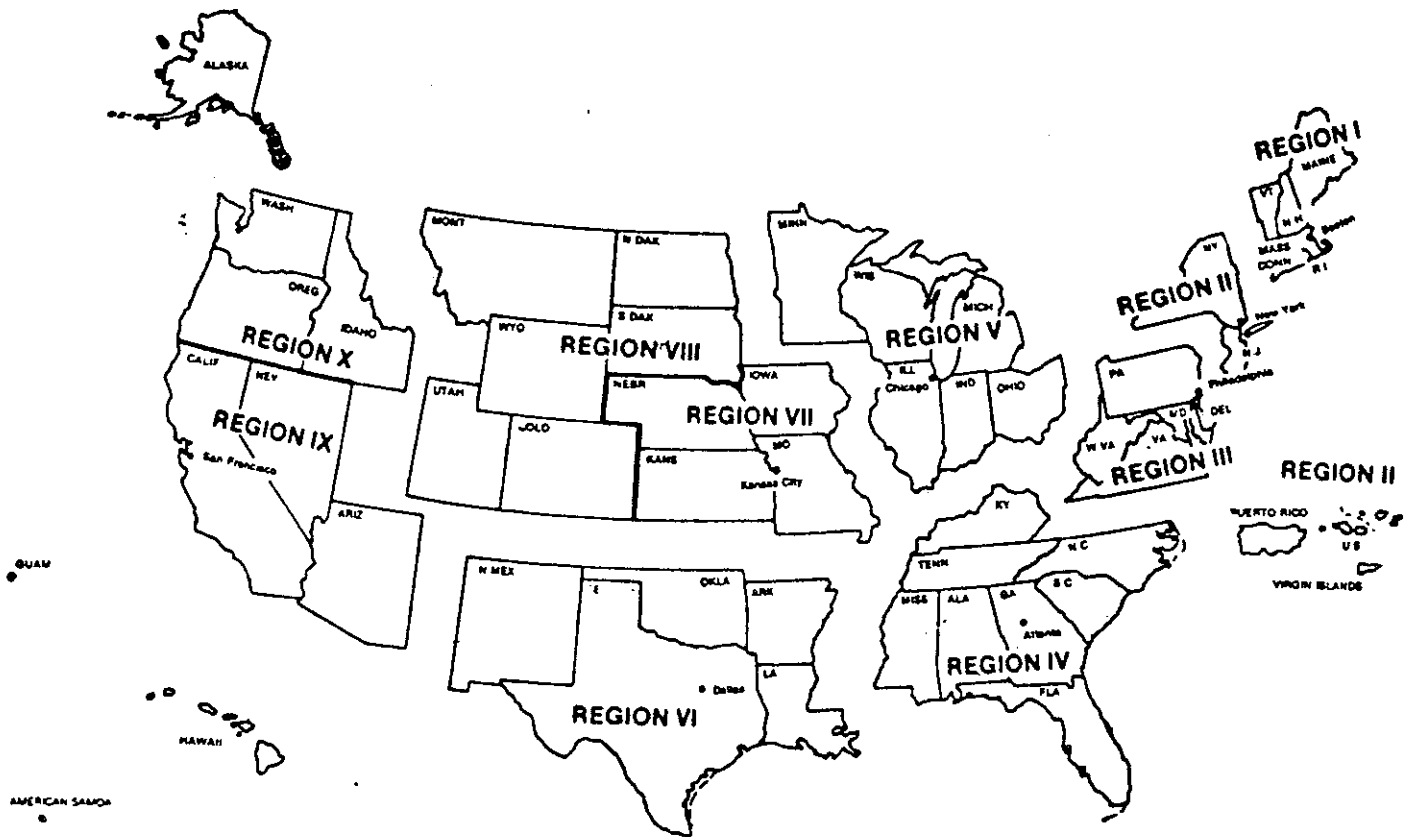
Bureau of Labor Statistics data are also accessible on the Internet through Anonymous FTP or Gopher at: stats.bls.gov

Electronic data are also available through the BLS LABSTAT on-line data service; users may access Employee Benefits Survey news releases and historical data on major benefit incidence and provisions.

More information may be obtained by writing to the Employee Benefits Survey, Bureau of Labor Statistics, 2 Massachusetts Avenue, NE., Room 4160, Washington, DC 20212-0001. Public information is also available by telephone at (202) 606-6222.

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